



**BEAUMONT CHERRY VALLEY WATER DISTRICT
AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, April 13, 2011
Regular Session 7:00 p.m.**

CALL TO ORDER, PRESIDENT BALL

PLEDGE OF ALLEGIANCE, DIRECTOR GULDSETH

INVOCATION, PRESIDENT BALL

ROLL CALL, BLANCA MARIN

PUBLIC INPUT

PUBLIC COMMENT: Anyone wishing to address the Board of Directors on any matter not on the agenda of this meeting may do so now. Anyone wishing to speak on an item on the agenda may do so at the time the Board considers that item. All persons wishing to speak must fill out a "Request to Speak" form and give it to the Secretary at the beginning of the meeting. The forms are available on the table at the back of the room. There is a three (3) minute limit on public comments. Sharing or passing time to another speaker is not permitted. Please do not repeat what was said by a previous speaker except to note agreement with that speaker. Thank you for your cooperation.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

GULDSETH	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N

2. CONSENT CALENDAR: Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval. Page 4

- a. March 2011 Bills for Consideration**
- b. March 2011 Invoices Pending Approval**
- c. February 2011 Month End Financial Statement**
- d. Minutes of the Regular Meeting of March 9, 2011**

GULDSETH	M	S	A	N
BALL	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N

3. REVIEW OF ORDER PURSUANT TO WATER CODE SECTION 13267 FROM REGIONAL WATER QUALITY CONTROL BOARD AND CONSIDERATION OF REQUEST FROM UCR TO ACCESS DISTRICT'S FACILITIES TO CONDUCT GROUNDWATER STUDY Page 28**

GULDSETH	M	S	A	N
BALL	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N

4. REVIEW AND APPROVAL OF THE PROPOSED WATER SERVICE APPLICATION PROCESSPage 35**

GULDSETH	M	S	A	N
BALL	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N

5. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees

(b) General Manager

- Correspondence from the State Water Resources Control Board regarding approval of grant**Page 50
- Policy and Procedures Manual Update
- Update on RFP for GIS Data Acquisition
- State of the City Luncheon & Beautification Awards, April 28, 2011**Page 65
- Presentation on Preliminary Imported Water Allocation Concepts**Page 66
- State Project Water Allocation update

(c) Directors

- Dr. Blair Ball
- James Earhart
- John Guldseth
- Ken Ross
- Ryan Woll

(d) Legal Counsel

6. ANNOUNCEMENTS

- A) Policies and Procedures Manual Workshop**
- B) Finance & Audit Meeting, May 5, 2011 at 2:00 p.m.**
- C) Regular Board Meeting, May 11, 2011 at 7:00 p.m.**

7. ACTION LIST

- _____
- _____

8. CLOSED SESSIONS

- A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518)**
- B. A Closed Session will be held to confer with Legal Counsel pursuant to subdivision (c) of Government Code Section 54956.9 during which time, based on existing facts and circumstances, the Board will discuss and consider authorizing Legal Counsel to initiate litigation (one matter-unidentified at this time)**

9. ADJOURNMENT

GULDSETH	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N

** Information included in the agenda packet

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Blanca Marin, at (951) 845-9581 Ext. 23 for assistance so the necessary arrangements can be made.

The agenda material for this meeting is available to the public at the District's Administrative Office which is located at 560 Magnolia Avenue, Beaumont, CA 92223. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate inspection at the same location.

Check Register-Summary-Bank



AP5090

Page : 1

Date : Apr 06, 2011

Time : 12:02 pm

Vendor : A&A FENCE To ZETLMAIER
 Cheque Dt. : 01-Mar-2011 To 31-Mar-2011
 Bank : 7 - ACCOUNTS PAYABLE

Seq : Cheque No. Status : All
 Medium : M=Manual C=Computer

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
41828	10-Mar-2011	ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	59	C	785.78
41829	10-Mar-2011	ACWAJPIA	ACWAJPIA	Issued	59	C	23,883.00
41830	10-Mar-2011	ADVANTAGES	ADVANTAGE SEPTIC SYSTEMS	Issued	59	C	730.00
41831	10-Mar-2011	AIRPROSERV	AIR PRO SERVICES	Issued	59	C	915.00
41832	10-Mar-2011	ALSCO	ALSCO	Issued	59	C	54.60
41833	10-Mar-2011	AMERICANOF	AMERICAN OFFICE SOLUTION	Issued	59	C	1,073.33
41834	10-Mar-2011	AQMD	SOUTH COAST AQMD	Issued	59	C	695.42
41835	10-Mar-2011	ARCO	ARCO GASPRO PLUS	Issued	59	C	5,228.66
41836	10-Mar-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	59	C	228.56
41837	10-Mar-2011	CAUTILITYE	CALIFORNIA UTILITY EQUIPMENT INC	Issued	59	C	1,282.28
41838	10-Mar-2011	CITYOFB	CITY OF BEAUMONT	Issued	59	C	47.54
41839	10-Mar-2011	CR&RINCORP	CR&R INC	Issued	59	C	228.27
41840	10-Mar-2011	DAVINCI	DA VINCI PRINTING & BLUEPRINTS	Issued	59	C	81.26
41841	10-Mar-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	59	C	52,267.75
41842	10-Mar-2011	ESBABCOCK	ES BABCOCK	Issued	59	C	1,760.00
41843	10-Mar-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	59	C	946.19
41844	10-Mar-2011	GASCO	THE GAS COMPANY	Issued	59	C	15.78
41845	10-Mar-2011	HIGHLANDSP	HIGHLAND SPRINGS EXPRESS LUBE	Issued	59	C	1,666.35
41846	10-Mar-2011	HOMEDEPOT	HOME DEPOT CREDIT SERVICES	Issued	59	C	2,296.83
41847	10-Mar-2011	HUDECS	HUDECS COMPUTER CONSULTING	Issued	59	C	5,112.94
41848	10-Mar-2011	INLANDWATE	INLAND WATER WORKS	Issued	68	C	417.56
41849	10-Mar-2011	KVSPAIN TAN	KV'S PAINT AND DECORATING	Issued	59	C	185.75
41850	10-Mar-2011	LUTHERSTRU	LUTHERS TRUCK & EQUIPMENT	Issued	59	C	86.00
41851	10-Mar-2011	MACROCOMM	MACRO COMMUNICATIONS	Issued	59	C	150.00
41852	10-Mar-2011	MIDORIGARD	MIDORI GARDENS	Issued	59	C	9,000.00
41853	10-Mar-2011	MIKEMCGEOR	MIKE MCGEORGE GOPHER CONTROL	Issued	59	C	250.00
41854	10-Mar-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	59	C	270.18
41855	10-Mar-2011	ONLINE INF	ONLINE INFORMATION SERVICES	Issued	59	C	243.30
41856	10-Mar-2011	PACIFICALA	PACIFIC ALARM	Issued	59	C	226.00
41857	10-Mar-2011	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	59	C	96.00
41858	10-Mar-2011	SBREGISTRA	SAN BERNARDINO COUNTY REGISTRAR OF	Issued	59	C	300.00
41859	10-Mar-2011	STAPLES	STAPLES ADVANTAGE	Issued	59	C	396.68
41860	10-Mar-2011	TALLEY	TALLEY	Issued	59	C	95.00
41861	10-Mar-2011	TERMINIX	TERMINIX	Issued	59	C	49.00
41862	10-Mar-2011	UNDERGROU	UNDERGROUND SERVICE ALERT	Issued	59	C	69.00
41863	10-Mar-2011	VADIM	VADIM	Issued	59	C	3,500.00
41864	10-Mar-2011	VERIZON	VERIZON	Issued	59	C	340.70
41865	10-Mar-2011	VERIZONIPI	VERIZON BUSINESS	Issued	59	C	1,098.26
41866	10-Mar-2011	VERIZONSSEL	VERIZON SELECT SERVICES INC.	Issued	59	C	152.52
41867	10-Mar-2011	WASTEMANAC	WASTE MANAGEMENT	Issued	59	C	357.65
41868	24-Mar-2011	ACWAJPIA	ACWAJPIA	Issued	67	C	60.00
41869	24-Mar-2011	ALLPURPOSE	ALL PURPOSE RENTALS	Issued	67	C	34.64
41870	24-Mar-2011	ALSCO	ALSCO	Issued	67	C	54.60
41871	24-Mar-2011	ARTUROFLOR	FLORES, ARTURO	Issued	67	C	119.89
41872	24-Mar-2011	AUTOVALUE	STAR AUTO PARTS	Issued	67	C	27.07
41873	24-Mar-2011	AVAYA	AVAYA INC	Issued	67	C	132.41
41874	24-Mar-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	67	C	293.83
41875	24-Mar-2011	BANCOFAMEF	BANC OF AMERICA LEASING	Issued	67	C	541,557.00
41876	24-Mar-2011	BASICCHEMI	BASIC CHEMICAL SOLUTIONS LLC	Issued	67	C	4,740.81
41877	24-Mar-2011	CAL-MESA	CAL-MESA STEEL SUPPLY INC	Issued	67	C	322.99
41878	24-Mar-2011	CALTOOL	CALIFORNIA TOOL & WELDING	Issued	67	C	46.80
41879	24-Mar-2011	CLEANBYDES	CLEAN BY DESIGN INC.	Issued	67	C	1,110.00
41880	24-Mar-2011	CONTROLVAL	CONTROL VALVE SYSTEMS INC	Issued	67	C	3,720.67
41881	24-Mar-2011	CVNURSERY	CHERRY VALLEY NURSERY	Issued	67	C	61.17
41882	24-Mar-2011	DEPTHEALTH	DEPT OF PUBLIC HEALTH	Issued	67	C	90.00
41883	24-Mar-2011	DEPTHEALTH	DEPT OF PUBLIC HEALTH	Issued	67	C	105.00

Check Register-Summary-Bank



AP5090

Page : 2

Date : Apr 06, 2011

Time : 12:03 pm

Vendor : A&A FENCE To ZETLMAIER

Cheque Dt. : 01-Mar-2011 To 31-Mar-2011

Bank : 7 - ACCOUNTS PAYABLE

Seq : Cheque No.

Status : All

Medium : M=Manual C=Computer

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
41884	24-Mar-2011	DEPHEALTH	DEPT OF PUBLIC HEALTH	Issued	67	C	90.00
41885	24-Mar-2011	DEPHEALTH	DEPT OF PUBLIC HEALTH	Issued	67	C	60.00
41886	24-Mar-2011	DEPTOFFORE	DEPT. OF FORESTRY & FIRE PROTECTION	Issued	67	C	5,759.52
41887	24-Mar-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	67	C	14,673.11
41888	24-Mar-2011	FEDEX	FEDEX	Issued	67	C	26.35
41889	24-Mar-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	67	C	2,070.58
41890	24-Mar-2011	HASLER	TOTALFUNDS BY HASLER	Issued	67	C	1,000.00
41891	24-Mar-2011	HIGHLANDSP	HIGHLAND SPRINGS EXPRESS LUBE	Issued	67	C	516.48
41892	24-Mar-2011	INLANDWATE	INLAND WATER WORKS	Issued	76	C	833.56
41893	24-Mar-2011	JASONCRAGH	CRAGHEAD, JASON	Issued	67	C	130.00
41894	24-Mar-2011	JOHNSONMAC	JOHNSON MACHINERY	Issued	67	C	3,592.56
41895	24-Mar-2011	JOHNSONPOV	JOHNSON POWER SYSTEMS	Issued	67	C	95.79
41896	24-Mar-2011	LUTHERSTRU	LUTHERS TRUCK & EQUIPMENT	Issued	67	C	238.99
41897	24-Mar-2011	METROCALL	USA MOBILITY WIRELESS INC.	Issued	67	C	26.45
41898	24-Mar-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	67	C	193.13
41899	24-Mar-2011	PARSONS	PARSONS WATER & INFRASTRUCTURE INC.	Issued	67	C	24,906.65
41900	24-Mar-2011	PATSPOTS	PAT'S POTS	Issued	67	C	310.00
41901	24-Mar-2011	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	67	C	640.00
41902	24-Mar-2011	REDWINE	REDWINE AND SHERRILL	Issued	67	C	3,560.35
41903	24-Mar-2011	SBVMWD	SAN BERNARDINO VALLEY MWD	Issued	67	C	850.00
41904	24-Mar-2011	STAPLES	STAPLES ADVANTAGE	Issued	67	C	723.26
41905	24-Mar-2011	VERIZON	VERIZON	Issued	67	C	227.05
41906	24-Mar-2011	VERIZONCRE	VERIZON CREDIT INC.	Issued	67	C	139.29
41907	24-Mar-2011	VERIZONWIR	VERIZON WIRELESS	Issued	67	C	398.96
41908	24-Mar-2011	WASTE MANA	RIVERSIDE COUNTY WASTE MANAGEMENT	Issued	67	C	8.00
41909	24-Mar-2011	WELLSFARGC	WELLS FARGO REMITTANCE CENTER	Issued	67	C	157.58
41910	24-Mar-2011	WILDERMUTH	WILDERMUTH ENVIRONMENTAL INC	Issued	67	C	1,868.75

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Total Manually Paid :	0.00	Total EFT File :	0.00		

83 Total No. Of Cheque(s) ...

BEAUMONT-CHERRY VALLEY WATER DISTRICT
Check Register-Summary-Bank



AP5090

Page : 1

Date : Mar 30, 2011

Time : 2:38 pm

Vendor : A&A FENCE To ZETLMAIER

Cheque Dt. : 01-Mar-2011 To 30-Mar-2011

Bank : 10 - CUSTOMER REFUNDS

Seq : Cheque No. Status : Issued

Medium : M=Manual C=Computer E=EFT-PA

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
1094	10-Mar-2011	STMP001077	FLORES, CLOTILDE	Issued	57	C	2.92
1096	10-Mar-2011	STMP001103	C/O MARCELINA GONZALEZ, HERB SCHENDE	Issued	57	C	2.15
1097	10-Mar-2011	STMP001106	RUVALCAVA, JENNIFER	Issued	57	C	127.78
1098	10-Mar-2011	STMP001107	ERA J TIDWELL & ASSOCIATES	Issued	57	C	46.85
1099	10-Mar-2011	STMP001108	OLIVE, ROBERT S.	Issued	57	C	54.85
1100	24-Mar-2011	STMP001109	SALTOS, GLADYS M	Issued	66	C	6.54
1101	24-Mar-2011	STMP001110	ZAVALA, MARIO	Issued	66	C	38.12
1102	24-Mar-2011	STMP001111	MORALES, DIANA	Issued	66	C	14.39
1103	24-Mar-2011	STMP001112	COLDWELL BANKER FIRST PREMIER REALT	Issued	66	C	75.91
1104	24-Mar-2011	STMP001113	CANYON RIDGE CONTRACTORS INC	Issued	66	C	183.50
1105	24-Mar-2011	STMP001114	G & D CONSTRUCTION	Issued	66	C	630.89
1106	24-Mar-2011	STMP001115	R.G. CANNING C/O MIKE REDD	Issued	66	C	612.12
1107	24-Mar-2011	STMP001116	MAMCO	Issued	66	C	608.06

Total Computer Paid :	2,404.08	Total EFT PAP :	0.00	Total Paid :	2,404.08
Total Manually Paid :	0.00	Total EFT File :	0.00		

13 Total No. Of Cheque(s) ...

Memorandum

Date: April 13, 2011
From: Anthony Lara, Interim General Manager
To: Board of Directors
Subject: Invoices Pending Payment

Attached please find copies of the professional services invoices which are pending payment. Total amount pending approval is \$ **88,699.85**

Vendor Name	Invoice No.	Amount
Wildermuth Environmental Inc	2011042	\$2,115.76
Charles Z. Fedak & Co.	Dec-10	\$5,442.00
Parsons	11020095	\$62,669.59
Daley & Heft LLP	38240	\$11,606.50
Redwine & Sherrill	311001	\$6,866.00
	Total	\$88,699.85

Recommendation: That the Board of Directors approves the pending invoices.



