AGENDA

MEETING OF THE
BOARD OF DIRECTORS

WEDNESDAY, AUGUST 17, 2016
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF
DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. CONSENT CALENDAR

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.
A. **MINUTES**
The Board will be asked to approve the minutes from the July 20, 2016 Board meeting.

B. **REPORT ON GENERAL DISBURSEMENTS**
It is recommended that the Board approve the total disbursements for the month of June 2016, in the amount of $17,390,309.12.

C. **AWARD OF CONTRACT WITH CALIFORNIA STRATEGIES**
It is recommended that the Board:

1. Approve a five-year contract with California Strategies, LLC to provide state legislative consulting services, for a monthly retainer fee of $8,000, plus approved expenses; and

2. Authorize the General Manager to finalize and execute the contract.

D. **PROPOSITION 53 “CALIFORNIA VOTE ON PUBLIC BONDS INITIATIVE”**
It is recommended that the Board oppose Proposition 53, “California Vote on Public Bonds Initiative” that will appear as an initiated constitutional amendment on the November 8, 2016 ballot.

E. **RECOMMENDED POSITIONS ON STATE LEGISLATION**
It is recommended that the Board:

1. Adopt a position of “watch” for the following Bills; and
   a. SB 32 (Pavley)
   b. SB 1298 (Hertzberg)

2. Adopt a position of “oppose” for AB 2835 (Cooper)

F. **CONTRACT AWARD FOR ELECTRICAL PARTS AND SUPPLIES**
It is recommended that the Board:

1. Approve Contract No. 4600002168 for a five-year contract (two year firm-fixed price with three, one-year options to extend) for the not-to-exceed amount of $750,000 to Royal Wholesale Electric for the purchase of electrical parts and supplies; and

2. Authorize the General Manager to execute the contract.

G. **RP-2 DRYING BED REHABILITATION CONSTRUCTION CONTRACT AWARD**
It is recommended that the Board:

1. Approve the construction contract for the RP-2 Drying Bed Rehabilitation Project No. EN14012, to Ferreira Construction Co., Inc. in the amount of $193,961; and
2. Authorize the General Manager to execute the construction contract.

H. MAGNOLIA SPILLWAY REPAIR CONSTRUCTION CONTRACT AWARD
It is recommended that the Board:

1. Approve the construction contract award for the Magnolia Spillway Repair Project No. EN16132, to Genesis Construction Co. Inc., in the amount of $280,891; and

2. Authorize the General Manager to execute the construction contract.

I. RP-1 UTILITY WATER FLOW METER CONSTRUCTION CONTRACT AWARD
It is recommended that the Board:

1. Approve the construction contract award for the RP-1 Utility Flow Meter Project No. EN16051, to Ferreira Construction Co., Inc. for $127,584; and

2. Authorize the General Manager to execute the construction contract.

J. AGENCY-WIDE PUMP EFFICIENCY IMPROVEMENTS CONSTRUCTION CONTRACT AWARDS
It is recommended that the Board:

1. Approve the construction contract for the Agency-wide Sewage Pump Efficiency Improvements Project No. EN16070, to PAMCO Industries, for a not-to-exceed amount of $142,060;

2. Approve the construction contract for the Agency-wide Recycled Water Pump Efficiency Improvements Project No. EN17053, to PAMCO Industries, for a not-to-exceed amount of $466,319;

3. Approve a budget amendment for $625,000 from Project No. EN16070 in the Regional Wastewater O&M (RO) Fund, to Project No. EN17053 in the Recycled Water (WC) Fund;

4. Approve a budget transfer from capital to non-capital (O&M) within Project Nos. EN16070 and EN17053 for $25,000 each, to support non-capital expenses; and

5. Authorize the General Manager to execute the contracts and the budget amendments.
K. **HEADQUARTERS BACKUP GENERATOR CONSTRUCTION CONTRACT AWARD**

It is recommended that the Board:

1. Award the construction contract award for the Headquarters Building Backup Generator Project No. EN16055, to Davis Electric, Inc. in the amount of $178,777; and

2. Authorize the General Manager to execute the construction contract.

2. **ACTION ITEMS**

A. **ADOPTION OF RESOLUTION NO. 2016-8-1, INITIATING PROCEEDINGS FOR THE CONSOLIDATION OF THE CBWCD AND IEUA**

It is recommended that the Board adopt Resolution No. 2016-8-1, initiating proceedings for the consolidation of the Chino Basin Water Conservation District (CBWCD) and the Inland Empire Utilities Agency (IEUA).

3. **INFORMATION ITEMS**

**RECEIVE AND FILE INFORMATION ITEMS**

A. **ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**

B. **MWD UPDATE AND DROUGHT UPDATE (POWERPOINT)**

C. **TREASURER’S REPORT OF FINANCIAL AFFAIRS (WRITTEN/PPOWERPOINT)**

D. **PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

E. **LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**

F. **LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**

G. **LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**

H. **CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**

I. **FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)**

J. **STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)**

K. **PLANNING & ENVIRONMENTAL SALINITY UPDATE (POWERPOINT)**
L. CHINO BASIN WATER STORAGE AND RECOVERY (WRITTEN)

M. RP-1/RP-5 EXPANSION PRELIMINARY DESIGN REPORT (PDR) UPDATE (WRITTEN)

N. LABORATORY SEMI-ANNUAL UPDATE (POWERPOINT)

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency’s office located at 6075 Kimball Avenue, Chino, California during normal business hours.

4. AGENCY REPRESENTATIVES’ REPORTS

A. SAWPA REPORT

B. MWD REPORT (WRITTEN)

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT
   (August meeting cancelled. Next meeting scheduled for September 1, 2016.)

D. CHINO BASIN WATERMASTER REPORT

5. GENERAL MANAGER’S REPORT (WRITTEN)

6. BOARD OF DIRECTORS’ REQUESTED FUTURE AGENDA ITEMS

7. DIRECTORS’ COMMENTS

   A. CONFERENCE REPORTS

   This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

8. CLOSED SESSION

   A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
      1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
      2. Martin vs. IEUA, Case No. CIVRS 1000767
      3. Mwembu vs. IEUA, Case No. CIVDS 1415762

   B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR
      1. Supplemental Water Transfer/Purchase
         Negotiating Party: General Manager P. Joseph Grindstaff
Under Negotiation: Price and Terms of Purchase

C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
1. Three (3) Cases

9. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Declaration of Posting

1. April Woodruff, Board Secretary of the Inland Empire Utilities Agency®, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Friday, August 12, 2016.

April Woodruff
CONTRACT NUMBER: 4600002184
FOR
Agency-Wide Recycled Water Pump Efficiency Improvements, Project No. EN17053

THIS CONTRACT (the "Contract"), is made and entered into this __________ day of __________, 2016 by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter interchangeably referred to as "IEUA" and "Agency") and Pamco Machine Works, Inc., With Offices Located In Rancho Cucamonga, California (hereinafter referred to as "Contractor"), for the Agency-Wide Recycled Water Pump Efficiency Improvements, Project No. EN17053.00.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   **Project Manager:** Mr. Adham Almasri, P.E., Senior Engineer  
   **Address:** 8075 Kimball Avenue, Building "B"  
   Chino, CA 91708  
   **Telephone:** (909) 993-1462  
   **Email:** aalmasri@ieua.org

2. **CONTRACTOR ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   **Contractor:** Pamco Machine Works, Inc.  
   Mr. José Carlos, Project Manager  
   **Address:** 9359 Feron Boulevard  
   Rancho Cucamonga, CA 91736  
   **Telephone:** (909) 941-7260  
   **Email:** jose@pamcomachine.com
3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

1. Amendments to Contract number 4600002184.
2. Contract number 4600002184 General Terms and Conditions.
3. Agency's Request for Proposals (RFP) number RFP-RW-16-016 (Exhibit A) and all germane addenda, incorporated by this reference.
4. Contractor's cost proposal dated July 12, 2016 (Exhibit B).

4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the Agency's Request for Proposals (RFP) RFP-RW-16-016, attached hereto, referenced herein, and made a part hereof as Exhibit A.

5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on April 30, 2017, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION:** The Contractor shall submit once-monthly invoicing, basis materials and labor completed to-date. IEUA shall pay the Contractor's invoice within thirty (30) days following receipt of the approved invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

All invoices shall be submitted electronically with all required back-up to apgroup@ieua.org.

Contractor shall provide with their invoice certified payroll verifying that Consultant has paid prevailing wage in accordance with the Department of Industrial Relations requirements as stipulated in SB-854 [http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html].

**Effective January 1, 2015:** The call for bids and contract documents must include the following information:

A. No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

B. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
C. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a firm-fixed not-to-exceed maximum of $466,319.00 for all work satisfactorily provided hereunder in accordance with Exhibit B, referenced herein, attached hereto, and made a part hereof.

Note: All payments made shall be in accordance with the payment terms outlined in Request for Proposals (RFP) number RFP-RW-16-015.

7. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor’s sole expense, the following insurance:

A. **Minimum Scope of Insurance:**

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.

   a. The insurance shall include coverage for each of the following hazards:

   Premises – Operations
   Owners and Contractors Damage
   Broad Form Property Damage
   Contractual for Specific Contract
   Severability of Interests or Cross-Liability
   XCU [Explosion, Collapse and Underground] Hazards
   Personal Injury – with the “Employee” Exclusion Deleted

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

3. Workers’ Compensation and Employers Liability: Workers’ compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.

4. Builders Risk completed value (course of construction) is not required for this project.
5. Payment, Labor & Material, Performance Bonds and Waiver: Bonding is required, per Public Contract Code Article 121, Section 21565, for public works projects. All construction-related labor for this project is designated as the public works portion of this project and therefore subject to prevailing wage. Contractor shall furnish bonding and waiver with the use of forms attached hereto and referenced as Exhibit C.

B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the Agency), its officers, officials, employees, volunteers, property owners and engineers under contract to the Agency; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsement CG2010 1185, as respects liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. This coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

   b. The Contractor’s insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency shall be excess of the Contractor’s insurance and shall not contribute with it.

   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.
d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency for losses arising from work performed by the Contractor for the Agency.

3. Builders Risk Insurance (Course of Construction) is not required for this project.

The Agency is to be named as the loss payee.

4. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. Acceptability of Insurers: Insurance is to be placed with insurers with a Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
F. **Submittal of Certificates:** Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attn: Ms. Angela Witte, Risk Specialist  
P.O. Box 9020  
Chino Hills, California 91709-0902

8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **LEGAL RELATIONS AND RESPONSIBILITIES**

A. **Professional Responsibility:** The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. **Status of Contractor:** The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. **Observing Laws and Ordinances:** The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

Effective July 1, 2014, all Contractors must be registered with the California Dept. of Industrial Relations as required by law SB-854 for public works construction projects:


D. **Confined Space Work:**

I. Precautions and Programs:
a. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.

b. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Agency is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.

c. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

d. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

   1) All employees on the work or work site and other persons and organizations who may be affected thereby;

   2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and

   3) All other property at the site.

e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

   1) Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157. This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:

   2) A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.
f. The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

E. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

F. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

G. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

H. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

I. **Indemnification:** Contractor shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney’s fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.

J. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

K. **Equal Opportunity:** During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
L. **Disputes:**

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

   a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

   b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment
as Arbitrator. The Contractor shall, in turn, have seven (7) calendar
days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree
upon a neutral Arbitrator, the matter of selection of an Arbitrator shall
be submitted to the San Bernardino County Superior Court pursuant
to Code of Civil Procedure Section 1281.6, or its successor. The
costs of arbitration, including but not limited to reasonable attorneys'
fees, shall be recoverable by the party prevailing in the arbitration. If
this arbitration is appealed to a court pursuant to the procedure
under California Code of Civil Procedure Section 1284, et seq., or
their successor, the costs of arbitration shall also include court costs
associated with such appeals, including but not limited to reasonable
attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in
mediation or arbitration commenced by a contractor on the Project pursuant
to Public Contracts Code Sections 20104 et seq. Such joinder shall be
initiated by written notice from the Agency's representative to the
Contractor.

N. Workers' Legal Status: For performance against this Contract, Supplier shall only
utilize employees and/or subcontractors that are authorized to work in the United
States pursuant to the Immigration Reform and Control Act of 1986.

O. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the
California Labor Code, the Contractor shall not pay less than the general
prevailing wage rates, as determined by the Director of the State of California
Department of Industrial Relations for the locality in which the work is to be
performed and for each craft or type of worker needed to execute the work
contemplated under the Contract. The Contractor or any subcontractor
performing part of said work shall strictly adhere to all provisions of the
Labor Code, including, but not limited to, minimum wages, work
days, nondiscrimination, apprentices, maintenance and availability of accurate
payroll records and any other matters required under all Federal, State and local laws related to labor [ http://www.dir.ca.gov/Public-
Works/PublicWorks.html ].

10. FITNESS FOR DUTY:

A. Fitness: Consultant and its Subcontractor personnel on the Jobsite:

1. shall report for work in a manner fit to do their job;
2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. Compliance: Consultant shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

12. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. NON-CONFORMING WORK AND WARRANTY: Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and
all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.

14. **NOTICES**: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

   **Agency**: Inland Empire Utilities Agency, a Municipal Water District  
   Attn: Mr. Warren T. Green  
   Manager of Contracts and Facilities Services  
   P.O. Box 9020  
   Chino Hills, California 91709-0902

   **Contractor**: Pamco Machine Works, Inc.  
   Attn: Mr. James Wilkinson  
   President  
   9359 Feron Boulevard  
   Rancho Cucamonga, CA 91730

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

15. **SUCCESSORS AND ASSIGNS**: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

16. **INTEGRATION**: The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

17. **GOVERNING LAW**: This Contract is to be governed by and constructed in accordance with the laws of the State of California.

18. **TERMINATION FOR CONVENIENCE**: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

20. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

21. **LIQUIDATED DAMAGES:** Liquidated Damages are not applicable to this Contract.

22. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

23. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY: 
(A Municipal Water District)

PAMCO MACHINE WORKS, INC.: 

P. Joseph Grindstaff
General Manager

(Date)

James Wilkinson
President

(Date)

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Exhibit A
REQUEST FOR PROPOSALS

FOR

THE AGENCY-WIDE RECYCLED WATER PUMPS' OVERHAUL SERVICES

Project No. EN17053

RFP No. RFP-RW-16-016

June 15, 2016

Proposals Due: July 12, 2016
This Request for Proposal package includes the sections and subsections listed below. If any of these items are missing from your Request for Proposal package, please contact the individual identified on Page 1, Item C.

SECTION 1 – SUBMISSION INFORMATION
A. INTRODUCTION
B. SUBMITTAL CLOSING DATE AND TIME
C. INQUIRIES
D. PRE-PROPOSAL JOB SITE INSPECTION

SECTION 2 – GENERAL INFORMATION
A. WAITING PERIOD
B. PREVAILING WAGE
C. INSURANCE
D. PROPOSAL PREPARATION COSTS
E. PROPOSAL INCLUSIONS
F. WITHDRAWAL OF PROPOSAL BEFORE CLOSING
G. MISTAKE IN PROPOSAL
H. PROPOSAL ACCEPTANCE
I. INTERPRETATION OF DOCUMENTS
J. OFFEROR REFERENCES
K. CONTRACT EXECUTION
L. ACCEPTANCE AND PAYMENT
M. LIENS
N. FEDERAL, STATE, AND LOCAL LAWS
O. PUBLIC RECORD
P. BACKGROUND
Q. AWARD/SELECTION CRITERIA

SECTION 3 – TECHNICAL PROVISIONS
A. FACILITIES
B. PROJECT BACKGROUND
C. SCOPE OF WORK AND SERVICES

SECTION 4 – FORMS
A. PRICE SCHEDULE
B. OFFEROR IDENTIFICATION FORM
C. SUBCONTRACTORS/REFERENCES
SECTION 1 – SUBMISSION INFORMATION

A. INTRODUCTION: The Inland Empire Utilities Agency is requesting submittal of sealed proposals at the Agency’s Main Office, located at 6075 Kimball Avenue, Building “A,” Chino, California 91708, for provision of the Agency-wide Recycled Water Pumps’ Overhaul Services. The successful CONTRACTOR(S) shall furnish all labor, material, transportation, tools, supplies, equipment and appurtenances for the satisfactory completion of the pumps replacement or overhaul services assigned on a pump-by-pump basis.

B. SUBMITTAL CLOSING DATE AND TIME: Proposals will not be accepted after the closing date and time indicated below:

PROPOSAL DUE DATE AND TIME: July 12, 2016 at 2:00 p.m.

C. INQUIRIES: Inquiries regarding this solicitation should be directed in writing to:

Mr. Adham Almasri, Project Manager
E-mail: almasri@ieua.org
Cut-off date for submitting questions is July 5, 2016 2:00 P.M. Questions will be answered and uploaded to PlanetBids as an Addendum to all registered participants.

D. PROPOSAL LABELING:
The proposal shall be submitted in a sealed envelope with all the original pages intact. Proposal envelopes must be plainly marked and submitted as follows:

1. If mailing via the United States Postal Service (USPS), proposal envelopes shall be labeled as follows:

INLAND EMPIRE UTILITIES AGENCY
P.O. BOX 5020
CHINO HILLS, CALIFORNIA 91709

RE: PROPOSAL FOR THE AGENCY-WIDE RECYCLED WATER PUMPS’ OVERHAUL SERVICES – REQUEST FOR PROPOSALS No. RFP-RW-16-016

2. Proposal envelopes submitted via an express courier or personal delivery shall be labeled as follows:

INLAND EMPIRE UTILITIES AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708

RE: PROPOSAL FOR THE AGENCY-WIDE RECYCLED WATER PUMPS’ OVERHAUL SERVICES – REQUEST FOR PROPOSALS No. RFP-RW-16-016

Submission for proposals can be made either electronically on PlanetBids or hard copies to the mailing address listed above.
E. PRE-PROPOSAL JOB SITE INSPECTION

A pre-bid job site inspection will be conducted by the project manager to acquaint the Contractors with the facilities and the location of the proposed work. The Inspection will be held on June 30, 2016. All interested Offerors shall meet at 2662 E. Walnut, Ontario, CA 91761 at 10:00 a.m. prior to the start of the tour. The job site inspection will be in an area requiring the use of hard hats, which will not be furnished, consequently any Contractor or representative without a personal hard hat will not be allowed to attend.

NOTE: IT IS THE OFFEROR’S RESPONSIBILITY TO EXAMINE THIS REQUEST FOR PROPOSAL IN ITS ENTIRETY PRIOR TO SUBMITTING A PROPOSAL
SECTION 2 – GENERAL INFORMATION

A. **WAITING PERIOD:** Proposals shall be firm offers, subject to acceptance or rejection for a period of up to ninety (90) calendar days from the date of the proposal opening until proceedings are completed and an award is made. Offeror shall assume full responsibility for the effect of the waiting period on all proposal fees and terms.

B. **PREVAILING WAGE:**

Pursuant to Section 1770 and following, of the California Labor Code, the successful bidder shall not pay its employees less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. In accordance with the Labor Code, the Agency has on file a schedule of prevailing wage rates for the types of work to be done under the specifications.

The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor. The Contractor must be registered with the State of California. See Instruction to Bidders, Section B, 20. Contractor Registration Requirements.

No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public works on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Contractors can go to: [http://www.dir.ca.gov/DAS/DASForm140.pdf](http://www.dir.ca.gov/DAS/DASForm140.pdf) to obtain a DAS-140 form. Contractors can go to: [http://www.dir.ca.gov/das/DASForm142.pdf](http://www.dir.ca.gov/das/DASForm142.pdf) to obtain a DAS142 form.

C. **INSURANCE:** Offeror’s attention is directed to the insurance requirements set forth in the Sample Contract in Attachment A; and the requirement to provide with their proposal, certificates of insurance verifying the required levels of coverage, or alternatively, a letter from the Offeror’s insurance agent or corporate Risk Management Department acknowledging that the Offeror will be able to comply with all stated insurance requirements. It is highly recommended that Offerors confer with their respective insurance carriers or brokers to determine, in advance of proposal submission, the availability of insurance certificates and endorsements as prescribed herein. If a leading Offeror fails to strictly comply with the insurance requirements, that Offeror may be disqualified from receiving the award.

D. **PROPOSAL PREPARATION COSTS:** The Agency shall not be liable for any costs incurred by Offeror in the preparation, submission, or presentation of their proposals.

E. **PROPOSAL INCLUSIONS:** The Request for Proposal documents shall be returned in their entirety, with all applicable portions fully completed by the Offeror. All Offerors are encouraged to review and confirm that their proposal includes and specifically addresses each of the following proposal requirements prior to submitting a proposal.

- Price Schedule (See Section 4)
- Certificate(s) of Insurance or Letter of Compliance (To be provided by Offeror’s Insurance Carrier)
• Offeror Identification Form (See Section 4)
• Workers’ Compensation Certificate (See Section 4)
• Non-Collusion Statement (See Section 4)
• Exception Form(s)/Subcontractor/References Form (See Section 4)
• Waiver/Release of Liability Form (See Section 4) W-9

F. WITHDRAWAL OF PROPOSAL BEFORE CLOSING: Any Offeror may request withdrawal of their submitted proposal, either in person, by telephone, fax or written request, at any time prior to the scheduled proposal due date and time. Upon receiving the request to withdraw any proposal, the Agency will consider the Offeror’s proposal null and void, and return the proposal to the Offeror unopened. Withdrawal of the Offeror’s proposal will not prejudice Offeror’s resubmittal for this or any future proposal(s).

G. MISTAKE IN PROPOSAL: Any Offeror may withdraw their proposal after the proposal due date only if the Offeror can establish to the Agency’s satisfaction, that a mistake was made in preparing the proposal.

1. A Offeror declaring a mistake must provide a written notice to the Agency within five (5) calendar days after the proposal due date, specifying in detail, how the mistake occurred, and how the mistake made the proposal different than it was intended.

2. Withdrawal of the proposal will only be permitted for mistakes made in the completion of the proposal and will not be permitted for mistakes resulting from errors in judgment or carelessness in interpreting the scope of work. An Offeror who claims a mistake shall be PROHIBITED from participating in further bidding on the proposal which the mistake was claimed. (Public Contract Code 5105).

H. PROPOSAL ACCEPTANCE: The Agency reserves the right to accept or reject any or all proposals, or waive any informalities in any proposal, if such action is deemed to be in the best interest of the Agency.

I. INTERPRETATION OF DOCUMENTS: Should an Offeror find discrepancies or omissions in the specifications or the Request for Proposal, or should the Offeror be in doubt as to their interpretation, the Offeror shall notify the Contract Administrator identified in Section 1C. Should it be found necessary, a written addendum will be sent to all known prospective bidders. Any addenda issued prior to the proposal due date shall form a part of this solicitation and shall become a part of the submitted proposal.

J. OFFEROR REFERENCES: Using the References form included in Section 4, each Offeror shall provide a list of at least three references for which similar work has been performed. Include the reference names, contact persons, telephone numbers, physical addresses, e-mail addresses, and a brief description of services provided.

K. CONTRACT EXECUTION: The selected Offeror shall execute a contract of similar content and form as the example contract that appears as Attachment A at the end of this document.

L. ACCEPTANCE AND PAYMENT: Offeror’s invoice(s) shall include reference to the Contract number issued for the services, and be accompanied by detailed supporting documentation, to include information on services rendered. The Agency shall pay the Offeror’s properly executed invoice, subject to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any services which do not meet Agency Contract requirements or have proven unacceptable until such services are replaced, resubmitted, and accepted by the Project Manager.

M. LIENS: The Offeror shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Offeror on account of said Services to be furnished as a result of the Request
for Proposal, and that may be secured by any lien against the Agency.

N. **FEDERAL, STATE, AND LOCAL LAWS:** The Offeror and all subcontractors shall comply with all applicable federal, state, local laws, rules, and regulations.

O. **PUBLIC RECORD:** Be advised that all information contained in proposals submitted in response to this solicitation shall be subject to the California Public Records Act (Government Code Section 6250 et seq.), and information’s use and disclosure are governed by this Act.

Those elements in each Proposal which the Bidder considers to be trade secrets, as that term is defined in Civil Code Section 3426.1(d), or otherwise exempt by law from disclosure, should be prominently marked as “TRADE SECRET,” “CONFIDENTIAL,” OR “PROPRIETARY,” by the Bidder. The Agency will use its best efforts to inform the Offeror of any request for disclosure of any such document. The Agency shall not in any way, be liable or responsible for the disclosure of any such records including, without limitation; those so marked if disclosure is deemed to be required by law or by an order of the Court.

In the event of litigation concerning disclosure of information, the Bidder considers exempt from disclosure, the Agency will act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If the Agency is required to defend an action arising out of a Public Records Act request, for any of the contents of a Bidder’s proposal marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” Bidder shall defend and indemnify Agency from any and all liability, damages, costs, and expense, including attorneys’ fee, in any action or proceeding arising under the Public Records Act.

To insure confidentiality, Offerors are instructed to enclose all “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” data in separate sealed envelopes, which are then included with Proposal documents. Because the Proposal documents are available for review by any person following the Proposal opening, and during the Proposal review period, and after an award of a contract resulting from a Request for Proposal, the Agency shall not in any way be held responsible for disclosure of any “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” documents that are not contained in labeled and sealed envelopes.

P. **BACKGROUND:** The Agency is a regional wastewater treatment agency that provides sewage treatment to the southwest end of San Bernardino County. Additionally, the Agency serves as a supplemental source of potable water and reclaimed water to the same geographic area. The Agency was incorporated in June 1950, under the Municipal Water District Act of 1911, as a municipal corporation. The Agency’s service area encompasses approximately 242 square miles, including the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland. Also included are miscellaneous unincorporated areas of western San Bernardino County, including remnants of the San Bernardino Agricultural Preserve, a large industrial corridor between the cities of Fontana and Rancho Cucamonga and the State of California’s correctional facilities at the California Institute for Men and Women. Currently, the Agency provides wastewater collection and treatment service and recycled water distribution to seven contract customers.

The Agency currently owns and operates five wastewater reclamation treatment plants. These plants include Regional Water Recycling Plant No. 1 (RP-1), located in the City of Ontario; Regional Water Recycling Plant No. 2 (RP-2), located in the City of Chino; Regional Water Recycling Plant No. 4 (RP-4), located in the City of Rancho Cucamonga; Carbon Canyon Water Reclamation Facility (CCWRF), which is also located in the City of Chino; and Regional Water Recycling Plant No. 5 (RP-5), which is also located in the City of Chino.

Q. **AWARD/SELECTION CRITERIA:** The following criteria will be used in the rating process for selection of an Offeror to provide the required services.

- Proposed prices under Section 4.
- Capability, resources, key personnel and qualifications for handling all aspects of the work, including but not limited to, Offeror's availability, resources, and ability to meet and complete services.
- Office location of personnel providing the services.
- Ability to commence work immediately upon execution of the contract and complete the required work within the allocated project schedule.
- Thoroughness of the Offeror's proposal.

Experience of the firm, past record of performance in providing same or similar services including the factors of timely response and assistance. Reference at least three public agencies in the past three years where these similar services have been provided.

TERM OF CONTRACT: The Agency is hereby soliciting the services of an Offeror to perform testing and then provide overhaul services and/or replacement of seven (7) recycled water pumps and their associated motors during the period, from August 17, 2016 through April 30, 2017. Overhauling the pump(s) and motors shall be conducted under multiple task orders after the Agency accepts an offered price and terms by the offeror post the completion of the pump(s) and motor(s) inspection and condition assessment.
SECTION 3 – TECHNICAL PROVISIONS

A. FACILITIES

Regional Water Recycling Plant #1

Regional Water Recycling Plant No.1 (RP-1) is located in the city of Ontario and has been in operation since 1948. The plant has undergone several expansions to increase the design hydraulic domestic sewage (wastewater) treatment capacity to 44 million gallons per day. The plant serves areas of Chino, Fontana, Montclair, Ontario, Rancho Cucamonga, Upland, and solids removed from RP-4, located in Rancho Cucamonga. The plant treats an average influent wastewater flow of approximately 28 million gallons per day. The plant is broken into two separate treatment sections: liquids and solids.

The liquid treatment section consists of preliminary screening and grit removal, primary clarification, secondary treatment by aeration basins and clarification, tertiary treatment by filtration and disinfection, and dechlorination. Wastewater liquid is treated to California Department of Public Health Title 22 Code of Regulations standards for disinfected tertiary recycled water. The solids treatment section begins with thickening the solids removed from the primary and secondary clarification processes. The thickened solids are pumped to anaerobic digestion and then to the centrifuges for dewatering. Wastewater solids are digested to a minimum Class B biosolids standard, as defined by the United States Environmental Protection Agency Code of Federal Regulations. After dewatering, the biosolids are hauled to the Inland Empire Regional Composting Facility (IERCF) in the City of Rancho Cucamonga for further treatment to produce Class A compost.

Regional Water Recycling Plant #4

Regional Water Recycling Plant No.4 (RP-4) is located in the city of Rancho Cucamonga and has been in operation since 1997. The plant has undergone an expansion to increase the design hydraulic domestic sewage (wastewater) treatment capacity to 14 million gallons per day. The plant serves areas of Fontana, Rancho Cucamonga, and San Bernardino County. The plant treats the liquid portion of an average influent wastewater flow of approximately 10 million gallons per day.

The liquid treatment section consists of preliminary screening and grit removal, primary clarification, secondary treatment by aeration basins and clarification, tertiary treatment by filtration and disinfection. Wastewater liquid is treated to California Department of Public Health Title 22 Code of Regulations standards for disinfected tertiary recycled water. The solids removed from RP-4 are conveyed by gravity through the regional sewer system to the influent of RP-1 for thickening, anaerobic digestion, and dewatering.

The scope of work under this proposal shall include a comprehensive factory inspection of seven (7) existing recycled water pumps and motors and provide a written report relative to the findings and recommendations of either overhauling the pump(s) and motor(s) to restore them to the OEM specifications or replacing them in kind to achieve 72% pump efficiency. Refer to Item C under Section 3 for a detailed scope of work. Upon the approval of an offered price by the offeror based on their recommendations, the offeror shall provide the overhaul and/or replacement services.

The recycled water pumps below were previously tested previously by Southern California Edison (SCE) and it was determined that their operational efficiencies are below the expected levels.
Table 1: Pump List

<table>
<thead>
<tr>
<th>Pump Number</th>
<th>Pump Location</th>
<th>No. of HP</th>
<th>Pump Make</th>
<th>Pump Model</th>
<th>Pump Serial</th>
<th>Pump Serial</th>
<th>Pump Serial</th>
<th>Pump Serial</th>
<th>Pump Serial</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP-1 RW 930 PZ Pump No. 1</td>
<td>2450 E Philadelphia St, Ontario, Ca</td>
<td>TB</td>
<td>150</td>
<td>Peerless</td>
<td>713385-J</td>
<td>14 MD</td>
<td>2005</td>
<td>56</td>
<td>05/19/2015</td>
</tr>
<tr>
<td>RP-1 RW 930 PZ Pump No. 2</td>
<td>2450 E Philadelphia St, Ontario, Ca</td>
<td>TB</td>
<td>150</td>
<td>Peerless</td>
<td>713385-B</td>
<td>14 MD</td>
<td>2005</td>
<td>51</td>
<td>05/19/2015</td>
</tr>
<tr>
<td>RP-1 RW 930 PZ Pump No. 3</td>
<td>2450 E Philadelphia St, Ontario, Ca</td>
<td>TB</td>
<td>150</td>
<td>Peerless</td>
<td>713385-C</td>
<td>14 MD</td>
<td>2005</td>
<td>55</td>
<td>05/19/2015</td>
</tr>
<tr>
<td>RP-1 RW 1050 PZ Pump No. 1</td>
<td>2450 E Philadelphia St, Ontario, Ca</td>
<td>TB</td>
<td>350</td>
<td>Peerless</td>
<td>619639B</td>
<td>16 HXB</td>
<td>2002</td>
<td>63</td>
<td>05/19/2015</td>
</tr>
<tr>
<td>RP-1 RW 1050 PZ Pump No. 2</td>
<td>2450 E Philadelphia St, Ontario, Ca</td>
<td>TB</td>
<td>350</td>
<td>Peerless</td>
<td>619639C</td>
<td>16 HXB</td>
<td>2002</td>
<td>61</td>
<td>05/19/2015</td>
</tr>
<tr>
<td>RP4 RW 1299 PZ Pump No. 1 (7421)</td>
<td>12810 6th St Rancho Cucamonga, Ca</td>
<td>CB</td>
<td>350</td>
<td>Flowserve</td>
<td>1207-2642G</td>
<td>10LR-18A/15.00 SF</td>
<td>2006</td>
<td>65</td>
<td>06/09/2015</td>
</tr>
<tr>
<td>RP4 RW 1299 PZ Pump No. 2 (7424)</td>
<td>12810 6th St Rancho Cucamonga, Ca</td>
<td>CB</td>
<td>350</td>
<td>Flowserve</td>
<td>1207-2642D</td>
<td>10LR-18A/15.00 SF</td>
<td>2006</td>
<td>63</td>
<td>06/09/2015</td>
</tr>
</tbody>
</table>

Refer to Attachment B, C and E for the pumps' vicinity map, pump curves and pumps pictures. In addition, please refer to Attachment D for the results of the past efficiency test conducted on the subject pumps.

B. PROJECT BACKGROUND

IEUA Staff has been working with The Energy Network (TEN) and the Water Infrastructure and System Efficiency (WISE) Program to aid the agency in energy efficiency projects since early 2015. The Energy Network program is implemented by The Energy Coalition, administered by the Los Angeles County and funded by California utility rate payers. TEN is under the auspices of the California Public Utilities Commission (CPUC) to help eligible (in Southern California Edison and Southern California Gas territory) public agencies to reach energy savings. The WISE Program, which is implemented by Linus, Inc. and administered by Southern California Edison (SCE), is also rate payer funded which provides water-energy solutions for all major areas of water (e.g., pumping, water treatment, water distribution, and waste water treatment) throughout SCE's territory.

An audit was completed to identify energy efficiency opportunities that have the potential to reduce total electricity usage and costs annually. The project to overhaul the seven (7) recycled water pumps and/or their motors was qualified to reduce electricity usage.

The request for proposal is hereby being advertised to select a pre-qualified offeror to perform testing and then overhauling or replacement of specific low-efficiency recycled water pumps and/or motors to meet the goal of improving the overall pumps' efficiencies.

C. SCOPE OF WORK AND SERVICES: The Offeror services and responsibilities shall be in accordance with the following:

All required work and services shall be documented through the Agency's web based document tracking system named Capital Improvement Program Office (CIPO); no services shall be provided by the Offeror prior to receiving an executed task order from the Agency authorizing the Offeror to proceed with performing the respective work/services indicated in this Request.

To assure that contemporaneous document control is maintained via CIPO all documents and records of construction inspection, materials and testing correspondence will be sent through CIPO. To access CIPO, the Consultant will be required at their expense to have:

- A workstation supporting a web browser which must be one of: (A) Microsoft Internet Explorer (9) or later, (B) Mozilla Firefox@ 3.0, (C) Google Chrome 2.0 or (D) Apple Safari 3.0 or later.
- A broadband internet connection with sufficient bandwidth and quality to allow trouble-free
browsing and data uploading and downloading.

* A workstation based, commercially available and proven anti-virus program.

The successful Offeror will be selected based on their qualification, price schedule and full compliance with all the requirements outlined in this RFP. The successful proposer once contracted directly with IEUA shall provide the followings:

1) Conduct a field inspection of the all seven pumps and their associated motors.
2) Pull, inspect and re-install all seven pumps and motors. Before re-installation of each pump and motor, the recommended overhaul and/or replacement services must be authorized by IEUA and completed by the Offeror. After re-installation of each pump, the contractor is required to verify the functionality of each re-installed pump and motor after inspection.
3) Provide a written report of the inspections findings. The report shall outline the components of the pumps to be overhauled and their corresponding pricing including material, tools, equipment, labor, transportation, disposal fees and mark-ups. If overhauling services are recommended and authorized, the overhaul must be performed so that the pump operation is restored to the Original Equipment Manufacturer (OEM) specifications.
4) If the findings are to replace the pump(s) and/or the motor(s) in kind or with the most current model by the same manufacturer the offeror shall provide a pricing proposal to provide materials, tools, equipment, labor, transportation, disposal fees and mark-ups to remove existing pump(s), install new pump(s), and start-up the new pump(s). The new pump(s) and motor(s) shall have a documented operational efficiency of no less than 72%.
5) For all work (overhaul or replacement), the offeror shall provide a written one-year warranty on material and equipment.
6) In case any of the pumps need to be replaced, a factory witness test shall be conducted with the presence of one IEUA personnel. All cost associated with the factory witness test shall be borne by the offeror.
7) The offeror shall provide at least a two-week notice to the Agency prior to removing any of the pumps.
8) No work on overhauling or replacing the pumps or motors may start, until a notice to proceed and a task order is issued (for each pump separately) by IEUA. The Agency reserves the right to not pursue the work if the offered price to overhauls or replace any of the pumps is not merited. In addition, the Agency may ask the offeror for a best and final offer prior to executing a task order corresponding to the work associated with each pump and motor. The Offeror shall submit all invoices within five (5) business days after the completion award.

The Agency-wide Recycled Water Pumps’ Overhaul Services will be broken down into three (3) phases to prevent interference with plant operations. Table 2 below indicates the order in which the pumps will be evaluated and then overhauled.
<table>
<thead>
<tr>
<th>PHASE 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RP-1 RW 930 PZ Pump No. 1</td>
<td>2450 E PHILADELPHIA ST ONTARIO CA</td>
</tr>
<tr>
<td>RP-1 RW 1050 PZ Pump No. 2</td>
<td>2450 E PHILADELPHIA ST ONTARIO CA</td>
</tr>
<tr>
<td>RP4 RW 1299 PZ Pump No. 1 (7421)</td>
<td>12810 6TH ST RANCHO CUCAMONGA CA</td>
</tr>
<tr>
<td>PHASE 2</td>
<td></td>
</tr>
<tr>
<td>RP-1 RW 930 PZ Pump No. 2</td>
<td>2450 E PHILADELPHIA ST ONTARIO CA</td>
</tr>
<tr>
<td>RP4 RW 1299 PZ Pump No. 4 (7424)</td>
<td>12810 6TH ST RANCHO CUCAMONGA CA</td>
</tr>
<tr>
<td>RP-1 RW 1050 PZ Pump No. 3</td>
<td>2450 E PHILADELPHIA ST ONTARIO CA</td>
</tr>
<tr>
<td>PHASE 3</td>
<td></td>
</tr>
<tr>
<td>RP-1 RW 930 PZ Pump No. 3</td>
<td>2450 E PHILADELPHIA ST ONTARIO CA</td>
</tr>
</tbody>
</table>
SECTION 4 – FORMS

A. **PRICE SCHEDULE**

Offerors shall fully complete this Proposal Price Schedule and return it with their submittal. All proposed prices and fees shall be held firm-fixed throughout the anticipated (August 17, 2016 through April 30, 2017) contract performance period, and shall include costs associated with all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to provide the required pumps replacement or overhaul services:

<table>
<thead>
<tr>
<th>DESCRIPTION PROPOSED UNIT RATE</th>
</tr>
</thead>
</table>

PROPOSER must follow the format shown below when submitting their Proposal.
1. **Cost Proposal Schedule I - Overhaul Services**

Bid Extension price shall include all labor, materials, and equipment and all mark-ups to replace the following pumps and install a new replacement in kind or the most current model by the same manufacturer. The Bid Extension price shall also include removal and disposal of existing pumps. In addition, the price for pump testing and start up.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Bid Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Mobilize/Demobilize</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>102</td>
<td>Pull, inspect, and reinstall Peerless vertical turbine pump, Model 16 HXB and provide a written report with the findings</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>104</td>
<td>Furnish and install one (1) American Marsh 12HC-6 Stage Oil Bowl Assembly inside a 23-ft deep wet well</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>105</td>
<td>Furnish and install one (1) 12&quot;x1&quot; 11/16 Flanged Column x 416SS Shaft Assembly inside a 23-ft deep wet well</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>106</td>
<td>Furnish and install one (1) 12&quot;x12&quot;x20&quot;FA Fab Stl. Disch. Head w/150# Disch.</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Rebuild Peerless Model 14MD 2stg OLS Prem. Effic. &amp; Dyn. Balance w/316SS Strainer Bowl Assembly</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>109</td>
<td>Clean up, dip and bake 150-hp U.S. Motor</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**Total Proposal Schedule I**

$  

1. Quantities are estimated and are included for bid comparison purposes only. Unit Prices shall include all labor, material, equipment, all mark-ups, and a one year full warranty. **Bid surety is not required.**
2. **Cost Proposal Schedule II – Pumps’ Replacement**

Bid Extension price shall include all labor, materials, and equipment and all mark-ups to replace the following pumps and install a new replacement in kind or the most current model by the same manufacturer. The Bid Extension price shall also include removal and disposal of existing pumps. In addition, the price for pump testing and start up.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Bid Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>RP-1 RW 930 PZ Pump No. 1</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>202</td>
<td>RP-1 RW 930 PZ Pump No. 2</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>203</td>
<td>RP-1 RW 930 PZ Pump No. 3</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>204</td>
<td>RP-1 RW 1050 PZ Pump No. 2</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>205</td>
<td>RP-1 RW 1050 PZ Pump No. 3</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>206</td>
<td>RP4 RW 1299 PZ Pump No. 1 (7421)</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>207</td>
<td>RP4 RW 1299 PZ Pump No. 4 (7424)</td>
<td>1</td>
<td>L.S.</td>
<td>$__________</td>
<td>$__________</td>
</tr>
</tbody>
</table>

**Total Proposal Schedule II**

$______________________________

\(^1\) Quantities are estimated and are included for bid comparison purposes only. Unit Prices shall include all labor, material, equipment, all mark-ups, and a one year full warranty. **Bid surety is not required.**
PROPOSAL SIGNATURE: THE UNDERSIGNED AGREES, IF THIS PROPOSAL IS ACCEPTED BY THE AGENCY WITHIN 90 CALENDAR DAYS AFTER THE DATE OF PROPOSAL OPENING, TO PROVIDE THE SERVICES AS SPECIFIED IN STRICT ACCORDANCE WITH THE REQUEST FOR PROPOSAL SPECIFICATIONS.

Offeror's Signature

Printed Name

Title

Company Name

Date

B. OFFEROR IDENTIFICATION FORM

1. Legal name of Offeror:

2. Offeror's Street Address:

3. Offeror's Mailing Address:

4. Offeror's Business Telephone:

5. Type of Offeror:
   □ Sole Proprietor  □ Partnership  □ Corporation  □ Other
   If corporation, indicate State where incorporated:

6. Business License number issued by the city where the Offeror's principal place of business is located.

7. Offeror Federal Tax Identification Number:

8. Offeror's Project Manager:

9. E-mail Address for Offeror's Project Manager:
C. SUBCONTRACTORS/REFERENCES

SUBCONTRACTORS

List any subcontractors who may perform any services on this project.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>ADDRESS</th>
<th>BUSINESS LICENSE NO.</th>
<th>AREA OF EXPERTISE</th>
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</table>

REFERENCES (A Minimum of Three References)

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>ADDRESS</th>
<th>TELEPHONE NO.</th>
<th>CONTACT</th>
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<tbody>
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</tbody>
</table>
D. **SUBCONTRACTORS/REFERENCES**

**WORKERS' COMPENSATION CERTIFICATE**

The Offeror shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and on behalf of my firm, I will comply with such provisions before supplying any material to the Agency.

---

Offeror's Signature


Company Name


Printed Name


Business License Number


Title


Date
E. NON-COLLUSION STATEMENT

NON-COLLUSION STATEMENT TO BE EXECUTED
BY OFFEROR AND SUBMITTED WITH PROPOSAL

______________________________, says that he/she is __________________, of __________________ the party making the foregoing proposal that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the Offeror has not directly or indirectly solicited any other Offeror to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Offeror or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the Offeror has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price or the Offeror or any other Offeror, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other Offeror, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in the proposal are true; and, further, that the Offeror has not, directly or indirectly, submitted his/her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

______________________________
Offeror's Signature

______________________________
Company Name

______________________________
Printed Name

______________________________
Business License Number

______________________________
Title

______________________________
Date

REQUEST FOR PROPOSAL No. RFP -RW-16-016
F. EXCEPTION FORM

EXCEPTION FORM

Should your firm take exception to ANY of the terms and conditions or other contents provided in this Request for Proposal, list the exceptions below. THIS COMPLETED FORM MUST BE SUBMITTED WITH YOUR PROPOSAL.

NOTE: If no exception(s) are taken, enter "None" after item number one. (Make additional copies of this form as necessary)

1. Page Number: ___________ Section Title: ________________________________
   Paragraph Number: Exception Taken: ______________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

2. Page Number: ___________ Section Title: ________________________________
   Paragraph Number: Exception Taken: ______________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

3. Page Number: ___________ Section Title: ________________________________
   Paragraph Number: Exception Taken: ______________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

4. Page Number: ___________ Section Title: ________________________________
   Paragraph Number: Exception Taken: ______________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

5. Page Number: ___________ Section Title: ________________________________
   Paragraph Number: Exception Taken: ______________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
G.  WAIVER/RELEASE OF LIABILITY

WAIVER / RELEASE OF LIABILITY

I, the undersigned, on behalf of ____________________________ (hereinafter referred to as Offeror), fully understand that the storage or leaving of any and all Offeror owned equipment, materials, and supplies at the Agency’s facilities during the term of the contract, exposes Offeror to the risk of, but not limited to, theft, fire damage, vandalism, water damage, wind damage, and possible personal injury to Offeror’s employees. For the privilege of storing/leaving any and all Contract owned equipment, materials, and supplies at the Agency’s facilities, Offeror agrees to assume any and all such risks.

In consideration of being able to store/leave said equipment, materials, and supplies at the Agency’s facilities, Offeror hereby releases, agrees not to sue, or bring any action against, the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers for any and all liability, claims, or actions for injury or death to Offeror’s employees, or damage or theft of said property arising out of or in connection with the storage or leaving of said item(s) for whatever cause, including the active or passive negligence of the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers.

I have carefully read this Waiver/Release of Liability and covenant not to sue, and fully understand its contents, and the possible exposures that Offeror is agreeing to assume. I am aware that this Waiver/Release of Liability is a full release of any and all liability. I am signing such as the authorized agent of Offeror, and of my own free will.

By:

__________________________________________  ________________________
Representative’s signature            Date

__________________________________________  ________________________
Print Name            Title
ATTACHMENTS

✓ Attachment A – Sample Contract
✓ Attachment B – Project Site Maps
✓ Attachment C – Pump Curves
✓ Attachment D – SCE Pump Hydraulic Test Results
✓ Attachment E – Pump Pictures
Attachment “A” – Sample Contract
SAMPLE CONTRACT No. XXXXXXXX
For Performance of
XXXXXXXXXXXX Project

THIS CONTRACT (the "Contract") is made and entered into this ___ day of __________, 2014, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and (COMPANY NAME), of (CITY), (STATE) (hereinafter referred to as "Contractor") for completion of an XXXXXXXX project at the Agency's XXXXXXXXXX facility.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT**: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager: Adham Almasri
   Address: 6075 Kimball Ave
   Chino, CA 91708
   Telephone: (909) 993-1462
   E-mail: aalmasri@ieua.org

2. **CONTRACTOR ASSIGNMENT**: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Contractor: (NAME)
   Address: (ADDRESS)
   (CITY, STATE, ZIP)
   Telephone: (AREA CODE) (NUMBER), Extension (NO.)
   E-mail: (E-mail Address)

3. **ORDER OF PRECEDENCE**: The documents referenced below represent the Contract Documents; each of which is hereby incorporated as an integral part of this Contract. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

   1. Amendments to Contract number (No.)
   2. Contract Number (No.) including Exhibit A - Statement of Work
   3. Agency Request for Proposal No. RFP - XXXXXXXXXX
   4. Contractor's Proposal, dated (DATE)
4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the Exhibit A - Statement of Work which appears at the end of this Contract.

5. **TERM:** The term of this Contract shall extend from the date of its bi-lateral execution and terminate (date) _______________, unless agreed to by both parties, reduced to writing, and incorporated as an amendment to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION:** Contractor may invoice during the course of this project in accordance with the below-listed fixed price milestone payment schedule. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager. Contractor shall provide with their invoice(s) certified payroll verifying that Contractor has paid prevailing wages in accordance with Department of Industrial Relations requirements.

<table>
<thead>
<tr>
<th>Milestone Payment Task Completed</th>
<th>Invoiceable Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
<td>$ XXXX</td>
</tr>
<tr>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
<td>$ XXXX</td>
</tr>
<tr>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
<td>$ XXXX</td>
</tr>
<tr>
<td>Completion of balance of all additional Statement of Work requirements</td>
<td>$ XXXX</td>
</tr>
</tbody>
</table>

Contractor's invoices shall be submitted as follows:

Inland Empire Utilities Agency  
Attention: Accounts Payable Department  
P.O. Box 9020  
Chino Hills, CA 91709

OR invoices may be submitted electronically via: APGroup@ieua.org

Concurrent with invoice submittal to the Agency's Accounts Payable Department, the Contractor shall e-mail a copy of the submitted invoice to the Agency's designated Project Manager identified on page 1 of this Contract.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a Not-to-Exceed (NTE) price basis, a total price of $ XXXXXX for all work/services satisfactorily provided hereunder.

7. **LIQUIDATED DAMAGES:** Liquidated Damages are not applicable to this contract.

8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule established by the Agency's Project Manager. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work,
Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **FITNESS FOR DUTY:**

A. **Fitness:** Contractor and its Subcontractor personnel on the Jobsite:

1. shall report for work in a manner fit to do their job;

2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Compliance:** Contractor shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor’s sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required single occurrence limit.

   a. The insurance shall include coverage for each of the following hazards:

      Premises – Operations
      Owners and Contractors Damage
      Broad Form Property Damage
      Contractual for Specific Contract
      Severability of Interests or Cross-Liability
      XCU Hazards
      Personal Injury – with the “Employee”
      Exclusion Deleted

   2. Automobile Liability: $500,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

   3. Workers’ Compensation and Employers Liability: Workers' compensation limits as
required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.

B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the Agency), its officers, officials, employees, volunteers, property owners and engineers under contract to the Agency; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**
   
a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsement CG2010 1185, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverages shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

b. The Contractor's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency shall be excess of the Contractor's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers' Compensation and Employers Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency for losses arising from work performed by the Contractor for the Agency.

3. **All Coverages**
Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. **Acceptability of Insurers:** Insurance is to be placed with insurers with a Best's rating of no less than a minus: VII, and who are admitted insurers in the State of California.

E. **Verification of Coverage:** Contractor shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at anytime.

F. **Submital of Certificates:** Contractor shall submit all required certificates and endorsements to the following:

Robert Wallin  
Contracts & Programs Administrator  
E-mail: rwallin@jcua.org

11. **LEGAL RELATIONS AND RESPONSIBILITIES**

A. **Professional Responsibility:** The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. **Status of Contractor:** The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. **Observing Laws and Ordinances:** The Contractor shall keep itself fully informed of all existing state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

D. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Agency's Project Manager.

E. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
F. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

G. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

H. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

I. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status, or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency’s Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency’s Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency’s Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.

J. **Non-Conforming Work and Warranty:** Contractor represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcomings is brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation unusable and shall correct other errors within thirty (30) calendar days after Contractor’s receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency’s continued use of the Work or Documentation within seven (7) calendar days after Contractor’s receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor’s position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

K. **Disputes:**

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency’s Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the
procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

   a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

   b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

   c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.

L. **Workers' Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.
M. **Prevailing Wage Requirements:** Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less that the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor. Per Senate Bill #854, Contractors must register and meet public works/prevailing wage requirements using the on-line application/registration found at: www.dir.ca.gov/dse/disepublicworks.html.

12. **INDEMNIFICATION:** Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:

   A. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;

   B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, or every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;

   C. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal or Contractor to faithfully perform the work and all of the Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

13. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

14. **TITLE AND RISK OF LOSS:**

   A. **Documentation:** Title to any/all Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Project.
B. **Material:** Title to all Material, equipment, procured or fabricated under the Contract shall pass to Agency when delivered to the Agency's job-site and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

C. **Disposition:** Contractor shall dispose of items to which Agency has title as directed in writing by the Agency.

15. **PROPRIETARY RIGHTS:**

A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.

2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. **No Additional Compensation:** Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. **INFRINGEMENT:** Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violation of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.
Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

17. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green  
Manager of Contracts/Procurement & Facilities Services  
Inland Empire Utilities Agency  
P.O. Box 9020  
Chino Hills, California 91709

Contractor: (CONTRACTOR'S REPRESENTATIVE)  
(COMPANY NAME)  
(ADDRESS)  
(CITY, STATE, ZIP)

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. SAFETY AND PROTECTION:

A. Precautions and Programs:

1. The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and safety programs in connection with the work or the activities of its employees, subcontractors and suppliers at the work site.

2. The Contractor and all its subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act", as set forth in Title 29 C.F.R.

   If the Agency is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there has been a violation, for the period of time (duration) the violation occurred, the Contractor shall be subject to the daily liquidated damages defined elsewhere in this Contract.

3. The Contractor and all its subcontractors shall comply with the provisions of the Occupational Safety and Health Standards promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970", as set forth in Title 29, C.F.R. Where an individual state act related to occupational safety and health standards has been approved by a federal authority, then the provisions of said state act shall control.

4. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control and direction to prevent damage, injury or loss to:
a. All employees performing the work or on the work site and other persons and organizations who may be effected thereby;

b. All the work, and materials and equipment to be incorporated therein, whether in storage on or off the work site; and

c. All other property at the work site.

5. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 – 5158. This regulation requires the following to be submitted to IEUA for approval prior to the Contractor's mobilization to the work site:

a. Proof of training on confined spaced space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157.

This regulation also requires the following to be submitted to IEUA for approval prior to entry of a confined space:

b. A written plan that includes identification of confined spaces within the work site, alternate procedures where appropriate, Contractor provisions and specific procedures for permit-required and non-permit required spaces and a rescue plan.

6. The Contractor must also submit a copy of their Safety Program or IPP for approval by the IEUA Safety and Risk Department prior to the start of the project at the work site.

19. 

SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency, and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

20. 

PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked “Confidential,” “Proprietary,” or “Trade Secret,” Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

21. 

RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

22. 

INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect.
with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

23. **GOVERNING LAW:** This Contract is to be governed by and interpreted in accordance with the laws of the State of California.

24. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.

25. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

26. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

27. **BONDS:** Within 14 days after bi-lateral execution of this Contract, the Contractor shall file with the Agency, on the forms furnished within RFP-RH-14-068 - Attachment B, payment and performance bonds in amounts equal to one hundred (100) percent of the contract price.

28. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

**(COMPANY NAME):**

---

Warren T. Green  
Manager of Contracts/Procurement & Facilities Services  
(Date)  
**(AUTH. REP.)**  
**(TITLE)**  
(Date)
BOND REQUIREMENTS FOR CONSTRUCTION CONTRACTS

THE CONTRACTOR'S ATTENTION IS DIRECTED TO THE BONDING REQUIREMENTS BELOW. IT IS HIGHLY RECOMMENDED THAT THE CONTRACTOR CONFER WITH THEIR RESPECTIVE BROKER TO DETERMINE, IN ADVANCE OF BID SUBMISSION, THE AVAILABILITY OF THE BONDS AS PRESCRIBED AND PROVIDED FOR HEREIN. IF AN APPARENT LOW CONTRACTOR FAILS TO COMPLY STRICTLY WITH THE BONDING REQUIREMENTS, THAT CONTRACTOR MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

A. HOLDING OF THE BID SECURITIES

1. The bid securities of the three (3) lowest bidders will be held by the Agency until satisfactory bonds and verification of insurance are furnished by the successful bidder and the successful bidder signs the contract or until other disposition thereof is made by the Agency.

2. The bid securities of the bidders, other than the three (3) lowest bidders, will be returned within ten (10) working days after the canvass of the bids is completed by the Agency.

B. PERFORMANCE BOND (Applicable only if Total Project Price exceeds $25,000)

1. Within fourteen days after execution of the Contract by the Agency, the successful bidder shall file with the Agency, on the forms furnished herewith, a performance bond in an amount equal to one hundred (100) percent of the contract price to guarantee faithful performance of all work, within the time prescribed, in a manner satisfactory to the Agency, and that all materials and workmanship will be free from original or developed defects.

2. The performance bond shall be effective through the one (1) year warranty period.

C. PAYMENT BOND (MATERIAL AND LABOR BOND) (Applicable only if Total Project Price exceeds $25,000)

1. Within 14 days after execution of the Contract by the Agency, the successful bidder shall file with the Agency, on the forms furnished herewith, a payment bond (material and labor bond) in an amount equal to one hundred (100) percent of the contract price, to satisfy claims of material suppliers and of mechanics and laborers employed by the Contractor to perform the work.

D. UNSATISFACTORY SURETIES

1. Should any Surety, at any time, be deemed unsatisfactory by the Agency, notice will be given the Contractor to that effect. No further payments shall be deemed due, or will be made under the contract until a new Surety shall qualify and be accepted by the Agency.

E. EFFECT OF CHANGES IN THE WORK/EXTENSIONS OF TIME ON THE SURETY

1. Changes in the work, or extensions of time, made pursuant to the Contract, shall in no way release the Contractor or the Surety from their obligations under the bond. Notice of such changes or extensions shall be waived by the Surety.
F. **INSUFFICIENCY OF THE BONDS**

1. Should any bond(s) required under this section become insufficient, the contractor shall renew the bond(s) within ten (10) calendar days after receiving notice from the Agency of the bond's insufficiency.

G. **PROCUREMENT OF BONDS**

1. All bonds required under this section, shall be procured from a California licensed and admitted surety company, listed by the Fiscal Service of The United States Department of the Treasury under the Notice for "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies", current on the date of the Notice of Award.

2. All bonds required pursuant to this section shall be secured from a surety company satisfactory to the Agency.

H. **TERM OF REQUIRED BONDS**

1. Except as provided otherwise in this section all bonds shall be maintained in full force and in effect for a period of sixty (60) days after completion and acceptance of the work by the Agency.

I. **ATTORNEY-IN-FACT**

1. The Attorney-in-Fact (Resident Agent) who executes the bonds on behalf of the surety company shall attach a notarized copy of their power-of-attorney as evidence of their authority to bond the Surety Company on the date of execution of the bonds.

J. **HOW BONDS ARE TO BE PAYABLE**

1. All bonds shall be made payable to the Inland Empire Utilities Agency.
BID BOND

KNOW ALL MEN BY THESE PRESENTS,

That ____________________________, as Principal

and ____________________________, as Surety

are held and firmly bound unto the Inland Empire Utilities Agency, hereinafter designated as the "Agency", in the sum of $_________ dollars, (not less than ten (10) percent of the total amount of the bid) for the payment of which sum will and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Principal has submitted a bid to said Agency to perform all work required under the bidding schedule(s) titled:

NOW, THEREFORE, if said Principal is awarded the Contract by said Agency and within the time and in the manner required under the "Instructions to Bidders" bound with said Specifications, enters into a written Contract and furnishes the "Agreement" bound with said Specifications and furnishes the required bonds and verification of insurance, then this obligation shall be null and void, otherwise it shall remain in full force and effect. In the event a suit is brought upon this bond by said Owner and judgement is recovered, said Surety shall pay all costs incurred by said Owner in such suit, including a reasonable attorney's fee to be fixed by the Court.

SIGNED AND SEALED, this __________ day of ____________________________ , 19__________

Principal (print name) ____________________________________________

By: ____________________________ (Corporate Seal)

Signature ____________________________
Bond Number

SECOND PAGE OF BID BOND

Bidding Schedule(s) titled:

__________________________
Surety agent (print name)

By. ________________________ (Surety Seal) Signature

Surety address

__________________________
__________________________
__________________________

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT OF SURETY BELOW

__________________________
PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, the Inland Empire Utilities Agency, hereinafter designated as the "Owner", has, on ___________________________ 2013, awarded to ___________________________, hereinafter designated as the "Principal," a Contract for the construction of:

WHEREAS, said Principal is required under the terms of said Contract to furnish a payment bond providing that if said Principal, or any of their subcontractors, shall fail to pay for any materials, provisions, or other supplies used in, upon, for, or about the performance of the work under said Contract, or for any work or labor done thereon of any kind, the Surety of this bond will pay the same to the extent hereinafter set forth:

NOW, THEREFORE, WE, the Principal, and __________________________, as Surety, are held and firmly bound unto the Owner the penal sum of _____________________________ dollars ($___________) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or its heirs, executors, administrators, successors, or assigns, shall fail to pay any person specified in California Civil Code Section 3181, or for any materials, provisions, or other supplies used in, upon, for, or about the performance of the work under said Contract, or for any work or labor thereon of any kind or for amount due under the Unemployment Insurance Code with respect to work or labor performed under said Contract, or for any amounts due, or to be withheld pursuant to Sections 18806 of the Revenue and Taxation Code of the State of California, or with respect to any work or labor for which a bond is required by the provisions of Sections 3247 through 3252 of the California Civil Code, and provided that the persons, companies, or corporations so furnishing said materials, provisions, or other supplies, appliances, or power use, in, upon, for, or about the performance of the work under said Contract, or any person who performs work or labor upon same, or any person who supplies both work and materials, thereto, shall have complied with the provisions of said Civil Code, then said surety will pay the same in or to an amount not exceeding the amount herein before set forth, and also will pay in case suit is brought upon this bond, such reasonable attorney’s fees to Owner as shall be fixed by the court.

This bond shall inure to the benefit of Owner and any and all persons, companies, and corporations and their respective assigns entitled to file claims under applicable State law, including but not limited to, California Civil Code Section 3181, so as to give a right of action to them or their assigns in any suit brought upon this bond.
SECOND PAGE OF PAYMENT BOND

Bidding Schedule(s) titled:

Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of said Contract or to the work to be performed thereunder or the specifications accompanying the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications. Said Surety hereby waives the provisions of Sections 2819, and 2845, of the Civil Code of the State of California.

As a part of the obligation secured hereby and in addition to the amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by Owner in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this day of __________________________ the name and corporate seal of each corporate party being hereunto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

______________________________
Principal (print name)

______________________________
Signature for Principal

__________________________________________
(Corporate Seal)

______________________________

Bond Number __________________________
THIRD PAGE OF PAYMENT BOND

Bidding Schedule(s) titled:

Surety (print name)

Signature for Surety (Surety Seal)

Surety address

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT OF SURETY BELOW
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, the Inland Empire Utilities Agency, hereinafter designated as the "Agency," has, on ______________________, awarded to ______________________, hereinafter designated as the "Principal," the Contract for the construction of:

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract:

NOW, THEREFORE, WE, the Principal, and ______________________, as Surety, are held and firmly bound unto the Agency the penal sum of ______________________ dollars ($_________________) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and will and truly keep and faithfully perform the covenants, conditions, and agreements in the said Contract and any alterations made as therein provided, on its or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless, Owner and Engineer, their officers, agents, and employees as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue and Principal and Surety, in the event suit is brought on this bond, will pay to Owner such reasonable attorney's fees as shall be fixed by the court.

As a condition precedent to the satisfactory completion of the said Contract, the above obligation in the said amount shall hold good for a period of one (1) year after the completion and acceptance of said Contract, during which time if the above bounden Principal, its heirs, executors, administrators, successors, or assigns shall fail to make full, complete, and satisfactory repair and replacements or totally protect said Owner from loss of damage made evident during said period of one year from the date of acceptance of the work under said Contract, and resulting from or caused by defective materials or faulty workmanship in the execution of the work done, the above obligation in the said amount shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligation of the Surety hereunder shall continue so long as any obligation of the Principal remains.

__________________

Bond Number__________
SECOND PAGE OF PERFORMANCE BOND

Bidding Schedule(s) titled:

Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications. Said Surety hereby waives the provisions of Sections 2819, and 2845, of the Civil Code of the State of California.

As a part of the obligation secured hereby and in addition to the amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by Owner in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this ______ day of ____________, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

______________________________
Principal (print name)

______________________________ (Corporate Seal)
Signature for Principal

Bond Number__________________________
THIRD PAGE OF PERFORMANCE BOND

Bidding Schedule(s) titled:

_________________________________
Surety (print name)

_________________________________
Signature for Surety

(Surety Seal)

Surety address

_________________________________

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT
OF SURETY BELOW
Attachment “B” – Project Site Maps
RP-1 PUMP FLOW SCHEMATIC
Attachment "C" – Pump Curves
930 Pressure Zone Pumps
   Model: 14MD
   Horse Power: 150

(Applicable to pumps 1-3)

Item No: 201, 202, and 203 in biding Schedule II
Speed vs. Torque

Start at OPEN valve:
100% of Torque = 595 Nm = 438 lbf*ft

Start at CLUGED valve:
100% of Torque = 404 Nm = 298 lbf*ft

100% of Speed = 1776 RPM
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**Performance and Data Sheet**

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| Max. Ambient Temperature | 158°F |  |
1050 Pressure Zone Pumps
Model: 16HXB
Horse Power: 350

(Applicable to pumps 1-2)

Item No: 204, and 205 in bidding Schedule II
Peerless Vertical Turbine Pump: Model 16 HXB
USEM 350 HP - 1780 rpm 260 TDH
3750 GPM
## VERTICAL TURBINE PUMPS

### Impeller Data and Best Lateral Settings off bottom for Maximum Bowls - 11 thru 16 inch

1. Net impeller eye area — in².
2. Maximum sphere size that will pass impellers — inches.

3. WR² in Lbs. - in² — [Multiply by number of stages for WR² of bowl assembly—Divide by 144 for Lbs-Ft²]

### GENERAL DIMENSIONS

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<th>Sphere Size</th>
<th>WR² in Lbs-In²</th>
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<th>Impeller Lateral Setting Standard</th>
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Notes: (1) Maximum tolerances with extra lateral machining. (2) Subject to change without notice.
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Subject to change without notice
1299 Pressure Zone Pumps

Model: 10LR-18A/15.00 S.F.

Horse Power: 350

(Applicable to pumps 1-2)

Item No: 206 and 207 in bidding Schedule II
#7421 - 7425 Horizontal Split Case Flowserve Pumps
Model 10LR - 18A/15.00 S.F.
USEM 350 HP 1785 rpm 202 TDH
4600 GPM

#7426 - #7427 H.S.C. F.S. Pumps: 10LR - 18A/13.60 S.F.
USEM 350 HP 1785 rpm 4185 GPM
# PERFORMANCE CURVE

**CURVE NO.: PT818G**

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**NOTES:** Final bearing temp. - 85°F. Post point 9 is estimated.
NPSH TEST AT 4600 GPM

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CERTIFIED

TEST DATE: 5/23/08
TESTED BY: PJ
CURVE NO.: PT8188F
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**CERTIFIED**

[Signature]

**TEST DATE**

5/23/2008

**TESTED BY**

PJ

**CURVE NO.**

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TOTAL HEAD (ft) vs EFFICIENCY

POWER @ RATED S.G. (BHP)

FLOW (gpm)

NOTES: FINAL BEARING TEMP. - OB. - 82F IB - 85F Plot point 9 is estimated.
# NPSH TEST AT 4600 GPM

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<td>CLOSED</td>
</tr>
<tr>
<td>IMP. DIAMETER</td>
<td>19.00 in</td>
</tr>
<tr>
<td>IMP. MATERIAL</td>
<td>2217/0</td>
</tr>
<tr>
<td>Casing Material</td>
<td>M312AA</td>
</tr>
<tr>
<td>TEST MEDIA</td>
<td>WATER</td>
</tr>
<tr>
<td>TEST DRIVER</td>
<td>350.0 hp</td>
</tr>
<tr>
<td>IMP. CLEARANCE</td>
<td>0.010 in</td>
</tr>
<tr>
<td>Rated Conditions</td>
<td></td>
</tr>
<tr>
<td>FLOW</td>
<td>4600 GPM</td>
</tr>
<tr>
<td>HEAD</td>
<td>202.1 ft</td>
</tr>
<tr>
<td>EFFICIENCY</td>
<td>81.3%</td>
</tr>
<tr>
<td>RPM</td>
<td>1776</td>
</tr>
<tr>
<td>NPSHR</td>
<td>23.4 ft</td>
</tr>
<tr>
<td>Specific Gr.</td>
<td>1.000</td>
</tr>
</tbody>
</table>

## DATA

<table>
<thead>
<tr>
<th>Plot Point</th>
<th>NPSHA (ft)</th>
<th>Total Head (ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>55.17</td>
<td>211.87</td>
</tr>
<tr>
<td>2</td>
<td>54.85</td>
<td>213.40</td>
</tr>
<tr>
<td>3</td>
<td>45.44</td>
<td>217.84</td>
</tr>
<tr>
<td>4</td>
<td>40.05</td>
<td>212.50</td>
</tr>
<tr>
<td>5</td>
<td>24.77</td>
<td>212.84</td>
</tr>
<tr>
<td>6</td>
<td>54.22</td>
<td>213.20</td>
</tr>
<tr>
<td>7</td>
<td>25.18</td>
<td>213.71</td>
</tr>
<tr>
<td>8</td>
<td>25.44</td>
<td>213.15</td>
</tr>
<tr>
<td>9</td>
<td>22.46</td>
<td>213.02</td>
</tr>
<tr>
<td>10</td>
<td>27.22</td>
<td>212.55</td>
</tr>
<tr>
<td>11</td>
<td>20.33</td>
<td>212.23</td>
</tr>
<tr>
<td>12</td>
<td>19.90</td>
<td>207.30</td>
</tr>
<tr>
<td>13</td>
<td>18.49</td>
<td>165.84</td>
</tr>
</tbody>
</table>

CERTIFIED

TEST DATE: 6/15/2006
TESTED BY: PJ
CURVE NO.: PTR1926C
# NPSH Test at 4600 GPM

**Customer:** Cortech Engineering  
**Customer P.O. #:** 4783  
**Customer Tag #:** HPPR7424  
**Order #:** 8175415  
**Line Item #:** 1  
**Job #:** B07NP35  
**Serial #:** 12072042D  

<table>
<thead>
<tr>
<th>PUMP LINE</th>
<th>PUMP SIZE</th>
<th>IMP. TYPE</th>
<th>IMP. DIAMETER</th>
<th>TEST MEDIA</th>
<th>TEST DRIVER</th>
<th>NPSHR</th>
<th>Specific Gr.</th>
<th>Tested NPSHR</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>17 5X.16</td>
<td>CLOSED</td>
<td>15.00 in</td>
<td>WATER</td>
<td>HEAD</td>
<td>19.1 ft</td>
<td>1.000</td>
<td>19.1 ft</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.997</td>
<td>202.0 ft</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Flow Rate:** 4600.0 GPM  
**RATPD Conditions:**  
- **Flow:** 4600.0 GPM  
- **Head:** 202.0 ft  
- **Efficiency:** 91.3%  
- **RPM:** 1715  
- **NPSHR:** 20.4 ft  
- **Specific Gr.:** 1.000

## DATA

<table>
<thead>
<tr>
<th>Plot Point</th>
<th>NPSHA (ft)</th>
<th>Total Head (ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>54.67</td>
<td>211.14</td>
</tr>
<tr>
<td>2</td>
<td>48.10</td>
<td>214.11</td>
</tr>
<tr>
<td>3</td>
<td>44.34</td>
<td>210.84</td>
</tr>
<tr>
<td>4</td>
<td>39.89</td>
<td>210.63</td>
</tr>
<tr>
<td>5</td>
<td>34.48</td>
<td>216.49</td>
</tr>
<tr>
<td>6</td>
<td>28.13</td>
<td>216.89</td>
</tr>
<tr>
<td>7</td>
<td>24.09</td>
<td>210.50</td>
</tr>
<tr>
<td>8</td>
<td>22.02</td>
<td>210.82</td>
</tr>
<tr>
<td>9</td>
<td>21.06</td>
<td>211.33</td>
</tr>
<tr>
<td>10</td>
<td>19.43</td>
<td>210.53</td>
</tr>
<tr>
<td>11</td>
<td>19.06</td>
<td>212.78</td>
</tr>
<tr>
<td>12</td>
<td>17.85</td>
<td>120.34</td>
</tr>
</tbody>
</table>

**Certified by:** [Signature]

**Test Date:** 5/22/2008  
**Tested by:** PJ  
**Curve No.:** PT8196D
## NPSH Test at 4600 GPM

<table>
<thead>
<tr>
<th>CUSTOMER</th>
<th>CORTECH ENGINEERING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER P.O.:</td>
<td>4743</td>
</tr>
<tr>
<td>CUSTOMER TAG:</td>
<td>HPPT4725</td>
</tr>
<tr>
<td>ORDER #:</td>
<td>8125415</td>
</tr>
<tr>
<td>LINE ITEM #:</td>
<td>1</td>
</tr>
<tr>
<td>JOB #:</td>
<td>B2/9536</td>
</tr>
<tr>
<td>SERIAL #:</td>
<td>1207-2604E</td>
</tr>
</tbody>
</table>

| PUMP LINE | 1R |
| PUMP SIZE | 1 x 5-18 |
| IMP. TYPE | CLOSED |
| IMP. DIAMETER | 15.03 in |
| IMP. MATERIAL | 22778 |
| CASING MATERIAL | M3128A |

| IMP. CLEARANCE | 0.010 in |
| TEST MEDIA | WATER |
| Specific Gr. | 0.966 |
| TEMP. | 86.0 F |
| EFFICIENCY | 91.3% |
| RPM | 350.0 hp |
| NPSHR | 20.4 ft |

| TEST DRIVER | 19.1 ft |
| Specific Gr. | 1.000 |

### DATA

| Plot Point 1 | 55.12 ft | 210.11 ft |
| Plot Point 2 | 43.78 ft | 230.42 ft |
| Plot Point 3 | 45.05 ft | 200.07 ft |
| Plot Point 4 | 39.79 ft | 210.17 ft |
| Plot Point 5 | 34.45 ft | 210.08 ft |
| Plot Point 6 | 29.05 ft | 210.01 ft |
| Plot Point 7 | 24.12 ft | 210.32 ft |
| Plot Point 8 | 22.92 ft | 210.81 ft |
| Plot Point 9 | 21.09 ft | 209.29 ft |
| Plot Point 10 | 19.96 ft | 209.01 ft |
| Plot Point 11 | 18.01 ft | 190.07 ft |

**Certified by:**

**Test Date:** 5/22/2008

**Tested By:** PJ

**Curve No.:** PT915SE
Attachment “D” – Pump Hydraulic Test Results
RP-1 RW 930 Pressure Zone Pump No. 1
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 8020  
CHINO HILLS, CA 91709

HYDRAULIC TEST RESULTS: RP-1 RW SOUTH ZONE 1 930  
Location:  2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
Cust #:  0-000-0783  
Serv. Acct #:  001-3233-41  
Meter:  V345N-001250  
Pump Ref #:  71151

In accordance with your request, an energy efficiency test was performed on your turbine booster pump on May 19, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-6138.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>HP: 150.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump</td>
<td>STERLING</td>
</tr>
<tr>
<td>Motor</td>
<td>US</td>
</tr>
<tr>
<td>No:</td>
<td>713385-1</td>
</tr>
<tr>
<td>No:</td>
<td>L05202072489100RC3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>53.0</td>
<td>63.5</td>
<td>73.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>122.4</td>
<td>146.7</td>
<td>168.8</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>9.3</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>131.7</td>
<td>156.2</td>
<td>178.1</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>2,711</td>
<td>2,837</td>
<td>2,224</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>11,883</td>
<td>11,214</td>
<td>9,830</td>
</tr>
<tr>
<td>KW Input to Motor</td>
<td>118.8</td>
<td>118.4</td>
<td>115.5</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>160.7</td>
<td>158.8</td>
<td>154.9</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>102.2</td>
<td>101.0</td>
<td>96.5</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KWh per Acre Foot</td>
<td>240</td>
<td>253</td>
<td>282</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>66.1</td>
<td>63.0</td>
<td>64.8</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge.

RON FORD  
Manager  
Hydraulic Services

SIGNED: Pepper  
Rialto, CA 92376  

V:1.0.1 4/17/2015
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 9020  
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS: RP-1 RW SOUTH ZONE 1 930  
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
CSS Cust #: 0-000-0783  CRM Cust #: 0063842818  Pump Ref #: 71151  

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on May 19, 2015, billing history for the past 12 months, and your current rate of TOU-B-S.

Assuming that water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above, and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 56.1% to 72.0%.
2. This can save you up to 151,379 kWh and $9,179.63 annually.
3. These kWh savings translate to a 66-ton decrease in CO₂ emissions.

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>686,448</td>
<td>536,069</td>
<td>151,379</td>
</tr>
<tr>
<td>KW Input</td>
<td>119.80</td>
<td>93.38</td>
<td>26.42</td>
</tr>
<tr>
<td>KW/h per Acre Foot</td>
<td>240</td>
<td>187</td>
<td>53</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,860.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$14.55</td>
<td>$11.34</td>
<td>$3.21</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>56.1%</td>
<td>72.0%</td>
<td></td>
</tr>
</tbody>
</table>

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum pumping efficiency will be continued. If you have any questions regarding this report, please contact VICTOR PIMENTEL at (909)820-5138.

RON FORD  
Manager  
Hydraulic Services
June 3, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

Dear SCE Customer:

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on May 19, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the turbine booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

<table>
<thead>
<tr>
<th>Projected Incentive, Energy, and Cost Savings</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>$86,648</td>
<td>$35,669</td>
<td>151,379</td>
<td>$12,110.33</td>
</tr>
<tr>
<td>kW Input</td>
<td>119.80</td>
<td>83.36</td>
<td>26.44</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (49%) *</td>
<td>119.80</td>
<td>106.85</td>
<td>12.95</td>
<td>$1,941.79</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,800.3</td>
<td>1,877.3</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>240</td>
<td>187</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$14.55</td>
<td>$11.34</td>
<td>3.21</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>56.1</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annual Total                                    | $41,026.21| $32,446.57| $8,579.63| $14,052.12   |

(*The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, your expected kW savings is 26.42 kW, and the savings used for incentive calculations is 49% of 26.42, or 12.95 kW.)

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- **Improved Plant Efficiency**: Your OPE can be improved from 66.1% to 72.0%.

- **Lower Energy Costs**: Based on the test data, your past energy usage, and your current rate of TOU-3-5, we estimate that you may save up to 151,379 kWh annually, resulting in energy cost savings of $8,179.63.

- **Cash Incentive**: Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $10.00 per kWh and $150 per on-peak activity factor per kW, courtesy of SCE’s Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a Potential Cash Incentive of $14,052.12, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714) 573-5759 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE’s energy efficiency expertise and incentives. Visit [www.sce.com/rebatesandsavings](http://www.sce.com/rebatesandsavings), or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.

Richard A. McPherson
RP-1 RW 930 Pressure Zone Pump No. 2
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 5020  
CHINO HILLS, CA 91708  

HYDRAULIC TEST RESULTS: RP-1 RW SOUTH ZONE 2 630  
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
Cust #: 0-000-0783  Serv. Acc#: 001-3233-41  
Meter #: V345N-001250  Pump Ref #: 71152  

In accordance with your request, an energy efficiency test was performed on your turbine booster pump on May 19, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-5138.

Equipment  
HP: 150.0  
Pump: STERLING  
Motor: US  
No: 713385-B  
No: L0520072489100R01

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>53.5</td>
<td>63.5</td>
<td>73.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>123.6</td>
<td>146.7</td>
<td>168.6</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>9.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>133.1</td>
<td>156.2</td>
<td>178.1</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>2,426</td>
<td>2,210</td>
<td>1,529</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>10,723</td>
<td>9,768</td>
<td>6,758</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>118.7</td>
<td>118.5</td>
<td>115.3</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>160.6</td>
<td>168.9</td>
<td>154.6</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>102.1</td>
<td>101.1</td>
<td>98.3</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,785</td>
<td>281</td>
<td>410</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>288</td>
<td>291</td>
<td>410</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>50.8</td>
<td>54.9</td>
<td>44.5</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge. VFD was set at 100% for tests.

RON FORD  
Manager  
Hydraulic Services

300 N. Pepper  
Rivers, CA 92537
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS: RP-1 RW SOUTH ZONE 2 930
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757
CSS Cust #: 0-000-0783  CRM Cust #: 0063842818  Pump Ref #: 71152
CSS Serv. Acct: 001-3233-41  CRM Serv. Acct: 0050558935  Meter: V345N-001250

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on May 18, 2015, billing history for the past 12 months, and your current rate of TOU-E-S.

Assuming that water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above, and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 50.8% to 72.0%.
2. This can save you up to 186,951 kWh and $11,336.74 annually.
3. These kWh savings translate to a 61-ton decrease in CO2 emissions.

<table>
<thead>
<tr>
<th>Plant Efficiency</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>634,884</td>
<td>447,933</td>
<td>186,951</td>
</tr>
<tr>
<td>kW Input</td>
<td>119.70</td>
<td>84.46</td>
<td>35.25</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>268</td>
<td>189</td>
<td>79</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,366.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$16.25</td>
<td>$11.46</td>
<td>$4.78</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>80.8</td>
<td>72.0</td>
<td></td>
</tr>
<tr>
<td>Total Annual Cost</td>
<td>$38,499.37</td>
<td>$27,162.83</td>
<td>$11,336.74</td>
</tr>
</tbody>
</table>

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum pumping efficiency will be continued. If you have any questions regarding this report, please contact VICTOR PIMENTEL at (909)820-5130.

RON FORD
Manager
Hydraulic Services
Save Energy, Save Money...
Your test results show that you can!

June 3, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

Dear SCE Customer:

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on May 19, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the turbine booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

Projected Incentive, Energy, and Cost Savings

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>$34,884</td>
<td>447,833</td>
<td>185,651</td>
<td>$14,956.12</td>
</tr>
<tr>
<td>kw input</td>
<td>116.70</td>
<td>84.46</td>
<td>32.26</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (49%)</td>
<td>116.70</td>
<td>102.43</td>
<td>17.27</td>
<td>$2,590.69</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,369.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kW per Acre Foot</td>
<td>268</td>
<td>189</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$16.25</td>
<td>$11.46</td>
<td>$4.78</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>50.6</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Total</td>
<td>$38,499.37</td>
<td>$27,162.63</td>
<td>$11,336.74</td>
<td>$17,546.81</td>
</tr>
</tbody>
</table>

(*The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, your expected kW savings is 35.25 kW, and the savings used for incentive calculations is 49% of 35.25, or 17.27 kW.

