BEAUMONT-CHERRY VALLEY WATER DISTRICT
REGULAR MEETING AGENDA
BOARD OF DIRECTORS ENGINEERING WORKSHOP
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, February 27, 2020 at 6:00 p.m.

Call to Order: President Covington

Pledge of Allegiance: Director Williams

Invocation: Director Ramirez

Roll Call

Public Comment

PUBLIC COMMENT:
At this time, any person may address the Board of Directors on matters within its jurisdiction which are not on the agenda. However, state law prohibits the Board from discussing or taking action on any item not listed on the agenda. Any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the Board meeting. **Please limit your comments to three minutes.** Sharing or passing time to another speaker is not permitted.

ACTION ITEMS
Action may be taken on any item on the agenda. Information on the following items is included in the full Agenda Packet.

1. **PUBLIC HEARING**
   Resolution 2020-___: Amending Part 5 of the District's Rules and Regulations Governing Water Service Rates, Fees and Charges and Establishing a New Water Rate Structure and Water Rates and Consumption Charges Effective March 1, 2020 and Rescinding Resolution 2010-09 (pages 4 - 102)

2. **Award of Contract for the 9th Street and 11th Street Pipeline Replacement Project** (pages 103 - 111)

3. **Resolution 2020-__: Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency and rescinding Resolution 2019-14** (pages 112 - 132)

4. **Opposition to AB 2093 (Gloria): Public Records: Writing Transmitted by Electronic Mail: Retention** (pages 133 - 138)

5. **San Gorgonio Pass Water Agency 2019 Imported Water Rate** (No Staff Report)

6. **Review of Grading Water Letter for Ongoing Development Within Olivewood Master Planned Community (Tract 27971) located South of Oak Valley Parkway, North of Highway 60 and West of Potrero Boulevard** (pages 139 - 141)

7. **Update: Grading Water for Fairway Canyon Master Planned Community (Tract 31462 - Phase IV) located Northeast of Oak Valley Parkway and Southwest of Interstate 10** (page 142)

8. **Update: Status of District Wells, Capital Improvements, and Engineering Projects** (pages 143 - 149)

9. **Update: Legislative Action and Issues Affecting BCVWD** (pages 150 - 160)

10. **General Manager's Report**

11. **Topics for Future Meetings**

12. **Announcements**

- Collaborative Agencies Committee meeting: Wednesday, March 4, 2020 at 5:00 p.m.
- Finance and Audit Committee Meeting: Thursday, March 5, 2020 at 3:00 p.m.
- Regular Board Meeting: Wednesday, March 11, 2020 at 6:00 p.m.
- Engineering Workshop: Thursday, March 26, 2020 at 6:00 p.m.
- Beaumont Basin Watermaster Committee Meeting: Wednesday, April 1, 2020 at 10:00 a.m.

13. **Closed Session**

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

b. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case

14. **Adjournment**

NOTICES

AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available from the District Office in the Board Room of the District's Office. Materials may also be available on the District's website: www.bcvwd.org.

REVISIONS TO THE AGENDA - In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 72 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 72 hours prior to the Board Meeting.

REQUIREMENTS RE: DISABLED ACCESS - In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the District Office, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. The District Office may be contacted by telephone at (951) 845-9581, email at info@bcvwd.org or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

CERTIFICATION OF POSTING

I certify that on or before Feb. 24, 2020, a copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 72 hours in advance of the meeting (Government Code §54954.2(a)).

for

Yolanda Rodriguez,
Director of Finance and Administration

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 1

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Resolution 2020-___: Amending Part 5 of the District's Rules and Regulations Governing Water Service Rates, Fees and Charges and Establishing a New Water Rate Structure and Water Rates and Consumption Charges Effective March 1, 2020 and Rescinding Resolution 2010-09**

Staff Recommendation

Conduct a Public Hearing and Adopt Resolution 2020-___: Amending Part 5 of the District's Rules and Regulations Governing Water Service Rates, Fees and Charges and establishing a new water rate structure and water rates and consumption charges effective March 1, 2020 and rescinding Resolution 2010-09.

Background

On May 8, 2019 the Board approved an agreement with Raftelis Financial Consultants (Raftelis) for preparation of a rate study. The Board heard an initial report on the rate study and chose a three-tier rate structure option at its meeting on October 9, 2019. At its meeting on December 18, 2019, the Board was furnished a draft copy of the 2019 Water Financial Plan and Utility Rate Study as prepared by Raftelis. Staff advised that the Study and its recommended rate increases would be considered for adoption by the Board of Directors in 2020.

The Board and staff have thoroughly reviewed the comprehensive 2019 Water Financial Plan and Utility Rate Study and have discussed the findings over three Board meetings and held one public town hall meeting on February 20, 2020. At its meeting of January 8, 2020, the Board reviewed the draft 2019 Water Financial Plan and Utility Rate Study and adopted Resolution 2020-02: A Resolution of Intent to Increase Water Rates and Charges for the Users of the District's Water Services and Systems and set the date for a Public Hearing on February 27, 2020.

Summary

The BCVWD water rates have not been updated since 2010. The revision of rates is necessary at this time to account for increased costs necessary to maintain District operations, as clearly shown in the 2020 fiscal year budget. Per Water Code 31007, the District must fix, prescribe, revise and collect fees and charges so as to yield an amount sufficient to pay the operating expenses of the District, provide for repairs and depreciation of works owned and / or operated by the District, pay the interest on any bonded debt, and provide a fund for payment of the principal of the bonded debt as it becomes due. The analysis and justification for the proposed rate and fee increases have been documented in the 2019 Water Financial Plan and Utility Rate Study described herein above.

If adopted, the proposed water rate structure will take effect as of March 1, 2020.

Staff recommends that the Board adopt the rate structure as prescribed by the 2019 Water Financial Plan and Utility Rate Study.

Fiscal Impact

The fiscal impact for the proposed rate and fee increases have been documented in the Raftelis Financial Consultants 2019 Water Rate and Fee Study described herein above and attached as part of this Resolution.