Wildermuth Environmental
 23692 Birtcher Drive
 Lake Forest, CA 92630
 949.420.3030

RECEIVED
 MAR 15 2011

BY:

Beaumont Cherry Valley Water District
 Anthony L. Lara
 560 Magnolia Ave.
 Beaumont, CA 92223-2258

Invoice number 2011042
 Date 03/01/2011

Project: **035-010 BMZ Antidegradation Analysis - BCVWD Share**

Professional Services for the Period: February 1, 2011 through February 28, 2011

The following work was completed during this billing period:

- * Prepared for and attended the February 4, 2011 meeting of the Beaumont Management Zone (BMZ) group at the Regional Board office in Riverside, CA. The meeting was attended by Mark Wildermuth, Samantha Adams, Hisam Baqai, Cindy Li, Najah Amin, Joanne Schnieder, Joe Zoba, Tony Lara, Duane Burk, Brian Villalobos, Dennis Williams, and Jeff Davis.
- * Corresponded with Brian Villalobos of Geoscience to help prepare the City of Banning's water supply plan. Provided a projection of the long term water production rights in the Beaumont Basin and responded to questions about the Beaumont Basin temporary surplus and storage accounting.
- * Prepared agenda for the February 15, 2011 BMZ meeting and submitted to Cindy Li of the Regional Board.
- * Prepared a regional map of relevant water management boundaries for use in the discussion at the February 15, 2011 BMZ meeting.
- * Reviewed the updated City of Banning water supply plan submitted by Brian Villalobos on February 1, 2011. Sent a list of follow up questions regarding the plan on February 15, 2011.
- * Prepared for and attended the February 15, 2011 meeting of the Beaumont Management Zone group at the Regional Board office in Riverside, CA. The meeting was attended by Mark Wildermuth, Samantha Adams, Hisam Baqai, Kishen Prathivadi, Cindy Li, Najah Amin, Hope Smythe, Gary Stuart, Joe Zoba, Tony Lara, Duane Burk, Brian Villalobos, Dennis Williams, Jeff Davis, and Sam Gershon.
- * Sent Joe Zoba of Yucaipa Valley Water District examples of the urban stormwater recharge estimates prepared for the City of Beaumont and the City of Banning for use in estimating urban stormwater recharge for two projects in the Yucaipa Management Zone.
- * Reviewed write-up of model scenarios developed during the February 15, 2011 BMZ meeting and emailed to the BMZ group by Cindy Li.
- * Reviewed the updated water supply plan for the City of Banning submitted on February 16, 2011.
- * Prepared for and attended a meeting with Jeff Davis of the San Geronio Pass Water Agency to discuss the Pass Agency's imported water recharge plans, the assumptions of their 2010 Urban Water Management Plan, and any limitations to the delivery of water to regional agencies that should be considered in the analysis. The meeting was held at the Pass Agency office in Beaumont, CA and was attended by Samantha Adams, Jeff Davis, and Sam Gershon of Webb Associates.
- * Participated in a call with Brian Villalobos and Leslie Boehm of Geoscience on February 17, 2011 regarding the latest version of the City of Banning's water supply plan. Requested a few final clarifications on the plan.
- * Reviewed the updated water supply plan and wastewater effluent data for the City of Banning submitted on February 16, 2011.
- * Compiled the City of Banning water supply plan into the BMZ analysis tables.
- * Prepared projections of the City of Banning's wastewater treatment plant effluent quality based on historical data and the future water supply plan provided by the City of Banning. Sent the draft tables and effluent projections to Brian Villalobos for review and comment. After receiving comments, prepared responses and supporting tables demonstrating assumptions used in the water supply plan tables and delivered to Geoscience on February 24, 2011.
- * Submitted a list of assumptions about the City of Banning's water supply sources to Geoscience for review and comment on February 25, 2011. Updated the water quality assumptions based on information provided by Geoscience.
- * Reviewed results of the ambient water quality analysis for the Beaumont Management Zone prepared by Wildermuth Environmental, Inc. for the Santa Ana Watershed Project Authority.
- * Sent completed BCVWD water supply plan to Tony Lara and Joe Reichenberger for review and comment.
- * Emailed Joe Zoba on February 28, 2011 to check in on the status of the urban stormwater estimates that need to be added to the YVWD supply plan.

Invoice Number 2011042
Date 03/01/2011

Project: **035-010 BMZ Antidegradation Analysis - BCVWD Share**

Professional Services

	Hours	Rate	Billed Amount
Mark J. Wildermuth	1.25	215.00	268.75
Samantha S. Adams	12.00	150.00	1,800.00
Professional Services subtotal	13.25		<u>2,068.75</u>

Other Direct Costs

	Units	Rate	Billed Amount
Miles	76.25	0.51	38.89
Parking Fees			2.50
Tolls			5.62
Other Direct Costs subtotal			<u>47.01</u>

Invoice total **2,115.76**

Employee Weekly Expense Statement Samantha Adams

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			1/30	1/31	2/1	2/2	2/3	2/4	2/5		
Job Number	008-012; 035-010; 028-013	Mileage (miles)						84.0		\$42.84	
Client	042-002	Tolls						\$7.50		\$7.50	
Explanation	Drove to the RWQCB office in Riverside, CA to attend the BMZ workgroup meeting on Friday 2/4/11.	Parking						\$6.00		\$6.00	
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals								\$56.34		\$56.34	

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			1/30	1/31	2/1	2/2	2/3	2/4	2/5		
Job Number		Mileage (miles)									
Client		Tolls									
Explanation		Parking									
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals											

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			1/30	1/31	2/1	2/2	2/3	2/4	2/5		
Job Number		Mileage (miles)									
Client		Tolls									
Explanation		Parking									
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals											

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			1/30	1/31	2/1	2/2	2/3	2/4	2/5		
Job Number		Mileage (miles)									
Client		Tolls									
Explanation		Parking									
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals											

Total \$56.34

Employee	Samantha Adams
Employee #	100
Week Ending	2/5/2010

Employee Signature - Date

Supervisor Signature - Date

Employee Weekly Expense Statement Samantha Adams

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			2/13	2/14	2/15	2/16	2/17	2/18	2/19		
Job Number	008-012; 035-010; 028-013	Mileage (miles)			84.0					\$42.84	
Client	042-002	Tolls			\$7.50					\$7.50	
Explanation	Drove to the RWQCB office in Riverside, CA to attend the BMZ workgroup meeting on Tuesday 2/15/11.	Parking			\$4.00					\$4.00	
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals				\$54.34						\$54.34	

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL	
			2/13	2/14	2/15	2/16	2/17	2/18	2/19		
Job Number	008-012; 035-010; 028-013	Mileage (miles)				137.0				\$69.87	
Client	042-002	Tolls				\$7.50				\$7.50	
Explanation	Drove to the SGPWA office in Beaumont, CA to meet with Jeff Davis to confirm the Pass Agency's water supply plan (recharge plans), the Urban Water Management Plan, and how to model SWP water limitations.	Parking									
		Air Travel									
		Rental Car									
		Meals									
		Accommodation									
		Printing									
Totals					\$77.37					\$77.37	

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			2/13	2/14	2/15	2/16	2/17	2/18	2/19	
Job Number		Mileage (miles)								
Client		Tolls								
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		cell								
Totals										

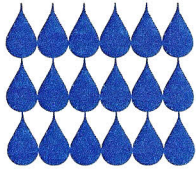
			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			2/13	2/14	2/15	2/16	2/17	2/18	2/19	
Job Number		Mileage (miles)								
Client		Tolls								
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
Totals										

Total \$131.71

Employee	Samantha Adams
Employee #	100
Week Ending	2/19/2010

Employee Signature - Date

Supervisor Signature - Date



Charles Z. Fedak, CPA, MBA
Paul J. Kaymark, CPA

Charles Z. Fedak & Company

Certified Public Accountants
An Accountancy Corporation

6081 Orange Avenue
Cypress, California 90630
(714) 527-1818
(562) 598-6565
FAX (714) 527-9154
EMAIL czfco@czfcpa.com

February 28, 2011

Ms. Blanca Marin
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

RECEIVED
MAR 03 2011
BY:

Professional services rendered during the month of February 2011:

Progress billing on audit of financial statements
of the District for the year ended December 31,
2010.

\$ 5,200.00

Out-of-pocket expenses incurred in connection
with the above work performed.

242.00

\$ 5,442.00

Due and Payable Upon Receipt

MEMORANDUM

March 4, 2011

TO: Tony Lara, Interim General Manager
FROM: Steve Gratwick
SUBJECT: Work During Billing Period: 1/29/11 through 2/25/11
Invoice No. 11030129

RECEIVED
MAR 07 2011

BY:.....

During this past billing period we performed the following tasks:

Task 01000 – General:

- Administration;.....\$712.50
- Plan Review, WinCo Foods (formally ProLogis Park);.....\$340.00
- Review Oakmont Dowling Business Park Annexation;.....\$340.00

Task 10023 – Cherry Tank Site Remediation:

- Finalize inspection work during construction work. Prepare and submit to County for review and approval, the final Site Closure Report;.....\$15,670.00
- ODCs (Enviroserv – Contractor for soil removal and excavation);.....\$45,484.95
- ODCs (Postage, Reproduction, Job Materials, & Travel);.....\$122.14

TOTAL \$62,669.59

DENNIS W. DALEY †
ROBERT R. HEFT
NEAL S. MEYERS
RICHARD J. SCHNEIDER
ROBERT W. BROCKMAN, JR.
MITCHELL D. DEAN
DAVID P. BERMAN
SCOTT NOYA *
ROBERT H. QUAYLE, IV
GOLNAR J. FOZI
LEE H. ROJSTACHER

DALEY & HEFT LLP

ATTORNEYS AT LAW
462 STEVENS AVE. SUITE 201
SOLANA BEACH, CALIFORNIA 92075-2099
TELEPHONE (858) 755-5666
FAX (858) 755-7870
WWW.DALEY-HEFT.COM

RON J. BEVERIDGE
OF COUNSEL

MELINDA M. DUDLEY
ADMINISTRATOR

† also admitted in Washington
‡ also admitted in Hawaii
‡‡ also admitted in Iowa
‡‡‡ also admitted in District of Columbia
‡‡‡‡ also admitted in Oregon

MATTHEW E. BENNETT
SAMUEL C. GAZZO ‡‡
SHIVA ELIJAH STEIN
CRAIG A. BEALER
SANDRA K. DAWES
KRISTINA L. GAGNÉ
T. STEVEN BURKE, JR.
CHRISTOPHER M. BUSCH ††
ANDREA M. VELASQUEZ
MATTHEW T. RACINE **
DIANA LERMA
ATHENA B. TROY
RACHEL B. KUSHNER
REECE A. ROMÁN
SUZANA I. FILIPOVIC

March 24, 2011

RECEIVED

MAR 30 2011

REDWINE & SHERRILL

IRS #95-3494652
Invoice No.: 38240

Beaumont Cherry Valley Water District
C/O Gilbert J. Granito, General Counsel
LAW OFFICES OF REDWINE AND SHERRILL
1950 Market Street
Riverside, CA 92501

Re: _____ istrict

PROFESSIONAL SERVICES STATEMENT:

For the Period: February 2011
Attorney: Neal S. Meyers

Client's Costs Advanced:

PREVIOUS BALANCE	\$8,585.50
TOTAL COSTS THIS PERIOD	\$0.00
TOTAL FEES THIS PERIOD	\$3,021.00
TOTAL THIS BILL	\$11,606.50

LAW OFFICES
REDWINE AND SHERRILL
STATEMENT FOR PROFESSIONAL SERVICES

1950 MARKET STREET
RIVERSIDE, CALIFORNIA 92501-1720
TELEPHONE 951-684-2520
ID # 95-1979827

March 29, 2011

Beaumont Cherry Valley Water District
ATTN: Tony Lara
P. O. Box 2037
Beaumont, CA 92223

For Services Rendered During March 2011
Invoice No 11020095

Legal Fees due for Month	\$ 6,840.50
Costs Advanced for Month	\$ 25.50
CURRENT AMOUNT DUE	\$ 6,866.00

Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Unaudited
Through February 28, 2011

	Current Month	Actual YTD	Adopted Budget	Budget Remaining	Percent of the Budget
Operating revenues:					
Water consumption sales	236,070	419,462	4,483,000	4,063,538	9%
Water service charges	186,798	331,063	1,958,960	1,627,897	17%
Water importation surcharges	62,848	116,200	1,645,592	1,529,392	7%
Water pumping power surcharges	85,302	156,560	1,350,000	1,193,440	12%
Development and installation charges	3,102	9,605	195,000	185,395	5%
Other charges for services	22,230	49,767	259,000	209,233	19%
Total operating revenues	596,350	1,082,657	9,891,552	8,808,895	11%
Operating expenses:					
Source of supply	138,848	421,924	3,841,312	3,419,388	11%
Transmission and distribution	33,781	63,987	964,093	900,106	7%
In house Inspections	1,551	2,912	24,000	21,088	12%
Customer accounts	12,593	23,087	217,630	194,543	11%
Maintenance & general plant	43,623	54,396	377,068	322,672	14%
In-House engineering	4,473	10,198	141,507	131,309	7%
Professional services	11,829	18,698	233,000	214,302	8%
Administrative	61,161	130,450	1,951,145	1,820,695	7%
Total operating expenses	307,859	725,651	7,749,755	7,024,104	9%
Operating income before depreciation	288,492	357,005	2,141,797	1,784,792	17%
Depreciation	183,333	366,667	2,200,000	1,833,333	17%
Operating income (loss)	105,158	(9,661)	(58,203)	(48,542)	17%
Non-operating revenue					
Interest earnings	2,401	4,162	35,000	30,838	12%
Rental income	1,475	3,890	22,000	18,110	18%
Reimbursement Insurance	33,766	33,766	33,000	(766)	102%
Grant Income	-	-	75,000	75,000	0%
Other Non Operating Revenue	471	1,799	31,000	29,201	6%
Total other non-operating revenues	38,113	43,617	196,000	152,383	22%
Non-operating Expenses					
Principal debit	-	-	722,500	722,500	0%
Interest on principal debit	12,760	25,519	137,270	111,751	19%
Other non operating expenses	1,527	3,054	18,432	15,378	17%
Total non-operating (expenses)	14,286	28,573	878,202	849,629	3%
Net (Loss) before capital contributions	128,985	5,384	(740,405)	(745,789)	-0.7%
Capital contributions:					
Facilities charges	118,515	118,515	740,405	621,890	16%
Front footage fees					
Total capital contributions	118,515	118,515	740,405	621,890	16%
Change in net assets	247,500	123,899	-	123,899	

Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Detailed
Unaudited Through February 28, 2011

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
Operating revenues:					
Water consumption sales					
DOMESTIC WATER SALES	233,471	414,182	4,300,000	3,885,818	10%
IRRIGATION WATER SALES	-	147	28,000	27,854	1%
CONSTRUCTION WATER SALES	2,599	5,134	75,000	69,866	7%
RECHARGE INCOME (CITY OF BANNING)	-	-	80,000	80,000	0%
Water service charges (meter charge)					
SERVICE CHARGES	186,798	331,063	1,958,960	1,627,897	17%
Water importation surcharge	62,848	116,200	1,645,592	1,529,392	7%
Water pumping power surcharge	85,302	156,560	1,350,000	1,193,440	12%
Development and installation charges					
INSTALLATION CHARGES	-	3,350	145,000	141,650	2%
DEVELOPMENT INCOME	3,102	6,255	50,000	43,745	13%
Other charges for services					
REIMB. CUST. DAMAGES/UPGRADES/WELLS	118	1,395	33,000	31,605	4%
BACKFLOW DEVICES	3,042	3,972	25,000	21,028	16%
RETURNED CHECK FEES	100	280	2,000	1,720	14%
TURN ONS	4,520	8,985	35,000	26,015	26%
THIRD NOTICE CHARGE	7,425	18,260	78,000	59,740	23%
PENALTIES	7,025	16,875	86,000	69,125	20%
	<u>22,230</u>	<u>49,767</u>	<u>259,000</u>	<u>209,233</u>	<u>19%</u>
Total operating revenues	<u>596,350</u>	<u>1,082,657</u>	<u>9,891,552</u>	<u>8,808,895</u>	<u>11%</u>
Operating expenses:					
Source of supply					
STATE PROJECT WATER PURCHASED	-	240,920	1,723,253	1,482,333	14%
LABOR	9,001	17,767	234,344	216,577	8%
HEALTH INSURANCE	2,657	5,205	64,737	59,532	8%
RETIREMENT/CALPERS	2,429	4,725	62,948	58,223	8%
LIFE INSURANCE	63	122	1,656	1,534	7%
UNIFORMS, EMPLOYEE BENEFITS	-	-	1,000	1,000	0%
EDUCATION EXPENSES	-	-	3,500	3,500	0%
SOCIAL SECURITY-FICA	558	1,102	14,523	13,421	8%
MEDICARE	131	258	3,396	3,138	8%
WORKER'S COMPENSATION INSURANCE	861	1,299	8,156	6,857	16%
TREATMENT & CHEMICALS	-	2,680	68,000	65,320	4%
LAB TESTING	1,995	3,477	55,000	51,523	6%
MAINTENANCE EQUIPMENT (PUMPING) 81088	4,883	6,063	138,000	131,937	4%
UTILITIES - GAS	15	15	200	185	7%
UTILITIES - ELECTRIC	115,435	137,373	1,430,000	1,292,627	10%
TELEMETRY MAINTENANCE	-	-	6,000	6,000	0%
SEMINAR & TRAVEL EXPENSES	-	-	400	400	0%
RANDOM DRUG TEST	-	-	200	200	0%
STATE MANDATE CLEAN UP	822	919	20,000	19,081	5%
Total Source of supply	<u>138,848</u>	<u>421,924</u>	<u>3,841,312</u>	<u>3,419,388</u>	<u>11%</u>
Transmission and distribution					
LABOR	12,864	27,401	434,117	406,716	6%

Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Detailed
Unaudited Through February 28, 2011

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
HEALTH INSURANCE	4,686	10,077	153,767	143,690	7%
RETIREMENT/CALPERS	3,401	7,248	101,739	94,491	7%
LIFE INSURANCE	98	208	3,071	2,863	7%
UNIFORMS, EMPLOYEE BENEFITS	-	-	3,000	3,000	0%
EDUCATION EXPENSES	-	-	1,000	1,000	0%
SOCIAL SECURITY-FICA	797	1,699	26,915	25,216	6%
MEDICARE	187	397	6,295	5,898	6%
WORKER'S COMPENSATION INSURANCE	2,448	3,175	19,939	16,764	16%
SEMINAR & TRAVEL EXPENSES	-	-	800	800	0%
MAINT PIPELINE/FIRE HYDRANT	2,698	3,609	38,000	34,391	9%
LINE LOCATES	299	359	2,500	2,141	14%
MAINT METERS & SERVICES	3,133	6,503	128,000	121,498	5%
BACKFLOW DEVICES	293	502	1,000	498	50%
MAINTENANCE RESERVOIRS/TANKS	407	407	12,000	11,593	3%
MAINTENANCE PRESSURE REGULATORS	2,470	2,470	9,000	6,530	27%
INVENTORY ADJUSTMENT	-	-	15,000	15,000	0%
INVENTORY PURCHASE DISCOUNTS	-	(68)	(2,300)	(2,232)	3%
OBSOLETE OR DAMAGED INVENTORY	-	-	10,000	10,000	0%
RANDOM DRUG TEST	-	-	250	250	0%
Total transmission and distribution	33,781	63,987	964,093	900,106	7%
In House Inspections					
LABOR	852	1,644	15,400	13,756	11%
HEALTH INSURANCE	229	433	3,000	2,567	14%
RETIREMENT/CALPERS	279	537	2,400	1,863	22%
LIFE INSURANCE	7	12	250	238	5%
UNIFORMS, EMPLOYEE BENEFITS	-	-	250	250	0%
SOCIAL SECURITY-FICA	53	102	1,350	1,248	8%
MEDICARE	12	24	350	326	7%
WORKER'S COMPENSATION INSURANCE	120	159	1,000	841	16%
	1551	2,912	24,000	21,088	12%
Customer accounts					
LABOR	6,902	12,861	123,342	110,481	10%
HEALTH INSURANCE	2,651	4,748	48,133	43,385	10%
RETIREMENT/CALPERS	1,891	3,529	28,758	25,229	12%
LIFE INSURANCE	53	99	874	775	11%
UNIFORMS, EMPLOYEE BENEFITS	-	-	750	750	0%
EDUCATION EXPENSES	-	-	400	400	0%
SOCIAL SECURITY-FICA	428	797	7,647	6,850	10%
MEDICARE	100	186	1,788	1,602	10%
WORKER'S COMPENSATION	568	866	5,438	4,572	16%
SEMINAR & TRAVEL EXPENSES	-	-	300	300	0%
RANDOM DRUG TEST	-	-	200	200	0%
Total customer accounts	12,593	23,087	217,630	194,543	11%
Maintenance & general plant					
UTILITIES - DISTRICT PROPERTIES	6,137	10,941	91,500	80,559	12%
AUTO/FUEL	10,981	10,981	86,722	75,741	13%
SAFETY EQUIPMENT	28	28	5,600	5,572	1%

Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Detailed
Unaudited Through February 28, 2011

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
COMMUNICATION MAINTENANCE	-	-	700	700	0%
REPAIR & MAINT OF GEN EQUIPMENT	665	665	4,000	3,335	17%
REPAIR VEHICLES AND TOOLS	6,185	6,600	15,000	8,400	44%
LARGE EQUIPMENT MAINTENANCE	3,066	3,333	30,000	26,667	11%
EQUIP. PREVENTATIVE MAINTENANCE	-	-	1,546	1,546	0%
AUTO/EQUIPMENT OPERATION	744	1,522	24,000	22,478	6%
MAINT GENERAL PLANT (BUILDINGS)	370	370	3,000	2,630	12%
LANDSCAPE MAINTENANCE	9,026	12,476	75,000	62,524	17%
RECHARGE FAC, CANYON & POND MAINTENANCE	6,420	7,480	40,000	32,520	19%
Total maintenance & general plant	43,623	54,396	377,068	322,672	14%
In-House engineering					
LABOR	3,274	7,713	104,000	96,287	7%
HEALTH INSURANCE	239	478	5,735	5,257	8%
RETIREMENT/CALPERS	571	1,142	12,000	10,858	10%
LIFE INSURANCE	17	34	400	366	9%
EDUCATION EXPENSE	-	-	5,000	5,000	0%
SOCIAL SECURITY-FICA	203	478	6,459	5,981	7%
MEDICARE	47	112	1,510	1,398	7%
WORKER'S COMPENSATION	122	241	1,903	1,662	13%
SEMINAR & TRAVEL EXPENSES	-	-	500	500	0%
SOFTWARE LICENSING	-	-	4,000	4,000	0%
Total in-house engineering	4,473	10,198	141,507	131,309	7%
Professional services					
GENERAL LEGAL	3,515	10,384	150,000	139,616	7%
AUDIT	-	-	23,000	23,000	0%
GENERAL ENGINEERING	2,653	2,653	50,000	47,348	5%
DEVELOPMENT - REIMB. ENGINEERING	5,662	5,662	6,000	338	94%
ENGINEERING - PERMITTING (REC WATER)	-	-	4,000	4,000	0%
Total professional services	11,829	18,698	233,000	214,302	8%
General and administrative					
LABOR	21,771	43,896	875,991	832,095	5%
HEALTH INSURANCE	5,353	10,698	224,132	213,434	5%
RETIREMENT/CALPERS	5,389	10,837	199,772	188,935	5%
LIFE INSURANCE	134	276	6,028	5,752	5%
UNIFORMS EMPLOYEE BENEFIT	-	-	1,000	1,000	0%
EDUCATION EXPENSES	110	110	0	(110)	0%
SOCIAL SECURITY	1,350	2,704	54,311	51,607	5%
MEDICARE	316	632	12,701	12,069	5%
WORKER'S COMPENSATION INSURANCE	909	1,198	7,521	6,323	16%
UNEMPLOYMENT INSURANCE	-	-	13,000	13,000	0%
SEMINAR & TRAVEL EXPENSES	675	675	2,000	1,325	34%
BANK PROCESSING FEES -LOCK BOX	-	-	39,287	39,287	0%
EMPLOYER SHARE FOR RETIRED (CALPERS)	569	1,138	6,000	4,862	19%
ADMINISTRATIVE COSTS (CALPERS)	142	280	1,600	1,320	18%
BANK CHGS/MONEY MARKET/TRANS. FEES	2,315	4,340	26,000	21,660	17%
TEMPORARY LABOR	-	-	20,000	20,000	0%

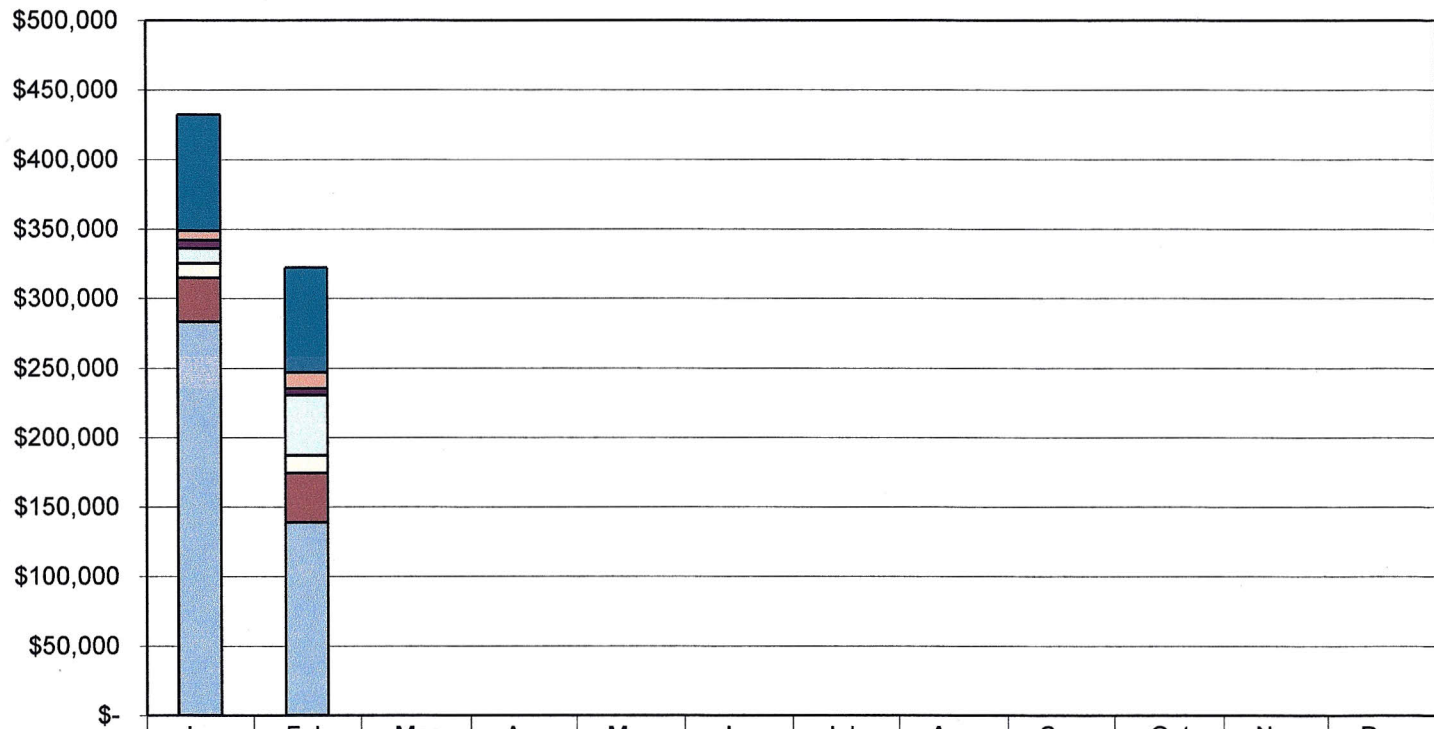
Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Detailed
Unaudited Through February 28, 2011

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
OFFICE SUPPLIES	4,056	5,305	32,150	26,845	16%
OFFICE EQUIPMENT/SERVICE AGREEMENTS	1,852	18,005	69,050	51,045	26%
OFFICE MAINTENANCE	1,101	2,202	14,000	11,798	16%
MEMBERSHIP DUES	4,073	4,877	30,000	25,123	16%
OFFICE EQUIP.MAINT. & REPAIRS	-	-	3,950	3,950	0%
POSTAGE	1,105	2,095	48,000	45,905	4%
SUBSCRIPTIONS	289	546	5,000	4,454	11%
MISCELLANEOUS OPERATING SUPPLIES	94	94	7,700	7,606	1%
MISCELLANEOUS TOOLS/EQUIPMENT	-	-	4,092	4,092	0%
EMPLOYEE MEDICAL/FIRST AID	-	-	500	500	0%
RANDOM DRUG TESTING	-	-	300	300	0%
PROPERTY/AUTO/GEN LIABILITY INSURANCE	7,477	14,954	100,000	85,047	15%
STATE MANDATES AND TARIFFS	695	695	32,000	31,305	2%
MISCELLANEOUS EXPENSES	69	69	4,500	4,431	2%
PUBLIC EDUCATION	-	-	10,000	10,000	0%
PROPERTY DAMAGE	150	150	2,000	1,850	8%
IT SUPPORT/SOFTWARE SUPPORT	428	3,544	45,000	41,456	8%
BAD DEBT EXPENSES	-	-	0	0	0%
BOARD OF DIRECTOR FEES	634	997	48,850	47,853	2%
SOCIAL SECURITY-FICA	86	108	3,010	2,902	4%
MEDICARE	20	25	700	675	4%
SEMINAR & TRAVEL EXPENSES	-	-	1,000	1,000	0%
Total Administrative (incl B of Directors)	<u>61,161</u>	<u>130,450</u>	<u>1,951,145</u>	<u>1,819,695</u>	<u>7%</u>
				-	0%
Total operating expenses	<u>307,859</u>	<u>725,651</u>	<u>7,749,755</u>	<u>7,023,104</u>	<u>9%</u>
					0%
					0%
Operating income before depreciation	<u>288,492</u>	<u>357,005</u>	<u>2,141,797</u>	<u>1,785,792</u>	<u>17%</u>
					0%
Depreciation	<u>183,333</u>	<u>366,667</u>	<u>2,200,000</u>	<u>1,833,333</u>	<u>17%</u>
					0%
Operating income (Loss)	<u>105,158</u>	<u>(9,661)</u>	<u>(58,203)</u>	<u>(47,542)</u>	<u>17%</u>
Non-operating revenue					
Interest Earnings	2,401	4,162	35,000	30,838	12%
Rental income	1,475	3,890	22,000	18,110	18%
Reimbursement Insurance	33,766	33,766	33,000	(766)	102%
Grant Income (adjust) before printing	-	-	75,000	75,000	0%
Other non-operating revenues	471	1,799	31,000	29,201	6%
Total non-operating (revenues)	<u>38,113</u>	<u>43,617</u>	<u>196,000</u>	<u>152,383</u>	<u>22%</u>
Non-operating Expenses					
Principal debit	-	-	722,500	722,500	0%
Interest on principal debit	12,760	25,519	137,270	111,751	19%
Other non operating expenses	1,527	3,054	18,432	15,378	17%
Total non-operating (expenses)	<u>14,286</u>	<u>28,573</u>	<u>878,202</u>	<u>849,629</u>	<u>3%</u>
Net (surplus) before capital contributions	<u>128,985</u>	<u>5,384</u>	<u>(740,405)</u>	<u>104,841</u>	<u>-14%</u>

Beaumont-Cherry Valley Water District
Statements of Revenues, Expenses, and Changes in Net Assets
Detailed
Unaudited Through February 28, 2011