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- Improved Plant Efficiency: Your OPE can be improved from 50.6% to 72.0%.
- Lower Energy Costs: Based on the test data, your past energy usage, and your current rate of TOU-6-S, we estimate that you may save up to $186,951 kWh annually, resulting in energy cost savings of $31,338.74.
- Cash Incentive: Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.06 per kWh and $150 per on-peak activity factored kW reduced, courtesy of SCE's Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a Potential Cash Incentive of $17,546.81, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-5759 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and Incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,
Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.

V 1.00 4/17/2015
RP-1 RW 930 Pressure Zone Pump No. 3
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 9020  
CHINO HILLS, CA 91709

HYDRAULIC TEST RESULTS: RP-1 RW SOUTH ZONE 3 930  
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
Cust #: 0-000-0763  Serv. Acct #: 001-3233-41  
Meter #: V34SN-001250  Pump Ref #: 71183

In accordance with your request, an energy efficiency test was performed on your turbine booster pump on May 18, 2016. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-5130.

**Equipment**  
HP: 150.0  
Pump: STERLING  No: 713385-C  
Motor: US  No: L0520072489100R02

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>64.0</td>
<td>64.0</td>
<td>74.5</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>124.7</td>
<td>147.8</td>
<td>172.1</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>9.7</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>134.4</td>
<td>157.5</td>
<td>181.8</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>2,885</td>
<td>2,161</td>
<td>1,853</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>11,337</td>
<td>9,552</td>
<td>8,432</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>117.9</td>
<td>116.2</td>
<td>112.9</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>158.1</td>
<td>155.8</td>
<td>151.4</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>100.8</td>
<td>99.1</td>
<td>95.3</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,746</td>
<td>250</td>
<td>314</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>250</td>
<td>292</td>
<td>314</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>65.1</td>
<td>55.2</td>
<td>59.2</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge. VFD was set at 100% for tests.

RON FORD  
Manager  
Hydraulic Services
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS: RP-1 RW SOUTH ZONE 3 930
Location: 2450 E. PHILADELPHIA ST, ONTARIO, CA 91761-7757
CSS Cust #: 0-000-0763 CRM Cust #: 0065842816 Pump Ref #: 71153
CSS Serv. Acct:001-3233-41 CRM Serv. Acct:0050558936 Meter: V345N-001250

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on May 18, 2015, billing history for the past 12 months, and your current rate of TOU-S.

Assuming that water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above, and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 55.1% to 72.0%.
2. This can save you up to 158,764 kWh and $9,627.42 annually.
3. These kWh savings translate to a 69-ton decrease in CO2 emissions.

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>674,856</td>
<td>516,092</td>
<td>158,764</td>
</tr>
<tr>
<td>kWH Input</td>
<td>117.90</td>
<td>90.16</td>
<td>27.74</td>
</tr>
<tr>
<td>kWH per Acre Foot</td>
<td>250</td>
<td>191</td>
<td>59</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,703.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$8.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$15.14</td>
<td>$11.56</td>
<td>$3.56</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>65.1</td>
<td>72.0</td>
<td></td>
</tr>
</tbody>
</table>

Total Annual Cost $40,923.27 $31,295.84 $9,627.42

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum pumping efficiency will be continued. If you have any questions regarding this report, please contact VICTOR PIMENTEL at (909)620-5138.

RON FORD
Manager
Hydraulic Services

RON FORD
Blacks, CA 93257

V 1.03 4/17/2015
Save Energy,  
Save Money...  
Your test results show that you can!

June 3, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS
RP-1 RW SOUTH ZONE 3 630
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757
Cost #: 0-000-0783  Serv. Acct. #: 001-3233-41
Meter: V34SN-001250 Pump Ref #: 71153
150.0 HP  Solution Code: PM-10485

Dear SCE Customer,

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on May 19, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the turbine booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

Projected Incentive, Energy, and Cost Savings

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>674,856</td>
<td>516,662</td>
<td>158,194</td>
<td>$12,701.09</td>
</tr>
<tr>
<td>kW Input</td>
<td>117.90</td>
<td>90.16</td>
<td>27.74</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (49%)</td>
<td>117.90</td>
<td>104.31</td>
<td>13.59</td>
<td>$2,038.84</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,703.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>250</td>
<td>191</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$15.14</td>
<td>$11.58</td>
<td>$3.56</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>55.1</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Total</td>
<td>$40,823.27</td>
<td>$31,285.84</td>
<td>$9,537.42</td>
<td>$14,739.73</td>
</tr>
</tbody>
</table>

(The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, you expected kW savings is 27.74 kW, and the savings used for Incentive calculations is 49% of 27.74, or 13.59 kW.)

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- **Improved Plant Efficiency:** Your OPE can be improved from 55.1% to 72.0%.
- **Lower Energy Costs:** Based on the test data, your past energy usage, and your current rate of TOU-6-S, we estimate that you may save up to 156,784 kWh annually, resulting in **energy cost savings of $8,627.42.**
- **Cash Incentive:** Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.08 per kWh and $150 per on-peak activity factored kW reduced, courtesy of SCE’s Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a **Potential Cash Incentive of $14,739.73,** capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-5759 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.
RP-1 RW 1050 Pressure Zone Pump No. 2
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

HYDRAULIC TEST RESULTS: RP-1 RW PHILADELPHIA 2
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757
Cust #: 0-000-0765 Serv. Acct #: 001-3233-41
Meter: V345N-001250 Pump Ref #: 71132

In accordance with your request, an energy efficiency test was performed on your turbine booster pump on May 19, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-6138.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>HP: 350.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump:</td>
<td>PEERLESS</td>
</tr>
<tr>
<td>Motor:</td>
<td>US</td>
</tr>
<tr>
<td>No:</td>
<td>619639B</td>
</tr>
<tr>
<td>No:</td>
<td>G1203006789100R01</td>
</tr>
</tbody>
</table>

Results

<table>
<thead>
<tr>
<th></th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>109.0</td>
<td>120.0</td>
<td>149.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>261.8</td>
<td>277.2</td>
<td>344.2</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>9.6</td>
<td>9.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>261.4</td>
<td>288.8</td>
<td>353.8</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>3,294</td>
<td>2,856</td>
<td>1,877</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>14,559</td>
<td>12,824</td>
<td>8,286</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>256.0</td>
<td>262.0</td>
<td>233.0</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>343.3</td>
<td>337.9</td>
<td>312.5</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>94.0</td>
<td>92.5</td>
<td>85.5</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,789</td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>422</td>
<td>479</td>
<td>874</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>83.3</td>
<td>61.2</td>
<td>53.7</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge.

RON FORD
Manager
Hydraulic Services
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 9020  
CHINO HILLS, CA 91709  

PUMPING COST ANALYSIS: RP-1 RW PHILADELPHIA 2  
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
CSS Cust #: 0-000-0783  
CRM Cust #: 0063942818  
Pump Ref #: 71132  
CSS Serv. Acct: 001-3233-41  
CRM Serv. Acct: 0050568935  
Meter: V345N-001260  

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on May 19, 2015, billing history for the past 12 months, and your current rate of TOU-B-S.

Assuming that water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above, and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 63.3% to 72.0%.
2. This can save you up to 206,037 kWh and $12,494.08 annually.
3. These kWh savings translate to a 90-ton decrease in CO2 emissions.

<table>
<thead>
<tr>
<th>Plant Efficiency</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,712,640</td>
<td>1,506,603</td>
<td>206,037</td>
</tr>
<tr>
<td>kW Input</td>
<td>256.00</td>
<td>228.20</td>
<td>27.80</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>422</td>
<td>371</td>
<td>51</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>4,057.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$26.59</td>
<td>$22.52</td>
<td>$3.08</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>63.3</td>
<td>72.0</td>
<td></td>
</tr>
<tr>
<td>Total Annual Cost</td>
<td>$103,854.49</td>
<td>$91,390.41</td>
<td>$12,464.08</td>
</tr>
</tbody>
</table>

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum pumping efficiency will be continued. If you have any questions regarding this report, please contact VICTOR PIMENTEL at (909)820-5136.

RON FORD  
Manager  
Hydraulic Services
Save Energy, Save Money...
Your test results show that you can!

June 3, 2015
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9520
CHINO HILLS, CA 91709

Dear SCE Customer:

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on May 15, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the turbine booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

<table>
<thead>
<tr>
<th>Projected Incentive, Energy, and Cost Savings</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,712,640</td>
<td>1,506,603</td>
<td>206,037</td>
<td>$16,482.96</td>
</tr>
<tr>
<td>kW Input</td>
<td>296.00</td>
<td>226.20</td>
<td>30.80</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (49%) *</td>
<td>296.00</td>
<td>240.91</td>
<td>15.09</td>
<td>$2,263.83</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>4,057.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>422</td>
<td>371</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$25.55</td>
<td>$22.52</td>
<td>$3.08</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>63.3</td>
<td>72.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Total</td>
<td>$103,854.49</td>
<td>$91,360.41</td>
<td>$12,494.08</td>
<td>$18,746.59</td>
</tr>
</tbody>
</table>

(*The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, your expected kW savings is 30.80 kW, and the savings used for incentive calculations is 49% of 30.80, or 15.09 kW.

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- **Improved Plant Efficiency:** Your OPE can be improved from 63.3% to 72.6%.
- **Lower Energy Costs:** Based on the test data, your past energy usage, and your current rate of TOU-4-S, we estimate that you may save up to 206,037 kWh annually, resulting in energy cost savings of $12,494.08.
- **Cash Incentive:** Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.08 per kWh and $150 per on-peak activity factored kW reduced, courtesy of SCE's Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a Potential Cash Incentive of $18,746.59, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-5759 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.

V1.03 4/11/2015
RP-1 RW 1050 Pressure Zone Pump No. 3
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 9020  
CHINO HILLS, CA 91709  

**HYDRAULIC TEST RESULTS: RP-1 RW PHILADELPHIA 3**  
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757  
Cust #: 0-000-0763  
Serv. Acct #: 001-3233-41  
Meter #: V345N-001250  
Pump Ref #: 71131

In accordance with your request, an energy efficiency test was performed on your turbine booster pump on May 19, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-5136.

**Equipment**

<table>
<thead>
<tr>
<th>HP: 350.0</th>
<th>No: 619639C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump: PEERLESS</td>
<td>No: G12030008789100R02</td>
</tr>
<tr>
<td>Motor: US</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>105.0</td>
<td>120.0</td>
<td>136.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>242.6</td>
<td>277.2</td>
<td>314.2</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>9.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>252.1</td>
<td>286.7</td>
<td>323.7</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>3,023</td>
<td>3,780</td>
<td>1,863</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>13.362</td>
<td>12.288</td>
<td>8,632</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>236.0</td>
<td>234.0</td>
<td>223.0</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>316.5</td>
<td>313.8</td>
<td>299.0</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>86.6</td>
<td>85.9</td>
<td>81.9</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,760</td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>424</td>
<td>457</td>
<td>620</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>60.8</td>
<td>64.1</td>
<td>53.4</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge.

RON FORD  
Manager  
Hydraulic Services

3rd N. Pepper  
RE: CA 17537v  

V 1.03 4/15/2015
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 8020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS: RP-1 RW PHILADELPHIA 3
Location: 2450 E PHILADELPHIA ST, ONTARIO, CA 91761-7757
CSS Cust #: 0-000-0783 CRM Cust #: 0063842818 Pump Ref #: 71131
CSS Serv. Acc #: 001-3233-41 CRM Serv. Acc #: 0050556935 Meter: V345N-001260

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an
estimate based on the conditions present during the Edison pump test performed on
May 19, 2015, billing history for the past 12 months, and your current rate of TOU-B-S.

Assuming that water requirements will be the same as for the past year, and all operating
conditions (annual hours of operation, head above, and water pumping level) will remain the
same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 60.8% to 72.0%.
2. This can save you up to 188,600 kWh and $11,436.70 annually.
3. These kWh savings translate to a 82-ton decrease in CO2 emissions.

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,213,512</td>
<td>1,024,912</td>
<td>188,600</td>
</tr>
<tr>
<td>KW Input</td>
<td>236.00</td>
<td>199.32</td>
<td>36.68</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>424</td>
<td>358</td>
<td>66</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,862.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$25.71</td>
<td>$21.71</td>
<td>$4.00</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>60.8</td>
<td>72.0</td>
<td></td>
</tr>
<tr>
<td>Total Annual Cost</td>
<td>$73,587.37</td>
<td>$62,180.67</td>
<td>$11,406.70</td>
</tr>
</tbody>
</table>

It is sincerely hoped that this information will prove helpful to you, and that your concerns over
maintaining optimum pumping efficiency will be continued. If you have any questions regarding
this report, please contact VICTOR PIMENTEL at (909)820-5136.

RON FORD
Manager
Hydraulic Services
June 3, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

Dear SCE Customer:

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on your water pumps at your facility on May 19, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the turbine booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

<table>
<thead>
<tr>
<th>Projected Incentive, Energy, and Cost Savings</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,213,512</td>
<td>1,024,912</td>
<td>188,600</td>
<td>$15,087.99</td>
</tr>
<tr>
<td>kWh input</td>
<td>236.00</td>
<td>196.32</td>
<td>39.68</td>
<td>$2,695.86</td>
</tr>
<tr>
<td>kW on-peak activity factor (49%) *</td>
<td>236.00</td>
<td>218.03</td>
<td>17.97</td>
<td></td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>2,682.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>424</td>
<td>358</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$25.71</td>
<td>$21.71</td>
<td>$4.00</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>60.8</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Total</td>
<td>$72,587.37</td>
<td>$62,150.67</td>
<td>$11,436.70</td>
<td>$17,783.85</td>
</tr>
</tbody>
</table>

("The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, your expected kW savings is 36.68 kW, and the savings used for incentive calculations is 46% of 36.68, or 17.97 kW")

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- Improved Plant Efficiency: Your OPE can be improved from 60.8% to 72.0%.
- Lower Energy Costs: Based on the test data, your past energy usage, and your current rate of TOU-5-S, we estimate that you may save up to 168,600 kWh annually, resulting in energy cost savings of $11,436.70.
- Cash Incentive: Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.05 per kWh and $150 per on-peak activity factored kW reduced, courtesy of SCE's Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a Potential Cash Incentive of $17,783.85, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-8789 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and Incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.

V 1.03 4/17/2015
RP-4 RW 1299 Pressure Zone Pump No. 1
In accordance with your request, an energy efficiency test was performed on your centrifugal booster pump on June 9, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909) 620-5138.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>HP: 350.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump: FLOWSERVE</td>
<td>No: 1207-2642G</td>
</tr>
<tr>
<td>Motor: RELIANCE</td>
<td>No: B065777-010-L001DL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1 @50.0 Hz</th>
<th>Test 2 @50.0 Hz</th>
<th>Test 3 @60.0 Hz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>87.0</td>
<td>86.0</td>
<td>115.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>201.0</td>
<td>221.8</td>
<td>265.7</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>98.5</td>
<td>68.9</td>
<td>58.9</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>141.4</td>
<td>162.9</td>
<td>206.8</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>6,325</td>
<td>5,183</td>
<td>5,839</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>27.957</td>
<td>22.776</td>
<td>16.045</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>259.8</td>
<td>250.5</td>
<td>226.0</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>346.4</td>
<td>335.9</td>
<td>303.1</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>84.2</td>
<td>80.8</td>
<td>81.9</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,786</td>
<td>1,787</td>
<td>1,786</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>233</td>
<td>264</td>
<td>338</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>64.8</td>
<td>65.1</td>
<td>62.6</td>
</tr>
</tbody>
</table>

Due to an inadequate water measurement test location, the GPM flow and the resulting overall plant efficiency should be considered approximate, rather than actual. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge. SCADA system flow meter has an intermittent problem. Motor bearings were noisy at the time of this test.

RON FORD
Manager
Hydraulic Services
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91708

PUMPING COST ANALYSIS RP4 RW 1290 PUMP 1 (7421)
Location: 12811 8TH ST, R CUCMG, CA 91739-9222
CSS Cust #: 0-000-0763 CRM Cust #: 0063842818 Pump Ref #: 71141
CSS Serv. Acct #: 013-2035-96 CRM Serv. Acct #: 0060561134 Meter #: V5145N-901071

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on June 9, 2015, billing history for the past 12 months, and your current rate of TOU-5.

Assuming that water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above, and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 64.6% to 72.0%.
2. This can save you up to 104,974 kWh and $12,778.49 annually.
3. These kWh savings translate to a 45-ton decrease in CO₂ emissions.

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,053,492</td>
<td>948,518</td>
<td>104,974</td>
</tr>
<tr>
<td>kW Input</td>
<td>236.80</td>
<td>233.91</td>
<td>25.89</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>233</td>
<td>201</td>
<td>22</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>4,722.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$27.15</td>
<td>$24.45</td>
<td>$2.71</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>64.6</td>
<td>72.0</td>
<td></td>
</tr>
</tbody>
</table>

Total Annual Cost: $128,241.68 $116,463.10 $12,778.49

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum pumping efficiency will be continued. If you have any questions regarding this report, please contact VICTOR PIMENTEL at (909) 820-5138.

RON FORD
Manager
Hydraulic Services
Save Energy... Save Money...
Your test results show that you can!

June 12, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 8020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS
RP4 RW 1229 PUMP 1 (7421)
Location: 12811 8TH ST, R CUCMA, CA 91730-8222
Cust #: 0-000-0783 Serv. Acct. #: 013-2335-68
Meter: V34SN-001071 Pump Ref #: 71141
350.0 HP Solution Code: PM-48734

Dear SCE Customer,

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on June 9, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the centrifugal booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

<table>
<thead>
<tr>
<th>Projected Incentive, Energy, and Cost Savings</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,053,492</td>
<td>948,518</td>
<td>104,974</td>
<td>$8,397.82</td>
</tr>
<tr>
<td>kw Input</td>
<td>288.80</td>
<td>233.91</td>
<td>25.88</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (67%) *</td>
<td>288.80</td>
<td>242.46</td>
<td>17.34</td>
<td>$2,691.59</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>4,722.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kw/h per Acre Foot</td>
<td>223</td>
<td>201</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$27.15</td>
<td>$24.45</td>
<td>$2.71</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>64.8</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Total</td>
<td>$126,244.88</td>
<td>$115,463.10</td>
<td>$12,776.49</td>
<td>$10,999.61</td>
</tr>
</tbody>
</table>

*(The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods, as determined by your average load profile. By improving efficiency, your expected kW savings is 25.88 kW, and the savings used for incentive calculations is 67% of 25.88 kW, or 17.34 kW.)*

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, rebalancing, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- **Improved Plant Efficiency:** Your OPE can be improved from 64.8% to 72.0%.
- **Lower Energy Costs:** Based on the test data, your past energy usage, and your current rate of TOU-8-S, we estimate that you may save up to 104,974 kWh annually, resulting in energy cost savings of $12,776.49.
- **Cash Incentive:** Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.08 per kWh and $100 per on-peak activity factored kW reduced, courtesy of SCE's Customized Efficiency Program. Based on your estimated kW and kWh, you would be eligible for a Potential Cash Incentive of $10,999.61, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-8756 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.
RP-4 RW 1299 Pressure Zone Pump No. 4
DAVID CHOI  
INLAND EMPIRE UTILITIES AGENCY  
PO BOX 9020  
CHINO HILLS, CA 91709  

**Confidential Proprietary Information**  
**June 12, 2015**

**HYDRAULIC TEST RESULTS: RP4 RW 1289 PUMP 4 (7424)**  
Location: 12811 6TH ST, R CUCMGA, CA 91739-9222  
Gst #: 0-000-0793  
Serv. Acct. #: 013-2335-96  
Meter No: V545N-001671  
Pump Ref #: 71144  

In accordance with your request, an energy efficiency test was performed on your centrifugal booster pump on June 9, 2015. If you have any questions regarding the results which follow, please contact VICTOR PIMENTEL at (909)820-5138.

<table>
<thead>
<tr>
<th>Equipment HP: 350.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pump: FLOWSERVE No: 1207-2642D</td>
</tr>
<tr>
<td>Motor: RELIANCE No: B365777-010-L004DL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Test 1 @60.0 Hz</th>
<th>Test 2 @60.0 Hz</th>
<th>Test 3 @60.0 Hz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Pressure, PSI</td>
<td>87.0</td>
<td>100.0</td>
<td>120.0</td>
</tr>
<tr>
<td>Discharge Head, Feet</td>
<td>201.9</td>
<td>231.0</td>
<td>277.2</td>
</tr>
<tr>
<td>Suction Head or Lift, Feet</td>
<td>66.1</td>
<td>69.1</td>
<td>61.0</td>
</tr>
<tr>
<td>Total Head, Feet</td>
<td>144.9</td>
<td>171.9</td>
<td>216.3</td>
</tr>
<tr>
<td>Capacity, GPM</td>
<td>6,104</td>
<td>6,693</td>
<td>3,229</td>
</tr>
<tr>
<td>Acre Feet Pumped in 24 Hours</td>
<td>26.980</td>
<td>22.467</td>
<td>14.272</td>
</tr>
<tr>
<td>kW Input to Motor</td>
<td>285.0</td>
<td>258.3</td>
<td>223.1</td>
</tr>
<tr>
<td>HP Input to Motor</td>
<td>356.4</td>
<td>346.4</td>
<td>305.9</td>
</tr>
<tr>
<td>Motor Load (%)</td>
<td>96.1</td>
<td>93.6</td>
<td>82.7</td>
</tr>
<tr>
<td>Measured Speed of Pump, RPM</td>
<td>1,787</td>
<td>1,788</td>
<td>1,789</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>236</td>
<td>278</td>
<td>384</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>62.0</td>
<td>63.7</td>
<td>57.4</td>
</tr>
</tbody>
</table>

We were unable to measure the GPM flow; therefore, the above test results were obtained using your water meter. Test 1 is the normal operation of this pump at the time of the above test(s). The other results were obtained by throttling the discharge. Motor bearing were noisy at the time of this test. SCADA system flow meter has an intermittent problem.

RON FORD  
Manager  
Hydraulic Services
DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 9020
CHINO HILLS, CA 91709

PUMPING COST ANALYSIS: RPM RW 1299 PUMP 4 (7424)
Location: 12811 6TH ST, R CUCMGA, CA 91739-8222
CSS Cust #: 0-020-0783 CRM Cust #: 0065642818 Pump Ref #: 71144
CSS Serv Acc#: 013-2335-95 CRM Serv Acc#: 0050661134 Meter: V345N-001071

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an
estimate based on the conditions present during the Edison pump test performed on
June 9, 2015, billing history for the past 12 months, and your current rate of TOU-6-3.

Assuming that water requirements will be the same as for the past year, and all operating
conditions (annual hours of operation, head above, and water pumping level) will remain the
same as they were at the time of the pump test, it is estimated that:

1. Overall plant efficiency can be improved from 62.9% to 72.0%.
2. This can save you up to 226,653 kWh and $27,580.43 annually.
3. These kWh savings translate to a 99-ton decrease in CO2 emissions

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total kWh</td>
<td>1,783,716</td>
<td>1,587,063</td>
<td>226,653</td>
</tr>
<tr>
<td>kW Input</td>
<td>285.00</td>
<td>231.33</td>
<td>53.67</td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>236</td>
<td>206</td>
<td>30</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>7,565.3</td>
<td>7,565.2</td>
<td></td>
</tr>
<tr>
<td>Average Cost per kWh</td>
<td>$0.12</td>
<td>$0.12</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$28.70</td>
<td>$25.05</td>
<td>$3.65</td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>62.9</td>
<td>72.0</td>
<td></td>
</tr>
<tr>
<td>Total Annual Cost</td>
<td>$217,151.75</td>
<td>$189,541.32</td>
<td>$27,580.43</td>
</tr>
</tbody>
</table>

It is sincerely hoped that this information will prove helpful to you, and that your concerns over
maintaining optimum pumping efficiency will be continued. If you have any questions regarding
this report, please contact VICTOR PIMENTEL at (909)820-5136.

RON FORD
Manager
Hydraulic Services
June 12, 2015

DAVID CHOI
INLAND EMPIRE UTILITIES AGENCY
PO BOX 1626
CHINO HILLS, CA 91709

Dear SCE Customer:

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on June 2, 2015. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the centrifugal booster pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs, and a cash incentive.

<table>
<thead>
<tr>
<th>Projected Incentive, Energy, and Cost Savings</th>
<th>Existing</th>
<th>Improved</th>
<th>Savings</th>
<th>Cash Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total KWh</td>
<td>1,763,716</td>
<td>1,657,063</td>
<td>226,653</td>
<td>$18,132.21</td>
</tr>
<tr>
<td>kW Input</td>
<td>266.50</td>
<td>231.33</td>
<td>33.67</td>
<td></td>
</tr>
<tr>
<td>kW on-peak activity factor (87%)</td>
<td>266.50</td>
<td>242.44</td>
<td>22.96</td>
<td>$3,384.13</td>
</tr>
<tr>
<td>Acre Feet per Year</td>
<td>7,666.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kWh per Acre Foot</td>
<td>238</td>
<td>206</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Average Cost per Acre Foot</td>
<td>$23.70</td>
<td>$25.05</td>
<td>$3.35</td>
<td></td>
</tr>
<tr>
<td>Overall Plant Efficiency (%)</td>
<td>62.9</td>
<td>72.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annual Total                                   | $217,131.75 | $189,541.32 | $27,590.43 | $21,518.34 |

(*The kW on-peak activity factor represents how the kW impacts the SCE system during on-peak periods as determined by your average load profile. By improving efficiency, your expected kW savings is 33.67 kW, and the savings used for incentive calculations is 67% of 33.67, or 22.96 kW.)*

Actual kW savings may vary at time of application validation.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For your business, this could mean the following:

- **Improved Plant Efficiency:** Your OPE can be improved from 62.9% to 72.0%.
- **Lower Energy Costs:** Based on the test data, your past energy usage, and your current rate of TOU-8-8, we estimate that you may save up to 226,653 kWh annually, resulting in energy cost savings of $27,590.43.
- **Cash Incentive:** Through the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of $0.09 per kWh and $150 per on-peak activity factor kW reduced, courtesy of SCE's Customized Efficiency Program. Based on your estimated kWh and kW, you would be eligible for a Potential Cash Incentive of $21,518.34, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact JAMES PASMORE JR at (714)973-5795 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,

Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.
Attachment “E” – Pump Pictures
RP-1 1158 PZ, 1050 PZ, and 930 PZ Pump Stations

1158 PZ
Pump No. 2

1050 PZ
Pumps No. 3 & 2

930 PZ
Pumps No. 1, 2, & 3
RP-1 930 Pressure Zone Pumps No. 1, 2, and 3
RP-4 1299 Pressure Zone Pumps
Exhibit B
SECTION 4 – FORMS

A. PRICE SCHEDULE

Offerors shall fully complete this Proposal Price Schedule and return it with their submittal. All proposed prices and fees shall be held firm-fixed throughout the anticipated (August 17, 2016 through April 30, 2017) contract performance period, and shall include costs associated with all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to provide the required pumps replacement or overhaul services:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>PROPOSED UNIT RATE</th>
</tr>
</thead>
</table>

PROPOSER must follow the format shown below when submitting their Proposal.
1. Cost Proposal Schedule I – Overhaul Services

Bid Extension price shall include all labor, materials, and equipment and all mark-ups to replace the following pumps and install a new replacement in kind or the most current model by the same manufacturer. The Bid Extension price shall also include removal and disposal of existing pumps. In addition, the price for pump testing and start up.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Bid Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Mobilize/Demobilize</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$100.00</td>
</tr>
<tr>
<td>102</td>
<td>Pull, inspect, and reinstall Peerless vertical turbine pump, Model 16 HXB and provide a written report with the findings</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$3,120.00</td>
</tr>
<tr>
<td>104</td>
<td>Furnish and install one (1) American Marsh 12HC-6 Stage Oil Bowl Assembly inside a 23-ft deep wet well</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$4,860.00</td>
</tr>
<tr>
<td>105</td>
<td>Furnish and install one (1) 12&quot;x 1&quot; 11/16 Flanged Column x 416SS Shaft Assembly inside a 23-ft deep wet well</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$5,130.00</td>
</tr>
<tr>
<td>106</td>
<td>Furnish and install one (1) 12&quot;x12&quot;x20&quot;FA Fab Stl. Disch. Head w/150# Disch.</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$5,640.00</td>
</tr>
<tr>
<td>107</td>
<td>Rebuild Peerless Model 14MD 2stg OLS Prem. Effic. &amp; Dyn. Balance w/316SS Strainer Bowl Assembly</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$54,480.00</td>
</tr>
<tr>
<td>109</td>
<td>Clean up, dip and bake 150-hp U.S. Motor</td>
<td>1</td>
<td>L.S.</td>
<td>$</td>
<td>$740.00</td>
</tr>
</tbody>
</table>

Total Proposal Schedule I

$ 74,970.00

1 Quantities are estimated and are included for bid comparison purposes only. Unit Prices shall include all labor, material, equipment, all mark-ups, and a one year full warranty. Bid surety is not required.
2. **Cost Proposal Schedule II – Pumps’ Replacement**

Bid Extension price shall include all labor, materials, and equipment and all mark-ups to replace the following pumps and install a new replacement in kind or the most current model by the same manufacturer. The Bid Extension price shall also include removal and disposal of existing pumps. In addition, the price for pump testing and start up.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Bid Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>RP-1 RW 930 PZ Pump No. 1</td>
<td>1</td>
<td>L.S.</td>
<td>$51,492.00</td>
<td>$51,492.00</td>
</tr>
<tr>
<td>202</td>
<td>RP-1 RW 930 PZ Pump No. 2</td>
<td>1</td>
<td>L.S.</td>
<td>$51,492.00</td>
<td>$51,492.00</td>
</tr>
<tr>
<td>203</td>
<td>RP-1 RW 930 PZ Pump No. 3</td>
<td>1</td>
<td>L.S.</td>
<td>$51,492.00</td>
<td>$51,492.00</td>
</tr>
<tr>
<td>204</td>
<td>RP-1 RW 1050 PZ Pump No. 2</td>
<td>1</td>
<td>L.S.</td>
<td>$74,100.00</td>
<td>$74,100.00</td>
</tr>
<tr>
<td>205</td>
<td>RP-1 RW 1050 PZ Pump No. 3</td>
<td>1</td>
<td>L.S.</td>
<td>$58,743.00</td>
<td>$58,743.00</td>
</tr>
<tr>
<td>206</td>
<td>RP4 RW 1299 PZ Pump No. 1 (7421)</td>
<td>1</td>
<td>L.S.</td>
<td>$89,500.00</td>
<td>$89,500.00</td>
</tr>
<tr>
<td>207</td>
<td>RP4 RW 1299 PZ Pump No. 4 (7424)</td>
<td>1</td>
<td>L.S.</td>
<td>$89,500.00</td>
<td>$89,500.00</td>
</tr>
</tbody>
</table>

**Total Proposal Schedule II**

$466,319.00

1. Quantities are estimated and are included for bid comparison purposes only. Unit Prices shall include all labor, material, equipment, all mark-ups, and a one year full warranty. **Bid surety is not required.**
PROPOSAL SIGNATURE: THE UNDERSIGNED AGREES, IF THIS PROPOSAL IS ACCEPTED BY THE AGENCY WITHIN 90 CALENDAR DAYS AFTER THE DATE OF PROPOSAL OPENING, TO PROVIDE THE SERVICES AS SPECIFIED IN STRICT ACCORDANCE WITH THE REQUEST FOR PROPOSAL SPECIFICATIONS.

James Wilkinson
Offeror's Signature

James Wilkinson
Printed Name

President
Title

Company Name: Pamco Machine Works Inc

Date: 7/12/16

B. OFFEROR IDENTIFICATION FORM

1. Legal name of Offeror:
   Pamco Machine Works, Inc

2. Offeror's Street Address:
   9359 Feron Blvd Rancho Cucamonga, CA 91730

3. Offeror's Mailing Address:
   9359 Feron Blvd Rancho Cucamonga, CA 91730

4. Offeror's Business Telephone:
   909-941-7260

5. Type of Offeror:
   ☑ Corporation  ☐ Other
   If corporation, indicate State where incorporated: CA

6. Business License number issued by the city where the Offeror's principal place of business is located: Rancho Cucamonga

7. Offeror Federal Tax Identification Number: 95-4404123

8. Offeror's Project Manager: Jose Carlos

9. E-mail Address for Offeror's Project Manager: jose@pamcomachine.com
Exhibit C
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, the Inland Empire Utilities Agency, a Municipal Water District, hereinafter designated as the "Agency," has, on ____________20__, awarded to ____________________________, hereinafter designated as the "Principal," the Contract for the construction of:

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract:

NOW, THEREFORE, WE, the Principal, and ________________________, as Surety, are held and firmly bound unto the Agency the penal sum of ____________________________ dollars ($______________) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and will and truly keep and faithfully perform the covenants, conditions, and agreements in the said Contract and any alterations made as therein provided, on its or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless, Agency and engineer, their officers, agents, and employees as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue and Principal and Surety, in the event suit is brought on this bond, will pay to Agency such reasonable attorney’s fees as shall be fixed by the court.

As a condition precedent to the satisfactory completion of the said Contract, the above obligation in the said amount shall hold good for a period of one (1) year after the completion and acceptance of said Contract, during which time if the above bounden Principal, its heirs, executors, administrators, successors, or assigns shall fail to make full, complete, and satisfactory repair and replacements or totally protect said Agency from loss or damage made evident during said period of one year from the date of acceptance of the work under said Contract, and resulting from or caused by defective materials or faulty workmanship in the execution of the work done, the above obligation in the said amount shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligation of the Surety hereunder shall continue so long as any obligation of the Principal remains.
Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work to be performed there under or the specifications accompanying the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications. Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

As a part of the obligation secured hereby and in addition to the amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this _____________ day of ____________, 20__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

________________________________________
Principal (print name)

________________________________________  (Corporate Seal)
Signature for Principal
Bond Number________________

THIRD PAGE OF PERFORMANCE BOND

_______________________________
Surety (print name)

_______________________________
Signature for Surety            (Surety Seal)

Surety address

_______________________________

_______________________________

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT OF SURETY BELOW
PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, the Inland Empire Utilities Agency, hereinafter designated as the "Agency", has, on _________________, 20__, awarded to __________________________________________, hereinafter designated as the "Principal," a Contract for the construction of:

WHEREAS, said Principal is required under the terms of said Contract to furnish a payment bond providing that if said Principal, or any of their subcontractors, shall fail to pay for any materials, provisions, or other supplies used in, upon, for, or about the performance of the work under said Contract, or for any work or labor done thereon of any kind, the Surety of this bond will pay the same to the extent hereinafter set forth:

NOW, THEREFORE, WE, the Principal, and __________, as Surety, are held and firmly bound unto the Agency the penal sum of __________________________ dollars ($________________) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or its heirs, executors, administrators, successors, or assigns, shall fail to pay any person specified in California Civil Code Section 3181, or for any materials, provisions, or other supplies used in, upon, for, or about the performance of the work under said Contract, or for any work or labor thereon of any kind or for amount due under the Unemployment Insurance Code with respect to work or labor performed under said Contract, or for any amounts due, or to be withheld pursuant to Sections 18806 of the Revenue and Taxation Code of the State of California, or with respect to any work or labor for which a bond is required by the provisions of Sections 3247 through 3252 of the California Civil Code, and provided that the persons, companies, or corporations so furnishing said materials, provisions, or other supplies, appliances, or power use, in, upon, for, or about the performance of the work under said Contract, or any person who performs work or labor upon same, or any person who supplies both work and materials, thereto, shall have complied with the provisions of said Civil Code, then said surety will pay the same in or to an amount not exceeding the amount herein before set forth, and also will pay in case suit is brought upon this bond, such reasonable attorney's fees to Agency as shall be fixed by the court.
SECOND PAGE OF PAYMENT BOND

This bond shall inure to the benefit of Agency and any and all persons, companies, and corporations and their respective assigns entitled to file claims under applicable State law, including but not limited to, California Civil Code Section 3181, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of said Contract or to the work to be performed there under or the specifications accompanying the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications. Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

As a part of the obligation secured hereby and in addition to the amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this ______________ day of ______________, 20______, the name and corporate seal of each corporate party being hereof affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

__________________________
Principal (print name)

__________________________  (Corporate Seal)
Signature for Principal
Bond Number

THIRD PAGE OF PAYMENT BOND

__________________________
Surety (print name)

__________________________
Signature for Surety (Surety Seal)

Surety address

__________________________

__________________________

__________________________

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT OF SURETY BELOW
WAIVER/RELEASE OF LIABILITY

I, the undersigned, on behalf of ____________________________ (hereinafter called Firm) fully understand that the storage or leaving of ____________ at the Agency's facility, located in the City of Ontario, California, during the period _____ to _____ of _____ exposes Firm to the risk of, but not limited to, theft, fire damage, vandalism, water damage, wind damage, and possible personal injury to Firm's employees. For the privilege of storing/leaving ____________ at said location, Firm agrees to assume any and all such risk.

In consideration of being able to store/leave said item(s) at said location, Firm hereby releases, agrees not to sue, or bring any action against, the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers for any and all liability, claims, or actions for injury or death to Firm's employees, or damage or theft of said property arising out of or in connection with the storage or leaving of said item(s) for whatever cause, including the active or passive negligence of the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers.

I have carefully read this Waiver/Release of Liability and covenant not to sue, and fully understand its contents, and the possible exposures that Firm is agreeing to assume. I am aware that this Waiver/Release of Liability is a full release of any and all liability. I am signing such as the authorized agent of Firm, and of my own free will.

__________________________________________
Name of Firm

By: ________________________________
Representative's signature

__________________________________________
Print Name

__________________________________________
Title

Approved: ________________________________
Department Manager of Engineering
signature

__________________________________________
Date

Distribution: Department Manager of Engineering, Construction Manager, Construction Project Manager; Supervisor; Risk Manager; Contractor, Subcontractor, Supplier, or Repair Person
CONSENT
CALENDAR
ITEM

1K
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (08/10/16)

From: P. Joseph Grindstaff, General Manager

Submitted by: Chris Berch, Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone, Manager of Engineering

Subject: Headquarters Backup Generator Construction Contract Award

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award the construction contract award for the Headquarters Building Backup Generator Project No. EN16055, to Davis Electric, Inc., in the amount of $178,777; and

2. Authorize the General Manager to execute the construction contract.

BACKGROUND

The Regional Water Recycling Plant No. 5 (RP-5) utilizes a 12,000 volt power distribution system that includes two redundant distribution circuits; “A” & “B”. Typically, power is provided by the electric utility company, Southern California Edison (SCE), with standby generators for backup power in the event of a utility power outage. The RP-5 standby generator system includes two backup diesel generators that provide emergency power to the treatment plant and headquarters campus including Buildings A & B, Central Chiller Plant, and Water Quality Laboratory, which is currently in the construction phase.

Since the time RP-5 and the headquarters campus were constructed, there have been several power outage incidents that were accompanied with main backup generator failure, which left the RP-5 Treatment Plant and Headquarters Campus without power for extended duration. This has limited impact on RP-5 due to redundancy available at Regional Water Recycling Plant No. 2 (RP-2) and plant emergency storage. However, it had an impact to the headquarters campus since no redundancy is in place. Further, the Central Chiller Plant, New Water Quality Laboratory, and the
two headquarters buildings are served power via the “A” circuit only; meaning that should an internal electrical incident occur and the “A” circuit fails, the headquarters campus will be without power while RP-5 continues to operate on the redundant “B” circuit.

The Headquarter campus houses critical equipment such as plant process control servers, SCADA, network and communication systems, fire alarm, and access control. It will also include future critical rooms in the New Water Quality Laboratory Building such as the bioassay room, which requires reliable air conditioning/heating system to maintain the desired constant temperature to preserve the biological environment for the wastewater samples.

In order to address these needs, the project’s intent is to utilize an existing 300 kW portable generator purchased by the Agency in 2011. This generator will be converted to a stationary unit and as part of the project install the balance of the electrical system to provide power to critical systems in Building A & B and the Water Quality Laboratory.

On June 9, 2016, a request for bids was advertised to the prequalified contractors on the under $2,000,000 list. Six contractors participated in the job walk on June 23, 2016. On July 7, 2016, the following bids were received:

<table>
<thead>
<tr>
<th>Bidder’s Name</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis Electric, Inc.</td>
<td>$178,777</td>
</tr>
<tr>
<td>Genesis Construction</td>
<td>$206,499</td>
</tr>
<tr>
<td>Southern Contracting Company</td>
<td>$240,000</td>
</tr>
<tr>
<td>W. A. Rasic Construction Company, Inc.</td>
<td>$262,746</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

Davis Electric, Inc. (Davis) was the lowest responsive and responsible bidder with a bid price of $178,777. Davis is on the Agency’s under $2,000,000 pre-qualified list and therefore their contractor licenses were checked and found to be current and in good standing; Davis has performed several successful projects for the Agency past showing good workmanship and responsiveness.

The following table is the projected project cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$125,000</td>
</tr>
<tr>
<td>Pre-Purchased Equipment: Diesel Particulate Filter</td>
<td>$30,000</td>
</tr>
<tr>
<td>Construction Services (~15%)</td>
<td>$27,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$178,777</td>
</tr>
<tr>
<td>Contingency (~15%)</td>
<td>$27,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$387,777</strong></td>
</tr>
<tr>
<td><strong>Total Project Budget</strong></td>
<td><strong>$400,000</strong></td>
</tr>
</tbody>
</table>
The following is the project schedule:

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract Award</td>
<td>August 2016</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>April 2017</td>
</tr>
</tbody>
</table>

The Headquarters Building Backup Generator project is consistent with the Agency’s Business Goal of Wastewater Management that systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

If approved, the construction award for the Headquarters Building Backup Generator Project No. EN16055, in the amount of $178,777 will be within the total project budget of $400,000 in the Regional Wastewater Operation and Maintenance (RO) Fund.

PJG:CB:SS:jz
Project Location

Headquarters Building Backup Generator
Project Background

- Several power outages triggered at Headquarters
- Headquarter Buildings (HQ) power supply relies on single transformer and 12 kV circuit, no backup
- Headquarter Buildings house critical process control servers, SCADA, network, fire and security alarms, etc.
- Uninterruptable Power Supply capacity is not adequate for extended power outages
- Dedicated HQ and Lab Buildings emergency power source is needed
Project Scope

- Install dedicated backup power generator for the headquarters campus
- Utilize existing 300 kW portable generator
- Install automatic transfer switch
- Automatic load shedding of non-critical loads
- Install diesel particulate filter for emission controls

Existing Portable Generator
Bid Summary

Four bids received on July 7, 2016:

<table>
<thead>
<tr>
<th>Bidder's Name</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis Electric, Inc.</td>
<td>$178,777</td>
</tr>
<tr>
<td>Genesis Construction</td>
<td>$206,499</td>
</tr>
<tr>
<td>Southern Contracting Company</td>
<td>$240,000</td>
</tr>
<tr>
<td>W. A. Rasic Construction Company, Inc.</td>
<td>$262,746</td>
</tr>
<tr>
<td>Engineer's Estimate</td>
<td>$200,000</td>
</tr>
</tbody>
</table>
### Project Cost and Schedule

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$125,000</td>
</tr>
<tr>
<td>Pre-Purchased Equipment: Diesel Particulate Filter</td>
<td>$30,000</td>
</tr>
<tr>
<td>Construction Services (~15%)</td>
<td>$27,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$178,777</td>
</tr>
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### Project Milestone

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<tr>
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<td>April 2017</td>
</tr>
</tbody>
</table>
Agency Goal/Recommendation

Staff recommends that the Board of Directors award the construction contract to Davis Electric, for the Headquarters Building Backup Generator, in the amount of $178,777, and authorize the General Manager to execute the contract.

The Headquarters Building Backup Generator project is consistent with the Agency’s Business Goal of Wastewater Management that systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.
CONTRACT NUMBER: 4600002186
FOR
HEADQUARTERS BUILDING BACKUP GENERATOR, PROJECT NO. EN16055

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of ____________,
2016 by and between the Inland Empire Utilities Agency, a Municipal Water District, organized
and existing in the County of San Bernardino under and by virtue of the laws of the State of
California (hereinafter referred to as "Agency") and Davis Electric, Inc., with offices located in
Yucaipa, California (hereinafter referred to as "Contractor"), for the construction of the
Headquarters Building Backup Generator, Project No. EN16055.00.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein,
the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract
shall come from the designated Project Manager. Details of the Agency’s assignment
are listed below.

   Project Manager: Jamal Zughbi, Senior Engineer
   Address: 6075 Kimball Avenue, Building “B”
             Chino, CA 91708
   Telephone: (909) 993-1698
   Email: jzughbi@ieua.org

2. **CONTRACTOR ASSIGNMENT:** Special inquiries related to this Contract and the
effects of this Contract shall be referred to the following:

   Contractor: Denny Doyle, Project Manager
               Davis Electric, Inc.
   Address: 13556 Douglas Street
            Yucaipa, CA 92399
   Telephone: (909) 446-0054
   Email: denny@davis-electric.com

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract
Documents. Where any conflicts exist between the General Terms and Conditions, or
addenda attached, then the governing order of precedence shall be as follows:

   1. Amendments to Contract number 4600002186.
2. Contract number 4600002186 General Terms and Conditions.
3. Agency's Invitation for Bid (IFB) number IFB-RW-16-008 and germane addenda (Exhibit A).

4. SCOPE OF WORK AND SERVICES: Contractor services and responsibilities shall include and be in accordance with the Agency's Invitation for Bid (IFB) number IFB-RW-16-008 and germane addenda, attached hereto, referenced herein, and made a part hereof by this reference as Exhibit A.

5. TERM: The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon acceptance of the design's construction as signed off by the Agency's cognizant Engineering & Construction Management Department personnel and project management, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. PAYMENT, INVOICING AND COMPENSATION: The Contractor shall submit one monthly invoice, valued in accordance with the pricing (Exhibit B) established for this Contract. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

All invoices shall be submitted electronically with all required back-up to apgroup@ieuua.org.

Contractor shall provide with their invoice certified payroll verifying that Consultant has paid prevailing wage in accordance with the Department of Industrial Relations requirements as stipulated in SB-854 (http://www.dlr.ca.gov/DIRNews/2014/2014-55.pdf).

Effective January 1, 2015: The call for bids and contract documents must include the following information:

A. No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

B. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

C. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

As compensation for the work performed under this Contract, Agency shall pay Contractor a not-to-exceed maximum $178,777.00 for all work satisfactorily provided hereunder in accordance with Exhibit A and Exhibit B.
Note: All payments made, whether for design or construction build, shall be in accordance with the payment terms outlined in Exhibit A.

7. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor’s sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.

   a. The insurance shall include coverage for each of the following hazards:

   Premises – Operations
   Owners and Contractors Damage
   Broad Form Property Damage
   Contractual for Specific Contract
   Severability of Interests or Cross-Liability
   XCU [Explosion, Collapse and Underground] Hazards
   Personal Injury – with the “Employee” Exclusion Deleted

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.

4. Builders Risk completed value (course of construction) fire insurance with extended coverage and a vandalism and malicious endorsement. The policy shall cover the full value of all completed construction, which includes all material and labor invested in the construction and the full value of all equipment and material at the job site. Said policy shall remain in effect until acceptance of the by the Agency.

5. Payment, Labor & Material, and Performance Bonds: Bonding is required, per Public Contract Code Article 121., Section 21565, for public works projects. All construction-related labor for this project is
designated as the public works portion of this project and therefore subject to prevailing wage. Contractor shall furnish bonding with the use of forms furnished in the RFP.

B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the Agency), its officers, officials, employees, volunteers, property owners and engineers under contract to the Agency; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**

   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsement CG2010 1185, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

   b. The Contractor's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees, volunteers, property owners or engineers under contract to the Agency. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency shall be excess of the Contractor's insurance and shall not contribute with it.

   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency.

   d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract to the Agency for losses arising from work performed by the Contractor for the Agency.

3. Builders Risk Insurance (Course of Construction)

The Agency is to be named as the loss payee.

4. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. Acceptability of Insurers: Insurance is to be placed with insurers with a Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Ms. Angela Witte, Risk Specialist
P.O. Box 9020
Chino Hills, California 91709-0902
8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **LEGAL RELATIONS AND RESPONSIBILITIES**

A. **Professional Responsibility:** The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. **Status of Contractor:** The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. **Observing Laws and Ordinances:** The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

*Effective July 1, 2014, all Contractors must be registered with the California Dept. of Industrial Relations as required by law SB-854 for public works construction projects:*


D. **Confined Space Work:**

I. Precautions and Programs:

a. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.

b. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Agency is notified of an alleged violation of the Occupational Safety and Health...
Standards referred to in this Section and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.

c. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

d. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

1) All employees on the work or work site and other persons and organizations who may be affected thereby;

2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and

3) All other property at the site.

e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

1) Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157. This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:

2) A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.

f. The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or
permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

G. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

H. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

I. **Indemnification:** Contractor shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney’s fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.

J. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

K. **Equal Opportunity:** During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.

L. **Disputes:**

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency’s Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such
appeals, including but not limited to reasonable attorneys’ fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency’s representative to the Contractor.

N. Workers’ Legal Status: For performance against this Contract, Supplier shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

O. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less that the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

10. **FITNESS FOR DUTY:**

A. **Fitness:** Consultant and its Subcontractor personnel on the Jobsite:

1. shall report for work in a manner fit to do their job;

2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Compliance:** Consultant shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.
11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY**: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

12. **PUBLIC RECORDS POLICY**: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.). The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. **NON-CONFORMING WORK AND WARRANTY**: Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.

14. **NOTICES**: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

**Agency:** Inland Empire Utilities Agency, a Municipal Water District  
Attn: Mr. Warren T. Green  
Manager of Contracts and Facilities Services  
P.O. Box 9020  
Chino Hills, California  91709-0902

**Contractor:** Davis Electric, Inc.  
Attn: Mr. Wayne Davis  
President and Responsible Managing Officer (RMO)
Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

16. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.

18. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.

19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

20. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

21. **LIQUIDATED DAMAGES:** Liquidated Damages, in the amount of $500.00 per day, may be assessed by the Agency for each calendar day that the Contractor fails to complete this project in accordance with its final, contractually-committed delivery schedule. Any and all Liquidated Damages assessed by the Agency will be taken as a direct credit against the Contractor's invoice for this project. The Contractor's acceptance of a contract subsequently issued in conjunction with this solicitation, shall
serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed herein.

22. **CHANGES:** The Agency may, at any time, make changes to this Contract’s Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

23. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**
(A Municipal Water District)

**DAVIS ELECTRIC, INC.:**

P. Joseph Grindstaff  
General Manager

(Date)  
Wayne Davis  
President

(Date)

[ Balance Of This Page Intentionally Left Blank ]
Date: August 17, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
      General Manager

Submitted by: Kathy Besser
             Manager of External Affairs

Subject: Adoption of Resolution No. 2016-8-1, Initiating Proceedings for the Consolidation of the CBWCD and IEUA

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2016-8-1, initiating proceedings for the consolidation of the Chino Basin Water Conservation District (CBWCD) and the Inland Empire Utilities Agency (IEUA).

BACKGROUND

In November 2013, the Local Agency Formation Commission of San Bernardino County (LAFCO) initiated the Service Review for Water Conservation within the Valley Region (Service Review). The review evaluated the activities related to groundwater recharge and water conservation education. Although in the past service reviews have used a community-by-community approach, LAFCO has implemented a new protocol and now conduct service reviews on a regional basis.

On May 20, 2015, the LAFCO Commission approved Agenda item #9, LAFCO 3174, Service Review for Water Conservation within the Valley Region.

LAFCO staff’s report to the Commission states:

Given the determinations presented in the service review report, it is LAFCO staff’s position that the Commission should support one of two options:

- The consolidation of the two Water Conservation Districts into a single Water Conservation District serving the entirety of the Valley region...
- The two water conservation districts should consolidate with its respecting overlying municipal water district.
The May 20, 2015 staff report further states:

For the West Valley, efforts and sentiments to dissolve the Chino Basin WCD date back to 1969 based on the reasoning that the District's functions and services could be assumed by an overlying agency that has the same authorized functions and services (IEUA or Flood Control District). Given the information gathered and the determinations of this service review, LAFCO staff's position is that the best option for continuing the level of service offered for the entire West Valley would be for the Chino Basin WCD to consolidate with the IEUA.

Based on LAFCO's staff recommendation, a sphere of influence review was completed for the CBWCD and LAFCO Resolution No. 3203 was adopted on September 16, 2015 amending the sphere of influence for the CBWCD to be coterminous with the sphere of influence of IEUA. This recommendation coincided with LAFCO's recommendation to consolidate the two western county agencies.

In January 2016, IEUA contracted with Albert A. WEBB Associates to determine if LAFCO staff's recommendation on consolidation was cost-effective, enhanced services and created a more effective government structure. The Plan for Service developed by WEBB Associates that outlines their findings is attached as Exhibit A.

Both IEUA and CBWCD were originally formed to ensure current and future water needs of their respective service areas would be met. Today, the three primary functions of CBWCD are to provide groundwater recharge, water conservation and public education programs.

In contrast, IEUA's programs have evolved into a sophisticated and cost-effective blend of regional services that integrate all forms of water resource management (conservation/education and water-use efficiency, stormwater management, groundwater recharge, recycled water, supplemental water supplies, groundwater desalination, compost production for a "healthy soils" amendment, disposal of non-reclaimable industrial water and brine to protect the groundwater basin, and renewable energy production). IEUA is a recognized statewide leader in water-use efficiency, water management and sustainability programs, and has received numerous local, state and federal awards for these programs.

As documented in the Plan for Service, it is evident that the majority of services currently provided by the CBWCD duplicate current programs and services provided by IEUA. In addition, the functional operations of CBWCD, including basin management, are already being managed by IEUA or Chino Basin Watermaster.

Based on the financial analysis provided in Section 5.0 of the Plan for Service, the proposed consolidation will result in estimated annual savings of $1,083,905, above what will be required to continue CBWCD's activities consistent with their Fiscal Year (FY) 2016/17 adopted budget.
Over the last eight years, CBWCD’s expenditures have exceeded total revenues, as reported in Figure 1.1 below, resulting in a decrease in total cash and investments (fund reserves) of nearly $7 million; from $19.6 million at the end of FY 2009/10 to an estimated $13 million by June 30, 2017. Roughly $6 million was invested in the construction of the CBWCD’s Water Conservation Center Campus that was completed in fall 2013.

**Figure 1.1: Comparison CBWCD Total Revenues and Total Expenditures**

![Graph comparing CBWCD total revenues and total expenditures from FY 2009/10 to FY 2016/17.]

The remaining revenue shortfall appears to be driven by recent increases in Salaries and Benefits and Materials and Services categories (see Figure 1.2). Currently the CBWCD FY 2016/17 budget shows operating expenses of about $3 million (including capital outlays and excluding depreciation costs), which means that CBWCD will have $565,000 in expenses over the anticipated total revenue of $2.5 million. This estimated shortfall is covered in the CBWCD FY 2016/17 budget by fund reserves.
Figure 1.2: CBWCD Total Operating Expenses

As a result of verifiable efficiencies gained through consolidation with IEUA, the overall costs to the public would be reduced by approximately $1,083,905, annually. These annual savings and existing CBWCD’s fund reserves will be available for investment in expanding water-use efficiency, water conservation education and outreach, groundwater recharge, and water storage throughout the region.

Assuming future operating expenses (Salaries and Benefits and Materials and Services) increase at the same pace as they are currently, total revenues, comprised primarily of property taxes, will continue to fall short. This means that, similar to FY 2015/16 and FY 2016/17, CBWCD’s fund reserves will have be used to backfill future budget shortfalls. This is not a sustainable fiscal practice.

The estimated cost savings from the proposed consolidation of CBWCD into IEUA would eliminate the District’s structural revenue shortfall and still result in sufficient remaining revenue to augment FY 2016/17 water conservation and resource management programs. This underscores the point that the result of the proposed consolidation would be a net financial benefit to taxpayers, while providing an enhanced level of service in the groundwater, water-use efficiency and conservation education programs.
As a voting member of Metropolitan Water District of Southern California (MWD), IEUA has access to numerous MWD conservation, education and rebate programs that are implemented in the Chino Basin. These regional programs combined with IEUA’s own investments in water-use efficiency and conservation education are key to attaining drought resiliency in western San Bernardino County. In FY 2015/16 alone, IEUA received approximately $8 million in regional benefits from MWD to use for regional conservation programs. In addition, due to the significant size of IEUA’s service area and population, IEUA has access to larger amounts of grant funding. These programs contribute greatly to long term water savings in the region and provide significant benefits to IEUA’s ratepayers.

The Plan for Service provides the basis to evaluate and carry out the consolidation of the IEUA and the CBWCD as recommended by LAFCO staff. This Plan for Service includes a detailed evaluation of the services which will continue to be provided and how those services will be funded.

Based on this evaluation of the proposed consolidation, the following was determined:

1. IEUA is authorized to provide all of the services currently being provided by CBWCD (Exhibit A, Section 3.1).

2. IEUA will continue to manage the operations and maintain all CBWCD groundwater recharge basin facilities for the benefit of the entire Chino Basin (Exhibit A, Section 3.3).

3. The current combined revenue of the consolidated agencies is more than sufficient, without depleting CBWCD reserves, to finance all current CBWCD activities, and support integration and expansion of water-use efficiency, water conservation education and outreach, groundwater recharge and water storage in the region. It is IEUA’s intent to establish separate accounts in IEUA’s financial system to track use of CBWCD assets and property tax revenues, with the understanding that all local property taxes collected will be spent on projects that benefit the local taxpayers. All activities will be funded without depleting reserves to balance the budget (Exhibit A, Section 5.2).

4. IEUA will implement an efficient transition plan to meet the goals of the consolidation and will assume all rights, responsibilities, personnel, properties, contracts, assets and liabilities of CBWCD (Exhibit A, Section 6.2).

5. All CBWCD employees shall become employees of IEUA, maintaining all fringe benefits currently provided to them, or IEUA’s benefits, whichever is greater (Exhibit A, Section 6.1).

6. The current CBWCD Board will become an Advisory Board on Conservation to the IEUA Board of Directors to benefit from their knowledge of conservation
issues, and shall receive the IEUA director stipend of $225.00 per meeting, with a maximum of 10 meetings per month, as well as maintain the current fringe benefits offered to the CBWCD Board Members, or IEUA’s benefits, whichever is greater (Exhibit A, Section 6.1).

As a result, staff recommends concurring with the LAFCO Service Review, which states that the best option for continuing the level of service offered for the entire west valley is for CBWCD to consolidate with IEUA.

As stated by LAFCO staff in its May 20, 2015 Service Review:

Consolidation offers the greatest level of benefit for resource management, seamless operations, and standardized coverage... The redundancies for multiple elected and appointed officials as well as leadership staff would be eliminated. It would be expected that a single agency could use resources more effectively, and water education activities could consolidate thereby resulting in a single, streamlined message.

The Plan for Service is consistent with the Agency’s Business Goal of increasing Water Reliability by promoting water use efficiency and education to enhance water supplies within the region; and meeting the region’s need to develop reliable and diverse local water resources

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

If consolidation of CBWCD with IEUA is approved by the LAFCO Commission, the transfer of CBWCD fund reserves estimated at $13 million and annual property taxes of approximately $2.3 million to IEUA will fully support the Agency’s assumption of all District rights, personnel, responsibilities, properties, contracts, assets and liabilities of CBWCD.
RESOLUTION NO. 2016-8-1

RESOLUTION OF APPLICATION BY THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF SAN BERNARDINO COUNTY TO INITIATE PROCEEDINGS FOR THE CONSOLIDATION OF THE CHINO BASIN WATER CONSERVATION DISTRICT AND THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT

WHEREAS, the Inland Empire Utilities Agency, A Municipal Water District (IEUA) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56826.5 of the California Government Code, for the consolidation of the Chino Basin Water Conservation District (CBWCD) and IEUA; and

WHEREAS, CBWCD’s service area is wholly contained within the service area of IEUA, and the area of the proposed consolidation is inhabited, and a map showing the legal boundaries of IEUA is attached hereto as Appendix E in the Plan for Service (Exhibit A), and by this reference are incorporated herein; and

WHEREAS, it is desired that the proposed consolidation be subject to the following terms and conditions:

1. IEUA shall provide for an orderly transition of the assets, liabilities, agreements, staff and activities from CBWCD to IEUA, as shown in the Plan for Service accompanying this Resolution, which Plan for Service is attached hereto as Exhibit A and by this reference incorporated herein.

2. IEUA shall establish an Advisory Board on conservation comprised of the Board of Directors of CBWCD beginning on the effective date of the consolidation, with duties and terms as shown in the Plan for Service accompanying this Resolution.

3. IEUA shall employ each regular employee of the CBWCD beginning on the effective date of the consolidation determined by the Local Agency Formation Commission of San Bernardino County (LAFCO).

4. IEUA shall establish a special general ledger account in IEUA’s annual budget to track where CBWCD assets and tax revenue is spent, with the understanding that all funds generated by local taxes will be spent on local services; and

WHEREAS, the principal reasons for the proposed consolidation are as follows:

1. Under its principal act, the Municipal Water District Law of 1911 which commences with California Water Code Section 71000, IEUA is authorized to provide the services currently provided by the CBWCD.
2. IEUA has the legal authority and responsibility to manage the groundwater resources of western San Bernardino County in accordance with the Orange County Judgment (Orange County Water District v. City of Chino et al., April 17, 1969).

3. CBWCD’s authorized functions and services, included in the San Bernardino LAFCO Policy and Procedure Manual, Section VI – Special Districts, could be assumed by the overlying agency (IEUA) that has the same authorized functions and services.

4. The services provided by CBWCD benefit only a portion of the Chino Basin area, which is the groundwater basin that underlies western San Bernardino County, whereas services provided by IEUA benefit the majority of the Chino Basin area.

5. The consolidation will eliminate redundant operating expenses, saving just under $1.1 million annually, and improve comprehensive water resource management and benefit groundwater producers, the public and other governmental and municipal agencies.

6. The consolidation will provide greater public accountability by eliminating one governmental entity and redundancy of jurisdictions, and will result in better integration of regional programs and transparency in government decision-making.

7. As stated in the May 2015 LAFCO Service Review for Water Conservation within the Valley Region, “LAFCO staff’s position is that the best option for continuing the level of service offered for the entire West Valley would be for the Chino Basin WCD to consolidate with the IEUA.”; and

WHEREAS, a sphere of influence review was completed for the CBWCD and LAFCO Resolution No. 3203 was adopted on September 16, 2015, amending the sphere of influence for the CBWCD to be coterminous with the sphere of influence of IEUA. This action coincides with LAFCO staff’s recommendation to consolidate the two western county agencies; and

WHEREAS, it is desired that LAFCO commence proceedings for the consolidation of CBWCD into IEUA, pursuant to the provisions of Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56650 of the California Government Code; and

WHEREAS, it is desired that IEUA be named the successor agency, conducting itself under the Municipal Water District Law of 1911, commencing with Section 71000 of the California Water Code; and

WHEREAS, the consolidation is an organizational or administrative activity that will not result in any direct or indirect negative environmental impacts, as noted in the February 28, 2015 Environmental Recommendation conducted by Tom Dodson & Associates (Exhibit A, Appendix F), thus exempting the consolidation from environmental review pursuant to Section 15378 (b)(5) of the California Environmental Quality Act Guidelines; and
NOW, THEREFORE BE IT RESOLVED, IEUA shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's affirmation of this consolidation, including any reimbursement of legal fees and costs incurred by the Commission.

BE IT FURTHER RESOLVED by the IEUA Board of Directors that this Resolution of Application is hereby adopted and approved, and LAFCO is hereby requested to take proceedings for consolidation of the two districts as authorized and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to take any additional actions that may be necessary to assist LAFCO in proceeding with the proposed consolidation.

ADOPTED this 17th day of August, 2016.

______________________________
Terry Catlin
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:

______________________________
Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-8-1, was adopted at a regular Board Meeting on August 17, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

___________________________________
Steven J. Elie
Secretary/Treasurer

*A Municipal Water District
EXHIBIT A
PLAN FOR SERVICE

Proposed Consolidation
of the
Inland Empire Utilities Agency,
A Municipal Water District
and the
Chino Basin Water Conservation District

Prepared for:
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA  92415-0490

Prepared by:
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA  91708

August 17, 2016
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APPENDIX C: Four Party Agreement
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## Acronyms and Abbreviations

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<tr>
<td>AF</td>
<td>Acre Feet</td>
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<td>AFY</td>
<td>Acre Feet per Year</td>
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<td>CBWCD</td>
<td>Chino Basin Water Conservation District</td>
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<td>COE</td>
<td>Community Outreach and Education</td>
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<td>FY</td>
<td>Fiscal Year</td>
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<td>GRCC</td>
<td>Groundwater Recharge Coordinating Committee</td>
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<td>PPA</td>
<td>Power Purchase Agreement</td>
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<td>SARCCUP</td>
<td>Santa Ana River Conservation and Conjunctive Use Program</td>
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<td>SBCFCD</td>
<td>San Bernardino County Flood Control District</td>
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<td>TEAM</td>
<td>Santa Ana Watershed Action Team</td>
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<td>Water Conservation District</td>
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CERTIFICATION OF PLAN FOR SERVICE

I hereby certify that the facts, statements and information presented in this Plan for Service are true and correct to the best of my knowledge and belief.

__________________________  ______________________________
Date                          Signature of Applicant

__________________________
Printed Name and Title
1.0 EXECUTIVE SUMMARY

On May 20, 2015, the Local Agency Formation Commission for San Bernardino County (LAFCO) approved Agenda item #9, LAFCO 3174, Service Review for Water Conservation within the Valley Region.

LAFCO staff’s report to the Commission states:

*Given the determinations presented in the service review report, it is LAFCO staff’s position that the Commission should support one of two options:*

- The consolidation of the two Water Conservation Districts into a single Water Conservation District serving the entirety of the Valley region...
- The two water conservation districts should consolidate with its respective overlying municipal water district.

The May 20, 2015 staff report further states:

*For the West Valley, efforts and sentiments to dissolve the Chino Basin WCD date back to 1969 based on the reasoning that the District’s functions and services could be assumed by an overlying agency that has the same authorized functions and services (IEUA or Flood Control District). Given the information gathered and the determinations of this service review, LAFCO staff’s position is that the best option for continuing the level of service offered for the entire West Valley would be for the Chino Basin WCD to consolidate with the IEUA.*

The Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) strongly concurs with the LAFCO staff that the best option for continuing and improving the level of service for the entire west valley is for the Chino Basin Water Conservation District (CBWCD/District) to consolidate with IEUA. The primary reasons include:

1. *The majority of the services currently provided by CBWCD to its 113-square miles service area duplicate the programs delivered by IEUA to the entirety of the 242-square mile west valley – a service area that fully encompasses CBWCD’s boundaries.*

Both IEUA and CBWCD were originally formed to ensure current and future water needs of their respective service areas would be met. Today, the three primary functions of CBWCD are to provide groundwater recharge, water conservation and public education programs.

In contrast, IEUA’s primary functions, as a wholesale water and regional sewage service provider, are to secure and supply imported water, collect and treat wastewater, produce high quality renewable products; such as, recycled water, compost and energy, and promote sustainable use of groundwater and development of local water supplies including conservation. Today, IEUA’s programs have evolved into a sophisticated and cost-effective blend of regional services that integrate all forms of water and resource management (conservation/education and water-use efficiency, stormwater management, groundwater recharge, recycled water, supplemental water supplies, groundwater desalination, compost production for a “healthy soils” amendment, disposal of non-reclaimable industrial water and
brine to protect the groundwater basin, and renewable energy production). IEUA is recognized as a statewide leader in water-use efficiency, water management and sustainability programs, and has received numerous local, state and federal awards for these programs.

The comparison of CBWCD’s current functions with the services offered by IEUA contained in this document underscore the extent to which CBWCD’s existing programs duplicate or are extensions of IEUA’s activities:

- **Groundwater Recharge**: IEUA currently manages 29 groundwater basins, including the operation of the eight groundwater recharge basins owned by CBWCD. In addition, IEUA and Watermaster have a joint recharge permit from the Regional Water Quality Control Board for recharge of imported, storm and recycled water. CBWCD’s involvement is limited to providing landscaping services and their participation, along with IEUA, in the “Four Party Agreement.” This agreement outlines the procedures for the collaborative operation and maintenance of all the facilities needed to implement the Chino Basin Recharge Master Plan.

- **Water Conservation Services**: The CBWCD provides landscape audits and installations, along with technical training in landscape efficiency services. The landscape audit program was developed by CBWCD at IEUA’s urging, which included the start-up “train the trainer” grant from the California Department of Water Resources that IEUA prepared as a joint IEUA-CBWCD effort. Today, IEUA offers the landscape audit program to its region by “outsourcing” these services to CBWCD. This regional program integrates with and directly supports other IEUA-sponsored conservation programs. In addition, IEUA funds and manages non-landscape-based regional water-use efficiency grants and programs that CBWCD does not provide. These broader conservation programs benefit the entire west valley, including taxpayers within CBWCD’s service area.

- **Water Education Services**: The CBWCD completed the renovation of its Water Conservation Center Campus, which includes their water-wise demonstration garden, in 2013. The District conducts workshops, hosts public events and field trips and showcases landscape designs that capture stormwater on site and that reduce water usage. IEUA offers a very similar array of programs at its 22-acre Chino Creek Wetlands and Educational Park. Constructed in 2007, the Park and grounds that surrounds IEUA’s platinum-LEED® headquarters showcase native and water conserving landscaping, as well as demonstration methods for stormwater management and water quality improvements. Both agencies have facilities for outdoor education and school trips. Both offer conservation education workshops, expert demonstrations, poster contests, and public events. The annual Landscape and Water Conservation Fair hosted at CBWCD is jointly funded by IEUA and CBWCD with participation by all of IEUA’s member agencies.

- **Community Participation and Regional Engagement**: The CBWCD and IEUA have extensive overlapping memberships and activities. Two-thirds of CBWCD memberships duplicate IEUA’s. Regional activities are also duplicated, including participation in the Chino Basin Watermaster (Watermaster) where both agencies are party to the Watermaster agreement. IEUA currently serves as Chair of the Watermaster Board. IEUA’s regional engagement extends beyond CBWCD through its participation on the Boards of the Metropolitan Water District of Southern California (MWD), Santa Ana Watershed Project Authority, and Inland Empire Regional Compost
Authority, and engagement with the Santa Ana River Watershed Action Team, Santa Ana River Conservation and Conjunctive Use Program, and Chino Basin Desalter Authority.

2. **The financial analysis, based upon information provided by CBWCD, shows that the proposed consolidation of the District into IEUA will save taxpayer money and improve management of these financial resources.**

The financial statements provided by CBWCD were evaluated by IEUA to determine whether cost and management efficiencies would be attained through the consolidation proposal. Two conclusions were reached:

- **The proposed consolidation of CBWCD into IEUA would result in estimated annual savings of $1,083,905, even after funding CBWCD’s current activities included in CBWCD’s Fiscal Year (FY) 2016/17 budget.**

The CBWCD and IEUA programs were combined and the consolidated FY 2016/17 budgets for CBWCD and IEUA were then compared to evaluate potential cost savings. In this assessment, it was assumed that all CBWCD programs would be implemented as identified in its FY 2016/17 budget. In addition, all CBWCD staff would be retained and they would receive equivalent, or better, compensation and benefits. Similarly it was assumed that the CBWCD Board of Directors would be reconstituted as an Advisory Board on Conservation, maintaining their current benefits and receiving the same compensation for their activities as IEUA’s Board of Directors.

The estimated annual savings of $1,083,905 reflects the elimination of CBWCD’s overhead costs that duplicate IEUA expenditures. The primary categories of expected savings are professional fees and services ($431,700), Director’s Fees and Costs ($350,100), Materials and Supplies ($214,550), and Office and Administration ($80,000). There are modest savings projected in the categories of Benefits, Operating Fees, Financial Expenses, and miscellaneous costs.

- **The proposed consolidation of CBWCD into IEUA would eliminate CBWCD’s growing structural budget shortfall and the continued depletion of their reserves, which will benefit taxpayers.**

Over the past eight years, CBWCD expenses have exceeded revenue in aggregate by nearly $7 million. During this time, roughly $6 million was invested in the construction of CBWCD’s Water Conservation Center Campus that was completed in 2013.
The remaining revenue shortfall appears to be driven by recent increases in Salaries & Benefits and Materials & Services categories. Currently, the District’s FY 2016/17 budget shows operating expenses of about $3 million (including capital outlays and excluding depreciation costs), which means that CBWCD will have $565,000 in expenses over the anticipated total revenue of $2.5 million. This estimated shortfall will be covered by CBWCD fund reserves.
Assuming future operating expenses (Salaries & Benefits and Materials & Services) increase at the same pace as they are currently, total revenues, comprised primarily of property taxes, will continue to fall short. This means that, similar to FY 2015/16 and FY 2016/17, CBWCD’s fund reserves will have to be used in the future to backfill budget shortfalls. This is not a sustainable fiscal practice.

The estimated cost savings from the proposed consolidation of CBWCD into IEUA would eliminate the District’s structural revenue shortfall and still result in sufficient remaining revenue to augment FY 2016/17 conservation programs. This underscores the point that the result of the proposed consolidation would be a net financial benefit to the ratepayers.

3. The proposed consolidation of CBWCD into IEUA will result in better integration of regional programs and transparency in government decision-making.

Consolidation would demonstrate to the residents of San Bernardino County that decision makers actively strive to implement policies with good governance and stewardship of public funds in mind. Streamlining would provide greater transparency in the structure of governance in the west valley, leading to enhanced programs and services for ratepayers. A more understandable process of water conservation within IEUA’s service area would lead to better communication on water-use efficiency education and outreach programs.

As a voting member of Metropolitan Water District of Southern California (MWD), IEUA has access to numerous MWD conservation, education and rebate programs that are implemented in the Chino Basin. These regional programs combined with IEUA’s own investments in water-use efficiency and conservation education are key to attaining drought resiliency in western San Bernardino County. In FY 2015/16 alone, IEUA received approximately $8 million in regional benefits from MWD to use for regional conservation programs. In addition, due to the significant size of IEUA’s service area and population, IEUA has access to larger amounts of grant funding. These programs contribute greatly to long term water savings in the region and provide significant benefits to IEUA’s ratepayers.

The Proposed “Plan for Service”

This document provides the programmatic and financial evaluation upon which the proposal to LAFCO initiating the consolidation of CBWCD into IEUA is based. The proposed “Plan for Service” includes a detailed assessment of the services which will be provided by the consolidated agencies and how those services will be sustainably funded. It also demonstrates that all taxpayers in the west valley will enjoy enhanced programs at a reduction from current costs.

The key findings of the proposed Plan for Service and our proposal to LAFCO are the following:

1. CBWCD’s authorized functions and services, included in the San Bernardino LAFCO Policy and Procedure Manual, Section VI – Special Districts, could be assumed by the overlying agency (IEUA) that has the same authorized functions and services.

2. IEUA is authorized to provide all of the services currently being provided by CBWCD (Section 3.1).
3. IEUA will continue to manage the operations and maintain all CBWCD groundwater recharge basin facilities for the benefit of the entire Chino Basin (Section 3.3).

4. The current combined revenue of the consolidated agencies is more than sufficient, without depleting CBWCD reserves, to finance all current CBWCD activities, and support integration and expansion of water-use efficiency, water conservation education and outreach, groundwater recharge and water storage in the region. It is IEUA’s intent to use all funds generated from CBWCD’s service area will be spent to benefit those same ratepayers. All activities will be funded without depleting reserves to balance the budget (Section 5.2).

5. IEUA will implement an efficient transition plan to meet the goals of the consolidation and will assume all rights, responsibilities, properties, contracts, personnel, assets and liabilities of CBWCD (Section 6.2).

6. All CBWCD employees shall become employees of IEUA, maintaining all fringe benefits currently provided to them, or IEUA’s benefits, whichever is greater (Section 6.1).

6. The current CBWCD Board will become an Advisory Board on Conservation to the IEUA Board of Directors to benefit from their knowledge of conservation issues, and shall receive the IEUA director stipend of $225.00 per meeting, with a maximum of 10 meetings per month, as well as maintain the current fringe benefits offered to the CBWCD Board Members, or IEUA’s benefits, whichever is greater (Section 6.1).

Summary

The Inland Empire Utilities Agency strongly concurs with the LAFCO staff that the best option for continuing and enhancing the level of service offered for the entire west valley in a cost-effective, regionally integrated manner is to consolidate the Chino Basin Water Conservation District to consolidate into IEUA.

As stated by LAFCO staff in its May 20, 2015 Service Review:

Consolidation offers the greatest level of benefit for resource management, seamless operations, and standardized coverage... The redundancies for multiple elected and appointed officials as well as leadership staff would be eliminated. It would be expected that a single agency could use resources more effectively, and water education activities could consolidate thereby resulting in a single, streamlined message.
2.0 INTRODUCTION

The Plan for Service (Plan) for the proposed consolidation of the Chino Basin Water Conservation District (CBWCD/District) into the Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) has been prepared for submission to the Local Agency Formation Commission for San Bernardino County (LAFCO) as part of a consolidation application pursuant to Government Code Section 56653(a).

Pursuant to the San Bernardino LAFCO Policy and Procedure Manual Section VI – Special Districts, CBWCD’s authorized functions and services could be assumed by the overlying agency (IEUA) that has the same authorized functions and services.

This Plan clearly identifies how the functions and services will be enhanced and improved under a consolidated organization, including the reduction of costs, promoting open communication and transparency and improving services to the community. The Plan will also provide LAFCO, public agencies, affected property owners and residents, and other interested persons with information regarding how services will be provided following the proposed consolidation.

Included in this report are:

- A description of the enhanced services to be provided;
- An overview of recharge facilities, their condition and a management plan;
- Projected reduction in service costs and increased revenue savings; and
- Transition Plan for a well-organized consolidation of IEUA and CBWCD.

Upon the effective date of the consolidation, IEUA will be solely responsible for providing the services described in this Plan. All services currently provided by the CBWCD will be continued or enhanced after the consolidation takes place. In addition, significant organizational and resource management efficiencies, as described in more detail on the following pages, will be achieved through the consolidation.
3.0 SERVICES TO BE PROVIDED

Executive Summary #1: The majority of the services currently provided by CBWCD to its 113-square miles service area duplicate the programs delivered by IEUA to the entirety of the 242-square mile west valley – a service area that fully encompasses CBWCD’s boundaries.

3.1 Comparison of Powers and Authorities

Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) and Chino Basin Water Conservation District (CBWCD/District) were formed under different principle acts in the California Water Code, Section 71000 et seq. and Section 74000 et seq., respectively. These acts contain certain differences that are highlighted below to assure Local Agency Formation Commission for San Bernardino County (LAFCO) that all services and functions conducted by CBWCD will continue once the consolidation is approved.

Table 3.1 IEUA Functions and Services Authorized by LAFCO

<table>
<thead>
<tr>
<th>Function</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>• Water conservation activities</td>
</tr>
<tr>
<td></td>
<td>• Water education programs</td>
</tr>
<tr>
<td></td>
<td>• Wholesale imported water</td>
</tr>
<tr>
<td></td>
<td>• Develop recycled water infrastructure</td>
</tr>
<tr>
<td></td>
<td>• Develop local water resources</td>
</tr>
<tr>
<td>Sewer</td>
<td>• Regional wastewater treatment agency</td>
</tr>
<tr>
<td></td>
<td>• Own and operate five regional wastewater recycling plants (methane gas generated from plants is used to power IEUA facilities)</td>
</tr>
<tr>
<td></td>
<td>• Dispose of non-reclaimable industrial water and brine</td>
</tr>
<tr>
<td></td>
<td>• Regional distribution of recycled water</td>
</tr>
<tr>
<td></td>
<td>• Co-owns (with LACSD) and operates composting facility to recycle biosolids</td>
</tr>
<tr>
<td>Total Basin Management</td>
<td>• Manage the operations of 29 groundwater basins, including eight owned by CBWCD</td>
</tr>
<tr>
<td></td>
<td>• Recycled water recharge</td>
</tr>
</tbody>
</table>

Table 3.2 CBWCD Functions and Services Authorized by LAFCO

<table>
<thead>
<tr>
<th>Function</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Conservation</td>
<td>• Contract with IEUA to manage the operations of the eight basins owned by CBWCD</td>
</tr>
<tr>
<td></td>
<td>• Provide landscaping services to the basins owned by CBWCD</td>
</tr>
<tr>
<td></td>
<td>• Water conservation education</td>
</tr>
</tbody>
</table>
Table 3.3, Services Authorized by California Water Code, summarizes generalized categories of services granted to municipal water districts and water conservation districts by their respective principle acts.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate, acquire, and conserve water and water rights</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell, deliver, and distribute water</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Construct, operate, and maintain hydroelectric power facilities</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Flood Control</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Construct, acquire, maintain, and operate recreational facilities</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Implement urban water conservation programs</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Flood control is the only function that conservation districts are authorized to perform that is not already included in those authorized for municipal water districts, as illustrated above. Based on a thorough review of the applicable California Water Code sections, all services currently provided by CBWCD can be provided by IEUA under the authorities granted by the Municipal Water District Law of 1911 once the proposed consolidation is approved.

Since 1976, LAFCO has had exclusive authority over activation of all services and functions of special districts, including water conservation districts and municipal water districts, pursuant to Government Code Section 56821. LAFCO has determined that the only remaining water-related power that CBWCD is performing, per the Water Conservation District Law of 1931, is replenishment of the basin. However, operation of the CBWCD-owned replenishment basins is currently carried out by IEUA through cooperative agreements.

In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), LAFCO has conducted service reviews for the CBWCD and IEUA. As part of these reviews, LAFCO reviewed existing authorized services and functions and modified them as appropriate for both agencies.

IEUA’s leadership role in water supply and resources is formalized by the appointment of IEUA as a representative on the Chino Basin Watermaster Board, with an IEUA Board member currently serving as its Chair. CBWCD also participates in various Watermaster meetings and collaborations. To accomplish the services listed in Table 3.1, the applicable Water Code sections provide administrative powers to both municipal water districts and water conservation districts.
Table 3.4, Powers Authorized by California Water Code, summarizes and compares the relevant powers authorized under each principle act.