Attachments

- Attachment 1 - Proposed Resolution 2020-___ Amending Part 5 of the District's Rules and Regulations Governing Water Service Rates, Fees and Charges and establishing a new water rate structure and water rates and consumption charges effective March 1, 2020 and rescinding Resolution 2010-09 (not titled)
    - Exhibit A – Raftelis Financial Consultants 2019 Water Rate and Fee Study dated 12/31/2019
    - Exhibit B – Amended BCVWD Rules and Regulations, Part 5
- Attachment 2 - Part 5 Redline
- Attachment 3 - Resolution 2010-09 (to be rescinded)
- Attachment 4 - Legal Notice with rate tables

RESOLUTION 2020-____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT AMENDING PART 5 OF THE DISTRICT'S RULES AND REGULATIONS GOVERNING WATER SERVICE RATES, FEES AND CHARGES AND ESTABLISHING A NEW WATER RATE STRUCTURE AND WATER RATES AND CONSUMPTION CHARGES EFFECTIVE MARCH 1, 2020 AND RESCINDING RESOLUTION 2010-09

WHEREAS, the Beaumont-Cherry Valley Water District (District) is authorized, pursuant to California Water Code 31007, to fix, prescribe, revise and collect fees and charges so as to yield an amount sufficient to pay the operating expenses of the District, provide for repairs and depreciation of works owned and / or operated by the District, pay the interest on any bonded debt, and provide a fund for payment of the principal of the bonded debt as it becomes due; and

WHEREAS, on February 27, 2020 the Board of Directors of the Beaumont-Cherry Valley Water District held a public hearing for the purpose of considering the adoption of increased rates, fees and charges; and

WHEREAS, the Board of Directors has carefully reviewed the 2019 Water Financial Plan and Utility Rate Study prepared and submitted by Raftelis Financial Consultants dated December 31, 2019 which is attached hereto marked Exhibit "A"; and

WHEREAS, the Board of Directors of the Beaumont-Cherry Valley Water District has carefully reviewed and considered the proposed rate increases as set forth in the proposed amendments to the Beaumont-Cherry Valley Water District's Rules and Regulations Part 5, which are set forth in the attachment hereto marked Exhibit "B"; and

WHEREAS, the Board of Directors and staff of the Beaumont-Cherry Valley Water District have determined that written protests submitted do not constitute a majority of affected Customers and Property Owners within the District per California Proposition 218,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Beaumont-Cherry Valley Water District that:

1. The Board of Directors finds and determines that the water rate changes and increases are necessary in order for the District to continue providing water services; to remain financially solvent and in compliance with State law. The Board further finds and determines that the water rate changes and increases are in the best interest of the District and its customers and inhabitants, and complies with current laws, including, but not limited to, Water Code Section 31007 and Proposition 218.
2. The recommendations set forth in the 2019 Water Financial Plan and Utility Rate Study prepared and submitted by Raftelis Financial Consultants dated December 31, 2019, which is attached hereto and marked as Exhibit "A" and made a part of this Resolution are hereby accepted, approved and adopted by the Board of Directors; and
3. Beaumont-Cherry Valley Water District's Rules and Regulations Part 5 as set forth in Exhibit "B", which is attached hereto and made a part of this Resolution and the rates, fees and charges set forth therein are hereby adopted effective March 1, 2020; and
4. Resolution 2010-09 is rescinded in its entirety as of 11:59 p.m. on February 29, 2020.

ADOPTED this 27th day of February, 2020 by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

_____ _____

Director John Covington, President of the Board of Directors of the Beaumont-Cherry Valley Water District

Director Lona Williams, Secretary to the Board of Directors of the Beaumont-Cherry Valley Water District

APPROVED AS TO FORM:

_____

James Markman, Legal Counsel
To the Beaumont-Cherry Valley Water District

Attachments:

Exhibit A – Raftelis Financial Consultants 2019 Water Financial Plan and Utility Rate Study

Exhibit B – Amended BCVWD Rules and Regulations, Part 5

Exhibit A

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Water Financial Plan and Utility Rate Study

)48,6 * 0:9;= " (0.07-0; &$Æ‰#$'

RAFTELIS

RAFTELIS

December 31, 2019

Yolanda Rodriguez
Director of Finance & Administrative Services
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Subject: Water Financial Plan and Utility Rate Study

Dear Ms. Rodriguez,

Raftelis is pleased to provide this Water Financial Plan and Utility Rate Study Report for the Beaumont-Cherry Valley Water District. This report presents the analyses, rationale, and methodologies utilized in the study to determine water rates that meet the requirements of California Constitution Article XIII D, Section 6, commonly referred to as Proposition 218.

The study involved a comprehensive review of the District's current water rate structure, long-term financial plan, cost requirements, and alternative rate structures to determine proposed water rates that are in line with the District's policy objectives. The main objectives that informed the study include:

- Adequately recovering all costs for prudent fiscal management
- Evaluating alternative rate structures and tier definitions
- Minimizing customer impacts due to changes in rate structure

It has been a pleasure working with you and we thank you and other District staff for the support provided during this study.

Sincerely,

Sudhir Pardiwala
Executive Vice President

Lauren Demine
Consultant

Corrine Schrall
Consultant

445 South Figueroa Street, Suite 1925
Los Angeles, CA 90071
www.raftelis.com

Table of Contents

List of Tables

List of Figures

+34<Ā,2 0Ā48ø8=49 8,662Ā61+Ā 6,85Ā9Ā1. 46,=0Ā> 9 <4/0/Ā:;48=482!

1. Executive Summary

1.1. System Overview

The Beaumont-Cherry Valley Water District (District) is an independent special district that has both a potable and non-potable water distribution system and serves approximately 19,000 connections, with over 90% of those connections as single-family residences. The District buys State Water Project (SWP) water from the San Gorgonio Pass Water Agency (SGPWA), has access to unused overlying water rights (within the Beaumont Basin), and has groundwater rights to water from Edgar Canyon. The District has stored water in the Beaumont Basin (Basin) and currently has over 35,000 acre-feet (AF) of water stored in the Basin. The District serves non-potable water which currently is raw water purchased from (SGPWA), recharged into the Beaumont Basin, and subsequently put in the non-potable system. In addition, for the non-potable system, the District will be purchasing recycled water from the City of Beaumont and converting certain potable customers to non-potable water service. The District has a total of 24 wells and 15 reservoirs ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 23 MG. In the early 2000s, the District Board authorized the purchase of 78.8 acres of land, and eventually constructed the Noble Creek Recharge Facility for the recharge of imported water from the SWP. In the future, storm runoff and possibly highly treated recycled water may be recharged at the facility or a similar facility. With these new water supplies and recharge capabilities, the District's revenue requirement and related expenses are continuing to evolve requiring a long-term financial plan to determine the fiscal impacts to the District and to appropriately establish rates for full cost recovery.