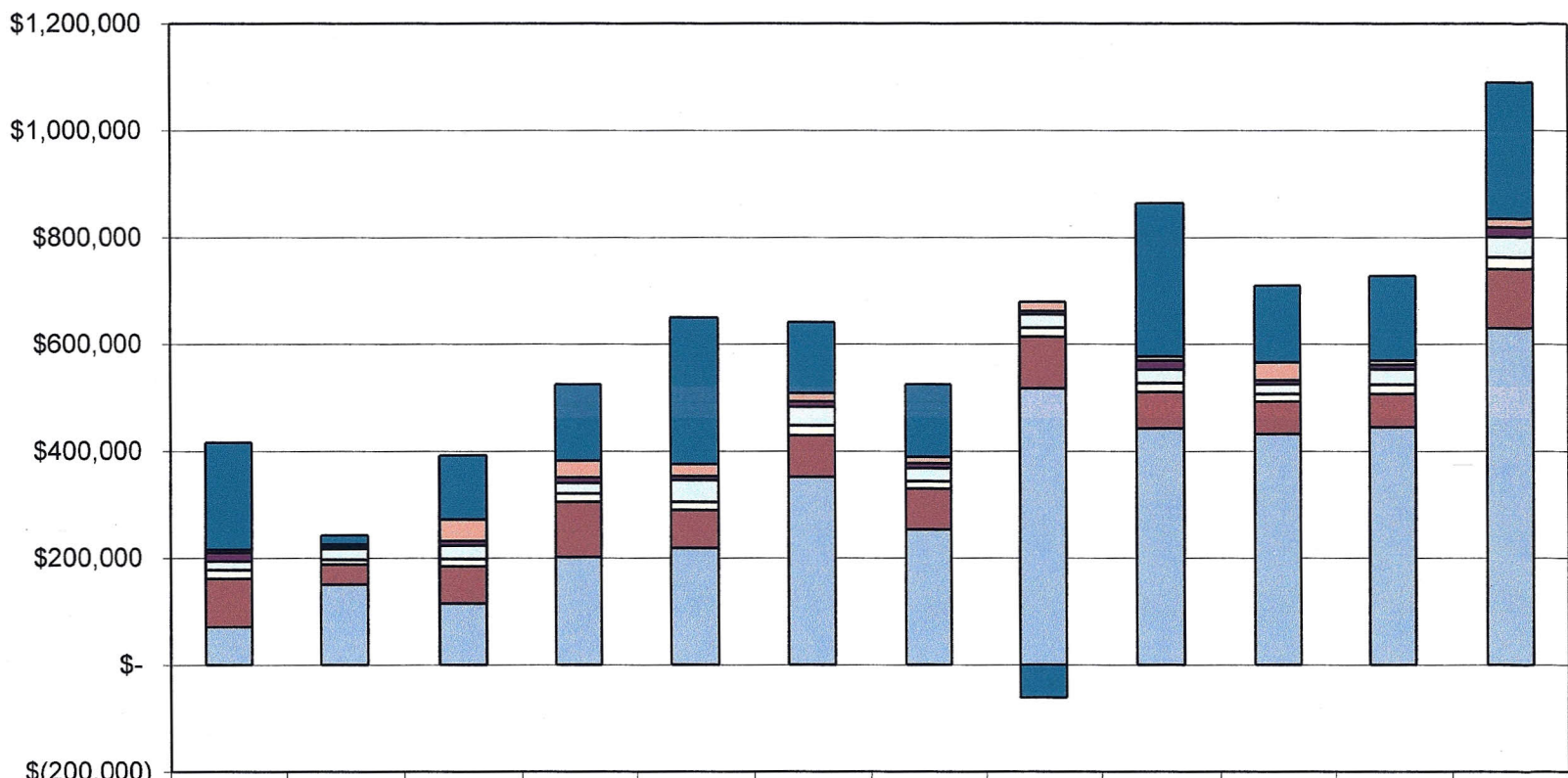
	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
Capital contributions:					
Facilities charges	118,515	118,515	740,405	621,890	16%
Front footage fees	-	-	-	0	0%
	<hr/>				
Total capital contributions	118,515	118,515	740,405	621,890	16%
	<hr/>				
Change in net assets	247,500	123,899	-	123,899	0%

Operating Expenses by Activity - Ending February 2011



	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Administrative	83,575	75,447										
Professional services	6,869	11,829										
In-house engineering	5,725	4,473										
Maintenance & general plant	10,773	43,623										
Customer accounts	10,494	12,593										
Transmission and distribution	31,567	35,332										
Source of supply	283,075	138,848										

Operating Expenses by Activity - Ending December 2010



	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Administrative	200,465	16,752	120,040	143,029	274,214	132,544	136,230	(61,969)	286,653	144,297	158,808	254,702
Professional services	5,906	4,824	40,053	31,453	22,988	15,712	12,198	17,602	8,753	33,780	8,180	16,661
In-house engineering	15,903	3,522	8,151	9,972	7,022	9,925	8,837	5,891	15,893	7,335	7,776	17,569
Maintenance & general plant	16,123	20,866	25,348	20,102	41,266	35,057	24,654	25,462	25,480	18,167	28,945	37,948
Customer accounts	16,529	8,911	13,931	15,973	15,034	18,707	13,959	16,844	17,173	14,551	17,724	22,535
Transmission and distribution	90,461	37,054	69,425	103,098	71,086	77,130	76,208	95,659	67,408	60,314	61,687	110,816
Source of supply	70,365	150,328	114,454	201,122	218,043	351,431	252,748	517,271	442,296	431,320	444,537	629,198

**Beaumont-Cherry Valley Water District
Month-end Financial Statement
Cash and Investments (Unaudited)
As of February 28, 2011**

Cash and cash equivalents	5,356,380
Restricted:	
Debt service	270,779
Construction	<u>59,851</u>
 Total	 <u><u>5,687,009</u></u>

Cash and cash equivalents consist of the following:

Petty cash	1,400
Deposits with financial institutions	<u>5,354,980</u>
 Total cash and cash equivalents	 <u><u>5,356,380</u></u>

**RECORD OF THE MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT
March 9, 2011**

CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California.

PLEDGE OF ALLEGIANCE, VICE PRESIDENT WOLL

Vice President Woll led the pledge.

INVOCATION, DIRECTOR EARHART

Director Earhart recited an invocation.

ROLL CALL, BLANCA MARIN

Those responding to roll call were President Ball, Vice President Woll and Directors Earhart, Guldseth and Ross. Also present at this meeting were interim general manager Anthony Lara, legal counsel Gil Granito and executive assistant Blanca Marin.

PUBLIC PRESENT AT THIS MEETING:

John Covington	John Halliwill	David Castaldo	Bill Dickson
Frances Flanders	Niki Magee	Desiree Slater	Ray Morris
Stella Parks	Basil Clinton	Knute Dahlstrom	John Jeter
Minnie Birchard	Barbara Voigt	Dwan Lee	Lee Birchard
Patsy Reeley	Duane Burk	Aaron Couch	Richard Woll
Luwana Ryan	Jeff Davis	Vera Raica	Lorraine Woll
Harold Flanders	James Bean	Heidi Martin	

PUBLIC INPUT

No public input was presented at this time.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

Vice President Woll moved to adopt the agenda as presented. Director Earhart seconded. The motion passed unanimously.

2. CONSENT CALENDAR: Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval.

- a. February 2011 Bills for Consideration**
- b. February 2011 Invoices Pending Approval**
- c. January 2011 Month End Financial Statement**
- d. Minutes of the Regular Meeting of February 9, 2011**

Director Ross moved to approve the Consent Calendar as presented. Director Guldseth seconded. The motion passed unanimously.

3. GENERAL MANAGER POSITION- THE BOARD WILL DISCUSS, DETERMINE AND APPROVE A COURSE OF ACTION TO BE TAKEN IN FURTHERANCE OF FILLING THE POSITION OF GENERAL MANAGER AND THE UNDERLINED JOB DESCRIPTION**

After discussion, Vice President Woll moved to approve the general manager's job description as modified and to work with staff to advertise the position. Director Earhart seconded. The motion passed unanimously.

4. SALARY RANGE FOR GENERAL MANAGER POSITION- THE BOARD WILL DISCUSS, DETERMINE AND APPROVE A SALARY RANGE FOR THE POSITION OF THE GENERAL MANAGER**

President Ball recommended a \$130K – \$145K range.
Director Ross recommended a \$135K-\$155K range.

Director Earhart recommended that the Board sets a gap of 10% from the highest paid employee for the general manager position.

Director Guldseth recommended that the salary range for the position start at \$137,500.

After discussion, President Ball moved to approve the salary range for the general manager's position at \$135K. Director Ross seconded. The motion passed unanimously.

5. REVIEW AND ACCEPTANCE OF THE AMENDMENT TO THE 2011 BUDGET**

Interim General Manager Anthony Lara briefly reported on this item answering questions from the Board. He indicated that there are positions that are currently vacant in the District and that are funded in the budget. He also indicated that some of those positions are higher level positions like the Assistant General Manager, Controller and two Accountant Positions. He indicated that the two accountant positions are already filled as temporary positions but if the Budget is approved those positions will become permanent positions and will be offered to the employees currently filling those positions. Lastly, he indicated that the 2011 Budget will be revisited in June for adjustments.

After discussion, Director Ross moved to approve the 2011 Budget as presented. Director Guldseth seconded. The motion passed unanimously.

6. APPOINTMENT OF BOARD MEMBER TO THE COLLABORATIVE COMMITTEE AGENCY

President Ball appointed Director Guldseth to the Collaborative Committee which meets every second Thursday of the month. Director Guldseth accepted.

7. CORRESPONDENCE FROM SCOTTS VALLEY WATER DISTRICT REQUESTING SUPPORT IN NOMINATING DAVID T. HODGIN TO ACWA/JPIA EXECUTIVE COMMITTEE BY APPROVING AND ADOPTING RESOLUTION 2011-03 **

Director Ross moved to approve Resolution 2011-03. Director Earhart seconded. The motion passed unanimously.

8. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees – Director Ross reported that the Recycled Water Committee met with representatives from the City of Beaumont.

(b) General Manager

- Request from Cherry Valley Recreation and Parks District to use the District Ponds for the Fishing Derby, April 16, 2011- After report, Interim General Manager recommended approval.

- Request from the University of California Riverside to access the District's Groundwater Wells for a Water Quality Study** - After a lengthy discussion and after receiving input from the public. The Board recommended that Interim General Manager Lara communicates to UCR representatives the Board's concerns about the accuracy of the reports and to bring back to the Board a report. The Board further recommended that UCR representative be invited to a future board meeting to present a report.
- Correspondence from State Water Resources Control Board** - Lara reported that the attached letter was confirmation that the grant has been approved by the State. District has yet to receive the Funding Agreement.
- Outside Service Connections at 11020 Union Street and 37980 Brookside-Lara reported that the District is still providing service for these two residences therefore another six month service period was requested.
- Summary of Wages and Benefits for District employees** - Director Ross requested that Staff provides a breakdown of all employee benefits.

(c) Directors

- Dr. Blair Ball-None
- James Earhart-None
- John Guldseth-None
- Ken Ross-None
- Ryan Woll-Wants to have the Policies & Procedures on the next agenda.

(d) Legal Counsel

Legal Counsel Gil Granito reported on the Yorba Linda Litigation.

9. ANNOUNCEMENTS

A) Finance & Audit Meeting, April 7, 2011 at 4:00 p.m.

B) Regular Board Meeting, April 13, 2011 at 7:00 p.m.

10. ACTION LIST

- Lara- request from UCR to access district's wells needs to be presented at the next board meeting
- Policies and procedures manual-provide a copy to directors Guldseth and Earhart for comments and input
- Provide update on GIS RFP at the next board meeting
- Provide a summary report of employee benefits showing a breakdown amount

11. ADJOURNMENT

President Ball adjourned the meeting at 8:31 p.m.

Dr. Blair Ball, President to the
Board of Directors of the
Beaumont Cherry Valley Water District

Attest:

Kenneth Ross, Secretary to the
Board of Directors of the
Beaumont Cherry Valley Water District



**Beaumont Cherry Valley Water District
Regular Meeting of the
Board of Directors
April 13, 2011**

Background

On January 24, 2011 the District received the attached request from UC Riverside (UCR) to access certain District facilities to conduct an analysis of groundwater quality in the Beaumont Basin on behalf of the Santa Ana Regional Water Quality Control Board. At the regular meeting of the Board of Directors (Board) of March 9, 2011 the request was tabled and staff was directed to contact UCR representatives and request that they attend the regular meeting in April to speak and answer any questions related to the study.

On March 29, 2011 staff received the attached order pursuant to Water Code Section 13267 which requires the District to provide water quality data from the facilities listed in the UCR work plan in order to complete the groundwater study. The Order offers the District two options for collecting and analyzing the required data and specific dates to meet the requirements along with estimated costs (attached).

Should the Board approve the request and grant UCR Investigators access to facilities to complete the study, the District is required to provide a written statement to that effect no later than April 15, 2011

Fiscal Impact

There is no provision in the current year budget to cover the estimated costs (\$23,000) required to complete the collection and analysis by District staff. Providing access for the purpose of conducting the analysis by a third party would result in labor cost of one employee to accompany investigators to the sites.

Recommendation

Staff recommends that the Board approve the request for access to District facilities to conduct the groundwater study by UCR.

January 19, 2011

To: Anthony Lara
General Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

RECEIVED
JAN 24 2011

Re: Access to groundwater wells for water quality study

BY:

Dear Mr. Lara:

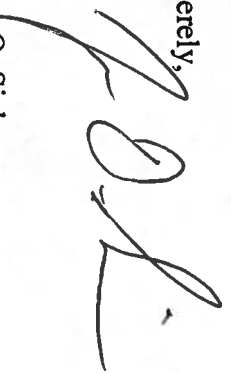
I am the principal investigator for a Supplemental Environmental Project funded by the State Water Resources Control Board that will examine groundwater quality in the Beaumont area. I am writing to request written permission and a sampling permit to sample the following groundwater wells (IDs and geographic coordinates are listed) operated by the Beaumont Cherry Valley Water District:

	<u>Well ID</u>	<u>UTM Northing</u>	<u>UTM Easting</u>
1	BCVWD 01	502723.67	755313.09
2	BCVWD 02	502920.51	755311.76
3	BCVWD 03	502907.87	755205.03
4	BCVWD 04A	503224.51	760400.01
5	BCVWD 05	503553.77	760837.16
6	BCVWD 06	503430.87	763011.39
7	BCVWD 10	504647.33	765017.62
8	BCVWD 11	504860.20	765116.04
9	BCVWD 12	504997.26	765248.65
10	BCVWD 14	504253.54	764826.19
11	BCVWD 16	502912.90	759076.98
12	BCVWD 18	504627.70	764993.11
13	BCVWD 19	504717.41	764973.95
14	BCVWD 20	504666.44	764986.07
15	BCVWD 21	503293.08	757562.70
16	BCVWD 22	502885.31	756094.85
17	BCVWD 23	502490.00	757737.00
18	BCVWD 24	500220.57	757664.56
19	BCVWD 25	504151.00	756122.00
20	BCVWD 26	503441.00	755078.00
21	BCVWD 29	498511.70	758423.00

The objective of the study is to determine if septic systems pose a risk to groundwater quality in the Beaumont Management Zone groundwater basin. We will use chemical and isotope techniques to ascertain if nitrate found in active groundwater wells is derived from human or animal waste or other sources, including naturally occurring nitrate in soils and imported water from the State Water Project used to recharge aquifers. As you are aware, Riverside County Ordinance 871 restricts the installation of new on-site wastewater disposal systems, until new studies can determine the occurrence and extent of water quality impairment caused by these treatment systems. Our study is designed to answer critical questions regarding groundwater quality for the Beaumont community and we therefore ask for your cooperation in accessing the wells listed above. We have attached copies of our project plan and the June 15, 2009 report by the Ground Water Quality Evaluation Committee (Blue Ribbon Committee) calling for additional studies such as ours.

We would like to begin sampling the wells in February 2011, so we would be very appreciative if you could expedite our request. Please feel free to contact me if you have any questions about the study. Thank you.