<table>
<thead>
<tr>
<th>Power/Authority</th>
<th>Municipal Water District Law of 1911 (Water Code §71000 et seq.)</th>
<th>Water Conservation District Law of 1931 (Water Code §74000 et seq.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter into contract for water and other related facilities</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Issue bonds</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Levy and collect a groundwater charge</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Set water rates</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Exercise the right of eminent domain</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Commence, intervene in proceedings related to water rights adjudication</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Exercise powers expressly granted or necessarily implied</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

As with the comparison of the authorized services, it can be seen that the powers authorized by the Water Code are quite similar between the two different types of districts. The only difference identified is that conservation districts, unlike municipal water districts, are provided the authority to levy and collect a groundwater charge on groundwater production within their boundary. However, groundwater production within the Chino Basin is overseen by the Chino Basin Watermaster and CBWCD does not currently levy a groundwater charge within their boundaries.
3.2 Agency Overview

IEUA encompasses 242-square miles and serves approximately 870,000 people in the cities of Chino, Chino Hills, Rancho Cucamonga, Fontana, Montclair, Ontario, and Upland, as well as Monte Vista Water District, Cucamonga Valley Water District, Fontana Water Company, Water Facilities Authority, and all of the unincorporated areas of western San Bernardino County. CBWCD encompasses 113-square miles and serves approximately 458,000 people; this includes the entire cities of Montclair and Chino, portions of the cities of Chino Hills, Upland, Ontario, Rancho Cucamonga, and some of the unincorporated areas of western San Bernardino County. The consolidation of CBWCD into IEUA will not require changes to the current IEUA service area boundary because CBWCD’s boundary is wholly contained within the IEUA boundary. The geographic extent of IEUA and CBWCD service area boundaries, along with the Chino Basin area, is shown in Figure 1 – Consolidated Boundary Map, while the individual facilities are reflected in Figure 2 – IEUA and CBWCD Facility Locations, Figure 3 – IEUA Facilities, and Figure 4 – CBWCD Facilities.

Inland Empire Utilities Agency

IEUA, originally called the Chino Basin Municipal Water District (CBMWD), was formed in 1950 by popular vote of its residents to become a member agency of the Metropolitan Water District of Southern California for the purpose of importing water under the Municipal Water District Law (Water Code Section 71000 et seq). In 1998, CBMWD officially changed its name to the Inland Empire Utilities Agency, to reflect the changes in CBMWD’s mission.

IEUA has adopted the following mission statement:

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development and protecting the environment. Key areas of service:

- Securing and supplying imported water.
- Collecting and treating wastewater.
- Producing high-quality renewable products such as recycled water, compost and energy.
- Promoting sustainable use of groundwater and development of local water supplies.

Since its formation in 1950, IEUA significantly expanded its water and wastewater utility services. These now include production of recycled water, distribution of imported and recycled water supplies, regional sewage utility services, composting of municipal biosolids, desalination of groundwater supplies, stormwater management, disposal of non-reclaimable industrial wastewater and brine, and programs to encourage water conservation and education, including water-efficient landscaping demonstrations and
a suite of water-use efficiency programs. IEUA’s 242-square mile service area covers the majority of the Chino Basin.

**Chino Basin Water Conservation District**

CBWDC was formed in 1949 and has a goal to protect the Chino Groundwater Basin in order to guarantee that current and future water needs will be met.

CBWCD has adopted the following mission statement:

> The Chino Basin Water Conservation District is a public agency whose goal is the protection of the Chino Groundwater Basin in order to guarantee that current and future water needs will be met. The Basin is protected by the capture and percolation of waters through the District’s network of channels, basins and spreading grounds. Water conservation education is provided to the individuals and organizations within the service area to further promote the efficient use of our water resources.

The District overlaps the western portion, or approximately 113-square miles, of the Chino Basin. The District’s service area includes all or portions of the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland, and unincorporated areas of western San Bernardino County. Additionally, the District’s primary function has evolved into providing water conservation education to individuals and organizations within the Basin to further promote the efficient use of local water resources.
3.3 Continuance of Chino Basin Water Conservation District Activities and Management Agreements

Upon consolidation of CBWCD into IEUA, the Agency will continue all services that are currently provided by CBWCD and efficiently integrate them into its current education outreach and water management programs. The following provides more detailed information regarding the specific service areas and responsibilities which IEUA will continue after the consolidation:

**Water Education and Outreach**

**Description:** One of CBWCD’s core functions is to provide water education and outreach to approximately 458,000 people within its service area. The District takes a two-part strategy which addresses current needs for better, more efficient outdoor water practices and helps to ensure that water-wise practices become the new normal for the next generation.

Many of the District’s education programs are located at their Water Conservation Center Campus as depicted in *Figure 5 – CBWCD Water Conservation Center Campus*. This campus includes classrooms for school field trips, a Water Wise Demonstration Garden, a multi-use building, and a Wilderness Park. Events held in the park include the District’s Earth Day field trip and the annual Landscape and Water Conservation Fair, which is funded by IEUA and CBWCD with participation by all of IEUA’s member agencies.

CBWCD also sponsors a poster contest for grades K-12 at schools located within their boundaries. Each winning student receives $250, and the teachers of each winner’s class receive $1,000 worth of school supplies.

CBWCD’s Education Grant is open to high school and college students who are permanent residents within the boundaries of the district and who are pursuing a degree related to, or identified with, water. Students do not have to attend school in California to be eligible for the grant, which is up to $5,000.

**Status:** In fall 2013, the District completed the redesign its Water Conservation Center Campus to achieve the objectives listed above. The District currently provides field trips to schools within its boundaries at no cost, with schools and groups outside its boundaries welcome if they cover their own transportation costs. The Water Conservation Center Campus, which includes the Water Wise Demonstration Garden, the Wilderness Park, landscape design room, board room, demonstration parking lot, educational lobby exhibits, and the education building, are open to drop-in visitors from Monday to Saturday throughout the year.

In 2016, CBWCD awarded $25,000 to five students who submitted applications for their education grant. Their poster contest was budgeted at $23,900 for FY 2015/16 to pay for awards and program expenses.

IEUA has recently become aware of LAFCO approving a contract between CBWCD and the Inland Empire Resource Conservation District to provide water conservation education, outreach and training. IEUA will review the contract provisions post consolidation to determine the best use of resources for education outreach.
Post Consolidation: IEUA also provides a range of programs for students ranging from kindergarten through 12th grade. These include Water Discovery field trips to the Chino Creek Wetlands and Educational Park (partially funded by a grant from the State Water Resources Control Board) as depicted in Figure 6 – IEUA Chino Creek Wetlands and Educational Park, a popular, two-day Earth Day event attended by thousands of residents every year, creating and administering the Garden in Every School® program, and sponsoring the annual Water is Life poster contest, National Theater for Children, and Solar Cup competition, among other programs.

IEUA also provides tours of their facilities, including the headquarters complex, Regional Water Recycling Plants and Chino Creek Wetlands and Educational Park, to interested groups of all ages. The headquarters complex is one of the largest public landscapes in southern California to use native plants and to have integrated stormwater management, including restoration of natural drainage and the creation of wetlands and riparian habitat, on the property. The state-of-the-art treatment plant tours educate the community about the wastewater treatment process and recycled water usage. The park facilities serve as a demonstration site for native landscapes, low impact development and the use of wetlands to improve water quality.

IEUA will continue its Water is Life poster contest in lieu of CBWCD’s poster contest. IEUA’s poster contest’s winning entries are submitted to Metropolitan Water District of Southern California for participation in the Southern California regional poster contest. In addition, IEUA’s contest represents a significant savings of public dollars (IEUA - $1,100/ CBWCD - $23,900).

Although IEUA does not sponsor its own educational grant program, it has a leadership role in the Water Education Water Awareness Committee (WEWAC), of which CBWCD is currently a member. WEWAC sponsors a Water Scholar Program that provides $500 scholarships for high school seniors living in the service areas of IEUA and Three Valleys Municipal Water District who are planning to attend a two or four year college. Last year, WEWAC awarded $1,500 in scholarships.

Additionally, in 2015 IEUA developed, and continues to fund, a regional drought campaign with outreach throughout its service area, maintains an active online presence to spread the water conservation message through regular posts on the IEUA website, Facebook, YouTube, and Twitter. IEUA maintains an educational blog to provide updates on events, news, education programs, drought, and water conservation tips.

IEUA will continue to offer these services and will continue operation of CBWCD’s Water Conservation Center Campus.
**Landscape Evaluation, Education and Design Services**

**Description:** CBWCD provides a Landscape Evaluation and Audit Program (LEAP) to assist commercial, residential and institutional customers with water-use reduction actions and opportunities. Initially, funding for this program, which started in 2007, came from a grant from the Department of Water Resources, which was a partnership between CBWCD and IEUA. The grant was for five years, with current funding inside CBWCD’s service area coming from the District. Outside of CBWCD’s boundaries, funding is provided by IEUA. Each audit evaluates irrigation efficiency and identifies areas for improvement, as well as providing information on available programming options.

The Qualified Water Efficient Landscaper (QWEL) program is an EPA WaterSense labeled certification that provides approximately 20 hours of education focused on water efficient principles. The District provides this training in both English and Spanish to landscape professionals, businesses and individuals who might benefit from training in water efficient practices. QWEL classes are currently offered through the district for a fee of $150 per attendee, and in 2016 CBWCD began outsourcing the classroom instruction.

CBWCD has a landscape design room at their Water Conservation Center where homeowners can bring pictures of their current landscaping and work with staff on designing irrigation layouts, plant selection and overall site design. The District also offers a variety of professional and residential workshops throughout the year and conducts monthly mulch giveaways.

**Status:** During Fiscal Year 2015/16, the CBWCD performed 74 total landscape evaluations, with a total potential water savings of approximately 58 acre-feet per year, a $42,224 savings based on MWD’s Tier II water rates.

IEUA contracts with CBWCD to administer landscape and irrigation audits outside of CBWCD’s service area boundaries. Current contracts between IEUA and CBWCD include:

- Implementation and completion of landscape audits within the IEUA service area for customer sites currently identified as potentially significant water conservation candidates,
- Residential landscape training program,
- Water-use monitoring for IEUA’s water-use efficiency locally implemented programs, and
- Garden in Every School® field and labor support services within the IEUA service area.

In part through the contracts described above, IEUA offers a suite of water use efficiency programming which focus on enhanced efforts to improve landscape management and reduce outdoor water use. These programs include direct customer installation of high efficiency irrigation technologies, landscape evaluations and consultations, turf removal, high efficiency sprinkler nozzle and weather based irrigation controller rebates and vouchers, as well as high efficiency toilet and clothes washer rebates.

**Post Consolidation:** IEUA will absorb existing CBWCD program staff and continue to provide region-wide landscape program services.
Recharge Facilities Operations and Maintenance

Description: CBWCD owns eight groundwater recharge basins which capture stormwater, dry weather flow, recycled water, and imported water. Five of the basins are in Montclair, two are in Upland and one is in Ontario. Table 3.6, CBWCD Owned Recharge Basins, below, shows the size and capacity of each of these basins.

Table 3.6 CBWCD Owned Recharge Basins

<table>
<thead>
<tr>
<th>Basin</th>
<th>Property Area (Acres)</th>
<th>Storage Capacity (Acre Feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooks</td>
<td>21</td>
<td>503</td>
</tr>
<tr>
<td>College Heights-East</td>
<td>19</td>
<td>104</td>
</tr>
<tr>
<td>College Heights-West</td>
<td>12</td>
<td>106</td>
</tr>
<tr>
<td>Ely #3</td>
<td>17</td>
<td>136</td>
</tr>
<tr>
<td>Montclair #1</td>
<td>15</td>
<td>134</td>
</tr>
<tr>
<td>Montclair #2</td>
<td>19</td>
<td>242</td>
</tr>
<tr>
<td>Montclair #3</td>
<td>11</td>
<td>49</td>
</tr>
<tr>
<td>Montclair #4</td>
<td>13</td>
<td>97</td>
</tr>
</tbody>
</table>

CBWCD does perimeter landscaping at four of their basins, and provides full landscape services at their other four basins; however, IEUA manages the operations, including the recharge of recycled water, stormwater and imported water, at all of these basins. The District recently completed a landscape beautification project at College Heights - West to incorporate drought-tolerant landscaping.

Status: From Fiscal Year 2005/06 through Fiscal Year 2015/16, these basins captured and recharged an average of 1,850 acre-feet of stormwater and dry weather flow, 4,637 acre-feet of imported water and 1,274 acre-feet of recycled water.

The District completed the Montclair Basins Improvement Project at all four Montclair basins to improve the function of this system by replacing water sensor infrastructure and grading the basin slopes to restore recharge rates. CBWCD owns the street frontage area adjacent to Turner Basin #1, which is owned by San Bernardino County Flood Control District. IEUA allowed CBWCD to connect to IEUA’s recycled water pipelines at Turner Basin #1, providing the connection and water at no cost, which eliminated the demand for potable water for irrigation at this site.

The groundwater recharge program currently operates on an annual budget of approximately $1.5 million, and approximately $600,000 per year is spent on basin-specific operation and maintenance activities.
**Post Consolidation:** IEUA manages operations at 29 groundwater recharge basins, which have contributed greatly to IEUA’s goal of drought-resiliency in the region. Through the construction of recycling plants and recycled water infrastructure, new recharge basins, and desalters, IEUA has been able to rely on local water supply for 70% of the region’s water needs.

LAFCO’s Service Review found that IEUA already plays a significant role in recharge accounting, operating and maintaining the CBWCD basins. IEUA’s activity roles at CBWCD basins are as follows:

- **IEUA only**
  - Stormwater passive capture and active diversion and volume accounting
  - Imported water delivery and volume accounting
  - Basin slope, floor and infrastructure area weeding
  - Operate and maintain groundwater recharge communication and infrastructure
  - Operate and maintain diversion infrastructure
  - Biological surveys and biological permitting
  - Operations and maintenance permitting with the U.S. Army Corps of Engineers and the Santa Ana Regional Water Quality Control Board.
  - Recycled water delivery and volume accounting (at basins receiving recycled water)

- **CBWCD only**
  - Perimeter landscape (four basins), full landscape services (four basins) and property maintenance
  - Contracts vector inspection and control through West Valley Mosquito and Vector Control District (as needed)

Upon consolidation, IEUA will continue to manage the operations of the eight CBWCD basins, including responsibility for the services currently being provided by CBWCD.
## Community Participation and Sponsorships

### Table 3.7 Community Participation and Sponsorships

<table>
<thead>
<tr>
<th>Organization</th>
<th>IEUA</th>
<th>CBWCD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of California Water Agencies</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Association of California Water Agencies – Delta</strong></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Association of San Bernardino County Special Districts</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>American Water Works Association</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>California Landscape Contractors Association</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>California Groundwater Coalition</strong></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>California Special Districts Association</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>California Urban Water Conservation Council</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>International Society of Arboriculture</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Irrigation Association</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Montclair Chamber of Commerce</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ontario Chamber of Commerce</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chino Valley Chamber of Commerce</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Southern California Water Committee</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Urban Water Institute</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Water Education Foundation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Water Education Water Awareness Committee</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Denotes organization that is no longer in existence.
Additional IEUA Memberships:

- Alliance for Water Efficiency
- Bioenergy Association of California
- California Association of Sanitation Agencies (CASA)
- California Association of Stormwater Quality Agencies
- California Wastewater Climate Change Group (absorbed by CASA)
- Isle Utilities
- National Association of Clean Water Agencies
- National Safety Council
- National Water Research Institute
- Southern California Alliance of Publicly Owned Treatment Works
- Southern California Salinity Management Coalition
- WaterReuse Association
- WaterReuse Foundation
- Fontana Area Chamber of Commerce
- Rancho Cucamonga Chamber of Commerce
- Upland Chamber of Commerce
- Public Agency Risk Managers Association

Post Consolidation: IEUA will absorb any memberships, and continue any sponsorships, that CBWCD currently funds or in which they participate.

Chino Basin Watermaster

Description: The Chino Basin Watermaster (Watermaster) was established as a result of the 1978 Judgment adjudicating the Chino Basin. It functions to ensure that the provisions of the Basin Judgment are equitably and efficiently enforced. Watermaster consists of stakeholders from diverse backgrounds, organized into three “pools.” These three pools consist of agricultural, overlying non-agricultural and appropriative.

Status: CBWCD is a party to the Watermaster agreement, and continues to participate in the Chino Basin Watermaster Recharge Master Plan Update by attending Watermaster meetings and collaborating with IEUA on possible cost-effective projects. As described on the next page, CBWCD, IEUA, Watermaster, and the San Bernardino County Flood Control District (SBCFCD) entered into the Four Party Agreement to cooperatively implement the Recharge Master Plan and ensure that recharge capabilities are maintained into the future. Both IEUA and CBWCD are participants in the Chino Basin Groundwater Recharge Program, which aims to increase recharge of stormwater, imported water and recycled water throughout the Chino Basin.
Post Consolidation: IEUA will continue its leadership role with the Watermaster. Watermaster holds the water right permits to divert, percolate and store stormwater. Operation of the facilities is handled by IEUA, many of which defer to SBCFCD during storm periods. Watermaster and IEUA have a joint recharge permit from the Regional Water Quality Control Board for the recharge of imported, storm and recycled water.

Four Party Agreement

Description: The Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan is commonly known as the Four Party Agreement (Appendix C). The four parties that have signed this agreement are: SBCFCD, Basin Watermaster, CBWCD, and IEUA. The purpose of this Agreement is to ensure cooperation between the four agencies to safeguard the Chino Basin’s recharge capabilities to meet its future needs. This Agreement also requires the agencies to create a Groundwater Recharge Coordinating Committee (GRCC) to provide coordination of the operation, maintenance and use of the facilities for groundwater recharge in the Chino Basin. The Agreement also allows the use of certain flood control and other sites for groundwater recharge operations and sets forth the conditions for reimbursement of operation and maintenance costs to the parties.

Status: The Four Party Agreement was signed in 2003, and expires on December 31, 2032. The GRCC meets quarterly, or as needed, to facilitate coordination of groundwater recharge operations in the Chino Basin, and is led by IEUA staff as the operator.

Post Consolidation: IEUA is one of the members of the Four Party Agreement, and will continue to participate in GRCC meetings as necessary to ensure sustainable management of groundwater resources in the Chino Basin.

The following table lists services which CBWCD is currently providing and other activities in which CBWCD is participating. The anticipated changes as a result of the consolidation are also listed in Table 3.8, Consolidated Services and Activities.
## Table 3.8 Consolidated Services and Activities

<table>
<thead>
<tr>
<th>Service/Activity</th>
<th>Result of Consolidation</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Education and Outreach</td>
<td>IEUA already offers a portfolio of water education and outreach programs that cover all of western San Bernardino County, and, with the addition of CBWCD staff, will continue to provide this programming.</td>
<td>Activities will be enhanced by inclusion of some of CBWCD’s programs.</td>
</tr>
<tr>
<td>Landscape Evaluation, Education and Design Services</td>
<td>IEUA currently outsources landscape audits and installations within IEUA’s service area to CBWCD and other contractors. All of these activities, including trainings, will continue under IEUA’s leadership.</td>
<td>Activities will be enhanced by the addition of classes to IEUA’s conservation program.</td>
</tr>
<tr>
<td>Recharge Facilities Operations and Maintenance</td>
<td>IEUA already manages and operates 29 groundwater, which includes CBWCD’s eight basins. Landscaping services will continue at these locations.</td>
<td>None</td>
</tr>
<tr>
<td>Community Participation and Sponsorships</td>
<td>Any events or sponsorships that are not currently duplicated by IEUA will be integrated into current programs and budgets to ensure continued participation.</td>
<td>The addition of new memberships and sponsorships.</td>
</tr>
<tr>
<td>Chino Basin Watermaster</td>
<td>IEUA already participates in all planning activities and meetings, with an IEUA Board Member currently serving as Chair of the Watermaster Board. IEUA will continue this leadership role.</td>
<td>IEUA will represent the combined agencies.</td>
</tr>
<tr>
<td>Four Party Agreement</td>
<td>IEUA and CBWCD are both participants in the Four Party Agreement, and IEUA would solely represent existing IEUA and CBWCD interests post-consolidation.</td>
<td>IEUA will represent the combined agencies.</td>
</tr>
</tbody>
</table>

### 3.4 Other IEUA Water Management Responsibilities

#### Regional Efforts to Reduce Consumption

**Santa Ana River Watershed Action Team (TEAM)**

IEUA is a member of the TEAM, which was formed to actively identify large-scale water supply and reliability projects that will benefit the entire Santa Ana watershed. A key goal of this program is to secure funding for these projects, as well as administering programs that will support water conservation, including turf removal programs and water use efficiency education.

**Santa Ana River Conservation & Conjunctive Use Program (SARCCUP)**

SARCCUP is a multi-agency, watershed-wide program developing water supply for dry years by storing excess water accumulated during wet years. The TEAM developed a list of projects and programs collectively known as SARCCUP to apply for a $55 million grant in 2015 that was awarded in early 2016. The funding will benefit all of the projects and programs identified by the TEAM as essential to water reliability in the region.
**Water Saving Garden Friendly**

IEUA is a participant in the IE Water Saving Garden Friendly program, which was developed to assist consumers in locating and learning about climate-appropriate plants for the Inland Empire through appropriate labeling of plants, as well as landscape workshops, plant sales and online resources.

**Summary of Services Post Consolidation**

The May 2015 LAFCO Service Review found that consolidation of IEUA and CBWCD would provide even greater opportunities for cooperation and sharing of facilities, reducing costs and increasing efficiency for water conservation administration in the Chino Basin. Thus, LAFCO staff recommended consolidating CBWCD into IEUA.

**3.5 Benefit to Groundwater Basin Stakeholders**

This proposed consolidation is expected to increase financial efficiency, improve comprehensive water resource management and benefit local groundwater producers, the public, and other government and municipal agencies.

IEUA is the regional agency best suited to coordinate the management of the groundwater and surface water of the Chino Basin. IEUA overlays the entirety of CBWCD and actively performs water conservation activities, in part through existing contracts with CBWCD.

Under consolidation, all assets and liabilities of CBWCD would accrue to IEUA per statute. Thus, IEUA would receive title to all assets of CBWCD and would become responsible for subsequent capital improvements required, as discussed in Section 5. IEUA will establish a special general ledger account to track where CBWCD assets and tax revenue is spent. It is IEUA’s intent that all funds generated by local taxes will be spent on local services.
4.0 FACILITY CONDITIONS

Executive Summary #1: The majority of the services currently provided by CBWCD to its 113-square miles service area duplicate the programs delivered by IEUA to the entirety of the 242-square mile west valley – a service area that fully encompasses CBWCD’s boundaries.

4.1 Condition of Recharge Facilities

As shown in Table 3.6, the Chino Basin Water Conservation District (CBWCD/District) owns and maintains eight groundwater recharge basins which capture stormwater, dry weather flow, recycled water, and imported water to recharge the Chino Groundwater Basin. Over the past eight years, these facilities have collectively collected and recharged an average of 5,980 acre feet of water per year (AFY). Of this amount, 1,651 acre feet (AF) was stormwater and dry weather flow; 1,509 AF was recycled water; and, 2,820 AF was imported water.

![Brooks Basin](image_url)

4.2 Facility Maintenance and Capital Needs

The CBWCD facilities identified in this report are in good condition and maintenance activities at CBWCD’s facilities are generally limited to weed abatement and landscape maintenance.

4.3 Long Term Infrastructure Management

The Inland Empire Utilities Agency, A Municipal Water District (IEUA) already manages the operations of all CBWCD groundwater basins. Post consolidation, IEUA will continue to utilize, operate and maintain all existing basins.
5.0 SERVICE COSTS AND REVENUES

Executive Summary #2: The financial analysis, based upon information provided by CBWCD, shows that the proposed consolidation of the District into IEUA will save taxpayer money and improve management of these financial resources.

5.1 Projected Costs to Provide Services

In accordance with California Government Code Section 56881(b)(1), LAFCO must make the determination that public service costs of a proposal are likely to be less than or substantially similar to costs under alternative means of providing services. In order to best demonstrate expected costs and savings resulting from a consolidation of the Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) and the Chino Basin Water Conservation District (CBWCD), a detailed, side by side comparison was done using the Board-adopted Fiscal Year (FY) 2016/17 budgets. Based on a comparison of this data, IEUA is able to demonstrate the one-time and ongoing cost savings, as well as the post consolidation costs of retaining CBWCD staff and facilities.

Table 5.1 provides the budget analysis. Column 1 contains a line number for each expense item to be used as a reference. Columns 2 and 3 contain the current FY 2016/17 budgets of IEUA and CBWCD, respectively. Column 4 shows the total potential costs to the public prior to a consolidation, whereas Column 5 presents the new combined pro forma budget for the consolidated organization. Lastly, Column 6 is simply the difference between Columns 4 and 5, or the difference between the pro forma budget after consolidation and the non-consolidated budget. Specifically, Column 6 shows the annual (savings)/costs to the public as a result of the proposed consolidation. Principle assumptions used for the development of the IEUA pro forma budget after consolidation, on Table 5.1, include the following:

1. At the time of consolidation, all full-time CBWCD employees shall become employees of IEUA, and shall retain all salaries or wages and fringe benefits received prior to consolidation, or better based on IEUA’s compensation schedules.
2. All seven CBWCD directors shall become members of an Advisory Committee on Water Conservation to the IEUA Board of Directors and shall receive the IEUA director stipend of $225.00 per meeting, with a maximum of 10 meetings per month. All seven CBWCD directors shall become members of the Advisory Committee until the end of their current term of office, and will continue to receive their current fringe benefits, or IEUA’s benefits, whichever is greater.
3. All CBWCD administrative expenses shall be absorbed by IEUA and shall be coordinated within the existing IEUA operations structure.
4. IEUA shall continue to perform and provide all existing CBWCD public services, programs and activities through the current IEUA operations structure.
5. All CBWCD facilities, including the Water Conservation Campus Center and groundwater recharge basins, shall be retained and operated by IEUA. Use of the Water Conservation Center Campus may be assessed after the first year and make any determinations necessary to ensure further efficiencies and cost savings.
Table 5.1 Budget Comparison and Cost Savings

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>IEUA FY 2016/17 Budget(^{(1)})</th>
<th>CBWCD FY 2016/17 Budget(^{(2)})</th>
<th>Combined Budget</th>
<th>IEUA Post Consolidation Proforma Budget</th>
<th>Estimated (Savings)/Costs FY 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Director’s Fees/Costs</td>
<td>580,423</td>
<td>369,000</td>
<td>949,423</td>
<td>624,323</td>
<td>(325,100)*</td>
</tr>
<tr>
<td>2 Wages</td>
<td>29,600,092</td>
<td>1,135,000</td>
<td>30,735,092</td>
<td>30,735,092</td>
<td>0</td>
</tr>
<tr>
<td>3 Benefits</td>
<td>19,607,848</td>
<td>465,000</td>
<td>20,072,848</td>
<td>20,047,848</td>
<td>(25,000)</td>
</tr>
<tr>
<td>4 Office &amp; Administration</td>
<td>2,435,101</td>
<td>80,800</td>
<td>2,515,901</td>
<td>2,435,846</td>
<td>(80,055)</td>
</tr>
<tr>
<td>5 Materials &amp; Supplies</td>
<td>3,231,941</td>
<td>304,550</td>
<td>3,536,491</td>
<td>3,321,941</td>
<td>(214,550)</td>
</tr>
<tr>
<td>6 Insurance</td>
<td>840,500</td>
<td>36,000</td>
<td>876,500</td>
<td>845,500</td>
<td>(31,000)</td>
</tr>
<tr>
<td>7 Professional Fees &amp; Services</td>
<td>10,064,357</td>
<td>533,800</td>
<td>10,598,157</td>
<td>10,166,457</td>
<td>(431,700)</td>
</tr>
<tr>
<td>8 Biosolids Recycling</td>
<td>4,404,158</td>
<td>0</td>
<td>4,404,158</td>
<td>4,404,158</td>
<td>0</td>
</tr>
<tr>
<td>9 Chemicals</td>
<td>4,674,015</td>
<td>0</td>
<td>4,674,015</td>
<td>4,674,015</td>
<td>0</td>
</tr>
<tr>
<td>10 Operating Fees</td>
<td>8,263,811</td>
<td>1,000</td>
<td>8,264,811</td>
<td>8,263,811</td>
<td>(1,000)</td>
</tr>
<tr>
<td>11 Utilities</td>
<td>11,608,046</td>
<td>73,300</td>
<td>11,681,346</td>
<td>11,681,346</td>
<td>0</td>
</tr>
<tr>
<td>12 MWD Water Purchases</td>
<td>35,027,752</td>
<td>0</td>
<td>35,027,752</td>
<td>35,027,752</td>
<td>0</td>
</tr>
<tr>
<td>13 Lease &amp; Rentals</td>
<td>82,020</td>
<td>0</td>
<td>82,020</td>
<td>82,020</td>
<td>0</td>
</tr>
<tr>
<td>14 Financial Expenses</td>
<td>348,500</td>
<td>500</td>
<td>349,000</td>
<td>348,500</td>
<td>(500)</td>
</tr>
<tr>
<td>15 Interest Expenses</td>
<td>9,669,556</td>
<td>0</td>
<td>9,669,556</td>
<td>9,669,556</td>
<td>0</td>
</tr>
<tr>
<td>16 Depreciation &amp; Capital Clearing</td>
<td>0</td>
<td>369,955</td>
<td>369,955</td>
<td>369,955</td>
<td>0</td>
</tr>
<tr>
<td>17 Miscellaneous Expense</td>
<td>341,300</td>
<td>5,000(^{(3)})</td>
<td>346,300</td>
<td>341,300</td>
<td>(5,000)</td>
</tr>
<tr>
<td>18 Total Expenses</td>
<td>$140,779,420</td>
<td>$3,373,905</td>
<td>$144,153,325</td>
<td>$143,039,420</td>
<td>($1,113,905)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total Ongoing Annual Savings to Public from Consolidation</th>
<th>$(1,113,905)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Provide CBWCD Services for One Year After Consolidation</td>
<td>$(2,260,000)</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Amounts reflected in the IEUA All Funds FY 2016/17 Amended Budget adopted on June 15, 2016.

\(^{(2)}\) Amounts reflected in the Chino Basin Water Conservation District FY 2016/17 Budget.

\(^{(3)}\) Includes tax collection fees $4,000 and grant & non-grant related program expenses $1,000.

* Assumes reduction of election expenses by $300,000

Table 5.1 shows an ongoing annual cost savings to the public of approximately $1,113,905, as a result of the proposed consolidation. The total annual ongoing cost to continue to provide the services of CBWCD would be $2,260,000.
The ongoing annual cost savings generally fall into the following categories. Due to the consolidation, there are anticipated cost savings in management, overhead and participation in local or regional programs. Additionally, there will be fewer costs associated with participation in regional agencies and programs since a single organization will be paying dues, subscriptions and other costs.

Expenses included in Table 5.2 below, referenced by their line number from Table 5.1, provides a more detailed explanation of the expense items that will result in ongoing savings or costs to IEUA.

### Table 5.2 Consolidated Expense Items

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Expense</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Director’s Fees/Costs</td>
<td>CBWCD directors shall become members of an Advisory Board on Water Conservation to the IEUA Board of Directors, until the end of their current term of office. Savings are primarily due to the elimination of election expenses for CBWCD directors and fewer numbers of meetings and events. Included in the $325,100 cost savings, is $300,000 for CBWCD Board elections which will no longer be needed after consolidation.</td>
</tr>
<tr>
<td>3</td>
<td>Benefits</td>
<td>CBWCD worker’s compensation insurance premium of $25,000 will be absorbed by IEUA budget of $206,000.</td>
</tr>
<tr>
<td>4</td>
<td>Office &amp; Administration</td>
<td>Memberships, contributions &amp; sponsorships, employee training, meetings &amp; conferences, and other office &amp; administrative costs will be absorbed by IEUA budget of nearly $995,000.</td>
</tr>
<tr>
<td>5</td>
<td>Materials &amp; Supplies</td>
<td>Includes promotional &amp; giveaway items, office furniture &amp; computer equipment, small tools &amp; equipment, operations materials &amp; supplies, fleet parts &amp; supplies, fuel and uniform &amp; rugs costs to be absorbed by IEUA budget of $2.7 million.</td>
</tr>
<tr>
<td>6</td>
<td>Insurance</td>
<td>CBWCD liability insurance premium of $31,000 will be absorbed by IEUA budget of $410,000.</td>
</tr>
<tr>
<td>7</td>
<td>Professional Fees &amp; Services</td>
<td>Includes professional services for legal, engineering, auditing, accounting, landscaping, and computer system maintenance. The cost savings represent redundant services, or services no longer needed, that will be absorbed by IEUA budget of $7.6 million. IEUA will assume all District liabilities and obligations, and upon review of the District’s existing contracts/agreements, terminate any redundant services or services no longer needed based on the contracts’ terms and conditions.</td>
</tr>
<tr>
<td>10</td>
<td>Operating Fees</td>
<td>Redundant permits not required after consolidation.</td>
</tr>
<tr>
<td>14</td>
<td>Financial Expenses</td>
<td>Integration of banking activities will reduce related fees and charges.</td>
</tr>
<tr>
<td>17</td>
<td>Miscellaneous Expense</td>
<td>Includes tax collection fees and grant &amp; non-grant related program expenses that will be absorbed by IEUA budget.</td>
</tr>
</tbody>
</table>
In conclusion, the consolidation is estimated to result in a $1,113,905 annual decrease in the costs to provide services to CBWCD. Furthermore, the projected $1,113,905 annual savings shown in Table 5.1 are anticipated to continue or increase in the foreseeable future. Over time, the annual cost savings will result in millions of dollars in savings.

5.2 Projected Revenue

Ongoing Revenues: The services currently provided by CBWCD, as described in Section 3, are funded primarily through annual property taxes, with some additional revenue from interest, contributions, grants, and other miscellaneous sources. As with the expense items listed in Table 5.2, Table 5.3, Budget Revenue Comparison reflects a combined revenue budget compiled using the same methodology.

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>IEUA FY 2016/17 Budget(^1)</th>
<th>CBWCD FY 2016/17 Budget(^2)</th>
<th>COMBINED BUDGET</th>
<th>IEUA Post Consolidation Proforma Budget</th>
<th>Estimated (Savings)/Costs FY 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Service Charges</td>
<td>70,875,436</td>
<td>70,875,436</td>
<td>70,875,436</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2 Sales</td>
<td>17,813,996</td>
<td>17,813,996</td>
<td>17,813,996</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>3 Recycled Water Rebates</td>
<td>28,670,598</td>
<td>28,670,598</td>
<td>28,670,598</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>4 Other Revenue</td>
<td>1,250,000</td>
<td>3,500</td>
<td>1,253,500</td>
<td>1,250,000</td>
<td>3,500</td>
</tr>
<tr>
<td>5 Interest Income</td>
<td>609,405</td>
<td>45,000</td>
<td>654,405</td>
<td>654,405</td>
<td>0</td>
</tr>
<tr>
<td>6 Property Tax</td>
<td>44,704,800</td>
<td>2,338,000</td>
<td>47,042,800</td>
<td>47,042,800</td>
<td>0</td>
</tr>
<tr>
<td>7 Connection Fees</td>
<td>20,068,020</td>
<td>20,068,020</td>
<td>20,068,020</td>
<td>20,068,020</td>
<td>0</td>
</tr>
<tr>
<td>8 Contributed Capital</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9 Grants &amp; Subsidies</td>
<td>10,715,256</td>
<td>5,000</td>
<td>10,720,256</td>
<td>10,720,256</td>
<td>0</td>
</tr>
<tr>
<td>10 Other Non-Operating Revenue</td>
<td>13,827,846</td>
<td>78,500(^3)</td>
<td>13,906,346</td>
<td>13,879,846</td>
<td>26,500</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>208,535,357</td>
<td>2,470,000</td>
<td>211,005,357</td>
<td>210,975,357</td>
<td>30,000</td>
</tr>
<tr>
<td>Total Annual Revenue after+Consolidation</td>
<td>208,535,357</td>
<td>2,470,000</td>
<td>211,005,357</td>
<td>210,975,357</td>
<td>30,000</td>
</tr>
</tbody>
</table>

\(^1\) Amounts reflected in the IEUA All Funds FY 2016/17 Amended Budget adopted on June 15, 2016.
\(^2\) Amounts reflected in the Chino Basin Water Conservation District FY 2016/17 Budget.
\(^3\) Amount includes miscellaneous income $15,000, water wise landscape workshops $2,000, qualified water efficient landscaper fees $9,000, and Cal card incentive $500.

Table 5.3 shows an annual ongoing revenue reduction of approximately $30,000 to the IEUA pro forma Budget, as a result of the proposed consolidation.
Based on the financial analysis shown above, ongoing revenues will be sufficient to finance all current CBWCD activities in the future. By subtracting the total annual revenue reduction from the total ongoing annual expense savings, the net annual savings due to the proposed consolidation are as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Annual Expense Savings</td>
<td>$1,113,905</td>
</tr>
<tr>
<td>Annual Revenue Reduction</td>
<td>-$30,000</td>
</tr>
<tr>
<td><strong>Net Annual Savings from Consolidation</strong></td>
<td><strong>$1,083,905</strong></td>
</tr>
</tbody>
</table>

As seen on the previous page, the proposed consolidation will result in net annual savings of $1,083,905 after consolidation. This annual amount will eliminate the need to use current CBWCD fund reserves to balance CBWCD’s FY 2016/2017 budget and make fund reserves available for investment in essential water reliability and resiliency projects, such as expansion of water use efficiency, groundwater recharge, water storage projects. It is IEUA’s intent to use all funds generated from CBWCD’s service area will be spent to benefit those taxpayers. All activities will be funded without depleting reserves to balance the budget.

**Table 5.4 CBWCD Fund Reserves**
6.0 TRANSITION PLAN

Executive Summary #3: The proposed consolidation of CBWCD into IEUA will result in better integration of regional programs and transparency in government decision-making.

In order to effectively manage water resources in the Chino Basin and maximize benefits to the public, it is important that there is a timely and orderly transition for the consolidation of the Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) and the Chino Basin Water Conservation District (CBWCD/District).

6.1 Chino Basin Water Conservation District Staff

All CBWCD staff will become employees of IEUA, and retain all salaries or wages and fringe benefits received prior to consolidation, or IEUA’s salaries and/or benefits, whichever is greater. Assignment of classifications and responsibilities of the CBWCD staff will be based on their current roles, responsibilities and skill sets. The integration of District staff is shown in the organization structure described in Figure 10 – Consolidated Organization Chart. All District staff will be relocated to IEUA facilities.

On either (1) the day following the effective date of consolidation, or (2) the day complete personnel information is received from CBWCD, whichever is later, IEUA will employ each employee of CBWCD at an equivalent position to their current role at CBWCD.

Table 6.1, Employee Benefits Comparison shows the benefits currently offered by CBWCD and IEUA. Appendix D of this document also contains specific information on the CBWCD policies and benefits provided below. Section 7.0, below, contains a more detailed description as to how the consolidated agency will be structured and employees compensated under the new agency.
### Table 6.1 Employee Benefits Comparison

<table>
<thead>
<tr>
<th>Employee Benefits</th>
<th>CBWCD</th>
<th>IEUA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retirement</strong></td>
<td>California Public Employees’ Retirement System (CalPERS):</td>
<td>California Public Employees’ Retirement System (CalPERS):</td>
</tr>
<tr>
<td></td>
<td><strong>Tier 1:</strong> For employees in CalPERS prior to January 2013, the retirement formula is 2.0% @ 60 and the District pays the employee portion of the CalPERS benefit.</td>
<td><strong>Tier 1:</strong> An employee hired on or before December 31, 2011, will be enrolled in the CalPERS 2.5% @ 55 formula. As of July 1, 2016, such employees shall contribute 7% toward the employee contribution.</td>
</tr>
<tr>
<td></td>
<td><strong>Tier 2 (PEPRA):</strong> For employees not in CalPERS prior to January 2013, the retirement formula is 2.0% @ 62 and the employee pays the employee portion of the CalPERS benefit. This benefit is provided for full-time and part-time staff working at least 1,000 hours per fiscal year.</td>
<td><strong>Tier 2:</strong> An employee who is a “classic” member who is hired on or after July 1, 2012, will be enrolled in the CalPERS 2.0% @ 55 formula. As of July 1, 2016, such employees shall contribute the full 7% toward the employee contribution.</td>
</tr>
<tr>
<td></td>
<td><strong>Tier 3 (PEPRA):</strong> An employee who becomes a “new” member of CalPERS for the first time on or after January 1, 2013 will be enrolled in the CalPERS 2.0% @ 62 formula. New members will be required to pay the full employee contribution.</td>
<td><strong>Tier 3 (PEPRA):</strong> An employee who becomes a “new” member of CalPERS for the first time on or after January 1, 2013 will be enrolled in the CalPERS 2.0% @ 62 formula. New members will be required to pay the full employee contribution.</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>The District provides medical benefits for full time staff through ACWA with choices from Anthem Blue Cross CalCare HMO, Kaiser HMO, and Anthem Blue Cross Classic PPO plans. Health care is 100% paid by the District. Eligible part time staff is allowed up to $350 reimbursement for medical insurance upon proof of payment.</td>
<td>The Agency shall make a maximum monthly contribution towards the cost of the employees’ health insurance. The 2016 rates are as follows, minus the minimum PEMHCA contribution:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee only $786.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee +1 $1,049.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee Family $1,297.00</td>
</tr>
</tbody>
</table>
Medical (cont.)

Health insurance is offered through CalPERS, and **enrollment is optional** with evidence of health coverage from another source. Eligible employees who waive their medical benefit receive a cash incentive payment. Coverage is effective the first day of the month following the date of hire.

Note: Employees who are enrolled in single coverage and have health premiums that are less than $786.00 can apply the difference toward dental, vision and/or life. However, employees enrolled in Employee +1 or Family coverage cannot apply any excess amounts. Health contribution for these two types of coverage is only applicable to health premiums and cannot be applied to dental, vision and/or life even if the health premium is less than the total contribution amount.

<table>
<thead>
<tr>
<th>Dental</th>
<th>Dental insurance is provided from Delta Dental for full time staff and is 100% paid by the District.</th>
</tr>
</thead>
</table>

The Agency offers two dental plans – Delta Dental and Western Dental. **Enrollment in one of the plans is mandatory.** Coverage is effective the first day of the month following the date of hire. Dental coverage is fully paid by the employee. The 2016 rates are:

<table>
<thead>
<tr>
<th>2016</th>
<th>Emp. Only</th>
<th>Emp. + 1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>$ 43.00</td>
<td>$ 89.50</td>
<td>$ 167.10</td>
</tr>
<tr>
<td>Western</td>
<td>$ 14.35</td>
<td>$ 26.30</td>
<td>$ 35.10</td>
</tr>
</tbody>
</table>

Note: Employee is responsible for premium unless he/she is enrolled in single coverage and health premiums are less than $786.00 and the difference can be applied toward dental, vision and/or life.

<table>
<thead>
<tr>
<th>Vision</th>
<th>Vision insurance is provided from VSP for full time staff and is 100% paid by the District.</th>
</tr>
</thead>
</table>

Vision insurance is offered through EyeMed Vision Plan and enrollment is voluntary. Coverage is effective the first day of the month following the date of hire.

<table>
<thead>
<tr>
<th>2016</th>
<th>Emp. Only</th>
<th>Emp. + 1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>EyeMed</td>
<td>$ 8.03</td>
<td>$ 15.20</td>
<td>$ 22.33</td>
</tr>
</tbody>
</table>

Note: Employee is responsible for premium unless he/she is enrolled in single coverage and health premiums are less than $786.00.
| Life and Accidental Death & Dismemberment Insurance | Life insurance is 100% paid by the District providing $50,000 for full time staff with an additional Accidental Death and Dismemberment coverage available at the employees’ expense. Dependent Life Insurance is 100% paid by the District providing Spouse $1,500, Child 0-6 months $100, Child 6 months to 19th birthday $1,000. | The Unrepresented employees are provided an Agency-paid $50,000 Life and AD&D policy. A basic $10,000 Life and AD&D policy is offered at the employees’ expense and enrollment is mandatory. Dependent coverage with a benefit of $1,500 is optional. Coverage is effective the first day of the month following date of hire. |
| Long/Short Term Disability Insurance | Long and short term disability insurance is 100% paid by the District for full time staff. | Short-term disability insurance is available through State Disability Insurance (SDI). Workers covered by SDI are covered by two programs: Disability Insurance and Paid Family Leave Insurance. SDI is employee funded. Regular employees are covered by an Agency-paid long-term disability insurance, which will provide income for an employee who is totally disabled from injury or accident. The basic benefit provides for 60% of the first $10,000 of monthly salary, reduced by deductible income, after a 365 day waiting period. Coverage is effective the first day of the month following date of hire. LTD coverage is paid by the Agency. |
| Holidays | The District observes twelve (12) paid holidays throughout the year. | The Agency offers thirteen (13) paid holidays - (nine (9) paid holidays + an additional four (4) paid floating holidays) are available each fiscal year. Pro-rated after July 1. |
| Sick Leave | All salaried and hourly full-time employees accrue sick leave at the rate of 80 hours per year. | Employees accrue 96 hours of sick leave per year. |
| Vacation | Full-time Employees: 80 hours accrued per year, years 1 through 5, 120 hours accrued per year after 5 years, an additional day (8 hours) for each year of service starting year 6, up to a maximum of 20 days. Part-time Employees: Not eligible for vacation. (Note: Management level may | Employees accrue 80 hours of vacation leave per year depending on length of employment, progressing to 200 hours per year. Unrepresented 1st – 60th month = 80 hours per year (up to 5 years) |
Table:

<table>
<thead>
<tr>
<th>Vacation (cont.)</th>
<th>Administrative Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>differ depending upon contract or negotiations at time of hire.)</td>
<td>Administrative leave is provided to the Executive Director (80 hours). Upper management may be included in the future.</td>
</tr>
<tr>
<td>61st – 72nd month = 96 hours per year (5.01 to 6th year)</td>
<td>80 hours</td>
</tr>
<tr>
<td>73rd – 84th month = 112 hours per year (7th year)</td>
<td></td>
</tr>
<tr>
<td>85th – 108th month = 128 hours per year (8th – 9th years)</td>
<td></td>
</tr>
<tr>
<td>109th – 180th month = 160 hours per year (9.01 – 14 years)</td>
<td></td>
</tr>
<tr>
<td>181st – 239th month = 177 hours per year (15-19 years)</td>
<td></td>
</tr>
<tr>
<td>240th + month = 200 hours per year (20 years)</td>
<td></td>
</tr>
<tr>
<td>Eligible employees will be entitled to receive 80 hours of Executive Leave.</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 10 – Consolidated Organizational Chart* shows the general relationship and titles of the employees under the proposed consolidated organizational structure.

Upon the effective date of the consolidation, IEUA intends to establish an Advisory Board for Conservation. The CBWCD Board of Directors will serve in an advisory capacity to the IEUA Board of Directors. Monthly meetings will be scheduled at the IEUA headquarters. The IEUA Board Secretary/Office Manager will provide administrative support to the Advisory Committee. Advisory Committee members will be reimbursed at the same rate as IEUA Board members at $225 per meeting, a maximum of 10 meetings per month.

6.2 CBWCD Management Accounts

A key objective of IEUA will be to segregate the assets transferred from CBWCD to appropriately account for their use and the benefit provided to the residents in the District’s and the Agency’s service area. It is the intent of IEUA to use all assets and future tax revenues collected from the region for the area.

The Balance Sheets for IEUA and CBWCD are shown together in *Figure 7 – Comparison of Audited Balance Sheets as of June 30, 2015*. Upon the effective date of consolidation, the Balance Sheet for CBWCD will be combined with the Balance Sheet for the IEUA. CBWCD assets and liabilities will be tracked separately to account for District related activities.

6.3 Transfer of Assets and Liabilities

Upon the effective date of consolidation, IEUA will begin implementing an efficient transition plan in accordance with the goals of the consolidation. The preliminary plan for transfer of assets and liabilities is as follows:

**CBWCD Current Assets**

(As shown in the CBWCD Statement of Net Position dated June 30, 2015, from the CBWCD Financial Statements for the Fiscal Year Ended June 30, 2015.)
Table 6.2 CBWCD Current Assets

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>Balance at 6/30/2015</th>
<th>Transfer Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand (Petty Cash)</td>
<td>$1,000</td>
<td>Transfer to designated account for District funds.</td>
</tr>
<tr>
<td>Deposits Held with Financial</td>
<td>$22,791</td>
<td>Transfer to designated account for District funds.</td>
</tr>
<tr>
<td>Institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits Held with Cal Trust</td>
<td>$7,521,314</td>
<td>Change ownership record on account.</td>
</tr>
<tr>
<td>Deposits Held with California LAIF</td>
<td>$6,269,378</td>
<td>Change ownership record on account.</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>$7,381</td>
<td>Notify payor of change in writing regarding the change.</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$26,269</td>
<td>Notify payor of change in writing regarding the change.</td>
</tr>
<tr>
<td>Property Taxes Receivable</td>
<td>$37,625</td>
<td>Notify payor of change in writing regarding the change.</td>
</tr>
<tr>
<td>Prepaid Expenses-ACWA Dues</td>
<td>$11,503</td>
<td>Notify ACWA of the change and request reimbursement of any remaining amount. Transfer to designated account for District funds.</td>
</tr>
<tr>
<td>Prepaid Expenses-Other</td>
<td>$19,811</td>
<td>Notify vendors of the change and request reimbursement for those no longer needed. Transfer to designated account for District funds.</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$13,917,072</td>
<td></td>
</tr>
</tbody>
</table>

CBWCD Non-Current Assets

(As shown in the CBWCD Statement of Net Position dated June 30, 2015, from the CBWCD Financial Statements for the Fiscal Year Ended June 30, 2015.)

Table 6.3 CBWCD Non-Current Assets

<table>
<thead>
<tr>
<th>Non-Current Assets</th>
<th>Balance at 6/30/2015</th>
<th>Transfer Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Depreciable Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$1,486,121</td>
<td>Transfer title to IEUA. The Agency will continue to utilize the District’s headquarters and to manage and operate the eight groundwater recharge basins. Thereafter, the Agency may assess continued use of the headquarter facilities to ensure efficiencies.</td>
</tr>
<tr>
<td>Construction-in-Process</td>
<td>$62,954</td>
<td>The Agency will evaluate the projects under construction to determine necessary action, including; complete as planned, discontinue and close it out, or modify scope to meet new requirements.</td>
</tr>
<tr>
<td>Depreciable Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Improvements, Net</td>
<td>$7,318,390</td>
<td>Transfer title to IEUA. The Agency will continue to utilize the District’s headquarters. Thereafter, the Agency may assess continued use of the headquarter facilities to ensure efficiencies.</td>
</tr>
<tr>
<td>Demonstration Garden, Net</td>
<td>$1,324,987</td>
<td></td>
</tr>
<tr>
<td>Equipment &amp; Furniture, Net</td>
<td>$39,467</td>
<td>Transfer title to IEUA.</td>
</tr>
<tr>
<td>Vehicles, Net</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Total Non-Current Assets, Net</td>
<td>$10,231,919</td>
<td></td>
</tr>
</tbody>
</table>
**CBWCD Current Liabilities**
(As shown in the CBWCD Statement of Net Position dated June 30, 2015, from the CBWCD Financial Statements for the Fiscal Year Ended June 30, 2015.)

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>Balance at 6/30/2015</th>
<th>Transfer Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$33,149</td>
<td>The Agency will assume all obligations of the District outstanding as of the date of consolidation. Liabilities will be recorded in the Agency's financial system.</td>
</tr>
<tr>
<td>Retention Payable</td>
<td>$45,645</td>
<td>The Agency will assume all obligations of the District outstanding as of the date of consolidation. As part of the evaluation of projects under construction, any retentions for completed/closed projects will be settled in full with the contractor.</td>
</tr>
<tr>
<td>Accrued Wages</td>
<td>$21,003</td>
<td>Any wages due to employees as of the date of consolidation will be paid in full to employees prior to their transfer to the Agency.</td>
</tr>
<tr>
<td>Compensated Absence</td>
<td>$39,519</td>
<td>The Agency will assume all obligations of the District outstanding as of the date of consolidation. Record liability for CBWD staff compensated absences.</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$139,316</strong></td>
<td></td>
</tr>
</tbody>
</table>

**CBWCD Non-Current Liabilities**
(As shown in the CBWCD Statement of Net Position dated June 30, 2015, from the CBWCD Financial Statements for the Fiscal Year Ended June 30, 2015.)

<table>
<thead>
<tr>
<th>Non-Current Liabilities</th>
<th>Balance at 6/30/2015</th>
<th>Transfer Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pension Liability(^{(1)})</td>
<td>$285,096</td>
<td>IEUA, as the successor agency in the consolidation, will coordinate with CalPERS to pay off CBWCD’s net pension liability. Payment will be made from District reserves. All District employees will be transferred into the Agency’s pension plan. IEUA has informed CalPERS and will be coordinating with the CalPERS going forward to ensure the successful transfer of benefits.</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>$285,096</strong></td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\)Long term liability - due in more than one year.
CBWCD General Fund Balance
(As shown in the CBWCD Statement of Net Position dated June 30, 2015, from the CBWCD Financial Statements for the Fiscal Year Ended June 30, 2015.)

Table 6.6 CBWCD General Fund Balance

<table>
<thead>
<tr>
<th>General Fund Balance</th>
<th>Balance at 6/30/2015</th>
<th>Transfer Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>$10,231,919</td>
<td>Transfer to a designated District account.</td>
</tr>
<tr>
<td><strong>Unrestricted Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Spendable</td>
<td>$1,531,314</td>
<td>Transfer to a designated District account. Reserve is comprised of prepaid expenses and a designation to support major structural failures at a set amount of $1,500,000. The Agency insures over $500 million in infrastructure, facilities and equipment and maintains a reserve of $6 million to address any unforeseen events. The transfer of District’s assets will not affect the Agency's insurance coverage costs or reserve requirements. The $1,500,000 designated by the District to address major structural failures will be reclassified to &quot;Unassigned&quot; reserves.</td>
</tr>
<tr>
<td>Committed</td>
<td>$3,666,770</td>
<td>Transfer to a designated District account. District committed these reserves to recycled water conservation contribution program. The Agency will utilize these reserves as intended by the District to support its regional recycled water and conservation programs.</td>
</tr>
<tr>
<td>Assigned</td>
<td>$6,454,625</td>
<td>Transfer to a designated District account. Reserve is primarily comprised of recharge improvements of $6,000,000. The Agency will utilize these reserves to support groundwater recharge in the region.</td>
</tr>
<tr>
<td>Unassigned</td>
<td>$2,164,566</td>
<td>Transfer to a designated District account.</td>
</tr>
<tr>
<td><strong>Total General Fund Balance</strong></td>
<td>$24,049,194</td>
<td></td>
</tr>
</tbody>
</table>

**Water Rights**
CBWCD has never had water rights in the region. The Chino Basin did not begin the process of acquiring water rights until the 1980s, at which point the rights were acquired by Chino Basin Watermaster.
7.0 OPERATIONS OF SUCCESSOR AGENCY

Executive Summary #3: The proposed consolidation of CBWCD into IEUA will result in better integration of regional programs and transparency in government decision-making.

The consolidation of the Chino Basin Water Conservation District (CBWCD/District) into the Inland Empire Utilities Agency, A Municipal Water District (IEUA/Agency) will provide benefits to the people who are currently serviced by both agencies. This section provides further details as to how each service and function will be provided by the integrated staffs of IEUA and CBWCD. The organizational chart will guide the integration of CBWCD staff members. *Figure 8 – IEUA Organizational Chart* and *Figure 9 – CBWCD Organization Chart*, reflect the current positions. *Figure 10 – Consolidated Organizational Chart*, shows the inter-relationships of the individual positions and functional teams in the consolidated structure.

7.1 Employees’ Responsibilities

To ensure realization of all potential efficiencies, IEUA will implement employee transition of all CBWCD employees using the organizational structure described in *Figure 10 – Consolidated Organizational Chart*. Based on data provided to IEUA, general descriptions and levels of responsibility of each current CBWCD positions are provided below:

**Executive Director/General Manager:** The General Manager is responsible for the management and execution of District activities and programs; performs the function of chief executive officer in supervising day-to-day activities of the District with particular emphasis on providing oversight of the District’s water conservation activities, personnel matters, fiscal control and safeguard the District assets; performs and directs other work as needed or assigned.

**Deputy Executive Director:** Under the administrative direction of the Executive Director, the Deputy Executive Director plans, organizes, and supervises the operations and functions of the organization including: leadership of management team to develop and administer education and conservation programs, maintain budgets, motivate staff, interface with Board and act on behalf of the Executive Director in his/her absence.

**Administrative Assistant:** The Administrative Assistant position answers directly to the General Manager and is responsible for general support to District management, staff, Board of Directors and public meetings while adhering to all Brown Act requirements; all accounting, record keeping, financial reports including year-end procedures and related regulatory/governmental accounting standards board (GASB) requirements; computer support activities; meeting all required deadlines for regulatory, financial and staff related activities; and oversees the activities of the Office Assistant.

**Office Assistant I:** Under administrative direction, the Office Assistant I position performs a variety of semi-skilled and skilled duties to support office staff, including clerical duties, financial record keeping, greeting visitors in person and on the telephone, processing mail, making copies, filing, typing, indexing, ordering office supplies, janitorial work, as well as performing light maintenance at the District office.
Individuals in this position also assist the general public and school tours visiting District facilities as needed. As this is an entry level position, positions assigned to this level typically perform limited or routine clerical and janitorial duties as well as light landscape maintenance at the District’s various properties.

**Conservation Programs Manager:** Under the administrative direction of the Deputy Executive Director, the Conservation Programs Manager is responsible for conservation program development and implementation, horticultural activities, teaching water conservation and landscape related classes, and supervision of District personnel. This includes working closely with the general public and conducting school tours visiting District facilities.

**Conservation Specialist II:** Conservation specialists work cooperatively with other agencies and organizations in providing information and education related to water conserving activities performed by the District. Employees in the Conservation Specialist II category interact and coordinate stormwater capture, and recharge and recycled/imported water recharge in District Basins with IEUA and SBCFCD personnel and is responsible for the District’s Optimum Basin Management Plan (OBMP) requirements.

**Conservation Technician:** Primary responsibility of conservation technicians is to provide continuous support to the Landscape Evaluation and Audit program efforts. This includes customer contact, appointment setting, field data collection, database management, and report generations. Conservation technicians work cooperatively with other agencies and organizations in providing information and education related to water conserving activities performed by the District. Included in this category is support of the landscaping efforts at all properties owned by the District, outreach to the landscape industry, conservation grant management, landscape irrigation evaluations for external parties and other related responsibilities.

**Community Programs Manager:** Under the administrative direction of the Deputy Executive Director, the Community Programs Manager is responsible to provide strategic direction and oversight of the District’s general public outreach and education efforts. This includes working closely with a wide variety of constituents including children and adults. Related responsibilities include promoting water wise landscaping best practices, conducting public outreach and education activities and general administrative functions, as needed.

**Community Education and Outreach Assistant II:** Under general supervision, employees in the Community Outreach and Education (COE) Assistant classification perform a wide variety of responsible tasks in support of the District’s water conservation mission. Primary responsibility is to provide continuous support to the District’s general public outreach and education efforts. This includes working closely with a wide variety of constituents including children and adults. Also included in this category are related responsibilities including: to promote water wise landscaping best practices, to conduct public outreach and education activities and to perform general administrative and other functions as needed.
Community Education and Outreach Intern: Interns shall be currently enrolled in college as an undergraduate or graduate student, or have graduated from college within the last three years. The Intern will work on multiple CBWCD projects located at the District office, demonstration garden, and Wilderness Park. Under general supervision and working with others, areas of responsibility may include but are not limited to the following: promote water wise landscaping best practices, conduct public outreach and education and general administrative and other functions as needed.

Facility/Landscape Maintenance Supervisor: Under the direction of the executive director, the Facility and Landscape Maintenance Supervisor is responsible for the overall maintenance of the Water Conservation Center Campus and Water Wise Education Garden; and supervises all activities of the Landscape Maintenance Workers. This position requires knowledge of woodworking, painting, welding, electrical, plumbing, general construction, structure maintenance, mechanical, automotive repair, and all aspects of landscape maintenance.

Landscape/Maintenance Worker II: Employees at this level must be able to perform all activities of the Landscape/Maintenance Worker I position plus additional areas of responsibility including overseeing employees performing basin, garden and other District landscape projects. This includes coordination of work plan for District landscape employees, establishment of landscape maintenance schedules, coordination of special projects, and monitoring and repairing the irrigation system.

Landscape/Maintenance Worker I: In this entry level position, employees perform limited or routine assigned landscape maintenance related duties as needed at the District demonstration garden, District offices, or other District properties, or assigned locations with ongoing supervision. Essential functions include, but are not limited to, mowing, planting, trimming, raking, watering, weeding, fertilizing, and renovating vegetation.

7.2 Successor Agency Project Responsibilities

Each of the CBWCD employees will be assigned duties that support the IEUA mission of providing efficient water management to its constituents. As detailed in Section 3.2, each of CBWCD’s services and activities will be integrated into IEUA’s overall programs and continued by IEUA. The teams of positions listed in Table 7.2, Staff Project Support, will administer and coordinate the activities of each program. Each program is listed with the CBWCD employees who will provide primary and secondary support. CBWCD positions and their equivalent IEUA positions, which will be filled by CBWCD staff following consolidation, are shown in Table 7.1, Staff Position Equivalencies.
Table 7.1 Staff Position Equivalencies

<table>
<thead>
<tr>
<th>CBWCD TITLE</th>
<th>CURRENT ANNUAL SALARY RANGE</th>
<th>CURRENT ANNUAL SALARY</th>
<th>IEUA TITLE</th>
<th>IEUA ANNUAL SALARY RANGE(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>$165,000</td>
<td>$166,650</td>
<td>Special Advisor on Conservation Programs</td>
<td>$166,650 (Y-Rated(2))</td>
</tr>
<tr>
<td>Deputy Executive Director</td>
<td>$115,000 - $127,500</td>
<td>$122,400</td>
<td>Senior Environmental Resources Planner</td>
<td>$122,400 (Y-Rated(3))</td>
</tr>
<tr>
<td>Office Assistant I</td>
<td>$36,920 - $47,632</td>
<td>$49,421</td>
<td>Administrative Assistant I</td>
<td>$50,710 - $61,788</td>
</tr>
<tr>
<td>Conservation Programs Manager</td>
<td>$70,000 - $88,550</td>
<td>$80,580</td>
<td>Facilities Specialist</td>
<td>$67,949 - $82,789</td>
</tr>
<tr>
<td>Conservation Specialist II</td>
<td>$65,000 - $83,750</td>
<td>$79,861</td>
<td>Facilities Specialist - Landscape</td>
<td>$67,949 - $82,789</td>
</tr>
<tr>
<td>Community Programs Manager</td>
<td>$65,000 - $83,750</td>
<td>$75,480</td>
<td>External Affairs Specialist II</td>
<td>$67,949 - $82,789</td>
</tr>
<tr>
<td>Community Education and Outreach Assistant II</td>
<td>$42,120 - $55,744</td>
<td>$45,552</td>
<td>External Affairs Specialist I</td>
<td>$50,710 - $61,797</td>
</tr>
<tr>
<td>Conservation Technician II</td>
<td>$45,760 - $60,008</td>
<td>$54,142</td>
<td>External Affairs Specialist I</td>
<td>$50,710 - $61,797</td>
</tr>
<tr>
<td>Conservation Technician I</td>
<td>$36,920 - $46,696</td>
<td>$37,669</td>
<td>External Affairs Specialist I</td>
<td>$50,710 - $61,797</td>
</tr>
<tr>
<td>Facility/Landscape Maintenance Supervisor</td>
<td>$60,000 - $76,950</td>
<td>$68,579</td>
<td>RW/GWR Operations and Maintenance Specialist</td>
<td>$74,914 - $91,275</td>
</tr>
<tr>
<td>Landscape/Maintenance Worker II</td>
<td>$33,800 - $43,888</td>
<td>$40,976</td>
<td>Plant Maintenance Worker</td>
<td>$37,856 - $46,114</td>
</tr>
<tr>
<td>Landscape/Maintenance Worker I</td>
<td>$27,040 - $35,360</td>
<td>$31,990</td>
<td>Plant Maintenance Worker</td>
<td>$37,856 - $46,114</td>
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<tr>
<td>Community Education and Outreach Intern</td>
<td>$20,800 - $31,200</td>
<td>$20,800</td>
<td>Intern(4)</td>
<td>$20,800 - $31,200</td>
</tr>
</tbody>
</table>

(1) Compensation will be adjusted as needed to offset any employee pickup of retirement and/or benefits
(2) Represents new classification to be added to IEUA’s structure and compensation will be frozen at the District’s current amount. The Agency will periodically assess market data and conduct an internal equity analysis in order to determine if any future salary increases are appropriate for the Y-Rated employees.
(3) Compensation will be frozen at the District’s current amount. The Agency will periodically assess market data and conduct an internal equity analysis in order to determine if any future salary increases are appropriate for the Y-Rated employees.
(4) CBWCD intern will be subject to IEUA’s intern policy that limits the amount of hours worked to no more than 25 hours per week, without exceeding 960 hours annually.
Table 7.2 Staff Project Support

<table>
<thead>
<tr>
<th>Service/Program</th>
<th>Staff Support</th>
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<tr>
<td>Water Education and Outreach</td>
<td>• Community Programs Manager</td>
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<tr>
<td></td>
<td>• Community Education and Outreach Assistant II</td>
</tr>
<tr>
<td></td>
<td>• Community Education and Outreach Intern</td>
</tr>
<tr>
<td>Landscape Evaluation, Education and Design Services</td>
<td>• Conservation Programs Manager</td>
</tr>
<tr>
<td></td>
<td>• Conservation Specialist II</td>
</tr>
<tr>
<td></td>
<td>• Conservation Technician I and II</td>
</tr>
<tr>
<td>Recharge Facilities Operation and Maintenance</td>
<td>• Landscape/Maintenance Supervisor, I and II</td>
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<tr>
<td>Community Participation and Sponsorships</td>
<td>• Community Programs Manager</td>
</tr>
<tr>
<td></td>
<td>• Community Education and Outreach Assistant II</td>
</tr>
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<td>• Community Education and Outreach Intern</td>
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<tr>
<td></td>
<td>• Conservation Programs Manager</td>
</tr>
<tr>
<td></td>
<td>• Conservation Specialist II</td>
</tr>
<tr>
<td></td>
<td>• Conservation Technician I and II</td>
</tr>
<tr>
<td>Chino Basin Watermaster</td>
<td>• Executive Director</td>
</tr>
<tr>
<td></td>
<td>• Deputy Executive Director</td>
</tr>
<tr>
<td>Four Party Agreement</td>
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<tr>
<td></td>
<td>• Deputy Executive Director</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>• Office Assistant I</td>
</tr>
</tbody>
</table>

Table 7.2 does not provide a comprehensive list of all IEUA’s activities that the combined staff will be required to support. Rather, it provides a listing of all the current CBWCD activities and several IEUA activities that together demonstrate how the consolidated organization can effectively and efficiently serve the needs of the public. As shown in Table 7.1, there are already very similar staff positions in both agencies and all responsibilities and activities can be maintained under a single, consolidated organization.
Executive Summary #1: The majority of the services currently provided by CBWCD to its 113-square miles service area duplicate the programs delivered by IEUA to the entirety of the 242-square mile west valley – a service area that fully encompasses CBWCD’s boundaries.

Executive Summary #2: The financial analysis, based upon information provided by CBWCD, shows that the proposed consolidation of the District into IEUA will save taxpayer money and improve management of these financial resources.

Executive Summary #3: The proposed consolidation of CBWCD into IEUA will result in better integration of regional programs and transparency in government decision-making.

This Plan for Service is one component of the Inland Empire Utilities Agency’s, A Municipal Water District (IEUA/Agency) application to consolidate with the Chino Basin Water Conservation District (CBWCD/District) as recommended by LAFCO staff in the Service Review on Water Conservation within the Valley Region. The Plan evaluates the benefits, efficiencies and cost savings associated with the proposed consolidation of IEUA and CBWCD. In agreement with the LAFCO Service Review, this document substantiates the benefits of the consolidation based on significant water management and financial efficiencies.

CBWCD provides water conservation education and outreach within their service area in western San Bernardino County, which is fully encompassed within IEUA’s boundaries. Once the proposed consolidation is approved, IEUA will continue to provide these services and activities. IEUA continues to have a strong leadership role in water resource management within the Chino Basin and throughout the region, using an equitable and regionally-based approach in a cost-effective manner. This same approach will be applied to CBWCD’s services, as they are integrated into IEUA’s programs.

In conclusion, the proposed consolidation would result in a net financial gain of approximately $1,113,905 annually due to the decrease in the current costs to provide the services currently budgeted by CBWCD. Additionally, ongoing revenues will be sufficient to finance all current CBWCD activities in the future. As a result of verifiable efficiencies, the proposed consolidation will result in net annual savings of $1,083,905 per year, above what would be required to continue CBWCD’s current services and activities.

Based on the determinations included in this Plan for Service, IEUA strongly concurs with the LAFCO staff that the best option for continuing and enhancing the level of service offered for the entire west valley in a cost-effective, regionally integrated manner is to consolidate the Chino Basin Water Conservation District to consolidate into IEUA.

As stated by LAFCO staff in its May 20, 2015 Service Review:

*Consolidation offers the greatest level of benefit for resource management, seamless operations, and standardized coverage... The redundancies for multiple elected and appointed officials as well as leadership staff would be eliminated. It would be expected that a single agency could use resources more effectively, and water education activities could consolidate thereby resulting in a single, streamlined message.*
Figure 1 - Consolidated Boundary Map

Inland Empire Utilities Agency
CBWCD Service Area and IEUA Service Area

Legend
- CBWCD Service Area
- IEUA Service Area

Prepared by: IEUA // Date created: 08/10/16
Chino Basin Water Conservation District

Percolation Basins

Figure 2 - CBWCD Facility Locations
1. Montclair #1
Arrow Highway, west of Monte Vista
Capacity: 134 acre ft

2. Montclair #2
Moreno Street, west of Monte Vista
Capacity: 243 acre ft
3. **Montclair #3**
San Jose Street, west of Monte Vista
Capacity: 49 acre ft

4. **Montclair #4**
Palo Verde Street, west of Monte Vista
Capacity: 97 acre ft
5. College Heights West
Arrow Route and Monte Vista Ave
Capacity: 126 acre ft

6. College Heights East
Arrow Route and Monte Vista Ave
Capacity: 145 acre ft
7. Brooks Basin
Brooks Street and Silicon Ave
Capacity: 503 acre ft

8. Ely Basin #3
Philadelphia Street and Vineyard Ave
Capacity: 136 acre ft

(Note: Ely #1 and #2 are owned by San Bernardino County Flood Control District)
Leading by example, IEUA’s Board of Directors approved the use of LEED® design criteria for its headquarters (HQ) to showcase how an integrated, sustainable-designed building can create a better environment, conserve energy, improve productivity and contribute to the restoration of native landscapes.

- HQ buildings, using inexpensive tilt-up construction were the first and largest public building to receive the Platinum rating from the United State Green Building Council’s Leadership in Energy and Environmental Design (LEED®).

- The HQ complex is one of the largest public landscapes in southern California to use native plants and to have integrated state-of-the-art storm water management, including the restoration of natural drainage and creation of wetlands and riparian habitat, on the property. It serves as a 14-acre demonstration site for storm water capture, settling and treatment. Designed to capture a 25-year storm event onsite, and allow storm water to be treated naturally via swales, wetlands, and native vegetation planted specifically for that purpose. This reduces pollutants in the urban run-off, which improves water quality and also reduces downstream flooding.

- 100% energy “self-sufficient” through a combination of energy conservation including a “cool roof” that reflects light and reduces the effect of heat absorption, a fleet of alternative fueled vehicles, on-site electric vehicle charging facilities, tire stops made from recycled milk containers, crushed high water consumption toilets used in the buildings’ foundation, and exterior light stay on-site, reducing light pollution.

- Power is generated by solar panels located on the facility’s roof providing enough electricity to power 25% of office space, methane gas generated by the anaerobic digestion process at the wastewater treatment plant adjacent to the HQ.

- Use of recycled water from IEUA’s treatment facilities and installation of high-efficiency plumbing fixtures, dual flush toilets and ultra-low flow urinals, reduces water consumption by 73% compared to buildings using tradition fixtures.

- Recycled water from IEUA’s treatment facilities meets irrigation and exterior non-potable water demands. Over 10,000 native and drought tolerant trees, shrubs and bushes throughout the site further reduces water consumption; and rubber mulch is made from 100% recycled tires.

- A combination of five different paving materials were used in the drive isles and parking lot to exhibit storm water capture and water reuse.
Extensive use of recycled materials throughout the interior and exterior HQ complex.

Regional Water Recycling Plant No. 1 (RP-1) is located in the city of Ontario and has been in operation since 1948. The plant has undergone several expansions to increase the design hydraulic domestic sewage (wastewater) treatment capacity to 44 million gallons per day. The plant serves areas of Chino, Fontana, Montclair, Ontario, Rancho Cucamonga, Upland, and solids removed from RP-4, located in Rancho Cucamonga. The plant treats an average influent wastewater flow of approximately 28 million gallons per day. The plant is broken into two separate treatment section: liquids and solids.

The liquid treatment section consists of preliminary screening and grit removal, primary clarification, secondary treatment by aeration basins and clarification, tertiary treatment by filtration and disinfection, and dechlorination. Wastewater liquid is treated to California State Water Resources Control Board Title 22 Code of Regulations standards for disinfected tertiary recycled water.

The solids treatment section begins with thickening the solids removed from the primary and secondary clarification processes. The thickened solids are pumped to anaerobic digestion and then to the
centrifuges for dewatering. Wastewater solids are digested to a minimum Class B biosolids standard, as defined by the United States Environmental Protection Agency Code of Federal Regulations. After dewatering, the biosolids are hauled to the Inland Empire Regional Composting Facility in the city of Rancho Cucamonga for further treatment to produce Class A compost.

REGIONAL PLANT NO. 2
16400 El Prado Rd.
Chino, CA 91708
Tel: (909) 393-1056

Regional Water Recycling Plant No. 2 (RP-2) is located in the city of Chino has been in operation since 1960. The plant operated both liquids and solids treatment sections, until 2002, when RP-5 was construction to handle the liquids treatment section portion of RP-2. Solids are removed from Carbon Canyon Water Recycling Facility (CCWRF) and RP-5 and treated at RP-2.

The solids treatment section begins with thickening the solids removed from RP-5 and CCWRF primary and secondary clarification processes. The thickened solids are pumped to anaerobic digestion and then to the belt processes for dewatering. Wastewater solids are digested to a minimum Class B biosolids standard, as defined by the United States Environmental protection Agency Code of Federal Regulations. After dewatering, the biosolids are dewatered and hauled to the Inland Empire Regional Composting Facility in the city of Rancho Cucamonga for further treatment to produce Class A compost.

The plant is within the flood zone upstream of the Prado Dam, on land leased from the US Army Corps of Engineers; the lease will expire in 2035. The maximum operational water level upstream of the dam is anticipated to be raised to increase the available Orange County water storage. Therefore, the lease is not expected to be renewed upon expiration. The Agency plans to relocate the solids treatment to the RP-5 Solids Handling Facility, which is out of the flood zone.

REGIONAL PLANT NO. 4
12811 6th Street
Rancho Cucamonga, CA 91729
Tel: (909) 993-1755

Regional Water Recycling Plant No.4 (RP-4) is located in the city of Rancho Cucamonga and has been in operation since 1997. The plant has undergone an expansion to increase the design hydraulic domestic sewage (wastewater) treatment capacity to 14 million gallons per day. The plant serves areas of Fontana, Rancho Cucamonga, and San Bernardino County. The plant treats the liquid portion of an average influent wastewater flow of approximately 10 million gallons per day.

The liquid treatment section consists of preliminary screening and grit removal, primary clarification, secondary treatment by aeration basins and clarification, tertiary treatment by filtration and disinfection. Wastewater liquid is treated to California State Water Resources Control Board Title 22 Code of Regulations standards for disinfected tertiary recycled water. The solids removed from RP-4 are conveyed by gravity through the regional sewer system to the influent of RP-1 for thickening, anaerobic digestion, and dewatering.
Regional Water Recycling Plant No. 5 (RP-5) began operation in March 2004. RP-5 treats domestic, commercial and light industrial wastewater from the cities of Chino, Chino Hills, and portion of Ontario. In addition, Regional Plant No. 1 and Carbon canyon Recycling Facility have the capability to divert flows to RP-5.

RP-5 is designed to treat a daily average flow of 15.0 million gallons per day (MGD) from RP RP-5’s service area, plus flows from the Regional Plant No. 2 lift station. RP-5 includes several treatment processes that contribute to providing quality recycled water pursuant to the California State Water Resources Control Board Title 22 Code of Regulations standards for disinfected tertiary recycled water.

Carbon Canyon Water Recycling Facility (CCWRF) is located in the city of Chino and has been in operation since 1992. The design hydraulic domestic sewage (wastewater) treatment capacity is 11.4 million gallons per day. The plant serves areas of Chino, Chino Hills, Montclair and Upland. The plant treats the liquid portion of an average influent wastewater flow of approximately seven million gallons per day.

The liquid treatment section consists of preliminary screening and grit removal, primary clarification, secondary treatment by aeration basins and clarification, tertiary treatment by filtration and disinfection, and dechlorination. Wastewater liquid is treated to California State Water Resources Control Board Title 22 Code of Regulations standards for disinfected tertiary recycled water. The solids removed from CCWRF are pumped to RP-2 for thickening, anaerobic digestion, and dewatering.

The Chino I Desalter commenced operation 2001, and was expanded in 2005 from 8.4 million gallons per day (MGD) to a 14 MGD facility. It is operated by IEUA staff. Groundwater is pumped from supply wells throughout the Chino Basin area to the Chino I Desalter. The treatment processes include Reverse Osmosis (RO) and Ion-Exchange (IX) for removal of nitrate and total dissolved solids (TDS). The Chino I Desalter also includes air stripping for removal of some volatile organic chemicals (VOC). Approximately
two million gallons per day of brine, a byproduct of the reverse osmosis and ion exchange processes, which is transported by the Inland Empire Brine Line (IEBL) to Orange County and is subsequently discharged to the ocean. The high-quality water is then pumped into the municipal water supply systems for the city of Chino, Chino Hills, and into the Jurupa Community Services District water system.

The Chino II Desalter was initiated by the Chino Desalter Authority (CDA) to provide water deliveries to the cities of Norco, Ontario, Jurupa Community Services District and Santa Ana River Water Company. The treatment processes include Reverse Osmosis (RP) and Ion-Exchange (IX). The Chino II Desalter became operational in 2006 and was expanded in 2010. The Chino II Desalter produced an average 10.6 MGD of drinking water in 2012. It produces a little more than one MGD of brine that is transported by the Inland Empire Brine Line (IEBL) to Orange County and is subsequently discharged to the ocean.

**INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF)**
12645 6th Street
Rancho Cucamonga, CA 91729
Tel: (909) 993-1500

The Inland Empire Regional Composting Facility (IERCF) is the largest indoor composting facility in the United States. Located in Rancho Cucamonga, California, the IERCF processes over 200,000 tons of recycled products to manufacture 230,000 cubic yards of high-quality compost each year. The entire composting process is completed within the 454,000 square foot facility.

Recycled material is delivered in trucks and unloaded inside of the facility’s mixing building where it is blended into a compost recipe. Recycled products such as biosolids, wood waste and yard trimmings are trucked into the facility, where they are weighed and logged in at the on-site, certified truck scales. Trucks then deliver the materials directly into the compost facility, where mixing equipment blends the materials together to make the initial compost recipe.

In every compost pile microscopic bacteria break down the recycled materials, creating very hot temperatures of over 140°F. Each day a compost pile is created made up of about 1700 cubic yards of material, or approximately 30 truckloads.

After about 3 weeks the compost material has met regulatory requirements and is now “Class A Exceptional Quality” as defined by the Environmental Protection Agency (EPA).

**CHINO CREEK WETLANDS AND EDUCATIONAL PARK**
15975 El Prado Road
Chino, CA 91708
909-993-1457

The Chino Creek Wetlands and Educational Park (CCP) is located adjacent to the Inland Empire Utilities Agency Headquarters in Chino. The 22 acre park opened in 2004 and was partially funded by a state grant from the State Water Resources Control Board (SWRCB). The Park was designed to restore native habitat and natural drainage, showcasing the environmental values of the Prado Basin, the largest freshwater habitat remaining in southern California.
The park consists of 22 acres and 1.7 miles of trails landscaped with a wide variety of climate appropriate and low water use plants, and features a state-of-the-art irrigation management system. The park is open to the public throughout the year to enjoy at their leisure during daylight hours as well as providing an educational experience to students through the Water Discovery Field Trip Program (partially funded by a grant from the California Department of Parks and Recreation).

Educational awareness is facilitated through a series of programs which provide tours and managing the interpretative wetlands and wildlife education center. Some of the key components of the Park are the community education elements that weave throughout the site. The Park serves as a demonstration area for the community on the value of conservation and the importance of wetlands in the structure of our environment, improving water supply, storm water treatment, and water efficiency. Additional Park features include wetlands and riparian habitat, trails, sampling stations, picnic area, visitor’s center, parking, bridges, and an amphitheater.
ADDITIONAL IEUA FACILITIES INCLUDE:

San Bernardino Lift Station
13707 San Bernardino Avenue
Fontana, CA 92337

Montclair Lift Station
915 W. Philadelphia Street
Ontario, CA 91761

Philadelphia Lift Station
1818 Philadelphia Street
Ontario, CA 91761

Prado Dechlor Station
15300 Johnson Avenue
Chino, CA 91710

1630 RW Station
1530 E. 6th Street
Ontario, CA

Upland Basin, College Heights East Basin &
College Heights West Basin:
2300 W. Arrow Route
Upland 91786

Brooks Basin
200 Silicon Ave.
Montclair 91766

7th & 8th Street Basins
1100 7th St. & 1200 8th St.
Ontario 91764

Ely Basins 1, 2 & 3
1601, 1801 & 1951 Philadelphia St.
Ontario 91761

Turner Basins 1, 2, 3 & 4
2350 4th St., Ontario 91764 (Turner 1 & 2),
916 Archibald Ave., Ontario 91764 (Turner 3 & 4)

Lower Day Basin
12099 Highland Ave.,
Rancho Cucamonga 91739

Etiwanda Debris Basin
4600 East Ave.
Rancho Cucamonga 91739

Victoria Basin
13650 Victoria Ave.,
Rancho Cucamonga 91739

San Sevaine Basins 1, 2, 3 & 5:
6000 Cherry Ave.,
Rancho Cucamonga 91739

Hickory Basin
13000 Napa Ave.
Fontana 92335

Banana Basin
14017 Whittram Ave.
Fontana 92335

Jurupa Basin
13450 Jurupa Ave.
Fontana 92337

RP3 Basin 1
11396 Beech Ave.
Fontana 92337

RP3 Basins 3 & 4:
11610 Beech Ave.
Fontana 92337

Declez Basin
13978 Philadelphia Ave.
Riverside 92509
Grove Basin
1301 Grove Ave.
Ontario 91761

Turner Deer Creek RW Turnout
1063 N. Turner Ave.
Ontario 91764

HFMM RW Turnout
13000 Whittram Ave.
Fontana 92335

CB-20 Turnout
480 E 18th St.
Upland 91784

CB-15 Turnout
12000 Banyan St.
Rancho C. 91739

CB-18 Turnout
¼ mile S of Baseline, south on Heritage Creek, along power line road
Rancho Cucamonga
Montclair Basins Numbers 1, 2, 3, and 4

- The Montclair Basins receive storm water, local runoff water and imported water.
- Weed abatement by outside contractor of the bottom, steep slopes, and nuisance water ponds.
- Weed abatement on perimeter roads and tops of slopes by District staff as well as irrigation maintenance and small tree and shrub trimming.
- Landscape maintenance by District staff.