The primary project objectives of the study include:

1. Developing a long-term financial plan that the District may use to evaluate long-term impacts on its revenue requirements, capital needs, and reserves
2. Preparing defensible rates and charges consistent with the cost of providing service
3. Minimizing rate increases while avoiding rate "spikes", setting and maintaining appropriate operation and capital reserves, and maintaining adequate levels of service
4. Designing a rate structure that is responsive to demand fluctuations due to drought and other unforeseen factors through the establishment of pass-throughs and drought rates
5. Meeting external requirements for debt covenants and ensuring adequate capital reinvestment into the water system

1.2. Methodology

The water rates presented in this report were developed using cost of service principles set forth by the American Water Works Association *M1 Manual* titled *Principles of Water Rates, Fees and Charges* (AWWA M1 Manual). Cost of service principles endeavor to distribute costs to customer classes in accordance with the way each class uses the water system. This methodology is described in detail in Sections 4 and 5. The Base-Extra Capacity Method of the AWWA M1 Manual was used to distribute costs to customer classes and tiers. This method separates costs into four main components: (1) base costs, (2) extra capacity costs, (3) customer costs, and (4) fire protection costs. Base costs are costs associated with meeting average daily demand needs and include operations and maintenance costs and capital costs designed to meet average load conditions. Extra capacity costs are costs (both operating and capital costs) associated with meeting peak demand. Customer costs are associated with serving customers, such as meter reading, billing and customer service, etc. Fire protection costs are related solely to the fire protection function of a water system, such as fire hydrants and related mains and valves.

1.3. Proposed Financial Plan

Balancing the need for the District to meet its revenue requirements while mitigating increases to ratepayers' cost for service, Raftelis worked with staff to determine the revenue adjustment schedule in Table 1-1. All revenue adjustments are set for January of each calendar year except CY 2020, which will be effective in March. These adjustments apply only to the District's own rate revenue and do not include potential increases in revenue due to increases in imported water and electrical pass-through rates. Those rates are subject to the changes implemented by the wholesale water supplier or energy provider and the costs, including any rate fluctuations, are entirely passed through to customers. Automatic pass-through adjustments in water rates are allowed through the provisions of Government Code Section 53756 provided that the adjustments are noticed to ratepayers at least 30 days before the effective date.

Table 1-1: Proposed Revenue Adjustments

CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
March	January	January	January	January
1.0%	7.0%	7.0%	7.0%	7.0%

As mentioned in the previous paragraph, the revenue adjustments shown above do not include increases in imported water and power costs which are passed through. However, it should be noted that in the first year (CY 2020) the total effective revenue adjustment, including increases in imported water and power rates that are passed through to customers, is approximately 10%.

Table 1-2 shows the revenues with the proposed revenue adjustments, the projected expenses, along with the net income and calculated debt coverage. As noted above, the District needed to balance its revenue needs with mitigating rate increases for customers. While the proposed financial plan still shows a significant deficit in funding for CY 2020 and CY 2021 (Line 45) due to significant improvement projects, it is able to exceed its required debt coverage ratio of 120 percent in CY 2022 onward (Rows 46 and 47) should it pursue debt funding at that time. The proposed financial plan is discussed further in Section 3.8.

Table 1-2: CY 2019 – CY 2024 Proposed Financial Plan[1]

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	$8,479,519	$8,633,305	$9,412,233	$10,186,696	$11,007,218	$11,881,993
2	Potable SGPWA Revenue	$1,923,431	$2,700,387	$3,014,385	$3,127,120	$3,242,973	$3,343,733
3	Potable Power Revenue	$1,379,853	$1,344,432	$1,405,173	$1,415,801	$1,423,989	$1,430,672
4	Non-Potable Supply Revenue	$369,401	$751,620	$649,965	$673,238	$698,094	$724,853
5	Non-Potable Power	$265,005	$246,923	$205,185	$211,908	$219,515	$228,182
6	**Other Revenue**						
7	Interest Income - General	$270,828	$159,651	$157,592	$120,584	$114,825	$108,015
8	Interest Income - Other	$53,900	$54,439	$54,983	$55,533	$56,089	$56,649
9	Fees	$736,500	$736,500	$736,500	$736,500	$736,500	$736,500
12	Other	$85,814	$85,814	$85,814	$85,814	$85,814	$85,814
13	Miscellaneous	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000
14	**Total Other Revenue**	**$1,192,042**	**$1,081,404**	**$1,079,889**	**$1,043,431**	**$1,038,228**	**$1,031,979**
15	**Total Revenue**	**$13,609,251**	**$14,758,073**	**$15,766,831**	**$16,658,194**	**$17,630,017**	**$18,641,410**
16	**Expenditures**	**CY 2019**	**CY 2020**	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**
17	**O&M**						
18	Potable Water Purchases	$4,182,474	$4,344,863	$4,371,660	$4,495,346	$4,619,635	$4,727,281
21	Non-Potable Water Purchases	$968,944	$1,017,381	$888,813	$921,412	$956,468	$994,442
26	Potable O&M	$8,243,155	$9,034,714	$9,548,373	$9,778,769	$10,142,399	$10,364,568
38	Non-Potable Water O&M	$0	$60,415	$258,896	$266,663	$274,663	$282,903
39	**Total O&M**	**$13,394,574**	**$14,457,372**	**$15,067,742**	**$15,462,189**	**$15,993,165**	**$16,369,194**
40	**Rate Funded Capital Projects**	$522,356	$7,579,036	$8,954,349	$769,641	$2,440,067	$2,057,249
41	**Debt Service**						
42	New Proposed Debt - Capital Replacement	$0	$0	$0	$390,309	$390,309	$390,309
43	**Total Debt Service**	**$0**	**$0**	**$0**	**$390,309**	**$390,309**	**$390,309**
44	**Total Expenses**	**$13,916,929**	**$22,036,408**	**$24,022,092**	**$16,622,139**	**$18,823,541**	**$18,816,752**
45	**Net Cashflow**	**($307,678)**	**($7,278,336)**	**($8,255,261)**	**$36,055**	**($1,193,524)**	**($175,341)**
46	Calculated Debt Coverage Ratio	0%	0%	0%	306%	419%	582%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

[1] Line 21 includes all non-potable water purchases, including recycled water from the City of Beaumont and make-up water.