Sincerely,



James O. Sickman
Associate Professor
Department of Environmental Sciences
University of California, Riverside
Room 2324 Geology
Riverside, California 92521
Office: (951) 827-4552
Fax: (951) 827-3993
E-mail: james.sickman@ucr.edu
URL: <http://www.envisci.ucr.edu/faculty/sickman.html>



California Regional Water Quality Control Board Santa Ana Region



Linda S. Adams
Acting Secretary for
Environmental Protection

3737 Main Street, Suite 500, Riverside, California 92501-3348
Phone (951) 782-4130 • FAX (951) 781-6288
www.waterboards.ca.gov/santaana

Edmund G. Brown, Jr.
Governor

RECEIVED
MAR 29 2011

March 29, 2011

BY:

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Anthony Lara, General Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

ORDER PURSUANT TO WATER CODE SECTION 13267 FOR TECHNICAL DATA TO INVESTIGATE THE IMPACT OF SEPTIC SYSTEMS IN THE CHERRY VALLEY AREA OF RIVERSIDE COUNTY

Dear Mr. Lara:

This Order, issued pursuant to California Water Code Section 13267, requires that you provide specific data from certain Beaumont Cherry Valley Water District (BCVWD) wells to enable completion of a groundwater study being conducted by the University of California Riverside (UCR) on behalf of the Regional Water Quality Control Board (Regional Board). Alternatively, the BCVWD may elect to allow access to these wells by the UCR investigators for sampling.

Background

Cherry Valley Community of Interest (Cherry Valley) is an unincorporated area located north of the City of Beaumont and southeast of the City of Calimesa. The community is not served by sanitary sewer systems, but relies on on-site waste disposal systems (OSWDS or septic systems). The area overlies the Beaumont Groundwater Management Zone (Beaumont GMZ), which serves as the only source of municipal water supply for Cherry Valley and the City of Beaumont. BCVWD is the major water supply agency. In addition, there are also many private water supply wells. The beneficial uses of the Beaumont GMZ are set forth in the Regional Board's Water Quality Control Plan (Basin Plan) and include Municipal and Domestic Supply, Agricultural Supply, Industrial Service Supply, and Industrial Process Supply.

Elevated nitrate levels have been observed in wells in Cherry Valley, and recently, nitrate concentrations in two groundwater production wells owned by BCVWD have approached the Maximum Contaminant Level (MCL) of 10 mg/L nitrate-nitrogen. Nitrate-nitrogen in drinking water in excess of the 10 mg/L MCL is of concern because, if ingested, these concentrations may cause methemoglobinemia, also known as blue-baby syndrome, in infants less than six months of age.

To determine the source of elevated nitrate in these wells, a committee consisting of the City of Beaumont, San Timoteo Watershed Management Authority (STWMA) and BCVWD, contracted

California Environmental Protection Agency



with Wildermuth Environmental, Inc. (WEI) to assess the current and future threat to groundwater quality from OSWDS in the Beaumont GMZ. WEI completed a draft report in August 2006 and presented the draft report findings to the Regional Board on October 13, 2006. The final report was completed in March 2007. The WEI report concluded that the simultaneous occurrence of high nitrate concentrations, along with elevated levels of specific ions, and the presence of pharmaceutical compounds and nitrogen isotopes associated with OSWDS discharges, indicates that OSWDS are a source of nitrate contamination in the Beaumont GMZ. Modeling analysis performed by WEI also showed that nitrate-contaminated groundwater would eventually (projected for 2100) impact all production wells in the Beaumont GMZ. Further, if left unmitigated, OSWDS discharges are sufficient to cause nitrate-nitrogen concentrations to exceed Basin Plan objectives and MCLs.

Based on the conclusions of the WEI study report, the County of Riverside Board of Supervisors issued three Ordinances to ban new septic systems unless the systems are designed to remove 50% of the nitrogen in the wastewater effluent. Ordinance No. 864, passed by the Board of Supervisors on October 16, 2006, specified a 90-day moratorium on the installation of conventional septic systems. Ordinance No. 864-1 extended that moratorium another 120 days. Finally, on July 17, 2007, the Board of Supervisors approved Ordinance 871, which made the moratorium a "Prohibition" without an expiration date.

In 2010, as a follow-up to the WEI studies, the Regional Board contracted with UCR to conduct additional groundwater testing for pharmaceuticals and nitrate. The approved UCR study plan specifies that 21 wells owned/operated by BCVWD are to be sampled. The study plan also identifies the constituents for which analysis is required. A copy of this study plan is enclosed.

It has come to our attention that access to BCVWD wells necessary to complete the study is yet to be granted to the UCR investigators by BCVWD. As you may be aware, the sampling of other wells has already begun. Data from the 21 BCVWD wells is needed in a timely manner in order to supplement the data already being collected and to complete the comprehensive study.

Required Action

Pursuant to Section 13267 of the California Water Code subdivision (a), a regional board, in establishing or reviewing any water quality control plan or waste discharge requirements, or in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of waters. You are hereby required to provide data on nitrate and pharmaceuticals in samples collected from the 21 wells in the Beaumont Management Zone owned by BCVWD, in conformance with the UCR study plan and in accordance with specific sampling and analytical instructions provided by the UCR investigators. These data shall be provided no later than May 15, 2011. Alternatively, BCVWD may elect to allow access by the UCR investigators in order to sample the 21 BCVWD wells identified in the UCR study plan. Under this alternative, BCVWD would not be responsible for sampling or analytical costs. If the BCVWD elects to utilize this option, a written statement to that effect shall be provided no later than April 15, 2011.

Need for Data Collection

The Regional Board is charged with the protection of water quality in the Santa Ana Region. Evaluating the impact of OSWDS on groundwater quality is a responsibility of the Regional Board. The data sought by this Order is needed to determine if OSWDS contribute nitrogen and personal care products and pharmaceuticals to the Beaumont GMZ. The data and information will be used to support any additional Regional Board actions to protect groundwater quality.

Evidence Supporting the Need for Data Collection

As indicated above, monitoring and sample analyses conducted by WEI demonstrated the presence of elevated levels of nitrate-nitrogen and pharmaceuticals in groundwater samples collected from the areas within the Cherry Valley area (Beaumont GMZ). Results are summarized in the following report, a copy of which is available at the Regional Board office:

Wildermuth Environmental Inc., March 2007, "Water Quality Impacts from On-Site Waste Disposal Systems In The Cherry Valley Community Of Interest. Final Report Prepared For San Timoteo Watershed Management Authority Project Committee No. 1"

Based on these analyses, discharges from OSWDS in the Cherry Valley area are contributing nitrate and other compounds to the underlying groundwater.

Burden and Cost

The estimated cost to comply with this Order is \$23,100. This estimate includes both sampling costs and analytical costs. These costs are justified. The data are needed to evaluate the effect of waste discharges from OSWDS on the quality of groundwater in the Beaumont GMZ, which is an essential source of domestic and municipal supply.

However, if BCVWD elects to allow access by the UCR investigators rather than collecting and analyzing the samples itself, the estimated cost to comply with this Order is minimal. If BCVWD provides access to the UCR investigators, those investigators would be responsible for the sampling and analysis of samples. Board staff estimates that the cost to BCVWD would range from \$200 to \$500 to cover staff costs associated with coordinating the site visits with UCR researchers. These estimated costs are lower than those that would accrue to BCVWD should the District elect to conduct the sampling and analysis of the well samples.

Penalties

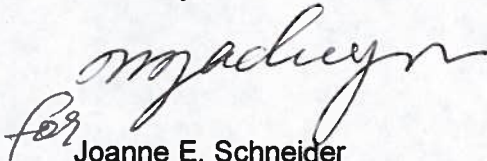
Though we are confident you will make every effort to comply with this Order in a timely manner, we are obligated to advise you that pursuant to section 13268 of the California Water Code, failure to comply with this Order by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in civil liability. Noncompliance may subject you to administrative civil liability in the amount of up to \$1,000 for each day of violation. Be advised that compliance with this Order is not a substitute for compliance with other applicable laws and does not preclude action to enforce compliance with such other laws.

Appeal

Any person affected by this action of the Regional Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with section 13320 of the California Water Code and Title 23, California Code of Regulations, section 2050. The petition must be received by the State Water Board within 30 days of the date of this Order. The State Board's website (<http://www.swrcb.ca.gov/wqpetitions/index.html>) contains detailed information regarding the petition process. Copies of the law and regulations applicable to filing petitions will be provided upon request. Note that even if reconsideration by the Regional Water Board is sought, filing a timely petition with the State Water Board is also necessary to preserve the petitioner's legal rights. If you choose to request reconsideration of this Order or file a petition with the State Water Board, be advised that you must comply with the Order while your request for reconsideration and/or petition is being considered.

If you have any questions or would like to discuss the matter, please feel to contact me at (951)782-3287 (jschneider@waterboards.ca.gov). You may also contact Hope Smythe at (951)782-4493 (hsmythe@waterboards.ca.gov) or Michael A. Perez at (951)782-4306 (mperez@waterboards.ca.gov).

Sincerely,



Joanne E. Schneider
Division Chief

Enclosure:

University of California, Riverside, Sampling Plan for Detection of Septic System Waste in the Groundwater of Beaumont CA Using Chemical and Isotopic Tracers, February 17, 2011.

cc: Kurt V. Berchtold, Executive Officer, Santa Ana RWQCB. kberchtold@waterboards.ca.gov
David Rice, Office of Chief Counsel, SWRCB, DavidRice@waterboards.ca.gov



**Beaumont Cherry Valley Water District
Regular Meeting of the
Board of Directors
April 13, 2011**

Background

At the regular Board meeting on March 9, 2011, a request for a will serve letter to be included in an application for annexation was tabled pending review of the District's Annexation Policy.

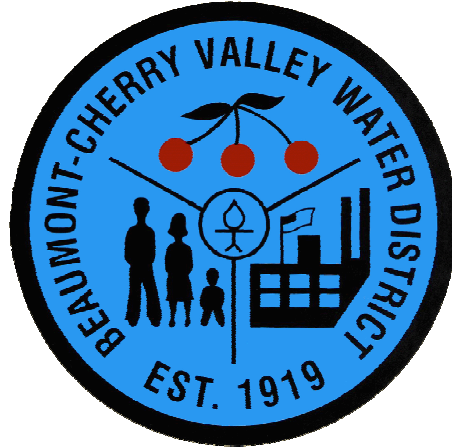
The current policy states that any property outside of the District's boundaries must be annexed to the District prior to receiving water service and that prior to initiation of the annexation process, property owners desiring annexation must obtain a will serve letter from the District.

The draft Water Service Application Process being proposed, if approved will replace the current Annexation and Will Serve Policy as a separate document and will only be referenced in the updated Policies and Procedures.

Recommendation

That the Board approves the Draft Water Service Application Process.

DRAFT



WATER SERVICE APPLICATION PROCESS

BEAUMONT CHERRY VALLEY WATER DISTRICT

APRIL 01, 2011



Prepared by

Beaumont Cherry Valley Water District

560 Magnolia Avenue
Beaumont, CA 92223
(951)- 851-9581
www.bcvwd.org

Introduction

The “Water Service Application Process” is described in this document for the benefit of developer and applicants for water service within the Sphere of Influence of the Beaumont Cherry Valley Water District (BCVWD or District). Some applicants will be within the boundary of the District; some may not be within the boundaries, but are within the Sphere of Influence. In the latter case, annexation to the District will be required. If the project is located outside of the Sphere of Influence of BCVWD, the project proponent will need to secure water service from either Yucaipa Valley Water District or the City of Banning.

Yucaipa Valley Water District (909) 797-5117 www.yvwd.dst.ca.us	City of Banning (951) 922-3105 www.ci.banning.ca.us
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Figure 1 shows the BCVWD Boundaries and Sphere of Influence

The District’s service area includes the City of Beaumont and the unincorporated community of Cherry Valley in Riverside County. Project approvals will need to be obtained from the City of Beaumont or the County of Riverside.

City of Beaumont (951) 769-8520 www.ci.beaumont.ca.us	County of Riverside Planning Dept. (951) 955-3200 www.tlma.co.riverside.ca.us/planning/
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Wastewater Collection and Treatment

The BCVWD only provides potable and recycled water service within its service area. Wastewater collection and treatment is provided by the City of Beaumont. The community of Cherry Valley relies on individual on-site systems (septic tanks) and approval for construction of these systems is obtained from the County of Riverside, Department of Environmental Health.

<p>Riverside County Administrative Center 4080 Lemon Street, Riverside, CA 92501 Environmental Resources Management Second Floor (951) 955-8980 FAX: (951) 955-8903 www.rivcoeh.org/opencms/index.html</p>

LAFCO and the Annexation Process

If the project is not within the current boundaries of BCVWD, annexation to BCVWD will be required. This is under the control of the Riverside County Local Agency Formation Commission (Riverside LAFCO or LAFCO).

Riverside County LAFCO
3850 Vine Street, Suite 110
Riverside, CA 92507-4277
(951) 369-0631
www.lafco.org/opencms/contact_us/

BCVWD handles the application process with LAFCO for annexation to BCVWD. The Applicant will have to provide information to the District to support the annexation process. This is described in detail herein and in the District’s Rules and Regulations. There are fees associated with the process which must be paid by the Applicant.

The application packet for Riverside LAFCO is available on their website.

Annexation to other jurisdictions may have to be the responsibility of the Applicant.

Water Supply Assessment and Verification of Water Supply

Certain projects, depending on the size, may be subject to Senate Bill (SB) 610 Water Code §10910 et. seq. “Water Supply Assessments” and SB 221 Government Code§66473.7 “Written Verifications of Water Supply.”

Water Supply Assessment

A Water Supply Assessment is required if the development is classified as a “project” as defined in Water Code §10912.

§ 10912. For the purposes of this part, the following terms have the following meanings:

- (a) "Project" means any of the following:*
 - (1) A proposed residential development of more than 500 dwelling units.*
 - (2) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.*
 - (3) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.*
 - (4) A proposed hotel or motel, or both, having more than 500rooms.*
 - (5) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feetof floor area.*
 - (6) A mixed-use project that includes one or more of the projects specified in this subdivision.*
 - (7) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.*

The District will prepare the water supply assessments.

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Written Verification of Water Supply

A "Written Verification of Water Supply" is required if the development requires approval of a tentative tract map (Government Code 66473.7(b)(1).

§66473.7b) (1) The legislative body of a city or county or the advisory agency, to the extent that it is authorized by local ordinance to approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply shall be available. Proof of the availability of a sufficient water supply shall be requested by the subdivision applicant or local agency, at the discretion of the local agency, and shall be based on written verification from the applicable public water system within 90 days of a request.

§66473.7(a)(1) "Subdivision" means a proposed residential development of more than 500 dwelling units, except that for a public water system that has fewer than 5,000 service connections, "subdivision" means any proposed residential development that would account for an increase of 10 percent or more in the number of the public water system's existing service connections.

The District will prepare the written verification.

Hydrant Flow Testing and Fire Flow Letter

Occasionally the District gets requests to perform hydrant flow testing. The District **does not perform or allow others to perform** hydrant flow tests. There are a number of reasons for this:

- A hydrant flow test (flow and residual pressure) is only valid for the date and time run and represent conditions in the system only at that time. It does not simulate future demand conditions.
- A hydrant flow test wastes a significant amount of water. Considering the District must import 1/3 or more of its water from Northern California this is a substantial expense.

In lieu of hydrant flow testing, the District uses its calibrated hydraulic computer model to determine fire flow capability and residual pressures in the system under maximum day demand conditions at ultimate system build-out. The results of the computer modeling are presented in the District's Engineering Report which is provided to the Applicant to take to the Fire Marshal and furnish to their fire sprinkler system contractors. This information is also useful to landscape contractors as it provides static and operating system pressures.

In order to perform the computer modeling, the Applicant must provide a letter from the Fire Marshal stating the fire flow requirement (gallons/minute), the duration (hours), and the minimum residual pressure (typically 20 lb/sq in).

Recordation of Notice of Completion

The Applicant is responsible for filing any notices of completing with the County of Riverside for all work that is not performed by the District.

Water Service Application Processing Narrative

A condensed narrative of the steps follows.