The District completed the Montclair Basins Improvement project of all four basins. The project, as performed by an outside contractor, improved the function of the Montclair system through the improvement of recharge rates. Additionally, water sensor infrastructure was installed for future improvements of monitoring recharge data.

College Heights East and West Basins

- The College Heights basins receive storm waters, local run off and imported water.
- Weed abatement on perimeter roads and tops of slopes by District staff.
- Weed abatement by outside contractor of the bottom and perimeter roads.
- The College Heights West Basin is currently undergoing a landscape beautification project along Monte Vista Ave. and Arrow Route. Landscape will be defined with sustainable drought tolerant design and plant selections. Completion is scheduled for early 2015.
- Several thousand yards of soils spoils from the Montclair Basin restoration project of 2013-2014 were staged at College Heights East Basin. Staging these soils at the Basin saved the District tens of thousands of dollars in dumping fees. It is planned to have these soils screened, cleaned and removed by an outside contractor at no cost to the District sometime 2015.

Brooks Basin

- Brooks Basin receives storm water, local run off from storm drains, imported water and recycled water.
- Weed abatement on perimeter roads and tops of slopes by District staff.
- Weed abatement on steeper slopes and large tree trimming by outside contractor.
- Recycled water from Inland Empire Utilities Agency (IEUA).
Ely Basin No. 3

- Ely Basin No. 3 receives storm water, local runoff water and recycled water.
- Passed annual recycled water inspection by City of Ontario. The recycled water use is subject to inspection and testing conforming to the State Department of Public Health.
- Weed abatement on perimeter roads and tops of slopes by District staff as well as irrigation maintenance and small tree and shrub trimming.
- Landscape maintenance trimming of larger trees and ground cover trimming by outside contractor.
- Addition of mulch on perimeter slopes and landscapes was provided by and outside green waste recycling contractor at no cost to the District. This mulch application minimizes weed growth and assists in erosion control while improving the landscape soils.

Turner Basin/4th Street Property

The District owns approximately four acres of property associated with Turner Basin No. 1. The District owned property parallels Fourth Street on the north side of the basin between Cucamonga Channel and Golden Oak Road on the east and extends south down into the north slope of the basin. The District maintains the landscaping fronting Fourth Street to the south security fence between the Cucamonga Channel and the housing development on the east. The landscaping covers approximately one acre of land. The remaining District property encompasses a maintenance road and a portion of the north slope of Turner Basin No. 1.

- Weed abatement on perimeter road and top of slope by District staff as well as landscape maintenance, irrigation maintenance and small tree and shrub trimming.
- District staff will be completing a recycled water connection to irrigate the landscape in early 2015, thereby eliminating potable water use for irrigation purposes.

Grove Basin (San Bernardino County Flood Control District Owned)

The District and San Bernardino Flood Control District entered into an agreement in 2000 whereby the Flood Control District, in exchange for financial participation by the District in the construction of the Basin, allowed the bottom portion of the Basin to be used for water conservation. As part of the agreement, the District performs weed abatement on the bottom of Grove basin and a portion of the slopes.

- Grove Basin received storm water runoff.
- As noted above, District staff maintains weed abatement on the bottom and a portion of the basins slopes.
Highlights of the Water Conservation Center Campus

Wilderness Park
- Over 40 types of trees with interpretive signs
- Redesigned to use 75% less turf than original; salt-tolerant and low-water turf
- Irrigated with recycled water
- Doggie waste stations and recycling station
- Decomposed granite paths for percolation

Multi-Use Building
- 42KW photovoltaic array
- Office space for maintenance personnel
- Garage space for District vehicles
- Storage area for Earth Day and event supplies
- Lath house for plant propagation

Education Building
- Teaching space for 35 students
- Solatubes and large windows bring in light; site orientation reduces heat gain
- GREENGUARD materials
- Kid-friendly outdoor planting and garden space adjacent to building

Water Wise Demonstration Garden
- Pocket gardens, native and drought-tolerant plants, turf comparison areas demonstrate Water Wise Landscaping
- Bioswales, decomposed granite paths, mulching demonstrate water retention and capture

Demonstration Parking Lot
- Showcases Low Impact Development best practices
- Designed for 100 percent on-site retention and percolation: Pervious pavements, zero curbs, trench drains, and bioswales direct and collect water

Water Conservation Center
- 50 person classroom, 12 person conference room
- Educational lobby and public design room
- Rooms designed to connect with garden
- Building is 40 percent better than Title-24 requirements
- Operable windows, low VOC products, very efficient HVAC system, and passive cooling tower
- High efficiency toilets, waterless urinals, low flow sinks
Wilderness Park
- Over 40 types of trees with interpretive signs
- Redesigned to use 75% less turf than original; salt-tolerant and low-water turf
- Irrigated with recycled water
- Doggie waste stations and recycling station
- Decomposed granite paths for percolation

Multi-Use Building
- 42KW photovoltaic array
- Office space for maintenance personnel
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- Pocket gardens, native and drought-tolerant plants, turf comparison areas demonstrate Water Wise Landscaping
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Demonstration Parking Lot
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Water Conservation Center
- 50 person classroom, 12 person conference room
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- Rooms designed to connect with garden
- Building is 40 percent better than Title-24 requirements
- Operable windows, low VOC products, very efficient HVAC system, and passive cooling tower
- High efficiency toilets, waterless urinals, low flow sinks

Figure 5 - Highlights of the Water Conservation Center Campus
Figure 6 - Chino Creek Wetlands and Educational Park
Chino Creek Wetlands and Educational Park Legend

1. **Pipe Garden** - The pipe garden features recycled pipes illustrating how to use water wisely inside and outside the home.
2. **Garden in Every School® Demonstration Garden** – The Garden in Every School® demonstration garden features low water use plants, butterfly gardens, California native plants, and vegetable gardens.
3. **Community Education Elements** – Community education elements are weaved throughout the park that feature information on drought tolerant plants, water supplies, water use efficiency, and wetland habitat.
4. **Woodland Area**
5. **Outlet** - Water exists the park and into the Santa Ana River and eventually makes its way down to the ocean.
6. **Observation Tower**
7. **Amphitheater**
8. **Education Center** – Indoor classroom with hands-on activities and educational displays used during Water Discovery Field Trips.
9. **Picnic Benches**
10. **Upside Down Boat Clarifier** – The upside down boat clarifier serves as an entrance to the park and features water facts and a water history timeline of the Chino Valley.
11. **Watershed Bridge** – The watershed bridge is a demonstration of how water flows from the highest point of the watershed (mountains) to the lowest point of the watershed (ocean).
12. **Sub-Surface wetlands**
13. **Sub-Surface wetlands**
### Figure 7 – Comparison of Audited Balance Sheets as of June 30, 2015

<table>
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<th>Account</th>
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<td>$ 1,660,129</td>
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<td>$ 1,660,129</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>$ 126,017</td>
<td>$ 31,314</td>
<td>$ 157,331</td>
</tr>
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<td><strong>Total Current Assets</strong></td>
<td>$ 140,136,167</td>
<td>$ 13,917,072</td>
<td>$ 154,053,239</td>
</tr>
<tr>
<td><strong>Restricted assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits held by governmental agencies</td>
<td>$ 41,023,148</td>
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<td>$ 41,023,148</td>
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<tr>
<td>Assets held with trustee/fiscal agent</td>
<td>$ 3,967,175</td>
<td></td>
<td>$ 3,967,175</td>
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<tr>
<td><strong>Total Restricted Assets</strong></td>
<td>$ 44,990,323</td>
<td>$ -</td>
<td>$ 44,990,323</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets</td>
<td></td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 14,067,874</td>
<td>$ 1,486,121</td>
<td>$ 15,553,995</td>
</tr>
<tr>
<td>Jobs in process</td>
<td>$ 45,211,138</td>
<td>$ 62,954</td>
<td>$ 45,274,092</td>
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<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>$ 585,063,217</td>
<td>$ 8,682,844</td>
<td>$ 593,746,061</td>
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<tr>
<td>Intangible assets, net of accumulated amortization</td>
<td>$ 12,239,439</td>
<td>$ -</td>
<td>$ 12,239,439</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td>$ 656,581,668</td>
<td>$ 10,231,919</td>
<td>$ 666,813,587</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term agreements</td>
<td>$ 45,777,499</td>
<td>$ -</td>
<td>$ 45,777,499</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>$ 3,814,580</td>
<td>$ -</td>
<td>$ 3,814,580</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>$ 32,808,104</td>
<td>$ -</td>
<td>$ 32,808,104</td>
</tr>
<tr>
<td>Prepaid bond insurance</td>
<td>$ 598,170</td>
<td>$ -</td>
<td>$ 598,170</td>
</tr>
<tr>
<td>Prepaid interest - SRF loans</td>
<td>$ 2,288,110</td>
<td>$ -</td>
<td>$ 2,288,110</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>$ 85,086,463</td>
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<td>$ 85,086,463</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 926,794,621</td>
<td>$ 24,148,991</td>
<td>$ 950,943,612</td>
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<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred loss on refunding</td>
<td>$ 1,102,641</td>
<td>$ -</td>
<td>$ 1,102,641</td>
</tr>
<tr>
<td>Deferred outflow related to net pension liability</td>
<td>$ 8,354,702</td>
<td>$ 58,586</td>
<td>$ 8,413,288</td>
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<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>$ 9,457,343</td>
<td>$ 58,586</td>
<td>$ 9,515,929</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 936,251,964</td>
<td>$ 24,207,577</td>
<td>$ 960,459,541</td>
</tr>
</tbody>
</table>
Figure 7 – Comparison of Audited Balance Sheets as of June 30, 2015

<table>
<thead>
<tr>
<th>Account</th>
<th>IEUA As of June 30, 2015</th>
<th>CBWCD As of June 30, 2015</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$25,556,171</td>
<td>$33,149</td>
<td>$25,589,320</td>
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<tr>
<td>Accrued liabilities</td>
<td>$3,724,495</td>
<td>$21,003</td>
<td>$3,745,498</td>
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<tr>
<td>Compensated absences</td>
<td>$1,606,386</td>
<td>$39,519</td>
<td>$1,645,905</td>
</tr>
<tr>
<td>Retentions payable</td>
<td>$964,656</td>
<td>$45,645</td>
<td>$1,010,301</td>
</tr>
<tr>
<td>Notes payable due within one year</td>
<td>$6,666,109</td>
<td>$-</td>
<td>$6,666,109</td>
</tr>
<tr>
<td>Long-term debt, due within one year</td>
<td>$5,810,000</td>
<td>$-</td>
<td>$5,810,000</td>
</tr>
<tr>
<td>Interest payable</td>
<td>$2,749,490</td>
<td>$-</td>
<td>$2,749,490</td>
</tr>
<tr>
<td>Retention deposits and escrows</td>
<td>$167,470</td>
<td>$-</td>
<td>$167,470</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$47,244,777</td>
<td>$139,316</td>
<td>$47,384,093</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$2,732,734</td>
<td>$2,732,734</td>
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</tr>
<tr>
<td>Long-term debt, due in more than one year</td>
<td>$200,127,428</td>
<td>$200,127,428</td>
<td></td>
</tr>
<tr>
<td>Notes payable, due in more than one year</td>
<td>$112,434,954</td>
<td>$112,434,954</td>
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</tr>
<tr>
<td>Advances from other funds</td>
<td>$32,808,104</td>
<td>$32,808,104</td>
<td></td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>$267,184</td>
<td>$267,184</td>
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</tr>
<tr>
<td>Net pension liability</td>
<td>$36,707,778</td>
<td>$285,096</td>
<td>$36,992,874</td>
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<tr>
<td>Net OPEB liability</td>
<td>$1,291,524</td>
<td>$1,291,524</td>
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</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>$386,369,706</td>
<td>$285,096</td>
<td>$386,654,802</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$433,614,483</td>
<td>$424,412</td>
<td>$434,038,895</td>
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<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred inflow related to net pension liability</td>
<td>$7,929,085</td>
<td>$104,021</td>
<td>$8,033,106</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resource</strong></td>
<td>$7,929,085</td>
<td>$104,021</td>
<td>$8,033,106</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in capital assets</td>
<td>$333,274,074</td>
<td>$10,231,919</td>
<td>$343,505,993</td>
</tr>
<tr>
<td><strong>Restricted for:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Construction</td>
<td>$41,023,148</td>
<td>$41,023,148</td>
<td></td>
</tr>
<tr>
<td>Recycled water conservation contribution program</td>
<td>$19,447,814</td>
<td>$-</td>
<td>$19,447,814</td>
</tr>
<tr>
<td>Bond operating contingency requirement</td>
<td>$19,447,814</td>
<td>$-</td>
<td>$19,447,814</td>
</tr>
<tr>
<td><strong>Total restricted</strong></td>
<td>$67,080,838</td>
<td>$-</td>
<td>$67,080,838</td>
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<tr>
<td><strong>Unrestricted</strong></td>
<td>$94,353,484</td>
<td>$13,447,225</td>
<td>$107,800,709</td>
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<tr>
<td><strong>Total Net Position</strong></td>
<td>$494,708,396</td>
<td>$23,679,144</td>
<td>$518,387,540</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Position</strong></td>
<td>$936,251,964</td>
<td>$24,207,577</td>
<td>$960,459,541</td>
</tr>
</tbody>
</table>
Figure 9 - CBWCD Organizational Chart

Chino Basin Water Conservation District
Organizational Structure

Eunice Ulloa
(Executive Director)

Vivian Castro
(Deputy Executive Director)

Vacant
(Administrative Assistant)

Judith Taylor
(Office Assistant I)

Drew Ready
(Conservation Programs Manager)

Rebecca Rittenburg
(Community Programs Manager)

Francisco Sotomayor
(Facility/Landscape Maintenance Supervisor)

David Schroeder
(Conservation Specialist II)

Gisela Lopez
(Community Education and Outreach Assistant II)

Roberto Sotomayor
(Landscape/Maintenance Worker II)

Angie Arellano (II)
Briana Romero (I)
(Conservation Technicians)

Silvia Segura
(Community Education and Outreach Intern)

David Paglia
James Salcido
Juan Vazquez
(Landscape/Maintenance Worker I)
One (1) new position will be added to one (1) existing position.

New Position

Agency Management

General Manager

Board Secretary/Office Manager

Executive Assistant (2)

Administrative Assistant I

Office Assistant (2)  
[CBWCD - Judith Taylor]

Special Advisor on Conservation Issues & Programs  
[CBWCD – Eunice Ulloa]

Figure 10 - Consolidated Organizational Chart
Manager of External Affairs

- Senior External Affairs Specialist
- External Affairs Specialist II
  [CBWCD – Rebecca Rittenburg]
- External Affairs Specialist I
- External Affairs Specialist I (5)
  [CBWCD – Gisela Lopez, Angie Arellano, Briana Romero]
- Intern (2)
  [CBWCD – Silvia Segura]

New Position

Three (3) new positions will be added to two (2) existing positions

One (1) new position will be added to one (1) existing position
Planning and Environmental Resources

One (1) new position will be added to one (1) existing position

Manager of Planning and Environmental Resources

- Deputy Manager of Planning and Environmental Resources
- Senior Engineer (2)
- Senior Associate Engineer - PE
- Senior Water Resources Analyst
- Environmental Resources Planner II
- Senior Environmental Resources Planner (2) [CBWCD – Vivian Castro Assigned to Water Conservation Effects]

- Supervisor – Environmental Compliance & Energy
  - Senior Environmental Resources Planner
  - Senior Associate Engineer - PE
  - Senior Associate Engineer
  - Assistant Engineer

- Administrative Assistant II (2)
  - Source Control /Environmental Resources Supervisor
    - Senior Pretreatment & Source Control Inspector
      - Pretreatment & Source Control Inspector II
      - Pretreatment & Source Control Inspector I (3)
One (1) new position will be added to one (1) existing position.

One (1) new position will be added to one (1) existing position.
Operations – Groundwater Recharge

Manager of Operations

Groundwater Recharge Coordinator

RW/Groundwater Operations and Maintenance Specialist (2) (CBWCD – Francisco Sotomayor)

Sr. Associate Engineer (1)

RW Distribution Operator – Groundwater Recharge (1)

One (1) new position will be added to one (1) existing position.
North Maintenance

Deputy Manager of Maintenance

Maintenance Supervisor (2)

Plant Maintenance Worker (2)
[CBWCD – James Salcido, Juan Vasquez]

Two (2) new positions will be created.
South Maintenance

Deputy Manager of Maintenance

Maintenance Supervisor (2)

Plant Maintenance Worker (2)
[CBWCD – David Paglia, Roberto Sotomayor]

Two (2) new positions will be created.
Service Review for Water Conservation in the Valley Region

LAFCO

for San Bernardino County

May 20, 2015
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Executive Summary

Introduction

In 2013 the Local Agency Formation Commission (“LAFCO”) for San Bernardino County initiated its second cycle service reviews undertaking them on a regional service perspective rather than the prior community-by-community approach. This initiation included the development of a Fiscal Indicators database to be used in the service review analysis as well as placing the information on the LAFCO website to provide background information to the public. The development of this program required sometime to complete and the service reviews did not move forward during this period.

During the same time period, the San Bernardino Valley Water Conservation District initiated by Board resolution an application to amend its zero sphere designation and provide for a return to its prior sphere including the territory of the Santa Ana River easterly of the I-10/I-215 interchange. Due to overlap and complexity on the subject of water and the submission of an application from the San Bernardino Valley Water Conservation District (hereafter shown as SB Valley WCD), the LAFCO service review schedule for the Valley Region has two service reviews on the water subject – one service review for water conservation and another service review for wholesale, retail, and recycled water. The next service review scheduled will encompass wholesale, retail, and recycled water which will complement this water conservation service review.

All communities and water agencies are facing increasing challenges and opportunities in their role as stewards of water resources in the region. Increased environmental regulations, drought, and competition for water from outside the Valley Region have resulted in reduced supplies of imported water. Although the rate of regional population and economic growth has slowed due to the declined economy, water demand is still projected to rise, but at a slower rate, thus putting an even larger burden on local supplies.

Service Review Determinations

LAFCO staff responses to the requirement for written statements of the determinations outlined in Government Code 56430 for a service review are summarized below and incorporate the districts’ responses and supporting materials.

Determination I - Growth and population projections for the affected area

Within San Bernardino County, the Valley Region is the most densely populated area, with 73% of the population within it, but accounting for only 2.5% of the county’s land area. Based on these figures, the estimated population density of the Valley Region is approximately 2,977 persons per square mile, which is similar to neighboring Los Angeles and Orange Counties.

The 2014 estimated population is 1.5 million, and projections identify the Valley to grow at a rate of 0.3% annually through 2020. It is not until 2025 that the growth rate is projected to increase. LAFCO uses a 30-year horizon for its population projections, and
its analysis in conjunction with Southern California Associated Governments (“SCAG”) projections provides a projected population of 2.1 million in 2045. The 2045 figure would be roughly twice that of 1990, with presumably twice the density overall.

The population projections do not include the heavy daily business, commercial, education and industrial activities. Further, the transient traffic on Interstates 10 and 15 (two of four interstates that exit Southern California to the east) has significantly increased in volume each decade and is anticipated to continue to do so. All of this signals that the Valley Region is one of the most densely populated and traveled parts of the state and that conjunctive use of water resources will only intensify for the already impacted groundwater basins.

Determination II - The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

The Valley Region as defined by LAFCO contains 75 square miles of unincorporated territory (15% of the Valley Region). Of that 75 square miles of unincorporated territory, 32 square miles (or 43%) is classified as a disadvantaged community; although some of that area includes government-owned, open space, or park land.

Determination III - Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs and deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence

Integration of flood and stormwater management strategies with recharge and conjunctive use opportunities contributes to water supply reliability in the region. The San Bernardino Valley region has been significantly urbanized over the past several decades and the area continues to grow with numerous in-fill development projects. As the amount of impervious surface increases with urbanization, the runoff, and, therefore, storm and flood flows are also increasing. Without adequate flood control systems to capture and contain these surface waters for recharge, the opportunities for water supply, water quality, and environmental improvement are greatly lessened or lost. Therefore, formulating strategies to further capture storm runoff and use it for recharge of the groundwater basins will provide both flood management and water supply benefits to the region.

As identified by the Department of Water Resources, the Chino Basin, Bunker Hill, and Riverside-Arlington basins have been designated as High Priority basins and the other basins as Medium Priority basins for future monitoring. Within the Chino Basin, storm water recharge has declined significantly since FY 2010-11 (due to the drought), being less than the storm water recharge average during the previous 10 years. Recycled water was first considered a recharge source to reduce reliance on imported water from the Metropolitan Water District of Southern California. However, due to the current drought and restrictions placed upon the State Water Project, recycled water has now become a necessity for the basin. In the San Bernardino Basin Area, groundwater storage is now at the lowest level in recorded history, easily surpassing the previous low
point in 1964, which took place at the end of a 20-year drought. In turn, multiple recharge and recovery projects are moving forward to be able to capture and use as much of the local supply as possible in order to lessen reliance on the State Water Project.

In response to efforts to reduce consumer consumption, the two water conservation districts in the Valley are neither 1) responsible for the demand reductions required by the Water Conservation Act of 2009 (10% demand reduction by 2015 and 20% by 2020), nor 2) responsible for helping the retail agencies within their respective boundary achieve their water use reductions as the water conservations districts are not “urban wholesale water providers”. The Inland Empire Garden Friendly program was developed by the four major water suppliers of western Riverside and San Bernardino counties with cooperation from a university institute, conservation district and local botanic garden. The Inland Empire Garden Friendly program was created to assist consumers in locating and learning about climate-appropriate plants for the Inland Empire.

Specific to the West Valley portion of the region, the Chino Basin WCD has long provided water conservation sustainability services to its constituents through demonstration and education and it provides this service well. To further its demonstration and education service, it opened its Water Conservation Center campus in 2014. However, the service of Chino Basin WCD is limited to within its boundary which encompasses only a portion of the Chino Basin. Chino Basin WCD has received QWEL (Qualified Water Efficient Landscaper Board) and EPA certification as an adopter of the QWEL program and as an EPA WaterSense Labeled Professional Certification Program provider. QWEL certification is a valuable tool for consumers to be able to select landscape and maintenance professional who understand and have value for water and resource conservation. Seven district staff are QWEL certified and can teach the class to others.

For the East Valley portion of the region, the SB Valley WCD currently budgets very limited funding toward conservation education and outreach efforts. Instead, it focuses on water recharge efforts in cooperation with other agencies such as providing school and other outreach through Inland Empire Resource Conservation District. Additionally, SB Valley WCD actively supports and helps fund the iEfficient initiative, leads a Basin Technical Advisory Committee subcommittee for landscape education for implementing the qualified water efficient landscaper program (QWEL), and has a certified trainer on staff.

**Determination IV - Financial ability of agencies to provide services**

The Chino Basin WCD has a high unassigned fund balance that seems disproportionate to the services the district provides. MUNI had an unrestricted Net Position of $108 million at June 30, 2013, a substantially high figure. The Board of Directors has designated $18 million of this reserve to be retained for the purpose of self-insuring the district against any claims made against it.
SB Valley WCD has recently come out of a difficult financial time which began in 2008 and continued through 2011. This situation mirrored the overall economic slow-down; however, the effect on the district was more severe because all sources of its revenues were impacted at the same time. Since this time the district has revised its financial structure, reduced costs and implemented various policies that will reduce the likelihood and severity of these occurrences in the future. The district implemented cost reductions documented in the annual budgets including the reduction from seven to five divisions for the board of directors as allowed by special legislation (SB-235). In 2011 and 2012 the Groundwater Charge was increased by 25% and 15% respectively to allow the groundwater fund to raise adequate revenue to operate the facilities within its financial ability without subsidy from the district reserves or other enterprises. The district has high liquidity, no long-term debt, and meets its service obligations (after capital projects). Therefore, a high unassigned fund balance seems disproportionate to the services the district provides. In response to the review of the draft staff report, SB Valley WCD has provided additional information that identifies that it has a countercyclical revenue and expense cycle and that without accumulating this reserve rates would be highly variable. The District has also identified that it is presently designing capital improvements which will use much of the reserve attributed to groundwater. Should the district desire to actively provide habitat management and enhancement (related to the Wash Plan) beyond its own properties, it would need to receive special legislation to expand the scope of its authorized activities as well as submit an application to LAFCO to request authorization to provide said service under the provisions outlined in Government Code Section 56824.10 et seq.

Chino Basin WCD, IEUA, and MUNI are subject to an appropriations limit as outlined in the State Constitution. San Bernardino Valley WCD is not subject to the appropriations limit as it was determined to be exempt due to its limited tax rate in 1977-78. IEUA and MUNI annually adopt the limit as part of its budget process. A review of the audits for IEUA and MUNI does not identify a review of the annual calculation of the limit as required by the Constitution. LAFCO staff recommends that IEUA and MUNI include this requirement in future audits. Chino Basin WCD established its appropriations limit on January 12, 2015 and has indicated it will be reviewed in future audits.

Determination V - Status of, and opportunities for, shared facilities

Throughout the Valley Region there are numerous partnerships between Flood Control District, the municipal water districts, and the water conservation districts for storm water capture. This symbiotic relationship produces both economies of scale and duplication of service. As long as there are multiple agencies authorized to provide stormwater capture the opportunity to share facilities will remain.

Determination VI - Accountability for community service needs, including governmental structure and operational efficiencies

Within at least the past ten years, the two water conservation districts have not consistently yielded enough candidates for the board of directors to field competitive elections. This has resulted in the majority of the seats being filled by appointments in lieu of election. The elections for the Municipal Water Districts are more competitive:
IEUA has had an election for at least one board member in eight out of the last ten election cycles; and MUNI has had an election for at least one board member in seven out of the last ten election cycles.

Given the determinations of this service review, LAFCO staff’s position is that one of two options should be supported by the Commission: (1) the consolidation of the two Water Conservation Districts into a single Water Conservation District serving the entirety of the Valley region and bringing the educational opportunities to a much broader constituency, or (2) two water conservation districts should consolidate with its respective overlaying municipal water district.

The first scenario of a single Water Conservation District encompassing the Valley has not been supported by any of the districts citing such concerns as separate basin activities and resources to the location of operations and governance. While this scenario would provide direct control of the consolidation process by the Water Conservation Districts and provides for a means to extend the conservation educational elements to all of the urban valley region, it appears that it has been discounted by all involved in the study. Without support from some quarter of the affected agencies, success would not be anticipated.

Turning to option two, consolidation with the respective Municipal Water Districts, for SB Valley WCD, a proposed consolidation of the SB Valley WCD and the San Bernardino Valley Municipal Water District was denied by LAFCO on the basis that the financial and structural issues identified by staff were being addressed by the District and consolidation would not offer an assurance of the continued services. During the processing of this service review, both the SB Valley WCD and MUNI have outlined their reluctance to consolidate given the contentious nature of the previous process and the deep and painful wounds that linger. However, as a part of this service review these agencies, along with East Valley Water District, have submitted an outline to form a Groundwater Sustainability Council (“Council”) for stormwater capture, water import funding, and groundwater recharge which they are circulating to the east valley retailers. This effort proposes a means or mechanism to coordinate key functions and shared services and facilities, absent formal consolidation. The Council would be the responsible entity for ensuring adequate stormwater capture, imported water funding, and groundwater recharge efforts. The Council would be composed of the general managers of the water producers from the basin. While this scenario does not achieve consolidation it moves toward shared services and facilities, and it provides a means to move towards more efficient provision of this service in the East Valley area. While not the preferred method for service provision, LAFCO staff would support this option absent a desire for consolidation by the agencies. The one caveat with the structure is that the general managers form the council rather than elected officials which does not allow for a true functional consolidation as a joint powers authority would. Given the proviso identified above, LAFCO staff supports this effort and in doing so recommends that the Commission modify LAFCO 3173 to evaluate the alternative of modifying the SB Valley WCD’s sphere of influence to be more in line with the Council’s proposed efforts.
For the West Valley, efforts and sentiments to dissolve the Chino Basin WCD date back to at least 1969 based on the reasoning that the district’s functions and services could be assumed by an overlying agency that has the same authorized functions and services (IEUA or Flood Control District). Given the information gathered and the determinations of this service review, LAFCO staff’s position is that the best option for continuing the level of service currently offered for the entire West Valley would be for the Chino Basin WCD to consolidate with the IEUA. Should these districts not desire to put forth an application to LAFCO, the formation of an alliance, joint powers authority, or council similar to that as being proposed in the East Valley, as identified above, would move towards achieving greater economies of scale. Therefore, LAFCO staff recommends that the Commission initiate a sphere of influence proposal to evaluate an expansion of the Chino Basin WCD’s existing coterminous sphere.

In order to address these recommendations, LAFCO staff is proposing that the Commission:

- Initiate a sphere of influence review for the Chino Basin Water Conservation District to include analysis of the following alternatives:
  - Expansion of the sphere of influence to be coterminous with the sphere of influence of IEUA;
  - Expansion to include the whole of the Chino Basin; or,
  - Designation of a zero sphere of influence.

- Modify LAFCO 3173 to include the analysis of the following alternatives for consideration:
  - Expansion of the sphere of influence to be coterminous with the sphere of influence of MUNI,
  - Include the whole of the Bunker Hill Basin, or
  - The request initiated by the District to expand the sphere of influence from its current zero sphere designation to include the district’s boundary plus an additional 1,973 acres.

**Continued Monitoring of the Districts by LAFCO**

This service review identifies areas where the districts fail to comply with the State Constitution, State Law, and generally accepted good-governance practices. LAFCO staff recommends that the Commission determine that continued monitoring of the districts is warranted and that LAFCO staff be directed to return to the Commission every six months until all of the items below are satisfied.

**Inland Empire Utilities Agency and San Bernardino Valley Municipal Water District**

Section 1.5 of the State Constitution reads that the annual calculation of the appropriations limit (Gann Limit) for each entity of local government shall be reviewed as part of an annual financial audit. A review of the audits for IEUA and MUNI does not identify the annual calculation of the limit. LAFCO staff recommends that these agencies include this requirement in future audits.
Chino Basin Water Conservation District

Chino Basin WCD administers landscape and irrigation audits in partnership with IEUA and the eight member retail member agencies, and other agencies contract with the district to provide conservation programs on its behalf outside the Chino Basin WCD boundary.

Pursuant to Government Code Section 56133, LAFCO is charged with the responsibility for reviewing and taking action on any city or district contract to extend service outside of its jurisdiction. Even though the district’s parent act, Water Conservation District Law of 1931, does not explain this circumstance, Section 56133 subjects all those agencies under LAFCO purview to this requirement. However, the law provides for exemptions and one such exemption is for contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

Should it be necessary to request an exemption on the basis of two government agencies contracting for service, LAFCO staff recommends that the district submit an application to LAFCO requesting an exemption under Government Code 56133(e) in order to provide service outside of its jurisdiction.
APPENDIX B
Drug abuse conference set Nov. 15

A four-hour drug abuse conference will be held at the Fort Custer Community Building, Nov. 15, at Brownie Funtime.

The conference will help all parents, teachers, and organizations concerned with drug abuse. The conference will be held from 8 a.m. until noon.

The first part of the conference will be a panel discussion. The second part will be a session where specialists will present their topics.

W. H. (Bill) Gibson

Canyon area approved for trailer camping

The Board of Commissioners of the Four Corners Development District, at their recent meeting, approved the application for a trailer camp at the Canyon area.

The approval was granted after a thorough investigation of the area. The proposed site is located on the north side of the highway, approximately one mile east of the town of Echo.

The facility will be operated by a local firm, and will consist of a number of campsites with utilities.

H. J. Stanford

Schools act to stop wanton attacks

Positive steps are to be put in and followed after the attack on the school at the hands of vandals.

A group of students at the school were recently attacked by a group of vandals.

Leaders, parents need help to stop wanton attacks

The attack on the school is the latest in a series of incidents that have occurred at the school.

Local school authorities are asking for help in stopping these incidents.

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W. H. (Bill) Gibson

Prado park plans wiped out by state

Prado park plans were wiped out by state.

Rancho Bernardo, CA—For development of a $12 million resort on the Prado land in Prado, Rancho Bernardo was denied a state permit.

The Rancho Bernardo Unified School District was denied the permit by the state's Department of Parks and Recreation. The district had planned to develop the land as a resort area.

School sale of surplus property

In order to raise additional funds, the school is selling surplus property.

The property includes land, buildings, and equipment.

Teachers, parents asked to help

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Bids sought on water system improvements

A call for bids will go out this week for a contract for construction of a medical, a pumping station, dredging and other work to improve the city's water system.

Calling for bids was authorized by the city council as an alternate after months of studying information from the city's water system supplier, which has not been renewed.

Adding a new million-gallon reservoir at the Central and Phillips tank farm will reduce the city's present water flow costs at Chairs Reservoir. The reservoir already on the property is one-mile south of the reservoir and a 3,500-gallon-per-minute booster pump will be added on the west side of Chairs near French, where a tank will be added and tied into the city's supply.

Annual milk advisory area meeting Sept. 20

Daily farmers of the counties of the Miami and Fort Lauderdale area are invited to a meeting at noon on Sept. 20 in the Picnic Room of the Courthouse, where additional information and cooperative meeting, according to the Farm Advisory Co-ops, will hold the Board of the Milk Advisory Council. The meeting will be held at 9 a.m. at the Ft. Lauderdale C.P. Co-op and is open to all milk producers in the area.

First National Bank's Chino Office Now Features Red-Carpet Teller Service. Here's How It Works...

When you have prepared your check, just reach into your rear pocket and gently pull out the Red Carpet Line. When you reach the head of the line, you go directly to the teller's desk available. If you haven't prepared the check, you stop at one of the teller's request to the desk and then you reach the head of the line and the teller is free.

- You've never felt more important - and you're not just saying that! Your transaction is a priority one.
- You've never had more privacy - no one is standing in line with you. You have no chance to be overheard by your neighbor.
- You're not going to have to wait long for your turn - you can quickly be at your meeting.

First National Bank and Trust Company

Sey hello to an old friend.

This day was in the bustling twenties and now it's making a comeback.

General Telephone has just added this Call-Back phone to its decor. A design in the same style, in red.

You can get in black or red white. And you can go in style by calling your business office.

Just tell them you want to talk to an old friend.

GENERAL TELEPHONE
An equal opportunity employer.
Council employs firm to study cable tv franchising for city

Cable television may finally be available to city residents within the next two years. The city council has retained a consultant to guide the city into the cable television era.

Telecommunications Management Corporation of Los Angeles was chosen for the job, and a consultant, recommended by a committee headed by Coach- man Ralph Koon, will be chosen by the committee. Larry Williams, assistant to the city manager, said the city's cable consultant will be contacted by TMC, and will present ideas on franchising channels.

The city council is expected to vote on the franchise after the consultant's report is made.

Cable television is a complex and controversial subject. The council must decide whether to develop its own system or franchise it to a private company. The cost of developing a franchise is expected to be between $100,000 and $200,000.

Cable television is a valuable asset to any city, providing a wide range of programming and entertainment options. It can also provide educational and informational programming, as well as emergency communications.

The council must carefully consider the potential benefits and drawbacks of cable television before making a decision.
Our water situation

Information that the Chino Water Basin is in better shape than it has been in decades has been reported in a recent study commissioned by the San Gabriel Valley Joint Powers Authority (JPA). The report, titled "The Status of Water Supply in the San Gabriel Valley," highlights improvements in water quality and quantity, as well as increased awareness among the public about water conservation.

The report indicates that the water supply in the basin is becoming more reliable, thanks to several initiatives that have been implemented in recent years. These include the installation of new water treatment plants, the expansion of the basin's storage capacity, and the implementation of water conservation programs.

The report also notes that the basin's water quality has improved significantly, with decreases in the levels of contamination from industrial and agricultural sources. This is due in part to stricter regulations and increased enforcement of water quality standards.

The report concludes that the basin's water supply is secure and that further improvements can be made to ensure a sustainable future for the region. The study recommends continued investment in water infrastructure and the implementation of innovative water management strategies.

Al Montgomery

Rolltop Roundup

A boy’s view of old time Chino

By every town should be a torn of not more than 100 feet in diameter. With these words a native of Chino, the ever diligent farmer, began his hand-printed biography in 1900. To anyone for the first time back of it grew past 10,000, (1860), or 10,000, the remainder


Bob and Fanny attended the Woods Theatre on Sixth Street where they saw their favorite movie "The Boy Bandit." They then ran home in anticipation of the many days and nights that someone would catch them and carry them off.

He recalled that "Old Mac," the monkey, marched up and down these streets, flashlight in hand, making sure that "the chattering was not too loud.

At one time he gave me the 'boy's view' for talking to the girls at the same time. I later took note of the fact.

He described how Mr. and Mrs. Gray, in their late 70s, "loved to take walks in the woods."

Bob said, "Every time we met, Mr. and Mrs. Gray, we said 'Good morning.'"

He also mentioned how Mr. and Mrs. Gray, in their late 70s, "loved to take walks in the woods."

Al Montgomery

Space invaders?

view from our readers

In recent artifacts?

In the August 13, 1969 issue of the Champion, it was reported that over 130 tribal artifacts were found during the excavation of the Vinita Beach Project on Butterfield Ranch Road in Chino Hills. The artifacts included an assortment of tools, containers, and ceremonial items. The report noted that the findings were significant, as they provided insights into the lives and cultures of the Native American communities that once inhabited the area.

The report also mentioned that the site was located on a flood plain, which made it susceptible to flooding. Despite this, the artifacts were well-preserved and provided a glimpse into the past. The report concluded that the findings were significant and that further research was needed to better understand the culture and history of the Native American communities that once lived in the area.

Here & There

Certain Excel School in Chino is offering a text message system to parents to help them keep informed about events at school. Parents wanting to use this service can receive text messages on their cell phone by registering for the service at the school website.

Butterfield Ranch Elementary School principal Brad Puschwerk said he is pleased with the system, which allows the school to communicate directly with parents. He said the system has been helping to keep parents informed about events at the school.

Information on how to register for the service can be found on the school’s website or by contacting the school directly.
APPENDIX C
The purpose of this Memorandum of Agreement (MOA) is to define some of the operational policies and actions necessary to implement Program Element 2 — Develop and Implement Comprehensive Recharge Program of the Optimum Basin Management Program (OBMP) for the Chino Basin, to define the PARTIES that are tasked with its implementation and the specific actions to be taken by each party. The PARTIES that are signatories to this MOA include the Chino Basin Watermaster (Watermaster), the Chino Basin Water Conservation District (CBWCD), Inland Empire Utilities Agency (IEUA), and the San Bernardino County Flood Control District (SBCFCD). Watermaster, CBWCD, IEUA and SBCFCD are collectively referred to herein as the PARTIES.

Recitals

Whereas the need for a comprehensive recharge program is described in the OBMP Phase I report dated August 1999 and the Peace Agreement dated June 29, 2000; and

Whereas Watermaster completed a Recharge Master Plan Phase II Report dated August 2001 which contains descriptions of the existing and potential recharge facilities in the Chino Basin; and

Whereas the PARTIES, in accordance with their respective Acts and Powers, desire to cooperate in a program to implement certain portions of the Recharge Master Plan for the purpose of assuring that the Chino Basin has adequate recharge capabilities to meet its future needs; and

Whereas increasing the yield of the Chino Basin by increased capture of storm flow will improve ambient water quality and increase the assimilative capacity of the Chino Basin; and

Whereas the Recharge Master Plan investigations demonstrated that the best and least expensive way to put this available storm flow runoff to beneficial use is groundwater recharge; and

Whereas IEUA, acting on behalf of the Watermaster, has submitted an application for Proposition 13 grant funding to pay for half of the capital cost of the recharge facility improvements, up to $19 million, described in the Recharge Master Plan; and

Whereas IEUA will retain a design consultant in December 2001 to complete a preliminary design report; and

Whereas the final design and specifications for the recharge facility improvements must be completed by April 15, 2002 to ensure that the projects can be constructed and that IEUA will receive funding under Proposition 13 for these facilities.

NOW THEREFORE BE IT RESOLVED THAT:

1. The PARTIES to this MOA hereby agree that the flood control function of the various basins or facilities capable of artificial recharge in the Chino Basin takes priority over the artificial recharge function. For the purposes of this MOA, artificial recharge includes storm and supplemental water recharge that occurs only through active and discretionary activities of the PARTIES. The PARTIES agree that to the extent that artificial recharge can be incorporated into the operation of the basins without risk of flood damage and loss of life or without impeding or impairing flood control activities, recharge will be optimized. Multi-purpose projects are a high priority and will be considered on a case-by-case basis.

2. Facilities Operations. In order for water to be stored in the basins, the PARTIES will need to know in advance of the coming of significant storms. Currently, long range forecasting of the weather is obtained by SBCFCD. When significant storms are predicted to occur in the Chino Basin area, the volume of water in conservation storage in each basin will be reduced accordingly to preserve the flood control function in anticipation of storm water inflows. Conservation plans will be developed for each of the facilities that include a schedule of conservation pool elevations, criteria that define when water can be stored for conservation and when water in conservation storage must be released to restore the full flood protection capabilities of the basins or allow for facility maintenance and repair, etc. Preliminary conservation goals for each basin are included in Table 1. Initially, for basins that receive supplemental water (as defined in the Judgment and
Memorandum of Agreement
Maximization of Recharge in the Chino Basin Phase 2 – Optimum Basin Management Program

Peace Agreement), the volume of water in conservation storage will be reduced by either reducing or stopping altogether supplemental water inflows to the basins to provide adequate storage space to capture the runoff from the expected storm event. These conservation plans will be developed in detail in subsequent agreements, and they may be modified over time based on operational experience, improvements in weather and flood forecasting, management technologies and other considerations.

3. Many facilities listed in Table 1 will be monitored remotely for flood control and other purposes. These facilities may be operated either through an automatic control system or by manually operating controls at each facility. A PARTY can delegate the operation and control of some or all of its facilities to others. The SBCFCD shall have the authority to empty its basins at its sole discretion to prevent risk of flood damage or loss of life or for immediate maintenance. Pursuant to Article 5.1(f) of the Peace Agreement, the PARTIES agree to undertake Recharge using water of the lowest cost and the highest quality, giving preference as far as possible to the augmentation and the Recharge of native storm water.

4. Maintenance. Activities to maintain or improve recharge performance at basins will be done at periods chosen by the PARTIES to optimize recharge of storm water and supplemental water. The PARTIES will identify the entities to perform this maintenance for each facility. Watermaster will pay the incremental cost increase of basin operations that are in addition to the ordinary and customary operation and maintenance activities presently practiced. Such incremental cost increases will include charges resulting from the planned optimization of recharge and other percolation restoration efforts arising or made more costly due to the presence of supplemental water in the basins. The planned optimization of recharge will include the environmental impacts that are present and policies will be established to maintain the optimum characteristics of the recharge facilities.

5. Financing and Accounting. It is the intent of the PARTIES that the costs associated with implementation of the Recharge Master Plan will be paid by Chino Basin Watermaster and IEUA (including SAWPA Proposition 13 funding). It is also not the intent of the PARTIES that capital costs associated with the Recharge Master Plan projects be borne by either CBWCD or SBCFCD. The PARTIES will account for their efforts associated with the Recharge Master Plan projects in order that “In-kind” contributions are consistent with the contractual requirements to demonstrate local share matching funds required for Proposition 13 funding are being contributed. It is the intent of the PARTIES that other projects that are not otherwise committed and that meet the intent of the Recharge Master Plan activities, will be counted toward the local share of matching funds.

6. Subsequent Agreements. The PARTIES will immediately work to develop subsequent agreements necessary to address the specifics of facilities operations, maintenance, repayment, etc. It is anticipated the Subsequent Agreements will be completed in the first quarter of 2002, prior to completion of final design.

IN WITNESS WHEREOF, the PARTIES hereto have caused this Memorandum of Agreement to be executed on the dates herein shown.

Dec. 20 2001
INLAND EMPIRE UTILITIES AGENCY
By

Jan. 9 2002
CHINO BASIN WATER CONSERVATION DISTRICT
By

_______ 2001
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
By

Jan. 24 2001
CHINO BASIN WATERMASTER
By

- 2 -
12/18/2001
Memorandum of Agreement
Maximization of Recharge in the Chino Basin Phase 2 – Optimum Basin Management Program

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_________________ 2002

CHINO BASIN WATER CONSERVATION DISTRICT
By

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
By

CHINO BASIN WATERMASTER
By

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD
4 RENEEbastian
Clerk of the Board of Supervisors
of the County of San Bernardino
By

Deputy
## Table 1
Recharge Goals for Each Basin

<table>
<thead>
<tr>
<th>Basin</th>
<th>Storm Water Conservation Goal</th>
<th>Supplemental Water Recharge Capacity Goals</th>
<th>Imported Water</th>
<th>Recycled Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montclair Basin 1</td>
<td>350</td>
<td>2,215</td>
<td>1,846</td>
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</tr>
<tr>
<td>Montclair Basin 2</td>
<td>780</td>
<td>4,438</td>
<td>3,698</td>
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<tr>
<td>Montclair Basin 3</td>
<td>830</td>
<td>953</td>
<td>794</td>
<td></td>
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<tr>
<td>Montclair Basin 4</td>
<td>440</td>
<td>1,075</td>
<td>896</td>
<td></td>
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<tr>
<td>Brooks Street Basin</td>
<td>1800</td>
<td>1,581</td>
<td>1,568</td>
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<tr>
<td>Upland Basin</td>
<td>1000</td>
<td>4,935</td>
<td>4,112</td>
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<tr>
<td>College Heights Basins</td>
<td>100</td>
<td>8,558</td>
<td>7,465</td>
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<tr>
<td>Seventh and Eighth Street Basins</td>
<td>1550</td>
<td>1,181</td>
<td>984</td>
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<td><strong>Subtotal Management Zone 1</strong></td>
<td>6,390</td>
<td>25,635</td>
<td>21,362</td>
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### Management Zone 2

<table>
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<tr>
<th>Basin</th>
<th>Storm Water Conservation Goal</th>
<th>Supplemental Water Recharge Capacity Goals</th>
<th>Imported Water</th>
<th>Recycled Water</th>
</tr>
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<tbody>
<tr>
<td>San Seavine No. 1</td>
<td>820</td>
<td>7,288</td>
<td>6,073</td>
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<tr>
<td>San Seavine No. 2</td>
<td>50</td>
<td>2,484</td>
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<tr>
<td>San Seavine No. 3</td>
<td>640</td>
<td>3,127</td>
<td>2,606</td>
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<tr>
<td>Rich Basin</td>
<td>860</td>
<td>3,524</td>
<td>2,104</td>
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</tr>
<tr>
<td>San Seavine No.4 and 5 (combined into one basin)</td>
<td>500</td>
<td>4,601</td>
<td>3,834</td>
<td></td>
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<tr>
<td>Ely Basins</td>
<td>2,800</td>
<td>2,907</td>
<td></td>
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<tr>
<td>Etiwanda spreading area (joint use of Etiwanda debris basin)</td>
<td>1,655</td>
<td>4,886</td>
<td></td>
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<tr>
<td>Hickory Basin</td>
<td>840</td>
<td>2,606</td>
<td>2,172</td>
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<tr>
<td>Victoria Basin</td>
<td>940</td>
<td>2,883</td>
<td>2,402</td>
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<tr>
<td>Turner Basin No. 234</td>
<td>1,800</td>
<td>1,895</td>
<td>1,579</td>
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<tr>
<td>Lower Day Basin</td>
<td>300</td>
<td>2,345</td>
<td>1,984</td>
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<tr>
<td>Turner Basin No. 1</td>
<td>860</td>
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<td><strong>Subtotal Management Zone 2</strong></td>
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### Management Zone 3

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<tr>
<th>Basin</th>
<th>Storm Water Conservation Goal</th>
<th>Supplemental Water Recharge Capacity Goals</th>
<th>Imported Water</th>
<th>Recycled Water</th>
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<tr>
<td>Jurupa Basin</td>
<td>650</td>
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<td></td>
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<tr>
<td>Wineville Basin</td>
<td>600</td>
<td>536</td>
<td>489</td>
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<tr>
<td>Etiwanda Conservation Ponds</td>
<td>1,060</td>
<td>3,257</td>
<td>2,714</td>
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<tr>
<td>IEUA RP3 Ponds</td>
<td>1,700</td>
<td>4,385</td>
<td>4,072</td>
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</tr>
<tr>
<td>Deleze Basin</td>
<td>800</td>
<td>2,633</td>
<td></td>
<td></td>
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<tr>
<td>Banana Basin</td>
<td>260</td>
<td>977</td>
<td>814</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Management Zone 3</strong></td>
<td>1,570</td>
<td>12,261</td>
<td>10,301</td>
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<tr>
<td><strong>Totals</strong></td>
<td>23,675</td>
<td>76,047</td>
<td>64,187</td>
<td></td>
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REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

January 29, 2002

FROM: KEN A. MILLER, Director
Department of Public Works - Flood Control

SUBJECT: CHINO BASIN RECHARGE MASTER PLAN IMPLEMENTATION
MEMORANDUM OF AGREEMENT

RECOMMENDATION: Acting as the governing body of the Flood Control District (District),
approve the Chino Basin Recharge Master Plan Implementation Memorandum of Agreement
between the District, Inland Empire Utilities Agency, Chino Basin Water Conservation District, and
Chino Basin Watermaster.

BACKGROUND INFORMATION: The projected population in the Santa Ana Watershed area is
projected to increase by 2,000,000 over the next 25 years. To adequately provide water for the
growth, efforts must be taken to capture storm water and reclaimed water and recharge it into the
Chino Groundwater Basin to replenish the groundwater. The Chino Basin Watermaster, the Chino
Basin Water Conservation District, and the Inland Empire Utilities Agency have asked the District
to allow use of its facilities to recharge this water. The District staff finds that such use of the
facilities is in agreement with its mission to conserve water. The cost to improve the flood control
facilities, to recharge the water, and the construction of the water distribution systems necessary
to transport water to the flood control facilities will be at no expense to the District. Any additional
maintenance and operation costs incurred by the District will be paid by the Chino Basin Water
Agencies. The detailed cost reimbursement and operational procedures will be set forth in a future
Memorandum of Understanding that will be presented to the Board for approval within the next few
months. This Memorandum of Agreement lays the broad concept and framework for such
Memorandum of Understanding between the District and other water agencies. Approval of this
agreement is necessary to allow the start of fast track design for the recharge facility
improvements because of time limits imposed by State grant funding. The Inland Empire Utilities
Agency, acting on behalf of the Chino Basin Watermaster, has submitted an application for
Proposition 13 grant funding to pay for half of the capital cost of the proposed recharge facility
improvements.

REVIEW BY OTHERS: This item was reviewed by Deputy County Counsel Charles S. Scolastico
on January 8, 2002 and by the County Administrative Office (Tom Forster, Administrative Analyst)
on January 4, 2002.

FINANCIAL IMPACT: There will be no financial impact to the District.

SUPERVISORIAL DISTRICT(S): 2nd & 4th
PRESENTER: Ken A. Miller, 387-7906

Record of Action of the Board of Supervisors
CONTINUED TO TUE, 2/12/02 @ 10 A.M.
BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO
MOTION MOVE AYE AYE SECOND
J. RENE BASTIAN, CLERK OF THE BOARD
BY
DATED: January 29, 2002

Rev 07/07

ITEM 015
TRANSMITTAL
Date: MARCH 18, 2002

To: 1. Chino Basin Water Conservation District
     2. Inland Empire Utilities Agency
     3. San Bernardino County Flood Control

Subject Memorandum of Agreement - Recharge Master Plan Implementation

From: John Rossi, CEO
      Chino Basin Watermaster
      8632 Archibald Avenue, Ste 109
      Rancho Cucamonga, Ca. 91730-4665

      Phone: (909) 484-3888
      Fax: (909) 484-3890

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<th>Enclosed</th>
<th>For your review</th>
<th>Per Your Request</th>
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Please find enclosed a fully executed Recharge Master Plan Implementation, Memorandum of Agreement, for your files.
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Policy/Procedure  This manual contains the policies and procedures of the
District as approved by the Board of Directors. The District’s Board of Directors
reserves the right to revise, modify, delete, or add to any and all policies,
procedures, work rules or benefits stated in this Manual or in any other document.
However, any such changes must be in writing and must be signed by the
President of the Board of Directors after adoption by the Board.
No. 2
Issue No. 3
Effective Date: 9/19/05

Subject: Brown Act

**Purpose:** To comply with the requirements of the Ralph M. Brown Act: Open Meetings for Local Legislative Bodies

**Policy/Procedure** The District complies with all disclosure requirements of the Brown Act, including, but not limited to the following:

1. All items heard, discussed or voted upon by a quorum of the District’s Board of Directors will be placed on a posted agenda no less than 72 hours before a regularly scheduled board meeting. The agenda will provide adequate descriptions of those items appearing on the agenda to be discussed or acted upon.
2. Regularly scheduled meetings are set for the second Monday of every month, at 10:30 a.m., at District headquarters.
3. Notice of meetings shall be given by posting as follows:
   - For a regularly scheduled board meeting, posting shall be made not less than 72 hours in advance of the meeting
   - For a special board meeting, written notice to each member will be provided, and, where requested, public notification via local newspaper, radio, or television, and a posted notice at least 24 hours before the time of the meeting set forth in the notice.
   - For an emergency meeting involving only matters that require urgent action, the presiding officer must provide at least one hour telephone notice of the meeting to a local newspaper, radio, or television station with notice of the meeting. No closed session is permitted at an emergency meeting.
4. The Board of Directors shall not act upon any item that has not been properly posted on the agenda, unless there is a need for immediate action which comes to the attention of the District after posting of the agenda.
5. Minutes of the meetings of the Board of Directors will be kept on file at the District headquarters, and will be available for public inspection.
Subject: Business Ethics

Purpose: To attain the highest standards of honesty and integrity in all District activities, and to be in compliance with all laws and regulations.

Policy/Procedure
1. All Officers and employees are expected to maintain the highest standards of honesty and integrity in all dealings with suppliers, vendors, contractors, and fellow officers and employees.
2. All Officers and employees avoid any situation which might create or appear to create a conflict of interest.
3. Officers and employees do not enter into any form of arrangement with suppliers, vendors, or contractors which might create or appear to create a conflict of interest.
4. The District will not excuse any dishonest or illegal act even if it was directed by a supervisor, or if the deviation benefited or appeared to benefit the District.
5. Officers and employees prepare paperwork to accurately show the true nature of every transaction. This applies to purchases, expense reimbursements, and every other type of business activity.
6. Officers and employees who make decisions concerning the expenditure of District funds are responsible for using good judgment and ensuring that the District receives value for the money spent. Officers and employees who prepare or approve invoices or bills must have reasonable knowledge that the goods or services were received and that the amounts are proper.
7. All equipment, facilities, services, supplies, and time paid for by the District are the property of the District. Officers and employees accept, or authorize others to accept company property or the use of company property only as specifically authorized by District policy.
   - Officers and employees, who incur meal, travel, or other business expenses on behalf of the District, pay for them directly and request reimbursement on an Expense Report.
   - Officers and employees who use personal vehicles for District business pay all expenses for the operation of the vehicles directly, and request reimbursement on a per mile basis on an Expense Report.
8. The District does not allow the use of the District’s name, funds, property, or services for the support of political parties or political candidates or for any involvement in political elections.
9. Officers and employees do not accept or solicit gifts or gratuities of any kind from vendors. (“Gifts” include loans, durable goods, or unusually lavish entertainment, but do not include normal entertainment or items of a general advertising nature, such as caps and pens.)

10. Officers and employees are responsible for reporting any improper or questionable activity. Concealment or silence cannot be tolerated under any circumstances.

   • Officers and employees who become aware of any deviation from this policy, including conflict of interest, misrepresentation or any event of a questionable, improper, fraudulent or illegal nature, immediately report the circumstances.
   • Officers and employees do not willfully destroy, alter, hide, or steal any company record to conceal transactions.

11. Officers and employees who fail to comply with this policy are subject to immediate termination. For purposes of this policy, the term “employee” includes all officers, employees, or agents of the district, whether temporary or regular, full-time or part-time.

12. Officers and employees are to comply fully with all applicable provisions and reporting requirements of FPPC regulations, or other state laws regarding gifts, honoraria, and conflicts of interest.
No. 4
Issue No. 1
Effective Date: 1/10/96

Subject: Conflict of Interest

Purpose: To ensure that business decisions are made in the best interest of the District.

Policy/Procedure
1. Officers and employees avoid any situations which create or might appear to create a conflict of interest.

Conflict of interest means any situation where an officer or employee, or his immediate family or associates are likely to benefit from decisions or activities that are contrary to the best interest of the District.

- Officers and employees avoid personal financial or contractual involvements with companies or individuals that deal with the District, or might reasonably be expected to deal with the District.
- Except as provided below, officers and employees do not accept any personal gifts, loans, favors, or hospitality from companies or individuals that deal with the District, or that might deal with the District. This does not include reasonable business meals with customers and suppliers, or gifts and tokens of purely nominal value.
- Officers and employees do not use information about the District or its activities for personal gain.

2. Employees are responsible for reporting any improper or questionable activity or relationship.
   - An officer or employee who becomes aware of any deviation from this policy is expected to immediately report the circumstances.
   - Concealment or silence cannot be tolerated under any circumstances.
Subject: Acceptance of gratuities, gifts, and other items of value

Purpose: To set forth the District’s position regarding an officer or employee’s receipt of items of value from suppliers or contractors with whom the District has past, current, or potential future business relations.

Policy/Procedures
1. It is the policy of the District that the receipt by any employee of gifts, meals, entertainment, and other items of value from suppliers, contractors, or vendors, with whom the District has past, current, or potential business relations is expressly prohibited. The receipt of an item of value may involve the recipient (employee) and the District in a conflict of interest. Conflicts of interest may be (or appear to be) ethically compromising, and are potentially damaging to the reputations of both the District and employee. Both the fact and even mere appearance of a conflict of interest shall be carefully avoided at all times by all District employees.
2. The District employs the highest ethical business practices in source selection, negotiation, determination of awards, and the administration of all procurement activities. All employees of the District must guard their integrity and that of the District by politely refusing any item of value from firms with which the District has or might conduct business.
3. The following exceptions to the general policy are permitted, under circumstances where it is clear that no conflict of interest will result and where no implied or explicit obligation is given.
   • Items of nominal (up to $5.00) value may be accepted, when imprinted with advertising for a company’s product or service. Examples are inexpensive pens, letter openers, caps, coffee cups, etc.
   • Miscellaneous items left by suppliers during holidays for the consumption of staff, such as candy, popcorn, etc., may be accepted.
   • Seminars or informational meetings sponsored by suppliers may be attended, where attendance is open to large groups of persons, and where the agenda focuses on topics related to the District’s mission. Meals or snacks served incidental to these seminars may also be accepted.
   • Other exceptions may be appropriate. Employees may receive consideration for a deviation from the general policy by submitting a brief memorandum of explanation in advance of any action to the Board of Directors. The Board of Directors may give written approval in those cases where the requested exception is consistent with the spirit of the policy as enumerated above.
4. Suppliers and contractors may provide items such as reference catalogs or other items which, because of their information content or utility, are of value to the District. These items may be accepted on behalf of the District by an employee when acceptance is:
   • Clearly in the best interest of the District;
   • Retained on District premises; and the item(s) become(s) the property of the District.

5. There may be instances where a vendor invites an employee to meet over a meal, as in the case of a business lunch. In such cases, the employee will insist on paying for the cost of his or her own meal. If the subject of the meeting is District-related and participation in the meeting is consistent with the employee’s duties at the District, the employee may submit for reimbursement of expenses.

6. The District encourages all employees to anticipate situations in which they might be offered an item or service of value, and to take positive steps to avoid such situations before they actually arise.

7. All District officers and employees are required to fully comply with any and all reporting requirements or other applicable provision of FPPC regulations or other state laws regarding gifts, honoraria or conflicts of interest.
Subject: Personal purchases from the District’s suppliers

Purpose: To set forth the District’s position regarding the use of discounts offered to the District by its suppliers, by District employees or their relatives, to make personal purchases.

Policy/Procedure
1. Employees of the District and their immediate relatives are not to utilize discounts offered to the District by the District’s suppliers, to purchase personal supplies, equipment, tools, services, etc.
2. Employees of the District and their immediate relatives are not to utilize the employee’s position with the District to solicit discounts or other concessions from District suppliers to purchase personal supplies, equipment, tools, services, etc.
3. This policy is not intended to prohibit employees of the District or their immediate relatives from utilizing discounts offered to the general public by District suppliers to purchase personal supplies, equipment, tools, services, etc.
No. 7
Issue No. 1
Effective Date: 1/10/96

Subject: Loan or use of District equipment, materials, or supplies

Purpose: To mitigate any possible loss the District might incur by lending or allowing the use of District equipment, materials, or supplies to employees, volunteers, officers, contractors, subcontractors, suppliers, private individuals, or other agencies.

Policy/Procedure
1. No person shall use or misappropriate any District funds, property, equipment, credit, or anything of value owned by the District for personal use or benefit, except as provided in this and other District policies.
2. District employees are not to lend District equipment, materials, or supplies to any person, except as provided in this and other District policies.
3. District employees are not to operate or supervise the operation of any district equipment on a contractor's, subcontractor's, supplier's or private individual's job.
4. With prior approval of the Manager, District equipment, materials, or supplies may be lent to other governmental agencies, provided the following criteria are met:
   - The item is not needed by the District,
   - An individual from the borrowing agency is instructed on the proper use of said item(s)
   - A Waiver/Release of Liability form is executed by a responsible individual of the Agency, and
   - The Agency provides the District with proof of insurance.
No. 8
Issue No. 8
Effective Date: 3/9/15
Subject: Fixed Assets Capitalization and Inventory Control Policy

**Purpose:** The purpose of this policy is to insure that fixed assets are properly and consistently capitalized and contribute to accurate financial reporting in connection with GASB Statement No. 34. Procedures are being established herein for the receipt, tagging, inventorying and Capitalization of goods and materials purchased by the District, and to maintain accountability and records for theft and insurance purposes.

The District's fixed asset capitalization policy stems from two (2) major objectives:

1) **Accounting and Financial Reporting** – To accurately account for and report fixed assets in financial reports issued to external reporting agencies, granting agencies and the public.

2) **Safeguarding** – The District has a fiduciary responsibility to establish systems and procedures to protect its (fixed) assets from loss or theft.

In meeting the two objectives noted above, the District has established a **Capitalization Policy** and an **Inventory Control Policy** to provide specific guidance for determining which fixed assets are subject to separate accounting and reporting (i.e., Capitalization) and safeguarding, respectively.

The District is responsible for, and has established, systems and procedures through which both objectives are met. These systems and procedures are used to identify, process, control, track and report District fixed assets.

**Capitalization Policy (Accounting and Financial Reporting)**

In general all fixed assets, including land, buildings, machinery and equipment, with an original cost of $5,000 or more, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, professional fees, and legal claims directly attributable to asset acquisition. Specific capitalization requirements are described below:

- The capitalization threshold is applied to **individual units** of fixed assets. For example, ten desks purchased through a single purchase order, each costing $1,000, will not qualify for capitalization even though the total ($10,000) exceeds the threshold of $5,000.

- For purposes of capitalization, the threshold will generally not be applied to **components** of fixed assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.

- **Repairs** to existing fixed assets will generally not be subject to capitalization unless it extends the useful life of the asset. In this case, it represents an improvement and is subject to the requirements described below.

- **Improvements** to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the $5,000 threshold.
• **Capital projects** will be capitalized as **Construction-In-Progress** until completed. Costs to be capitalized include direct costs, such labor and materials, as well as ancillary costs and any construction period interest costs as required by GASB Statement No. 34.

Except for Real Property, Capital Assets shall be “straight line” depreciated per the following “depreciation schedule” representing the estimated useful lives of the identified items:

<table>
<thead>
<tr>
<th>Capitalized Items</th>
<th>Estimated Useful Life</th>
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<tbody>
<tr>
<td>Real Property</td>
<td>N/A</td>
</tr>
<tr>
<td>Office Buildings (building, amphitheater)</td>
<td>40 years</td>
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<tr>
<td>Storage Buildings (incl. shade house)</td>
<td>20 years</td>
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<tr>
<td>Basin Structures &amp; Conduits</td>
<td>75 years</td>
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<tr>
<td>Machinery &amp; Stationary Equipment</td>
<td>20 years</td>
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<tr>
<td>Mobile Equipment</td>
<td>10 years</td>
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<tr>
<td>Miscellaneous Improvements</td>
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<tr>
<td>Landscape</td>
<td>15 years</td>
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<td>Office &amp; Building Furnishings</td>
<td>10 years</td>
</tr>
<tr>
<td>Vehicles &amp; Truck</td>
<td>5 years</td>
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<tr>
<td>Office Equipment</td>
<td>3 years</td>
</tr>
</tbody>
</table>

**Inventory Control Policy (Safeguarding)**

The District is responsible for safeguarding its fixed assets from theft or loss; however, management does recognize and acknowledge its responsibility to establish and maintain systems and procedures that enable employees to properly safeguard the District’s assets.

In general, inventory control is applied only to *movable* fixed assets (generally these falling into the "General Plant Asset" category), and not to land, buildings, or other *immovable* fixed assets. The District’s **Moveable Fixed Assets** will be accounted for and inventoried at least once per fiscal year.

Further, it is the policy of the District that all real property, furniture/equipment and software, with a purchase value greater than $500.00, and a useful life of more than one year, shall be assigned an inventory number and be logged into the District’s inventory control records database.

**Revision Changes**

Issue No. 1 – 1-10-96 (Original Policy)
Issue No. 2 – 6 (Annual Reviews – Dates Unavailable)
Issue No. 7 – 11-12-03 (Annual Review)
Issue No. 8 – 3-09-15 (Annual Review & Revision to “Improvements” Verbaige
Subject: Disposal of surplus District Personal property, materials, and equipment.

Purpose: To establish a policy and procedure for the disposal of “surplus District personal property, materials, and equipment” in a manner to ensure the maximum return to the District from said items.

Policy/Procedure
1. Surplus District personal property, materials, or equipment shall be defined as all such items having no further use to the District. Such property could be scrap, surplus, broken, obsolete, abandoned, or unusable.
2. Surplus District property may be disposed of either by trade-in, selling at public auction, selling through sealed bids, by prepriced sales, by negotiated sale, donating to another governmental agency or non-profit organization, or disposing of the item(s) as junk, only after documenting in writing the item(s) has no value, serves a public purpose, and its disposal is of benefit to the District.
3. Prior to disposing of any surplus item(s), the District shall place a public notice in such newspaper(s), magazine(s), or other media that will best publicize the proposed sale or disposition to those parties most likely to bid or purchase the item(s), at least ten (10) days prior to said sale or disposition. This requirement may be waived in the event it is deemed in the District’s best interest to dispose of any item covered by this section through a negotiated sale or trade-in that is demonstrated to be reasonable.
4. The sale of any “surplus District personal property, materials, or equipment” shall be subject to sales tax unless the purchase has a current resale permit number on file with the District.
5. Sales of “surplus District personal property, materials, or equipment” may not be made to District employees or their immediate families.
6. After any surplus item(s) has been disposed of, said item(s) shall be removed from the fixed asset inventory.
7. All personal property, equipment and/or materials that are found on District property and not claimed within ten (10) days shall be turned over to the Police Department having jurisdiction.
No.  10
Issue No.  1
Effective Date:  1/10/96

Subject:  No Smoking Policy

Purpose: To protect employee health, and to conform to California Law, AB13.

Policy:
The District’s headquarters is a No Smoking building. Smoking is permitted only outside the building.
I. DISTRICT RECORDS MANAGEMENT

The CBWCD has an obligation to create and maintain records and information in accordance with accepted records management practices and standards. It shall be CBWCD’s policy to maintain records in accordance with the following Records Retention Schedule. Pursuant to Government Code section 60201, unless otherwise provided by state statute, all records not specifically mentioned in this policy shall be retained for a period of not less than two years.

II. RECORD MANAGEMENT TASKS

1. Schedule once a year, an eventful transfer of records to inactive storage.
2. Develop a sound retention schedule.
3. Designate areas for records storage.
4. Control the purchase of file cabinets. New filing cabinets might signal that records are not being transferred to lower cost storage.
5. Furnish staff with a Records Retention and Destruction Policy.

III. LONG-TERM OBJECTIVES

1. Improve information retrieval through better classification and filing systems.
2. Destroy promptly those duplicate records and working papers that are no longer needed for administrative, legal, historical, or research purposes.
3. Transfer inactive records from high cost office space to low cost Records Center storage.

IV. RETENTION AND DESTRUCTION

A. Accounting Records. All Accounting Records should be retained indefinitely in their original form until authorization for destruction is given by the District Treasurer.

1. Any accounting record, except the Journal, Ledgers, and Tax Returns, which are more than seven years old may be authorized for destruction, provided that:
a. There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigation, etc., and;
b. There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;
c. Said unit report or reports were prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements, and that;
d. Said audit or audits contains the expression of an unqualified opinion.

2. Any accounting record created for a specific event or action may be destroyed upon authorization seven years after said event has in all respects terminated.

3. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction seven years from the end of the fiscal period to which it applies.

4. The following may be destroyed at any time:
   a. Duplicates (original - subject to aforementioned requirements)
   b. Rough drafts, notes or working papers (except audit)
   c. Cards, listings, non-permanent indices, other papers used for controlling work or transitory files.
B. Payroll and Personnel Records

1. Unless otherwise noted, all payroll and personnel records should be retained indefinitely. Originals may upon authorization be destroyed after seven years retention, provided said records have been electronically recorded as provided for in Government Code Section 60203. Payroll and personnel records include the following:
   a. Accident reports, injury claims and settlements
   b. Medical histories
   c. Applications, changes and termination of employees
   e. Insurance records of employees
   f. Performance or rating cards
   g. Earning records and summaries
   h. Retirements

2. Any source documents detailed in a summary may be authorized for destruction five years from the end of the fiscal period to which it applies, including but not limited to:
   a. Injury frequency charts
   b. Timecards
   c. Job descriptions
   d. Requests relating to vacation, sick leave, and leave of absence

3. Personnel Rules & Regulations and Employee Memorandum of Understandings should be retained indefinitely. Originals may, upon authorization, be destroyed after seven years retention, provided said records have been electronically recorded as provided for in Government Code Section 60203.

4. The following personnel records may be destroyed after five years provided the employees’ personnel file contains current reports:
   a. Expired proof of insurance
   b. DMV Reports
C. Records Concerning Long-Term Debt

1. Records of proceedings for the authorization of long-term debts, bonds, warrants, loans, etc., after issuance or execution may be destroyed if or after electronically recorded as provided for in Government Code section 60203.

2. Terms and conditions of bonds, warrants and other long-term agreements should be retained until final payment, and thereafter may be destroyed in less than ten years if microfilmed as provided for in Government Code Section 60203.

3. Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for ten years.

D. Minutes

1. Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon authorization, be destroyed if said minutes are electronically recorded as provided for in Government Code Section 60203.

E. Construction Records.

1. Construction records, such as bids, correspondence, change orders, etc., should not be kept in excess of seven years unless they pertain to a project which includes a guarantee or grant, and, in that event, they should be kept for the life of the guarantee or grant plus seven years. As-built plans for any public facility or works should be retained as long as said facility is in existence.
Subject: Records Retention and Destruction Policy

F. Contracts

1. Contracts should be retained for its life plus seven years.

G. Property Records

1. Property records, such as documents of title, should be kept until the property is transferred or otherwise no longer owned by the District.

H. Miscellaneous Records

1. The following types of construction and engineering records may be destroyed five years after a construction project is complete, or a engineering service has been performed, provided there is no ongoing litigation. If litigation is ongoing, such records shall be kept for a minimum of three years following the conclusion of the litigation.

   a. Unsuccessful proposals to perform services or construct a project
   b. Unsuccessful bids and proposals
   c. Requests for bids and proposals
   d. California Preliminary Notices
   e. Public Works - payroll reporting forms
   f. Bill of Lading and Material Delivery tickets
   g. Insurance Endorsements and Certificates of Insurance

2. The following miscellaneous communications and forms may be destroyed five years after the end of the fiscal year, during which they were received or generated.

   a. Notice to remove or abate
   b. Expired auto insurance policies
   c. Job applications received from unsuccessful applicants (provided there is no ongoing litigation)
   d. Unsolicited Job Requests and “availability” communications
   e. Agenda packet materials
   f. Rental receipts and related communications
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>RETENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous invoices-accounts payable</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Miscellaneous invoices-accounts receivable</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Expense Reports</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Purchase Orders</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Cash Receipts</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Claims</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Bank Statements</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Bank deposits</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Canceled Checks</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Petty Cash Records</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Various accounting authorizations taken</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>from Board minutes, resolution or contracts</td>
<td></td>
</tr>
<tr>
<td>Check Register</td>
<td>5 yrs  End of fiscal periods</td>
</tr>
<tr>
<td>Schedule of Investments</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Lease - purchase records (equipment)</td>
<td>5 yrs</td>
</tr>
<tr>
<td>Budgets</td>
<td>5 yrs</td>
</tr>
<tr>
<td>Cash Receipts Journal</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Accounts Receivable Journal</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Accounts Payable Journal</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Check Register</td>
<td>Indefinite</td>
</tr>
<tr>
<td>General Ledger</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Changes in Fixed Assets</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Journal Entries</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Closing Journal Entries</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Long Term Debt Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Inventory Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Capital Asset Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Annual Audits</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Tax Returns</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Schedule of Investments</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Lease - purchase records (equipment)</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Budgets</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Cash Receipts Journal</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Accounts Receivable Journal</td>
<td>Indefinite</td>
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<td>Indefinite</td>
</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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<tr>
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<td>Indefinite</td>
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<tr>
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</tr>
<tr>
<td>Closing Journal Entries</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Long Term Debt Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Inventory Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Capital Asset Records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Annual Audits</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Tax Returns</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>
## Description and Retention

<table>
<thead>
<tr>
<th>PAYROLL AND PERSONNEL RECORDS</th>
<th>RETENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident Report, injury claims</td>
<td>Length of employment plus 30 yr.</td>
</tr>
<tr>
<td>Settlements</td>
<td>Permanent</td>
</tr>
<tr>
<td>Medical histories</td>
<td>Length of employment plus 30 yr.</td>
</tr>
<tr>
<td>Injury frequency charts</td>
<td>5 yrs.</td>
</tr>
<tr>
<td>Applications, changes and termination of employees</td>
<td>7 yrs.</td>
</tr>
<tr>
<td>Unsolicited applications, resumes</td>
<td>30 days After receipt</td>
</tr>
<tr>
<td>Insurance records of employees</td>
<td>Permanent</td>
</tr>
<tr>
<td>Time cards</td>
<td>5 yrs.</td>
</tr>
<tr>
<td>Job descriptions</td>
<td>5 yrs.</td>
</tr>
<tr>
<td>Performance evaluations (personnel files)</td>
<td>2 yrs. After termination</td>
</tr>
<tr>
<td>Earning records and summaries</td>
<td>7 yrs.</td>
</tr>
<tr>
<td>Retirements</td>
<td>Permanent</td>
</tr>
<tr>
<td>Vacation, Sick Leave, Personnel Leave, etc. Requests</td>
<td>5 yrs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LONG-TERM DEBT RECORDS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization of Long-Term Debts (i.e. bonds, warrants, loans, etc.)</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Agreements (terms and conditions)</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Paid Bonds, warrant certificates, interest certificates</td>
<td>10 yrs After full debt is paid</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADMINISTRATION RECORDS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minutes</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Resolutions</td>
<td>Indefinite</td>
</tr>
<tr>
<td>District Correspondence - Misc./Relative to Agreements/Projects</td>
<td>5 yrs After Life of Agreement</td>
</tr>
<tr>
<td>Insurance Policies</td>
<td>3 yrs After expiration</td>
</tr>
<tr>
<td>Agreements</td>
<td>Plus 7 yrs After Life of Contract</td>
</tr>
<tr>
<td>Contracts</td>
<td>Plus 7 yrs After Life of Contract</td>
</tr>
<tr>
<td>Improvement District records</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Law Suits - Litigated</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Property Title Records</td>
<td>10 yrs After disposal</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>RETENTION</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td><strong>CONSTRUCTION RECORDS</strong></td>
<td></td>
</tr>
<tr>
<td>Work Orders for Construction in Progress/</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Capital Projects</td>
<td></td>
</tr>
<tr>
<td>Work Orders for Construction in Progress/</td>
<td>10 yrs</td>
</tr>
<tr>
<td>Maintenance Projects</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Bids, correspondence, change orders, etc.</td>
<td>5 yrs</td>
</tr>
<tr>
<td>Unsuccessful Bids</td>
<td>After Bid Date</td>
</tr>
<tr>
<td>As-built plans for public facility exists</td>
<td>Indefinite Or as long as facility</td>
</tr>
<tr>
<td><strong>VIDEO MONITORING</strong></td>
<td></td>
</tr>
<tr>
<td>Recordings of routine video monitoring</td>
<td>Minimum of one year</td>
</tr>
<tr>
<td>e.g. building security taping systems</td>
<td></td>
</tr>
<tr>
<td>Recording of Board of Directors meetings</td>
<td>Permanent</td>
</tr>
</tbody>
</table>
No. 12
Issue No. 1
Effective Date: 1/10/96

Subject: Federal Form W-9 Tax Filing Requirements

Purpose: To conform to Internal Revenue Service rules and regulations pertaining to Form W-9 and Form 1099 filing requirements.

Policy/Procedure
Non-incorporated vendors supplying services to the District will provide the appropriate Taxpayer Identification Number or Social Security Number via Form W-9 before payment is made for those services. Thirty-one percent of each payment will be withheld until a completed Form W-9 is received by the District, as required by Internal Revenue Service directives.
Subject: Expense payment or reimbursement for conferences, seminars, training, or meetings

Purpose: To establish the guidelines for attendance and expense payments or reimbursements for conferences, training, seminars, or meetings, and to conform to Internal Revenue Service reporting requirements concerning record keeping. To record the five basic reporting requirements: 1) date; 2) cost; 3) place; 4) business purpose; and 5) for meals and entertainment, the names and business relationship of each person entertained. For reference, in this policy Directors will also fall under the category of employees.

Policy/Procedure
Employees may pay all of their own business expenses and request reimbursement from the District on expense reports or expenses may be paid directly by the District, provided there is prior approval by the Board of Directors. Reimbursements for expenses are made only for those expenses which are individually itemized and explained. Employees will provide original receipts for all expenses whenever possible.

It is the policy of the District that where budget allocations permit, authorized officers and employees shall be reimbursed for reasonable out of pocket expenses incurred in the performance of official District business, when such expenditures are authorized in advance, and the employee’s attendance is deemed to be directly beneficial to the District.

Authorization to Attend
District employees shall secure the approval of the appropriate level of management prior to attendance at conferences, training, seminars, or meetings. Due to the limited pool of funds, approval for local seminars and training attendance shall be given highest priority. Where possible, early application should be made to assure that adequate funds are available.
Issue No. 2
Effective Date: 09/11/06

Subject: Expense payment or reimbursement for conferences, seminars, training, or meetings

Cost of Accommodations
Cost of overnight accommodations for conferences, training, seminars, or meetings may be reimbursed or paid directly by the District. The expense shall be limited to the reasonable cost of adequate accommodations as determined by the Manager and/or the Board of Directors. Costs which are deemed to be unnecessary, unrelated or excessive may not be reimbursed or paid. The cost of meals, entertainment, and lodging on a hotel billing shall be reported separately, according to the itemized receipt.

Transportation
Transportation to a conference, training, seminar, or meeting may be reimbursed or paid directly by the District.
- To secure the most economical mode of transportation in keeping with availability, convenience, and propriety of the District, all meeting travel arrangements shall be made with the endorsement of the Manager.
- When air travel is the most appropriate method of transportation, coach class shall be utilized.
- A private automobile may be used when necessary. Reimbursement for such use shall follow the guidelines in District policy involving the use of private vehicles on District business.
- A rental car may be used when appropriate public transportation is unavailable or more expensive.

Registration
Registration and related fees may be reimbursed or paid by the District for all authorized attendance.

Compensation for Conference/Meeting Attendance
Employees shall receive their regular compensation for attendance at approved conferences, training, seminars, or meetings that are held on their regularly scheduled workdays.
Subject: Expense payment or reimbursement for conferences, seminars, training, or meetings

Other Expenses
Other Expenses may be reimbursed or paid directly by the District.
- Except as otherwise provided, the guidelines for meal reimbursements, including tax and tip, shall be a maximum of $75.00 per day. If the guidelines are exceeded, written justification must be attached to the expense claim form. Alcohol consumption and entertainment expenses will not be reimbursed.
- The employee shall submit the completed and signed Expense Report every month. Receipts are required, including those for meals and taxi or bus fares. All applicable receipts and/or invoices shall be attached. The employee shall forward this form to the Manager for approval.

Entertainment Expense
Entertainment Expense may be reimbursed or paid directly by the District for reasonable business entertainment expenses only when necessary to promote a specific public purpose of the District. All entertainment must be explained with the following details:
- date
- cost
- place (name and location)
- business purpose
- type of entertainment (e.g., lunch, dinner)
- business relationship of each person present: name, title, agency, company, etc.

Officers and employees entertain fellow officers and employees only when this is the most efficient way to accomplish a specific business purpose and only with prior approval of the Board of Directors or the Manager. In all cases, the officers and employees avoid excessive expenses. The employee of senior rank pays the expense.

District officers and employees do not entertain vendor representatives.
Subject: AB 1542 Expense Reimbursement Filing Requirements

Purpose: To establish the reporting requirements and guidelines for compliance with AB 1542.