Figure 1-1 through Figure 1-4 display the financial plan in graphical format. Figure 1-1 shows the dollar value of the revenue adjustments (dark blue bars) for the next five years on the left-hand axis. It also graphs the calculated and required debt coverage ratios, as shown by the broken and solid blue lines respectively, on the right-hand axis.

Figure 1-1: Revenue Adjustments and Debt Coverage

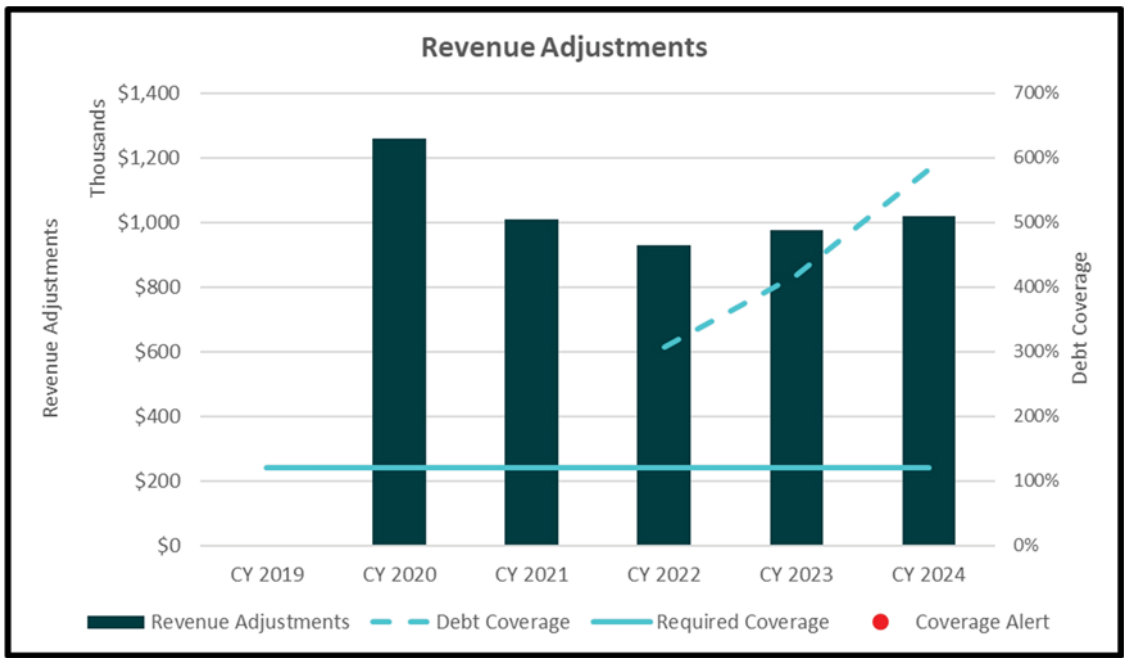


Figure 1-2 graphically illustrates the financial plan, comparing existing and proposed revenues (solid and broken black lines respectively) with projected expenses (bars). The expenses are represented by stacked bars to indicate each expense type's share of total expenses. The net cash flow is shown in yellow.

Figure 1-2: Operating Financial Plan

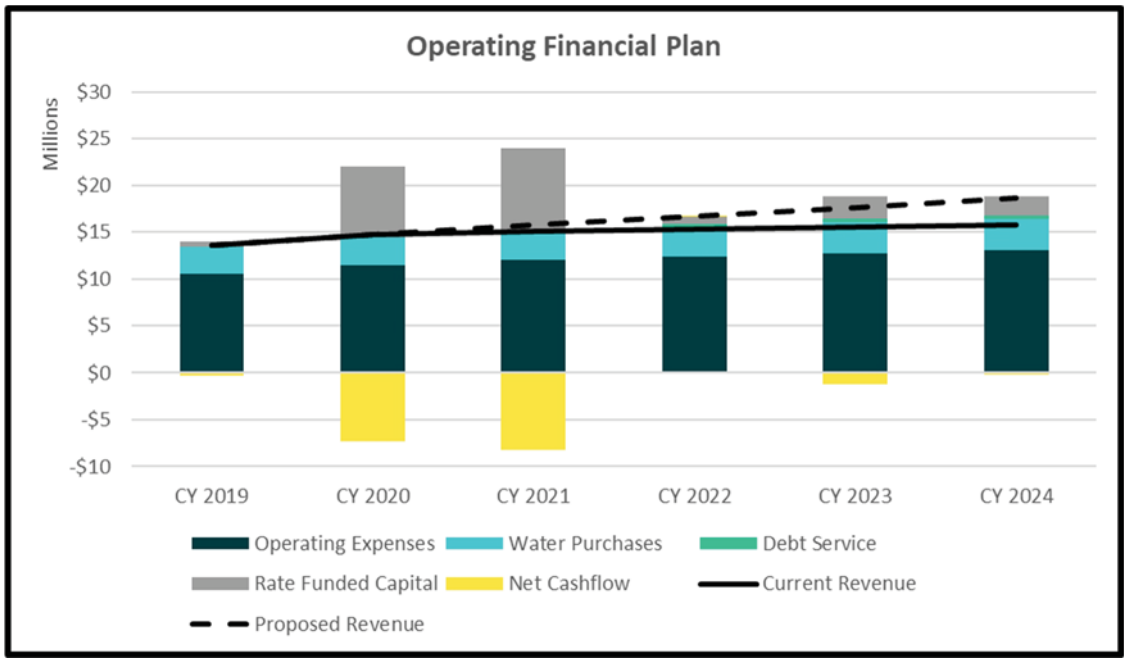


Figure 1-3 and Figure 1-4 show the replacement and expansion Capital Improvement Plans (CIP) using stacked bars that indicate funding by funding mechanism for that year's projects. Expansion projects will be implemented from development fee revenues as and when growth occurs. The replacement CIP is funded in part by a $6 million debt issue in CY 2022 (Figure 1-3 illustrates the debt proceeds of $5.5M). The replacement CIP is funded at 75% of the budgeted replacement CIP to mitigate the impacts of rate increases.