Intent to Serve

- Applicant sets up a meeting with the District Engineer (District Engineer)
 - The Applicant shall provide the District Engineer with at least the following for discussion at the meeting: location map, Assessor Parcel Numbers (APNs), acreage, type of development, number of units, approximate water demand, landscaping requirements and landscaped area, pressure requirements if not “typical”, height of structures, e.g., 1 story, 2 stories etc., and rough schedule for development.
 - The following questions need to be answered in this meeting
 - Is new service area within the District?
 - Is this a single domestic service?
 - Is a fire hydrant needed for this service?
 - Will a Water Supply Assessment per Water Code §10912 or Water Supply Verification per Government Code §66473 be required?
 - District Engineer instructs the applicant to submit the initial deposit to the Business Office. The amount of the initial deposit shall be determined by the District Engineer based on the type of project and the extent of the District’s planning effort to accommodate the project.
 - District Engineer directs the Applicant to prepare a “request for water service letter” and submit it to the Executive Assistant.
- Applicant submits the request for water service letter submits to the Executive Assistant
 - The contents of this letter are outlined in Part 4 of the District Rules and Regulations and should include as a minimum the information about the project discussed at the initial meeting.
 - The Applicant will provide the District with the APN numbers and a site plan of the proposed project.
 - The request for water service will not be submitted to the Board until the initial deposit is paid..
 - Executive Assistant provides a copy of the request for water service to Engineering Staff.
- Initial Deposit (Applicant submits to Business Office)
 - The Initial Deposit, as estimated by the District Engineer, shall be paid to the Business Office.. This deposit will cover any costs incurred by the District during the intent to serve phase. At the end of the intent to serve phase if any funds remain in the initial deposit, the funds will be transferred to the next phase of the project. If additional deposits are required, the Executive Assistant will notify the Applicant.
 - If the development is described as a “Project” according to Water Code 10912, the district has 90 business days to prepare water assessment report.
- Prepare letter of intent to serve and staff report (Engineering Staff)
 - This letter of “intent to serve” is prepared by the District Engineer describing the project, the current status of the District’s water supply and

the project impact on the District's water system and submitted to the General Manager. This letter of "intent to serve" is accompanied by a staff report.

- Assign project number for accounting purposes (Engineering Staff)
 - The District Engineer will assign the project account number which will be used to track costs until the project has completed construction.
 - A project folder containing all information regarding the project will be created by Engineering Staff
- Water Supply Assessment (Engineering Staff)
 - If a water supply assessment is required, Engineering Staff will prepare all necessary documents.
- Board approved letter of intent to serve (Board)
 - The General Manager will review the letter of intent to serve and supporting staff report and direct the Executive Assistant to place the documents on the next available board meeting agenda to seek Board of Directors approval. The Executive Assistant will notify the Applicant of the date and time of the meeting.
 - Once Board approval has been granted, the developer will have 1 year to begin the project. If the project has not started within 1 year the Applicant shall request an extension in writing to the General Manager. General Manager may choose to extend the deadline or end the development process.
 - The Executive Assistant informs the Business Office, Engineering Staff and the Applicant of the Board's approval or rejection.

Annexation

During the initial engineering meeting a determination will be made if annexation to the District is required. If annexation is required, the following steps shall be taken.

- Request for annexation (Applicant submits to Executive Assistant)
 - The Applicant must submit a letter requesting annexation to the District. Annexation requires Board of Directors approval. The request for annexation should be submitted along with the request for water service so the Board may approve both the letter of intent to serve and the annexation at the same board meeting. If the letter of intent to serve is not approved, then the annexation request will automatically be rejected.
 - The Executive Assistant places the request for annexation along with the intent to serve letter on the next available board meeting agenda, under the direction of the General Manager and notifies the Applicant of the date and time of the meeting.
- Board approval of annexation (Board)
 - Upon Board approval, the Executive Assistant will prepare a letter to the Applicant, notifying the Applicant of the Board's decision and notifies the Business Office and Engineering Staff of the Board's approval or rejection
- Annexation deposit (Applicant submits to the Business Office)

- An initial annexation deposit of \$5000 is required to cover any cost the District incurs as a result of the annexation process. This deposit only covers District costs and not LAFCO expenses. When the Application for Annexation is submitted to LAFCO, the LAFCO fees can be estimated and the Applicant shall deposit the estimated LAFCO fees with District's Business Office. Additional deposits may be required and the Applicant will be so notified by the Executive Assistant. Reference Policies and Procedures Part IV Section 8.3.
- Plan of Service (Engineering Staff)
 - The Engineering Staff will prepare the LAFCO required plan of service upon receipt of the initial deposit
 - Engineering will provide a copy of the Plan of Service to the applicant .
- LAFCO (District and LAFCO)
 - The District will process the annexation application with LAFCO. The Applicant is responsible for providing the District with a survey and legal description of the parcel, and any other information that the District or LAFCO may need.
- Annexation Agreement (Engineering Staff)
 - Engineering staff will prepare an annexation agreement.
 - Engineering Staff will submit the annexation agreement along with the LAFCO annexation approval to the Executive Assistant.
 - The Executive Assistant will place the annexation agreement on the next available board meeting agenda and prepare a Resolution for Annexation.. The Executive Assistant will notify the applicant of the meeting date and time.
- Board approval of the annexation agreement (Board)
 - The Board will review and discuss the details of the annexation agreement. If the Board is satisfied with the agreement, the Board may approve the agreement and the Resolution for Annexation.
 - If the Board chooses to reject the agreement, the agreement will be returned to engineering staff with recommendations.
 - The Executive Assistant will notify the Applicant and necessary departments of Board Action and will provide copies of the Resolution to LAFCO.
- Executive Assistant will file all correspondence, the annexation agreement, the LAFCO approval, Board Resolutions relative to the Project, survey plots, and legal description

Single Domestic Service without Main Pipeline Extension

During the initial engineering meeting a decision will be made if the development will only require a single domestic service. If the development only requires a single domestic servicesection he following steps must be followed

- Applicant shall submit a letter from the Fire Marshal to the Executive Assistant requesting information on fire hydrant location and flow.

- Fire Hydrant Verification (Field Staff)
 - The Executive Assistant will instruct the Business Office to draft a work order to measure the distance of the nearest fire hydrant to the property to determine if a main extension or additional fire hydrants may be required.
 - The Field Staff will turn in the work order to the Business Office.
- Fire Hydrant Verification Letter (Business Office)
 - Based on data from the field with engineering input if needed, the Business Staff will prepare a fire hydrant verification letter and submit it to the Applicant.
 - It is the Applicant's responsibility to submit the letter to the Fire Marshal and to inform the District if the Fire Marshal requires additional fire hydrant(s).
 - If a fire hydrant is required, the Business Office will refer the project to Engineering Staff to make the determination if a main line extension will also be required.
 - If a main line extension is required, the Engineering Staff will notify the Applicant and all departments.
 - If a mainline extension is not required, Engineering Staff will inform the Business Office to expect payment of the fire hydrant installation fee by the Applicant.
 - If a fire hydrant is not required, the Business Office will expect payment of the meter fees by the Applicant.
- Fire Hydrant Installation Fee (Applicant submits to the Business Office)
 - If a fire hydrant is required, the applicant will make the appropriate payment according to Section 5-2 of the District Rules and Regulations.
- Meter Fees (Applicant submits to the Business Office)
 - The applicant will make the appropriate payment according to Section 5-2 of the District Rules and Regulations.
- Facilities Fees (Applicant submits to the Business Office)
 - The applicant will make the appropriate payment according to Section 5-4 of the District Rules and Regulations.
 - The Business Office will instruct the applicant to place a stake with a sign that says "Water Meter" at the desired location of the water meter, subject to District approval.
 - The Business Office will request the Engineering Staff to assign a meter account number.
- Create Services (Business Office)
 - The Business Office will create the meter account and services within the District Customer Information System (CIS).
 - Services will be created without the meter number; this will be provided by the Field Staff after installation.
 - The Business Office will generate a work order to install the service and provide it to the Field Staff.
- Installation (Field Staff)
 - Field Staff will install the facilities within 2 weeks of receipt of all fees..

- Field Staff will provide installation data to Engineering Staff to update the District's Geographic Information System (GIS).
- Field Staff will submit completed work order to the Business Office to input into the District's CIS.
- GIS Update (Engineering Staff)
 - Engineering Staff will update the GIS with the installation data as provided by the Field Staff.
- Project Completion
 - The Executive Assistant will file remaining documentation and alert all departments the project is "Completed."
 - The Executive Assistant will refund any unused deposits to the Applicant.

Mainline Extension

- Applicant submits the project's Fire Flow Letter from Fire Marshal to the Engineering Staff that states the fire flow requirements for the project. The District does not perform or allow anyone to perform hydrant flow tests.
 - Engineering Staff will determine an engineering and plan check deposit amount and will inform the Business Office and Applicant.
- Engineering and Plan Check Deposit (Applicant submits to the Business Office)
 - The applicant will make an initial deposit of \$5000 ,or as determined by the District Engineer, to cover engineering costs incurred on the Districts behalf to determine system improvements that are necessary to meet the fire flow requirements. An engineering report will be prepared which identifies the needed improvements and presents static and operating pressures at the project site. Applicant is responsible for transmitting that information to the project's design consultants. Reference Section 5-5.4.1 in District Rules and Regulations.
 - Any and all money leftover from the initial and/or annexation deposits will automatically be transferred into the engineering and plan check deposit. Additional money may be required to bring the balance of the engineering deposit to the set amount determined by the District Engineer.
 - Additional deposits may be needed throughout the engineering and plan check phase depending on the complexity of the project and the number of reviews and iterations.
- Assign Project Account Numbers to Subdivisions of the Main Tract(Engineering Staff)
 - If the project is going to be subdivided into smaller tracts then each tract will be assigned its own project account number. The original project number will be retired and no longer used. This same process will be used if the project, or portions of the project are sold to other developers.
 - Any money submitted as deposits will be refunded to the Applicant and new deposits with be requested for each new tract map..

- From this point on each subdivision will be treated as an individual project. Project folders will be created for each subdivision. Each project folder will contain a brief memo that lists all preceding information in lieu of copies of original documentation. All preceding documentation will stay in the original, now retired project folder. The original project folder will contain a brief memo explaining the status of the project upon subdivision.
- Plans Submitted for Plan Check (Applicant submits to the Engineering Staff)
 - The applicant will provide two sets of plans to engineering staff as outlined in Section 7 in the District Standards and Specifications.
 - Engineering Staff will proceed with Plan Check upon receipt of all applicable deposits..
- Plan Check (Engineering Staff)
 - Engineering staff will perform the plan check. The District Engineer will review all corrections and suggestions. Upon the District Engineer's approval, the plans will be returned to the applicant.
 - The applicant will resubmit revised plans.
- Engineers Approval (Engineering Staff)
 - After approval through Plan Check, the applicant will submit the final version of the plans on Mylar for the District Engineers signature. The signed Mylars will be returned to the Applicant. Note that other signatures may be required. The Applicant is responsible for securing all plan approvals.
 - Approval of plans will be valid for 12 months from the date of approval unless construction has started.
 - Applicant shall provide Engineering staff with 3 full sized copies, one half-size copy (11x 17) along with a scanned set of plans (pdf format).
- Mainline Extension Agreement (Engineering Staff)
 - Upon the approval of the plans, Engineering Staff will produce the Main Pipeline Extension Agreement along with all supporting information.
 - Engineering Staff will submit the Mainline Extension Agreement to the Executive Assistant.
 - The Executive Assistant will set up a meeting with the applicant and the General Manager to execute the Main Pipeline Extension Agreement.
- Execution of the Mainline Extension Agreement (General Manager and Executive Assistant)
 - The General Manager and Applicant will discuss the conditions of the Mainline Extension Agreement.
 - The General Manager and Applicant will sign the agreement.
 - The Executive Assistant will file the agreement and instruct the Business Office to expect the payment of the fees and deposits.

Fees and Deposits

Additional deposits may be needed for the remainder of the project. All fees and deposits will be processed by the Business Office.

- Facility Fees (Applicant submits to the Business Office)
 - The Applicant pays the appropriate fees outlined in the District's Rules and Regulations under section 5.4.
- Inspection Deposit (Applicant submits to the Business Office)
 - The applicant pays 135% of the inspection deposit as determined by the District Engineer in concert with the Field Staff. Reference Section 5-5.3 in the District's Rules and Regulations.
 - Business Office awaits the payment of the Inspection Deposit.
- GIS/Record Drawing Deposit (Applicant submits to the Business Office)
 - The GIS/Record Drawing deposit covers all cost incurred on the districts behalf for reviewing and integrating the new asset information data into the District's GIS.
 - The deposit will be in the amount of \$275perparcel. Commercial, institutional and industrial projects will be determined on a case-by-case basis.
- Performance Bond (Applicant submits to the Business Office)
 - The Applicant submits a performance bond guaranteeing the water system improvements will be installed according to the plans and the District's standards to the Business Office to be filed in the project folder.

Construction

- Preconstruction Meeting (Field Staff)
 - The Field Staff will coordinate with the Applicant to establish points of contact between all of the Applicant's contractors and District Staff.
- Construction by Applicant (Inspection by Field Staff)
 - During construction of the project, the District will inspect all work along with the all materials used.
- Testing and Acceptance (Inspection by Field Staff)
 - District staff will monitor all testing and acceptance procedures.
- Final Inspection (Field Staff)
 - The District inspector will provide a final inspection and prepare a punch list.
 - After all punch list items have been completed, the District inspector will provide a package of all original inspection documents along with a written approval of a proper installation of the facilities to Engineering Staff.
 - Field Staff will notify the Business Office to expect payment of the meter fees and to release the performance bond.
- Filing of Inspection Package (Engineering Staff)

- All documentation relating to the inspection will be filed by the Executive Assistant.
- Engineering Staff will request the Record Drawing and GIS data from the Applicant.

GIS/Record Drawings

- Record Drawing Submittal (Engineering Staff)
 - The Applicant will provide Record plans on Mylar to Engineering Staff.
 - Engineering staff will compare the plans with the inspection notes to establish consistency.
 - Once the plans have been reviewed the district engineer will approve and sign the plans.
 - Engineering Staff will scan and file the signed plans and the inspection reports and notes.
- GIS Submittal (Engineering Staff)
 - The Applicant will provide Project Record/GIS data to Engineering Staff for review.
 - Engineering Staff will import the newly acquired data into the Districts GIS.
 - Engineering Staff will direct the Business Office to release any GIS/Record Drawing deposits.

Post Construction

- Tract Map Submittal (Applicant submits to the Engineering Staff)
 - A tract map of the development shall be provided in GIS or AutoCAD format for the creation of meter account numbers and billing information.
 - The tract map data will include street names and lot numbers as a minimum.
- Assign Meter Account Numbers (Engineering Staff)
 - Using the provided tract map data, Engineering Staff will produce a meter route map complete with meter account numbers and lot numbers.
 - Engineering Staff will provide the Business Office with the tract map.
- Meter Fees (Applicant submits to the Business Office)
 - The Applicant will make the appropriate payment of meter fees according to Section 5-2 of the District Rules and Regulations.
- Create Services (Business Office)
 - The Business Office will create the service account and services within the District CIS.
 - Services will be created without the meter number; this will be provided by the Field Staff after installation.
 - The Business Office will produce a work order and provide it to the Field Staff.
- Installation (Field Staff)

- Field Staff will install the facilities within 2 weeks of payment of all fees.
- Field Staff will submit completed work order to the Business Office to input into the District's CIS.
- Release of Performance Bonds (Business Office)
 - The Business Office will release the performance bond upon the completion of the final inspection.
- Release of Deposits (Business Office)
 - The Business Office will return all excess deposits, with the exception of the GIS/Record Drawing deposit, back to the Applicant.

Closing Procedures

- Applicant shall provide the District with a Maintenance Bond(s) (Business Office)
 - The maintenance bond will be held for one year. The Business Office will assign a date to release the bond.
 - The Executive Assistant will notify the Applicant and all departments that the maintenance bond has been filed.
- Dedication Form (Engineering Staff)
 - Once the system has been installed and operating for one full year without any failures, the dedication document will be prepared by the Executive Assistant and sent to the Applicant for signature. The Applicant will be instructed to return the executed dedication form to the Executive Assistant for signature by the General Manager.
- Release of Maintenance Bonds (Business Office)
 - Once the project has been dedicated to the District (recorded with the County Recorder), the Business Office will release the Maintenance Bond after concurrence with the Field Staff and Engineering..
- Recording of the Dedication Form
 - The Executive Assistant will notify the General Manager, Engineering andt, Business Staff and the Applicant of the official close of the project.
 - The Executive Assistant will submit the dedication form to the County Recorder.
 - The Executive Assistant will file remaining documentation and designate the project "Completed."