Policy/Procedure
AB 1542, effective January 1, 1995 requires that districts disclose, at least annually, each reimbursement paid to officers or employees for any expense which exceeds $100 for the immediately preceding fiscal year. All District officers and employees comply with all provisions of AB 1542, including but not limited to the following:

- Any individual charge over $100 for services or product received is reportable
- An “individual charge”, is defined as, for example, one meal, one day’s lodging, or a registration fee.
- The disclosure requirement applies to all district employees and officers who receive reimbursement.
- The same limits on honoraria and gifts are applied to officers as apply to legislators.
- Disclosure is to be done at least annually, as of fiscal year-end, June 30.

The District will include a separate listing by officer/employee outlining applicable charges in the Director’s Board Meeting package. The listing will be accessible as public record in conjunction with the regular Board Meeting materials.
No. 15
Issue No. 1
Effective Date: 1/10/96

Subject: Processing of Lawsuits received by the District or by an employee/former employee

**Purpose:** To establish the process for the handling of lawsuits served on the District; how District employees, or former employees, are to request defense by the District against lawsuits arising out of their employment with the District; to establish responsibility for the acceptance of service of summons, complaints, and claims; and to improve communications between the District, its employees, an legal staff during the defense of a lawsuit.

**Policy/Procedure**

Pursuant to Section 825 of the California Government Code, an employee, or former employee, of the District can request that the District defend them against any claim or action against them for an injury arising out of an act, or omission, occurring within the scope of their employment as a public employee, provided said request is made in writing not less than ten (10) days before the day of trial. The employee, or former employee, shall reasonably cooperate in good faith in the defense of the claim or action, and shall notify the District immediately upon learning of any such claim or action.

Every reasonable effort shall be made by the District to maintain open communications between the employee, former employee, the District, and the District’s Legal Counsel while defending all lawsuits.
Subject: Contract, Lease, or Agreement insurance verification

Purpose: To assure that proper and timely insurance documents are provided to the District by a supplier, contractor, or consultant prior to the issuance of a Notice to Proceed on any project. This procedure will provide the information necessary to verify the appropriateness of certificates of insurance and/or endorsements for each contract, lease, or agreement entered into by the District.

Policy/Procedure
Upon execution of any contract, lease, or agreement, the District shall obtain copies of applicable Certificates of Insurance for public liability and Workers’ Compensation (where applicable), and verify that the terms and limits are appropriate, as specified in the contract, and maintain copies in District files. All required insurance shall be carried with responsible insurance carriers, duly admitted to transact business in the State of California, and shall name as additional insureds the District, its elected officials, officers, employees and agents.
No.  17
Issue No.  3
Effective Date:  1/12/09

Subject: Authority to Contractually Commit the District

Purpose: To set forth the authority to execute contract and procurement commitments on behalf of the District.

Policy/Procedure
1. It is the policy of the District that all commitments (except as provided herein) involving the procurement of materials, equipment, supplies, leases, and services (including consultant services) shall originate by means of a purchase order or other contractual document.
2. This policy shall not apply to petty cash procurements, or construction-related contracts.
3. Internal approval limits are as follows:
   - The Administrative Assistant, Conservation Specialists II and III, and the Assistant General Manager may each approve the procurement of materials, equipment, supplies, leases, and services, with a total cost of $0.00 to $600.00.
   - The General Manager may approve, at the General Manager’s option, the procurement of materials, equipment, supplies, leases, and services, with a total cost of $0.00 to $25,000.00.
   - The procurement of materials, equipment, supplies, leases, and services with a total cost exceeding $25,000.00 must be approved by the Board of Directors.
Subject: Signatory Authorization for District Financial Accounts

Purpose: To establish the rights and responsibilities of District officers and employees as signatories on District accounts, and to protect District funds.

Policy/Procedure
This policy will cover the following District funds and accounts:

1. General checking account and any “Special Bank Accounts” that may from time to time be authorized by the Board of Directors
2. Petty Cash checking account
3. Local Agency Investment Fund (LAIF)
4. Investment Trust of California (CalTRUST), a joint powers authority offering a pooled investment program for local agencies in California

General Checking Account
The general checking account requires two signatures in any combination upon each check disbursement. The signatories may be assigned or reassigned by the Board of Director’s. The signatories at this time are as follows:

- Eunice Ulloa, Secretary/General Manager
- Kati Parker, President of the Board of Directors
- Paul Hofer, Vice President of the Board of Directors
- Henry De Haan, Jr., Treasurer

Upon authorization by the Board of Directors, set fund amounts may be transferred into the General Checking Account from the LAIF or CalTRUST funds by order of the Secretary/Manager.

Petty Cash Account
The Petty Cash account requires one authorized signature, at this time consisting of:

- Eunice Ulloa, Secretary/General Manager
- Sandi Woods, Administrative Assistant
- Kati Parker, President of the Board of Directors
- Paul Hofer, Vice President of the Board of Directors
- Henry De Haan, Jr., Treasurer
Subject: Signatory authorization for District Financial Accounts

The intent of the petty cash fund is to allow the speedy purchase of relatively small items, generally totaling under $150.00, although exceptions to this rule may arise upon occasion in response to an urgent situation. Upon authorization by the Board of Directors, set fund amounts may be transferred into the Petty Cash fund from the General Checking Account by order of the Secretary/General Manager.

LAIF and CalTRUST Funds

The Secretary/General Manager may transfer funds into the General Checking Account from LAIF or CalTRUST to cover Board authorized expenditures. In the event the General Manager, the Board President or the Board Treasurer has approved a LAIF or CalTRUST withdrawal and/or deposit amount but is unavailable to do the transfer for payroll or accounts payable purposes, the Administrative Assistant, with written approval from the General Manager, Board President or Board Treasurer is authorized as a representative for the District to process the transfer(s).

2. The Secretary/General Manager may transfer funds into the LAIF or CalTRUST funds without previous Board approval.
Subject: Portfolio Management Policies and Procedures

Purpose: To outline the policies for maximizing the efficiency of the District’s investment portfolio, for prudent investment of the District’s funds, and to provide guidelines for the selection of suitable investments. The objective is the enhancement of the economic status of the District while simultaneously protecting its funds.

The District’s investment portfolio policies and procedures are designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

The investment policies and procedures of the District are based upon Federal, State, and Local law, and prudent money management. The primary goals of these policies are:

1. To ensure compliance with all Federal, State, and Local laws governing the investment of monies under the control of the District’s Treasurer or manager.
2. To protect the principal monies entrusted to this office.
3. To generate the maximum amount of investment income within the parameters of this statement of investment policy, and to establish the guidelines for suitable investments.

Policy/Procedure

All monies entrusted to the District will be pooled in an actively managed portfolio. The investment portfolio will be referred to as the “Fund” throughout the remainder of this document.

A. Safety of Principal:

Safety of principal is the foremost objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default, or erosion of market value of securities. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
Subject: Portfolio Management Policies and Procedures

Investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the Fund. The Treasurer or manager shall evaluate or cause to have evaluated each potential investment, seeking both quality in the issuer and the underlying security or collateral, and shall diversify the portfolio to reduce exposure or loss. Pursuant to section 53653 of the California Government Code, to the extent local conditions warrant, a Treasurer may waive security for such funds as are insured pursuant to Federal law; therefore, to the extent local conditions warrant and in accord with the provisions of Government Code section 53653, the District’s Treasurer is authorized to waive security for funds deposited or invested with Banks, Credit Unions, and Savings and Loan Associations to the extent such deposited or invested funds are fully insured pursuant to Federal law.

1. **Credit Risk.** Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing only in very safe institutions, and by diversifying the Fund so that the failure of any one issuer would not unduly harm the District’s cash flow.

   a. For the purposes of establishing credit risk, a very safe institution is defined as a Bank, Credit Union, or Savings and Loan institution having net worth to net asset ratio higher than 3.0% and experiencing positive earnings records.

   b. For investments within Banks, Credit Unions, and Savings and Loan institutions having less than a 3.0% net worth to asset ratio or one that is experiencing a negative earnings record, the Treasurer shall limit deposits to $100,000.

   c. District investments with the Local Agency Investment Fund (LAIF) may not, by state regulation, exceed the limit set by the Local Agency Investment Fund. District investments with the CalTRUST program may not exceed the limit which may be set from time to time by the CalTRUST Joint Powers Authority Board of Trustees. Until otherwise directed by the Board of Directors, the Local Agency Investment Fund shall be the primary depository for District Funds.
Subject: Portfolio Management Policies and Procedures

d. Cash will be invested only in FDIC, NCUA, or FSLIC insured banking, credit union, or savings and loan institutions or in fully collateralized certificates of deposits. Excepting the LAIF and CalTRUST accounts, no more than 10 percent of the District portfolio, not to exceed $300,000 shall be invested in any one institution or in certificates of deposits. The bank, credit union, savings and loan institution must meet the following criteria to be considered by the District:

The District will not invest any more than $100,000 in any institution less than three years old.

The bank, credit union, or savings and loan institution must be located in California.

e. A General checking account shall be maintained for amounts under $300,000. During emergency situations this amount may be temporarily exceeded for up to a seven-day period. The minimum account balance should be $5,000 in order to meet unanticipated cash requirements.

2. Market Risk. The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District’s Fund to five years.

NOTE: Five years is the maximum maturity allowed by law for individual investments, unless specifically permitted the Board of Directors for a longer time. The preferred weighted average maturity should generally be set at a time less than five years in order to accommodate the District’s cash flow needs.

B. Liquidity:

Liquidity is the second-most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements, and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment:

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.
Subject: Portfolio Management Policies and Procedures

D. Prohibited Investments:

Pursuant to Government Code section 53601.6, as may be amended from time to time, the District is prohibited from investing in inverse floaters, range notes, or mortgage-derived interest-only strips. The District also is prohibited from investing funds in any security that could result in zero interest accrual if held to maturity; however, any prohibited investments may be held until their maturity dates, and this limitation shall not apply to investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, and following) that are authorized for investment pursuant to subdivision (k) of Section 53601 of the California Government Code.

NOTE: If any of these prohibited investments were purchased prior to enactment of SB 866, the District may hold them until maturity.

Government Code 53637 prohibits the legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in custody of the local agency, in negotiable certificates of deposit issued by a credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office, manager’s office, budget office, auditor-controller’s office, or treasurer’s office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the credit union issuing the negotiable certificates of deposit.

E. Reporting Requirements (Government Code Sec. 53646):

NOTE: If a local agency has placed all of its investments in the Local Agency Investment Fund, created by Section 16429.1 through 16429.3 of the Government Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank, in National Credit Union Association insured credit union accounts, or in Federal Savings and Loan Insurance Corporation accounts in savings and loan associations, or any combination of these, the Treasurer or manager may comply with Government Code Section 53646 by supplying to the District’s Board of Directors, manager, and auditor the most recent statement(s) received by the District. For any other combination of investments, the requirements below apply.
No. 19 (con’t.)
Issue No. 9
Effective Date: 2/14/11

Subject: Portfolio Management Policies and Procedures

- The report must be given at least quarterly, within 30 days after quarter-end. However, the Board of Directors may elect to require the report, as specified in Sec. 53646, to be made on a monthly basis instead of quarterly.

- Contents of the report must include:
  1. The type of investment
  2. The issuer
  3. The date of maturity par and dollar amount invested in all securities
  4. A description of any of the District Funds, investments, or programs that are under management
  5. The market value weighted average, investments and monies held by the agency as of the date of the report. This includes any Funds, investments or programs, including loans that are under the management of contracted parties.
  6. The report must also state compliance of the Fund with the statement of investment policy, or the manner in which the Fund is not in compliance.
  7. Any additional information required by the Board of Directors.

- Include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money will not or may not be available. A subsidiary ledger of investments may be used in accordance with accepted accounting practices.

- The Treasurer or manager shall report whatever additional information or data may be required by the Board of Directors.

F. Policy Review:

State Law requires that Special Districts perform an annual review of their investment policy for compliance with changes in the law. The District will endeavor to perform this annually, in May of each year.
G. Delegation of Authority:

Implementation of this policy is the responsibility of the District Treasurer. By law, the Board of Directors is empowered to only delegate investment authority to the Treasurer for a one-year period, renewable annually subject to review. When the Treasurer has investment-related questions, he may seek the advice of the Finance Committee. Actions taken by the Finance Committee must be in general compliance with this policy. The Finance Committee shall assist the Treasurer in making the annual policy review required by State law, and make recommendations for changes to said policy. Neither the Treasurer nor the Finance Committee are empowered to make investment decisions which are not in accordance with this policy.

Under the direction and supervision of the Treasurer, the daily administration of this policy is hereby delegated to the General Manager and Administrative Assistant.

H. Brokers and Dealers:

Brokers and dealers shall only be utilized by approval of the Board of Directors. When Brokers and Dealers are used, the scope of their services and details pertaining to investment strategies, objectives, and guidelines shall be covered by separate Board resolution.

As relates to the money invested by the District with “Smith Barney,” the directive of the Board of Directors is for the District to utilize a “buy and hold until maturity” strategy. As each of these current investments mature, the District’s staff shall reinvest the money in the District’s LAIF account and/or the District’s CalTRUST account.

I. Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President of the Board any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District, particularly with regard to the time of purchases and sales.
No. 20
Issue No. 1
Effective Date: 1/10/96

Subject: Bonding, insurance, and hold harmless language requirements for District contracts and agreements

Purpose: To standardize the bonding, insurance, and hold harmless language utilized in all District contracts and agreements, in order to transfer risk control to those parties providing services to the District.

Policy/Procedure
1. Prior to the issuance of any Request for Proposal (RFP) or bid package, the District shall verify:
   • The appropriate levels of insurance that are required in the contract or agreement that will ultimately be entered into by the District.
   • If materials and/or performance bonds are required in the proposal or bid package.
   • Approval of any deviations to the District’s standard hold harmless language that will be included in the contract or agreement that will ultimately be entered into by the District.
2. The Manager shall require levels of insurance sufficient to adequately transfer risk control to those parties providing services to the District.
3. Unless specifically approved, all contracts and agreements for services shall include insurance language.
4. The District may require lower limits of insurance if it is found to be in the best interest of the District.
5. Unless specifically approved, all contract and agreements for services shall include hold harmless language.
6. If required, all requests for proposal or bid packages shall include bonding.
7. All required insurance shall be carried with responsible insurance companies, duly admitted to transact business in the State of California, and shall name as additional insured the District, its elected officials, officers, employees and agents.
Subject: Use and Insurance Requirements for Vehicles and Equipment rented by the District

Purpose: To establish a policy regarding the rental of vehicles and equipment by the District, and insurance requirements for said rentals.

Policy/Procedure
1. It is the policy of the District to allow the rental of vehicles and equipment by authorized district employees, to conduct official District business.
2. All rental vehicles and equipment are covered under the District’s general liability insurance policy. Liability insurance is not to be purchased when renting vehicles or equipment.
3. It is the policy of the District, when renting any vehicle or when renting equipment with a replacement value greater than $10,000, that the employee renting said item shall purchase a collision damage waiver at the time of the rental. Costs for the waiver shall be reimbursed by the District.
4. For the purposes of this policy, equipment shall be defined as “any piece of equipment with a replacement value greater than $10,000.”
No. 22
Issue No. 6
Effective Date: 8/13/03
Subject: Vehicle Use

Purpose: To identify the eligibility and reporting requirements of District employees provided car allowance and/or mileage reimbursement by District funds and to establish guidelines relative to the use of both employee vehicles and the vehicles and other mobile equipment used or owned by the District.

Policy/Procedure
1. The District manager shall receive a monthly car allowance at a rate of $450/month (effective July 1, 2000 increased to $500.00 per month), to be adjusted upon the direction of the Board. The monthly car allowance will be included on annual W2 reporting, in accordance with Internal Revenue Codes and guidelines.

2. While operating any vehicle or other mobile equipment for District business, all employees shall possess a valid California driver’s license, and shall comply with all requirements of the California Vehicle Code and local regulations. In addition, all employees shall maintain a driving record deemed acceptable by District management, and District insurance carriers.

3. Except for the District Manager, the District’s employees and Directors shall be reimbursed for the business use of personal vehicles at a rate equal to the mileage reimbursement rate allowed by the United States Internal Revenue Service. In December of each year District staff will complete an “Expense Reimbursement” form for each Director to execute, that will enable each of the Directors to be compensated for the previous 12 months of use of their personal vehicles to attend Board meetings and attend to authorized business for the CBWCD. The District Manager shall only be reimbursed for the business use of his personal vehicle when his/her “monthly” business related mileage use records reflect that such vehicle has been operated for District purposes in excess of 200 miles. Under such circumstances, the District’s Manager shall be reimbursed at the stated rate for only those miles driven that are in excess of 200 miles per month.

4. The employee’s private vehicle insurance is the primary insurance on the employee’s private vehicle, and the District shall not be responsible for the replacement or repair of any private vehicle, not otherwise owned, rented, or leased by the District, used to conduct District business, if said vehicle is damaged or destroyed during the course of such use.

5. Employees, while performing work for the District, are not nor shall they be required to operate their private vehicle off-highway, i.e. off-of-paved thoroughfares available for use by the general public.

6. Employees while operating owned, rental, or leased vehicles and other mobile equipment shall not permit “non-employees” to ride thereon or therein unless such non-employees are conducting business for or on behalf of the District or unless a life threatening medical emergency exists for such non-employee.
7. District owned, rental, or leased vehicles and other mobile equipment shall only be utilized to conduct District business and no personal business or activity shall be conducted therein or thereon. Securing personal meals is not District business.

8. Should a District owned, rental, or leased vehicle or other mobile equipment become significantly damaged an investigation shall be conducted to determine the facts, circumstances and cause of the incident. The Manager and one other full-time employee shall conduct such investigation. In the event the Manager was the operator of the damaged vehicle or equipment the investigation shall be conducted by two other full-time employees. In the event the operator is determined to be legally responsible for the damage to District owned, rented, or leased vehicles or other mobile equipment, then such operator may be disciplined.
Subject: Automobile insurability requirements for current and prospective employees

Purpose: To enumerate standards to be utilized by the District in determining the automobile insurability of current and prospective employees of the District, under the District’s self-insured automobile liability program.

Policy/Procedure
1. All District employees shall be informed of this policy, and shall acknowledge his/her understanding of the potential effects of said policy.
2. Job descriptions, or other formally adopted employment policies of the District shall state that District employees must continue to meet District-established automobile insurance standards, and shall clearly indicate if the position requires the operation of a District-owned vehicle.
3. Automobile insurance standards shall be enforced consistently and fairly among all current and prospective District employees who are, or will be, working in employment classifications where driving of a District-owned motor vehicle is required.
4. All employees of the District must possess and maintain an appropriate and valid California driver’s license for the type of vehicle(s) they operate in the course of their employment with the District, e.g., “Class C” for automobiles.
No. 24
Issue No. 2
Effective Date: 3/9/15

Subject: Department of Motor Vehicle Records Verification and Confidentiality

Purpose: To ensure the timely and accurate review of prospective employees’ driving records, verification regarding their insurability, prior to and during their employment with the District, and to ensure the confidentiality of all Department of Motor Vehicle records.

Policy/Procedure
1. Prior to commencing employment with the District, all prospective employees whose positions require the possession of a valid California driver’s license as an essential function of the position, shall provide a copy of their Department of Motor Vehicles “Driver’s License Information Request Report” to the District.
2. All “Driver’s License Information Request Reports” shall be obtained from the Department of Motor Vehicles. Reports shall be submitted directly to the District no earlier than ten (10) calendar days nor later than three (3) calendar days prior to commencing employment with the District.
3. All costs incurred to obtain a prospective employee’s “Drivers License Information Request Report” shall be borne by the prospective employee.
4. A prospective employee whose position requires the possession of a valid California driver’s license as an essential function of the position, and who is found to be uninsurable under the District’s automobile insurance program, shall not be further considered for employment with the District.
5. Employee driver’s license information shall be verified at least once each calendar year, or more often, through enrollment in the Department of Motor Vehicle’s (DMV) Pull Notice program, as might be necessary to determine an employee’s insurability under the District’s automobile insurance program.

6. Employee enrollment in a Defensive Driving Class is required at least once every four years.
7. The original “Driver’s License Information Request Report” for prospective employees whose positions require the possession of a valid California driver’s license as an essential function of the position shall be maintained in their respective application package in the District files.
Subject: Department of Motor Vehicle Records Verification and Confidentiality

8. All current employees’ driving records shall be maintained in the Risk Manager’s driving record files. All files that contain driving records shall be maintained in a locked file cabinet.

9. Except as provided in this policy, no employee of the District shall disclose any information contained in a prospective or current employee’s driving record to any individual, business, or firm. Information contained in a prospective or current employee’s driving record may only be released by the District to the respective District Counsel of Board of Directors, law enforcement agency, or as directed by the court.

10. All questions or problems regarding a prospective or current employee’s driving record shall be directed to the Manager for resolution. All inquiries to the Department of Motor Vehicles regarding a prospective or current employee’s driving record shall be made only by specifically designated employees.

11. All obsolete driving records shall be destroyed to ensure confidentiality.

Revision Changes

Issue No. 1 – 1-10-96 (Original Policy
Issue No. 2 – 3-09-15 (Delete Item 6 Verbiage)
Subject: Procedure to fill a vacant position

Purpose: To establish the method by which vacant positions within the District are to be filled, and to hire the most qualified employees.

Policy/Procedure
1. Once a vacancy occurs, the following information is obtained:
   - Date of Vacancy
   - Person Replaced
   - Salary Range
   - Job Title
   - Hours
   - Reason for vacancy (resignation, termination, etc.)
   - Status (regular, replacement, full-time, part-time, etc.)
   - Remarks

2. For each employee hired, the Manager ensures that all necessary forms are completed and on file in the District’s offices:
   - District Employment Application
   - Employment Eligibility Verification (form I-9)
   - Employee’s Withholding Allowance Certificate (form W-4)
   - Application for Group Employee Benefit Plan (Blue Cross)
   - Emergency Information

3. Prior to being hired by the District, qualified and selected applicants shall be required to undergo a pre-employment physical examination and evaluation performed by a physician selected by the District.

4. The Manager verifies that employees who are less than eighteen years old and have not yet graduated from high school possess a valid California work permit.
Subject: Definitions

NOTE: The singular of any terms shall include the plural and the plural shall include the singular. The masculine, feminine or neuter shall be mutually inclusive as it may apply.

Purpose: To establish clear definitions of employment terms utilized throughout this policy manual.

Policy/Procedure
1. "Regular Full-Time Employee" shall mean an employee who has successfully met the requirement of the probationary period in a full-time position.

2. "Probationary Employee" shall mean an employee who is hired by the District in a full-time position who has been employed and performed work for less than six continuous months of service.

3. "Part-Time Employee" shall mean an employee who works a regular schedule of less than forty hours per week or less than twelve months per year. A Part-Time employee is not entitled to the benefits and such enjoyed by regular Full-Time employees.

4. "Temporary Employee" shall mean a worker hired for a limited time only with completion the particular task or at the end of the particular time period for which he was hired. His status as a "Temporary Employee" may be renewed for a new task or additional time period at the District's sole discretion. A Temporary employee is not entitled to the benefits and such enjoyed by regular Full-Time employees.

5. "Probation Period". An employee shall not attain the status of a regular full-time employee until he has completed a probationary period of six (6) month's continuous service in a regular full-time position with the District. The term continuous service as used in this provision means uninterrupted service with the District, which service may not be interrupted by unauthorized absences, or interruption of service due to illness, or authorized leaves of absence. Such interruptions or absences may result in the extension of the six month's probationary period, termination of employment, or the commencement of a new probationary period based on the specific circumstances. During the probationary period the individual may be terminated by the District for any reason with or without cause.
6. "Termination". The employment status and continuous service status of an employee shall be terminated upon the happening of any of the following events:

   a. The voluntary quitting or retirement of the employee.

   b. Discharge of an employee.

   c. Failure of the employee to notify the District within two (2) working days after recall to work from layoff of his intention to report for work, or failure to actually report for work within five (5) working days after recall to work.

   d. Failure of the employee to report for work following the conclusion of an approved leave of absence.

   e. An employee is on a Leave of Absence and accepts employment elsewhere.
Subject: Equal Employment Opportunity

Purpose: To establish the District’s commitment to provide and maintain a work environment free from any unlawful discrimination and to establish procedures regarding the implementation and enforcement of the District’s Equal Employment Opportunity policy.

Policy/Procedure
1. It is the policy of the District to provide equal employment opportunity to all applicants and employees. The District will not unlawfully discriminate against any applicant or employee on the basis of sex, race, color, religion, national origin, age, ancestry, physical or mental disability, marital status, sexual orientation, veteran status, or any other consideration made unlawful by Federal, State or Local Laws.
2. The District is committed to taking those actions necessary to identify, prevent, and correct any behavior that violates this policy or State of Federal law, so as to provide a work environment free of discrimination.
3. For the purposes of this policy, unlawful discrimination shall be defined as a difference in the treatment of a District employee based on the person’s sex, race, color, religion, national origin, age, ancestry, physical or mental disability, marital status, sexual orientation, or veteran status.
4. All individual officers and employees are responsible to refrain from actions that discriminate against other employees, and to report any such conduct witnessed.
5. Whenever possible, employees or other involved parties who feel that they are encountering discrimination, are encouraged to inform the responsible individual that his/her behavior is unwelcome or discriminatory. If this does not resolve the situation, the affected individual must promptly report the alleged discrimination to the employee’s immediate supervisor, the manager, or to the Board of Directors. Complaints of discrimination will be promptly investigated.
6. If practical, all investigations of alleged discrimination shall be investigated by the District within ten (10) working days of the receipt of the complaint. If an investigation cannot be completed within ten (10) working days, the District representative shall inform the employee/applicant, the Manager, and the Board of Directors when it is anticipated that the investigation will be completed.
7. If it is determined that discrimination occurred against an employee, the District will advise the affected employee, in the presence of the employee’s supervisor and the Board of Directors, as to the final disposition of the complaint, including any remedial action to be taken. The District will advise the affected applicant, by certified mail, as to the final disposition of the complaint, including any remedial action to be taken.

8. All job applicants shall be informed of this policy by way of a letter to be included with each employment application, and by the printing of the statement “Equal Opportunity Employer” on all applications, all internal and external job listings, and all job announcements and advertisements.

9. Any employee of the District who violates this policy shall be subject to disciplinary action, up to and including termination.

10. The District shall maintain records of all complaints filed against the District, and corrective and/or disciplinary actions taken for violations of this policy, for a period of three years.
GENERAL STATEMENT AND MANAGEMENT RIGHTS

"General Statement." The employment policies and rules and regulations for the administration of employer/employee relations and all additions, amendments, and revisions that may be made are for the guidance of the management and the employees of the District and their employee organizations. These policies and rules and regulations shall be subject to the following limitations, conditions, constructions and interpretations:

1. Certain of the policies and rules and regulations may be changed at any time and from time to time by the Board of Directors of the District in accordance with the "meet and confer" provisions of the Government Code of the State of California.

2. The policies and rules and regulations shall not be construed as a contract with any union or employee organization or as an unalterable relationship with any employee. District employment is employment at will as per California Labor Code Section 2922. The employee may thus resign at any time and conversely his employment may be terminated at any time. Nothing in these policies and rules and regulations or in any District document or statement, whether oral or written, shall limit the right of the employer to terminate at will employment.

"Management Rights." The exclusive rights of the District shall include, but not be limited to, the right:

- to determine the organization of the District and the purpose and mission of its constituent agencies,
- to set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations,
- to establish and effect administrative regulations and employment rules and regulations consistent with law and the specific provisions of this manual to direct its employees,
- to take disciplinary action for just cause,
- to relieve its employees from duty because of lack of work or for other legitimate reasons,
Subject: Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

- to determine whether goods or services shall be made, purchased, or contracted for,
- to determine the methods, means and personnel by which the District's services are to be provided, including the right to schedule and assign work and overtime, and
- to otherwise act in the interest of efficient service to the community.

"Employee Conduct, Dress, Appearance, and Personal Hygiene." All employees, in order to safeguard the best interests of themselves, the District and the public are expected to comply with standards of conduct on the job at a minimum equivalent to those all citizens must meet in private life.

In performing their work, employees will probably come into contact with the public, which judges the quality of the District service by the appearance and behavior of its employees and has the right to expect appropriate clothing, neat appearance, good manners, and service. Therefore, all employees should attempt to keep themselves as well groomed as possible under the circumstances. They should start their work day bathed and in clean clothes.

All employees having long hair or wearing a mustache or beard must keep them clean, trimmed, combed, and otherwise groomed so as not to interfere with work safety or be offensive to other employees or the general public.

Those employees who normally do not wear a beard or mustache and who normally shave must keep themselves clean shaven unless they inform the General Manager ahead of time that they are starting a mustache or beard.

Employees must dress in a manner that affords them safety from unnecessary risk of injury. In keeping with these requirements, when working in the field, employees must not wear perforated jerseys, sandals, thongs, slippers, or unsafe footwear. Likewise, the office employee must keep in mind the impression he/she makes as a representative of the District and must not inappropriate clothing.

When, on occasion, employees have to deal with discourteous persons, it is especially important for them to maintain their friendly attitude. Continuing courtesy on the part of employees will do much to promote an excellent relationship between the District and the community.
No. 26-1 (cont.)
Issue No. 2
Effective Date: 3/8/00

Subject: Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

DISCIPLINE/PROGRESSIVE DISCIPLINE/RECORDS AND DEMOTION

A. DISCIPLINE

"Disciplinary Policy." The discipline policy of the District is not an item which the District will discuss with its employees under "meet and confer", but rather is a subject which the District considers as being within its "management rights". It is intended that discipline be imposed for corrective purposes and to address deficiencies in work performance and behavior modification. The District expects its employees to carry out District policies and instructions from management without criticizing or undermining those policies and instructions to District personnel, customers or the general public. Derogatory comments about the District, its policies, activities, personnel or governing body while on duty will not be condoned and may constitute the basis for discipline, demotion or discharge. Although an employee may have grounds for disagreement, such disagreement must not be insubordinate, slanderous, libelous, or bear untruths.

"Disciplinary Acts". Acts by an employee which may constitute a basis for discipline up to and including discharge include:

1. Engaging in unsafe horseplay, scuffling, or throwing things.
2. Disorderly or immoral conduct or indecency while on District premises or business.
3. Abusive behavior towards others, including harassing, threatening, intimidating, coercing, interfering with fellow employees.
4. Provoking or instigating a fight on District property. (Protection of self will be given special consideration.)
5. Being tardy without verifiable excuse or absent without authorization.
6. Contributing to unsanitary conditions or unsafe or unhealthy housekeeping.
7. Abuse or misuse of District tools and equipment and operating, using, or possessing machines, tools, or equipment to which the employee has not been trained.
8. Unauthorized gambling activities such as dice playing, craps, cards, etc., on District premises unless approved by management.
9. Violating a safety rule or safety practice.
10. Carelessness affecting personal safety.
11. Leaving the job during the work shift without permission.
Subject: Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

12. Willful failure to follow or refusal to follow job instructions, verbal or written.
13. Misusing, destroying, or damaging any District property or property of any employees.
14. Reporting for work obviously under the influence of alcohol or non-prescription drugs.
15. Consumption of any alcoholic beverage or the use of drugs on the premises or on District time. [Consumption of alcoholic beverages at a District sponsored event shall not be grounds for discipline.]
16. Sleeping on the job during working hours.
17. Insubordination.
18. Receipt by the District of a wage assignment or garnishment against employee’s wages.
19. Falsifying District records or other records useful to or used by the District.
20. Possessing firearms or explosives on District premises without authorization.
21. Smoking in prohibited areas.
22. Theft of any District or employee property.
23. Unauthorized removal or use of District property without authorization.
24. Failure to keep supervisor aware of one’s whereabouts during duty time when availability may be required.
25. Abuse of sick leave.
26. Incompetence
27. Dishonesty
28. Violation of District rules.
29. Documented unsatisfactory work performance
30. Inappropriate dress. Failure to exercise acceptable personal hygiene practices.

This list is not to be construed as all-inclusive, but merely the more common causes for disciplinary action.

"Just Cause." Application of this section shall be equally applied to all employees, and it is the express policy of this District to discipline only for just cause. The elements of just cause are:
No. 26-1 (cont.)
Issue No. 2
Effective Date: 3/8/00

Subject: Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

1. The employee had forewarning or foreknowledge of possible or probable disciplinary consequences for violation of the District rule or managerial order or the basis if discipline is so obvious that forewarning or foreknowledge can be inferred.
2. The rule or managerial order violated was reasonably related to the orderly, efficient, and safe operation of the District.
3. Determination by the General Manager before administering discipline that the employee did in fact violate the rule or order of management.
4. The investigation into the charge was conducted fairly and objectively.
5. A preponderance of evidence indicates that the employee has violated a District rule or order of management.
6. The degree of discipline may be increased or tempered if mitigating or aggravating factors are present.

These factors include such circumstances as:

a. Employee's prior record.
b. Prior progressive discipline within a reasonable period of time for the same or similar violation.
c. Extenuating circumstances.
d. Employee's length of service.
e. Provocation leading to a violation.
g. Gravity of the consequences of the violation.
h. Impact of violation on District customers of the District's efficient operation.
i. Attitude of employee (desire and ability to learn from mistakes).

B. PROGRESSIVE DISCIPLINE

"Progressive Discipline Procedure." When an infraction occurs, the General Manager shall consider the elements of just cause and administer discipline as appropriate. The following steps are not mandatory, and if the infraction is deemed to be sufficiently serious, the General Manager may recommend and impose more severe discipline.
No.  26-1 (cont.)
Issue No.  2
Effective Date:  3/8/00

Subject:  Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

"Oral Warnings." An oral warning may be given to the employee regarding his failure to comply with the rule(s) or managerial order and very clearly state what is expected in the future.

1. The General Manager shall keep a record of the date, time, and particulars of the conversation;
2. The employee shall be advised that a record of the verbal warning is being kept, and that another warning may lead to more severe action.

"Written Warning/Instruction." The particulars of the verbal warning (date of warning, rule violated, highlights of instructions, etc.) may be stated under "Reason for Warning". The General Manager may stress again verbally, what is expected and what the consequences may be if there is no improvement.

"Suspension Without Pay." Any single or combination of disciplinary action may be considered as a major infraction. Certain actions by an employee after the elements of just cause have been considered may be so serious as to constitute a major infraction. Suspension without pay may be imposed. However, an employee's rights to a grievance on such action are not impaired.

"Discharge." Discharge will be considered for major infractions, and/or failure to respond appropriately to prior disciplinary action. Should events compel the General Manager to take immediate action where discharge appears to be necessary, the employee may be immediately suspended for a specific period of time pending an investigation of the circumstances and a hearing based on the findings.

C. RECORDS

"Disciplinary Records." Disciplinary records shall be kept as follows:
1. An Oral Warning shall not be placed into a personnel file and shall remain with the General Manager.
2. All other levels of discipline shall be included in the employee's file.

D. DEMOTION

"Demotion." Demotion to a position having a lower salary range may be imposed for disciplinary purposes. (Demotions resulting from employee's inability to perform required duties, organizational changes, and layoffs are not disciplinary.)
Subject: Management Rights, Progressive Discipline of Employees, and Related Records and Procedures

GRIEVANCE DEFINED AND PROCEDURES

"Grievance." A grievance is defined as a disagreement between District Management and a District Employee concerning the interpretation, application, or violation of these personnel guidelines and policies.

"Purpose." A grievance procedure has been established for the following purposes:

1. To promote improved employer/employee relations by establishing an appropriate means for determining the validity of grievances; i.e., claims by an employee that the District has violated, misinterpreted or misapplied an obligation to the employee as such obligation is expressed and written in the District's Rules and Regulations.
2. To provide a method of resolving such claims as closely as possible to the date of origin and as informally as possible.
3. To encourage free communication between management and employees.

"Grievance Procedure Steps."

1. **Step One: General Manager**
   Employees who have a grievance shall first take it up informally with the General Manager within fifteen (15) working days after they knew or reasonably should have known of the occurrence of the cause of the grievance.

2. **Step Two: President of the Board of Directors**
   If the grievance is not resolved within five (5) working days after its submission in Step One, the employee may submit a detailed written presentation of the grievance in a sealed envelope to the President of the Board of Directors through the General Manager within five (5) working days thereafter. The President shall meet with the employee within five (5) working days after submission of the grievance and shall deliver his answer in writing to the employee within five (5) working days after such meeting. At this and all subsequent steps in the grievance procedure, the employee has the right to present his grievance with or without a representative, at his option.
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3. Step Three: Personnel Committee
If the grievance is not resolved in the Second Step, the aggrieved employee may submit it in writing to the Personnel Committee within five (5) working days after the President's answer is received by submitting the request in a sealed envelope to the General Manager for delivery to the Personnel Committee. The Personnel Committee shall meet with the employee within five (5) working days after receiving the grievance and shall deliver their answer in writing five (5) working days after such meeting. These time limits may be extended to a definite date by mutual agreement of the employee and the General Manager.

"General Provisions."
1. If appeal is not made by the employee within the time limits indicated, the grievance will be considered to be settled on the basis of the last decision rendered. Any grievance not responded to by the District within the prescribed time limits shown will have automatically been advanced to the next higher step unless the time limit is extended by mutual agreement.
2. All grievance materials, correspondence and decisions shall be placed in the personnel file of the grievant.
3. Employees are assured freedom from reprisal for using the grievance procedure.
No. 27
Issue No. 2
Effective Date: 9/19/01

Subject: Employment Practices

Purpose: To establish guidelines regarding the employment practices of the District and the employment of relatives of elected or appointed officials and/or employees of the District hired, transferred, and/or promoted after the adoption of this policy.

Policy/Procedure
1. For the purpose of this policy, “relative” shall mean:
   - Spouse
   - Half-brother
   - Child
   - Half-sister
   - Step-child
   - Mother-in-law
   - Grandchild
   - Father-in-law
   - Parent
   - Aunt
   - Step-parent
   - Uncle
   - Grandparent
   - Niece
   - Brother
   - Nephew
   - Sister
   - Ward
   - Step-brother
   - Guardian
   - Step-sister

2. Relatives of elected or appointed officials and/or of employees (regular full-time, probationary, limited term, and/or part-time) of the District shall be eligible for employment in any position/classification at the District, provided said employment:
   - Will not have the potential for creating an adverse impact on safety, security, or morale of other employees of the District.
   - Does not place an employee in a position where he/she will directly or indirectly supervise or be supervised by his/her relative.
   - Does not place an employee in a position where he/she will maintain or have access to the personnel and/or payroll records of his/her relative.
   - Does not place an employee in a position where he/she will audit, verify, receive, or be entrusted with monies or other valuables (i.e.; inventory, bonds, etc.) handled by his/her relative.

3. Officials and employees of the District shall not participate, in any manner, in the selection process when his/her relative is being considered for employment with the district, regardless of the position or Department for which the individual is being considered.
4. An employee whose immediate family-member status may change as a result of marriage may continue employment with the District, provided that his/her continued employment does not create an adverse impact on supervision, safety, security, or morale, as outlined above. The District reserves the right to modify work assignments to minimize any potential conflicts caused by a change in such status.

5. When a vacancy occurs in a full-time position and/or when the Directors elect to create a new full-time position at the District, the Manager shall consult with the members of the Personnel Committee to review the need for the position, the essential duties and qualifications for the position, wages, and other working conditions. The recommendations of the Personnel Committee shall be considered by the Board of Directors before the Manager either advertises the vacant position or fills the vacancy through promotion, transfer, or otherwise. In filling all such vacant positions, the Manager shall follow the established procedures and policies of the District related to Equal Employment Opportunity, Nepotism, and such.

6. When a vacancy occurs in a part-time position, the Manager or his designee shall consult with the members of the Personnel Committee to review the need for the position, the essential duties and qualifications for the position, wages, and other working conditions and options. The Manager may immediately act upon receipt of the recommendations of the Personnel Committee. The members of the Personnel Committee shall report their findings and actions at the next regular meeting of the Board of Directors. Following the established procedures and policies of the District governing Equal Employment Opportunity, Nepotism, and such, the Manager may, if authorized by the members of the Personnel Committee, either advertise the vacant position or fill the vacancy through promotion, transfer, or otherwise.
No. 28
Issue No. 1
Effective Date: 1/10/96

Subject: Harassment Prohibition

Purpose: To establish the District’s commitment to creating and maintaining a work environment free from harassment, and to establish procedures regarding the implementation and enforcement of the District’s Harassment Prohibition Policy.

Policy/Procedure

1. It is the policy of the District to provide a workplace that is free from harassment, whether intentional or unintentional, for all applicants, employees and individuals conducting business at the District.

2. The District is committed to taking those actions necessary to identify, prevent, and correct any behavior that violates this policy, so as to provide a work environment free from harassment.

3. The District will not tolerate sexual or any other type of harassment by insiders or outsiders. Sexual harassment, or any other type of harassment, (including third-party) on the basis of sex, race, color, religion, national origin, age, ancestry, physical or mental disability, marital status, sexual orientation, or veteran status, includes, but is not limited to: unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when 1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment 2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual, or 3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment. Third party includes outside service people, family, friends or acquaintances of employees.

4. Harassment includes, but is not limited to:
   - Verbal Harassment - For example, derogatory comments or slurs. This might include inappropriate sexually-oriented comments on appearance, including dress or physical features, or race-oriented stories.
   - Physical Harassment - For example, assault, impeding or blocking movement, with physical interference of normal work or movement. This could be conduct in the form of pinching, grabbing, patting, leering or the making of explicit or implied job threats or promises in return for submission of physical acts.
   - Visual Harassment - For example, offensive posters, notices, bulletins, cartoons, drawings, cards, or photos.
No. 28 (cont.)
Issue No. 1
Effective Date: 1/10/96

Subject: Harassment Prohibition

- Sexual Favors - Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature which is conditioned upon an employment benefit, unreasonably interferes with an individual’s work performance, or creates an offensive work environment.
- Retaliation for having reported or threatened to report harassment.

5. All supervisory and management personnel are responsible to ensure that the work environment for which they are responsible is free from all types of harassment, and to take prompt action to avoid and minimize incidents of harassment.

6. All individual employees are responsible to refrain from actions that harass other employees.

7. Any alleged harassment against an employee is to be immediately reported to a supervisor, the Manager, or member(s) of the Board of Directors, either by the employee or by the offended party that witnessed the alleged harassment. Complaints of harassment shall be promptly investigated.

8. If practical, all investigations of alleged harassment shall be investigated within ten (10) working days of the receipt of the complaint.

9. Any employee of the District who violates this policy shall be subject to disciplinary action, up to and including termination.

10. The District shall maintain records of all complaints filed against the District, and corrective and/or disciplinary actions taken for violations of the District’s harassment prohibition policy. Said records shall be maintained three (3) years, or until final disposition of the complaint, whichever is longer.
Subject: Introductory Employment

Purpose: To establish an introductory period of employment during which the employee and the District can determine the employment is a good match and meets the needs of the District.

Policy/Procedure
1. All newly hired employees or rehired employees will serve an introductory period of one year (2,080 hours).
2. Introductory employment employees accrue vacation and sick leave, but may not use the accrued time during the introductory employment period, or extension thereof.
3. Pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA), an original probationary employee may elect, at his/her cost, to continue for up to eighteen (18) months, District-offered health insurance that is in effect at the time of his/her termination.

Revision Changes:
Issue No. 1-1-10-96 (Original Policy)
Issue No. 2-9-14-15 (Change length of introductory period & delete #3 entirely)
No. 30
Issue No. 3
Effective Date: 3/1/98

Subject: Timesheet submittals and payroll-related employee status changes

Purpose: To establish the procedures and time frames/deadlines for submission of payroll timesheet and personnel actions which affect the processing of the District’s biweekly payroll.

Policy/Procedure To enable the District to process an efficient and timely biweekly payroll, the following deadlines have been established:

- Effective on March 1, 1998, the District pays salaried and hourly employees on a bi-weekly basis, with payroll cutoff at 11:59 p.m. Saturday. (Pay periods run for fourteen consecutive calendar days.)
- On their last workday of each bi-weekly pay period, each hourly employee will complete, sign, date and submit their timesheet to their supervisor for approval.
- The District will process paychecks and issue them to all employees within seven days following the cutoff date.
- Transactions received before the cutoff will be processed in the current pay period. Transactions received after the cutoff will be processed in the following pay period. These transactions include, but are not limited to:
  1. Merit increases
  2. Promotions/demotions
  3. Insurance changes that affect premium amounts
  4. State and/or Federal Income Tax withholdings (W-4 Changes)
  5. Deferred compensation withholding changes
  6. Terminations, resignations and retirements
  7. Cost of living adjustments
Subject: Overtime – Alternative Work Week

Purpose: To establish the guidelines under which overtime is defined and administered by the District.

Policy/Procedure:
This policy shall apply to full time permanent employees, currently scheduled to work a traditional 40 hour per week work schedule. CBWCD has determined through communications with its employees that the 9/80 work week would be the Alternative Work Week most agreeable to its employees, and therefore to the District. In a scheduled two week, 80 hour pay period, employees will work eight nine hour days and one eight hour day and have one eight hour work day off every two weeks.

1. Employees on an Alternative Work Week earn overtime differently than those who are entitled to overtime pay after only eight hours per day. Employees on Alternative Work Weeks are owed time and a half for all work performed in any workday beyond the schedule established by the Alternative Work Week agreement, up to 12 hours a day, or for all work performed in any week beyond the schedule established by the Alternative Work Week agreement for that week. Thus, the employee will be paid time and a half for hours worked in excess of nine hours a day on a scheduled nine hour work day or in excess of eight hours on that employee’s scheduled eight hour day or for all work performed in any week in excess of the schedule established by the Alternative Work Week agreement for that week. Double time is owed for all work performed in excess of 12 hours per day, or in excess of eight hours on an unscheduled workday.

Overtime must be required by the General Manager, and will be computed to the nearest one-quarter (one-quarter) hour. All employees will be expected to work overtime under specific circumstances which shall be defined by the General Manager. Refusal to work, after requested to do so under those circumstance, will be grounds for disciplinary action.

2. "Overtime Criteria". Management and employees exempt from the overtime requirement of the Fair Labor Standards Act will not be entitled to overtime compensation except in special cases where the Board of Directors determines that the circumstances warrant extra compensation. In such circumstances, the Board of Directors, shall, in its sole discretion, determine the amount of such compensation to be given.
Compensation

1. "Compensation Policy". As a public entity, the District is committed to rendering the highest level of service possible at a fair and reasonable cost. The District’s ability to achieve this objective is affected by a number of factors, one of which is the quality performance of District employees. In order to attract and retain highly competent employees, promote continuous superior performance, and give full recognition to District financial constraints, the following criteria will be considered in establishing employee compensation:
   A. The impact of compensation on the cost of services, financial position of the District, and overall operational cost.
   B. Compensation paid for similar work in other similar public and private organizations.
   C. The relative worth or value of individual employee's services to the success of the District.
   D. The general and specific performance of employees.
   E. Status of the labor force, economic conditions, recruitment and retention, experience and other factors influencing the maintenance of a stable and efficient work force.

2. "Job Description". Job descriptions define essential duties than an employee is required to perform in each classification as a condition of continued employment. They are not intended to limit the work which may be performed since other tasks may be assigned that are similar in nature.

3. "Employee Paycheck". Each employee's check stub indicates total gross earnings, net earnings, or "take-home pay", deductions, and other important information. The check stub should be examined and retained for personal records.

During the course of employment, changes effecting payroll status will probably occur from time to time. Examples are changes of dependents status and changes required to adjust an excessive or insufficient tax withholding situation. Questions concerning these changes should be directed to the General Manager.
Subject: Compensation/Work Schedule/Records and Reports

The District will provide for payroll deduction of the following amounts in addition to the normal federal and state tax withholdings and benefit payments required by law:

A. Amounts necessary to adjust jury duty payments received by employees or similar payments received by the employee for periods previously compensated by the District, upon verification of payment by the court.

B. Appropriate sums shall be withheld from the pay checks of District employees for:
   1. Medicare
   2. OASDI
   3. CA SDI
   4. Social Security

4. "Wage Garnishment". Employee wage garnishments created additional work on the office staff. Discharge because of multiple garnishments is permitted by law. Therefore, the District policy is that wage levies for multiple garnishments shall be considered grounds for dismissal.

5. "FLSA Non-exempt Employees" shall be paid at their respective wage rate on the basis of time cards turned in. Any time cards not turned in by the day after the end of the pay period may be grounds for discipline. Each employee is responsible for preparing an individual time card. This includes work days, time on sick leave, time off due to work-related injury, authorized holidays, and vacations.
   A. Employees paid hourly working an Alternative Work Week are owed time and a half for all work performed in any workday beyond the schedule established by the Alternative Work Week agreement, up to 12 hours a day, or for all work performed in any week beyond the schedule established by the Alternative Work Week agreement for that week.
   B. Employees paid hourly working an Alternative Work Week are owed double the employee's regular rate of pay for all hours worked in excess of 12 in any workday and for all hours worked in excess of eight hours on the seventh consecutive day of work in a workweek.
Subject: Compensation/Work Schedule/Records and Reports

Work Schedule / Records and Reports

1. "Normal Work Week". CBWCD has determined through communications with its employees that the 9/80 work week would be the Alternative Work Week most agreeable to its employees, and therefore to the District. In a scheduled two week, 80 hour pay period, an employee will work eight nine hour days and one eight hour day and have one eight hour work day off every two weeks.

2. "Flex Time". Flex time for District Employees is subject to prior approval of the General Manager. For FLSA non-exempt employees, flex time must be confined to a work week as defined above. For FLSA exempt employees it should occur within the pay period. Prior written approval from the General Manager shall be obtained no later than the conclusion of the previous work shift.

3. "Normal Work Day". In a scheduled two week, 80 hour pay period, an employee will work eight nine hour days and one eight hour day and have one eight hour work day off every two weeks.

4. "Secondary Employment". Employees must notify the District of all secondary employment. All employees are prohibited from any secondary employment that interferes with their normal job duties or which creates a conflict of interest in regard to their primary employment. Interference is not limited to an actual conflict in hours of employment or conflict of interest, but also includes the ability of the employee to devote his full attention to District responsibilities; to be fit for duty, not to be tired from a second job while on duty; and not having to switch hours with other employees for the purpose of performing a second job.

Any employee who engages in after or before hours work at a secondary job must accomplish the following:

A. Receive the written permission of the General Manager prior to accepting secondary employment;
B. When requested by the General Manager, obtain from the secondary employee a waiver of liability for the District from the secondary employer;
C. It is incumbent on the employee to make it clear to the secondary employer that he, the employee, is not performing any duties as a representative of the Chino Basin Water Conservation District; and
D. When engaging in secondary employment, the employee is prohibited from wearing any uniform of the Chino Basin Water Conservation District.
5. "Meal and Rest Periods". Under California labor law a 30 minute unpaid meal break is provided to all employees who work more than five hours. An employee has the option to waive this lunch period provided that s/he has not worked more than six hours with supervisor approval. As such, this waiver does not apply to CBWCD employees who will be working regularly scheduled nine and eight hour days. Employees are provided with a net 10-minute paid rest period for every four hours worked or major fraction thereof. Insofar as is practicable, the rest period should be in the middle of the work period. The Division of Labor Standards Enforcement (DLSE) considers anything more than two hours to be a “major fraction of four.” A rest period is not required for employees whose total daily work time is less than three and one-half hours. The rest period is counted as time worked and therefore, the employer must pay for such periods.

6. "Personnel File". The accuracy of personnel records is essential for the proper handling of many items of great importance to employees, including the emergency notification of family, income tax deductions, insurance coverage, and other fringe benefits from the District. It is the employee's responsibility to keep the District updated on personal information so that the District may effectively handle those programs and tasks which are for the employee's benefit. Realizing the personal nature of the data in the personnel records, the District respects the employee's confidentiality and will not disclose this information without written approval, or as required by law. An employee may request to review his personnel file by submitting a written request twenty-four hours in advance to the General Manager.

In order that the District may keep complete and current records, it is mandatory that the employee notify the District office immediately whenever there is a change in the employee's:

A. Address
B. Telephone Number
C. Person to notify in the event of an emergency.
D. Name, through marriage or otherwise.
E. Marital status
F. Number of Dependents
G. Insurance Beneficiary
H. Military Status
I. Driver's License Number and date of expiration when a condition of employment.
J. Proof of automobile insurance, if required.
No. 30-2 (cont.)
Issue No. 4
Effective Date: 7/14/14

Subject: Compensation/Work Schedule/Records and Reports

7. “Newly Hired Employees”. All new employees must furnish the District office with:
   • Documentation that establishes identity and employment eligibility (I9)
   • Valid Social Security card
   • For positions that will operate motor vehicles:
     o A Department of Motor Vehicles report demonstrating valid driving status and a good motor vehicle driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two years duration.
     o A valid California driver’s license with picture.
     o In order for an employee to operate their personal vehicle for company business the employee will need to provide proof of auto insurance demonstrating coverage determined by the district.
   • Results of fingerprint research performed by local police department. All successful candidates new to the district must be fingerprinted at the employee’s expense, and cleared by the Department of Justice prior to beginning employment. No person shall be employed if they have been convicted of any sex offense, a controlled substance offense or any violent or serious felony.
   • Results of pre-employment physical examination and drug screen. Employee must pass a physical exam including a screening for the use of illegal substances to meet the district’s zero tolerance policy.
   • California Fair Political Practices Commission Form 700, if applicable
   • IRS Form #W4

Revision Changes:

Issue No. 1 – 1-10-96 (Original Policy)
Issue No. 2 - 3-08-00 (Establish Overtime Guidelines)
Issue No. 3 – 3-09-09 (Alternative Work Week Written Disclosure)
Issue No. 4 – 7-14-14 (Meal and Rest Period DLSE Clarification)
Subject: Alternative Work Week Written Disclosure

Purpose: The purpose of this document is to support and establish the creation of an Alternative Work Week.

Policy/Procedure:
Chino Basin Water Conservation District Alternative Work Week Written Disclosure:

1. Introduction: CBWCD has investigated moving from a traditionally scheduled forty hour, five day work week to an Alternative Work Week. An Alternative Work Week is defined as any regularly scheduled work week that requires an employee to work more than eight hours in one 24 hour period.

2. Purpose: The purpose of this document is to support and establish the creation of an Alternative Work Week. The benefits realized by such a schedule may include, but are not limited to:
   - increased productivity
   - decreased absenteeism
   - improved customer service
   - enhanced employee morale
   - improved work/life balance
   - and/or lower operating costs

3. Eligibility: This policy shall apply to full time permanent employees, currently scheduled to work the standard forty hour per week work schedule. Probationary employees accrue vacation and sick leave, but may not use the accrued time during the introductory employment period, or extension thereof.

4. Policy: CBWCD has determined through communications with its employees that the 9/80 work week would be the Alternative Work Week most agreeable to its employees, and therefore to the District. In a scheduled two week, 80 hour pay period, employees will work eight nine hour days and one eight hour day and have one eight hour work day off every two weeks. Pay periods begin at 12:00 PM on designated Fridays and extend through 11:59 AM on alternating Fridays.

5. Disclosure:
   A. Wages: There will be no changes to the employee’s rate of pay as a result of changing to an Alternative Work Week. An employee who works under the Alternative Work Week will see no changes in that employee’s paycheck from that of a standard work week.
B. **Overtime:** Employees on an Alternative Work Week earn overtime differently than those who are entitled to overtime pay after only eight hours per day. Employees working an Alternative Work Week are due time and a half for all work performed in any workday beyond the schedule established by the Alternative Work Week agreement, up to 12 hours a day, or for all work performed in any week beyond the schedule established by the Alternative Work Week agreement. Thus, the employee will be paid time and a half for hours worked in excess of nine hours a day on a scheduled nine hour work day or in excess of eight hours on that employee’s scheduled eight hour day or for hours in any week in excess of the schedule established by the Alternative Work Week agreement. Double time is owed for all work performed in excess of 12 hours per day, or in excess of eight hours on an unscheduled workday.

C. **Lunch & Break Periods:** Under California labor law a 30 minute unpaid meal break is provided to all employees who work more than five hours. An employee has the option to waive this lunch period provided that s/he has not worked more than six hours with supervisor approval. As such, this waiver does not apply to CBWCD employees who will be working regularly scheduled nine and eight hour days. A ten minute rest break is provided for every four hours of work. These lunch and break periods will not be affected by the change to the Alternative Work Week.

D. **Sick Pay:** The number of sick days and rate of accrual will remain unchanged by the Alternative Work Week schedule. However, the rate of usage will change slightly as an employee who calls in sick on a day scheduled for nine hours will have those nine hours deducted from that employee’s sick time, instead of the eight hours that would have been deducted under a traditional work schedule or the 9/80 Alternative Work Week scheduled eight hour day.

E. **Holiday Pay:** If a District observed holiday falls on an employee’s 9/80 Alternative Work Week scheduled day off, the employee will accrue eight hours of holiday time. If an observed holiday falls on the employee’s eight hour work day, the employee will be credited with eight hours of holiday pay. If an observed holiday falls on the employee’s nine hour work day, the employee may elect to use one hour of vacation or floating holiday leave accrual to supplement the eight-hour holiday pay.

F. **Vacation:** The number of vacation days and rate of accrual will remain unchanged by the Alternative Work Week. However, the rate of usage will change slightly. If an employee takes a one-week vacation the week s/he is scheduled to work five days, 44 hours vacation will be deducted from the employee’s vacation accrual for that week. If an employee takes a
No. 30-3 (cont.)
Issue No. 2
Effective Date: 4/13/09

Subject: Alternative Workweek Written Disclosure

one-week vacation during the week scheduled for a 9/80 day off, 36 hours will be deducted from the employees vacation accrual balance. If an employee takes one day of vacation leave at a time, vacation time off will be deducted at the rate of nine hours for nine hour workdays and eight hours for eight hour workdays.

6. **Flexibility:** Management reserves the right to temporarily revert the schedule to a traditional work week in order to accommodate training, special events, or other pressing circumstances. Management reserves the right to return to a traditional work schedule any time the needs of the District require it or for other work-related reasons. An employee working an Alternative Work Week who receives an unsatisfactory performance evaluation may be returned to the traditional work schedule if the supervisor determines the employee’s performance is negatively impacted by the Alternative Work Week.

7. **Benefits:** The health coverage enjoyed by the permanent full-time employees of the District will not be affected by the Alternative Work Week.

The District will include a separate listing by officer/employee outlining applicable charges in the Director’s Board Meeting package. The listing will be accessible as public record in conjunction with the regular Board Meeting materials.
Subject: Part-Time Employment

Purpose: To establish the guidelines under which part-time employees’ status and benefits are administered by the District.

Definitions:
A temporary part-time employee is defined as any employee working less than forty (40) hours per week for less than 6 months.
A regular part-time employee is defined as any employee consistently working less than forty (40) hours per week.

Policy/Procedure

Retirement Plan:
The retirement plan provided by the District is through CalPERS. The District pays the employee (7%), as well as the employer portion of the plan which is provided for all part-time staff who work 1,000 hours or more each year. The District administers the plan pursuant to the CalPERS rules and regulations.

Medical Benefits:
- A regular part-time employee working one thousand (1,000) or more hours within a fiscal year (July 1 through June 30), will become eligible for a maximum District contribution of $350.00 per month towards his/her privately purchased health insurance premium. If the part-time employee elects to secure his/her own basic medical insurance coverage and desires reimbursement through the District, the employee shall provide a receipt or other acceptable proof of payment in accordance with the auditor’s guidelines. The District will then issue a reimbursement check to the employee. The District will only pay that portion of the insurance premium covering the employee; it does not pay insurance premiums for a part-time employee’s spouse or family members. Regular part-time employees working less than one thousand (1,000) hours in a fiscal year are not eligible for this benefit, unless such employee has prior service credit.
- Part-time employees are not eligible to participate in any ACWA benefit plans.
Subject: Part-Time Employment

- An employee changing status from regular full-time to regular part-time may not participate in District group health benefits. The District will contribute a maximum of $350.00 per month toward the monthly premium for his/her health insurance premiums as provided for all eligible part-time employees.

Other Benefits:
- Accrual of sick and vacation leave shall be effective on the date of placement of a part-time employee into a regular full-time or salary position.
Subject: Director, Salaried, Hourly Employee Benefits

Purpose: To establish and set forth benefits provided to Director, salaried and hourly District employees.

Definitions:
Director – A publicly elected or appointed member of the District's Board of Directors.

Salaried employee – An exempt employee who works a minimum of 80 hours during a scheduled Alternative Work Week.

Full-time hourly employee - A non-exempt, hourly employee who works a minimum of 80 hours during a scheduled Alternative Work Week receiving the same vacation, sick, and medical benefits as a salaried employee.

Part-time hourly employee – A non exempt hourly employee not working a full time hourly schedule.

Policy/Procedure:
Retirement Plan:
The retirement plan provided by the District is through CalPERS and applies to salaried and hourly employees meeting plan requirements. The District pays the employee (7%), as well as the employer portion of the plan which is provided for all salaried and hourly staff who work 1,000 hours or more each year. The District administers the plan pursuant to the CalPERS rules and regulations.

Medical Benefits:
Salaried and full-time hourly employees are eligible for medical benefits covering the employee, spouse, and qualified family members as of the first of the next month after the date of employment with the full premium paid by the District.

As of the first of the next month after the date a Director is “sworn-in” as a Director for this District, individual Directors may elect to utilize a basic health care plan of their own choosing, which is comparable in monthly premium amounts and benefits to that offered to all District salaried or full-time employees. If a Director elects to secure his/her own basic medical insurance coverage and desires reimbursement through the District, the Director shall provide a receipt or other acceptable proof of payment in accordance with the auditor’s guidelines. The District will then issue a reimbursement check to the Director. The District will only pay that portion of the insurance premium covering the Director; it does not pay insurance premiums for a Director's spouse or family members.
No. 32 (cont.)
Issue No. 8
Effective Date: 3/9/09

Subject: Director, Salaried and Full-time Employee Benefits

Dental Benefits:
Salaried or full-time hourly employees are eligible for dental benefits as of the first of the next month after the date of employment. Directors are not eligible for dental benefits.

Car Allowance:
The District Manager receives a monthly car allowance which is delineated within District Policy #22.
Subject: Reimbursement for educational expenses related to an employee’s current job classification.

Purpose: To establish procedures for the reimbursement of educational expenses that are directly related to an employee’s current job classification with the District, or as otherwise provided for under this policy, subject to the availability of budgeted funds.

Policy/Procedure
1. The reimbursement of educational expenses is to assist employees in enhancing their current job knowledge and skills, by providing reimbursement for certain expenses related to the maintenance or improvement of job-related skills, and/or is required to obtain/renew a certificate/license in order to legally perform the essential functions of their job classification, or when they are pursuing/renewing a job-related optional/voluntary certification. Costs for general education courses are not reimbursable.
2. Employees are eligible for the reimbursement of costs associated with educational expenses for registration fees, tuition, books, required course/program materials, and parking fees, provided:
   - They are a regular full-time employee of the District working forty (40) hours per week.
   - The selected course/program is directly related to his/her current job classification with the District and/or is required to obtain/renew a certificate/license in order to legally perform the essential functions of his/her job classification, or he/she is pursuing/renewing a job-related optional/voluntary certification.
   - They have obtained approval from the Manager prior to registration.
   - They did not or will not receive duplicate financial assistance from any student aid, scholarship, or grant program. Any financial assistance received from non-District sources is to be disclosed. Reimbursement provided for under this Policy shall be limited to those expenses not covered by the non-District funding.
   - They show proof of a passing grade of "C" or better.
3. Reimbursements will be made according to the procedure for expense reporting requirements.
Subject: Employment Separation Procedure

Purpose: To establish the guidelines under which employment separations shall be processed.

Policy/Procedure: An employment separation can be the result of any of the following events:
1. Retirement
2. Resignation
3. Termination
4. Lay Off
5. Failure of the employee to report for work following the conclusion of an approved leave of absence.
6. An employee is on leave of absence and accepts employment elsewhere.

Upon determination of an upcoming separation, the following shall be completed by the District:
1. Final Payroll Check Authorization. The employee advise the District in writing as to how he/she would like his/her final payroll check handled (i.e. mail, pick-up).
2. Deferred Compensation Financial Transaction Request. If the employee was enrolled in the District’s deferred compensation programs, he/she may elect to withdraw his/her contributions. If he/she would like to leave the money on deposit, no action is required.
3. Return of District-issued Tools/Computers/Materials. If tools/computers/materials were issued to the employee, these items must be returned to the District, and the transaction recorded and signed for by both the employee and the District representative.
4. Return of District-issued Keys. The employee’s supervisor is responsible for retrieving all District-issued keys from the employee, and the transaction recorded and signed for by both the employee and the District representative.
5. COBRA Continuation. The District shall provide instructions to eligible employees for completion of COBRA continuation forms for health and dental insurance.

All documents that are processed as a result of an employment separation shall be filed in the employee’s personnel file. Once all documents have been completed, the personnel file shall be placed in the “inactive employees” file cabinet and shall be maintained in accordance with the District’s records’ retention schedule.
Subject: Reinstatement of Employment

Purpose: To establish guidelines for the restoration of a former regular employee to District employment.

Policy/Procedure
1. Reinstatement of employment is the restoration, without completing the normal hiring process, of a former regular employee to a classification in which the employee previously served as a regular, non-introductory period employee.
2. To be eligible for reinstatement of employment with the District, the individual must have:
   - Been a regular employee, in good standing, of the District in the twelve (12) month period preceding the date of application;
   - Voluntarily terminated his/her employment with the District, or have been laid off by the District, due to economic/operation reasons beyond the individual's control;
   - Formerly served as a regular, non-introductory period employee in the classification for which he/she is applying;
   - The ability to perform the essential functions of the position for which he/she is applying; and,
   - Possession of, or ability to obtain, any necessary licenses and/or certifications required of the position for which he/she is applying, prior to reinstatement.
3. An individual who meets the requirements above shall not be automatically reinstated to District employment.
4. For an individual to be considered for reinstatement, he/she must meet all of the requirements provided for in this policy, and be recommended for reinstatement by the manager prior to commencing the competitive examination process with other qualified candidates. A former District employee shall not be eligible for reinstatement, pursuant to this policy, after the normal hiring process has commenced with the filing of formal applications.
5. Recommendations for reinstatement of employment shall be made in written form, and shall delineate the benefits to the District of employing an individual without utilization of the normal hiring process.
6. The introductory employment period for an individual who is reinstated in accordance with this Policy shall be as follows:

- An individual, who is reinstated within six months of his /her separation date, shall be required to serve a six month skills evaluation period.
- An individual, who is reinstated anytime between six and twelve months of his /her separation date, shall be required to serve a new six month introductory employment period.

7. Credit for seniority, leave time and/or benefits shall be as follows:

- An individual who is reinstated within six months of his/her separation date, shall receive full credit for any seniority, leave time, and/or any benefits which he/she had accrued, or was entitled to, during his/her former employment, excluding those items which the individual was compensated for when he/he left the District.
- An individual who is reinstated within six and twelve months after his/her separation date, shall not receive credit for any seniority, leave time, and/or any benefits which he/she had accrued, or was entitled to, during his/her former employment with the District, and shall be considered a new employee.
- Nothing in this policy shall prohibit the re-employment of any individual who was previously employed by the District, who does or does not meet the conditions of reinstatement, who has satisfactorily passed all phases of the competitive examination process and who was not terminated for cause and who left the District in good standing.
Subject: Sick Leave

Purpose: To establish guidelines for the usage of sick leave by District employees and to adhere to AB1522 “Healthy Workplaces, Healthy Families Act of 2014”; and to provide affected employees with monetary compensation during an absence from work due to an injury, illness, or disability; to establish the method by which employees receive monetary compensation during an extended absence from work due to an injury, illness, or disability; to establish how employees who are injured, ill, or disabled on the job supplement regular sick leave benefits with compensation received from the District’s Workers’ Compensation program and the State Disability Insurance Fund.

Policy/Procedure:

1. All salaried and hourly full-time employees accrue sick leave at the rate of eighty (80) hours per year. Unused sick leave may be carried forward to a maximum accrual of one hundred seventy-six (176) hours. Employees are eligible to use accrued sick leave on the 90th day of employment. Salaried and full time hourly employees who are ill on a holiday will receive holiday pay.

2. Except in emergencies or when the employee has previously provided a written off-work order from his/her treating physician(s), an employee who utilizes sick leave shall be responsible, each and every day sick leave is utilized, to notify the Manager or a supervisor prior to his/her scheduled start time.

3. A District part-time, temporary or intern (employee) who, on or after July 1, 2015, works for thirty (30) or more days within a year from the commencement of employment shall accrue paid sick days at the rate of one hour for every 30 hours worked; such employee is entitled to use accrued sick days beginning on the 90th day of employment; and the District limits such employee’s use of paid sick days to 24 hours or three (3) days in each year of employment.

4. It is the employee’s responsibility to be aware of how much sick leave has been earned and used. In accordance with AB1522, if the employee separates from the District and is rehired within one year from the date of separation, previously accrued and unused paid sick days shall be reinstated. The employee shall be entitled to use those previously accrued and unused paid sick days and to accrue additional paid sick days upon returning.

5. Employees on sick leave who are eligible for disability benefits are required to apply for them, and the employee’s pay while on sick leave is reduced by the amount of any disability benefits awarded. The employee sends the notice of award or a copy of the first disability check to the District as soon as it is received.

6. Sick leave is not paid to employees upon termination, whether voluntary or involuntary.
No. 36 (cont.)
Issue No. 4
Effective Date: 7/13/15

Subject: Sick Leave

7. At no time shall the employee's total compensation received from the District's Workers' Compensation program and the utilization of sick leave, vacation leave be greater than his/her regular total compensation received from the District.

8. The use of sick leave or vacation leave to supplement benefits received from the District's Workers' Compensation program, or the Long-Term Disability program shall be limited to those amounts earned by the employee prior to or accrued during any absence covered by either of those programs.

9. Employees who utilize the value of sick leave or vacation leave, to supplement the difference between the employee's regular District compensation and the benefits received from the District's Workers' Compensation program are required to submit to the District a copy of all checks received from said programs within five (5) working days of receipt of any compensation check.

10. Upon receiving from the employee a copy of his/her compensation check from the District's Workers' Compensation program the District shall credit the employee's leave accounts for any sick leave or vacation leave utilized to supplement the difference between the employee's regular District compensation and benefits received from the District's Workers' Compensation program.

11. Upon returning to work following an absence due to an injury or illness, an employee shall present to the General Manager a medical release form identifying "limitation", if any, to his ability to perform the regular duties of his position without further injury or at a reduced efficiency. If the medical release form contains limitations which, in the District's sole opinion, are incompatible with its operations and the normal work assignments of the employee, the District may refuse to let the employee return to work. In such an event, the employee shall continue his absence as identified before his attempt to return to work with incompatible restrictions, unless and until he is released to return to work without restrictions or until other provisions of these rules, such as those relating to leave of absence and such come into play.

Workers' Compensation: The District abides by all laws and regulations pertaining to the Workers' Compensation system established by the State of California.

Revision Changes

Issue No. 1 – 1-10-96 (Original Policy)
Issue No. 2 – 3-12-97 (Annual Review)
Issue No. 3 – 3-09-09 (Alternative Work Week)
Issue No. 4 – 7-13-15 (AB1522 Legal Update)
Subject: Absence for Personal Business

Purpose: To allow the granting of time off from work to employees when personal situations arise that do not fall under normal time off policies.

Policy/Procedure
The Manager may, at his discretion, grant an employee time off from work to attend to personal business not specifically covered in any other policy on vacations, sick leave, leave of absence, absence to appear a court of law, jury duty, or funerals, not to exceed 8 hours per year.

Time off granted to attend to personal business is considered leave with pay.
Subject: Vacation

Purpose:

Policy/Procedure
Full time employees earn vacation time according to the following schedule:

<table>
<thead>
<tr>
<th>Years employed</th>
<th>Hours p/year</th>
<th>Hours accumulated p/paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 yrs</td>
<td>80</td>
<td>3.08</td>
</tr>
<tr>
<td>6 yrs</td>
<td>120</td>
<td>4.62</td>
</tr>
<tr>
<td>7 yrs</td>
<td>128</td>
<td>4.92</td>
</tr>
<tr>
<td>8 yrs</td>
<td>136</td>
<td>5.23</td>
</tr>
<tr>
<td>9 yrs</td>
<td>144</td>
<td>5.54</td>
</tr>
<tr>
<td>10 yrs</td>
<td>152</td>
<td>5.85</td>
</tr>
<tr>
<td>11 - forward</td>
<td>160</td>
<td>6.15</td>
</tr>
</tbody>
</table>

Manager: 120 hours accrued per year.
Full-time Employees: 80 hours accrued per year, years 1 through 5. 120 hours accrued per year after 5 years, or 8 hours for each year of service, up to a maximum of 160 hours. Part-Time Employees: Not eligible for vacation.

1. Employees are eligible to use accrued vacation time after six months of continuous employment.
2. When considering vacation requests, the Manager may schedule vacations as necessary to minimize the effect of the vacation schedule on District operations.
3. Employees are encouraged to use their vacation time every year. However, an employee may carry forward vacation earned but not used up to a maximum of 200 hours. Employees will not accrue additional vacation time until the total accrued hours is reduced below 200 hours.
4. The Manager is responsible for seeing that all vacation time used by employees is reported.
5. Upon termination after six months of continuous employment, an eligible employee is paid for vacation accrued through the date of termination, computed at the employee’s straight time then in effect.
6. Vacation hours shall be accrued on a pro rata basis calculated with each pay period.
Subject: Holidays

Purpose: To provide salaried and full-time and part-time hourly employees holiday time off with pay, or equivalent compensation.

Policy/Procedure:
1. The District pays full-time employees for twelve holidays per year:
   - New Year’s Day
   - Martin Luther King Day
   - President’s Day
   - Memorial Day
   - Independence Day
   - Labor Day
   - Veteran’s Day
   - Thanksgiving Day
   - Day after Thanksgiving
   - Christmas Eve
   - Christmas Day
   - New Year’s Eve

For the purpose of this policy, a holiday is defined as a day off with pay.

2. If the holiday falls on Saturday, employees will have the preceding Friday off. If the holiday falls on Sunday, employees will have the following Monday off.

3. If a District observed holiday falls on an employee’s 9/80 Alternative Work Week scheduled day off, the employee will accrue eight hours of holiday pay.

4. If an observed holiday falls on the employee’s eight hour work day, the employee will be credited with eight hours of holiday pay.

5. If an observed holiday falls on the employee’s nine hour work day, the employee may elect to use one hour of vacation or floating holiday leave accrual to supplement the eight-hour holiday pay.

6. At the start of each year, the District designates 12 days as holidays and posts a list of those days.
Subject: Accommodation of Medical Condition and Return to Work Program for Employees Injured on the Job

Purpose: The District shall comply with all applicable provisions of the American with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.). Further, to the extent not otherwise prohibited by law, the District hereby adopts the “Return to Work Program” set forth in Appendices A through H, inclusive, of the Guideline to Creating a Return to Work Program (“the Guidelines”) attached hereto and incorporated herein by this reference. Unless otherwise provided by law, the District’s “Return to Work Program” shall be implemented in a manner consistent with the processes and procedures contained in the Guidelines.

Attachments: Guidelines
              Appendices A-H
A GUIDELINE TO CREATING A RETURN TO WORK PROGRAM

Employees are a significant asset to ACWA/JPIA's members and even if they become injured, they remain a valuable part of the member's team. A return to work (RTW) program is a proven essential cost containment element in an overall risk management program. In conjunction with a well-implemented safety program, it is an effective tool in returning employees to productive work in the shortest time possible and maintaining high morale, while keeping costs to a minimum.

A RTW program is a team process that is intended to return employees to some form of productive work as quickly as possible without additional risk to the employee's health. This requires the member to adopt a systematic and understanding approach to dealing with the injured or ill worker. Developing a customer service oriented attitude toward the injured worker will assist in implementing a successful program. Not only must management be committed to developing this approach, but supervisors and other workers must be committed as well.

One of the most significant considerations in dealing with injured or ill workers is the potential liability exposure created by not attempting to return them to work. According to the Fair Employment & Housing Act (FEHA), members are required to make reasonable accommodations for the injured or ill worker, taking all abilities of that individual into account. Much of the focus of this program is on industrial injury/illness. It is important to remember that workers' compensation return to work is to accommodate temporary disability. As healing occurs, the temporary positions should be changed and frequently modified to reflect increased work capacity. FEHA deals with permanent injuries and restrictions for both industrial and non-industrial illness and injuries.

Because supervisors work closest with the injured or ill workers, they play an essential role in helping their staff transition back to work. Their training, dedication, and commitment are an important aspect of a successful RTW program.

Some changes in the job may be required in returning the injured or ill employee to work. This may involve simple changes to the physical characteristics of the original job; temporarily reassigning the employee to non-demeaning, productive, alternate duties; or providing adaptive devices (such as lifting equipment) to reduce the physical demands of the job.

Members should consider the following process when attempting to identify alternative duties.

- The first priority should be to return the employee to the same job, if possible, based on medical restrictions. Building on existing work experience and working relationships avoids adding stresses of adjusting to new tasks and surroundings.
• If this is not possible, return the employee to accustomed, but modified work in the same department. Job or work site modifications may include a temporarily reduced work schedule, light duty work, changed duties, trading heavier parts of the job with co-workers, altering the way duties are performed, physical changes in the work station, and specialized tools or adaptive devices.

• As a last alternative, return the employee to work in a different department. Try to emphasize transferable employment skills, and provide on-the-job training to supplement these skills. The JPIA claims representative can be of further assistance in this area.

Regardless of the accommodation made, transitional employment should be productive and tailored to the employee's ability in order to facilitate recovery. The duties should also be flexible, so they can be easily altered to meet the requirements of the employee's medical program or the needs of the agency.

For additional information on RTW programs, three videos are available through the JPIA Lending Library. The video, "Taking Control: The Workers' Compensation Return to Work Connection", was acquired by the JPIA and demonstrates how managers and supervisors can take steps to facilitate a good member/employee relationship during the workers' compensation case to facilitate RTW and make it a win-win situation. Two companion videos, "Return to Work for Supervisors" and "Return to Work for Employees", complement "Taking Control" and are recommended for use in explaining the return to work concept to supervisors and employees. These videos can be borrowed by contacting Terry Lofing, Member Services Administrative Assistant II, at (800) 535-7510, extension 3156.

Additional information and program support is available from the Disability Management Employer Coalition (DMEC). DMEC is a not for profit organization founded in 1992 to advance the development of the integrated disability management process in all disability related employer programs. DMEC has a web site, www.dmecc.org, and resources for sale and local chapters throughout California.

The following guideline was developed to assist members with developing an effective RTW program.

COMMITMENT

There must be a commitment from all levels within the member, medical provider facility, and JPIA. To stress the importance of this commitment, senior management must issue a RTW policy statement. (Appendix A - Return to Work Policy)
Employee Orientation

Notification to employees about the Return to Work (RTW) Program should be included in the employee orientation. Employees should be provided with information that addresses the following issues. (Appendix B - Employee Acknowledgment of RTW Program)

The RTW Program will provide employees with modified or alternative work, in order to quickly return them to a productive capacity.

Employees are expected to cooperate in their recovery and return to work.

Member Orientation

Member staff should know about their role in the RTW Program. It is essential for everyone to be aware of the program and actively participate in it.

A team should be established to carry out the RTW Program. Members of this team should include representatives from:

- Management
- Human Resources
- Supervision
- Labor

A RTW coordinator should be selected. The leader can then call meetings and coordinate activities.

Physician Orientation

Since medical providers play the dominant role in determining the employee’s medical condition and work capacity, they must be notified of your aggressive RTW attitude. Your individual providers should be interviewed and selected based partly on their response to the following questions.

What is your position on RTW Programs?

Our employees will be keeping in close contact with you and will be asking questions about what injured employees can do. Are you willing to participate in this type of a program?

Would you be willing to come out to our location to provide a training session about your commitment with us regarding RTW?

Send a letter to the physician indicating the Member's return to work policy (Appendix C - Sample Letter to Physician), and include a few sample written job descriptions of positions within the Member. The descriptions help the physician...
to better understand physical requirements of a position, in order to allow workers to return to regular duties more quickly. Contact the JPIA Risk Management Work Area at (800) 535-7500, if assistance is needed with job description development.

COMMUNICATION

Upon Initial Injury

Give the ill or injured worker all pertinent forms and information. Review the employee's responsibilities for returning to work. (Appendix D - Injured Worker's Responsibilities)

Follow-up with the employee, as necessary, to review information and forms they are required to return, i.e., Attending Physician's RTW Recommendations Record and/or a release for work. (Form described in section below.)

Express concern for employee's health and recovery, and encourage a speedy return.

During Physician Appointment

When the injured or ill worker is sent to the physician, send along a current job description and the RTW Recommendations Record (Appendix E - Attending Physician's Return to Work Recommendations Record). If at all possible, the RTW coordinator or supervisor should accompany the worker to the doctor on the first visit. It is important to maintain constant communication with the doctor until a work release is obtained.

Use the doctor's release form (Appendix E - Attending Physician's Return to Work Recommendations Record) to determine what kind of work the doctor considers appropriate. Work with the physician to identify a suitable modified job, using the job description. If the RTW coordinator has difficulty identifying a modified job, the JPIA claims representative should be contacted for advice.

If the employee cannot return to work, maintain frequent contact with the employee for progress reports. Regular contact should be made with the injured or ill worker, to return them to work as soon as possible.

After Work Release

Review the modified job description (Appendix F - Modified Work Assignment Form) with the employee in person and have them sign it. Make sure the limitations are clear and involve all necessary levels of supervision.
If the worker has no phone, is not returning calls, or cannot be contacted, send a written job offer via certified return receipt mail. This letter should inform the worker that the physician has released him/her. (Appendix G - Sample Job Offer Letter)

If the employee is returning to work in a limited duty capacity, the worker can be paid a wage that is deemed appropriate by the Agency. The JPIA will then provide lost wages, according to their wage loss calculation. (For wage loss reimbursement details, see Appendix H - Wage Loss Calculation)

Maintain good communication with the JPIA, regarding the status of the injured worker.

Notify the claims representative when the worker returns to work.

Notify the claims representative if the worker refuses the modified work or fails to report to work on the start date.

Send a copy of the physician's release and written job offer to the claims representative, along with certified receipts (as applicable).

NOTE: The employee can reject the job, but as long as the work offered is within the work restrictions, the worker will not receive temporary disability payments.

FOLLOW-UP

Continue monitoring the employee's medical condition while working modified or light-duty, and make sure the employee does not exceed the physician's limitations.

On a regular basis, assess the worker's progress and ability to increase work activity or return to regular work duties. Modified or light duty is defined as temporary rehabilitation during which an injured employee is performing limited work activities.

Make any necessary adjustments to ensure a positive and successful return to work for workers under your direction.