Figure 1-3: Capital Replacement Plan and Funding Sources

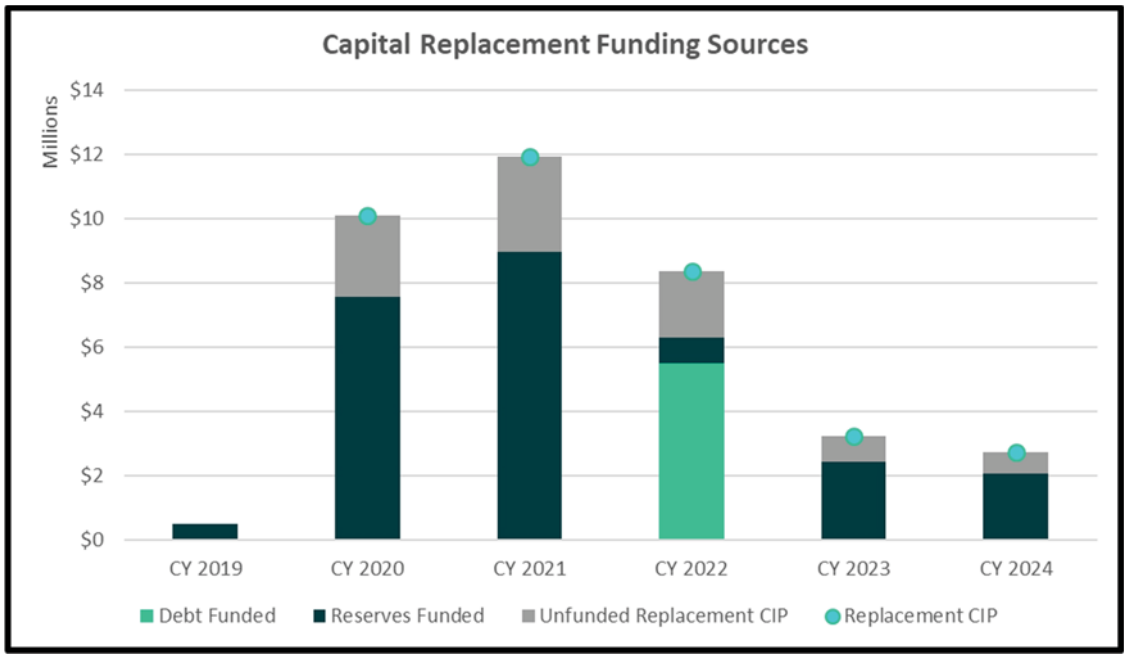
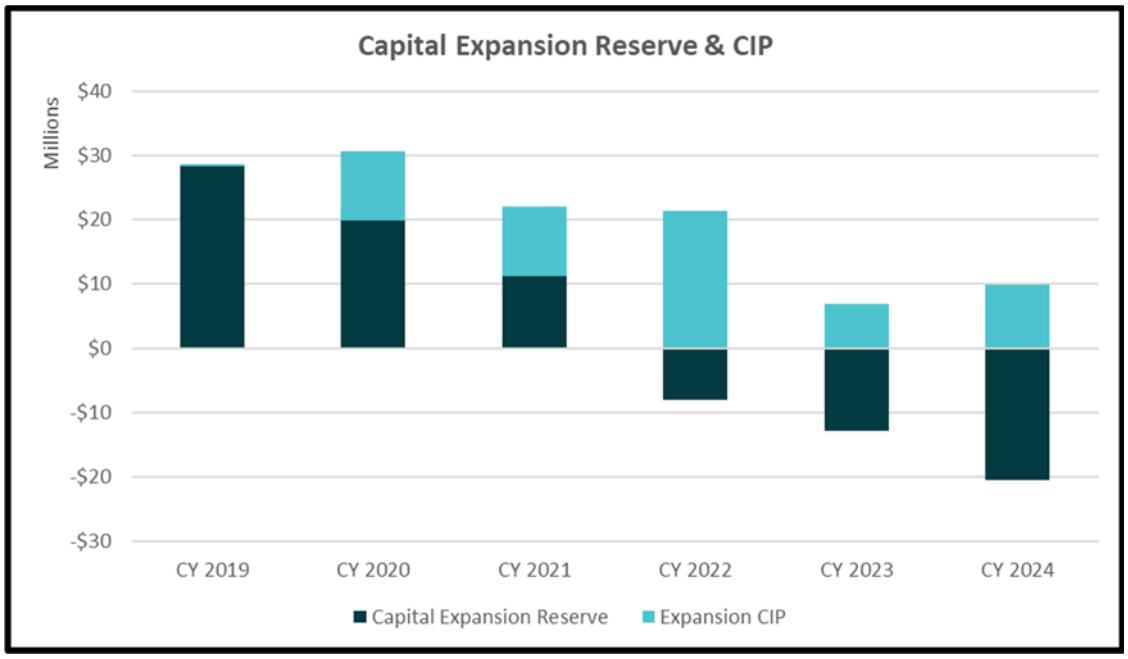


Figure 1-4: Capital Expansion Fund and CIP



1.4. Proposed Potable Water Rate Schedule

The proposed potable and non-potable rates are increased by the revenue adjustments in Table 1-1 to arrive at the 5-year rate schedules shown in in Table 1-3 and Table 1-5. The proposed Fire Service Charges are also escalated according to the rate adjustments in Table 1-1, resulting in the Fire Service Charge Schedule in Table 1-4. For non-fire related use, Fire Service customers also pay a commodity rate (Table 1-5) consisting of the Base Delivery ($0.48) and Peaking ($0.69) unit charges and resulting in the $1.17 CY 2020 rate, which is also escalated by the proposed rate adjustments through CY 2024.

Table 1-3: CY 2020-2024 Proposed Potable and Non-potable Bimonthly Meter Service Charges

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	$18.01	$22.58	$24.17	$25.87	$27.69	$29.63
3/4"	$27.02	$31.13	$33.31	$35.65	$38.15	$40.83
1"	$45.03	$48.24	$51.62	$55.24	$59.11	$63.25
1 1/2"	$90.06	$91.01	$97.39	$104.21	$111.51	$119.32
2"	$144.09	$142.33	$152.30	$162.97	$174.38	$186.59
3"	$288.18	$304.84	$326.18	$349.02	$373.46	$399.61
4"	$450.28	$544.34	$582.45	$623.23	$666.86	$713.55
6"	$900.55	$1,117.43	$1,195.66	$1,279.36	$1,368.92	$1,464.75
8"	$1,440.88	$2,400.46	$2,568.50	$2,748.30	$2,940.69	$3,146.54
10"	$2,071.27	$3,597.95	$3,849.81	$4,119.30	$4,407.66	$4,716.20
12"	$2,791.71	$4,538.84	$4,856.56	$5,196.52	$5,560.28	$5,949.50