Linda S. Adams
Acting Secretary for
Environmental Protection

State Water Resources Control Board

Division of Financial Assistance
1001 I Street, Sacramento, California 95814
P.O. Box 944212, Sacramento, California 94244-2120
(916) 341-5700 ♦ FAX (916) 341-5707 ♦ <http://waterboards.ca.gov>



Edmund G. Brown Jr.
Governor

April 5, 2011
Mr. Anthony Lara
560 Magnolia Avenue
Beaumont, CA 92223

Dear Mr. Lara,

Subject: Grant Agreement: 10-193-550

Congratulations! Your agreement has been fully executed and an original copy is enclosed. If you have any questions or concerns, please contact Marilyn Roger at 916-341-5764.

Sincerely,

Kevin Vandergriff

Enclosure

cc: Daniel Newton, Grant Manager
Anthony Lara, Project Director
James Garcia, Project Director
Joseph Reichenberger, Grant Contact

California Environmental Protection Agency



Recycled Paper

PROPOSITION 13 WATER RECYCLING GRANT PROGRAM
GRANT AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD, hereinafter called "State" or "State Water Board"
AND

Beaumont Cherry Valley Water District, hereinafter called "Grantee"

Recycled Water Supply Pipeline and Pump Station, hereinafter called "Project"

AGREEMENT NO. 10-193-550

State and Grantee hereby agree as follows:

PROVISION(S). The following provision(s) authorize the State Water Board to enter into this type of Grant Agreement:

Water Code § 79140 (Proposition 13 Water Recycling)

The State Water Board, pursuant to the Preliminary Funding Commitment, Division of Financial Assistance (Division) Determination No. 2010-034, approved on February 8, 2011, and State Water Board Delegation Resolution No. 2007-0066 has authorized Water Recycling Grant Program funds for the Project.

PURPOSE. State shall provide a grant to and for the benefit of Grantee for the purpose o determining the feasibility of receiving recycled water from the Yucapia Valley Water District (YVWD).

GRANT AMOUNT. The maximum amount payable under this Agreement shall not exceed \$75,000.00 Global Positioning System (GPS) locations for any monitoring must be identified for this Project prior to any disbursements.

TERM OF AGREEMENT. The term of the Agreement shall begin on February 8, 2011 and continue through final payment plus thirty-five (35) years unless otherwise terminated or amended as provided in the Agreement. **HOWEVER, ALL WORK SHALL BE COMPLETED BY AUGUST 8, 2014. ABSOLUTELY NO FUNDS MAY BE REQUESTED AFTER SEPTEMBER 30, 2014.**

Project Representatives. The Project Representatives during the term of this Agreement will be:

State Water Resources Control Board	Grantee: Beaumont Cherry Valley Water District
Name: Mr. Daniel Newton, Grant Manager	Name: Mr. Anthony Lara, Project Director
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: 560 Magnolia Avenue Beaumont, CA 92223
Phone: (916) 324-8404	Phone: (951) 845-9581
Fax: (916) 341-5707	Fax: (951) 845-9581
e-mail: dnewton@waterboards.ca.gov	e-mail: bcvwdos@hotmail.com

Direct all inquiries to:

State Water Resources Control Board	Grantee: Beaumont Cherry Valley Water District
Section/Unit: Division of Financial Assistance	Section/Unit:
Attention: James Garcia, Project Manager	Attention: Mr. Joseph Reichenberger, Grant Contact
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: 560 Magnolia Avenue Beaumont, CA 92223
Phone: (916) 341-5647	Phone: (310) 338-2830
Fax: (916) 341-5707	Fax: (310) 338-5896
e-mail: jgarcia@waterboards.ca.gov	e-mail: Joseph.Reichenberger@lmu.edu

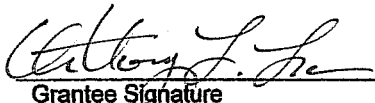
Either party may change its Project Representative upon written notice to the other party.

STANDARD PROVISIONS. The following exhibits are attached and made a part of this Agreement by this reference:

- Exhibit A SCOPE OF WORK
- Exhibit B INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS
- Exhibit C STATE WATER BOARD - GENERAL CONDITIONS
- Exhibit D WATER RECYCLING GRANT PROGRAM – SPECIAL CONDITIONS

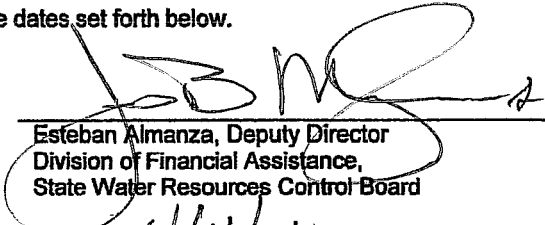
GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, policies and regulations.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below.

By: 
Grantee Signature

ANTHONY L. LARR
Grantee Typed/Printed Name

INTERIM GENERAL MANAGER
Title and Date 03/28/2011

By: 
Esteban Almanza, Deputy Director
Division of Financial Assistance,
State Water Resources Control Board
4/4/11
Date

Reviewed by: 41
Office of Chief Counsel
Date: 3-30-11

EXHIBIT A – SCOPE OF WORK

1. Work To Be Performed by Grantee:

All work performed under this Grant Agreement shall be performed in accordance with the "Plan of Study Approval" letter dated February 9, 2011, and any amendments thereto, and the State Water Board "Preliminary Funding Commitment", Division Determination No. 2010-034 .

The Facilities Planning Report shall be received by the Grant Manager by February 8, 2013. If the Grantee is unable to meet this date, the Grantee may request a single time extension of up to twelve (12) months. A written request for a time extension must be received by the Grant Manager at least thirty (30) days in advance. The Grant Manager shall notify the Grantee, in writing, within thirty (30) days whether the request for a time extension has been approved. If the Final Facilities Planning Report has not been received by the Grant Manager by its final due date, it shall constitute a breach of a material provision of this Agreement and the State Water Board may require repayment of all grant funds disbursed pursuant to this Agreement plus interest.

Documents referenced above are hereby incorporated into this Grant Agreement in their entirety.

EXHIBIT B – DISBURSEMENT, BUDGET DETAIL AND REPORTING PROVISIONS

1. Request for Disbursement

- 1.1 An original Disbursement Request (Form 260) along with an original Grantee invoice shall be submitted to the State Water Board's Disbursement Coordinator. The Grantee may submit disbursement requests initially after this Agreement has been executed and subsequently not more frequently than every thirty (30) calendar days. Also required for disbursement of funds for Construction projects is a Construction Spreadsheet (Form 259). All disbursement forms and supporting documentation must be completed in accordance with the supplied instructions. All documents must have original signatures and dates (in ink) by Grantee's Authorized Representative, designee, or Project Director. Final disbursement requests shall be clearly marked 'FINAL' and submitted NO LATER THAN SEPTEMBER 30, 2014.

The address for submittal is:

State Water Resources Control Board,
Division of Financial Assistance
Attention: Disbursement Coordinator
17th Floor, Administration Unit
P. O. Box 944212
Sacramento, CA 94244-2120

Street Address: 1001 I Street, 17th Floor
Sacramento, CA 95814

- 1.2 Payment will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Form 260. Forms received by the State Water Board that are not consistent with the approved format will cause delay in disbursement. In the event of a delayed disbursement, the State Water Board's Disbursement Coordinator will notify the Grantee. Full payment will not be made until the issue(s) for the delay are resolved. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. The State Water Board's Grant Manager must approve all payments.
- 1.3 Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with Federal or State laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on State bonds, pursuant to any Federal statute or regulation.
- 1.4 Grantee shall use disbursement amounts to pay outstanding costs incurred immediately, if Grantee has not already paid such costs.

2. Budget Contingency Clause

The maximum amount to be encumbered under this Agreement for the 2010-11 fiscal year ending June 30, 2011 shall not exceed seventy-five thousand dollars (\$75,000.00).

The Grantee agrees to pay any and all costs associated with the completion of the Project, including without limitation, any and all Project costs exceeding the State Water Board approved grant amount.

If federal or other state funding assistance for Project costs is made available, the Grantee may retain all federal or other state funds received up to an amount that equals the Grantee's local share of Project costs. Any excess funds received, up to the total amount of the State Water Board grant funds received, shall be remitted to the State Water Board to the extent not prohibited by the requirements of the other funding sources. Any residue shall be the property of the Grantee.

Except as may be otherwise provided in this Agreement, disbursement of Grant Project Funds will be made as follows:

Only costs incurred after the date of approval of the Preliminary Funding Commitment are eligible for grant reimbursement. Disbursements may be requested in two (2) installments. The first disbursement may be requested upon submittal and approval of a draft facilities plan for an amount up to fifty percent (50%) of the total estimated grant amount. The second disbursement may be requested upon submittal and approval of the final facilities plan for an amount equal to fifty percent (50%) of total eligible costs incurred, not to exceed the maximum amount specified herein and less the amount of any previous disbursements. Disbursement requests must be approved by the State Water Board Grant Manager.

If during the course of the Study the Grantee determines that a water recycling project is not feasible for the study area, the Grantee, after consultation with and approval from the Grant Manager may terminate planning efforts prior to completion of all of the tasks specified in the plan of study. The results of the work completed and the basis for the conclusion shall be documented in a report. After submittal of the report, the Grantee may request a disbursement for an amount equal to fifty percent (50%) of the total eligible costs incurred, not to exceed seventy-five percent (75%) of the maximum amount specified herein and less the amount of any previous disbursement. The Grant Manager must approve the disbursement request.

If the State Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If this Agreement's funding for any fiscal year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to the Grantee to reflect the reduced amount.

3. Line Item Budget

Description	Grant Amount
Planning	\$75,000.00
Total	\$75,000.00

4. Reports.

4.1 Completion of the Study, for purposes of the grant, consists of submittal of a final facilities planning report that fully documents all aspects of the study. The facilities planning report must include an analysis of all of the essential components of potential projects and must be in accordance with the Water Recycling Funding Guidelines.

4.2 The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the State Water Board.

5. Payment of Project Costs. The Grantee agrees that it will provide for payment of its full share of Project costs, and that all costs connected with the Project will be paid by the Grantee on a timely basis.

6. Final Disbursement. Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain an amount equal to ten percent (10%) of the grant amount specified in this Agreement until completion of the Project to the reasonable satisfaction of the State Water Board. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
7. Audit Disallowances. The Grantee agrees it shall return any audit disallowances to the State Water Board.
8. Failure To Submit Report. Failure to submit any reports pursuant to this Exhibit required by the State Water Board shall constitute a breach of a material provision of this Agreement. The Grantee understands and acknowledges that upon failure to provide any such report pursuant to this Exhibit, the Division of Financial Assistance (Division) will stop processing any pending and future applications for new loans or grants and withhold payments on any existing loans and grants that the Grantee may have with the State Water Board until the report has been submitted to the Grant Manager's reasonable satisfaction. Further, upon failure to submit a report pursuant to this Exhibit, the Division shall issue a notification and request for the report and initiate administrative proceedings pursuant to Water Code sections 13267 and 13268 or use any other legal means to obtain the report. The Grantee further acknowledges that failure to submit required reports may result in termination of this Agreement and immediate repayment of all grant funds disbursed hereunder.
9. Fraud and Misuse of Public Funds. All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein or incorporated by reference. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division of Financial Assistance may request an audit pursuant to Exhibit C, paragraph 4 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

EXHIBIT C — STATE WATER BOARD GENERAL CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** This Grant is not assignable by the Grantee, either in whole or in part, without the written consent of the State Water Board.
4. **AUDIT:** The Grantee agrees that the State Water Board, the Bureau of State Audits, the Governor of the State, of the Internal Revenue Service, or any authorized representative of the foregoing shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Division of Financial Assistance (Division), at its option, may call for an audit of financial information relative to the Project, where the Division determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal requirements. Where such an audit is called for, the audit shall be performed by a certified public accountant independent of the Grantee and at the cost of the Grantee. The audit shall be in the form required by the Division. The Grantee agrees to maintain such records for a possible audit for a minimum of thirty-five (35) years after final payment, unless a longer period of records retention is stipulated. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement. The Grantee agrees it shall return any audit disallowances to the State Water Board.
(Gov. Code, § 8546.7; Pub. Contract Code, § 10115 et seq.)
5. **BONDING:** Where contractors are used, the Grantee shall not authorize construction to begin until each such contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$20,000.00. Copies of performance bonds must be submitted to the Grant Manager prior to the authorization of construction activities.
6. **CEQA/NEPA:** No work that is subject to the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) may proceed under this Agreement until documents that satisfy the CEQA/NEPA process are received by the Grant Manager and the State Water Board has given environmental clearance. No work that is subject to an Environmental Impact Report or a Mitigated Negative Declaration may proceed until and unless approved by the Deputy Director of the Division. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Proceeding with work subject to CEQA and/or NEPA without environmental clearance by the State Water Board shall constitute a breach of a material provision of this Agreement.
7. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Grantee agrees that, to the extent applicable, the Grantee will comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement, or the useful life of the Project, whichever is longer.
8. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
9. **CONFLICT OF INTEREST:** The Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.

10. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The Grantee agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the State Water Board. Such approval may be conditioned as determined to be appropriate by the State Water Board, including conditions requiring repayment of all grant funds or any portion of disbursed grant funds covered by this Agreement together with accrued interest and any penalty assessments that may be due. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State Water Board.
11. **DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS:** In the event that any breach of any of the provisions of this Agreement by the Grantee shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, the Grantee shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.
12. **DATA MANAGEMENT:** This Project includes appropriate data management activities so that Project data can be incorporated into appropriate statewide data systems.
13. **DISPUTES:** The Grantee shall continue with its responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement which is not otherwise disposed of by agreement shall be decided by the Deputy Director of the Division, or his or her authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days after mailing of the Division decision to the Grantee, the Grantee mails or otherwise furnishes a written appeal of the decision to the State Water Board's Executive Director. The decision of the State Water Board's Executive Director shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this clause, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
14. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
15. **GOVERNING LAW:** This Grant is governed by and shall be interpreted in accordance with the laws of the State of California.
16. **GRANTEE'S RESPONSIBILITY FOR WORK:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors, subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
17. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.

18. **INDEPENDENT ACTOR:** The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the State Water Board.
19. **INSPECTION:** The State Water Board, the Bureau of State Audits, or any authorized representative of the foregoing, shall have suitable access to the Project site at all reasonable times during Project implementation and thereafter for the life of the Project to ascertain compliance with this Agreement and its goals. The Grantee acknowledges that the Project records and location are public records.
20. **INSURANCE:** Throughout the life of the Project, the Grantee shall provide and maintain insurance against fire, vandalism and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Agreement, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without thirty (30) days prior written notice to the State Water Board. In the event of any damage to or destruction of the Project or any larger system of which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair or replacement of the damaged or destroyed parts of the Project or its larger system. The Grantee shall begin such reconstruction, repair, or replacement as expeditiously as possible and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the larger system shall be free of all claims and liens.
21. **NONDISCRIMINATION:**
- a. During the performance of this Agreement, the Grantee and its consultants and contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.
 - b. The Grantee, its consultants, and contractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
 - c. The Grantee, its consultants, and contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
 - d. The Grantee, its consultants, and contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement, if any.
 - e. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. Failure by the Grantee to carry out these requirements and applicable requirements of 40 C.F.R. part 33 is a breach of a material provision of this Agreement which may result in its termination
22. **NO THIRD PARTY RIGHTS:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
23. **NOTICE:**
- a. The Grantee shall notify the State Water Board prior to conducting construction, monitoring, demonstration, or other implementation activities such that State Water Board and/or Regional Water Quality Control Board (Regional Water Board) staff may observe and document such activities.