Maintain continuous communication with all levels of management.
A Guideline To Creating A Return To Work Program

Appendices

A. Return to Work Policy
B. Acknowledgment of Return To Work Policy
C. Sample Medical Provider Return To Work Letter
D. Injured Worker's Responsibilities
E. Attending Physician's Return To Work Recommendations Record
F. Modified Work Assignment
G. Sample Letter to Injured Worker Regarding Work Release With Restrictions
H. Wage Loss Calculation
APPENDIX A

Return to Work Policy

In an effort to minimize serious disability due to on-the-job injuries and illnesses and to reduce workers' compensation costs, the Chino Basin Water Conservation District has developed a return to work program.

This policy is consistent with the District's responsibilities under the Fair Employment & Housing Act to provide reasonable accommodations to persons with disabilities.

The program will consist of a team effort made by supervisors, the JPIA claims representative, the medical provider, the injured employee, and company management. All team members will be asked to take an active role in returning the injured/ill employee to a productive status.

Supervisors will assist by directing the employee to appropriate care and assisting in proper reporting of the injury or illness while maintaining a positive and constant flow of communication with the injured worker. They will also assist in arranging work which meets "light duty" restrictions, as needed, to reduce lost time. The (risk manager or designated person) will work with the JPIA claims representative to assist with the assessment of the employee's ability to return to work. Together they will actively encourage the treating physician to release the injured worker to work as soon as possible.

By this joint effort, the District will help the injured/ill worker recover at a more rapid rate, gain production for wages paid, minimize the employees' wage loss, and reduce workers' compensation costs.
APPENDIX B

Acknowledgment of Return to Work Policy

It is the Chino Basin Water Conservation District's policy to provide modified or alternative work for all employees who are injured on the job. Should you become injured or ill due to your work activities, you will be encouraged to return to work as soon as medically appropriate.

Your supervisor, the JPIA claims representative, and District management will all assist in this effort. In the event of a work-related injury, you will be directed to the appropriate medical facility and a strong attempt will be made to provide work for you within your medical restrictions.

I HAVE READ AND UNDERSTAND the Chino Basin Water Conservation District's POLICY.

Date: ___________________________

Signature: ___________________________
APPENDIX C

Date

Medical Provider
Address
City, State Zip

Dear Doctor:

The Chino Basin Water Conservation District is committed to the return to work of its industrially injured/ill employees. We will provide restricted and alternative job opportunities to allow for healing on the job, in line with your medical restrictions.

Our injured/ill employees will be returned to temporary assignments which will not aggravate or stress the injured body part. This should prevent long term temporary disability with absences from work and lessen the loss of productivity for both the employer and employee.

You are authorized to treat our employees and fill out the attached Return-to-Work Recommendations Record. A few sample job descriptions are attached for your review, and individual job descriptions and a Return to Work Recommendations Record will be provided as workers are referred to you for treatment. The descriptions should help to clarify the physical requirements of positions within the District, allowing employees to return to regular duties more quickly.

This program has been created as a benefit to the injured worker from a financial and employment standpoint. If you have any questions regarding a certain aspect of the program or tasks on the list, please contact us or the claim administrator immediately. We would welcome your personal visit to the District to help illustrate our commitment to the program.

Thank you in advance for your support and cooperation.

Sincerely,

Chino Basin Water Conservation District

Enclosures
(Physicians RTW Recommendations Record and Job Descriptions)
APPENDIX D

Injured Worker's Responsibilities

After your first appointment with a physician, bring the Return to Work Recommendations Record (or any other slip provided by the physician) to your supervisor. Work will be provided to you within your restrictions, if any, whenever possible.

If you are not able to work at all after the first appointment, advise your supervisor. Once you are released to light duty, report to work immediately.

Once you are back at work, you are responsible for:

- working within the physical limitations set by the physician at all times and performing only those temporary duties assigned to you by your supervisor.

- letting your supervisor know if you are having any difficulties performing your assigned tasks.

- telling your supervisor in advance if you find out you must miss work for a medical appointment - please make every effort to schedule your medical appointments outside your work schedule.

- seeing that your supervisor knows of any changes in your work restrictions you learn from your doctor.

Please note, if you do not report to work (light duty or regular work) when you are released, you may not be eligible for temporary disability payments or wages.

All District rules and policies apply to employees who are performing light duty work.
APPENDIX E

ATTENDING PHYSICIAN’S RETURN TO WORK RECOMMENDATIONS RECORD

PATIENT’S NAME

DATE OF INJURY/IllNESS

DIAGNOSIS

I saw and treated this patient on ___________ and:
1. ___ Recommend his/her return to work with no limitations on: (date)
2. ___ He/She may return to work capable of performing the degree of work checked (date)
   below with the following limitations.

DEGREE

___ Sedentary Work. Lifting 10 pounds maximum and occasionally lifting and/or carrying such articles as dockets, ledgers, and small tools. Although a sedentary job is defined as one which involves sitting, a certain amount of walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required only occasionally and other sedentary criteria are met.

___ Light Work. Lifting 20 pounds maximum with frequent lifting and/or carrying of objects weighing up to 10 pounds. Even though the weight lifted may be only a negligible amount, a job in this category when it requires walking or standing to a significant degree or when it involves sitting most of the time with a degree of pushing and pulling of arm and/or leg controls.

___ Medium Work. Lifting 50 pounds maximum with frequent lifting and/or carrying of objects weighing up to 25 pounds.

___ Heavy Work. Lifting 100 pounds maximum with frequent lifting and/or carrying of objects weighing up to 50 pounds.

___ Very Heavy Work. Lifting objects in excess of 100 pounds with frequent and/or carrying of objects weighing 50 pounds or more.

LIMITATIONS

In an 8 hour work day patient may:
a. Stand/Walk
   ___ None; ___ 1-4 Hours; ___ 4-6 Hours; ___ 6-8 Hours

b. Sit
   ___ 1-3 Hours; ___ 3-5 Hours; ___ 5-8 Hours

c. Drive
   1-3 Hours; ___ 3-5 Hours; ___ 5-8 Hours

Patient may use hands for repetitive:
   ___ Single Grasping; ___ Pushing & Pulling
   ___ Fine Manipulation

Patient may use feet for repetitive movement as in operating foot control: ___ Yes; ___ No

Patient is able to:

Frequently Occasionally Not at All
   a. Bend
   b. Squat
   c. Climb
   d. Twist Body

OTHER INSTRUCTIONS AND/OR LIMITATIONS:

3. These restrictions are in effect until ______________ or patient is reevaluated on ______________.
4. He/She is totally incapacitated at this time. Patient will be reevaluated on ______________.

PHYSICIAN’S SIGNATURE

DATE

AUTHORIZED TO RELEASE INFORMATION

I hereby authorize my attending physician and/or hospital to release the above information or copies thereof acquired in the course of my examination of treatment for the injury identified above to my employer or his representative.

PATIENT’S SIGNATURE

DATE
APPENDIX F
Modified Work Assignment

EMPLOYEE NAME: ___________________________ DATE: ____________

JOB TITLE: __________________________________________

I UNDERSTAND THAT I AM TEMPORARILY ASSIGNED TO:
 ______________________________________________________ JOB SITE.

MY DUTIES WILL INCLUDE:
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

MY PAY FOR THIS WORK WILL BE: __________________ PER __________________

I ALSO UNDERSTAND THAT THE FOLLOWING LIMITATIONS HAVE BEEN PRESCRIBED BY THE PHYSICIAN AND I WILL NOT EXCEED THESE LIMITATIONS:
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

EXPECTED DATE OF RETURN TO REGULAR EMPLOYMENT OR RE-EVALUATION OF MY PHYSICAL CAPABILITIES IS: ____________________________

I UNDERSTAND THAT ALL RULES AND DISTRICT POLICIES APPLY TO EMPLOYEES WORKING IN A MODIFIED OR ALTERNATIVE POSITION.

SIGNATURE OF EMPLOYEE: ___________________________ DATE: ____________

SIGNATURE OF SUPERVISOR: ___________________________ DATE: ____________

SIGNATURE OF RTW COORDINATOR: ______________________ DATE: ____________
APPENDIX G

Sample Job Offer

Date

Claimant Name
Address
City, State Zip

Dear Mr./Mrs. Claimant:

We have received information from your physician that you have been released to perform light duty work within the following restrictions ....

Mr./Mrs. ________________, given your skills, aptitudes, and abilities, I would like to offer you a position as ______________________. This position will require minimal amounts of walking, and we are more than willing to accommodate you if you need to walk at a slow pace. The wage for this position is $____ per ______. Your work week will be Monday through Friday, ______a.m. to ______p.m. We can start you at two days per week, if necessary, and gradually build up to a full work week. If there are any problems with physical therapy, this can be accommodated within your work schedule.

I would appreciate hearing from you within five days or by ___/___/___ to let me know when you will be coming to work, since the job will be available as of ___/___/_. Failure to return by the date the job is available could result in the reduction or loss of your time loss benefits and/or loss of your re-instatement rights with us.

We look forward to hearing from you soon.

Sincerely,

______________________________

cc: Insurer

**SEND CERTIFIED MAIL, RETURN RECEIPT REQUESTED**
APPENDIX H

Wage Loss Calculation

If you bring an injured worker back to a temporary job consistent with the medical restrictions but at a lower pay rate, the JPIA will pay 2/3 of the difference between the employee's current income in the temporary job and the earnings at the time of injury or $735/week, whichever is lower. (The temporary job earnings must be less than $735/week to qualify for wage loss payments.)

**Example 1**

Date of Injury Earnings: $600/wk  
Temporary Work Earnings: $400/wk  
Wage Loss Formula: $600 - $400 = $200  
$200 x 2/3 = $133.34/wk due to the worker

**Example 2**

Date of Injury Earnings: $672/wk  
Temporary Work Earnings: $550/wk  
Wage Loss Formula: $672 - $550 = $122  
$122 x 2/3 = $81.34/wk due to the worker

**Example 3**

Date of Injury Earnings: $1000/wk  
Temporary Work Earnings: $735/wk  
Wage Loss Due: $0

**Example 4**

Date of Injury Earnings: $550/wk  
Temporary Work Earnings: $550/wk  
Wage Loss Due: $0
Subject: Family and Medical Care Leave

Purpose: The District complies with all applicable provisions of the Federal and State Family and Medical Care Leave Act.
Subject: Budget amendments - O & M and Capital Projects

Purpose: To establish the procedure for amending the Adopted Fiscal Year Budget for changes in appropriations.

Policy/Procedure
1. All proposed amendments which would increase the amount of District funds appropriated in any given Fiscal Year’s Adopted Budget must be reviewed and approved by the Board of Directors. Only then will the items be made a part of the Fiscal Year’s Amended Budget.
2. Following the Board of Directors’ approval, the proposed amendment becomes an approved amendment. The Board Secretary will then ensure that the approved amendment is incorporated into the Fiscal Year’s Adopted Budget.
Subject: Bereavement Leave, Jury Duty, and Absence for Military Duty

Policy/Procedure:
"Regular Pay Status". Salaried and full-time hourly employees must be in a regular pay status to accrue and receive benefits. When a regular salaried or full-time hourly employee has been placed on "long-term disability" status or leave of absence, vacation, sick leave, and holiday pay shall not continue to accrue; however, Worker's Compensation benefits are not affected.

1. Bereavement Leave:
"Qualifications to Use Bereavement Leave". In the event of a death in a regular salaried or full-time hourly employee's immediate family (spouse, son, daughter, mother, father, brother, sister, half-brother, half-sister, father-in-law, mother-in-law, stepfather, stepmother, stepson, stepdaughter, grandmother, grandfather), the employee may take a maximum of 40 hours leave without loss of pay for the purpose of making necessary arrangements and attending the funeral.

An additional limited amount of time off to attend funeral services outside the State of California may be authorized with pay under special circumstances. The General Manager is vested with full discretion to evaluate the circumstances and make the determination.

In deference to the memory of past directors, employees, and consultants, a limited amount of time off to attend funeral services may be authorized with pay under special circumstances. The General Manager is vested with full discretion to evaluate the circumstances and make the determination.

2. Jury Duty Leave:
"Jury Duty or Witness Leave". Documented time off without loss of pay (80 hours) shall be granted to regular full-time employees called for jury duty. (The Board of Directors reserves the right to provide its regular full-time employees additional paid time off when they are required to perform jury duty service in excess of the 80 hours provided herein before. Under such circumstances the employee shall make a written request through the Secretary to the Board for payment of wages for the excess days and shall accompany the request with proof of the period served on jury duty.) All regular, full-time employees required to serve on jury duty or subpoenaed as a witness shall be paid the difference between his/her regular pay and the amount of the jury fee or witness fee received for such duty. For the purpose of this calculation, the jury fee does not include any mileage allowance. Employees released from jury duty or witness testimony prior to the end of a scheduled work day must report back to
Subject: Bereavement Leave, Jury Duty, and Absence for Military Duty

work within one hour after being released, unless there is less than two hours remaining in the employee's work day at the time of release.

3. Absence for Military Service:
Subject: Bidding and Construction Contract Procedures

Purpose: The following procedures have been approved by the Board of Directors of the Chino Basin Water Conservation District to promote uniformity in the processing of bids and contracts for public works, construction projects within the Chino Basin Water Conservation District.

Policy/Procedure
These procedures are established to provide authority, guidance and direction for the staff and the Board in procuring public works, construction services on behalf of the District.

DEFINITIONS:
a. **District** - The Chino Basin Water Conservation District, or the General Manager as delegated by the Board of Directors herein.
b. **Minor Project** - A construction project required by the District which is estimated to cost less than $5,000 to complete.
c. **Major Project** - A construction project required by the District which is estimated to cost in excess of $5,000 to complete.
d. **Sole Source Contractor** - A contractor or consultant that has been evaluated to provide a proprietary, unique or specialized service which cannot be obtained from other contractors. Such designation shall be approved by the Board of Directors.

NO SEPARATION OF PROJECT. No construction project shall be split or separated into smaller work orders for the purpose of evading the provisions of these Contract Procedures.

FORMAL BIDDING. Contracts for the construction of any building, structure, or other public improvement, when the cost exceeds $5,000 shall be contracted for and let to the lowest, most responsible bidder. If two or more bids are the same and the lowest, the Board of Directors may accept the one it chooses.

NO BID SUBMITTALS. If after advertising and/or otherwise soliciting bids for a project the District should not receive any bids, the District Board of Directors may elect to "sole" source out the work to be performed.
AWARD OF CONTRACT. All bids received on a project shall be opened in public at the time and place designated in the notice. The bids shall be evaluated for compliance with the notice and requirements of the District. The District shall determine from the bids received on a project the contractor which is considered to be the lowest responsible bidder. Thereafter, the District shall indicate that a contract will be executed according to specific terms to be negotiated by the General Manager. If terms cannot be negotiated, the General Manager may be delegated to terminate negotiations and open negotiations with the next lowest responsible bidder.

MINOR CONTRACTS. The Board hereby delegates to the General Manager the authority to negotiate and award contracts for minor projects of the District.

EMERGENCY CONDITIONS. In cases of emergency conditions determined by the District or when a state of emergency has been declared, repair or replacement necessary to permit the continued conduct of the operation or service of the District, or to avoid danger to life or property, contracts may be awarded without application of these procedures. The District hereby delegates to the General Manager the authority to execute contracts under emergency conditions, subject to ratification by a 4/5ths vote at its next meeting.
Subject: Workplace Violence

Purpose: To establish the District’s position and response to matters involving workplace violence. A copy of the policy shall be signed and dated by each District employee to acknowledge his or her receipt.

Policy/Procedure
The safety and security of employees and customers are very important to the CBWCD. Threats, threatening behavior, acts of violence, or any related conduct that disrupts another’s work performance or the CBWCD’s ability to execute its daily business will not be tolerated.

Any person who makes threats, exhibits threatening behavior, or engages in violent acts on CBWCD property may be removed from the premises pending the outcome on an investigation. Threats, threatening behavior, or other acts of violence off CBWCD property, but directed at CBWCD employees, CBWCD members or the public while conducting business for the CBWCD, is a violation of this policy.

Off-site threats include, but are not limited to, threats made via telephone, fax, electronic or conventional mail, or any other communication medium. Violations of this policy will lead to disciplinary action that may include dismissal, arrest, and prosecution. In addition, if the source of such inappropriate behavior is a member of the public, the response may also include barring the person(s) from CBWCD property, termination of business relationships with that individual, and/or prosecution of the person(s).

Employees are responsible for notifying his or her supervisor or manager of any threats that they have witnessed, received, or have been told that another person has witnessed or received. Employees should also report any behavior they have witnessed which they regard as threatening or violent when that behavior is job related or might be carried out on CBWCD property or in connection with employment.

Each employee who received a protective or restraining order that lists CBWCD premises as a protected area is required to provide the General Manager with a copy of such order.
No. 46
Issue No. 1
Effective Date: 04/10/06

Subject: Internship Program

Purpose: The purpose of this policy is to establish the process under which the District will employ interns.

Policy/Procedure
A. Interns shall be currently enrolled in college as an undergraduate or graduate student, or have graduated within the last two years from an accredited college/university with substantial course work in plant science, agriculture, horticulture, irrigation science, engineering, environmental science, water/wastewater management, business administration or a field of study related to the specific intern job requirements.

B. Interns shall have a working knowledge of the methods and techniques of plants, soils, landscaping, irrigation, research, and report preparation.

Interns shall have the ability to communicate clearly and concisely, to establish and maintain effective relationships with co-workers, elected officials and members of the public, operate standard office equipment, and understand computer applications such as word processing and spreadsheet programs.

Interns shall, when required, possess or have the ability to obtain before employment, a valid Class “C” California driver’s license.

Interns shall maintain physical conditions appropriate for the performance of assigned duties and responsibilities, which may include walking, standing or sitting for extended periods of time, maintain effective audio-visual discrimination and perception, and maintain the mental capacity necessary for making sound decisions.

C. Interns shall work under the direct supervision of qualified staff and shall participate and receive training in the operation of a California Water Conservation District by working on special projects, performing routine administrative assignments and related duties as assigned by his or her supervisor.

D. With the approval of the General Manager and the direct supervisor, interns may be employed in any area of the District.

E. Internships at the District are limited to a maximum of 960 hours per fiscal year. Internships may be extended with the approval of the General Manager.
No. 46 (con’t)
Issue No. 1
Effective Date: 04/10/06

Subject: Internship Program

F. Interns shall be considered part-time employees of the District and shall receive only those benefits provided for in District Policy Number 31.

G. Interns shall be compensated within the parameters as set forth by the direction of the Board of Directors to the General Manager.

H. No individual shall be employed as an intern without completing and Application for Internship (available at the District), passing a physical exam and a background investigation.

I. At the end of an individual’s internship, or as might be required through the intern’s educational institution, he or she shall receive an Internship Performance Appraisal (available at the District), or on forms provided by the educational institution. A copy of the appraisal(s) will be placed in the intern’s personnel file.

J. To be employed as an intern, the individual is not required to have any prior experience.

K. Scheduling of the intern’s work hours shall be at the mutual agreement of the intern and their respective supervisor. Under no conditions, shall an intern work less than two hours or no more than eight hours on any given day or 40 hours in any work week (Sunday-Saturday).

L. The number of interns employed at the District at any given time may not exceed the Board approved level.

M. Overall daily administration, application and period review of this Policy shall be the responsibility of the General Manager and respective supervisors.

EXHIBITS

A. Application for Internship

B. Internship Performance Appraisal
CHINO BASIN WATER CONSERVATION DISTRICT’S APPLICATION FOR INTERNSHIP

Department Desired:
_____________________________________________________________________________________

Name:_________________________________________ Telephone No.________________________

Print last, first, middle

Current address:________________________________________________________________________

Number & street City State Zip

Have you previously held an internship position? □ Yes □ No

If yes, with who & when
_____________________________________________________________________________________

Are you currently enrolled in school? □ Yes □ No

If yes, at what institution _____________________________Standing
_________________________ (Fresh, Soph, Junior, Senior etc.)

Education History: Please provide the educational information requested.

<table>
<thead>
<tr>
<th>School Name/Location</th>
<th>Course of Study/Major</th>
<th>Diploma/Degree Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>College/University</td>
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<tr>
<td>Graduate/Professional</td>
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</tbody>
</table>

Have you ever pled guilty or “no contest” or been convicted of a misdemeanor or felony? (excluding marijuana related offenses with a sentence of less than two years) □ Yes □ No

If yes, please provide dates and details
_____________________________________________________________________________________
_____________________________________________________________________________________
Person/professional references: Please list three individuals who know you well. Do not list previous employers or family members.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Telephone Number</th>
<th>Nature of Relationship</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>

Employment History: Please list the names of your present and/or previous employers in chronological order, beginning with your current or most recent employer, for the last 5 years.

<table>
<thead>
<tr>
<th>Present/most recent employer</th>
<th>Employed From:</th>
<th>Job Title or Position:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address</td>
<td>To:</td>
<td>Responsibilities/duties:</td>
</tr>
<tr>
<td>City, State, Zip Code</td>
<td>Starting Pay:</td>
<td></td>
</tr>
<tr>
<td>Telephone No.</td>
<td>Ending Pay:</td>
<td>Reason for leaving:</td>
</tr>
<tr>
<td>Supervisor’s Name &amp; Title</td>
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</table>

<table>
<thead>
<tr>
<th>Previous employer</th>
<th>Employed From:</th>
<th>Job Title or Position:</th>
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</thead>
<tbody>
<tr>
<td>Street Address</td>
<td>To:</td>
<td>Responsibilities/duties:</td>
</tr>
<tr>
<td>City, State, Zip Code</td>
<td>Starting Pay:</td>
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<tr>
<td>Telephone No.</td>
<td>Ending Pay:</td>
<td>Reason for leaving:</td>
</tr>
<tr>
<td>Supervisor’s Name &amp; Title</td>
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</tbody>
</table>

<p>| Previous employer            | Employed From: | Job Title or Position: |</p>
<table>
<thead>
<tr>
<th>Street Address</th>
<th>To:</th>
<th>Responsibilities/duties:</th>
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</thead>
<tbody>
<tr>
<td>City, State, Zip Code</td>
<td>Starting Pay:</td>
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</tr>
<tr>
<td>Telephone No.</td>
<td>Ending Pay:</td>
<td></td>
</tr>
<tr>
<td>Supervisor’s Name &amp; Title</td>
<td></td>
<td>Reason for leaving:</td>
</tr>
</tbody>
</table>

May we contact your current employer?  □ Yes  □ No
If no, please explain ________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________
APPLICANT’S STATEMENT AGREEMENT

In the event of my employment as an Intern for the CBWCD, I will comply with all rules and regulations of the CBWCD. I understand that the CBWCD reserves the right to require me to submit to a test for the presence of drugs/alcohol in my system prior to my employment, and at anytime during my employment, to the extent permitted by law, and I hereby consent to such drug/alcohol testing. I hereby consent to the disclosure of the results of any drug/alcohol test to the CBWCD’s General Manager and/or Administrative Assistant. I understand that should I decline to sign this consent or decline to take a requested drug/alcohol test, my application for employment may be rejected or my employment may be terminated.

I understand and agree that, in connection with this application and at anytime during my employment, CBWCD may contact my previous employers and/or educational institutions and I authorize those employers and/or institutions to disclose to CBWCD all records and information pertinent to my employment or attendance with them. In addition to authorizing release of my information regarding my employment/attendance, I hereby fully waive any rights or claims I have against my former employers/institutions, their agents, employees, and representatives, as well as other individuals who release information to CBWCD and release them from any and all liability, claims or damages that may directly or indirectly result from the use, disclosure, or release of any such information by any person or party, whether such information is favorable or unfavorable to me. I authorize the persons named as personal references to provide CBWCD with any information they may have regarding myself. I understand and agree that in connection with this application, and at any time during my employment, CBWCD may investigate my driving and criminal history. I hereby state that all information that I provided on this application or any other documents filled out/filed in connection with my employment and in any interview is true and correct. I have withheld nothing that would, if disclosed, affect my application unfavorably. I understand that if I am employed and any such information is later found to be false in any respect, I may be dismissed. I understand if selected for employment, it will be necessary for me to provide satisfactory evidence of my identity and legal authority to work in the United States, and that Federal Immigration laws require me to complete an I-9 Form. I further understand that all internships at CBWCD are “at will” positions, and that if employed I can be terminated without written notice or reason at anytime during my internship.

If you have any questions regarding this statement on what you are agreeing/consenting to, please contact the CBWCD’s Administrative Assistant (909) 626-2711 before signing. DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE STATEMENT AND AGREEMENT.

I hereby acknowledge that I have read the above statement and understand the same.

___________________________________                    ____________________
Signature of Applicant             Date Signed
# CBWCD
## INTERNSHIP PERFORMANCE APPRAISAL

Name: ___________________________  Employee No.: ____________

Department: ___________________________  Review Period: ____________

Rate the intern on the factors indicated below by placing an “X” under the appropriate rating. Not all factors may apply.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Improvement Required</th>
<th>Meets Standards</th>
<th>Exceptional</th>
<th>Outstanding</th>
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<tbody>
<tr>
<td>Interacts well with others</td>
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<tr>
<td>Understands requirements of the position</td>
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<tr>
<td>Requires limited supervision</td>
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<tr>
<td>Keeps the supervisor informed of work progress</td>
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<tr>
<td>Has good verbal skills</td>
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<tr>
<td>Written communication skills are clear &amp; concise</td>
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<tr>
<td>Completes assignments in a timely manner</td>
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<tr>
<td>Able to understand written &amp; oral instructions</td>
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<tr>
<td>Interested and successful in obtaining new skills &amp; knowledge</td>
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<tr>
<td>Work is consistently accurate and well organized</td>
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<tr>
<td>Makes suggestions to maximize efficiency</td>
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<tr>
<td>Maintained satisfactory attendance</td>
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<tr>
<td>Successfully handled the internship &amp; school</td>
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**Overall Performance**

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Chino Basin Water Conservation District
Policy and Procedures Manual
Purpose: To ensure compliance with AB1234 and to establish policies with respect to 1) Board member compensation, 2) Board member reimbursement, and 3) Board member ethics training.

Policy/Procedure

1. COMPENSATION

A. Amount. The amount of Board member compensation by the District shall be determined in accordance with all applicable requirements to the California Water Code. The Board shall set the rate of such compensation for a day’s service and shall set the maximum number of day’s service for which a Board member may receive compensation each month from the District, by adoption of a separate ordinance.

B. Day’s Service.

- Meetings. The term “day’s service” is defined as attendance or participation of a Board member, in person or via teleconference, at a meeting with one or more other parties for the performance of official duties on behalf of the District. A “meeting” is defined as any meeting listed on Exhibit A, Category A. Where the meeting is a District Committee meeting, only appointed committee meeting members shall qualify for compensation.

- Daily Limitation. If a Board member attends or participates in multiple meetings in a single day, the Board member shall be eligible for compensation for only one meeting on that day.

C. Procedure. To receive compensation for attendance or participation at the meetings listed in Exhibit A, it is suggested that the Board member submit to the District’s office staff a payment request on the attached Expense Report (Exhibit B) on a calendar-month basis at the first Board meeting following the end of the calendar month being reported. If the meetings listed by the Board member on the Expense Report satisfy this policy for expenditure of public resources, then the District’s General Manager is authorized to approve the payment request. If any of the meetings identified by the Board member on the Expense Report for the calendar month are not included in the list of pre-approved meetings listed in Exhibit A, or if the payment request fails to expressly comply with this policy, then the District’s General Manager shall include the payment request on the agenda for the next regular meeting, at which time the Board will consider approval.

D. Report. Board members shall provide brief reports on all meetings for which they receive compensation from the District at the next regular meeting of the Board. Reports may be made orally, in writing, or by reference to any minutes included in the agenda materials.
2. REIMBURSEMENT

The District shall reimburse Board members for reasonable costs incurred related to attendance or participation at approved meetings. Directors may pay all of their own business expenses and request reimbursement from the District on expense reports. Expenses may be paid directly by the District, provided there is prior approval by the Board of Directors.

Reimbursements for expenses are made only for those expenses which are individually itemized and explained. Receipts are required, including those for meals and taxi or bus fares. Directors will provide original receipts for all expenses whenever possible. Directors shall submit the completed and signed Expense Report every month. All applicable receipts and/or invoices shall be attached.

A. Eligible Expenses. Expenses eligible for reimbursement shall be limited to:
   1) registration or tuition costs, or other charges for participation at the meeting; 2) transportation to and from the meeting, including airfare, car rental, or mileage for use of a Board member’s own automobile, and other miscellaneous transportation costs (shuttle, taxi, parking, etc.); 3) lodging at the single-room rate; and 4) reasonable costs of meals, not including alcohol. (See Section 2.D)

B. Rates.
   - Registration, Tuition, and Meeting Charges. Registration and related fees may be reimbursed or paid by the District for all authorized attendance.
   - Transportation
     - Transportation to a conference, training, seminar, or meeting may be reimbursed or paid directly by the District.
     - To secure the most economical mode of transportation in keeping with availability, convenience, and propriety of the District, all meeting travel arrangements shall be made with the endorsement of the Manager.
     - When air travel is the most appropriate method of transportation, coach class shall be utilized.
     - A private automobile may be used when necessary. Reimbursement for such use shall follow the guidelines in District policy involving the use of private vehicles on District business.
     - A rental car may be used when appropriate public transportation is unavailable or more expensive.

C. Lodging. Cost of overnight accommodations for conferences, training, seminars, or meetings may be reimbursed or paid directly by the District. The expense shall be limited to the reasonable cost of adequate accommodations as determined by the Manager and/or the Board of Directors. Costs which are deemed to be unnecessary, unrelated or excessive may not be reimbursed or paid. The cost of meals, entertainment, and lodging on a hotel billing shall be reported separately, according to the itemized receipt.
Subject: Board Member Compensation, Reimbursement, and Ethics Training

D. **Meals.** Except as otherwise provided, the guidelines for meal reimbursements, including tax and tip, shall be a maximum of $75.00 per day. If the guidelines are exceeded, written justification must be attached to the expense claim form. Alcohol consumption will not be reimbursed.

E. **Entertainment Expense.** Entertainment Expense may be reimbursed or paid directly by the District for reasonable business entertainment expenses only when necessary to promote a specific public purpose of the District. All entertainment must be explained with the following details:
   - date
   - cost
   - place (name and location)
   - business purpose
   - type of entertainment (e.g., lunch, dinner)
   - business relationship of each person present: name, title, agency, company, etc.

Officers and employees entertain fellow officers and employees only when this is the most efficient way to accomplish a specific business purpose and only with prior approval of the Board of Directors or the Manager. In all cases, the officers and employees avoid excessive expenses. The employee of senior rank pays the expense.

District officers and employees do not entertain vendor representatives.

F. **Ineligible Expenses.** Board members shall not be eligible for District reimbursement of any expenses incurred by any person traveling or attending a meeting as a guest of the Board member. No Board member shall be eligible for District reimbursement of any expense for personal services not related to District business.

G. **Report.** Board members shall provide brief reports on all meetings for which they receive compensation from the District at the next regular meeting of the Board. Reports may be made orally, in writing, or by reference to any minutes included in the agenda materials.

3. **ETHICS TRAINING**

A. **Requirement.** Under Assembly Bill 1234, District officials must receive training in ethics laws no later than one year from the first day of service with the District. Thereafter, each District official must receive such training at least once every two years.
B. Application.

- **District Official.** The term “District official” means all Board members and all executive staff of the District.
- **Ethics Laws.** The phrase “ethics laws” includes, but is not limited to, the following:
  - Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws;
  - Laws relating to claiming prerequisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies;
  - Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws; and
  - Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

C. Agency Responsibilities.

- **Records.** The Agency shall maintain records indicating the dates that the District officials satisfied the requirements of this policy and the entity that provided the training. The District shall maintain these records for at least five years after District officials receive the training. These records are public records subject to disclosure under the California Public Records Act.
- **Notice.** The District is required to provide information on training available to meet the requirements of this policy to its officials at least once every two years.

4. REVIEW OF POLICY ON ANNUAL BASIS.

Each year the Board shall review this Policy to determine its effectiveness and the necessity for its continued operation. The District’s General Manager shall report to the Board on the operation of this Policy, and make any recommendations deemed appropriate, including proposals to amend the Policy. Upon conclusion of its review, the Board may take any action it deems appropriate concerning this Policy. Nothing shall preclude the Board from taking action on the Policy at times other than upon conclusion of the annual review.
EXHIBIT A

CATEGORY A – Meetings directly associated with CBWCD require no pre-approval and for which no additional reporting is required since minute action for these agency meetings meets the reporting requirement of AB 1234.

- CBWCD Board of Directors
- CBWCD Personnel Committee
- CBWCD Education Committee
- CBWCD Finance Committee
- CBWCD Ad Hoc Committees
- CBWCD Recycled Water Committee
- CBWCD Facilities Committee
- CBWCD Basin Landscape Committee

CATEGORY B – Meetings of organizations or associations where CBWCD is a member; and conferences or organized educational activities conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training require no pre-approval to attend but do not qualify for compensation unless specifically approved by the Board of Directors. However, if a fee is paid to attend or associated expenses are incurred, these fees and expenses are reimbursable, and do meet the reporting requirement of AB 1234.

- Association of California Water Agencies (ACWA)
- Association of the San Bernardino County Special District (ASBCSD)
- California Groundwater Coalition (CGC)
- California Special Districts Association (CSDA)
- Groundwater Recharge Coordinating Committee (GRCC)
- Joint Powers Insurance Authority (JPIA)
- Local Agency Formation Commission (LAFCO)
- Southern California Water Committee (SCWC)
- Southern California Water Committee Storm Water Task Force
- Urban Water Institute (UWI)
- Water Education Foundation (WEF)

Revision

Issue No. 1 – 1-10-96 (Original Policy)
Issue No. 2 – 7-08-13 (Annual Review, Added Three Committees to Category A)
Issue No. 3 – 10-13-14 (Annual Review, Major Revision)
Issue No. 4 – 3-09-15 (Add WEF Membership to Category B)
Subject: Mobile Phone Policy

Purpose: To establish the usage policy for District provided mobile phones.

Policy/Procedure: The District makes available for employee use during business activities mobile phones for field employees. The purpose of these phones is to provide employees in the field with “Push to Talk” technology to effectively communicate business needs and safety concerns to each other.

Mobile phones are the property of the District. Phone usage should be limited to District business needs and emergency situations. Personal use of District phones is prohibited. At the end of the work shift mobile phones are to be placed in their charger at the District office to be ready for their next use.

All electronic communications are official District records and are the property of the District. The District reserves the right to access and disclose all messages sent through its system for any purpose.

Messages transmitted over the mobile phone system should be those involved in the District business activities for the accomplishment of business related tasks or any communication directly related to District business, administration, or practices.

The California Public Records Act (CPRA), Government Code Section 6520, requires the District to make all public records available for inspection and to provide copies upon request.

As a result, employees should be aware that no mobile phone message transmitted on the District’s Mobile Phone System is private or confidential. Employees should have no expectation of privacy with respect to any use, including storage, business or personal, of the District’s Mobile Phone Systems.
No.  49
Issue No.  1
Effective Date:  6/08/09

Subject:  Military Service

Policy/Procedure:  It is the intention of the District to work closely with its employees to ensure that the District and its employees are in compliance with all laws related to military service. This District Policy is to answer some of the most common questions about military leave contained in the Uniformed Service Employment and Re-Employment Act of 1994 (USERRA).

“Service” is defined as duty on a voluntary or involuntary basis including:
  • Active duty;
  • Active duty for training;
  • Initial active duty for training; inactive duty training;
  • Full-time National Guard duty; and
  • Absences for examinations to determine fitness for duty.

Duration
USERRA extends the length of leave time for military duty to five years. This five year leave is the cumulative length of all absences from employment due to military service.

EMPLOYEE OBLIGATIONS

Notice and Documentation
All employees must provide advance written or verbal notice of the need for military leave, unless prevented from doing so by military necessity or if providing notice would be impossible or unreasonable.

Notice of Intention to Return to Work; (if employee is deployed)
The employee is not required to decide in advance of leaving their civilian position at the District whether he/she will seek reemployment, but he/she must notify the District of his/her intention to return to work on returning from military service. The notice requirements are time sensitive, each one depending on the length of the employee’s military service.
  • If the absence is for a period of 30 days or less, then the employee must report to work on the next full, regularly scheduled workday, plus eight hours.
  • If the absence lasted between 31 and 180 days, then the employee must notify the District of his or her intention to return to work within 14 days following the end of military service.
If the returning veteran employee suffered a “service-related injury” and is either hospitalized or convalescing from it, these notice periods are extended until the end of the veterans’ recovery from the injury, not to exceed 2 additional years.
If the employee fails to timely report for work or apply for reemployment, he or she does not automatically forfeit USERRA reemployment rights and benefits, but instead becomes subject to the District’s generally applicable policies and practices pertaining to absences.

An employee whose period of service was more than 30 days must provide, in connection with his/her application for re-employment, documentation to establish that:

- The reemployment application is timely,
- The employee has not exceeded the five year limit on duration of service (unless subject to an exception),
- The employee’s separation or dismissal from service was not disqualifying (dishonorable discharge).

If the documentation does not exist or is not readily available, the District may not delay or deny reemployment but, for employees whose service was longer than 90 days, need not treat such an employee as having had continuous service for pension purposes until the documentation is provided. If the documentation is received after reemployment, and it shows that the employee is not entitled to reemployment, the District may terminate employment and any rights or benefits the employee was granted.

**EMPLOYER OBLIGATIONS**

**Pay**
To the extent provided by applicable law, an employee who is on leave of absence from the District for duly-ordered military or naval duties shall be entitled to receive his or her salary or compensation from the District for the first thirty (30) calendar days of any such absence. The purpose of this policy is to comply with the legal requirements to which the District is subject and is not intended to create any employee benefits greater or less than that which the employee is entitled under applicable law. Consequently, this policy shall be interpreted, construed, implemented, and applied by the District in a manner consistent with all requirements, restrictions, limitations, conditions, and provisions of otherwise applicable law.
Subject: Military Service

Health Benefits
Once an employee begins a military leave of absence, he or she must be allowed an opportunity to continue receiving benefits under the District’s health care plan in a COBRA-like manner with the employee paying the cost of benefits. If the period of service, and thus the absence, is less than 31 days, then the employee may only be charged the usual employee contribution amount for the coverage. The District must allow an employee an opportunity to have his or her health care coverage extended for up to 24 months from the date of military departure. If the time period of service goes beyond 31 days, the employee may be charged no more than 102 percent of the full premium cost associated with the coverage. If the coverage is discontinued (i.e. the employee declined the extension when he or she departed on leave, or the subsequent 24 month period has expired), on return from military duty, the employee and his or her dependents cannot be subject to any exclusionary period or limitations based on a preexisting condition, if those exclusions would not have applied if the military leave had not accrued.

Pension Benefits
If the employee timely returns to the District following military service, the District is required to consider the time the employee was absent as accrued work time. The District may make its pension contribution after the employee returns to work. Similarly, the returning veteran, if the plan so provides, is allowed to make his or her employee contribution to the plan on return from military leave. In cases where the District also makes the employee contribution to the pension plan that contribution will be made after the employee returns to work.

Reinstatement of Employee
USERRA requires the District to promptly re-employ individuals returning from military service, applying the so-called “escalator principle”, as follows:

Escalator Principle
In many cases, the position the veteran would have held, had employment not been interrupted by the period of military service, will be the same as the position held when the period of service began. When there would have been a change, however, the “escalator principle” requires that the veteran receive any change in position or benefits to which he would have been entitled had he remained continuously employed. For example, the returning employee must be granted seniority for the leave period. Similarly, the veteran must receive all other “perquisites of seniority,” such as seniority-tied increases in vacation and sick-day accrual rates, pay raises based on longevity, and promotions based on longevity or length of service the veteran was reasonably certain to have achieved.
Also, if a veteran is laid off while on military leave, and would have received severance pay had he been actively employed at the time of the layoff, he is entitled to that severance pay on his return. Moreover, if the veteran was laid off and on a recall list at the time he entered military service, he must be returned to the recall list on completion of his service.

**Fewer than 91 days of service**
The employee is entitled to be reemployed in the position in which he/she would have been employed had there been no interruption for military service if the individual is qualified to perform the job. If the individual is not qualified to perform that job, the District will make reasonable efforts to qualify him/her. If those reasonable efforts fail, the District must reinstate the person to the position he/she held at the time of beginning of military leave. This means that if the individual would have been promoted had he/she not been on military leave, the individual is entitled to the position to which he/she would have been promoted unless unqualified in that position even after reasonable training.

**More than 90 days of service**
The employee is entitled to be reemployed in the position in which he/she would have been employed had there been no interruption for military service, or a position of like seniority, status and pay if the individual is qualified to perform one of those jobs. If the individual is not qualified to perform that job, the District will make reasonable efforts to qualify him/her. If those reasonable efforts fail, the District will reinstate the person to the position he/she held at the time of beginning of military leave or a position of like seniority, status and pay. Also, if a veteran is laid off while on military leave, and would have received severance pay had he been actively employed at the time of the layoff, he is entitled to that severance pay on his return. Moreover, if the veteran was laid off and on a recall list at the time he entered military service, he must be returned to the recall list on completion of his service.
No.  50
Issue No.  1
Effective Date:  12/14/09

Subject: Uniforms

Purpose: To establish a policy and procedure for the use of District supplied uniforms.

Policy/Procedure
The District will pay one hundred (100%) percent of uniform rental, up to a maximum of eleven sets of uniforms, for all employees working outdoors. This may include the following job classifications: Gardener, Caretaker, Maintenance Specialist, Conservation Technician and Conservation Specialist. All employees receiving uniforms are required to wear them during working hours, unless attending a more formal meeting. At no time should these uniforms be worn for personal use outside of District functions.

The employee is responsible for one hundred (100%) percent of the cost (billed to the District by the uniform supplier) of damages to their uniforms due to excessive wear and tear and for lost or unreturned uniforms. Failure to comply with this policy is subject to District disciplinary action.
Subject: Governmental Fund Balance Policy for the General Fund

Purpose: This Governmental Fund Balance Policy establishes the accounting and financial reporting standards for all governments that report governmental funds as directed by the Government Account Standards Board Statement 54.

Policy/Procedure
In the February 2009, the Governmental Accounting Standards Board published Statement No. 54, which established accounting and financial reporting standards for all governments that report governmental funds. This statement divides the fund balance into five classifications:

1. Non-spendable Fund Balance includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, e.g., inventories and prepaid amounts.

2. Restricted Fund Balance includes amounts that have constraints that are either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislations.

3. Committed Fund Balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

4. Assigned Fund Balance includes amounts that are constrained by the government's "intent" to be used for specific purposes, but are neither restricted nor committed except for stabilization arrangements. Intent should be expressed by 1) the Board itself or 2) by the Finance Committee to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
Subject: Governmental Fund Balance Policy for the General Fund

5. Unassigned Fund Balance is the residual classification for the general fund. This classification represents the fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

In addition to the new five fund balance classifications, GASB 54 also makes clear the definition of special revenue - for financial reporting purposes, a special revenue fund may only be established around one or more revenue sources that are restricted or committed to purposes other than capital projects or debt service.
Environmental Recommendation
from Tom Dodson
February 28, 2015

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
215 North D" Street, Suite 204
San Bernardino, CA 92415-0490

Dear Kathy:

LAFCO 3174 consists of a Service Review for Water Conservation in the Valley Region. The primary agencies encompassed by the service review would include:

- San Bernardino Valley Water Conservation District
- Chino Basin Water Conservation District
- Inland Empire Utilities Agency
- San Bernardino Valley Municipal Water District
- San Bernardino County Flood Control District, and
- Other Agencies considered but of lesser importance include: City of Chino, City of Chino Hills, City of Redlands, City of San Bernardino (Municipal Water Department, City of Upland, Cucamonga Valley Water District, East Valley Water District, Monte Vista Water District, Riverside Highland Mutual Water Company, West Valley Water District and Yucaipa Valley Water District.

This Service Review will be received and filed by the Commission without taking any action that could change the environment. As we have learned from previous service reviews, only when the subsequent step is taken to physically revise the jurisdictional boundary or to provide new services does a potential for physical change in the environment occur. Thus, the proposed action presented above is not judged to pose any identifiable adverse changes to the physical environment.

Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCO 3174 under Section 15061 (b) (3) of the State CEQA Guidelines, which states: A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 3174.
In this case, adopting the proposed action does not alter the existing operations or obligations of the affected agencies and does not adversely affect any existing physical facilities. Based on this review of LAFCO 3174 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3174 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for this action. The Commission can approve this review and finding for this action and I recommend that you notice LAFCO 3174 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline section cited above. The Commission needs to file a Notice of Exemption (NOE) with the County Clerk of the Board for this action once it is completed.

A copy of this memorandum and the NOE should be retained in the LAFCO project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

Tom Dodson

Tom Dodson
INFORMATION ITEM

3A
Engineering and Construction Management Project Updates
August 2016
EN15055 – 1630 E. and W. Recycled Water Pump Station Surge Protection

- Contractor: J. R. Filanc
- Current Contract (Construction): $729K
- Total Project Budget: $1.59M
- Scope of Work: Replace existing air compressors and install surge tank
- Current Activities:
  - Install surge tank
  - Install 12-in RW line and backfill
- Contract Completion: October 2016
- Percent Complete: 50%
- Focus Points:
  - Pressure Test 12-in RW line
  - Block wall installation

Surge Tank Installed on Pad

Welding 12-In RW Pipe
EN16068 – Main Office Permit Office

- Contractor: New Millennium Construction Services
- Current Contract (Construction): $52,890 (NTE)
- Total Project Budget: $84,000
- Scope of Work: Relocate Building B Reproduction Center and convert into Permit/Plan Check Office
- Current Activities:
  - Shop Drawing Submittal
  - Plan Check at City of Chino
- Contract Completion: November 2016
- Percent Complete: 4%
- Focus Point:
  - Submittal reviews
  - Schedule review

City of Chino Plan Check Counter

Permit Office Details
RP-5 Energy Storage

- Engineering Consultant: Black and Veatch
- Current Contract (Construction): Power Purchase Agreement
- Total Project Budget: $0 (Internal labor only)
- Scope of Work: Installation of 500kW battery storage and integration of load shaping software
- Current Activities:
  - Completing SCE interconnection agreement
- Anticipated Completion: August 2016
- Percent Complete: 99%
- Focus Point:
  - SCE interconnection coordination
EN14018 – RP-4 Chlorine Injection Facilities

- Engineering Consultant: IDS Group
- Current Contract (Design): $252K
- Total Project Budget: $2.3M
- Scope of Work: Construct new disinfection facility and rehabilitation of the sludge building
- Current Activities:
  - Final design review
  - Advertise for bid to pre-qualified contractors
- Construction Completion: November 2017
- Percent Complete: 100%
- Focus Points:
  - Advertise for bids
  - Pre-bid conference/bid opening
  - Award of construction contract
EN16024 – RP-1 Mixed Liquor Return Pumps

- Engineering Consultant: RMC Water and Environment
- Current Contract (Design): $468K
- Total Project Budget: $6.1M
- Scope of Work: Install mixed liquor return pumps/VFDs and flowmeter in the aeration basins
- Current Activities:
  - Open bids August 16, 2016
- Construction Completion: January 2018
- Percent Complete: 100%
- Focus Point:
  - Award the construction contract in September

Aeration Basin – 3D Design
INFORMATION ITEM

3B
Key SWP facilities:
- Lake Oroville
- Bay Delta
- San Luis Reservoir
- Edmonston Pumping Plant
- Pearblossom Pumping Plant
- Rialto Pipeline to IEUA
Journey to the Delta
Bay Delta Flows with Pumping

Bay Delta Flows without Pumping

Source: Mavens Notebook - Stressors in the Delta, C. Austin 2013
Delta FAQs

- Unique blend of small town communities, busy ship ports, popular recreation, farmland, industries and wildlife habitat
- Region where two of California’s largest rivers meet saltwater
- 700-mile maze of waterways with over 1,000 miles of levees
- Composed of +50 leveed tracts and islands
- Islands can be +20 feet below the water surface
- Hub of the States water distribution system with ~2/3 of Californians and millions of acres of farmland relying on the Delta for water
- Key Delta risks include: aging system, earthquakes, sea level rise and subsidence
- California WaterFix will update the State’s Water Supply System
INFORMATION ITEM

3C
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (08/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Christina Valencia
Chief Financial Officer/Assistant General Manager

Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Treasurer's Report of Financial Affairs

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the month ended June 30, 2016, is an informational item for the Board of Director's review.

BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended June 30, 2016, is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3).

Total cash, investments, and restricted deposits of $186,110,714 reflects a slight increase of $280,310 compared to the total reported for May 2016. There is no change in the average days of cash on hand for the month ended June 30, 2016 at 283 days. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. New connection fees collected and held by member agencies are excluded from the days of cash on hand calculation.

In preparation for the early repayment of the 2008A Revenue Bonds, a sinking fund has been established with an initial deposit of $5 million. The sinking fund reserves will be invested in securities with maturity terms aligned with the debt repayment schedule beginning in November 2017.
The Agency's investment portfolio average rate of return in June 2016 was 0.81%, an increase of 0.019% compared to the average yield of 0.791% reported in May 2016. The increase can be attributed to an increase in LAIF and medium term notes yields.

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: June 2016 Treasurer's Report of Financial Affairs

August 2016
Board Meeting
# Report of Financial Affairs

## Liquidity

<table>
<thead>
<tr>
<th>Description</th>
<th>June 2016 ($ million)</th>
<th>May 2016 ($ million)</th>
<th>Increase (Decrease) ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash, Investments, and Restricted Deposits</td>
<td>$186.1</td>
<td>$185.8</td>
<td>$0.3</td>
</tr>
<tr>
<td>Total Investment Portfolio</td>
<td>$116.6</td>
<td>$113.4</td>
<td>$3.2</td>
</tr>
<tr>
<td>Investment Portfolio Yield</td>
<td>0.810%</td>
<td>0.791%</td>
<td>0.019%</td>
</tr>
<tr>
<td>Weighted Average Duration (years)</td>
<td>0.86</td>
<td>0.85</td>
<td>0.01</td>
</tr>
<tr>
<td>Average Cash on Hand (days)</td>
<td>283</td>
<td>283</td>
<td>0</td>
</tr>
</tbody>
</table>

## Portfolio

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
<th>Allowable Threshold ($ million)</th>
<th>Investment Value ($ million)</th>
<th>Yield</th>
<th>Current Portfolio %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term, Under 1 Year:</td>
<td>LAIF</td>
<td>$65</td>
<td>$30.5</td>
<td>0.576%</td>
<td>26.0%</td>
</tr>
<tr>
<td></td>
<td>CalTrust</td>
<td>$20</td>
<td>$16.1</td>
<td>0.83%</td>
<td>14.0%</td>
</tr>
<tr>
<td></td>
<td>Citizens Business – Sweep</td>
<td>40%</td>
<td>$23.1</td>
<td>0.40%</td>
<td>20.0%</td>
</tr>
<tr>
<td></td>
<td>CAMP</td>
<td>$20</td>
<td>$5.0</td>
<td>0.51%</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Brokered CDs</td>
<td>30%</td>
<td>$0.7</td>
<td>0.82%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>US Treasury Note</td>
<td>n/a</td>
<td>$1.0</td>
<td>0.64%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>US Government Securities</td>
<td>n/a</td>
<td>$5.2</td>
<td>1.25%</td>
<td>4.0%</td>
</tr>
<tr>
<td>1 to 3 Years:</td>
<td>Brokered CDs</td>
<td>30%</td>
<td>$2.4</td>
<td>1.33%</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td>US Government Securities</td>
<td>n/a</td>
<td>$15.0</td>
<td>1.31%</td>
<td>13.0%</td>
</tr>
<tr>
<td></td>
<td>Medium Term Notes</td>
<td>10%</td>
<td>$9.6</td>
<td>1.28%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Over 3 Years:</td>
<td>Brokered CDs</td>
<td>30%</td>
<td>$0.8</td>
<td>2.36%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>US Government Securities</td>
<td>n/a</td>
<td>$7.2</td>
<td>1.37%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>
Day Cash On Hand
12 Months Rolling Average
Questions?

The Treasurer’s Report of Financial Affairs is consistent with the Agency’s business goal of fiscal responsibility
TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended June 30, 2016

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on June 17, 2015.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
June 30, 2016

<table>
<thead>
<tr>
<th>Cash, Bank Deposits, and Bank Investment Accounts</th>
<th>June</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizens Business Bank (CBB) Repurchase (Sweep)</td>
<td>$23,149,836</td>
<td>$22,982,475</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>30,498,647</td>
<td>30,498,767</td>
</tr>
<tr>
<td>Cal/Trust</td>
<td>16,052,880</td>
<td>16,008,098</td>
</tr>
<tr>
<td>California Asset Management Program (CAMP)</td>
<td>5,005,834</td>
<td>5,003,735</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>3,874,000</td>
<td>3,874,000</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>9,607,958</td>
<td>8,098,081</td>
</tr>
<tr>
<td>U.S. Treasury Notes</td>
<td>999,917</td>
<td>999,903</td>
</tr>
<tr>
<td>U.S. Government Sponsored Entities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>$116,616,357</td>
<td>$113,443,846</td>
</tr>
<tr>
<td><strong>Total Cash and Investments Available to the Agency</strong></td>
<td>$117,743,214</td>
<td>$117,369,496</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restricted Deposits</th>
<th>June</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Accounts</td>
<td>$2,544,729</td>
<td>$2,544,730</td>
</tr>
<tr>
<td>CCRA Deposits Held by Member Agencies</td>
<td>56,503,833</td>
<td>56,764,858</td>
</tr>
<tr>
<td>OPEB (CERBT) Account</td>
<td>9,318,938</td>
<td>9,151,320</td>
</tr>
<tr>
<td><strong>Total Restricted Deposits</strong></td>
<td>$68,367,500</td>
<td>$68,460,908</td>
</tr>
</tbody>
</table>

**Total Cash, Investments, and Restricted Deposits**

$186,110,714 $185,830,404
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
June 30, 2016

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Offset by CBB Sweep Balance) $824,475
CBB Workers' Compensation Account 59,899
Bank of America (BoFA) Payroll Account 55,430
BoFA Payroll Taxes Account 52,169
Subtotal Demand Deposits $991,973

Other Cash and Bank Accounts

Petty Cash $2,250
Subtotal Other Cash $2,250

US Bank Pre-Investment Money Market Account $132,634

Total Cash and Bank Accounts $1,126,857

Investments

CBB Repurchase (Sweep) Investments
Federal Home Loan $14,608,942
Fannie Mae 8,540,894
Subtotal CBB Repurchase (Sweep) $23,149,836

Local Agency Investment Fund (LAIF)
LAIF Non-Restricted Fund $30,498,647
Subtotal Local Agency Investment Fund $30,498,647

CalTrust
Short Term $10,084,675
Medium Term - Restricted 5,968,205
Subtotal CalTrust $16,052,880

California Asset Management Program (CAMP)
Pool $5,005,834
Subtotal CAMP $5,005,834
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
June 30, 2016

Investments Continued

Certificates of Deposit
Brokered Certificates of Deposit

Subtotal Certificates of Deposit $3,874,000

Medium Term Notes
John Deere Capital Corp. $1,001,065
Toyota Motor Credit Corp. 2,000,000
JP Morgan Chase & Co. 999,341
Johnson & Johnson 2,023,374
Microsoft 2,072,707
Wells Fargo Bank N.A. 1,511,471
Subtotal Medium Term Notes $9,607,958

U.S. Treasury Notes
Treasury Note $999,917
Subtotal U.S. Treasury Notes $999,917

U.S. Government Sponsored Entities
Fannie Mae Bank $6,249,469
Freddie Mac Bank 5,979,339
Federal Farm Credit Bank 11,199,295
Federal Home Loan Bank 3,999,182
Subtotal U.S. Government Sponsored Entities $27,427,285

Total Investments $116,616,357

Restricted Deposits

Debt Service Reserves
08B Debt Service Accounts $2,544,719
10A Debt Service Accounts 10
Subtotal Debt Service Reserves $2,544,729
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
June 30, 2016

CCRA Deposits Held by Member Agencies

<table>
<thead>
<tr>
<th>City</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chino</td>
<td>$13,267,270</td>
</tr>
<tr>
<td>Cucamonga Valley Water District</td>
<td>$12,606,876</td>
</tr>
<tr>
<td>City of Fontana</td>
<td>$9,169,174</td>
</tr>
<tr>
<td>City of Montclair</td>
<td>$2,588,902</td>
</tr>
<tr>
<td>City of Ontario</td>
<td>$9,954,989</td>
</tr>
<tr>
<td>City of Chino Hills</td>
<td>$5,161,840</td>
</tr>
<tr>
<td>City of Upland</td>
<td>$3,754,782</td>
</tr>
</tbody>
</table>

Subtotal CCRA Deposits Held by Member Agencies $56,503,833

CalPERS

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEB (CERBT) Account</td>
<td>$9,318,938</td>
</tr>
</tbody>
</table>

Subtotal CalPERS Accounts $9,318,938

Total Restricted Deposits $68,367,500

Total Cash, Investments, and Restricted Deposits as of June 30, 2016 $186,110,714

Total Cash, Investments, and Restricted Deposits as of 6/30/16 $186,110,714

Less: Total Cash, Investments, and Restricted Deposits as of 5/31/16 $185,830,404

Total Monthly Increase (Decrease) $280,310
## INLAND EMPIRE UTILITIES AGENCY
### Cash and Investment Summary
#### Month Ended
#### June 30, 2016

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>CHANGES IN Credit Rating</th>
<th>Par</th>
<th>Cost Basis</th>
<th>Term</th>
<th>June</th>
<th>% Coupon</th>
<th>% Yield to Maturity</th>
<th>Maturity</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Moody's</td>
<td>S&amp;P Moody's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash, Bank Deposits, and Bank Investment Accounts

- **Citizens Business Bank (CBB)**
  - Demand Account* $824,475 $824,475
  - Workers' Compensation Account $59,899 $59,899
  - Subtotal CBB Accounts $884,374 $884,374

- **Bank of America (BoA)**
  - Payroll Checking $55,430 $55,430
  - Payroll Tax Checking $52,169 $52,169
  - Subtotal B of A Accounts $107,599 $107,599

- **US Bank (USB)**
  - Vesteded Automated MMA $132,634 $132,634
  - Subtotal USB Account $132,634 $132,634

- **Petty Cash** $2,250 $2,250

**Total Cash, Bank Deposits and Bank Investment Accounts** $1,126,857 $1,126,857

*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance*

### Investments

- **CBB Daily Repurchase (Sweep) Accounts**
  - Federal Home Loan $14,608,942 $14,608,942
  - PennyMac $9,540,894 $9,540,894
  - Subtotal CBB Repurchase Accounts $23,149,836 $23,149,836

- **LAIF Accounts**
  - Non-Restricted Funds $30,498,647 $30,498,647
  - Subtotal LAIF Accounts $30,498,647 $30,498,647

- **CALTRUST Accounts**
  - Short-Term $10,084,675 $10,084,675
  - Medium-Term (Self Insurance Reserves) $5,968,205 $5,968,205
  - Subtotal CalTrust Accounts $16,052,880 $16,052,880

- **CAMP Accounts**
  - Short-Term $5,005,834 $5,005,834
  - Subtotal CAMP Accounts $5,005,834 $5,005,834

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

**Month Ended**

**June 30, 2016**

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Par</th>
<th>Cost Basis</th>
<th>Term</th>
<th>June</th>
<th>June</th>
<th>% Yield to Maturity</th>
<th>Maturity</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>@ Purchase</td>
<td>Amount</td>
<td>Amount</td>
<td>(Days)</td>
<td>Amortization</td>
<td>Value</td>
<td>Coupon</td>
<td>Date</td>
<td>Value</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>Moody's</td>
<td>S&amp;P</td>
<td>Moody's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Deere Capital Corp</td>
<td>A</td>
<td>A2</td>
<td>$1,000,000</td>
<td>$1,004,000</td>
<td>1,754</td>
<td>(68)</td>
<td>$1,001,065</td>
<td>1.20%</td>
</tr>
<tr>
<td>Toyota Motor Credit Corp</td>
<td>AA-</td>
<td>AA3</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,045</td>
<td></td>
<td>2,000,000</td>
<td>1.10%</td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co</td>
<td>A-</td>
<td>A3</td>
<td>1,000,000</td>
<td>999,000</td>
<td>1,037</td>
<td>29</td>
<td>999,341</td>
<td>1.63%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>AAA</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,027,480</td>
<td>1,044</td>
<td>(790)</td>
<td>2,023,374</td>
<td>1.65%</td>
</tr>
<tr>
<td>Microsoft</td>
<td>AAA</td>
<td>AAA</td>
<td>2,050,000</td>
<td>2,076,911</td>
<td>1,045</td>
<td>(760)</td>
<td>2,072,707</td>
<td>1.63%</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>AA-</td>
<td>Aa2</td>
<td>1,500,000</td>
<td>1,511,655</td>
<td>1,061</td>
<td>(184)</td>
<td>1,511,471</td>
<td>1.75%</td>
</tr>
</tbody>
</table>

Subtotal Medium Term Notes: $9,550,000 $9,618,826 ($1,779) $9,607,958 1.25% $9,634,166

### Total Investments


(Source of Investment Market Value: US Bank)

### Restricted Deposits

#### Debt Service and Arbitrage Accounts

| 09B Debt Service Accounts | $2,544,719 | $2,544,719 | N/A | N/A | $2,544,719 | 0.00% | $2,544,719 |

10A Debt Service Accounts

| 10 | 10 | N/A | N/A | 10 | 0.00% | 10 |

Total Debt Service Accounts

| $2,544,729 | $2,544,729 | $2,544,729 |

#### CCRA Deposits Held by Member Agencies

| City of Chino | $13,267,270 | $13,267,270 | N/A | N/A | $13,267,270 | N/A | $13,267,270 |
| Cucamonga Valley Water District | 12,506,876 | 12,506,876 | N/A | N/A | 12,605,876 | N/A | 12,605,876 |
| City of Fontana | 9,169,174 | 9,169,174 | N/A | N/A | 9,169,174 | N/A | 9,169,174 |
| City of Montclair | 2,588,902 | 2,588,902 | N/A | N/A | 2,588,902 | N/A | 2,588,902 |
| City of Ontario | 9,954,989 | 9,954,989 | N/A | N/A | 9,954,989 | N/A | 9,954,989 |
| City of Chino Hills | 5,161,840 | 5,161,840 | N/A | N/A | 5,161,840 | N/A | 5,161,840 |
| City of Upland | 3,754,782 | 3,754,782 | N/A | N/A | 3,754,782 | N/A | 3,754,782 |

Subtotal CCRA Deposits Held by Member Agencies

$56,503,033 $56,503,033 $56,503,033

(Reported total as of May 31, 2016 excluding CVWU)

#### CalPERS Deposits

| OPBB (CERST) Account | $9,000,000 | $9,000,000 | N/A | N/A | $9,318,938 | N/A | $9,318,938 |

Subtotal CalPERS Deposits

$9,000,000 $9,000,000 $9,318,938 $9,318,938

### Total Restricted Deposits

$60,048,562 $60,048,562 $60,347,500 $60,347,500

### Total Cash, Investments, and Restricted Deposits as of June 30, 2016

$185,751,616 $185,798,856 $186,110,714 $186,312,696
# INLAND EMPIRE UTILITIES AGENCY
## Cash and Investment Summary
### Month Ended
June 30, 2016

### June Purchases

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Transaction</th>
<th>Investment Security</th>
<th>Par Amount Purchased</th>
<th>Investment Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>06/09/16</td>
<td>Purchase</td>
<td>Fannie Mae Bond</td>
<td>$1,350,000</td>
<td>1.250%</td>
</tr>
<tr>
<td>2</td>
<td>06/10/16</td>
<td>Purchase</td>
<td>Fannie Mae Bond</td>
<td>$900,000</td>
<td>1.250%</td>
</tr>
<tr>
<td>3</td>
<td>06/13/16</td>
<td>Purchase</td>
<td>Weils Fargo Bank Medium Term Note</td>
<td>$1,500,000</td>
<td>1.480%</td>
</tr>
<tr>
<td>4</td>
<td>06/16/16</td>
<td>Purchase</td>
<td>Federal Farm Credit Bank Bond (Sinking Fund Reserves)</td>
<td>$5,195,000</td>
<td>0.681%</td>
</tr>
</tbody>
</table>

**Total Purchases**

$8,945,000

### June Investment Maturities, Calls & Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Transaction</th>
<th>Investment Security</th>
<th>Par Amount Matured/Sold</th>
<th>Investment Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>06/16/16</td>
<td>Call</td>
<td>Freddie Mac Bond</td>
<td>$2,000,000</td>
<td>0.850%</td>
</tr>
<tr>
<td>2</td>
<td>06/20/16</td>
<td>Maturity</td>
<td>Federal Home Loan Bank Bond</td>
<td>$2,000,000</td>
<td>0.375%</td>
</tr>
<tr>
<td>3</td>
<td>06/29/16</td>
<td>Call</td>
<td>Federal Home Loan Bank Bond</td>
<td>$2,000,000</td>
<td>1.200%</td>
</tr>
</tbody>
</table>

**Total Maturities, Calls & Sales**

$6,000,000
## INLAND EMPIRE UTILITIES AGENCY

### Cash and Investment Summary

Month Ended
June 30, 2016

### Directed Investment Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Invested</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBB Repurchase (Sweep)</td>
<td>$23,149,836</td>
<td>0.400%</td>
</tr>
<tr>
<td>LAIF</td>
<td>30,498,647</td>
<td>0.576%</td>
</tr>
<tr>
<td>CalTrust</td>
<td>16,052,880</td>
<td>0.634%</td>
</tr>
<tr>
<td>CAMP</td>
<td>5,005,834</td>
<td>0.510%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>9,607,958</td>
<td>1.245%</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td>999,917</td>
<td>0.640%</td>
</tr>
<tr>
<td>U.S. Government Sponsored Entities</td>
<td>27,427,285</td>
<td>1.224%</td>
</tr>
<tr>
<td><strong>Total Amount Invested</strong></td>
<td><strong>$112,742,357</strong></td>
<td><strong>0.789%</strong></td>
</tr>
</tbody>
</table>

### Bank Deposit and Investment Accounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Invested</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Banks - Brokered Certificates of Deposit</td>
<td>$3,874,000</td>
<td>1.426%</td>
</tr>
<tr>
<td>Bank of the West Money Market Account</td>
<td></td>
<td>0.000%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,874,000</strong></td>
<td><strong>1.426%</strong></td>
</tr>
</tbody>
</table>

### Total Investment Portfolio

#### Investment Portfolio Rate of Return

**$116,616,357**

**0.810%**

### Restricted/Transitory/Other Demand Accounts

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Invested</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCRA Deposits Held by Member Agencies</td>
<td>$56,503,833</td>
<td>N/A</td>
</tr>
<tr>
<td>CalPERS OPEB (CERBT) Account</td>
<td>9,318,938</td>
<td>1.330%</td>
</tr>
<tr>
<td>US Bank - 2008B Debt Service Accounts</td>
<td>2,544,719</td>
<td>0.000%</td>
</tr>
<tr>
<td>Citizens Business Bank - Demand Account</td>
<td>824,475</td>
<td>N/A</td>
</tr>
<tr>
<td>US Bank - 2010A Debt Service Accounts</td>
<td>10</td>
<td>0.000%</td>
</tr>
<tr>
<td>US Bank - Pre-Investment Money Market Account</td>
<td>132,634</td>
<td>0.010%</td>
</tr>
<tr>
<td>Citizens Business Bank - Workers' Compensation Account</td>
<td>59,899</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Accounts*</td>
<td>109,849</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Other Accounts</strong></td>
<td><strong>$69,494,357</strong></td>
<td><strong>0.000%</strong></td>
</tr>
</tbody>
</table>

### Average Yield of Other Accounts

**0.000%**

### Total Agency Directed Deposits

**$186,110,714**

---

*Note: Bank of America Payroll Deposits used as compensating balances for bank services.*
Inland Empire Utilities Agency
Treasurer’s Report of Financial Affairs
For the Month Ended June 30, 2016
Agency Investment Portfolio (net of escrow accounts)
$186,110,714

US Treasury Notes 1%
U.S. Government Sponsored Entities 15%
Certificates of Deposit 2%
Medium Term Notes 5%
CAMP 3%
Caltrust 9%
CBB Repurchase (Sweep) 12%
LAIF 16%
Restricted Accounts 37%
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended June 30, 2016
U.S. Government Sponsored Entities Portfolio
$27,427,285

- Federal Farm Bank 41%
- Fannie Mae Bonds 23%
- Freddie Mac Bonds 22%
- Federal Home Loan Bank Bonds 14%
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended June 30, 2016
Unrestricted Agency Investment Portfolio
$116,616,357

- Local Agency Investment Fund: 26%
- U.S. Government Sponsored Entities: 24%
- Caltrust: 14%
- CBB Repurchase (Sweep): 20%
- Medium Term Notes: 8%
- Certificates of Deposit: 3%
- USTreasuries: 1%
Inland Empire Utilities Agency
Treasurer’s Report of Financial Affairs
For the Month Ended June 30, 2016
Agency Investment Portfolio Maturity Distribution
$116,616,357

<table>
<thead>
<tr>
<th></th>
<th>0-30 Days</th>
<th>31-180 Days</th>
<th>181-365 Days</th>
<th>366-730 Days</th>
<th>2 to 3 Years</th>
<th>Over 3 Yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAIF + CalTrust+CAMP</td>
<td>$51,557,361</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking+Sweep</td>
<td>$23,149,836</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSE+CD+MTN+MUNI</td>
<td>$0</td>
<td>$999,917</td>
<td>$730,000</td>
<td>13,135,701</td>
<td>19,090,577</td>
<td>7,952,965</td>
</tr>
<tr>
<td>Percent</td>
<td>64.06%</td>
<td>0.86%</td>
<td>0.63%</td>
<td>11.26%</td>
<td>16.37%</td>
<td>6.62%</td>
</tr>
</tbody>
</table>
Inland Empire Utilities Agency
Treasurer’s Report of Financial Affairs
Agency Investment Portfolio Yield Comparison

Agency Yield  2008B Bond Rate  LAIF Yield  6 Months T-Bill
3D
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (8/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

August
  • August 12, San Bernardino County Water Conference, Ontario Convention Center - 2000 Convention Center Way, Ontario, CA 91764, 8 a.m. – 12 p.m.

September
  • September 14, Chino Day at the LA County Fair
  • September 16, Fontana and Ontario Day at the LA County Fair
  • September 22, Upland and Montclair Day at the LA County Fair
  • September 23, Chino Hills and Rancho Cucamonga Day at the LA County Fair

October
  • October 29, Landscape and Water Conservation Festival, Chino Basin Water Conservation District - 4594 San Bernardino St, Montclair, CA 91763, 9 a.m. – 2 p.m.

Outreach/Education - Civic Publications Newspaper Campaign
  • IEUA is working with Civic Publications to update the KickWaterWaste.com micro-site.
  • IEUA has developed an outreach plan with Civic Publications for FY 16/17 that includes email blasts and print ads.
**Public Outreach and Communication**
August 17, 2016
Page 2

**Media and Outreach**
- Staff has developed summer messaging tips and re-vamped the *Kick the Habit* logo to include a summer brand for messaging during the summer months. The tips focus on the State Water Resources Control Board’s permanent restrictions following the Governor’s Executive Order.
- Staff has updated the *Kick the Habit* movie trailer and began outreach through local theaters (Ontario Palace, Ontario Mills, Victoria Gardens). The campaign began on June 17 and will run for 14 weeks.
- A *Kick the Habit* ad ran in the *Champion Newspaper*’s Chino Jr. Fair section on July 2.
- A *Kick the Habit* ad ran in the *Champion Newspaper*’s Back to School section on July 30.
- A *Kick the Habit* ad ran in the *Champion Newspaper*’s Fall Connection on August 6.
- *Kick the Habit* bus advertisements in English and Spanish began on October 5, 2015 for an initial six month run and will continue to run for another six months. The ads are updated to include the summer messaging tips.
- In July, 28 items were posted to Facebook and 28 tweets were sent under the @IEUAWater Twitter handle.
- Staff developed social media messaging to highlight the new Pokémon app. The Chino Creek Wetlands and Educational Park is featured on the app as a “Pokéstop” location. The Park has experienced a drastic increase in number of visitors based on staff’s observations.
- Staff is working on developing/updating all facility brochures.

**Education and Outreach Updates**
- Staff has begun working on outreaching and scheduling Water Discovery field trips for program year 2016/17. To date, staff has received seven inquiries on scheduling field trips for the fall and received one busing mini-grant.
- Staff has begun scheduling outreach/program meetings with principals within the service area for school year 2016/17.
- Staff has submitted to MWD the 2017 Solar Cup Interest to Participate form to sponsor three teams. Teams will need to be identified by Thursday, September 7, 2016.
- Staff is working in cooperation with Chino Basin Water Conservation District and member agency representatives to plan the Landscape Water Conservation Festival held annually in October. The Water Conservation Fair will be held Saturday, October 29, 2016.
- Staff has awarded four schools the Garden in Every School® water-wise grant for program year 2016/17. Schools awarded include: Arroyo Elementary in Ontario, Rolling Ridge Elementary in Chino Hills, Townsend Junior High School in Chino Hills, and Montclair High School in Montclair. Staff will begin scheduling site inspections in August once schools return from summer break to determine site prep-work, establish a design, and set an installation timeline.

**PRIOR BOARD ACTION**

None.

G:\Board-Rec\2016\16217 Public Outreach and Communication August 2016.docx
**IMPACT ON BUDGET**

The above-mentioned activities are budgeted in the FY 2016/17 Administrative Services (GG) Fund, External Affairs Services budget.
INFORMATION ITEM

3E
Conversations Begin on Funding Mechanism for New Fiscal Year
With only 17 legislative days scheduled in the House in September ahead of the end of the current fiscal year, lawmakers have started to discuss a path forward on the appropriations process. Both the House and Senate Appropriations Committees have completed their work on the 12 annual funding bills ahead of the long recess, and both the House and Senate have devoted significant floor time to their consideration. Despite progress made in both the House and Senate, none of the individual appropriations bills has passed both chambers and made it to the president’s desk.

There was originally hope that the first appropriations bill would be finalized ahead of the recess. The House and Senate voted to conference the Military Construction-VA and supplemental Zika Appropriations bill, but the Senate has been unable to pass the final conference report. Ahead of the July 4th recess, the House brought up the conference report late in the evening with no debate and passed it largely along party lines. After the House voted to adopt the conference report, the Senate attempted to follow suit, but Democrats blocked its consideration over objections to the way the Zika provisions were paid for and policy riders impacting spending. Senate Republicans forced several votes on the Zika package before the recess, but Democratic filibusters prohibited consideration.

House leaders initially discussed attempting to conference additional appropriations bills with the Senate during the summer break, but those plans were scrapped over fears that there was not enough support within the Republican party for that plan. House leaders had hoped that conferenced appropriations bills would be ready for final passage in September ahead of the end of the fiscal year. Instead of advancing the 12 annual appropriations bills, conservative lawmakers have called for a 6-month continuing resolution to push funding decisions into the new year so a new congress and president will be able to negotiate a path forward.

When conservative House Republicans initially proposed a 6-month continuing resolution, Appropriators in the House and Senate pushed back on the notion. With a growing number of House Republicans warming to the idea, top Republican Senators have begun to indicate that the Senate might too move a stopgap funding measure that extends into next year. "I'm not so sure we'll see an omnibus," said Senate Majority Whip John Cornyn (R-TX). "We might see a
Innovative Federal Strategies LLC

continuing resolution, which, frankly nobody likes. But they like that a little less than they'd dislike an omnibus."

Despite stalled progress on the appropriations process, neither Senate Majority Leader Mitch McConnell (R-KY) or House Speaker Paul Ryan (R-WI) were willing to give up on efforts to complete individual appropriations bills. Both leaders have pledged this year to return to regular order with the ambitious goal of passing all twelve appropriations bills. "I want to get appropriations bills going. We're going to keep doing our work, and we're not going to foreclose any options. So we haven't made any decisions. And as a family, we're going to discuss, if we can't get all of our bills done, what's the best way to proceed," said Speaker Ryan.

It is important to note that top Democrats in the House and Senate have come out in opposition to a 6-month continuing resolution. Senate Minority Whip Dick Durbin (D-IL) said he would prefer Congress produce an omnibus sooner rather than later. He also suggested Congress could pass a series of "minibuses" or smaller combinations of spending bills. House Minority Whip Steny Hoyer (D-MD) has also come out against a long term stopgap measure in favor of an omnibus appropriations bill during the lame duck session of Congress.

With little hope that any of the appropriations bills will be completed before the new fiscal year begins on October 1, the House and Senate will have to come to an agreement on the length of a continuing resolution when they return in September. A continuing resolution would likely be written at the $1.067 trillion discretionary spending level set out for fiscal year 2016 in the Bipartisan Budget Act of 2015 rather than the $1.07 trillion allowed for in fiscal year 2017 under the agreement. The loss of $3 billion in discretionary appropriations and the inflexibility for agencies offered by a continuing resolution has led appropriators and defense-hawks alike to question its viability.

Congress Passes Comprehensive Addiction Legislation to Address Opioid Crisis

The House and Senate agreed to legislation aimed at helping states respond to the deadly opioid epidemic after a final conference agreement was reached between the House and Senate. Supporters of the legislation contend that the legislation will dramatically change the trajectory of the addiction crisis that has claimed thousands of lives across the United States. "This is a historic moment, the first time in decades that Congress has passed comprehensive addiction legislation, and the first time Congress has ever supported long-term addiction recovery," said Sen. Rob Portman (R-OH). "This is also the first time that we’ve treated addiction like the disease that it is, which will help put an end to the stigma that has surrounded addiction for too long," he continued.

Democrats called the bill a good first step, but said Congress must follow up with a big boost in federal funding to make a real dent in the opioid epidemic. While the legislation provides for the authorization of existing funding and the creation of new programs to fight the epidemic, the legislation itself provides for no new funding. "If we don’t do the money, it’s a lot happy talk without the oomph that we ought to have," Sen. Sherrod Brown (D-OH) said during debate on the legislation.
The bill—the Comprehensive Addiction and Recovery Act—authorizes $181 million in new federal money for programs aimed at addressing substance abuse problems related to heroin and opioids. It also promotes alternatives to incarceration for those with substance-abuse problems and expand access to naloxone, which reverses the effects of an opioid overdose.

In the White House's budget for fiscal year 2017, President Obama asked Congress for $1.1 billion to combat drug addiction. Congressional Democrats tried to add $920 million in new funding to the legislation, but those efforts were blocked by Republicans. Republicans contend that additional funding to fight drug abuse should be addressed in the annual federal appropriations bills. Republicans have noted that Congress increased funding for opioid related addiction programs in fiscal year 2016 and that they are on track to further increase funding in 2017.

**Senate Energy Committee Advances Drought Legislation with Republican Support**

After cancelling a markup in June, the Senate Energy Committee met in July to markup 43 bills to advance them to the floor for possible consideration by the full Senate. While most of the legislation was non-controversial and passed by voice-vote, drought legislation offered by Senator Jeff Flake (R-AZ) garnered comments from both sides before receiving the only recorded vote. Senator Flake's legislation ultimately passed the Senate Energy Committee with only Republican support. Senator Feinstein’s latest drought legislation was not considered at the Energy Committee markup.

Since its introduction, Senator Flake’s drought legislation has drawn criticism from Democrats who do not support many of the provisions included in the legislation. At the markup, Energy Committee Ranking Member Maria Cantwell (D-WA) laid out Democratic opposition before reiterating her support for the committee to pass a bipartisan drought package that will address drought in California and other western states.

Senator Flake offered an amendment to his legislation that stripped provisions related to voluntary contributions to the Lake Mead reservoir on the Colorado River while an administrative solution is worked out. That amendment was agreed to by voice vote.

While the legislation is now pending floor consideration in the Senate, it faces considerable hurdles to passage. House Democrats and the White House have objected to provisions similar to those included in the Flake legislation due to operational concerns within federal agencies. While it is likely that the legislation would be filibustered by Senate Democrats, President Obama would likely veto the legislation if it made it to his desk in its current form. He has threatened to veto similar legislation in the past. There is a possibility that the Flake bill could serve as the legislative vehicle for a drought bill later in the year if negotiations between Democrats and Republicans produce a compromise later this year.

**Congress Passes FAA Extension with Ontario Provision**

Congress approved a bipartisan bill to extend the authorization of the Federal Aviation Administration two days before the agency’s legal authority was set to expire on July 15. The legislation authorizes FAA programs at current funding levels through September 2017.
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The compromise short-term extension includes many of the provisions Senate leaders had pushed for and that were included in legislation previously passed by the Senate. It also presents a major setback for House Transportation Committee Chairman Bill Shuster (R-PA) by leaving out all references to removing air-traffic control operations from the FAA and placing them in a not-for-profit corporation. The bill also left out language related to streamlining FAA certification of new general-aviation aircraft and revising procedures for enhancing safety systems on existing models. The industry had been pressing hard for such changes. It also lacked rules to address flight-attendant fatigue.

The bill expands the paid PreCheck program offered by the Transportation Security Administration to trusted travelers who can go through speedier security screening lanes at airport. It tightens access controls and employee vetting standards for aviation workers with access to secure areas at airports and requires security assessments of all overseas airports serving the U.S.

Additionally, the legislation directs the FAA to make it easier for unmanned aircraft, or drones, to be deployed during disaster responses and wildfires. Another provision aims to create new processes to detect and mitigate unauthorized drone flights around airports and critical infrastructure. Some in the fast-growing drone industry have complained that the compromise bill doesn’t go far enough to accelerate expansion of commercial operations and doesn’t call for the FAA to lift restrictions on the smallest category of drones.

In addition to needed security provisions, the FAA reauthorization legislation provided the necessary authorization to allow for the transfer of the Ontario Airport to local control from the LAX Airport Authority. Similar stand-alone legislation had previously been passed by the House, but had failed to advance in the Senate. The FAA bill was signed into law on July 15.

Outlook for August

Both the House and Senate are scheduled to be in recess for the month of August. Lawmakers are scheduled to return after Labor Day through the end of September before recessing for the elections.
July 29, 2016

To: Inland Empire Utilities Agency

From: Michael Boccadoro
President

RE: July Legislative Report

Overview:
July was very quiet in Sacramento with the Legislature on summer recess until August 1. When Legislators return, they will have the month of August to finish all business before the session ends on August 31.

A revised set of principles for the governance of a prospective western regional grid operator was published in mid-July. Stakeholders have been working to create a governance structure of a regional authority that would operate and facilitate a western-wide power market. The revised proposal seeks to address concern that the original principles were too California focused. As the process continues there will be significant discussion about the details of any program. The Legislature would have to ultimately authorize California’s entrance into any sort of regional structure.