Table 1-4: CY 2020 to 2024 Proposed Fire Service Charges

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	$51.82	$44.25	$47.35	$50.67	$54.22	$58.02
6"	$150.53	$118.12	$126.39	$135.24	$144.71	$154.84
8"	$320.79	$245.52	$262.71	$281.10	$300.78	$321.84
10"	$576.89	$437.17	$467.78	$500.53	$535.57	$573.06
12"	$931.84	$702.78	$751.98	$804.62	$860.95	$921.22

Table 1-5: CY 2020-2024 Proposed Potable and Non-potable Commodity Rates ($/ccf[2])

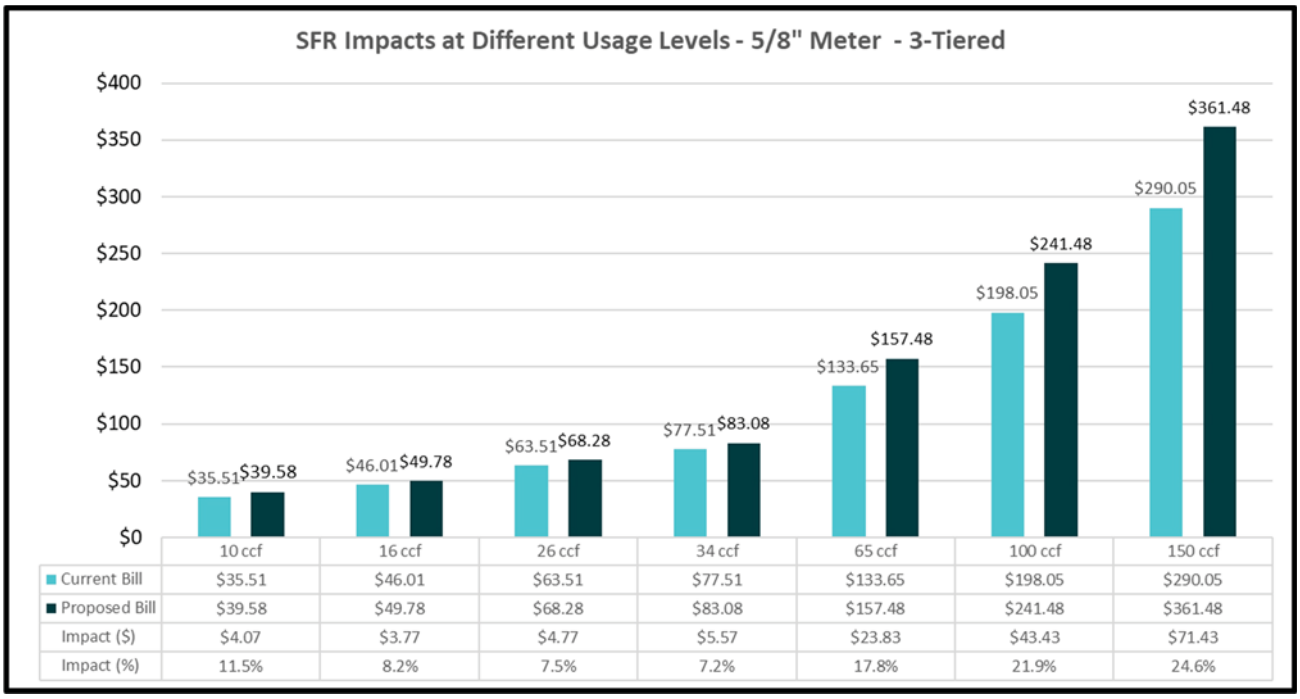
Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	16	$0.66	$0.71	$0.76	$0.82	$0.88
Tier 2	34	$0.81	$0.87	$0.94	$1.01	$1.09
Tier 3	34+	$1.36	$1.46	$1.57	$1.68	$1.80
Multi-Family	Uniform	$1.01	$1.09	$1.17	$1.26	$1.35
Commercial/Industrial	Uniform	$0.95	$1.02	$1.10	$1.18	$1.27
Fire Service	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
Landscape Irrigation	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Schedule Irrigation	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Construction	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
Non-Potable	Uniform	$0.72	$0.96	$0.96	$0.98	$0.98
State Project Water (SGPWA)		$0.72	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
SCE Power Charge (Pumping)		$0.32	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
Non-potable Water Supply		$0.93	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
Non-potable Water Power		$0.31	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*

1.4.1. BILL IMPACTS

Figure 1-5 and Figure 1-6 compare the current rates (effective January 1, 2015) versus the proposed CY 2020 rates for two different customer classes. Figure 1-5 shows the impacts of the proposed rates on a hypothetical Single-Family Residential customer with a 5/8" meter at different usage levels. Figure 1-6 shows the impacts on a hypothetical Commercial or Industrial customer with a 2" meter and different levels of consumption.

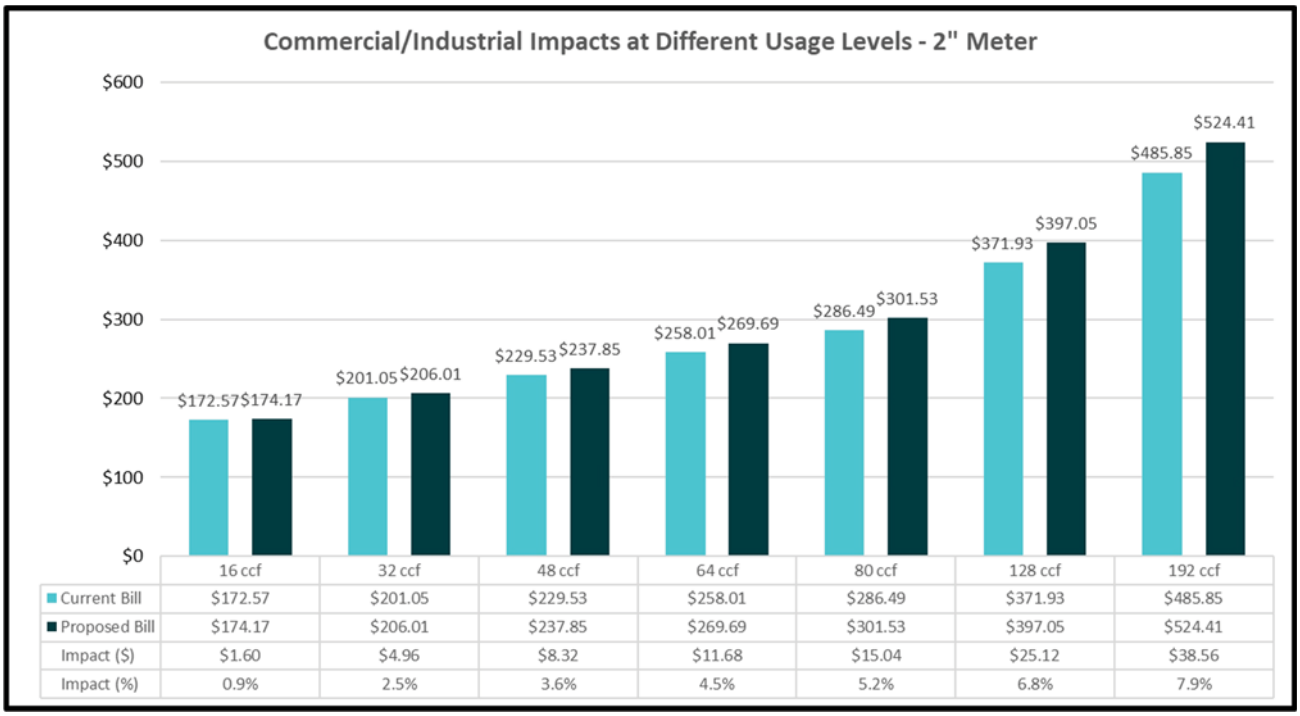
[2] One ccf is equal to one-hundred cubic-feet of water or 748.05 gallons