- b. The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State Water Board, and the State Water Board has given written approval for such change.
 - c. The Grantee shall promptly notify the State Water Board of the discovery of any potential archeological or historical resources. Should a potential archeological or historical resource be discovered during construction of the Project, the Grantee agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resources, and the Division has determined what actions should be taken to protect and reserve the resources. The Grantee agrees to implement appropriate actions as directed by the Division.
 - d. The Grantee shall promptly notify the State Water Board of the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Grantee agrees to cease all work in the area until a qualified biologist has evaluated the situation and made recommendations regarding the avoidance or minimization of impact on the species and/or habitat. The Grantee agrees to implement appropriate actions as directed by the Division.
 - e. The Grantee shall notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by State Water Board representatives.
 - f. The Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.
 - g. The Grantee shall promptly notify the State Water Board in writing of any cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more and of any circumstance, combination of circumstances, or condition, which is expected to or does delay completion of construction for a period of ninety (90) days or more beyond the estimated date of completion of construction previously provided.
24. OPERATIONS & MAINTENANCE: The Grantee shall maintain and operate the facility and structures constructed or improved as part of the Project throughout the life of the Project, consistent with the purposes for which this Grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation. The Grantee may be excused from operations and maintenance only upon the written approval of the Grant Manager. For purposes of this Agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.
25. PERMITS, CONTRACTING, AND DEBARMENT: The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Any contractors, outside associates, or consultants required by the Grantee in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, if any, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Grant Manager. The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension." The Grantee shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 C.F.R. Part 31.35; Gov. Code, § 4477) www.epls.gov. The Grantee certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or Grantee;
 - b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.
26. **PREVAILING WAGES AND LABOR COMPLIANCE:** If applicable, the Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. The Grantee certifies that it has a Labor Compliance Program (LCP) in place or has contracted with a third party that has been approved by the Director of the Department of Industrial Relations (DIR) to operate an LCP pursuant to Labor Code, § 1771.5 and section 16423 of title 8 of the California Code of Regulations. Current DIR requirements may be found at <http://www.dir.ca.gov/lcp.asp>.
27. **PROFESSIONALS:** The Grantee agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for.
28. **RECORDS:** Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee agrees to:
- a. Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
 - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement;
 - c. Establish separate accounts which will adequately depict all income received which is attributable to the Project, especially including any income attributable to grant funds disbursed under this Agreement;
 - d. Establish an accounting system which will adequately depict final total costs of the Project, including both direct and indirect costs;
 - e. Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - f. If a Force Account is used by the Grantee for any phase of the Project, establish an account that documents all employee hours, and associated tasks charged to the Project per employee.
29. **RELATED LITIGATION:** Under no circumstances may a Grantee use funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.
30. **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, audio and video recordings, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support.

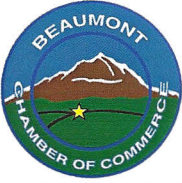
The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

31. **STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.
32. **SUPPLEMENTAL ENVIRONMENTAL PROJECTS:** Grant Funds shall not be used for supplemental environmental projects required by Regional Water Boards.
33. **STATE WATER BOARD ACTION, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own filing costs and attorney fees.
34. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
35. **TIMELINESS:** Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
36. **TRAVEL AND PER DIEM:** Any reimbursement for necessary travel shall be at rates not to exceed those set by the Department of Personnel Administration. These rates may be found at <http://www.dpa.ca.gov/personnel-policies/travel/hr-staff.htm>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.

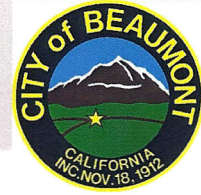
37. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement shall continue to have full force and effect and shall not be affected thereby.
38. **USEFUL LIFE OF PROJECT:** For the purpose of this Agreement, the useful life of any constructed portions of this Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.
39. **VENUE:** The State Water Board and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
40. **WAIVER AND RIGHTS OF THE STATE WATER BOARD:** Any waiver of rights with respect to a default or other matter arising under the Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law.
41. **WATERSHED MANAGEMENT PLAN CONSISTENCY:** Grantee certifies that any watershed protection activity undertaken as part of this Project will be consistent with the applicable, adopted, local watershed management plans and the applicable Water Quality Control Plan (Basin Plan) adopted by a Regional Water Board, where such plans exist.
42. **WITHHOLDING OF GRANT DISBURSEMENTS:** The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.

EXHIBIT D – WATER RECYCLING GRANT PROGRAM TERMS AND CONDITIONS

1. The Grantee certifies that it is an Urban Water Supplier and the Department of Water Resources has determined that the Grantee is eligible to receive this grant.



The Beaumont Chamber
of
Commerce



cordially invites you to attend the

*18th Annual
State of the City Luncheon
&
Beautification Awards*

Mayor Brian DeForge

Thursday, April 28, 2011
11:30 a.m.

The Morongo Golf Club at Tukwet Canyon
36211 Champions Drive
Beaumont, CA 92223

Please RSVP by Friday, April 22, 2011
(RSVP form on back)

*"Regional Opportunities
Promote
Regional Success"*

Preliminary Imported Water Allocation for the San Geronio Pass Area

Preliminary Imported Water Allocation Concepts
March 2, 2011

Proposed Imported Water Allocation

- An Imported Water Allocation is an important tool that accomplishes the following goals:
 - Provides certainty for water retailers and enables better planning for the future;
 - Creates a systematic process that increases the regional imported water supply based on the specific policies of each individual community served by water retailers;
 - Promotes improved water management that enables each water retailer to implement and directly benefit from sustainability policies, dual plumbing and conjunctive use programs; and
 - Improves coordination between the water retailers and the San Geronio Pass Water Agency.

Supplemental Water Supply Planning Study

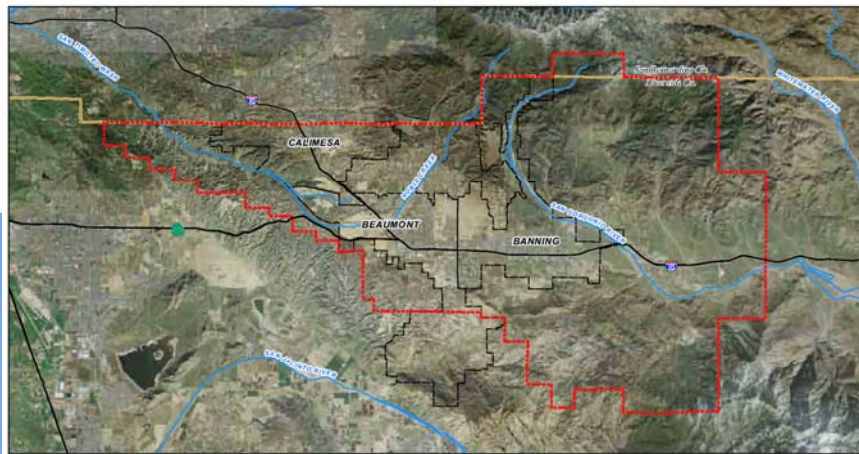
Prepared for



October 2009



ALBERT A.
WEBB
ASSOCIATES



Source: Riverside Co. LAFCD, April 2008,
Digital Globe, April 2008.



0 2 4 8 Miles

LEGEND	
	SGPWA Boundary
	County Boundary
	City Boundaries

Plate 1-1

SGPWA Aerial Map

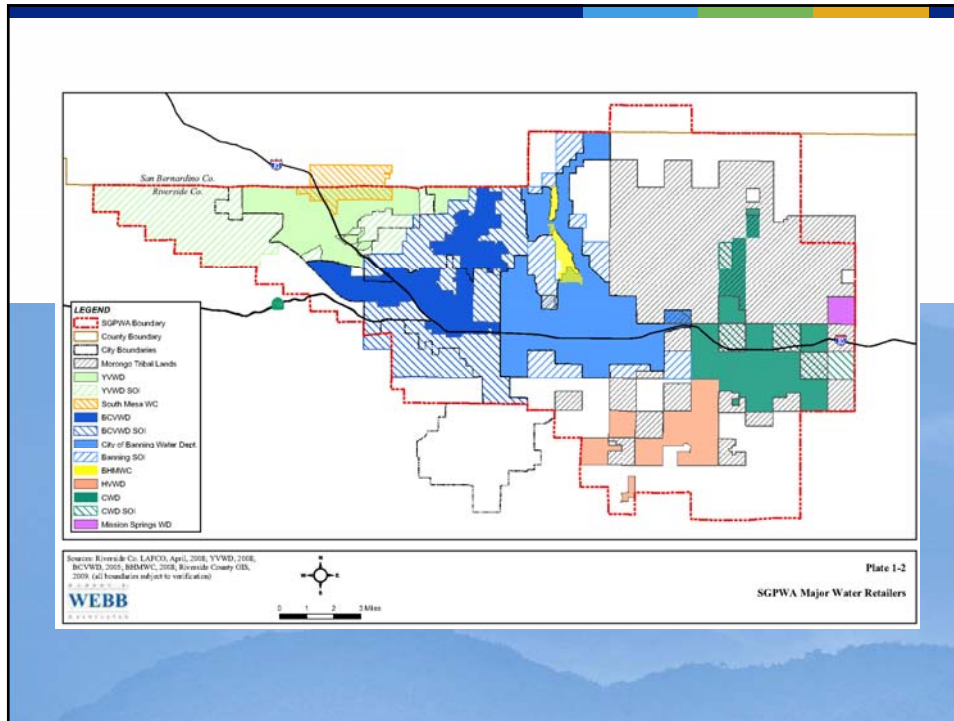
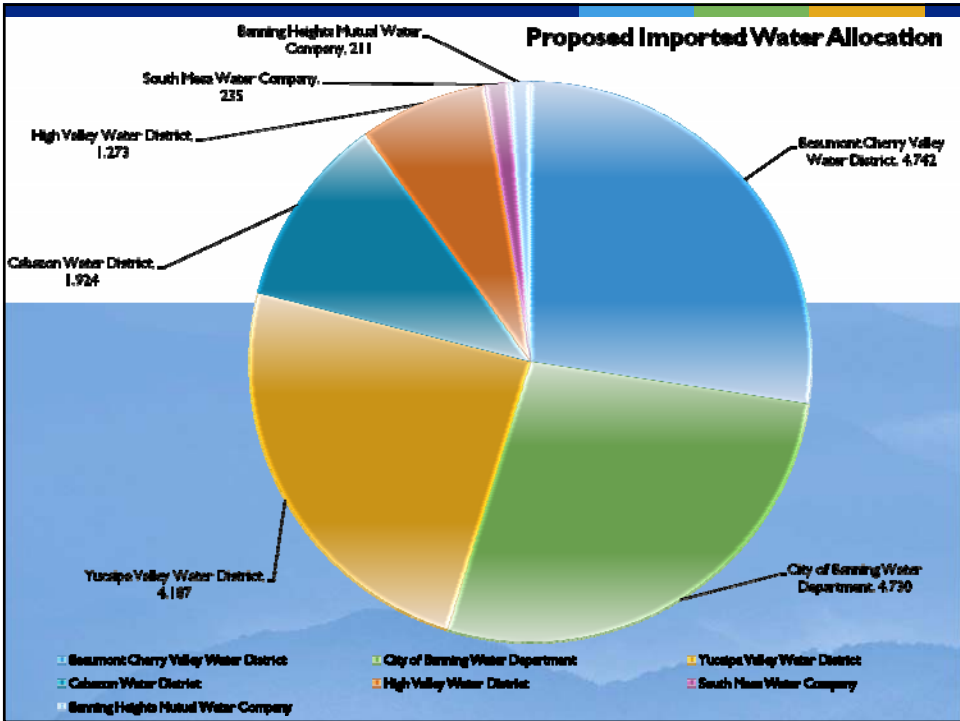


Table 2-7: Water Retailer Areas Including Sphere of Influence Boundaries

Water Retailer	Area (Acres)
Yucaipa Valley Water District	17,388
South Mesa Water Company	974
Beaumont-Cherry Valley Water District	19,693
City of Banning Water Department	19,644
Cabazon Water District	7,990
Banning Heights Mutual Water Company	876
High Valley Water District	5,287
Unincorporated Riverside County	34,043
Unincorporated San Bernardino County	1,910
Morongo Tribal Lands	34,611 ⁽¹⁾
SGPWA Service Area	142,416

⁽¹⁾ Approximately 275 Acres of Morongo Tribal Lands within City of Banning has been shifted to Morongo Tribal Lands total acres. Morongo Tribal Lands total acres are based on acres developed in the slope analysis per Table 2-6 of this report.

	Area (Acres)	Area Allocation (Acres)	Percentage of Area	Proposed Baseline Water Resource Allocation (Acre Feet)
Beaumont Cherry Valley Water District	19,693	19,693	27.4%	4,742
City of Banning Water Department	19,644	19,644	27.3%	4,730
Yucaipa Valley Water District	17,388	17,388	24.2%	4,187
Cabazon Water District	7,990	7,990	11.1%	1,924
High Valley Water District	5,287	5,287	7.4%	1,273
South Mesa Mutual Water Company	974	974	1.4%	235
Banning Heights Mutual Water Company	876	876	1.2%	211
Morongo Tribal Lands	34,611	Not Applicable	Not Applicable	Not Applicable
Unincorporated Riverside County	34,043	Not Applicable	Not Applicable	Not Applicable
Unincorporated San Bernardino County	1,910	Not Applicable	Not Applicable	Not Applicable
Total	142,416	71,852	100.0%	17,300



Fundamental Concepts of the Proposed Imported Water Resource Allocation

■ Elements of the Imported Water Resource Allocation:

- **Baseline Allocation of the SGPWA Table “A” Water Entitlement** – The San Geronio Pass Water Agency is currently contracted with the California Department of Water Resources for the delivery of 17,300 acre feet per year of Table “A” water through the State Water project.
 - State Water Project Reliability – The State Water Project supply is based on a long-term average reliability of 63 percent. Improvements to the Delta are expected to increase the reliability of the State Water Project to 80 percent.
- **Annual Water Resource Allocation** – Each year, the San Geronio Pass Water Agency receives notifications from the California Department of Water Resources related to the availability of Table “A” entitlement water from the State Water Project.

Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Baseline Water Resource Allocation** – The Baseline Water Resource Allocation is based on the sphere of influence of all water retailers in the service area of the SGPWA as of January 2011.
 - The SGPWA will only provide imported water service to water retailers identified on the preceding table.
 - Changes to the sphere of influence boundary of any existing water retailer will result in an update to the Baseline Water Resource Allocation. These boundary changes are expected to be openly discussed with all water retailers as part of a LAFCO boundary change application and the service application process of the SGPWA
 - If (1) a new water retailer is created within the SGPWA; or if (2) the Agency modifies their service capability to provide imported water to a retailer that has not historically paid property taxes to the Agency, then the water retailer added to the Imported Water Resource Allocation Model will be required to purchase sufficient water supplies to meet the demands of the water retailer not included in the Baseline Water Resource Allocation.
 - Facility improvements or program changes that result in an increased water supply reliability will be automatically reflected in the Baseline Water Resource Allocation.

Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Adjusted Water Resource Allocation** – The Baseline Water Resource Allocation can be increased as follows:
 - The specific allocation account of any water retailer will be increased upon the payment of funds to the SGPWA based on the rate adopted by the SGPWA Board of Directors in units of \$/acre foot. The purchase of additional water supplies will be added to the allocation account of the water retailer at the time funds are provided to the SGPWA.
 - Funds may be provided to the SGPWA by a water retailer to facilitate the purchase of additional water rights, or purchase water rights owned by the Agency above the current entitlement of 17,300 acre feet.

Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Annual Water Resource Allocation** – The Annual Water Resource Allocation will generally be based on the State Water Project Allocation as provided by the Department of Water Resources.
 - Other factors will be identified and used to determine the Annual Water Resource Allocation for those water supplies subsequently purchased by water retailers that are not directly correlated to the DWR SWP allocation report.
 - The Annual Water Resource Allocation for any water retailer may be augmented from those funds paid to the SGPWA as the imported water rate component identified as Surplus Reserves. The amount available is based on the quantity of water purchased and the amount of funds acquired from the specific water retailer.

Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Unused Water Resources** – In the event a water retailer does not make use of their Annual Water Resource Allocation, then the amount of unused imported water returns to the San Geronio Pass Water Agency for proportional distribution to the other water retailers.
 - The water retailers agree not to create a secondary market for non-water retail agencies, developers, investors, or speculators.

In the event unused imported water is not needed by any water retailer, the San Geronio Pass Water Agency is expected to have the unused imported water delivered, added to the groundwater supply and calculated as part of the next year Annual Water Resource Allocation.