The State Water Resources Control Board (SWRCB) recently released its first drinking water maximum contaminant level (MCL) for 1,2,3-Trichloropropane (1,2,3-TCP) at five parts per trillion. The first MCL for the SWRCB since absorbing the Department of Public Health seeks to address contaminant levels in groundwater and is widely supported by the environmental community. Significant concerns remain about the process used by the state board to reach the MCL level.

SB 970 (Leyva), IEUA’s sponsored bill to promote the use of existing digester capacity at wastewater treatment plants for food waste diversion, successfully passed of the Assembly Natural Resources Committee on June 27. IEUA and WCA have been working with the author, stakeholders, the Senate Environmental Quality Committee and the Assembly Natural Resources Committee on amendments to the bill that add in some more specific considerations for CalRecycle to take regarding food waste diversion at wastewater treatment agencies when awarding grants from their Organics Grant Program.

In early June, federal fishery officials released a proposed plan calling for additional water to be released to the Pacific Ocean this summer to protect endangered juvenile winter-run Chinook salmon and delta smelt. A requirement to hold back more water in Folsom and Shasta reservoirs would mean a further reduction in allocations for both State Water Project and Central Valley Project contractors.

Stanford scientists have reported as much as three times more freshwater in the state’s groundwater aquifer than was previously observed. The water was discovered in eight different
counties, including the Central Valley, from 1,000-3,000 feet deep (as deep as 9,000 feet). Previous groundwater availability estimates were only as deep as 1,000 feet. The research was completed for Colusa, Yolo, Solano, Fresno, Kern, Santa Barbara, Ventura, and Los Angeles counties.

As the end of the legislative session nears, focus has turned to a small number of bills that could have broad impact across California. Legislation on amending Proposition 218 (SB 1298, Hertzberg) has been significantly scaled back to only address stormwater. AB 2909 (Levine) seeks to expedite water transfers has been significantly narrowed to only address reoccurring or environmental water transfers. Legislation to codify the Governor’s greenhouse gas reduction targets (SB 32, Pavley) is one of the biggest issues left for the Legislature. Ongoing discussions have so far failed to reach agreement on the specifics of the measure. Finally, SB 1383 (Lara) seeks to reduce short-lived climate pollutants by 2030. Both SB 32 and SB 1383 are facing significant opposition by the oil industry, the agricultural community as well as the broader business community, and could have a hard time receiving votes from the moderate Democrats in the Assembly. The California Chamber of Commerce has affixed the “Job Killer” label to SB 32, signaling an upcoming floor fight.

Inland Empire Utilities Agency
Status Report – July 2016

CAISO Expansion
A revised set of principles for the governance of a prospective western regional grid operator were published in mid-July. The revised proposal seeks to address concerns that the original principles were too California focused.

The California Independent System Operator has been in talks with other western states to create a broad western governance structure for the operation of the electric grid. The proposal for regional governance design would be developed by a committee composed of one representative from each state involved as well as representatives from nine industry sectors. Additionally, there is a separately incorporated Western States Committee tasked to provide policy direction on matters of collective state interest.

The modifications to the original proposal refine the general scope to preserve individual state authority and clarify that unanimous approval from both the boards and the Western States Committee would be needed to amend the bylaws protecting state authority. Additionally, refines the rules for participation in certain types of markets. Authors of the proposal hope that this will calm some of the concerns raised by Rocky Mountain states concerned about California trying to export its carbon and renewable energy policies.

For California, the latest amendments will be presented in a formal workshop and are subject to another round of comments before they are submitted to the Governor for possible presentation to the Legislature. If the Legislature approves the plan, the transmission committee would be formed.
**SWRCB Releases Draft MCL for 1,2,3-Trichloropropane**

The State Water Resources Control Board recently released its first drinking water maximum contaminant level (MCL) since the board assumed control of such regulations from the Department of Public Health in 2014.

The draft proposal, with adoption scheduled for Spring 2017, outlines a goal to set the MCL for 1,2,3-Trichloropropane (1,2,3-TCP) at five parts per trillion. 1,2,3-TCP was used for many years as an industrial solvent, for degreasing purposes, as well as an ingredient in soil fumigants widely used in agricultural operations. The compound has been detected at levels above 5 parts per trillion in nearly 500 groundwater wells, approximately a dozen of which are in southern San Bernardino County.

The proposed MCL requires a number of monitoring, cleanup, and other requirements for water agencies and responsible parties, starting in 2018. Water board staff estimate cleanup costs would be about $33 million.

Concern was raised from water board member Dorene D’Adamo over the methodologies used in proposing the MCL. She noted that the water board could face legal challenges if their methodologies are not sound.

Two workshops are scheduled for public discussion before the final proposal is released.

**SB 970 (Leyva) Update**

As reported last month, IEUA’s sponsored legislation, SB 970 (Leyva) was heard in the Assembly Natural Resources Committee on June 27. IEUA and WCA have been working with the consultants of the Assembly Natural Resources Committee and the Senate Environmental Quality Committee and recently amended the bill to add in some more language that allows CalRecycle to consider regional projects that leverage existing infrastructure when they consider applications in their Organics Grant Program.

The bill received some late opposition from the composting community and as a result, some of the recent enhancements were removed from the bill. Importantly, the bill still allows CalRecycle to raise the per-project cap for regional projects.

The bill is scheduled to be heard in the Assembly Appropriations Committee on August 10. If successful, it will be eligible for final consideration on the Assembly and Senate floors.

**Federal Fishery Officials Propose Holding Back Additional Water in Shasta**

In early June, federal fishery officials released a proposed plan calling for additional water to be released to the Pacific Ocean this summer to protect endangered juvenile winter-run Chinook salmon and delta smelt. A requirement to hold back more water in Folsom and Shasta reservoirs could mean a further reduction in allocations for both State Water Project and Central Valley Project contractors.

These proposed regulations came as a surprise after Northern California finally got decent precipitation and snowpack levels this winter. A coalition of stakeholders as well as 15 members
of Congress from California wrote letters urging federal officials to reconsider and reject the proposal.

Ultimately, the National Marine Fisheries Service and U.S. Fish and Wildlife Services officials chose an alternate plan that should not result in cutbacks to contracted farm water deliveries. The newly adopted plan will still allow for ample cool water for endangered winter-run Chinook salmon during the warm summer months.

The plan calls for the U.S. Bureau of Reclamation officials to closely monitor temperatures in Shasta Lake, to determine if the temperatures get too warm for the salmon. If they do, releases will be cut back to ensure cooler water is available. If project operators are unable to keep the Sacramento River cool enough, more cutbacks may still be in order for farmers who have already planned and planted crops for this year’s growing season.

**Stanford Study Reveals More Groundwater Storage**

Stanford scientists may have discovered as much as three times more freshwater in the state’s groundwater aquifer than was previously observed. The water was discovered in eight different counties, including the Central Valley, from 1,000-3,000 feet deep (as deep as 9,000 feet). Previous groundwater availability estimates were only as deep as 1,000 feet. The research was completed for Colusa, Yolo, Solano, Fresno, Kern, Santa Barbara, Ventura, and Los Angeles counties.

Due to the location and depths of the water, there are concerns that the water could be more saline, and that drilling that deep could cause additional land subsidence. Water quality concerns are also due to the water’s proximity to many oil and gas wells.

The authors of the study used state databases to analyze deeper water chemistry. Their results are based on an extrapolation of previous estimates and data from the California Department of Conservation’s Division of Oil, Gas and Geothermal Resources (DOGGR) database, which has data sheets on oil and gas fields and wells. The database includes not just fracking, but also injection wells and other activity. The researchers said this was a first order estimate, and more sampling is needed to refine their estimate, before studying what would happen as a result of pumping this far down for water.


**Legislative Update**

Before the Legislature recessed for their month-long summer break, all bills had to be out of their second-house policy committees. Bills that are still alive are now awaiting action in the Senate and Assembly Appropriations Committees. Bills must reach the floor by August 12 and both houses will be in floor sessions until the August 31 end of session deadline.

With the Legislature gone for the month of July, no action has occurred on any legislation. Below is a status report significant pieces of legislation still being considered:
SB 163 (Hertzberg): SB 163 was a “gut and amend” in August of 2015. The bill seeks to address the issue of ocean discharge of treated wastewater. The bill, as recently amended, would require 50 percent of all ocean outfall to be recycled and also declare “waste and unreasonable use” if recycled water is made available and not taken.

A broad coalition was formed to work on the legislation including the California Chamber of Commerce, WaterReuse, California Association of Sanitation Agencies, Metropolitan Water District of Southern California and many others. As the bill neared its first policy committee hearing, it became clear to Senator Hertzberg that there was significant concern among the committee members. During his first hearing, he offered up some amendments he thought would appease members of the committee. The committee ultimately agreed to let the Senator work on the amendments with the opponents and return for another hearing the following week. Parties were unable to come to an agreement and the Senator decided to drop the bill for the current session. However, he stated that this bill is one of his top priorities and he intends to re-introduce it in January.

SB 1298 (Hertzberg): The California Water Foundation has been working with Senator Hertzberg on a Proposition 218 fix to allow water agencies to adopt lifeline rates and adopt conservation-based rates without amending the California Constitution.

The bill has some significant opposition from California water agencies, including ACWA, who remain concerned that the bill is unconstitutional. Concern also is aimed at the term “indispensable” water use, which the measure utilizes to try to work around the Constitutional issues.

The bill was heard on June 29 in the Assembly Local Government committee. The author took amendments that are not in print yet, but the draft amendments (and subsequent amendments that were negotiated during July) removed all the lifeline and conservation based rates provisions from the bill.

The opposition parties to the bill are still looking at all of the amendments and deciding if they adequately address concerns.

AB 2909 (Levine): Assemblyman Marc Levine recently gutted a bill that is already over in the Senate and inserted language similar to his AB 2304, which did not make it out of Assembly appropriations committee earlier this year. His new bill is a pared down version of AB 2304 and only addresses reoccurring transfers and transfers that are environmentally beneficial. The bill requires the Department of Water Resources (DWR) to develop a 30-day review process for reoccurring transfers, exchange of water rights, point of diversion changes, and place of use changes if the transfer is reoccurring or for an environmentally beneficial use. Additionally, the bill requires DWR to set up a 30-day review process for reoccurring water transfers between contractors for State Water Project water and for reoccurring transfers that utilize the State Water Project facilities.

The bill was heard on June 28 in the Senate Natural Resources Committee where the bill passed.
ACWA has communicated with the author that they are in the midst of a process to develop their own language on water transfers and would like the Assemblyman to hold the bill and work with them on a bill next year. Deven Upadhyay from MWD is one of the co-chairs of the ACWA committee, ensuring strong for Southern California and contractor interests.

Climate Change Legislation
One of the hottest topics the legislature will consider in August is climate change. There are two bills, SB 32 (Pavley) and SB 1383 (Leyva) that attempt to address the future of California's climate change policy.

SB 32, and its companion measure AB 197 (E. Garcia) seek to give authorization to the California Air Resources Board to pursue greenhouse gas reduction strategies beyond 2020. In a perfect world, the bill would be authorized by a two-thirds vote of the Legislature because, as discussed in previous reports, there is concern the cap and trade program implemented by CARB to achieve the GHG reductions mandated in the original AB 32 is a tax. A two-thirds vote is required to authorize a tax and would leave no doubt and likely end all legal challenges to the program.

However, it will be very difficult to achieve that two-thirds threshold in the Assembly. The strong moderate Democratic caucus has serious reservations about the state's climate change programs and will be tough votes to earn, especially in this election year.

SB 1383 (Lara) deals with short-lived climate pollutants (SLCPs). The bill would authorize CARB to implement their SLCP strategy to reduce methane and hydrofluorocarbon by 40 percent and anthropogenic black carbon by 50 percent below 2013 levels by 2030.

The bill faces the same challenges as SB 32 does with the moderate Democratic caucus.

Both bills will continue to move through the process as discussions with the Governor’s office continue with opposing parties. It has been reported that the petroleum industry has been discussing easing of the Low Carbon Fuel Standard in return for support for SB 32 with the administration, but no language or formal deal has been announced. While many other stakeholders also have ongoing discussions with the authors and the administration, it remains unclear of these measures can secure the votes needed for passage.

Below are bills IEUA is tracking.
Congress returned from the July 4 break, but little was legislatively accomplished during their 10-day session. They returned late on July 5, but then adjourned for the back-to-back GOP and the D Convention on the 14th (Flag Day).

July was no different that previous months as external issues and factors, often sensational, dominated world and domestic attention. The election, violent shootings and an attempted coup in Turkey overwhelmed the 24/7 media coverage and public interest.

Meanwhile, the Congress became more and more mired in internal caucus conflicts. In other instances, differences between the House and Senate were primary factors.

The House actively discussed and considered a six-month CR (prospectively eliminating any budget fights with the Obama Administration on September 30 (end of the current fiscal year), but House Rs were unable to agree on a strategy. This key issue remains unresolved.

This Monthly Report will focus on the agenda of pending legislation:

(1) Appropriations. None of the 12 bills have been enacted. When Congress returns in September it will either pass the bills – one at a time – (unlikely) or pass some kind of CR
or Omnibus to fund Government in the next fiscal year beginning October 1. One of the issues, whether or not Congress will pass a six-month bill or some variation of that approach for which right now, there is no agreement and significant opposition.

(2) **Drought Bill(s).** DF’s drought bill was not included in a recent Energy Committee markup. Energy Committee Chair, Sen. Lisa Murkowski (R-AK) determined it was too controversial and could sink her otherwise largely non-controversial drought/western water bill. It is expected that Senator Feinstein will seek to add some part of her drought bill onto an end-of-session funding/appropriations/CR bill. Meanwhile House Majority Leader McCarthy is telling water agencies in his District that he’s in talks with Feinstein about the bill – which includes the extensive highly controversial Valadao language.

(3) **Colorado River Language (Flake).** The Arizona drought bill, advanced by Sen. Flake, was substantially modified. California and Colorado, along with the other basin states, signed off on the amended bill. The bill, amended, was included in the Senate Energy Committee markup, but the report is pending and no floor action has been scheduled yet.

(4) **Energy Bill.** Senate appointed Energy Bill Conferees after consulting with House Resources Committee Chair, Rep. Rob Bishop agreed not to pursue House amendments on a veto list from the White House (specifically the Valadao bill). Bishop reportedly agreed. The Senate moved forward. A day later, Bishop said he never made such a promise. Not promising. Whether or not a comprehensive energy bill can be successfully conferenced and enacted remains in doubt (the bill is Murkowski’s highest priority for 2016).

(5) **Tax Reform (Muni Bonds Deductibility).** Tax Reform legislation will NOT be considered this year, but the House is busy drafting a bill for 2017. Both parties at their respective conventions reported that “tax reform” to be a major priority. Both are positioning the issue for 2017 and beyond. At risk, the deductibility of municipal bonds – key funding mechanism for water districts and agencies throughout California and the Nation. A separate issue, the tax turf rebate remains unaddressed and unresolved. See additional comment below about the Tax Foundation report attacking the deductibility of muni-bonds.

(6) **Water Resources Development Act (WRDA) – the Water Softener Problem.** The Senate-committee passed WRDA bill contains a long-sought after provision authorizing the WaterSense program. At the request of IEUA, ACWA, WaterReuse, LA Sand and other, report language was added attempting to clarify that WaterSense would not promote water softener devices in salt-sensitive areas/regional (i.e. Southern California). Almost a dozen water groups and agencies held a conference call in late July to develop a plan for addressing this bill as it moves forward and goes to conference (Martha Davis, Drew Tatum and I participated).

(7) **Drought Status.** A heat “dome” covered most of the US in the second half of July.
Temperatures in Riverside reached 110 degrees (heat index in DC reached the same number. According to the Drought Monitor, all of California remains in drought, drought conditions are expanding in the far west. And, as before some 40% of the State is in extreme or exceptional status. Lake Mead is still dropping.

Other Developments. Fires and Federal Budgets. Throughout the West in General and specifically California, fires are getting worse, larger, hotter, more frequent and more damaging. As a result, the Interior Appropriations bill is being squeezed (significantly). Appropriators are trying to figure out how to financially manage these costs. Governor/Secretary Babbitt to Sacramento – To Work on Delta, Governor’s Water Plan. Governor Brown retained Babbitt to work on the Governor’s Plan and see if he can bring the various parties together. Housed at DWR in Sacramento, he has now initiated a series of listening meetings (still on-going). Federal Court Blocked Irrigation Water Contract Renewals. In late July, Federal judges blocked Bureau of Reclamation “roll-over” of water service and delivery contracts. The court ruling received little or no attention so far, but has, potentially, a significant impact. Muni Bonds Attacked. The Tax Foundation Paper published and circulated a paper highly critical of Muni Bonds Deductibility. Mayor Benjamin (Columbia, SC) and the Municipal Bonds for America coalition are preparing a vigorous response. Infrastructure – Centerpiece Policy for 2017. Both parties are now touting the need to invest in infrastructure.

Next? What happens next is unclear. More questions than knowledge. What Congress will do – or be capable of doing during September – is unknown. Beyond some kind of fund-the-federal-government plan, little is known. The legislative agenda, meanwhile is swelling with major domestic issues. In the past two weeks a new issue has all but exploded onto the scene – whether or not the Russians (or others) will try and hack election results and “direct” or “manipulate” the outcome. Whether or not an expected Lame Duck session will be held or not remains uncertain as well. The election outcomes – Presidency, Senate and House – will influence that decision.

August, it is expected, will be relatively quiet as well.

I’m including the Drought Bill Chart from last month (below) with updates.
<table>
<thead>
<tr>
<th>Bill</th>
<th>House Action</th>
<th>Senate Action</th>
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<tbody>
<tr>
<td>H.R. 2889 (Valadao)</td>
<td>Passed Full House, July 16, 2015</td>
<td>Senate Energy and Natural Resources Committee held hearing on 10/8/2015</td>
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<tr>
<td>S. 2533 (Feinstein)</td>
<td>No action.</td>
<td>Subcommittee Hearing held June 17, 2016</td>
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<tr>
<td>S. 2902 ( Flake, AZ)</td>
<td>No action.</td>
<td>Subcommittee Hearing held June 17, 2016, Bill incorporates sections from H.R. 2889. Passed Committee with Valadao provisions. Pending Senate Floor consideration.</td>
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<tr>
<td>FY 2017 Energy and Water Development Appropriations</td>
<td>Incorporates H.R. 2889</td>
<td>Contains funding for western drought and Report Language on real-time Delta Smelt monitoring</td>
</tr>
<tr>
<td>Energy Bill (Pending Conference)</td>
<td>Incorporate H.R. 2889</td>
<td>Not Included.</td>
</tr>
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</table>

Note: Chart adapted from ACWA.
3H
Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with Executive Management Team to review priority issues and to discuss activities for July that Executive Staff wanted accomplished
- Discussed Ontario Plume/Title XVI Funding
- Reviewed Chino Basin Water Bank project concept
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Reviewed Water Rates progress with member agencies and Regional Contract renewal.
- Continue to monitor statewide water issues including The Water Fix, water bond, and drought relief act activities. Made recommendation regarding the request for money from various state special funds.
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.
- Respond to requests for information from IEUA Directors.
3I
### Federal Legislation Matrix

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
<th>Summary/Status</th>
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<tr>
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<td><strong>Program</strong></td>
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<td>Title XVI</td>
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<td>WaterSMART</td>
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<td>Western Drought</td>
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The Senate Energy and Water Appropriations bill has passed the Senate. The Senate’s legislation included additional funding, but no authorization for western drought.

Since the House Energy and Water Appropriations bill failed to passed the House on a vote of 112-305, Subcommittee Chairman Mike Simpson (R-ID) has said he is looking for a path to bring the legislation back to the floor without the controversial amendments that caused Republicans to vote against the legislation. While House leaders originally hoped to attempt to conference the legislation during the recess, any attempt to conference spending bills was scrapped when conservatives called for a 6-month continuing resolution.

If the legislation is reintroduced in the House, we anticipate funding levels will remain relatively consistent. While amendments regarding LGBT rights and the North Carolina bathrooms will be removed, we anticipate that the drought provisions (Valadao bill) will continue to be included.

<p>| S.2533 | Sen. Dianne Feinstein (D-CA) | California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act | Senator Feinstein’s latest drought bill received its first hearing in the Water Subcommittee of the Energy and Natural Resources Committee along several other bills, including a western package introduced by Senator Jeff Flake (R-AZ). |
|        |         |                      | When the Committee met in July to markup legislation, Senator Feinstein’s bill was not considered. The Committee largely considered non-controversial legislation at that markup, with the only roll call vote occurring on Senator Flake’s drought legislation (more below). |
|        |         |                      | At the markup, it was noted that California lawmakers in both the House and Senate were still trying to forge a path forward on a compromise for their own state. In recent weeks, we have been told that negotiations between California House Republicans and California Senate Democrats have resumed. |</p>
<table>
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<tr>
<th>Bill</th>
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<th>Description</th>
<th>Summary</th>
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<tbody>
<tr>
<td>S.2902</td>
<td>Sen. Jeff Flake (R-AZ)</td>
<td>Western Water Supply and Planning Enhancement Act of 2016</td>
<td>Senator Flake’s drought legislation was advanced by the Senate Energy and Natural Resources Committee in July along party lines with a vote of 12-10. At the markup, Senator Flake offered an amendment that was accepted to strip provisions related to the Colorado River while an administrative solution is worked out. Senator Flake’s bill is cosponsored by several western state Republicans and contains many Republican priorities to deal with drought conditions in their home states. Included in the legislation are reforms at the Bureau of Reclamation that were originally proposed in legislation introduced by Rep. David Valadao in the House.</td>
</tr>
<tr>
<td>H.R.2898</td>
<td>Rep. David Valadao</td>
<td>Western Water and American Food Security Act of 2015</td>
<td>Passed the House. House Republicans have inserted the Valadao bill into several pieces of legislation currently moving through the House. Several provisions from his bill have been included in the Energy and Water Appropriations bill that failed in the House during the last week of May. The legislation was also included in the House Amendment to the Energy Policy Modernization Act. Most recently, Republicans included provisions of the legislation in the Interior-Environment Appropriations Bill and defeated efforts to strip those provisions through the amendment process on the floor.</td>
</tr>
<tr>
<td>S.2012</td>
<td>Sen. Lisa Murkowski</td>
<td>Energy Policy Modernization Act of 2015</td>
<td>The Energy Policy Modernization Act has passed both the House and Senate in different forms. Both the House and Senate have now agreed to conference the legislation. The House moved quickly to form a conference committee, but the Senate only agreed to go to conference when Senate Republicans and Democrats agreed to work together to push for the provisions included in their original bill. Both Senate Energy and Natural Resources Committee Chairwoman Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA) have agreed to push to keep provisions out of the legislation that the president has previously threatened to veto. The original Senate bill was the first broad energy reform policy bill in eight years considered by the Senate. The bill includes a number of policy priorities from both Republicans and Democrats and came as a result of months of negotiations, meetings outreach and other activities aimed at a truly bipartisan bill. The bill instead on fossil fuels and infrastructure: natural gas pipeline permitting, authorizing the main federal conservation fund, job training, updating the grid, as well as a push on energy efficiency. The legislation was brought back to the floor in April after an agreement was reached on amendments. While originally a target for energy tax breaks, those amendments were not added to the legislation.</td>
</tr>
<tr>
<td>Bill</td>
<td>Sponsor / Co-Sponsor</td>
<td>Legislation Title</td>
<td>Description</td>
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<tr>
<td>H.R.4470</td>
<td>Rep. Dan Kildee (D-MI) / Rep. Fred Upton (R-MI)</td>
<td>Safe Drinking Water Act Improved Compliance Awareness Act</td>
<td>The House took up the legislation during the final week of May. The House inserted its own substitute amendment that included a number of bills that have passed the House but have not advanced in the Senate, including H.R. 8—the energy bill that passed the House in 2015 along party lines. The substitute amendment also contains the Valadao drought bill passed by the House in 2015. After passing the substitute amendment, the House voted to go to conference with the Senate.</td>
</tr>
<tr>
<td>H.R.3143 /</td>
<td>Rep. Jerry McNerney (D-CA) / Sen. Tom Udall (D-MN)</td>
<td>Smart Energy and Water Efficiency Act of 2015</td>
<td>The House has approved legislation to clarify the Environmental Protection Agency’s authority to notify the public about danger from lead in their drinking water. The bill is the first approved by Congress to respond to the water crisis in Flint, Michigan. The legislation requires the Environmental Protection Agency to notify the public when concentrations of lead in drinking water rise above mandated levels and to create a plan to improve communication between the agency, utilities, states, and consumers. While the bill’s authors admit that the new legislation will not prevent future water contamination, they contend that it will prevent the situation from dragging out as has happened in Flint.</td>
</tr>
<tr>
<td>S.886</td>
<td></td>
<td></td>
<td>The legislation has not been taken up in the Senate.</td>
</tr>
<tr>
<td>H.R.5303 /</td>
<td>Rep. Bill Shuster (R-PA) / Sens. Jim Inhofe (R-OK) and</td>
<td>Water Resources Development Act of 2016</td>
<td>The Senate Environment and Public Works Committee has advanced its Water Resources Development legislation for consideration by the Senate. If’s successfully worked with ACWA on language included in the report accompanying the legislation establishing a WaterSense program. The report language is as follows:</td>
</tr>
<tr>
<td>S.2848</td>
<td>Barbara Boxer (D-CA)</td>
<td></td>
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</tbody>
</table>
“Section 7112 authorizes EPA’s voluntary WaterSense program that allows water efficient products, buildings, landscapes, facilities, processes, and service to bear a “WaterSense” label.

When developing the criteria for the WaterSense label, consideration should be given to ensure that the performance criteria do not directly or indirectly contribute to the degradation of waste streams treated by community sewer systems.”

The House Transportation and Infrastructure Committee marked up their version of the Water Resources Development Act and ordered it to be reported by voice vote. The Committee report still has not been filed in the House.

Both the House and Senate hope to complete consideration of the WRDA bill this year, putting the legislation back on to an every other year reauthorization.

While there was initially an effort to pass the legislation ahead of the recess in order to conference it over the long summer recess, neither the House or Senate considered the legislation on the floor in July.

The House passed its Interior-Environment Appropriations Bill at the end of July. In addition to the normal funding, the legislation includes provisions aimed at curbing the environmental agenda of the Obama Administration. Those provisions include:

- prohibiting the implementation of the “waters of the United States” regulatory definition (currently on hold by the courts),
- prohibiting EPA from implementing new greenhouse gas regulations for new or existing power plants;
- eliminating funding for greenhouse gas “New Source Performance Standards”;
- prohibiting EPA from changing the definition of “fill materials”;
- prohibitions on new methane requirements; and
- prohibitions on changes to the “stream buffer rule”.

The White House has come out in opposition to the House bill.

The Senate bill, which passed out of the Senate Appropriations Committee along party lines also includes a prohibition to the implementation of the “waters of the United States regulatory definition. The Senate legislation has not been considered on the floor.
INFORMATION ITEM

3J
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
<th>Summary/Status</th>
<th>IEUA Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 1704</td>
<td>Dodd</td>
<td>Water Rights</td>
<td>The Water Rights Permitting Reform Act of 1988 provides that the State Water Resources Control Board is not required to adopt general conditions for small irrigation use until the board determines that funds are available for that purpose and that a registration for small irrigation use pursuant to the act is not authorized until the board establishes general conditions for small irrigation use to protect instream beneficial uses, as specified. This bill would require the board, on or before January 1, 2018, to adopt general conditions that would permit a registrant to construct a facility that would store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow, as specified.</td>
<td>6/20 Gut and Amend</td>
</tr>
<tr>
<td>AB 1713</td>
<td>Eggman</td>
<td>Sacramento-San Joaquin Delta: peripheral canal</td>
<td>Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>AB 1738</td>
<td>McCarty</td>
<td>Building Standards: Dark Graywater</td>
<td>Would define &quot;dark graywater&quot; as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.</td>
<td>DEAD</td>
</tr>
<tr>
<td>AB 1749</td>
<td>Mathis</td>
<td>California Environmental Quality Act: exemption: City of Porterville</td>
<td>Would, until January 1, 2021, exempt from the California Environmental Quality Act's requirements a water treatment project determined by the City of Porterville as the best option based on a certain feasibility study, as provided. This bill contains other related provisions.</td>
<td>6/15 Gut and Amend</td>
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<tr>
<td>Bill</td>
<td>Author</td>
<td>Title</td>
<td>Description</td>
<td>Committee</td>
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<tr>
<td>AB 1755</td>
<td>Dodd</td>
<td>The Open and Transparent Water Data Act</td>
<td>Would enact the Open and Transparent Water Data Act. The act would require the Department of Water Resources to establish a public benefit corporation that would create and manage (1) a statewide water information system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse for water transfer information that would include a database of historic water transfers and transfers pending responsible agency approval and a public forum to exchange information on water market issues.</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>AB 1842</td>
<td>Levine</td>
<td>Water Pollution: Fines</td>
<td>Current law imposes a maximum civil penalty of $25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than $10 for each gallon or pound of polluting material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party.</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 1925</td>
<td>Chang</td>
<td>Desalination: Statewide Goal</td>
<td>The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030.</td>
<td>DEAD</td>
</tr>
<tr>
<td>AB 2206</td>
<td>Williams</td>
<td>Renewable Gas</td>
<td>Would require the State Air Resources Board, in coordination with the Public Utilities Commission and State Energy Resources and Conservation Development Commission, to consider and, as appropriate, adopt a policy or programs to increase the production and use of renewable gas, as specified, generated by either an eligible renewable energy resource that meets the requirements of the California Renewables Portfolio Standard Program or direct solar energy, as specified.</td>
<td>6/25 Gut and Amend</td>
</tr>
<tr>
<td>AB 2304</td>
<td>Levine</td>
<td>California Market Water Exchange</td>
<td>Would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange.</td>
<td>DEAD</td>
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<td></td>
<td>Failed Passage Assembly Appropriations Committee</td>
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<tr>
<td>AB 2313</td>
<td>Williams</td>
<td>Renewable Natural Gas</td>
<td>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. This bill would require the state board to study and evaluate a strategy or strategies to increase the in-state production and use of renewable natural gas, as defined, to further specified goals.</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 2488</td>
<td>Dababneh</td>
<td>Protected species: unarmored threespine stickleback: taking or possession.</td>
<td>Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the take of the unarmored threespine stickleback (Gasterosteus aculeatus williamsoni) attributable to the periodic dewatering, inspection, maintenance, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, as specified, if certain conditions are satisfied.</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 2583</td>
<td>Frazier</td>
<td>Sacramento-San Joaquin Delta Reform Act of 2009</td>
<td>Would add a definition of the California Water Fix to the Sacramento-San Joaquin Delta Reform Act of 2009. This bill would eliminate certain provisions applicable to the BDCP and would revise other provisions to instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coequal goals. This bill contains other related provisions and other existing laws.</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>AB 2702</td>
<td>Atkins</td>
<td>Climate Change</td>
<td>Would state the intent of the Legislature to enact legislation that would continue the work with local governments, state agencies, and others to meet the goals set forth in Governor Brown's Under 2 MOU, which brings together subnational governments willing to commit to either reducing the emissions of greenhouse gases 80% to 95% below 1990 levels by 2050 or achieving a per capita annual emissions target of less than 2 metric tons of carbon dioxide equivalent by 2050.</td>
<td>DEAD</td>
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<td>Failed Assembly Appropriations Suspense</td>
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<tr>
<td>Bill</td>
<td>Sponsor</td>
<td>Description</td>
<td>Status</td>
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<tr>
<td>ACA-8</td>
<td>Bloom</td>
<td>Local government financing: water facilities and infrastructure: voter approval</td>
<td>Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.</td>
<td></td>
</tr>
<tr>
<td>SB 163</td>
<td>Hertzberg</td>
<td>Wastewater treatment: recycled water</td>
<td>Would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill, on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes.</td>
<td></td>
</tr>
<tr>
<td>SB 885</td>
<td>Wolk</td>
<td>Construction Contracts: Indemnity</td>
<td>Would specify, with certain exceptions, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend himself or herself from claims or lawsuits that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims or lawsuits against any other person or entity arising from a construction project, except that person's or entity's reasonable defense costs arising out of the design professional's degree of fault, as specified.</td>
<td></td>
</tr>
<tr>
<td>SB 1043</td>
<td>Allen</td>
<td>Renewable gas: biogas and biomethane</td>
<td>Would require the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of renewable gas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the</td>
<td></td>
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<tr>
<td>Bill</td>
<td>Author</td>
<td>Description</td>
<td>Status</td>
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<tr>
<td>SB 1318</td>
<td>Wolk</td>
<td>Local government: drinking water infrastructure or services: wastewater infrastructure or services</td>
<td>DEAD</td>
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<tr>
<td></td>
<td></td>
<td>Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. This bill contains other related provisions and other existing laws.</td>
<td>Dropped by author</td>
<td></td>
</tr>
</tbody>
</table>
INFORMATION ITEM

3K
Planning & Environmental Resources
Salinity Update
Regional Commitment to Salinity Management Key to Recycled Water

- Maximum Benefit Plan enables use of recycled water (irrigation & GWR)
- Commitment to RWQCB/SWRCB to implement regional programs to manage/reduce TDS as part of the OBMP and Maximum Benefit Plan
- Region has been working for past 15+ years to meet this commitment
  - Chino Basin Desalters (40,000 AF)
  - Self-generating water softener use ordinance
  - Brine line discharge requirements for high TDS industrial users
  - Chemical use optimization in the WWTP
  - Securing high quality supplemental water

August 10, 2016
IEUA Board of Directors Meeting
Public, Legislative Affairs & Water Resources Committee
Salinity in the water supply

- Local water supply TDS is affected by SWP TDS
- 12-year SWP average: +10 mg/L per year
- SWP +10 mg/L results in +2 mg/L in local water supply*

*assumes 50,000 AFY of SWP, and total demand of 200,000 AFY
<table>
<thead>
<tr>
<th>Year</th>
<th>State Water Project TDS</th>
<th>IEUA Water Supply (local + SWP) TDS</th>
<th>Effluent TDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>285</td>
<td>238</td>
<td>499</td>
</tr>
<tr>
<td>2016</td>
<td>370</td>
<td>285</td>
<td>507</td>
</tr>
<tr>
<td>Potential</td>
<td>450</td>
<td>302</td>
<td>550</td>
</tr>
</tbody>
</table>

- SWP is 20 - 30% IEUA supply
- Total RW TDS cannot exceed 550 mg/L
TDS is an inclining trend...

### TDS Trend

<table>
<thead>
<tr>
<th>TDS Trend</th>
<th>Water Supply TDS Annual Increase</th>
<th>Effluent TDS Annual Increase</th>
<th>Year Effluent TDS Limit of 550 mg/L is Reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Years</td>
<td>1.8 mg/L</td>
<td>1.9 mg/L</td>
<td>2026 - 2027</td>
</tr>
<tr>
<td>10 Years</td>
<td>4.4 mg/L</td>
<td>3.3 mg/L</td>
<td>2020 - 2022</td>
</tr>
<tr>
<td>5 Years</td>
<td>12.5 mg/L</td>
<td>15.7 mg/L</td>
<td>2017 - 2018</td>
</tr>
</tbody>
</table>
What happens if RW TDS exceeds 550 mg/L?

Could result in:

- Mandatory penalties/ Notice of Violation
- Cease and desist order from RWQCB
- Prohibition on use of recycled water for groundwater recharge
- Requirements for additional TDS management:
  - Construction of additional groundwater desalters
  - Desalting of recycled water (advanced treatment)
Alignment with planning initiatives

Options for long term salinity management

- Manage source water supply portfolio
- Investment opportunities:
  - SARCCUP & Groundwater Banking
  - Low Impact Development/rainwater infiltration
  - Local projects to increase groundwater yield
  - Advanced treatment of recycled water

IRP Phase 2 discussions

Inland Empire Utilities Agency
A Municipal Water District

August 10, 2016
IEUA Board of Directors Meeting
Public, Legislative Affairs & Water Resources Committee
INFORMATION ITEM

3L
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (08/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Resources

Subject: Chino Basin Water Storage and Recovery

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

The Chino Groundwater Basin contains about 5.7 million acre-feet (MAF) of water in storage, and has an unused storage capacity of over 1 MAF. The basin has been sustainably managed for nearly 40 years under the 1978 stipulated Chino Basin Judgment and overseen by the Chino Basin Watermaster process and the continuing jurisdiction of the California Superior Court.

Local retail water agencies have invested hundreds of millions of ratepayer dollars to build local infrastructure which allows for maximum beneficial use of local groundwater. Chino Basin parties are seeking to build on this success through full utilization of available basin storage for the benefit of their ratepayers. The Judgment and subsequent party agreements recognize the value of the basin’s unused groundwater storage capacity and are written to facilitate the creation of storage and recovery programs, subject to Watermaster control and regulation, for public benefit. The Chino Basin parties have also self-imposed a limit to their combined supplemental storage account levels to ensure sufficient space for larger storage programs.

In order to coordinate the development of Chino Basin storage, parties have begun to discuss the formation of a Chino Basin Water Bank (CBWB). The CBWB would bring together major producing parties and Inland Empire Utilities Agency (IEUA), the region’s supplemental water provider, and apply to Watermaster for the right to create a comprehensive storage and recovery program under existing basin rules and with a dedicated quantity of basin storage. The CBWB
would then make this quantity of storage available to outside parties, who would pay for this access by “leaving behind” a certain quantity of water they place in storage. CBWB parties would benefit directly through increased groundwater supplies, and the Chino Basin would generally experience improved groundwater levels and water quality.

Additionally, the CBWB would facilitate the Chino Basin’s participation in the Santa Ana Regional Conservation and Conjunctive Use Program (SARCCUP), a watershed-wide conjunctive use program that has received $54 million in state Proposition 84 funds.

Staff is presenting for the Board’s information a cost-sharing agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District to fund the initial steps in the formation of the CBWB. The agreement envisions hiring Sierra Water Group, Inc., to conduct an evaluation of the proposed bank structure and potential economic benefits, and Best Best & Krieger LLP to draft a Joint Power Agreement (JPA) which defines bank governance and the roles and responsibilities of its partners. Each task would be managed by a party to the agreement and would be for a not-to-exceed cost. The parties have agreed to a total not-to-exceed cost of $200,000. Each of the four parties would share in one-fourth of the total cost, or $50,000.

The agreement is attached. Also attached is a draft outline of the CBWB’s goals, concepts, and principles. This agreement is consistent with the Agency’s Business Goal of increasing Water Reliability by meeting the region’s need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

**PRIOR BOARD ACTION**

None

**IMPACT ON BUDGET**

The budget for the contract amount is included in the FY 2016/2017 Water Fund (WW), Project No WR16025, WW Planning Documents.

Attachments:  Chino Basin Water Bank Concept
              Cost Share Letter Agreement
Chino Basin Water Bank (CBWB) Goals/Concepts/Principles
(As developed by CVWD, MVWD, Ontario and IEUA April 2016)

Key Drivers for a Water Banking Program

- Promote, implement and coordinate storage and recovery programs within the Chino Groundwater Basin for local, regional and statewide benefits
- No individual entity presently exists to accomplish this goal in a coordinated and efficient manner. The CBWB would bring together the region's supplemental water provider, major parties to the Chino Basin Adjudication, and the owner-operators of the region's GW recharge, surface water treatment and GW production facilities to accomplish CBWB goals.
- Aligns with longstanding vision of Chino Basin parties to maximize storage and beneficial use of basin (guided, but not limited by OBMP/CAMA documents)

Water Banking Program Benefits/Opportunities

- Provide the ability for non-local parties/entities to store water on-top of Chino Basin water and provide benefits to all parties involved
  - Local/regional benefits – water quality, financial, regional economic growth and water supply reliability
  - External benefits – improved reliability and reduced long term costs
  - Environmental benefits – opportunities for State to store water to support delta fisheries
- Storage and use of supplemental water transfers/exchanges into the Chino Basin
- Maximize the full benefits of existing production/storage rights and assets (aquifer and facilities) to generate revenue for basin reinvestment
  - Lease storage space (3rd party investment) to fund basin improvements
  - Buy and hold water for future water use/sale
  - Revenues through storage/recovery programs shall be used to equitably fund additional CBWB infrastructure, provide additional system reliability, reduce costs and maximize the benefits of the CBWB parties and local ratepayers
- Support existing/proposed programs
  - Existing: DYY, general and Desalter Replenishment
  - Proposed: SARCCUP
- Parties must be able to move water in/out of bank independently (for member specific funded item) or in partnership with other CBWB parties
- Develop and promote policies at local, regional and statewide levels to further the CBWB goals
Governance of CBWB

- Membership
  - Imported water facilities (WFA/CVWD)
  - Supplemental and recharge water (IEUA)
  - Injection/discharge facilities (AP parties?)
- Independent CEO and staff to effectively manage CBWB program and goals
- Decision making/control
  - Joint Powers Authority w/ assigned representation from each member
  - Weighted vote basis – by investment value/water/etc?
- Financials
  - Buy-in (initial capitalization of program) – establish minimum investment/water/money to become member
  - Financially stable and self-sufficient, but not for profit
  - Storage fee – fund administration/reinvestment

Interface with Watermaster

- CBWM Storage Application by CBWB and pay all appropriate fees/costs
- Interchangeability between CBWB and individual storage accounts
- Opportunity to develop joint facilities with CBWM and potential cost share

Next Steps and Development of Idea

- Hire/identify someone to help explore and develop the approach and terms
- Initial membership and/or development team
- In parallel to SARCCUP and Storage Management Plan
- Develop JPA Charter/Plan
July 27, 2016

Mark Kinsey
Monte Vista Water District (MVWD)
10575 Central Avenue – P.O. Box 71
Montclair, CA 91763

Martin Zvirbulis
Cucamonga Valley Water District (CVWD)
10440 Ashford Street – P.O. Box 638
Rancho Cucamonga, California 91729

Al C. Boling
City of Ontario
303 E. “B” Street
Ontario, CA 91764

Re: Cost Sharing Letter Agreement
Chino Basin Water Bank Feasibility Review and Foundational Document Development

This Cost Sharing Letter Agreement ("Agreement") sets forth the understanding between the undersigned parties regarding the sharing of costs for legal and consultant support services for the Chino Basin Water Bank (CBWB). This Agreement will cover a variety of feasibility review tasks as well as foundational document development.

The Parties recognize that there are various regional efforts, occurring now and planned for the near future, that relate to storage in the Chino Groundwater Basin. Among these include the Chino Basin Safe Yield Reset, Chino Basin Storage Management Plan, Santa Ana River Conservation and Conjunctive Use Program, and other efforts related to continued implementation of the Optimum Basin Management Plan such as water quality management and planning for Desalter Replenishment. As a result, the Parties desire to initiate certain due diligence and feasibility work to facilitate implementation of these regional efforts.

Inland Empire Utilities Agency, a Municipal Water District, ("IEUA") and the undersigned parties (collectively referred to as "Parties" and individually as "Party") hereby agree to equally share the cost of legal and consultant support services pursuant to the provisions set forth below.

1. Scope of Services

As of the date of this Agreement, there are several tasks that have been identified as necessary to complete the feasibility review and foundational document development for the CBWB. It is expected that over the next several months, additional consultant services will be required to complete these tasks. As these services are identified, this Agreement will be amended with revised total Agreement costs for concurrence by all Parties prior to commencing new work.
A summary of the current Scope of Services are as follows:

A. Joint Power Agreement (JPA) Development
This task will involve the drafting of the CBWB JPA – specifically defining JPA governance and the roles/responsibilities of the partners. It is expected that this effort will aid the Parties in determining the best governance for a bank in the Chino Basin.

B. Water Bank Structure Evaluation
This task will include a technical, financial and governance alternatives analysis of water banking mechanics – it is expected that this evaluation will aid the Parties in determining the best structure for a bank in the Chino Basin.

C. Economic Benefit Evaluation
This task will include the evaluation of the anticipated economic benefits to the Parties to this Agreement as well as the regional benefits as a whole.

2. Cost Sharing

Different Parties to this Agreement will serve as the lead agency in contracting with and managing services provided by identified Consultant (as stated below). Cost sharing for each of the items identified below shall be shared (equally) as one fourth of the total cost per party.

A. Joint Power Agreement (JPA) Development
CVWD (Lead Agency) has entered into, or intends to enter into, an agreement with Best Best & Krieger LLP (Consultant) for performance of the Scope with a not-to-exceed cost of $20,000.00 (Compensation).

B. Water Bank Structure Evaluation
IEUA (Lead Agency) has entered into an agreement with Sierra Water Group, Inc. (Consultant) for performance of the Scope with a not-to-exceed cost of $9,975.00 (Compensation).

C. Economic Benefit Evaluation
IEUA (Lead Agency) intends to enter into an agreement with a consultant for performance of the Scope with a not-to-exceed cost of $30,000.00 (Compensation).

D. Cost Sharing Between the Undersigned Parties
The Parties hereto each agree to be responsible for reimbursement of the payments made under the aforementioned agreements with Consultants not to exceed one fourth of the total cost or $50,000.00 per party as follows:

(i) Upon receipt by the Lead Agency of each written statement from Consultant regarding the amount due and owing for the applicable time period (Progress Payment), the Lead Agency shall be responsible for payment to Consultant for the amount due and owing.
(ii) The Parties shall be responsible for payment of an equal share of the amount due and owing under each Progress Payment to be billed by the Lead Agency to each Party, quarterly. None of the Parties shall be responsible for payment of any amounts in excess of its share as set forth herein, without the prior written consent of the Party being requested to pay such additional amount.

(iii) The Lead Agency shall provide a copy of the Progress Payment to each Party along with a cover letter setting forth the calculation of the share due and owing by each Party. Within thirty (30) days of the date of said cover letter (Invoice), each Party shall submit payment to the Lead Agency for its share as set forth in this Agreement.

3. **Effective Date and Term**

This Agreement shall be effective on the date of full execution of this Agreement by all of the Parties (Effective Date). The term of this Agreement shall be from the Effective Date to the date of completion of performance of the Scope under the Consultant Contracts pursuant to the schedule set forth in Exhibit A and other schedules and deadlines as may be determined by the Parties and Consultant, but shall not be later than December 31, 2017. The Parties may elect to extend the term with prior written consent of the Parties by an amendment to this Agreement.

4. **General Provisions**

   A. **Indemnification**

   Each Party agrees to defend, indemnify and hold harmless the other Parties and its officers, directors, agents, employees, servants and volunteers from any and all liability, judgements, expenses, including defense costs and legal fees, and claims for damages of any nature whatsoever, arising from or connected with the Parties activities under this Agreement.

   B. **Other Parties**

   Upon concurrence of the parties hereto, other interested parties may be added to this agreement by written amendment. Prior to the addition of any party, the cost allocation shall be agreed to so that all parties hereto pay an equal share of the total costs incurred as authorized by this Agreement.

   C. **Notices**

   Written correspondence to be given to any party must be given by personal delivery or by registered or certified mail addressed and delivered as set forth below in the signature blocks for each Party.

   D. **Representation of Authority**

   Each Party represents to the other that it has the authority to enter into this Agreement and that the individual signing this Agreement on behalf of their respective Party has the authority to execute this Agreement and to bind their respective Party to the terms and conditions of this Agreement.
E. Counterparts
This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

F. Governing Law
This Agreement shall be governed by and construed in accordance with the laws of the State of California in the County of San Bernardino.

G. Cooperation.
The Parties acknowledge that they are entering into an arrangement in which the cooperation of all of the Parties will be required, and may include the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and review and submit timely documents for the benefit of the CBWB.

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT

INLAND EMPIRE UTILITY AGENCY

By: ________________________________
P. Joseph Grindstaff, General Manager

Dated: ____________________________

P.O Box 9020
Chino Hills, CA 91709

MONTE VISTA WATER DISTRICT

By: ________________________________
Mark Kinsey, General Manager

Dated: ____________________________

P.O. Box 71
Montclair, CA 91763

CUCAMONGA VALLEY WATER DISTRICT

By: ________________________________
Martin Zvirbulis, General Manager

Dated: ____________________________

P.O. Box 638
Rancho Cucamonga, California 91729

ONTARIO MUNICIPAL UTILITIES COMPANY

By: ________________________________
Al C. Boling, City Manager

Dated: ____________________________

303 E. “B” Street
Ontario, CA 91764
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (8/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Shaun Stone
Manager of Engineering

Subject: RP-1/RP-5 Expansion Preliminary Design Report (PDR) Update

RECOMMENDATION

This is an informational item for the Board of Directors.

BACKGROUND

On January 20, 2016, the Board of Directors awarded the Contract for Engineering Preliminary Design Services for the RP-1/RP-5 Expansion Preliminary Design Report (PDR) to Parsons Water & Infrastructure Inc. The Parsons/Agency project technical team initiated work on the first series of preliminary predesign technical memorandums, which included:

1. Decommissioning of Carbon Canyon Water Recycling Facility (CCWRF)
2. Elimination of Primary Effluent Flow Equalization
3. Onsite Centrate Treatment and Offsite Recycle Flow Discharge
4. RP-5 Liquids Treatment Alternative Technology, Secondary Treatment
5. Ultimate Expansion of RP-5

On May 11, 2016, Agency staff conducted the first Board Workshop covering the topics of the first series of technical memorandums and provided the following recommendations:

- Maintain operations of CCWRF indefinitely while completing the appropriate level of repair and refurbishment asset management projects to ensure safe and compliant operation of the facility.
- RP-5 Secondary Treatment will be accomplished through a membrane bio-reactor (MBR) process, which will simplify operations of the facility and improve effluent water quality.
Under the current expansion project, fully expand RP-5 to 30 MGD, ultimate flow of the facility with CCWRF in operation, as this approach provided the lowest lifecycle cost for the ultimate expansion of the facility.

Since the first Board Workshop, the Parsons/Agency project technical team has begun work on the second series of technical memorandums for the PDR. The second series of technical memorandums will provide much of the basis for the treatment processes of the new facilities and is detailed in Table 1 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RP-5 Liquids Treatment</td>
<td>Influent Pump Station, Screening, Grit Removal, Primary Clarification, Disinfection, Condition Assessment, &amp; Odor Control</td>
</tr>
<tr>
<td>2</td>
<td>RP-5 Solids Treatment</td>
<td>Solids Thickening, Digestion, Dewatering, &amp; Digester Gas Conveyance/Storage/Safety Flaring</td>
</tr>
<tr>
<td>3</td>
<td>Food Waste</td>
<td>Comparative Analysis of RP-1, RP-5, &amp; RP-5 Solids Handling Facility including Receiving, Digestion, Dewatering, &amp; Digester Gas Usage</td>
</tr>
<tr>
<td>4</td>
<td>Digester Gas Usage</td>
<td>Comparative Analysis of Internal Combustion Engines (Existing/New), Micro Turbines, Natural Gas Pipeline Injection, &amp; CNG Vehicle Fuel including potential for future phasing</td>
</tr>
<tr>
<td>5</td>
<td>Electrical</td>
<td>RP-5 Power Feed, Power Distribution Center, &amp; Power Centers</td>
</tr>
<tr>
<td>6</td>
<td>Offsite Facilities</td>
<td>RP-2 Decommissioning Plan, RP-2 Lift Station Relocation, Inland Empire Brine Line Discharge Station Relocation</td>
</tr>
</tbody>
</table>

The major recommendations resulting from the second series of technical memorandums will be presented to the Board of Directors through the RP-1 & RP-5 Expansion PDR Board Workshop No. 2 to be conducted in October 2016.

This PDR is consistent with the Agency’s Business Goal of Wastewater Management Capacity objective that IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

**PRIOR BOARD ACTION**

On January 20, 2016, the Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of $2,431,598.
IMPACT ON BUDGET

The April 2016 approved TYCIP budgets for Project No. EN19001, RP-5 Liquids Treatment Expansion, and Project No. EN19006, RP-5 Solids Treatment Facility, are $125,000,000 and $136,000,000, respectively. With the recommendations provided during the first Board Workshop, it is anticipated that the project budget for the RP-5 Liquids Treatment Expansion, Project No. EN19001, will increase to $158,000,000. The project cost will continue to be refined as the PDR progresses to completion.

There are no budget impacts to the current phase of the project.

PJG:CB:SS:jm
RP-5 Expansion PDR Update

Project Nos. EN16025 & EN16028

August 2016
Board Workshop No. 1

- Decommissioning of CCWRF
  - CCWRF to Remain in Operation

- Elimination of RP-1 Primary Effluent Equalization
  - 9.0 MGD Secondary Capacity or Bypass to RP-5

- RP-5 Secondary Treatment System Alternatives
  - Full MBR System

- Ultimate Expansion of RP-5
  - Expand to 30 MGD

- Onsite Centrate Treatment
  - Secondary Treatment is low cost alternative
Current Project Tasks

Liquids Treatment  Solids Treatment  Food Waste  Digester Gas & Renewable Energy  Electrical and I&C  Offsite Facilities

Board Workshop No. 2: October 2016
# Project Schedule

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDR Engineering Services Contract Award</td>
<td>Jan. 20, 2016</td>
</tr>
<tr>
<td>Preliminary Design Report Completion</td>
<td>Mar. 15, 2017</td>
</tr>
<tr>
<td>Design Engineering Services Contract Award</td>
<td>Jun. 21, 2017</td>
</tr>
<tr>
<td>Construction Contract Award</td>
<td>Nov. 20, 2019</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>Nov. 16, 2022</td>
</tr>
</tbody>
</table>
# Project Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>WFMP/TYCIP Budget</th>
<th>Projected Budget at PDR Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP-5 Expansion PDR</td>
<td>$5.0M</td>
<td>$3.5M</td>
</tr>
<tr>
<td>RP-5 Liquids Treatment Expansion</td>
<td>$125M</td>
<td>$158M</td>
</tr>
<tr>
<td>RP-5 Solids Treatment Facility</td>
<td>$136M</td>
<td>$136M</td>
</tr>
<tr>
<td>Total Expansion Budget</td>
<td>$266M</td>
<td>$298M</td>
</tr>
</tbody>
</table>

This PDR is consistent with the *Agency's Business Goal of Wastewater Management Capacity* objective that IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.
INFORMATION ITEM

3N
Laboratory Activities

- **FY1516 Samples and Analyses**
  - Samples: 18,031 (38% Compliance related samples)
  - Analyses: 62,209 (52% Compliance related analyses)

- **NPDES**
  - Supporting Environmental Compliance group on RP5 Dioxin investigation.

- **GWR**
  - Declez Basin start-up

- **Training**
  - Sampling and Chain of Custody training for sample collectors.

*Milena presenting Sampling and COC Protocols*
<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Goal</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample Turnaround Time</td>
<td>18 days</td>
<td>17 days</td>
</tr>
<tr>
<td>Process Control</td>
<td>1 day</td>
<td>&lt;1 day</td>
</tr>
<tr>
<td>Meet sample holding times</td>
<td>99%</td>
<td></td>
</tr>
</tbody>
</table>

**FY 16/17 KPIs**

**Special Projects**
- Technical Services Department
- Pretreatment and Source Control testing
- Struvite prevention product
- Brine line solids discrepancy follow-up study

**Customer Service**

Meeting IEUA Needs
Laboratory Certification
California – Environmental Laboratory Accreditation Program (ELAP)

- iEUA Laboratory Certification
  - Site visit to occur August or September 2016
  - 100% acceptable results on 2016 Performance Evaluation samples

- ELAP Reorganization
  - Increased fees
  - Staffing: Training current and new inspectors
  - Policies: 15 new policies
  - Environmental Laboratory Technical Advisory Committee (ELTAC)
  - Evaluating alternate regulations
  - September 2016 present selection to SWRCB
  - Emerging constituents
Water Quality Laboratory
Project EN15008

Coming soon to a wastewater treatment plant near you!
REGULAR COMMISSION MEETING
TUESDAY, AUGUST 16, 2016 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

   Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. CONSENT CALENDAR

   All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

   A. APPROVAL OF MEETING MINUTES: AUGUST 2, 2016
      Recommendation: Approve as posted.

   B. TREASURER’S REPORT – JULY 2016
      Recommendation: Approve as posted.

   C. REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE I (CM#2016.67)
      Recommendation: Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission’s prior action on August 2, 2016.

5. NEW BUSINESS

   A. UPDATED CREDIT CARD POLICY AND PROCEDURES (CM#2016.62)
      Presenter: Karen Williams
      Recommendation: Approve the updated Credit Card Policy and Procedures (POR104).

   B. NO FEE ACCESS PERMITS FOR THE SANTA ANA RIVER HABITAT SURVEY (CM#2016.63)
      Presenter: Ian Achimore
      Recommendation: Authorize staff to execute access permits with the Riverside County and San Bernardino County flood control districts and the City of Riverside for the Santa Ana River Habitat Survey.
C. **ARUNDO MANAGEMENT AND HABITAT RESTORATION FUND (ARUNDO ROUNDTABLE) UPDATE (CM#2016.64)**
   Presenter: Mark Norton
   **Recommendation:** Receive and file.

D. **2017 OWOW CONFERENCE (CM#2016.68)**
   Presenter: Celeste Cantú
   **Recommendation:** Consider contracting with the Water Education Foundation to create, develop and deliver the 2017 OWOW State of the Santa Ana River Watershed Conference under the terms of the 2011 agreement.

E. **BRINE LINE COMMUNICATION AND OUTREACH UPDATE**
   Presenter: Gale Hammons, Hammons Strategies
   **Recommendation:** Receive and file.

6. **INFORMATIONAL REPORTS**
   **Recommendation:** Receive and file the following oral/written reports/updates.

A. **CASH TRANSACTIONS REPORT – JUNE 2016**
   Presenter: Karen Williams

B. **INTER-FUND BORROWING – JUNE 2016 (CM#2016.65)**
   Presenter: Karen Williams

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – MAY 2016 (CM#2016.66)**
   Presenter: Karen Williams

D. **GENERAL MANAGER’S REPORT**

E. **STATE LEGISLATIVE REPORT**
   Presenter: Celeste Cantú

F. **SAWPA GENERAL MANAGERS MEETING NOTES**
   - August 9, 2016

G. **CHAIR’S COMMENTS/REPORT**

H. **COMMISSIONERS’ COMMENTS**

I. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

7. **CLOSED SESSION**

A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**
   Name of Case: Spinello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

B. **PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION – PURSUANT TO GOVERNMENT CODE SECTION 54957**
   Title: General Manager
C. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION – PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: Executive Counsel

8. ADJOURNMENT

PLEASE NOTE:
Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@SAWPA.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

Declaration of Posting
I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, August 10, 2016, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted in SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

/s/
Kelly Berry, CMC

2016 - SAWPA Commission Meetings/Events
First and Third Tuesday of the Month
(NOTE: Unless otherwise noted, all Commission Workshops/Meetings begin at 9:30 a.m., and are held at SAWPA.)

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
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<tbody>
<tr>
<td>1/5/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>1/19/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<td>2/2/16</td>
<td>Commission Workshop–OCSD Facilities Tour</td>
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<tr>
<td>2/16/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<th>March</th>
<th>April</th>
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<tbody>
<tr>
<td>3/1/16</td>
<td>Commission Workshop</td>
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<tr>
<td>3/15/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<td>4/5/16</td>
<td>Commission Workshop</td>
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<tr>
<td>4/19/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<td>4/28/16</td>
<td>Special Commission Workshop[10:00 a.m.]</td>
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<tr>
<th>May</th>
<th>June</th>
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<tbody>
<tr>
<td>5/4/16</td>
<td>Commission Workshop [canceled]</td>
</tr>
<tr>
<td>5/3 – 5/6/16</td>
<td>ACWA Spring Conference, Monterey</td>
</tr>
<tr>
<td>5/10/16</td>
<td>Special Commission Workshop[9:00 a.m.]</td>
</tr>
<tr>
<td>5/17/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>6/7/16</td>
<td>Commission Workshop</td>
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<tr>
<td>6/21/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<th>July</th>
<th>August</th>
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<tbody>
<tr>
<td>7/5/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>7/19/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>8/2/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>8/16/16</td>
<td>Regular Commission Meeting</td>
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<table>
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<tr>
<th>September</th>
<th>October</th>
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<tbody>
<tr>
<td>9/6/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>9/20/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>10/4/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>10/18/16</td>
<td>Regular Commission Meeting</td>
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</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
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<tbody>
<tr>
<td>11/1/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>11/29 – 12/2/16</td>
<td>ACWA Fall Conference, Anaheim</td>
</tr>
<tr>
<td>11/15/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>12/6/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>12/20/16</td>
<td>Regular Commission Meeting</td>
</tr>
</tbody>
</table>
Adjourned Board Meeting  
Meeting with Board of Directors  

August 16, 2016  
12:00 p.m. -- Board Room

MWD Headquarters Building  
700 N. Alameda Street  
Los Angeles, CA 90012

1. Call to Order
   (a) Invocation: Stathis Kostopoulos, Senior Resource Specialist, Office of the Chief Financial Officer
   (b) Pledge of Allegiance: Director Brett Babre

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(e)

5. OTHER MATTERS
   A. Approval of the Minutes of the Meeting for July 12, 2016. (A copy has been mailed to each Director) Any additions, corrections, or omissions
      Draft Minutes
   B. Report on Directors’ events attended at Metropolitan expense for month of July
   C. Approve committee assignments
   D. Chairman’s Monthly Activity Report
   E. Tax Levy for fiscal year 2016/17. (F&I)

5E-1 Report on list of certified assessed valuations for fiscal year 2016/17 and tabulation of assessed valuations, percentage participation, and vote entitlement of member public agencies as of August 15, 2016.

5E-2 Adopt CEQA determination and the resolution establishing the tax rate for fiscal year 2016/17. (To be mailed separately)

6. DEPARTMENT HEADS’ REPORTS
   A. General Manager’s summary of Metropolitan’s activities for the month of July
   B. General Counsel’s summary of Legal Department activities for the month of July
   C. General Auditor’s summary of activities for the month of July
   D. Ethics Officer’s summary of activities for the month of July
7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $1.2 million; authorize final design to replace valves at Service Connections CB-12 and CB-16 on the Rialto Pipeline; and award $510,925 procurement contract to Autrans Corporation (Prop. 15480). (E&O)

7-1 Board Letter and Attachments

7-2 Adopt CEQA determination and appropriate $350,000 for biological surveys and acquisition of mitigation for erosion protection of the Whitewater Siphons on the Colorado River Aqueduct (Prop. 15341). (E&O)

7-2 Board Letter and Attachments

7-3 Adopt CEQA determination and appropriate $450,000; and authorize preliminary design to replace storage buildings at three Colorado River Aqueduct pumping plants (Prop. 15483). (E&O)

7-3 Board Letter and Attachments

7-4 Adopt CEQA determination and appropriate $1.25 million; and authorize relocation of standby generators at six Wide Area Network sites across the distribution system (Prop. 15376). (E&O)

7-4 Board Letter and Attachments

7-5 Adopt CEQA determination and authorize agreements with Geospatial Professional Solutions, Inc.; Psomas; Rick Engineering Co.; and Towill, Inc., for aerial photogrammetry and mapping services to support board-authorized Capital Investment Plan projects. (E&O)

7-5 Board Letter

7-6 Adopt CEQA determination and adopt Resolution and Administrative Code Amendment to Establish a Distribution Policy for tickets received by Metropolitan. (L&C)

7-6 Board Letter and Attachments

7-7 Adopt CEQA determination and authorize amendment of lease R.L. 3212 to Diamond Valley Lake East marina operator Urban Park Concessionaires for an additional 24 months. (RP&AM)

7-7 Board Letter and Attachment

7-8 Adopt CEQA determination and adopt resolution designating Metropolitan's maximum contribution for medical benefits in order to comply with current authorized Memoranda of Understanding, and amend Administrative Code Section 6522. (OP&T)

7-8 Board Letter

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and authorize entering into Water Savings Incentive Plan Agreements with Dye Finishing Companies. (WP&S)

8-1 Board Letter

8-2 Adopt CEQA determination and appropriate $6.76 million; and award $4,878,635 contract to Sol Construction, Inc. to construct a solar power plant at the Joseph Jensen Water Treatment Plant (Prop. 15391). (E&O)

8-2 Board Letter and Attachments

8-3 Adopt CEQA determination and adopt Policy Principle on Watershed Management. (C&L) (To be mailed separately)

9. BOARD INFORMATION ITEMS

None

10. OTHER MATTERS (Contd.)

a. 10-1 Department Head Performance Evaluations [Public employees' performance evaluations—General Manager, General Counsel, General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code Section 54957]

b. 10-2 Department Head Salary Survey 2016
c. 10-3 Discuss and approve compensation recommendation for General Manager, General Counsel, General Auditor, and Ethics Officer (To be distributed at Meeting)

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site http://www.mwch2o.com.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
11:00 a.m. – July 28, 2016
WITH
Mr. Steve Ell– Chair
Mr. James Curatalo – Vice-Chair
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR
   Note: All matters listed under the Consent Calendar are considered to be routine and non-
   controversial and will be acted upon by one motion in the form listed below. There will be no
   separate discussion on these items prior to voting unless any members, staff, or the public
   requests specific items be discussed and/or removed from the Consent Calendar for separate
   action.

   A. MINUTES
      1. Approve Minutes of the Watermaster Board Meeting held June 23, 2016

   B. FINANCIAL REPORTS
      1. Cash Disbursements for the month of May 2016
      2. Watermaster VISA Check Detail for the month of May 2016
      4. Treasurer’s Report of Financial Affairs for the Period May 1, 2016 through
         May 31, 2016

   C. WATER TRANSACTIONS
      1. Notice of Sale or Transfer – The purchase of 2500.000 acre-feet of water from the City of Pomona
         by Cucamonga Valley Water District. This purchase is made from the City of Pomona’s excess
         carryover account. Date of application: April 28, 2016.
      2. Notice of Sale or Transfer – The purchase of 4000.000 acre-feet of water from the City of Chino
         by Fontana Water Company. This purchase is made from the City of Chino’s excess carryover
         account. Date of application: May 3, 2016.
      3. Notice of Sale or Transfer – The purchase of 6000.000 acre-feet of water from the City of Chino
         by Fontana Water Company. This purchase is made from the City of Chino’s excess carryover
         account. Date of application: May 3, 2016.
      4. Notice of Sale or Transfer – The purchase of 3500.000 acre-feet of water from the City of Ontario
         by Fontana Water Company. This purchase is made from the City of Ontario’s excess carryover
         account. Date of application: May 3, 2016.
5. Notice of Sale or Transfer – The purchase of 1000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland’s excess carryover account. Date of application: May 3, 2016.

II. BUSINESS ITEMS
NONE

III. REPORTS/UPDATES
A. LEGAL COUNSEL REPORT
1. September 23, 2016 Hearing

B. ENGINEER REPORT
1. Procedure for Supplemental Water Recharge
2. RMPU Projects Support
3. Proposition 1 – Stormwater Grant Application Support
4. Assistance on Self-Certification Applications
5. 2016 Groundwater Elevation Data for California Statewide Groundwater Elevation Monitoring (CAGSEM) Program
6. CY 2015 Permittee Progress Report on Stormwater Recharge to State Board

C. CFO REPORT
1. Assessment Invoicing
2. Desalter Replenishment Obligation
3. Exhibit “G” Water Transactions
4. RTS Charge

D. GM REPORT
1. Stored Water Accounts – Account Balances
2. SGMA Basin Boundary Modification Update
3. Non-Agricultural Pool Volume Vote
4. Appropriative Pool Update on Watermaster Business Operations
5. Other

IV. INFORMATION
1. Cash Disbursements for June 2016
2. RMPU Status Report
3. Ground Level Monitoring Status Report
4. South Archibald and Chino Airport Plumes Status Report

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION
Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. GM Performance Evaluation
VIII. FUTURE MEETINGS AT WATERMASTER

7/28/16 Thu 11:00 a.m. Watermaster Board
8/11/16 Thu 9:00 a.m. Appropriative Pool Meeting
8/11/16 Thu 11:00 a.m. Non-Agricultural Pool Meeting
8/11/16 Thu 1:30 p.m. Agricultural Pool Meeting
8/18/16 Thu 8:00 a.m. Appropriative Pool Strategic Planning (Confidential Session Only)
8/18/16 Thu 9:00 a.m. Advisory Committee Meeting
8/18/16 Thu 9:30 a.m. Recharge Investigations and Projects Committee (RIPCom)
8/23/16 Tue 9:00 a.m. Groundwater Recharge Coordinating Committee (GRCC at CBWCD)
8/25/16 Thu 11:00 a.m. Watermaster Board

ADJOURNMENT
PLANNING & ENVIRONMENTAL RESOURCES

The regional water use for FY 15/16 was 156,973 AFY, a record low. This is the lowest recorded water use for the region since 1995.

![FY95/96 - FY15/16 Overall Total Water Use Trend](image)

The Agency-wide average influent flow for the month of June 2016 was approximately 46.1 million gallons per day (MGD), 2 MGD decrease from the May 2016 total influent flow.

The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for June 2016 was 5.7 mg/L.

The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for June 2016 was 508 mg/L.
On July 5th, IERCF had its annual Title V inspection from AQMD. The inspector reviewed records and toured the facility to inspect the permitted equipment.

On July 14th, IEUA submitted permit applications on behalf of Inland BioEnergy for two Selective Catalytic Reduction (SCR) systems for the engines at RP-5. The SCR will reduce emissions to be in compliance with the reduced emission limits that are effective on January 1, 2017.
IERCF UPDATE

Operational Comments – Facility throughput for July averaged approximately 84% of permitted capacity at an average of 359 tons per day of biosolids and 119 tons per day of amendments (based on a 31-day month). The facility is operating well with no violations or lost time incidents.

Facility Throughput

<table>
<thead>
<tr>
<th>POTW</th>
<th>Wet Tons Month</th>
<th>Wet Tons Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACSD</td>
<td>6,651.75</td>
<td>49,374.43</td>
</tr>
<tr>
<td>IEUA</td>
<td>4,489.61</td>
<td>36,550.80</td>
</tr>
<tr>
<td>OCSD</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,141.36</td>
<td>85,925.23</td>
</tr>
</tbody>
</table>

Compost Sales – IERCA sales in July were less than last year, displaying a decrease in spring compost demand. We predict August to be on par with the previous year. Compost inventory in the storage facility is 6,700 cubic yards of finished material and 3,050 cubic yards of overs material.

Monthly Sales Summary July 2016

<table>
<thead>
<tr>
<th>Product</th>
<th>Cubic Yards</th>
<th>Average Price per Cubic Year</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>11,186.79</td>
<td>$2.40</td>
<td>$26,800.59</td>
</tr>
<tr>
<td>Base</td>
<td>3,255.93</td>
<td>$0.23</td>
<td>$753.46</td>
</tr>
<tr>
<td>Mulch (Overs)</td>
<td>456.10</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,898.82</strong></td>
<td><strong>$1.85</strong></td>
<td><strong>$27,554.05</strong></td>
</tr>
</tbody>
</table>

YTD Sales Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
</tr>
<tr>
<td>Total</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
</tr>
<tr>
<td>Average</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
</tr>
</tbody>
</table>
Groundwater Recharge – June 2016
During June 2016, recycled water recharge totaled 1,286 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 47 acre-feet. There were no rain events during this period. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at [http://www.ieua.org/category/reports/groundwater-recharge-reports](http://www.ieua.org/category/reports/groundwater-recharge-reports).

Groundwater Recharge – July 2016 (Preliminary)
During July 2016, recycled water recharge totaled 610 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 31 acre-feet. There were no rain events during this period. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at [http://www.ieua.org/category/reports/groundwater-recharge-reports](http://www.ieua.org/category/reports/groundwater-recharge-reports).

Total Groundwater Recharge – June 2016

Recycled Water Delivered to Groundwater Recharge – June 2016
Recycled Water Delivered to Groundwater Recharge – June 2016 (continued)

RW Distribution – June 2016
During June 2016, 88% (40.7 MGD) of IEUA recycled water supply (46.1 MGD) was delivered into the distribution system for both direct use customers (26.2 MGD) and groundwater recharge (14.5 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 5.4 MGD.