Figure 1-5: CY 2020 Single-Family Residential Bill Impact Analysis



	10 ccf	16 ccf	26 ccf	34 ccf	65 ccf	100 ccf	150 ccf
Current Bill	$35.51	$46.01	$63.51	$77.51	$133.65	$198.05	$290.05
Proposed Bill	$39.58	$49.78	$68.28	$83.08	$157.48	$241.48	$361.48
Impact ($)	$4.07	$3.77	$4.77	$5.57	$23.83	$43.43	$71.43
Impact (%)	11.5%	8.2%	7.5%	7.2%	17.8%	21.9%	24.6%

Figure 1-6: CY 2020 Commercial/ Industrial Bill Impact Analysis



	16 ccf	32 ccf	48 ccf	64 ccf	80 ccf	128 ccf	192 ccf
Current Bill	$172.57	$201.05	$229.53	$258.01	$286.49	$371.93	$485.85
Proposed Bill	$174.17	$206.01	$237.85	$269.69	$301.53	$397.05	$524.41
Impact ($)	$1.60	$4.96	$8.32	$11.68	$15.04	$25.12	$38.56
Impact (%)	0.9%	2.5%	3.6%	4.5%	5.2%	6.8%	7.9%

1.4.2. PROPOSED POTABLE DROUGHT RATES

In the event that the District activates its water supply drought rates, customers will be notified in advance. The District's drought rates would only be implemented by District Board action. Such action by the District is generally triggered by the declaration of a specific level of water shortage by the California Department of Water Resources (DWR).

Table 1-6 shows the drought rate surcharge that is applied to each potable commodity rate at a given drought stage. If a drought stage is declared at a level intermediate to the stages shown above, the drought surcharges may be prorated linearly. Drought rates are discussed further in Section 5.2.

Table 1-6: Drought Rate Surcharge

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	$0.17	$0.36	$0.60	$0.92

2. Study Background

This section of the report discusses and provides the necessary context and background information on the District, regulatory framework, and industry-standard methodology utilized in conducting this study. Additionally, this report is based on the calendar year (CY) 2020 budget, with water use characteristics identified using CY 2018 usage data. Water volumes are expressed in acre feet (AF) or hundred cubic feet (ccf), with the latter used to assess volumetric charges on customers.

2.1. System Overview

The Beaumont-Cherry Valley Water District (District) is an independent special district that has both a potable and non-potable water distribution system and serves approximately 19,000 connections, with over 90% of those connections as single-family residences. The District buys State Water Project (SWP) water from the San Gorgonio Pass Water Agency (SGPWA), has access to unused overlying water rights (within the Beaumont Basin), and has groundwater rights to water from Edgar Canyon. The District has stored water in the Beaumont Basin (Basin) and currently has over 35,000 acre-feet (AF) of water stored in the Basin. The District serves non-potable water which currently is raw water purchased from (SGPWA), recharged into the Beaumont Basin, and subsequently put in the non-potable system. In addition, for the non-potable system, the District will be purchasing recycled water from the City of Beaumont and converting certain potable customers to non-potable water service. The District has a total of 24 wells and 15 reservoirs ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 23 MG. In the early 2000s, the District Board authorized the purchase of 78.8 acres of land, and in 2006 constructed the Noble Creek Recharge Facility for the recharge of imported water from the SWP. In the future, storm runoff and possibly highly treated recycled water may be recharged at the facility or a similar facility. With these new water supplies and recharge capabilities, the District's revenue requirement and related expenses are continuing to evolve requiring a long-term financial plan to determine the fiscal impacts to the District and to appropriately establish rates for full cost recovery.

The primary project objectives of the study include:

1. Developing a long-term financial plan that the District may use to evaluate long-term impacts on its revenue requirements, capital needs, and reserves
2. Preparing defensible rates and charges consistent with the cost of providing service
3. Minimizing rate increases while avoiding rate "spikes", setting and maintaining appropriate operations and capital reserves, and maintaining adequate levels of service
4. Designing a rate structure that is responsive to demand fluctuations due to drought and other unforeseen factors through the establishment of pass-throughs and drought rates
5. Meeting external requirements for debt covenants and ensuring adequate capital reinvestment into the water system

2.2. Legal Framework

California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements, as they relate to public water service are as follows:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property related service.
2. Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

As stated in the AWWA M1 Manual, "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Raftelis follows industry standard rate setting methodologies set forth by the AWWA M1 Manual to ensure this study meets Proposition 218 requirements and establishes rates that do not exceed the proportionate cost of providing water services. The methodology in the M1 Manual is a nationally recognized industry ratemaking standard which courts have recognized as consistent with Proposition 218.