RW Distribution – July 2016 (Preliminary)
During July 2016, 91% (42.7 MGD) of IEUA recycled water supply (46.7 MGD) was delivered into the distribution system for both direct use customers (36.3 MGD) and groundwater recharge (6.4 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 4.0 MGD.
ENGINEERING AND CONSTRUCTION MANAGEMENT FY 16/17 BUDGET STATUS UPDATE

<table>
<thead>
<tr>
<th>Project #</th>
<th>Description</th>
<th>FY 16/17 Forecast</th>
<th>FY 16/17 Budget</th>
<th>Variances FY 16/17 Budget</th>
<th>Variances FY Expenditures</th>
<th>Variances FY Expenditures</th>
<th>Reasons for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN15002</td>
<td>1158 Reservoir Site Cleanup</td>
<td>104,302</td>
<td>650,000</td>
<td>545,698</td>
<td></td>
<td></td>
<td>The scope of work has not been clearly defined due to a lack of available information. Further investigation is required to formulate the scope of work.</td>
</tr>
<tr>
<td>EN15055</td>
<td>1630 W. Recycled Water Pump</td>
<td>775,000</td>
<td>1,340,000</td>
<td>565,000</td>
<td></td>
<td></td>
<td>The contractor's contract amount is considerably lower than the engineer's estimate. It is also anticipated that a small portion of the contingency fund will be used.</td>
</tr>
<tr>
<td>EN19016</td>
<td>SCADA Enterprise System</td>
<td>908,572</td>
<td>1,504,652</td>
<td>597,880</td>
<td></td>
<td></td>
<td>Initiation of Phase II of the SCADA Enterprise project was delayed when the delivery method was reevaluated for the remaining facilities to take advantage of potential grant funds and accelerate the overall project timeline. As a result of the delay, the FY 18/19 spending will be lower than anticipated.</td>
</tr>
<tr>
<td>EN16011</td>
<td>TCE Plume Cleanup</td>
<td>1,590,560</td>
<td>3,000,000</td>
<td>1,449,440</td>
<td></td>
<td></td>
<td>Project work has been delayed because the Regional Board has issued final project approval, which is contingent upon a global settlement between public and private parties for the South Archibald Plume. This project is also unique in that our agreement with CDA stipulates that IDA must transfer the full amount for any contract prior to execution. Since the approval from RWQCB is still forthcoming, project work has not yet begun, pushing out larger contract work to FY 17/18.</td>
</tr>
<tr>
<td>EN11031</td>
<td>RP-S Flow Equalization and Efficient</td>
<td>934,872</td>
<td>1,445,000</td>
<td>510,128</td>
<td></td>
<td></td>
<td>The project scope was reduced in consideration of the RP-S expansion project, which will address or modify some of the project components. As a result of the scope reduction, project expenditures are expected to be less than anticipated.</td>
</tr>
<tr>
<td>EN10006</td>
<td>RP-S SHF</td>
<td>1,400,000</td>
<td>3,125,000</td>
<td>1,725,000</td>
<td></td>
<td></td>
<td>The schedule for the RP-1 and RP-5 Expansion PDR has been extended from January 2017 to March 2017, which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The award of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility was scheduled for March 2017 with design beginning in April 2017 reducing the number of months of design in FY 16/17 from five months to three months.</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>5,071,205</td>
<td>11,056,652</td>
<td>5,413,446</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project Budget Variance > $500,000
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Projected Bid Opening Date</th>
<th>Projected Bid Award Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. EN14012.04 RP-2 Dying Beds</td>
<td>7/05/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>3. EN16055.00 Headquarters Back Up Generator</td>
<td>7/17/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>4. EN16070.02 Agency wide Pump Efficiency Improvements</td>
<td>7/19/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>5. EN16312.02 Magedia Channel Spillway</td>
<td>6/9/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>September 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. EN16024.00 RP-1 Mixed Liquor Return Pump/EN17046.00 RP-1 Aeration Basin Panel Repairs</td>
<td>8/10/2016</td>
<td>9/30/2016</td>
</tr>
<tr>
<td>7. EN16027.05 HQ Parking Lot FY15/16</td>
<td>8/11/2016</td>
<td>9/30/2016</td>
</tr>
<tr>
<td>8. EN14043 RP-5 Recycled Water Pipeline Bottleneck</td>
<td>8/13/2016</td>
<td>9/30/2016</td>
</tr>
<tr>
<td>9. EN15071.00 San Bernardino Avenue Gravity Sewer</td>
<td>8/13/2016</td>
<td>9/30/2016</td>
</tr>
<tr>
<td>October 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. EN14018.00 RP-4 Disinfection Facility Improvements</td>
<td>9/1/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>12. EN17006.00 CCWRF Asset Management</td>
<td>9/21/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>13. EN13001.00 San Seavine Basin Improvements</td>
<td>9/22/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>November 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. EN16049.00 Conference Rooms Audio Visual Upgrades</td>
<td>10/1/2016</td>
<td>11/16/2016</td>
</tr>
<tr>
<td>15. RW15003.00 Lower Day Basin RPMU Improvements</td>
<td>10/16/2016</td>
<td>11/16/2016</td>
</tr>
<tr>
<td>16. WR13021.00 Napa Lateral</td>
<td>10/16/2016</td>
<td>11/16/2016</td>
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<tr>
<td>December 2016</td>
<td></td>
<td></td>
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<tr>
<td>17. EN11031.00 RP-5 Flow Equalization and Effluent Monitoring</td>
<td>11/19/2016</td>
<td>12/21/2016</td>
</tr>
<tr>
<td>March 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. EN14019.00 RP-1 Headworks Primary and Secondary Upgrades</td>
<td>2/20/2017</td>
<td>3/15/2017</td>
</tr>
<tr>
<td>19. EN16034.00 RW Pressure Sustaining Valve Installation FY 13/16</td>
<td>2/19/2017</td>
<td>3/15/2017</td>
</tr>
<tr>
<td>20. EN19001.00 RP-5 Lipids Treatment Expansion (Design)</td>
<td>2/28/2017</td>
<td>3/15/2017</td>
</tr>
<tr>
<td>April 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. EN11039.00 TP-5 Disinfection Tank Improvements</td>
<td>3/30/2017</td>
<td>4/19/2017</td>
</tr>
<tr>
<td>23. EN15013.00 RP-1 TWAS and Primary Effluent Piping Replacement 2014</td>
<td>8/8/2017</td>
<td>4/19/2017</td>
</tr>
<tr>
<td>July 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. RW15004.00 Lower Day Basin RPMU Improvements</td>
<td>5/1/2017</td>
<td>7/19/2017</td>
</tr>
<tr>
<td>August 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. EN14043.00 RP-5 RW Pipeline Bottleneck</td>
<td>7/8/2017</td>
<td>8/16/2017</td>
</tr>
<tr>
<td>November 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. EN16021.00 TCE Phase Cleanup</td>
<td>9/28/2017</td>
<td>11/12/2017</td>
</tr>
<tr>
<td>January 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. EN13016.02 SCADA Enterprise System - Phase 2 (Regional Water Recycling Plant No. 1)</td>
<td>12/5/2017</td>
<td>1/17/2018</td>
</tr>
<tr>
<td>28. EN17006.00 CCWRF Headworks &amp; Odor Control Replacements</td>
<td>12/5/2017</td>
<td>1/17/2018</td>
</tr>
<tr>
<td>February 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. EN14042.00 RP-1 1198 RWPS Upgrades</td>
<td>1/6/2018</td>
<td>2/21/2018</td>
</tr>
<tr>
<td>March 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. EN15012.00 RP-1 East Primary Effluent Pipe Rehab</td>
<td>1/26/2018</td>
<td>3/21/2018</td>
</tr>
<tr>
<td>March 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. EN22002.00 NRW East End Flowmeter Replacement</td>
<td>2/10/2019</td>
<td>3/26/2019</td>
</tr>
</tbody>
</table>
## Fiscal Year 15/16 Capital Improvement Program

### Agency-Wide

<table>
<thead>
<tr>
<th>No.</th>
<th>Project ID</th>
<th>Project Title</th>
<th>(A) Prior FY Expenditures 06/30/16 ($)</th>
<th>(B) FY Budget 2016/17 ($)</th>
<th>(C) FY 2016/17 Expenditures 7/1/16-7/2016 ($)</th>
<th>(D) Total Expenditures to Date thru 7/20/16 ($)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO2/ Amended ($)</th>
<th>(I) Contract Completion Date</th>
<th>(J) Projected/ Contract Completion Date (NOC)</th>
<th>(K) Float (F-J)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EN7052</td>
<td>RP-1 and RP-4 Safety Improvements</td>
<td>760,000</td>
<td>2,014</td>
<td>2,014</td>
<td>700,000</td>
<td>Evaluation</td>
<td>57,420</td>
<td>-</td>
<td>-</td>
<td>6/30/2017</td>
<td>6/30/2017</td>
<td>0</td>
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<tr>
<td>2</td>
<td>EN7016</td>
<td>SCADA Enterprise System (EN7101.02 RP-I)</td>
<td>3,059,331</td>
<td>1,487,652</td>
<td>5,073,210</td>
<td>13,900,000</td>
<td>Evaluation</td>
<td>1,926,550</td>
<td>71,271</td>
<td>3.79%</td>
<td>6/30/2020</td>
<td>6/30/2020</td>
<td>0</td>
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<tr>
<td>3</td>
<td>EN16070</td>
<td>Agency-Wide Pumps Efficiencies Improvements</td>
<td>1,260,000</td>
<td>-</td>
<td>-</td>
<td>1,000,000</td>
<td>Bid &amp; Award</td>
<td>Construction Contract Award in August 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>EN7054</td>
<td>Agency-Wide Lighting Improvements (Task Order No. 2)</td>
<td>1,385,000</td>
<td>-</td>
<td>-</td>
<td>1,400,000</td>
<td>Construction</td>
<td>1,107,520</td>
<td>-</td>
<td>-</td>
<td>6/30/2017</td>
<td>2/15/2017</td>
<td>107</td>
</tr>
<tr>
<td>5</td>
<td>EN7013</td>
<td>Agency-Wide Lighting Improvements (Task Order No. 1)</td>
<td>186,129</td>
<td>213,045</td>
<td>1,788</td>
<td>187,917</td>
<td>400,000</td>
<td>Construction</td>
<td>293,000</td>
<td>-</td>
<td>-</td>
<td>6/30/2017</td>
<td>2/15/2017</td>
</tr>
<tr>
<td>6</td>
<td>EN7055</td>
<td>Agency-Wide HVAC Improvements Package No. 2 (RF-4 MCC)</td>
<td>885,446</td>
<td>139,218</td>
<td>3,405</td>
<td>885,890</td>
<td>1,131,500</td>
<td>Construction</td>
<td>180,000</td>
<td>10,693</td>
<td>-</td>
<td>7/1/2016</td>
<td>10/21/2016</td>
</tr>
<tr>
<td>7</td>
<td>EN7004</td>
<td>Agency-Wide Energy Efficiency Study</td>
<td>51,000</td>
<td>3,560</td>
<td>407</td>
<td>91,907</td>
<td>1,600,000</td>
<td>Warranty</td>
<td>17,760</td>
<td>-</td>
<td>-</td>
<td>5/1/2016</td>
<td>5/1/2016</td>
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### Carbon Canyon Wastewater Regional Facility (CCWRF)

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<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO2/ Amended ($)</th>
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<th>(K) Float (F-J)</th>
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## Chino Desalter Authority (CDA)

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<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
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<th>(I) COV Amendment In Lieu (%)</th>
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<th>(L) Float (J-K)</th>
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## Collections

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## Groundwater Recharge

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**Recycled Water**

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<th>FY 2012/13 Budget (e)</th>
<th>FY 2013/14 Budget (f)</th>
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<td>83rd to 85th</td>
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<td>61</td>
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**Water**

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<th>Project Title</th>
<th>Total Project Cost (a)</th>
<th>Original Budget (b)</th>
<th>FY 2010/11 Actual (c)</th>
<th>FY 2011/12 Actual (d)</th>
<th>FY 2012/13 Budget (e)</th>
<th>FY 2013/14 Budget (f)</th>
<th>Contractual Commitments (g)</th>
<th>Reconciliation w/ Actuals (h)</th>
<th>Reconciliation w/ Actuals (i)</th>
<th>Project Status (j)</th>
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<tr>
<td>62</td>
<td>B1N7600</td>
<td>West End Tunnel</td>
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## Regional Water Recycling Plant No. 1 (RP-1)

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<th>(B) FY Budget 2016/17 ($)</th>
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<th>(D) Total Expenditures to Date thru 7/31/16 ($A + $C)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/2% Amendments ($)</th>
<th>(I) CO/2% Amendments (%)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Project Completion Status (NOC)</th>
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<td>65</td>
<td>EN17042</td>
<td>Digester 6 and 7 Roof Repairs</td>
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<td>231,000</td>
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<td>636</td>
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<td>RP-1 Fines Improvements</td>
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<td>3,079</td>
<td>14,179</td>
<td>1,885,000</td>
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<td>73</td>
<td>EN15013</td>
<td>RP-1 TWAS and Primary Effluent Fitting Replacement 2014</td>
<td>18,908</td>
<td>120,000</td>
<td>1,550</td>
<td>20,456</td>
<td>300,000</td>
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<td>74</td>
<td>EN16025</td>
<td>RP-1 Expansion Pre Design Report</td>
<td>217,838</td>
<td>450,000</td>
<td>5,007</td>
<td>222,865</td>
<td>1,500,000</td>
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<td>80,116</td>
<td>200,000</td>
<td>3,637</td>
<td>83,753</td>
<td>1,595,000</td>
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<td>RP-1 Hardworks Gate Replacement</td>
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<td>235,433</td>
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<td>7/19/2016</td>
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<td>77</td>
<td>EN16024</td>
<td>RP-1 Mixed Liquids Return Pumps</td>
<td>547,159</td>
<td>2,850,000</td>
<td>30,559</td>
<td>577,668</td>
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<td>300,000</td>
<td>5.00%</td>
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<td>78</td>
<td>EN16051</td>
<td>RP-1 Utility Water Flow Meter</td>
<td>67,662</td>
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<td>71,134</td>
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<td>EN17040</td>
<td>RP-1 Aeration Basin Panel Repairs</td>
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<td>-</td>
<td>-</td>
<td>2,000,000</td>
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<td>Construction Contract Award in August 2016</td>
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<td>300,000</td>
<td>5.00%</td>
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## Regional Water Recycling Plant No. 2 (RP-2)

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<th>(A) Price FY Expenditures thru 06/30/16 ($)</th>
<th>(B) FY Budget 2016/17 ($)</th>
<th>(C) FY 2016/17 Expenditures 7/1/16-7/31/16 ($)</th>
<th>(D) Total Expenditures to Date thru 7/31/16 ($A + $C)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/2% Amendments ($)</th>
<th>(I) CO/2% Amendments (%)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Projected Completion Status (NOC)</th>
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<tr>
<td>80</td>
<td>EN14012</td>
<td>RP-2 Drying Beds Rehabilitation</td>
<td>1,229,827</td>
<td>350,000</td>
<td>2,593</td>
<td>1,232,420</td>
<td>1,818,400</td>
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<td>Construction Contract Award in August 2016</td>
<td>1,229,827</td>
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## Regional Water Recycling Plant No. 4 (RP-4)

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<th>(A) Price FY Expenditures thru 06/30/16 ($)</th>
<th>(B) FY Budget 2016/17 ($)</th>
<th>(C) FY 2016/17 Expenditures 7/1/16-7/31/16 ($)</th>
<th>(D) Total Expenditures to Date thru 7/31/16 ($A + $C)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/2% Amendments ($)</th>
<th>(I) CO/2% Amendments (%)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Projected Completion Status (NOC)</th>
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<td>83</td>
<td>EN17032</td>
<td>RP-4 Guam Repair from Mission Blvd to RF-1</td>
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<td>5,000,000</td>
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<td>84</td>
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<td>350,125</td>
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### Regional Water Recycling Plant No. 5 (RP-5)

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<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>Original Contract ($)</th>
<th>(G) CR/WR Announcements ($)</th>
<th>(H) C/O w/ Amendments (%)</th>
<th>(I) Contract Completion Date</th>
<th>(J) Project Status</th>
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<tr>
<td>85</td>
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<td>Magnolia Channel Monitoring Maintenance</td>
<td>87,611</td>
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<td>87,611</td>
<td>192,242</td>
<td>Monitoring</td>
<td>Ongoing Monitoring Requirements</td>
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<td>EN19001</td>
<td>RO-5 Expansion to 30 mgd</td>
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<td>1,250,000</td>
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<td>87</td>
<td>EN19005</td>
<td>RO-5 Solids Handling Facility</td>
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<td>EN14043</td>
<td>RO-5 RW Pipeline Bottleneck</td>
<td>55,685</td>
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<td>EN16024</td>
<td>RO-5 Expansion Pre-Design Report</td>
<td>705,122</td>
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<td>717,891</td>
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<td>RO-5 Flow Equalization and Effluent Monitoring</td>
<td>419,679</td>
<td>1,465,000</td>
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<td>425,574</td>
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<td>1,535</td>
<td>162,776</td>
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<td>1,499,413</td>
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| Total All Locations | 4,518,486 | 15,988,999 | 33,717 | 3,552,263 | 292,219,191 | 19,600,396 | 197,635 |

### Emergency Projects

#### FY15/16 Emergency Projects

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<th>TO #</th>
<th>Original Net-to-Exceed / Estimate</th>
<th>Actual Cost thru 7/26</th>
<th>Date of Award</th>
<th>Status</th>
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<td>W.A. Real Construction</td>
<td>Collections</td>
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<td>W.A. Real Construction</td>
<td>Collections</td>
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<td>5,431</td>
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<td>561</td>
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<td>66,000</td>
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#### MC Building

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<th>Location</th>
<th>TO #</th>
<th>Original Net-to-Exceed / Estimate</th>
<th>Actual Cost thru 7/26</th>
<th>Date of Award</th>
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<td>5</td>
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<td>W.A. Real Construction</td>
<td>HQ Building</td>
<td>TO-033</td>
<td>10,000</td>
<td>15,902</td>
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#### RP-1

<table>
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<th>Task Order Description (Details of Circumstance and Cause of the Emergency)</th>
<th>Location</th>
<th>TO #</th>
<th>Original Net-to-Exceed / Estimate</th>
<th>Actual Cost thru 7/26</th>
<th>Date of Award</th>
<th>Status</th>
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<tr>
<td>6</td>
<td>EN16019.08</td>
<td>Ferreira Construction</td>
<td>RP-1 Miscellaneous Repairs</td>
<td>TO-003</td>
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<td>39,750</td>
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<td>Ferreira Construction</td>
<td>RP-2 DART Pipeline Repair</td>
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<td>EN16019.13</td>
<td>Ferreira Construction</td>
<td>RP-3 Laguna No. 1 Water Cannon Leak</td>
<td>TO-004</td>
<td>7,115</td>
<td>11,296</td>
<td>2/3/2016</td>
<td>Closed</td>
</tr>
</tbody>
</table>

#### RP-2

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Contractor</th>
<th>Task Order Description (Details of Circumstance and Cause of the Emergency)</th>
<th>Location</th>
<th>TO #</th>
<th>Original Net-to-Exceed / Estimate</th>
<th>Actual Cost thru 7/26</th>
<th>Date of Award</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>EN16019.13</td>
<td>W.A. Real Construction</td>
<td>RP-4 Hot Water Line Leak</td>
<td>TO-029</td>
<td>16,852</td>
<td>20,159</td>
<td>2/3/2016</td>
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</tr>
<tr>
<td>10</td>
<td>EN16019.15</td>
<td>W.A. Real Construction</td>
<td>RP-3 DG Pipeline Modifications</td>
<td>TO-031</td>
<td>9,654</td>
<td>12,838</td>
<td>3/1/2016</td>
<td>Closed</td>
</tr>
<tr>
<td>11</td>
<td>EN16019.16</td>
<td>W.A. Real Construction</td>
<td>RP-2 Utility Water Line Leak</td>
<td>TO-008</td>
<td>15,000</td>
<td>15,000</td>
<td>3/3/2016</td>
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<tr>
<td>12</td>
<td>EN16019.17</td>
<td>W.A. Real Construction</td>
<td>RP-4 10-Inch RWPL Repair</td>
<td>TO-028</td>
<td>6,383</td>
<td>8,825</td>
<td>1/25/2016</td>
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</table>
### July 2016 Emergency Projects

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Task Order Description</th>
<th>Details of the Circumstance/Cause of Emergency</th>
<th>Scope of Work</th>
<th>Location</th>
<th>Date of Award</th>
<th>Not-to-Exceed /Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ferreira Construction</td>
<td>RP-1 Flow Meter Replacement</td>
<td>RP-1 Operations noted an existing recycled water flow meter had failed. Operations required a new flow meter to be installed to maintain regulatory compliance.</td>
<td>Remove existing flow meter and replace with a new flow meter.</td>
<td>RP-1</td>
<td>7/26/2016</td>
<td>9,150</td>
</tr>
<tr>
<td>2 W.A. Basic Construction</td>
<td>Raw Water Line Repair</td>
<td>An outside contractor damaged a raw water pipeline during excavation for a gas pipeline.</td>
<td>Excavate and repair a 6” Raw Water Pipeline at Chino</td>
<td>Desalter</td>
<td>7/19/2016</td>
<td>8,000</td>
</tr>
</tbody>
</table>

### FY16/17 Emergency Projects

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Contractor</th>
<th>Task Order Description (Details of Circumstance and Cause of the Emergency)</th>
<th>Location</th>
<th>TO #</th>
<th>Original Not-to-Exceed /Estimate</th>
<th>Actual Costs 7/28</th>
<th>Date of Award</th>
<th>Status</th>
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<tbody>
<tr>
<td>CDA</td>
<td>W.A. Basic Construction</td>
<td>Raw Water Line Repair</td>
<td>CDA</td>
<td>TO-GRS</td>
<td>8,000</td>
<td>381</td>
<td>7/13/2016</td>
<td>Active</td>
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<td>RP-1</td>
<td>Ferreira Construction</td>
<td>RP-1 Flow Meter Replacement</td>
<td>RP-1</td>
<td>TO-09</td>
<td>9,150</td>
<td>3,724</td>
<td>7/25/2016</td>
<td>Active</td>
</tr>
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</table>
GRANTS UPDATE

Grants Administration Significant Events - Board Activities
None.

Grant/Loan Opportunities and Applications
The Agency’s Grants Department is continuing to pursue additional federal and state grant opportunities as they become available to supplement the Agency CIP budgets.

State Water Resources Control Board
Grants and Loan Applications:
1. Proposition 1 Storm Water Grant application for the RMPU Jurupa, RP-3, and Wineville Basins was submitted July 8, 2016. IEUA requested $10 million with a total project cost of $21 million.
2. IEUA Grants staff is taking the lead working with CDA, CBWM on the Proposition 1 Groundwater Grant application for the TCE Plume Cleanup project funding. The application is due October 14, 2016. The SWRCB has requested a site visit in regards to this application. The site visit will cover various sites listed in the application.
3. IEUA Grants Staff submitted a Proposition 1 Groundwater Grant Pre-Application on behalf of the Cucamonga Valley Water District (CVWD) in July 2016. The SWRCB site visit may also be able to cover the CVWD’s project sites.
4. SRF loan application for the RMPU Lower Day Basin Improvement Project to be submitted in September 2016.
5. SRF construction loan application is being prepared for Carbon Canyon Facility Improvement project.
6. SRF construction loan application is being prepared for RP-1 Flare System Improvements.
7. SRF loan application is being prepared on behalf of Monte Vista Water District for their Recycled Water Distribution System Expansion Project. This project will provide an additional 2.4 miles of pipeline to connect to IEUA’s recycled water distribution system and will serve an additional 14 new customers.

Grant Reimbursements and Reporting Activities
The following is a status update on several existing contracts for various grants and loans:
- Grant invoice SWRCB Wineville Recycled Water Pipeline Project for Retention Release of $100,000.00
INFORMATION ITEM

3H
Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with Executive Management Team to review priority issues and to discuss activities for July that Executive Staff wanted accomplished.
- Discussed Ontario Plume/Title XVI Funding.
- Reviewed Chino Basin Water Bank project concept.
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Reviewed Water Rates progress with member agencies and Regional Contract renewal.
- Continue to monitor statewide water issues including The Water Fix, water bond, and drought relief act activities. Made recommendation regarding the request for money from various state special funds.
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.
- Respond to requests for information from IEUA Directors.
INFORMATION ITEM

3I
### Federal Legislation Matrix

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
<th>Summary/Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Program</strong></td>
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<td><strong>President’ Budget</strong></td>
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<td></td>
<td></td>
<td></td>
<td>Title XVI</td>
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<td>WaterSMART</td>
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<td></td>
<td>Western Drought</td>
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</tbody>
</table>
| S.2533 | Sen. Dianne Feinstein (D-CA) | California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act | Senator Feinstein’s latest drought bill received its first hearing in the Water Subcommittee of the Energy and Natural Resources Committee along several other bills, including a western package introduced by Senator Jeff Flake (R-AZ).  
<p>|             |         |                                                                                        |                                                                                                          | When the Committee met in July to markup legislation, Senator Feinstein’s bill was not considered. The Committee largely considered non-controversial legislation at that markup, with the only roll call vote occurring on Senator Flake’s drought legislation (more below). |
|             |         |                                                                                        |                                                                                                          | At the markup, it was noted that California lawmakers in both the House and Senate were still trying to forge a path forward on a compromise for their own state. In recent weeks, we have been told that negotiations between California House Republicans and California Senate Democrats have resumed. |</p>
<table>
<thead>
<tr>
<th>Bill</th>
<th>Sponsor</th>
<th>Title</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.2902</td>
<td>Sen. Jeff Flake</td>
<td>Western Water Supply and Planning Enhancement Act of 2016</td>
<td>Senator Flake’s drought legislation was advanced by the Senate Energy and Natural Resources Committee in July along party lines with a vote of 12-10. At the markup, Senator Flake offered an amendment that was accepted to strip provisions related to the Colorado River while an administrative solution is worked out. Senator Flake’s bill is cosponsored by several western state Republicans and contains many Republican priorities to deal with drought conditions in their home states. Included in the legislation are reforms at the Bureau of Reclamation that were originally proposed in legislation introduced by Rep. David Valadao in the House.</td>
</tr>
<tr>
<td>H.R.2898</td>
<td>Rep. David Valadao</td>
<td>Western Water and American Food Security Act of 2015</td>
<td>House Republicans have inserted the Valadao bill into several pieces of legislation currently moving through the House. Several provisions from his bill have been included in the Energy and Water Appropriations bill that failed in the House during the last week of May. The legislation was also included in the House Amendment to the Energy Policy Modernization Act. Most recently, Republicans included provisions of the legislation in the Interior-Environment Appropriations Bill and defeated efforts to strip those provisions through the amendment process on the floor.</td>
</tr>
<tr>
<td>S.2012</td>
<td>Sen. Lisa Murkowski</td>
<td>Energy Policy Modernization Act of 2015</td>
<td>The Energy Policy Modernization Act has passed both the House and Senate in different forms. Both the House and Senate have now agreed to conference the legislation. The House moved quickly to form a conference committee, but the Senate only agreed to go to conference when Senate Republicans and Democrats agreed to work together to push for the provisions included in their original bill. Both Senate Energy and Natural Resources Committee Chairwoman Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA) have agreed to push to keep provisions out of the legislation that the president has previously threatened to veto. The original Senate bill was the first broad energy reform policy bill in eight years considered by the Senate. The bill includes a number of policy priorities from both Republicans and Democrats and came as a result of months of negotiations, meetings outreach and other activities aimed at a truly bipartisan bill. The bill instead on fossil fuels and infrastructure: natural gas pipeline permitting, authorizing the main federal conservation fund, job training, updating the grid, as well as a push on energy efficiency. The legislation was brought back to the floor in April after an agreement was reached on amendments. While originally a target for energy tax breaks, those amendments were not added to the legislation.</td>
</tr>
<tr>
<td>Number</td>
<td>Sponsor(s)</td>
<td>Title</td>
<td>Details</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>H.R.4470</td>
<td>Rep. Dan Kildee (D-MI) / Rep. Fred Upton (R-MI)</td>
<td><strong>Safe Drinking Water Act Improved Compliance Awareness Act</strong></td>
<td>The House took up the legislation during the final week of May. The House inserted its own substitute amendment that included a number of bills that have passed the House but have not advanced in the Senate, including H.R.8—the energy bill that passed the House in 2015 along party lines. The substitute amendment also contains the Valadao drought bill passed by the House in 2015. After passing the substitute amendment, the House went to conference with the Senate.</td>
</tr>
<tr>
<td>H.R.3143 / S.886</td>
<td>Rep. Jerry McNerney (D-CA) / Sen. Tom Udall (D-MN)</td>
<td><strong>Smart Energy and Water Efficiency Act of 2015</strong></td>
<td>The House has approved legislation to clarify the Environmental Protection Agency's authority to notify the public about danger from lead in their drinking water. The bill is the first approved by Congress to respond to the water crisis in Flint, Michigan. The legislation requires the Environmental Protection Agency to notify the public when concentrations of lead in drinking water rise above mandated levels and to create a plan to improve communication between the agency, utilities, states, and consumers. While the bill's authors admit that the new legislation will not prevent future water contamination, they contend that it will prevent the situation from dragging out as has happened in Flint. The legislation has not been taken up in the Senate.</td>
</tr>
<tr>
<td>H.R.5303 / S.2848</td>
<td>Rep. Bill Shuster (R-PA) / Sens. Jim Inhofe (R-OK) and Barbara Boxer (D-CA)</td>
<td><strong>Water Resources Development Act of 2016</strong></td>
<td>Directs the Department of Energy (DOE) to establish and carry out a smart energy and water efficiency management pilot program to award grants to three to five eligible entities (authorities that provide water, wastewater, or water reuse services) to demonstrate advanced and innovative technology-based solutions that will: (1) increase and improve the energy efficiency of water, wastewater, and water reuse systems to help communities make significant progress in conserving water, saving energy, and reducing costs; (2) support the implementation of innovative processes and the installation of advanced automated systems that provide real-time data on energy and water; and (3) improve energy and water conservation, water quality, and predictive maintenance of energy and water systems, through the use of Internet-connected technologies, including sensors, intelligent gateways, and security embedded in hardware. The legislation was referred to the Senate Committee on Energy and Natural Resources. Hearings have also been held.</td>
</tr>
</tbody>
</table>

The Senate Environment and Public Works Committee has advanced its Water Resources Development legislation for consideration by the Senate. IFS successfully worked with ACWA on language included in the report accompanying the legislation establishing a WaterSense program. The report language is as follows:
“Section 7112 authorizes EPA's voluntary WaterSense program that allows water efficient products, buildings, landscapes, facilities, processes, and service to bear a “WaterSense” label. When developing the criteria for the WaterSense label, consideration should be given to ensure that the performance criteria do not directly or indirectly contribute to the degradation of waste streams treated by community sewer systems.”

The House Transportation and Infrastructure Committee marked up their version of the Water Resources Development Act and ordered it to be reported by voice vote. The Committee report still has not been filed in the House.

Both the House and Senate hope to complete consideration of the WRDA bill this year, putting the legislation back on track every other year reauthorization.

While there was initially an effort to pass the legislation ahead of the recess in order to conference it over the long summer recess, neither the House or Senate considered the legislation on the floor in July.

The House passed its Interior-Environment Appropriations Bill at the end of July. In addition to the normal funding, the legislation includes provisions aimed at curbing the environmental agenda of the Obama Administration. Those provisions include:

- prohibiting the implementation of the “waters of the United States” regulatory definition (currently on hold by the courts);
- prohibiting EPA from implementing new greenhouse gas regulations for new or existing power plants;
- eliminating funding for greenhouse gas “New Source Performance Standards”;
- prohibiting EPA from changing the definition of “fill materials”;
- prohibitions on new methane requirements; and
- prohibitions on changes to the “stream buffer rule”.

The White House has come out in opposition to the House bill.

The Senate bill, which passed out of the Senate Appropriations Committee along party lines also includes a prohibition to the implementation of the “waters of the United States regulatory definition. The Senate legislation has not been considered on the floor.
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
<th>Summary/Status</th>
<th>IEUA Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 1704</td>
<td>Dodd</td>
<td>Water Rights</td>
<td>The Water Rights Permitting Reform Act of 1988 provides that the State Water Resources Control Board is not required to adopt general conditions for small irrigation use until the board determines that funds are available for that purpose and that a registration for small irrigation use pursuant to the act is not authorized until the board establishes general conditions for small irrigation use to protect instream beneficial uses, as specified. This bill would require the board, on or before January 1, 2018, to adopt general conditions that would permit a registrant to construct a facility that would store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow, as specified.</td>
<td>6/20 Gut and Amend</td>
</tr>
<tr>
<td>AB 1713</td>
<td>Eggman</td>
<td>Sacramento-San Joaquin Delta: peripheral canal</td>
<td>Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>AB 1738</td>
<td>McCarty</td>
<td>Building Standards: Dark Graywater</td>
<td>Would define &quot;dark graywater&quot; as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.</td>
<td>DEAD</td>
</tr>
<tr>
<td>AB 1749</td>
<td>Mathis</td>
<td>California Environmental Quality Act: exemption: City of Porterville</td>
<td>Would, until January 1, 2021, exempt from the California Environmental Quality Act's requirements a water treatment project determined by the City of Porterville as the best option based on a certain feasibility study, as provided. This bill contains other related provisions.</td>
<td>6/15 Gut and Amend</td>
</tr>
<tr>
<td>Bill</td>
<td>Sponsor</td>
<td>Description</td>
<td>Status</td>
<td>Committee</td>
</tr>
<tr>
<td>----------</td>
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<td>-----------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>AB 1755</td>
<td>Dodd</td>
<td>The Open and Transparent Water Data Act. The act would require the Department of Water Resources to establish a public benefit corporation that would create and manage (1) a statewide water information system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse for water transfer information that would include a database of historic water transfers and transfers pending responsible agency approval and a public forum to exchange information on water market issues.</td>
<td>SUPPORT</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 1842</td>
<td>Levine</td>
<td>Water Pollution: Fines Current law imposes a maximum civil penalty of $25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than $10 for each gallon or pound of polluting material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party.</td>
<td>Senate Appropriations Committee</td>
<td></td>
</tr>
<tr>
<td>AB 1925</td>
<td>Chang</td>
<td>Desalination: Statewide Goal The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030.</td>
<td>DEAD</td>
<td></td>
</tr>
<tr>
<td>AB 2206</td>
<td>Williams</td>
<td>Renewable Gas Would require the State Air Resources Board, in coordination with the Public Utilities Commission and State Energy Resources and Conservation Development Commission, to consider and, as appropriate, adopt a policy or programs to increase the production and use of renewable gas, as specified, generated by either an eligible renewable energy resource that meets the requirements of the California Renewables Portfolio Standard Program or direct solar energy, as specified.</td>
<td>6/25 Gut and Amend</td>
<td>Senate Environmental Quality Committee</td>
</tr>
<tr>
<td>AB 2304</td>
<td>Levine</td>
<td>California Market Water Exchange</td>
<td>Would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange.</td>
<td>DEAD</td>
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<td>Failed Passage Assembly Appropriations Committee</td>
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</tr>
<tr>
<td>AB 2313</td>
<td>Williams</td>
<td>Renewable Natural Gas</td>
<td>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. This bill would require the State Board to study and evaluate a strategy or strategies to increase the instate production and use of renewable natural gas, as defined, to further specified goals.</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 2488</td>
<td>Dababneh</td>
<td>Protected species: unarmored threespine stickleback: taking or possession.</td>
<td>Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the take of the unarmored threespine stickleback (Gasterosteus aculeatus williamsoni) attributable to the periodic dewatering, inspection, maintenance, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, as specified, if certain conditions are satisfied.</td>
<td>Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 2583</td>
<td>Frazier</td>
<td>Sacramento-San Joaquin Delta Reform Act of 2009</td>
<td>Would add a definition of the California Water Fix to the Sacramento-San Joaquin Delta Reform Act of 2009. This bill would eliminate certain provisions applicable to the BDCP and instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coeqal goals. This bill contains other related provisions and other existing laws.</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>AB 2702</td>
<td>Atkins</td>
<td>Climate Change</td>
<td>Would state the intent of the Legislature to enact legislation that would continue the work with local governments, state agencies, and others to meet the goals set forth in Governor Brown's Under 2 MOU, which brings together subnational governments willing to commit to either reducing the emissions of greenhouse gases 80% to 95% below 1990 levels by 2050 or achieving a per capita annual emissions target of less than 2 metric tons of carbon dioxide equivalent by 2050.</td>
<td>DEAD</td>
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<td></td>
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<td></td>
<td>Failed Assembly Appropriations Suspense</td>
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</tr>
<tr>
<td>Bill</td>
<td>Author</td>
<td>Description</td>
<td>Action</td>
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<tr>
<td>ACA-8</td>
<td>Bloom</td>
<td>Local government financing: water facilities and infrastructure: voter approval</td>
<td>Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.</td>
<td></td>
</tr>
<tr>
<td>SB 163</td>
<td>Hertzberg</td>
<td>Wastewater treatment: recycled water</td>
<td>Would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill’s provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill, on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility’s actual annual flow, as defined, for beneficial purposes.</td>
<td></td>
</tr>
<tr>
<td>SB 885</td>
<td>Wolk</td>
<td>Construction Contracts: Indemnity</td>
<td>Would specify, with certain exceptions, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend himself or herself from claims or lawsuits that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims or lawsuits against any other person or entity arising from a construction project, except that person’s or entity’s reasonable defense costs arising out of the design professional’s degree of fault, as specified.</td>
<td></td>
</tr>
<tr>
<td>SB 1043</td>
<td>Allen</td>
<td>Renewable gas: biogas and biomethane</td>
<td>Would require the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of renewable gas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the acceptance of renewable gas.</td>
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</tbody>
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Assembly Rules Committee
Oppose Unless Amended
DEAD
Withdrawn from committee
OPPOSE
DEAD
Withdrawn from committee
DEAD
Failed Senate Appropriations Suspense
<table>
<thead>
<tr>
<th>SB 1318</th>
<th>Wolk</th>
<th>Local government: drinking water infrastructure or services; wastewater infrastructure or services</th>
<th>Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. This bill contains other related provisions and other existing laws.</th>
<th>DEAD</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Dropped by author</td>
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</tr>
</tbody>
</table>
INFORMATION ITEM

3K
Planning & Environmental Resources
Salinity Update

August 10, 2016
IEUA Board of Directors Meeting
Public, Legislative Affairs & Water Resources Committee
Regional Commitment to Salinity Management Key to Recycled Water

- Maximum Benefit Plan enables use of recycled water (irrigation & GWR)
- Commitment to RWQCB/SWRCB to implement regional programs to manage/reduce TDS as part of the OBMP and Maximum Benefit Plan
- Region has been working for past 15+ years to meet this commitment
  - Chino Basin Desalters (40,000 AF)
  - Self-generating water softener use ordinance
  - Brine line discharge requirements for high TDS industrial users
  - Chemical use optimization in the WWTP
  - Securing high quality supplemental water
- Local water supply TDS is affected by SWP TDS
- 12-year SWP average: +10 mg/L per year
- SWP +10 mg/L results in +2 mg/L in local water supply*

*assumes 50,000 AFY of SWP, and total demand of 200,000 AFY
SWP impacts local water supply TDS ...

<table>
<thead>
<tr>
<th></th>
<th>State Water Project TDS</th>
<th>IEUA Water Supply (local +SWP)TDS</th>
<th>Effluent TDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>285</td>
<td>238</td>
<td>499</td>
</tr>
<tr>
<td>2016</td>
<td>370</td>
<td>285</td>
<td>507</td>
</tr>
<tr>
<td>Potential</td>
<td>450</td>
<td>302</td>
<td>550</td>
</tr>
</tbody>
</table>

- SWP is 20 - 30% IEUA supply
- Total RW TDS cannot exceed 550 mg/L
TDS is an inclining trend...

<table>
<thead>
<tr>
<th>TDS Trend</th>
<th>Water Supply TDS Annual Increase</th>
<th>Effluent TDS Annual Increase</th>
<th>Year Effluent TDS Limit of 550 mg/L is Reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Years</td>
<td>1.8 mg/L</td>
<td>1.9 mg/L</td>
<td>2026 - 2027</td>
</tr>
<tr>
<td>10 Years</td>
<td>4.4 mg/L</td>
<td>3.3 mg/L</td>
<td>2020 - 2022</td>
</tr>
<tr>
<td>5 Years</td>
<td>12.5 mg/L</td>
<td>15.7 mg/L</td>
<td>2017 - 2018</td>
</tr>
</tbody>
</table>
What happens if RW TDS exceeds 550 mg/L?

Could result in:

- Mandatory penalties/ Notice of Violation
- Cease and desist order from RWQCB
- Prohibition on use of recycled water for groundwater recharge
- Requirements for additional TDS management:
  - Construction of additional groundwater desalters
  - Desalting of recycled water (advanced treatment)
Alignment with planning initiatives

Options for long term salinity management

- Manage source water supply portfolio
- Investment opportunities:
  - SARCCUP & Groundwater Banking
  - Low Impact Development/rainwater infiltration
  - Local projects to increase groundwater yield
  - Advanced treatment of recycled water

IRP Phase 2 discussions
INFORMATION ITEM

3L
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (08/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Resources

Subject: Chino Basin Water Storage and Recovery

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

The Chino Groundwater Basin contains about 5.7 million acre-feet (MAF) of water in storage, and has an unused storage capacity of over 1 MAF. The basin has been sustainably managed for nearly 40 years under the 1978 stipulated Chino Basin Judgment and overseen by the Chino Basin Watermaster process and the continuing jurisdiction of the California Superior Court.

Local retail water agencies have invested hundreds of millions of ratepayer dollars to build local infrastructure which allows for maximum beneficial use of local groundwater. Chino Basin parties are seeking to build on this success through full utilization of available basin storage for the benefit of their ratepayers. The Judgment and subsequent party agreements recognize the value of the basin's unused groundwater storage capacity and are written to facilitate the creation of storage and recovery programs, subject to Watermaster control and regulation, for public benefit. The Chino Basin parties have also self-imposed a limit to their combined supplemental storage account levels to ensure sufficient space for larger storage programs.

In order to coordinate the development of Chino Basin storage, parties have begun to discuss the formation of a Chino Basin Water Bank (CBWB). The CBWB would bring together major producing parties and Inland Empire Utilities Agency (IEUA), the region's supplemental water provider, and apply to Watermaster for the right to create a comprehensive storage and recovery program under existing basin rules and with a dedicated quantity of basin storage. The CBWB
would then make this quantity of storage available to outside parties, who would pay for this access by “leaving behind” a certain quantity of water they place in storage. CBWB parties would benefit directly through increased groundwater supplies, and the Chino Basin would generally experience improved groundwater levels and water quality.

Additionally, the CBWB would facilitate the Chino Basin’s participation in the Santa Ana Regional Conservation and Conjunctive Use Program (SARCCUP), a watershed-wide conjunctive use program that has received $54 million in state Proposition 84 funds.

Staff is presenting for the Board’s information a cost-sharing agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District to fund the initial steps in the formation of the CBWB. The agreement envisions hiring Sierra Water Group, Inc., to conduct an evaluation of the proposed bank structure and potential economic benefits, and Best Best & Krieger LLP to draft a Joint Power Agreement (JPA) which defines bank governance and the roles and responsibilities of its partners. Each task would be managed by a party to the agreement and would be for a not-to-exceed cost. The parties have agreed to a total not-to-exceed cost of $200,000. Each of the four parties would share in one-fourth of the total cost, or $50,000.

The agreement is attached. Also attached is a draft outline of the CBWB’s goals, concepts, and principles. This agreement is consistent with the Agency’s Business Goal of increasing Water Reliability by meeting the region’s need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

**PRIOR BOARD ACTION**

None

**IMPACT ON BUDGET**

The budget for the contract amount is included in the FY 2016/2017 Water Fund (WW), Project No WR16025, WW Planning Documents.

Attachments: Chino Basin Water Bank Concept

Cost Share Letter Agreement
Chino Basin Water Bank (CBWB) Goals/Concepts/Principles
(As developed by CVWD, MVWD, Ontario and IEUA April 2016)

Key Drivers for a Water Banking Program
- Promote, implement and coordinate storage and recovery programs within the Chino Groundwater Basin for local, regional and statewide benefits
- No individual entity presently exists to accomplish this goal in a coordinated and efficient manner. The CBWB would bring together the region’s supplemental water provider, major parties to the Chino Basin Adjudication, and the owner-operators of the region’s GW recharge, surface water treatment and GW production facilities to accomplish CBWB goals.
- Aligns with longstanding vision of Chino Basin parties to maximize storage and beneficial use of basin (guided, but not limited by OBMP/CAMA documents)

Water Banking Program Benefits/Opportunities
- Provide the ability for non-local parties/entities to store water on-top of Chino Basin water and provide benefits to all parties involved
  - Local/regional benefits – water quality, financial, regional economic growth and water supply reliability
  - External benefits – improved reliability and reduced long term costs
  - Environmental benefits – opportunities for State to store water to support delta fisheries
- Storage and use of supplemental water transfers/exchanges into the Chino Basin
- Maximize the full benefits of existing production/storage rights and assets (aquifer and facilities) to generate revenue for basin reinvestment
  - Lease storage space (3rd party investment) to fund basin improvements
  - Buy and hold water for future water use/sale
  - Revenues through storage/recovery programs shall be used to equitably fund additional CBWB infrastructure, provide additional system reliability, reduce costs and maximize the benefits of the CBWB parties and local ratepayers
- Support existing/proposed programs
  - Existing: DYY, general and Desalter Replenishment
  - Proposed: SARCCUP
- Parties must be able to move water in/out of bank independently (for member specific funded item) or in partnership with other CBWB parties
- Develop and promote policies at local, regional and statewide levels to further the CBWB goals
Governance of CBWB

- Membership
  - Imported water facilities (WFA/CVWD)
  - Supplemental and recharge water (IEUA)
  - Injection/discharge facilities (AP parties?)
- Independent CEO and staff to effectively manage CBWB program and goals
- Decision making/control
  - Joint Powers Authority w/ assigned representation from each member
  - Weighted vote basis – by investment value/water/etc?
- Financials
  - Buy-in (initial capitalization of program) – establish minimum investment/water/money to become member
  - Financially stable and self-sufficient, but not for profit
  - Storage fee – fund administration/reinvestment

Interface with Watermaster

- CBWM Storage Application by CBWB and pay all appropriate fees/costs
- Interchangeability between CBWB and individual storage accounts
- Opportunity to develop joint facilities with CBWM and potential cost share

Next Steps and Development of Idea

- Hire/identify someone to help explore and develop the approach and terms
- Initial membership and/or development team
- In parallel to SARCCUP and Storage Management Plan
- Develop JPA Charter/Plan
July 27, 2016

Mark Kinsey  
Monte Vista Water District (MVWD)  
10575 Central Avenue – P.O. Box 71  
Montclair, CA 91763

Martin Zvirbulis  
Cucamonga Valley Water District (CVWD)  
10440 Ashford Street – P.O. Box 638  
Rancho Cucamonga, California 91729

Al C. Boling  
City of Ontario  
303 E. “B” Street  
Ontario, CA 91764

Re:  Cost Sharing Letter Agreement  
Chino Basin Water Bank Feasibility Review and Foundational Document Development

This Cost Sharing Letter Agreement (“Agreement”) sets forth the understanding between the undersigned parties regarding the sharing of costs for legal and consultant support services for the Chino Basin Water Bank (CBWB). This Agreement will cover a variety of feasibility review tasks as well as foundational document development.

The Parties recognize that there are various regional efforts, occurring now and planned for the near future, that relate to storage in the Chino Groundwater Basin. Among these include the Chino Basin Safe Yield Reset, Chino Basin Storage Management Plan, Santa Ana River Conservation and Conjunctive Use Program, and other efforts related to continued implementation of the Optimum Basin Management Plan such as water quality management and planning for Desalter Replenishment. As a result, the Parties desire to initiate certain due diligence and feasibility work to facilitate implementation of these regional efforts.

Inland Empire Utilities Agency, a Municipal Water District, (“IEUA”) and the undersigned parties (collectively referred to as “Parties” and individually as “Party”) hereby agree to equally share the cost of legal and consultant support services pursuant to the provisions set forth below.

1. Scope of Services

As of the date of this Agreement, there are several tasks that have been identified as necessary to complete the feasibility review and foundational document development for the CBWB. It is expected that over the next several months, additional consultant services will be required to complete these tasks. As these services are identified, this Agreement will be amended with revised total Agreement costs for concurrence by all Parties prior to commencing new work.
A summary of the current Scope of Services are as follows:

A. **Joint Power Agreement (JPA) Development**
   This task will involve the drafting of the CBWB JPA – specifically defining JPA governance and the roles/responsibilities of the partners. It is expected that this effort will aid the Parties in determining the best governance for a bank in the Chino Basin.

B. **Water Bank Structure Evaluation**
   This task will include a technical, financial and governance alternatives analysis of water banking mechanics – it is expected that this evaluation will aid the Parties in determining the best structure for a bank in the Chino Basin.

C. **Economic Benefit Evaluation**
   This task will include the evaluation of the anticipated economic benefits to the Parties to this Agreement as well as the regional benefits as a whole.

2. **Cost Sharing**

Different Parties to this Agreement will serve as the lead agency in contracting with and managing services provided by identified Consultant (as stated below). Cost sharing for each of the items identified below shall be shared (equally) as one fourth of the total cost per party.

A. **Joint Power Agreement (JPA) Development**
   CVWD (Lead Agency) has entered into, or intends to enter into, an agreement with Best Best & Krieger LLP (Consultant) for performance of the Scope with a not-to-exceed cost of $20,000.00 (Compensation).

B. **Water Bank Structure Evaluation**
   IEUA (Lead Agency) has entered into an agreement with Sierra Water Group, Inc. (Consultant) for performance of the Scope with a not-to-exceed cost of $9,975.00 (Compensation).

C. **Economic Benefit Evaluation**
   IEUA (Lead Agency) intends to enter into an agreement with a consultant for performance of the Scope with a not-to-exceed cost of $30,000.00 (Compensation).

D. **Cost Sharing Between the Undersigned Parties**
   The Parties hereto each agree to be responsible for reimbursement of the payments made under the aforementioned agreements with Consultants not to exceed one fourth of the total cost or $50,000.00 per party as follows:
   
   (i) Upon receipt by the Lead Agency of each written statement from Consultant regarding the amount due and owing for the applicable time period (Progress Payment), the Lead Agency shall be responsible for payment to Consultant for the amount due and owing.
(ii) The Parties shall be responsible for payment of an equal share of the amount
due and owing under each Progress Payment to be billed by the Lead Agency to
each Party, quarterly. None of the Parties shall be responsible for payment of any
amounts in excess of its share as set forth herein, without the prior written consent
of the Party being requested to pay such additional amount.

(iii) The Lead Agency shall provide a copy of the Progress Payment to each Party
along with a cover letter setting forth the calculation of the share due and owing by
each Party. Within thirty (30) days of the date of said cover letter (Invoice), each
Party shall submit payment to the Lead Agency for its share as set forth in this
Agreement.

3. Effective Date and Term

This Agreement shall be effective on the date of full execution of this Agreement by all of the
Parties (Effective Date). The term of this Agreement shall be from the Effective Date to the
date of completion of performance of the Scope under the Consultant Contracts pursuant to the
schedule set forth in Exhibit A and other schedules and deadlines as may be determined by the
Parties and Consultant, but shall not be later than December 31, 2017. The Parties may elect
to extend the term with prior written consent of the Parties by an amendment to this Agreement.


A. Indemnification
   Each Party agrees to defend, indemnify and hold harmless the other Parties and its
   officers, directors, agents, employees, servants and volunteers from any and all
   liability, judgements, expenses, including defense costs and legal fees, and claims for
damages of any nature whatsoever, arising from or connected with the Parties activities
under this Agreement.

B. Other Parties
   Upon concurrence of the parties hereto, other interested parties may be added to this
agreement by written amendment. Prior to the addition of any party, the cost allocation
shall be agreed to so that all parties hereto pay an equal share of the total costs incurred
as authorized by this Agreement.

C. Notices
   Written correspondence to be given to any party must be given by personal delivery or
   by registered or certified mail addressed and delivered as set forth below in the
   signature blocks for each Party.

D. Representation of Authority
   Each Party represents to the other that it has the authority to enter into this Agreement
   and that the individual signing this Agreement on behalf of their respective Party has
   the authority to execute this Agreement and to bind their respective Party to the terms
   and conditions of this Agreement.
E. **Counterparts**
   This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

F. **Governing Law**
   This Agreement shall be governed by and construed in accordance with the laws of the State of California in the County of San Bernardino.

G. **Cooperation**.
   The Parties acknowledge that they are entering into an arrangement in which the cooperation of all of the Parties will be required, and may include the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and review and submit timely documents for the benefit of the CBWB.

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT

**INLAND EMPIRE UTILITY AGENCY**

By: [Signature]
   P. Joseph Grindstaff, General Manager

Dated: [Signature]

P. O. Box 9020
Chino Hills, CA 91709

**MONTE VISTA WATER DISTRICT**

By: [Signature]
   Mark Kinsey, General Manager

Dated: [Signature]

P. O. Box 71
Montclair, CA 91763

**CUCAMONGA VALLEY WATER DISTRICT**

By: [Signature]
   Martin Zvirbulis, General Manager

Dated: [Signature]

P. O. Box 638
Rancho Cucamonga, California 91729

**ONTARIO MUNICIPAL UTILITIES COMPANY**

By: [Signature]
   Al C. Boling, City Manager

Dated: [Signature]

303 E. “B” Street
Ontario, CA 91764
Date: August 17, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (8/10/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Shaun Stone
Manager of Engineering

Subject: RP-1/RP-5 Expansion Preliminary Design Report (PDR) Update

RECOMMENDATION

This is an informational item for the Board of Directors.

BACKGROUND

On January 20, 2016, the Board of Directors awarded the Contract for Engineering Preliminary Design Services for the RP-1/RP-5 Expansion Preliminary Design Report (PDR) to Parsons Water & Infrastructure Inc. The Parsons/Agency project technical team initiated work on the first series of preliminary predesign technical memorandums, which included:

1. Decommissioning of Carbon Canyon Water Recycling Facility (CCWRF)
2. Elimination of Primary Effluent Flow Equalization
3. Onsite Centrate Treatment and Offsite Recycle Flow Discharge
4. RP-5 Liquids Treatment Alternative Technology, Secondary Treatment
5. Ultimate Expansion of RP-5

On May 11, 2016, Agency staff conducted the first Board Workshop covering the topics of the first series of technical memorandums and provided the following recommendations:

- Maintain operations of CCWRF indefinitely while completing the appropriate level of repair and refurbishment asset management projects to ensure safe and compliant operation of the facility.
- RP-5 Secondary Treatment will be accomplished through a membrane bio-reactor (MBR) process, which will simplify operations of the facility and improve effluent water quality.
- Under the current expansion project, fully expand RP-5 to 30 MGD, ultimate flow of the facility with CCWRF in operation, as this approach provided the lowest lifecycle cost for the ultimate expansion of the facility.

Since the first Board Workshop, the Parsons/Agency project technical team has begun work on the second series of technical memorandums for the PDR. The second series of technical memorandums will provide much of the basis for the treatment processes of the new facilities and is detailed in Table 1 below.

<table>
<thead>
<tr>
<th>Number</th>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RP-5 Liquids Treatment</td>
<td>Influent Pump Station, Screening, Grit Removal, Primary Clarification, Disinfection, Condition Assessment, &amp; Odor Control</td>
</tr>
<tr>
<td>2</td>
<td>RP-5 Solids Treatment</td>
<td>Solids Thickening, Digestion, Dewatering, &amp; Digester Gas Conveyance/Storage/Safety Flaring</td>
</tr>
<tr>
<td>3</td>
<td>Food Waste</td>
<td>Comparative Analysis of RP-1, RP-5, &amp; RP-5 Solids Handling Facility including Receiving, Digestion, Dewatering, &amp; Digester Gas Usage</td>
</tr>
<tr>
<td>4</td>
<td>Digester Gas Usage</td>
<td>Comparative Analysis of Internal Combustion Engines (Existing/New), Micro Turbines, Natural Gas Pipeline Injection, &amp; CNG Vehicle Fuel including potential for future phasing</td>
</tr>
<tr>
<td>5</td>
<td>Electrical</td>
<td>RP-5 Power Feed, Power Distribution Center, &amp; Power Centers</td>
</tr>
<tr>
<td>6</td>
<td>Offsite Facilities</td>
<td>RP-2 Decommissioning Plan, RP-2 Lift Station Relocation, Inland Empire Brine Line Discharge Station Relocation</td>
</tr>
</tbody>
</table>

The major recommendations resulting from the second series of technical memorandums will be presented to the Board of Directors through the RP-1 & RP-5 Expansion PDR Board Workshop No. 2 to be conducted in October 2016.

This PDR is consistent with the Agency’s Business Goal of Wastewater Management Capacity objective that IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

**PRIOR BOARD ACTION**

On January 20, 2016, the Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of $2,431,598.
IMPACT ON BUDGET

The April 2016 approved TYCIP budgets for Project No. EN19001, RP-5 Liquids Treatment Expansion, and Project No. EN19006, RP-5 Solids Treatment Facility, are $125,000,000 and $136,000,000, respectively. With the recommendations provided during the first Board Workshop, it is anticipated that the project budget for the RP-5 Liquids Treatment Expansion, Project No. EN19001, will increase to $158,000,000. The project cost will continue to be refined as the PDR progresses to completion.

There are no budget impacts to the current phase of the project.

PJG:CB:SS:jm
RP-5 Expansion PDR Update

Project Nos. EN16025 & EN16028

August 2016
Board Workshop No. 1

Decommissioning of CCWRF
- CCWRF to Remain in Operation

Elimination of RP-1 Primary Effluent Equalization
- ~9.0 MGD Secondary Capacity or Bypass to RP-5

RP-5 Secondary Treatment System Alternatives
- Full MBR System

Ultimate Expansion of RP-5
- Expand to 30 MGD

Onsite Centrate Treatment
- Secondary Treatment is low cost alternative
# Project Schedule

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Date</th>
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<tbody>
<tr>
<td>Current Project</td>
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<tr>
<td>PDR Engineering Services Contract Award</td>
<td>Jan. 20,  2016</td>
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<tr>
<td>Preliminary Design Report Completion</td>
<td>Mar. 15,  2017</td>
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<tr>
<td>RP-5 Expansion</td>
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<tr>
<td>Design Engineering Services Contract Award</td>
<td>Jun. 21,  2017</td>
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<tr>
<td>Construction Contract Award</td>
<td>Nov. 20,  2019</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>Nov. 16,  2022</td>
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<tr>
<td>Description</td>
<td>WFMP/TYCP Budget</td>
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<tr>
<td>RP-5 Expansion PDR</td>
<td>$125M</td>
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<tr>
<td>RP-5 Liquids Treatment Expansion Facility</td>
<td>$136M</td>
</tr>
<tr>
<td>RP-5 Solids Treatment Facility</td>
<td>$266M</td>
</tr>
</tbody>
</table>

This PDR is consistent with the Agency’s Business Goal of Wastewater Management Capacity objective that IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.
INFORMATION ITEM

3N
Laboratory Semi-Annual Update
August 2016

Inland Empire Utilities Agency
A Municipal Water District

Nel Groenveld
Manager of Laboratories
Laboratory Activities

- **FY1516 Samples and Analyses**
  - Samples: 18,031 (38% Compliance related samples)
  - Analyses: 62,209 (52% Compliance related analyses)

- **NPDES**
  - Supporting Environmental Compliance group on RP5 Dioxin investigation.

- **GWR**
  - Declez Basin start-up

- **Training**
  - Sampling and Chain of Custody training for sample collectors.

*Milena presenting Sampling and COC Protocols*
Customer Service
Meeting IEUA Needs

- **FY 16/17 KPIs**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Goal</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Sample Turnaround Time</td>
<td>Compliance</td>
<td>18 days</td>
</tr>
<tr>
<td></td>
<td>Process Control</td>
<td>1 day</td>
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</table>

Meet sample holding times 99%

- **Special Projects**
  - Technical Services Department
    - Struvite prevention product testing
  - Pretreatment and Source Control
    - Brine line solids discrepancy follow-up study
Laboratory Certification
California – Environmental Laboratory Accreditation Program (ELAP)

- IEUA Laboratory Certification
  - Site visit to occur August or September 2016
  - 100% acceptable results on 2016 Performance Evaluation samples

- ELAP Reorganization
  - Increased fees
  - Staffing: Training current and new inspectors
  - Policies: 15 new policies
  - Environmental Laboratory Technical Advisory Committee (ELTAC)
  - Evaluating alternate regulations
  - September 2016 present selection to SWRCB
  - Emerging constituents
Water Quality Laboratory
Project EN15008

Coming soon to a wastewater treatment plant near you!
REGULAR COMMISSION MEETING
TUESDAY, AUGUST 16, 2016 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)
2. ROLL CALL
3. PUBLIC COMMENTS
   Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. CONSENT CALENDAR
   All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
   A. APPROVAL OF MEETING MINUTES: AUGUST 2, 2016
      Recommendation: Approve as posted.
   B. TREASURER’S REPORT – JULY 2016
      Recommendation: Approve as posted.
   C. REACH V REHABILITATION AND IMPROVEMENT PROJECT – PHASE I
      (CM#2016.67)
      Recommendation: Find that the unfinished condition of the Reach V Rehabilitation and Improvement Project (the Project) after the termination for cause of the Project contractor continues to be an emergency that requires immediate action per the Commission’s prior action on August 2, 2016.

5. NEW BUSINESS
   A. UPDATED CREDIT CARD POLICY AND PROCEDURES (CM#2016.62)
      Presenter: Karen Williams
      Recommendation: Approve the updated Credit Card Policy and Procedures (POR104).
   B. NO FEE ACCESS PERMITS FOR THE SANTA ANA RIVER HABITAT SURVEY
      (CM#2016.63)
      Presenter: Ian Achimore
      Recommendation: Authorize staff to execute access permits with the Riverside County and San Bernardino County flood control districts and the City of Riverside for the Santa Ana River Habitat Survey.
C. ARUNDO MANAGEMENT AND HABITAT RESTORATION FUND (ARUNDO ROUNDTABLE) UPDATE (CM#2016.64)
   Presenter: Mark Norton
   Recommendation: Receive and file.

D. 2017 OWOW CONFERENCE (CM#2016.68)
   Presenter: Celeste Cantú
   Recommendation: Consider contracting with the Water Education Foundation to create, develop and deliver the 2017 OWOW State of the Santa Ana River Watershed Conference under the terms of the 2011 agreement.

E. BRINE LINE COMMUNICATION AND OUTREACH UPDATE
   Presenter: Gale Hammons, Hammons Strategies
   Recommendation: Receive and file.

6. INFORMATIONAL REPORTS
   Recommendation: Receive and file the following oral/written reports/updates.

A. CASH TRANSACTIONS REPORT – JUNE 2016
   Presenter: Karen Williams

B. INTER-FUND BORROWING – JUNE 2016 (CM#2016.65)
   Presenter: Karen Williams

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – MAY 2016 (CM#2016.66)
   Presenter: Karen Williams

D. GENERAL MANAGER’S REPORT

E. STATE LEGISLATIVE REPORT
   Presenter: Celeste Cantú

F. SAWPA GENERAL MANAGERS MEETING NOTES
   - August 9, 2016

G. CHAIR’S COMMENTS/REPORT

H. COMMISSIONERS’ COMMENTS

I. COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS

7. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)
   Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC516589)

B. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION – PURSUANT TO GOVERNMENT CODE SECTION 54957
   Title: General Manager
C. **PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION – PURSUANT TO GOVERNMENT CODE SECTION 54957**
Title: Executive Counsel

8. **ADJOURNMENT**

**PLEASE NOTE:**
Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpap.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

**Declaration of Posting**
I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, August 10, 2016, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted in SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

/signed/

Kelly Berry, CMC

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**2016 - SAWPA Commission Meetings/Events**

First and Third Tuesday of the Month

(NOTE: Unless otherwise noted, all Commission Workshops/Meetings begin at 9:30 a.m., and are held at SAWPA.)

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/5/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>1/19/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>2/2/16</td>
<td>Commission Workshop—OCSD Facilities Tour</td>
</tr>
<tr>
<td>2/16/16</td>
<td>Regular Commission Meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/1/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>3/15/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>April</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>4/5/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>April</td>
<td>Special Commission Workshop [10:00 a.m.]</td>
</tr>
<tr>
<td>4/19/16</td>
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<tr>
<td>4/28/16</td>
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<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/2/16</td>
<td>Commission Workshop [cancelled]</td>
</tr>
<tr>
<td>5/3 - 5/6/16</td>
<td>ACWA Spring Conference, Monterey</td>
</tr>
<tr>
<td>5/10/16</td>
<td>Special Commission Workshop [9:00 a.m.]</td>
</tr>
<tr>
<td>5/17/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>6/7/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>6/21/16</td>
<td>Regular Commission Meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/5/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>7/19/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>8/2/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>8/16/16</td>
<td>Regular Commission Meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/6/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>9/20/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>October</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>10/4/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>10/18/16</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/1/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>11/29 - 12/2/16</td>
<td>ACWA Fall Conference, Anaheim</td>
</tr>
<tr>
<td>11/15/16</td>
<td>Regular Commission Meeting</td>
</tr>
<tr>
<td>12/6/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>12/20/16</td>
<td>Regular Commission Meeting</td>
</tr>
</tbody>
</table>
AGENCY REPRESENTATIVES' REPORTS

4B
Adjourned Board Meeting
Meeting with Board of Directors

August 16, 2016
12:00 p.m. – Board Room

MWD Headquarters Building
700 N. Alameda Street
Los Angeles, CA 90012

1. Call to Order

(a) Invocation: Stathis Kostopoulos, Senior Resource Specialist, Office of the Chief Financial Officer
(b) Pledge of Allegiance: Director Brett Bartre

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board’s jurisdiction. (As required by Gov. Code § 54954.3(a)

5. OTHER MATTERS

A. Approval of the Minutes of the Meeting for July 12, 2016. (A copy has been mailed to each Director) Any additions, corrections, or omissions

Draft Minutes

B. Report on Directors’ events attended at Metropolitan expense for month of July

C. Approve committee assignments

D. Chairman’s Monthly Activity Report

E. Tax Levy for fiscal year 2016/17. (F&J)

5E-1 Report on list of certified assessed valuations for fiscal year 2016/17 and tabulation of assessed valuations, percentage participation, and vote entitlement of member public agencies as of August 15, 2016.

5E-2 Adopt CEQA determination and the resolution establishing the tax rate for fiscal year 2016/17. (To be mailed separately)

6. DEPARTMENT HEADS’ REPORTS

A. General Manager’s summary of Metropolitan’s activities for the month of July

B. General Counsel’s summary of Legal Department activities for the month of July

C. General Auditor’s summary of activities for the month of July

D. Ethics Officer’s summary of activities for the month of July
7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $1.2 million; authorize final design to replace valves at Service Connections CB-12 and CB-16 on the Rialto Pipeline; and award $610,025 procurement contract to Autrans Corporation (Approp. 15480). (E&O)

7-1 Board Letter and Attachments

7-2 Adopt CEQA determination and appropriate $350,000 for biological surveys and acquisition of mitigation for erosion protection of the Whitewater Siphons on the Colorado River Aqueduct (Approp. 15341). (E&O)

7-2 Board Letter and Attachments

7-3 Adopt CEQA determination and appropriate $450,000; and authorize preliminary design to replace storage buildings at three Colorado River Aqueduct pumping plants (Approp. 15483). (E&O)

7-3 Board Letter and Attachments

7-4 Adopt CEQA determination and appropriate $1.25 million; and authorize relocation of standby generators at six Wide Area Network sites across the distribution system (Approp. 15376). (E&O)

7-4 Board Letter and Attachments

7-5 Adopt CEQA determination and authorize agreements with Geospatial Professional Solutions, Inc.; Psomas; Rick Engineering Co.; and Towill, Inc., for aerial photogrammetry and mapping services to support board-authorized Capital Investment Plan projects. (E&O)

7-5 Board Letter

7-6 Adopt CEQA determination and adopt Resolution and Administrative Code Amendment to Establish a Distribution Policy for tickets received by Metropolitan. (L&C)

7-6 Board Letter and Attachments

7-7 Adopt CEQA determination and authorize amendment of lease R.L. 3212 to Diamond Valley Lake East marina operator Urban Park Concessionaires for an additional 24 months. (RP&AM)

7-7 Board Letter and Attachment

7-8 Adopt CEQA determination and adopt resolution designating Metropolitan's maximum contribution for medical benefits in order to comply with current authorized Memoranda of Understanding, and amend Administrative Code Section 6522. (OP&T)

7-8 Board Letter

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and authorize entering into Water Savings Incentive Plan Agreements with Dye Finishing Companies. (WP&S)

8-1 Board Letter

8-2 Adopt CEQA determination and appropriate $8.76 million; and award $4,878,635 contract to Sol Construction, Inc. to construct a solar power plant at the Joseph Jensen Water Treatment Plant (Approp. 15391). (E&O)

8-2 Board Letter and Attachments

8-3 Adopt CEQA determination and adopt Policy Principle on Watershed Management. (C&L) (To be mailed separately)

9. BOARD INFORMATION ITEMS

None

10. OTHER MATTERS (Contd.)

a. 10-1 Department Head Performance Evaluations [Public employees' performance evaluations—General Manager, General Counsel, General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code Section 54957]

b. 10-2 Department Head Salary Survey 2016
c. 10-3 Discuss and approve compensation recommendation for General Manager, General Counsel, General Auditor, and Ethics Officer (To be distributed at Meeting)

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site http://www.mwch2o.com.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR
Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES
1. Approve Minutes of the Watermaster Board Meeting held June 23, 2016

B. FINANCIAL REPORTS
1. Cash Disbursements for the month of May 2016
2. Watermaster VISA Check Detail for the month of May 2016

C. WATER TRANSACTIONS
1. Notice of Sale or Transfer — The purchase of 2500.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona’s excess carryover account. Date of application: April 28, 2016.
2. Notice of Sale or Transfer — The purchase of 4000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino’s excess carryover account. Date of application: May 3, 2016.
3. Notice of Sale or Transfer — The purchase of 6000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino’s excess carryover account. Date of application: May 3, 2016.
4. Notice of Sale or Transfer — The purchase of 3500.000 acre-feet of water from the City of Ontario by Fontana Water Company. This purchase is made from the City of Ontario’s excess carryover account. Date of application: May 3, 2016.
5. Notice of Sale or Transfer – The purchase of 1000,000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland’s excess carryover account. Date of application: May 3, 2016.

II. **BUSINESS ITEMS**
   NONE

III. **REPORTS/UPDATES**
   A. **LEGAL COUNSEL REPORT**
      1. September 23, 2016 Hearing
   B. **ENGINEER REPORT**
      1. Procedure for Supplemental Water Recharge
      2. RMPU Projects Support
      3. Proposition 1 – Stormwater Grant Application Support
      4. Assistance on Self-Certification Applications
      5. 2016 Groundwater Elevation Data for California Statewide Groundwater Elevation Monitoring (CASGEM) Program
      6. CY 2015 Permittee Progress Report on Stormwater Recharge to State Board
   C. **CFO REPORT**
      1. Assessment Invoicing
      2. Desalter Replenishment Obligation
      3. Exhibit "G" Water Transactions
      4. RTS Charge
   D. **GM REPORT**
      1. Stored Water Accounts – Account Balances
      2. SGMA Basin Boundary Modification Update
      3. Non-Agricultural Pool Volume Vote
      4. Appropriative Pool Update on Watermaster Business Operations
      5. Other

IV. **INFORMATION**
   1. Cash Disbursements for June 2016
   2. RMPU Status Report
   3. Ground Level Monitoring Status Report
   4. South Archibald and Chino Airport Plumes Status Report

V. **BOARD MEMBER COMMENTS**

VI. **OTHER BUSINESS**

VII. **CONFIDENTIAL SESSION - POSSIBLE ACTION**
Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.
   1. GM Performance Evaluation
VIII. FUTURE MEETINGS AT WATERMASTER

7/28/16 Thu 11:00 a.m. Watermaster Board
8/11/16 Thu 9:00 a.m. Appropriative Pool Meeting
8/11/16 Thu 11:00 a.m. Non-Agricultural Pool Meeting
8/11/16 Thu 1:30 p.m. Agricultural Pool Meeting
8/18/16 Thu 8:00 a.m. Appropriative Pool Strategic Planning (Confidential Session Only)
8/18/16 Thu 9:00 a.m. Advisory Committee Meeting
8/18/16 Thu 9:30 a.m. Recharge Investigations and Projects Committee (RIPCom)
8/23/16 Tue 9:00 a.m. Groundwater Recharge Coordinating Committee (GRCC at CBWCD)
8/25/16 Thu 11:00 a.m. Watermaster Board

ADJOURNMENT
Date: August 17, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff, General Manager

Subject: General Manager’s Report Regarding Agency Activities

PLANNING & ENVIRONMENTAL RESOURCES

The regional water use for FY 15/16 was 156,973 AFY, a record low. This is the lowest recorded water use for the region since 1995.

The Agency-wide average influent flow for the month of June 2016 was approximately 46.1 million gallons per day (MGD), 2 MGD decrease from the May 2016 total influent flow.

The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for June 2016 was 5.7 mg/L.

The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for June 2016 was 508 mg/L.
On July 5th, IERCF had its annual Title V inspection from AQMD. The inspector reviewed records and toured the facility to inspect the permitted equipment.

On July 14th, IEUA submitted permit applications on behalf of Inland BioEnergy for two Selective Catalytic Reduction (SCR) systems for the engines at RP-5. The SCR will reduce emissions to be in compliance with the reduced emission limits that are effective on January 1, 2017.
General Manager’s Report Regarding Agency Activities  
August 17, 2016  
Page 3 of 14

IERCF UPDATE

Operational Comments – Facility throughput for July averaged approximately 84% of permitted capacity at an average of 359 tons per day of biosolids and 119 tons per day of amendments (based on a 31-day month). The facility is operating well with no violations or lost time incidents.

Facility Throughput

<table>
<thead>
<tr>
<th>POTW</th>
<th>Wet Tons Month</th>
<th>Wet Tons Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACSD</td>
<td>6,651.75</td>
<td>49,374.43</td>
</tr>
<tr>
<td>IEUA</td>
<td>4,489.61</td>
<td>36,550.80</td>
</tr>
<tr>
<td>OCSD</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,141.36</td>
<td>85,925.23</td>
</tr>
</tbody>
</table>

Compost Sales – IERCA sales in July were less than last year, displaying a decrease in spring compost demand. We predict August to be on par with the previous year. Compost inventory in the storage facility is 6,700 cubic yards of finished material and 3,050 cubic yards of overs material.

Monthly Sales Summary July 2016

<table>
<thead>
<tr>
<th>Product</th>
<th>Cubic Yards</th>
<th>Average Price per Cubic Year</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>11,186.79</td>
<td>$2.40</td>
<td>$26,800.59</td>
</tr>
<tr>
<td>Base</td>
<td>3,255.93</td>
<td>$0.23</td>
<td>$753.46</td>
</tr>
<tr>
<td>Mulch (Overs)</td>
<td>456.10</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total</td>
<td>14,898.82</td>
<td>$1.85</td>
<td>$27,554.05</td>
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</table>

YTD Sales Summary

<table>
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</thead>
<tbody>
<tr>
<td>July</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
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<tr>
<td>Total</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
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<tr>
<td>Average</td>
<td>14,898.82</td>
<td>21,389.25</td>
<td>$27,554.05</td>
<td>$34,657.16</td>
</tr>
</tbody>
</table>
Groundwater Recharge – June 2016
During June 2016, recycled water recharge totaled 1,286 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 47 acre-feet. There were no rain events during this period. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at http://www.ieua.org/category/reports/groundwater-recharge-reports.

Groundwater Recharge – July 2016 (Preliminary)
During July 2016, recycled water recharge totaled 610 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 31 acre-feet. There were no rain events during this period. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at http://www.ieua.org/category/reports/groundwater-recharge-reports.

Total Groundwater Recharge – June 2016

Recycled Water Delivered to Groundwater Recharge – June 2016
Recycled Water Delivered to Groundwater Recharge – June 2016 (continued)

RW Distribution – June 2016
During June 2016, 88% (40.7 MGD) of IEUA recycled water supply (46.1 MGD) was delivered into the distribution system for both direct use customers (26.2 MGD) and groundwater recharge (14.5 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 5.4 MGD.

RW Distribution – July 2016 (Preliminary)
During July 2016, 91% (42.7 MGD) of IEUA recycled water supply (46.7 MGD) was delivered into the distribution system for both direct use customers (36.3 MGD) and groundwater recharge (6.4 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 4.0 MGD.
Engineering and Construction Management FY 16/17 Budget Status Update

Project Budget Variance > $500,000

<table>
<thead>
<tr>
<th>Project #</th>
<th>Description</th>
<th>FY16/17 Budget (1)</th>
<th>FY17/18 Budget (2)</th>
<th>Variance FY17/18 (3)</th>
<th>Reason for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EN15002 1158 Reservoir Site Cleanup</td>
<td>104,302</td>
<td>650,000</td>
<td>545,698</td>
<td>The scope of work has not been clearly defined due to a lack of available information. Further investigation is required to formulate the scope of work.</td>
</tr>
<tr>
<td>2</td>
<td>EN15005 1680 W. Recycled Water Pump Station — Surge Tank</td>
<td>775,000</td>
<td>1,340,003</td>
<td>565,000</td>
<td>The contractor's contract amount is considerably lower than the engineer's estimate. It is also anticipated that a small portion of the contingency fund will be used.</td>
</tr>
<tr>
<td>3</td>
<td>EN14006 SCADA Enterprise System</td>
<td>906,672</td>
<td>1,504,652</td>
<td>597,980</td>
<td>Initiation of Phase II of the SCADA Enterprise project was delayed when the delivery method was reevaluated for the remaining facilities to take advantage of potential grant funds and accelerate the overall project timeline. As a result of the delay, the FY 16/17 spending will be lower than anticipated.</td>
</tr>
<tr>
<td>4</td>
<td>EN16001 TCE Plume Cleanup</td>
<td>1,350,560</td>
<td>3,000,000</td>
<td>1,649,440</td>
<td>Project work has been delayed because the Regional Board has issued final project approval, which is contingent upon a global settlement between public and private parties for the South Aransas Plume. This project is also unique in that our agreement with CDA stipulates that IEUA must transfer the full amount for any contract prior to execution. Since the approval from RWQCB is still forthcoming, project work has not yet begun, pushing out larger contract work to FY 17/18.</td>
</tr>
<tr>
<td>5</td>
<td>EN13001 RP-5 Flow Equalization and Effluent Monitoring</td>
<td>934,672</td>
<td>1,455,003</td>
<td>520,338</td>
<td>The project scope was reduced in consideration of the RP-5 expansion project, which will address or modify some of the project components. As a result of the scope reduction, project expenditures are expected to be less than anticipated.</td>
</tr>
<tr>
<td>6</td>
<td>EN18006 RP-5 SHF</td>
<td>1,400,000</td>
<td>3,125,000</td>
<td>1,725,000</td>
<td>The schedule for the RP-1 and RP-5 Expansion PDR has been extended from January 2017 to March 2017, which results in the design for the RP-5 Liquids Treatment Expansion, EN150011, and the RP-5 Solids Treatment Facility, EN190060. The award of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility has been scheduled for March 2017 with design beginning in April 2017 reducing the number of months of design in FY 16/17 from five months to three months.</td>
</tr>
</tbody>
</table>

Totals: 5,671,206 11,086,692 5,415,486
<table>
<thead>
<tr>
<th>August 2016</th>
<th>Project Name</th>
<th>Projected Bid Opening Date</th>
<th>Projected Bid Award Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EN14012.001 RP-2 Drying Beds</td>
<td>3/8/2016</td>
<td>8/2/2016</td>
</tr>
<tr>
<td>2</td>
<td>EN16051.00 RP-1 Utility Water Flow Meter</td>
<td>7/1/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>3</td>
<td>EN16035.00 Headquarters Back Up Generator</td>
<td>7/9/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>4</td>
<td>EN16070.00 Agency wide Pumpa Efficiencies Improvements</td>
<td>7/12/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>5</td>
<td>EN16132.00 Magnolia Channel Spillway</td>
<td>5/30/2016</td>
<td>8/17/2016</td>
</tr>
<tr>
<td>7</td>
<td>EN16047.00 HQ Parking Lot FY15/16</td>
<td>8/1/2016</td>
<td>9/21/2016</td>
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<tr>
<td>8</td>
<td>EN14043.00 RP-5 Recycled Water Pipeline Bottleneck</td>
<td>8/12/2016</td>
<td>9/21/2016</td>
</tr>
<tr>
<td>9</td>
<td>EN16071.00 San Bernardino Avenue Gravity Sewer</td>
<td>8/13/2016</td>
<td>9/21/2016</td>
</tr>
<tr>
<td>October 2016</td>
<td>EN14018.00 RP-4 Disinfection Facility Improvements</td>
<td>9/10/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>12</td>
<td>EN17066.00 CCWRF Asset Management</td>
<td>9/21/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>13</td>
<td>EN13021.00 Sare Seavies Basin Improvements</td>
<td>9/22/2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>November 2016</td>
<td>EN16049.00 Conference Rooms Audio Visual Upgrades</td>
<td>10/18/2016</td>
<td>11/16/2016</td>
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<tr>
<td>15</td>
<td>BW15001.00 Lower Day Basin RMFU Improvements</td>
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<td>11/16/2016</td>
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<td>EN11031.00 RP-5 Flow Equalization and Effluent Monitoring</td>
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### Fiscal Year 15/16 Capital Improvement Program

#### Agency-Wide

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<th>(D) Total Expenditures to Date 7/22/16 ($A + $C)</th>
<th>(E) Total Project Budget ($)</th>
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**Total: 7,745,902, 9,028,479, 29,656, 7,775,558, 26,331,200, 4,021,396, 85,420**

### Carbon Canyon Wastewater Regional Facility (CCWRF)

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<th>(G) Original Contract ($)</th>
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**Total: 15,491,804, 860,000, 1,724, 1,724, 7,250,000, 7,985,391, 170,840**
## Chino Desalter Authority (CDA)

### Collections

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<th>(D) Total Expenditures to Date thru 7/30/16 ($) (A + C)</th>
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<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
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<th>(I) CO2 Amendments (10%G) (%)</th>
<th>(J) Contract Completion Date</th>
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### Groundwater Recharge

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**Total:**

- **Groundwater Recharge:**
  - Total Project Budget: 17,562,500
  - Project Completion Date: 1/24/2017

**Total Collection:**

- Total Project Budget: 8,057,889
  - Project Completion Date: 7/15/2016

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**General Manager’s Report Regarding Agency Activities**

**August 17, 2016**

**Page 9 of 14**
### Headquarters

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<td>EN16035</td>
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**Recycled Water**

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<th>(F) Phase</th>
<th>(G) Contract Completion Date (NOC)</th>
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### General Manager's Report Regarding Agency Activities

August 17, 2016

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### Regional Water Recycling Plant No. 1 (RP-1)

<table>
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<tr>
<th>No.</th>
<th>Project ID</th>
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<th>(A) Prior FY Expenditures through 6/30/16 ($)</th>
<th>(B) FY Budget 2016/17 ($)</th>
<th>(C) FY 2016/17 Expenditures 7/1/16-7/28/16 ($)</th>
<th>(D) Total Expenditures to Date 7/28/16 (A + C) ($)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/UI Amendments ($)</th>
<th>(I) CO/UI Amendments (RUC) ($)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Planned/Contract Completion Rate (NCSC)</th>
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<td>RP-1 Dewatering Silo/Conveyor Safety Improvement Repairs</td>
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<td>-</td>
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<td>EN19003</td>
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<td>72</td>
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<td>73</td>
<td>EN15013</td>
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<td>18,906</td>
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<td>500,000</td>
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<td>74</td>
<td>EN16025</td>
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<td>217,858</td>
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<td>78</td>
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Total: 1,206,297 9,111,000 49,888 1,260,185 12,500,000 0

### Regional Water Recycling Plant No. 2 (RP-2)

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<th>(B) FY Budget 2016/17 ($)</th>
<th>(C) FY 2016/17 Expenditures 7/1/16-7/28/16 ($)</th>
<th>(D) Total Expenditures to Date 7/28/16 (A + C) ($)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/UI Amendments ($)</th>
<th>(I) CO/UI Amendments (RUC) ($)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Planned/Contract Completion Rate (NCSC)</th>
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<tr>
<td>70</td>
<td>EN15012</td>
<td>RP-1 Drying Beds Rehabilitation</td>
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<td>550,000</td>
<td>2,593</td>
<td>1,232,420</td>
<td>1,818,400</td>
<td>Bid &amp; Award</td>
<td>Construction Contract Award in August 2016</td>
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Total: 1,229,827 350,000 5,903 1,232,420 1,818,400

### Regional Water Recycling Plant No. 4 (RP-4)

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<th>(A) Prior FY Expenditures through 6/30/16 ($)</th>
<th>(B) FY Budget 2016/17 ($)</th>
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<th>(D) Total Expenditures to Date 7/28/16 (A + C) ($)</th>
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<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) CO/UI Amendments ($)</th>
<th>(I) CO/UI Amendments (RUC) ($)</th>
<th>(J) Contract Completion Date</th>
<th>(K) Planned/Contract Completion Rate (NCSC)</th>
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<td>82</td>
<td>EN17110</td>
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<td>83</td>
<td>EN17023</td>
<td>RP-1 Outfall Repair from Mission Blvd to RP-1</td>
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Total: 390,125 1,000,000 4,149 394,274 14,791,345 58,970 153,348

Total: 0
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Regional Water Recycling Plant No. 5 (RP-5)

<table>
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<th>(A) PRI 3% Expenditures 7/1/16/16 ($)</th>
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<th>(C) FY 2016/17 Expenditures 7/1/16-7/28/16 ($)</th>
<th>(D) Total Expenditures to Date 9/28/16 (A+B+C) ($)</th>
<th>(E) Total Project Budget ($)</th>
<th>(F) Phase</th>
<th>(G) Original Contract ($)</th>
<th>(H) COP Amendments ($)</th>
<th>(I) COP Amendments (mg)</th>
<th>(J) Cont. Act Completion Date</th>
<th>(K) Projected/Cont. Act Completion Date PDEI (%)</th>
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<td>RP-5 Expansion to 30 mgd</td>
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<td>EN19006</td>
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Total Locations: 45,639,000

Emergency Projects

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<th>Actual Cost thru 7/28</th>
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<td>W.A. Basic Construction</td>
<td>NRW Manhole Repair in Phillips Blvd</td>
<td>Collections</td>
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<td>8,276</td>
<td>4/5/2016</td>
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<tr>
<td>EN16016.05</td>
<td>W.A. Basic Construction</td>
<td>Manhole Repair in Ontario</td>
<td>Collections</td>
<td>TO-080</td>
<td>4,258</td>
<td>5,441</td>
<td>3/15/2016</td>
<td>Closed</td>
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<tr>
<td>EN16016.08</td>
<td>W.A. Basic Construction</td>
<td>Grand Avenue Sinkhole</td>
<td>Collections</td>
<td>TO-084</td>
<td>38,163</td>
<td>561</td>
<td>6/15/2016</td>
<td>Complete</td>
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<tr>
<td>EN16016.10</td>
<td>W.A. Basic Construction</td>
<td>GRV Sewer Valve Pipe Repair (Gravo &amp; 8th)</td>
<td>Collections</td>
<td>TO-001</td>
<td>83,000</td>
<td>3,183</td>
<td>6/26/2016</td>
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<td>EN16016.26</td>
<td>W.A. Basic Construction</td>
<td>HQ Building Water Leak</td>
<td>HQ Building</td>
<td>TO-083</td>
<td>10,000</td>
<td>15,502</td>
<td>4/27/2016</td>
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<tr>
<td>EN16016.27</td>
<td>W.A. Basic Construction</td>
<td>RP-1 Miscellaneous Repairs</td>
<td>RP-1</td>
<td>TO-001</td>
<td>24,214</td>
<td>39,750</td>
<td>10/21/2015</td>
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<td>EN16016.28</td>
<td>W.A. Basic Construction</td>
<td>RP-1 Daft Pipeline Repair</td>
<td>RP-1</td>
<td>TO-007</td>
<td>7,206</td>
<td>10,020</td>
<td>3/7/2016</td>
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<td>EN16016.30</td>
<td>W.A. Basic Construction</td>
<td>RP-1 Logon No. 1 Water Cannon Leak</td>
<td>RP-1</td>
<td>TO-006</td>
<td>7,115</td>
<td>11,286</td>
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<td>EN16016.31</td>
<td>W.A. Basic Construction</td>
<td>RP-2 Hot Water Line Leak</td>
<td>RP-2</td>
<td>TO-029</td>
<td>16,852</td>
<td>20,119</td>
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<tr>
<td>EN16016.32</td>
<td>W.A. Basic Construction</td>
<td>RP-2 DG Pipe Line Leak</td>
<td>RP-2</td>
<td>TO-031</td>
<td>9,866</td>
<td>12,888</td>
<td>3/17/2016</td>
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<td>EN16016.33</td>
<td>W.A. Basic Construction</td>
<td>RP-2 Utility Water Line Leak</td>
<td>RP-2</td>
<td>TO-033</td>
<td>15,000</td>
<td>16,809</td>
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<td>EN16016.34</td>
<td>W.A. Basic Construction</td>
<td>RP-4 10-inch RVP Pipe Repair</td>
<td>RP-4</td>
<td>TO-028</td>
<td>6,583</td>
<td>8,825</td>
<td>1/25/2016</td>
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</table>
### July 2016 Emergency Projects

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Task Order Description</th>
<th>Details of the Circumstances/Cause of Emergency</th>
<th>Scope of Repair</th>
<th>Location</th>
<th>Date of Award</th>
<th>Not-to-Exceed / Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forreis Construction</td>
<td>RP-1 Flow Meter Replacement</td>
<td>RP-1 Operations noted an existing recycled water flow meter had failed. Operations required a new flow meter to be installed to maintain regulatory compliance.</td>
<td>Remove existing flow meter and replace with a new flow meter.</td>
<td>RP-1</td>
<td>7/26/2016</td>
<td>9,150</td>
</tr>
<tr>
<td>W.A. Rasic Construction</td>
<td>Raw Water Line Repair</td>
<td>An outside contractor damaged a raw water pipeline during excavation for a gas pipeline.</td>
<td>Excavate and repair a 6&quot; Raw Water Pipeline at Chino I Desalter.</td>
<td>Chino I Desalter</td>
<td>7/18/2016</td>
<td>8,000</td>
</tr>
</tbody>
</table>

### FY16/17 Emergency Projects

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Contractor</th>
<th>Task Order Description (Details of Circumstance and Cause of the Emergency)</th>
<th>Location</th>
<th>TO #</th>
<th>Original Not-to-Exceed /Estimate</th>
<th>Actual Cont thru 7/28</th>
<th>Date of Award</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>CDA</td>
<td>W.A. Rasic Construction</td>
<td>Raw Water Line Repair</td>
<td>CDA</td>
<td>TO-05</td>
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<td>381</td>
<td>7/18/2016</td>
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<td>RP-1</td>
<td>Forreis Construction</td>
<td>RP-1 Flow Meter Replacement</td>
<td>RP-1</td>
<td>TO-09</td>
<td>5,150</td>
<td>3,724</td>
<td>7/26/2016</td>
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</table>
GRANTS UPDATE

Grants Administration Significant Events - Board Activities
None.

Grant/Loan Opportunities and Applications
The Agency’s Grants Department is continuing to pursue additional federal and state grant opportunities as they become available to supplement the Agency CIP budgets.

State Water Resources Control Board
Grants and Loan Applications:
1. Proposition 1 Storm Water Grant application for the RMPU Jurupa, RP-3, and Wineville Basins was submitted July 8, 2016. IEUA requested $10 million with a total project cost of $21 million.
2. IEUA Grants staff is taking the lead working with CDA, CBWM on the Proposition 1 Groundwater Grant application for the TCE Plume Cleanup project funding. The application is due October 14, 2016. The SWRCB has requested a site visit in regards to this application. The site visit will cover various sites listed in the application.
3. IEUA Grants Staff submitted a Proposition 1 Groundwater Grant Pre-Application on behalf of the Cucamonga Valley Water District (CVWD) in July 2016. The SWRCB site visit may also be able to cover the CVWD’s project sites.
4. SRF loan application for the RMPU Lower Day Basin Improvement Project to be submitted in September 2016.
5. SRF construction loan application is being prepared for Carbon Canyon Facility Improvement project.
6. SRF construction loan application is being prepared for RP-1 Flare System Improvements.
7. SRF loan application is being prepared on behalf of Monte Vista Water District for their Recycled Water Distribution System Expansion Project. This project will provide an additional 2.4 miles of pipeline to connect to IEUA’s recycled water distribution system and will serve an additional 14 new customers.

Grant Reimbursements and Reporting Activities
The following is a status update on several existing contracts for various grants and loans:
- Grant invoice SWRCB Wineville Recycled Water Pipeline Project for Retention Release of $100,000.00