California Constitution Article X, Section 2

California Constitution Article X, Section 2 mandates that water resources be put to beneficial use and that the waste or unreasonable use of water be prevented through conservation. Section 106 of the Water Code declares that the highest priority use of water is for domestic purposes, with irrigation secondary. Thus, management of water resources is part of the property-related service provided by public water suppliers to ensure the resource is available over time. The District currently has inclining tiered (also known as inclining block) water rates. The inclining tier rates must be based on the proportionate costs incurred to provide water to customers to achieve compliance with Proposition 218. Due to heightened interest in water conservation and efficiency of water use, tiered water rates have gained widespread use, especially in relatively water-scarce regions like Southern California. Tiered rates meet the requirements of Proposition 218 as long as they reasonably reflect the proportionate cost of providing service for each tier.

2.3. Rate-Setting Methodology

This water rate study was conducted using industry-standard principles outlined by the AWWA M1 Manual. The process and approach Raftelis utilized in the study to determine water rates is guided by the District's policy objectives, the current water system and rates, and the legal requirements in California (namely, Proposition 218). The resulting financial plan, cost of service analysis, and rate design process take all factors into consideration and follow five key steps, outlined below, to determine proposed rates that fulfill the District's objectives, meet industry standards, and comply with relevant regulations.

1. **Financial Plan:** The first study step is to develop a multi-year financial plan that projects the Water Enterprise's revenues, expenses, capital project financing, annual debt service, and reserve funding. The

financial plan is used to determine the revenue adjustment, which allows the water utility to recover adequate revenues to fund expenses and reserves.

2. **Revenue Requirement Determination:** After completing the financial plan, the rate-making process begins with the determination of the revenue requirement for the test year, also known as the rate-setting year. The test year for this study is CY 2020. The revenue requirement should sufficiently fund the Water Enterprise's operations and maintenance (O&M) costs, annual debt service, replacement Capital Improvement Plan (CIP) costs, and reserve funding as projected based on the water service's CY 2020 budget.

3. **Cost of Service Analysis:** The annual cost of providing water service, or the revenue requirement, is then distributed to customer classes and tiers commensurate with their use of, and burden on, the water system. A cost of service analysis involves the following steps:
   a. Functionalize costs – the different components of the revenue requirement are categorized into functions such as supply, transmission and distribution (T&D), customer service and billing, etc.
   b. Allocate to cost causation components – the functionalized costs are then allocated to cost causation components such as supply, base delivery, peaking, etc.
   c. Develop unit costs – unit costs for each cost causation component are determined using units of service, such as total usage, peaking units, equivalent meters, number of customers, etc. for each component.
   d. Distribute cost components – the cost components are allocated to each customer class and tier using the unit costs in proportion to their demand and burden on the system.

   A cost of service analysis considers both the average water demand and peak demand. Peaking costs are incurred during periods of peak consumption, most often coinciding with summer water usage. There are additional capacity-related costs associated with designing, constructing, operating, maintaining, and replacing facilities to meet peak demand. Peak usage patterns impose additional costs on a utility and are used to determine the cost burden of peaking-related facilities.

4. **Rate Design:** After allocating the revenue requirement to each customer class and tier, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize the District's policy objectives. Rates also act as a public information tool in communicating these policy objectives to customers. This process also includes a rate impact analysis and sample customer bill impacts.

5. **Administrative Record Preparation and Rate Adoption:** The final step in a rate study is to develop the administrative record in conjunction with the rate adoption process. This report serves as the administrative record for this study. The administrative record documents the study results and presents the methodologies, rationale, justifications, and calculations used to determine the proposed rates. A thorough and methodological administrative record serves two important functions: maintaining defensibility in a stringent legal environment and communicating the rate adoption process to customers and important stakeholders.

3. Financial Plan

3.1. Key Assumptions

This section describes the assumptions used to project the expenses and reserve targets that determine the District's revenue requirement. The revenue requirement is the basis for determining the necessary revenue adjustments (i.e., the average increase in rates for the entire District) for each year of the study period. Specific rate changes for individual classes are based on the cost of service and may vary from the average revenue adjustment or rate increase.

The revenue calculated for each of the fiscal years in the financial plan is a function of the number of meters, meter size, account growth, water use, and existing rates. Water demand has been projected (and the supply required to meet this demand) based on actual water use in CY 2018, with adjustments for usage growth in CY 2020 onwards using the inflationary factors in Table 3-1. The District expects to have stable demand during the study period, with no increase on a per account basis as indicated by the 100.0% demand factor for both potable and non-potable water.

Table 3-1: Key Revenue Assumptions

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Revenue Escalation Factors					
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Rate Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income	1.0%	1.0%	1.0%	1.0%	1.0%
Demand Factor					
Potable	100.0%	100.0%	100.0%	100.0%	100.0%
Non-potable	100.0%	100.0%	100.0%	100.0%	100.0%
Account Growth					
Single Family Residential	1.2%	1.2%	1.0%	0.7%	0.6%
Multi-Family Residential	0.0%	0.0%	0.0%	0.0%	0.0%
Irrigation	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Residential	0.0%	0.0%	0.0%	0.0%	0.0%
Non-potable	1.2%	1.1%	1.1%	1.1%	1.1%

To ensure that future costs are reasonably projected, it is necessary to make informed assumptions about inflationary factors and water costs. O&M projections are based on the District's CY 2020 adopted budget and the projected budgetary increases in subsequent years based on the assumptions shown in Table 3-2. The District uses different inflation factors for different expenditures within the budget.

Table 3-2: Key Cost Escalation Factors

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Escalation Factors					
General	3.0%	3.0%	3.0%	3.0%	3.0%
Salary	8.7%	6.0%	3.0%	3.0%	3.0%
Benefits	7.2%	6.0%	3.0%	3.0%	3.0%
General Utilities	3.0%	3.0%	3.0%	3.0%	3.0%
Power	5.0%	5.0%	5.0%	5.0%	5.0%
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Demand Driven Costs					
Fixed	**100%**	**100%**	**100%**	**100%**	**100%**
Variable - Potable	101%	101%	101%	101%	100%
Variable - Non-Potable	101%	108%	104%	104%	104%

3.2. Existing Rate Structure and Rates

The District bills every two months (bimonthly), resulting in six total bills per year for most customers. The existing rate structure for potable water consists of a bimonthly fixed charge based on meter size and by customer class. The classes for the potable water meter service charges are:

1. **Domestic/ Commercial/ Non-potable:** Single family residential, single business commercial unit, or non-potable water service unit per meter.
2. **Multiple Residential/ Multiple Commercial:** Residential or commercial customers with multiple units on one meter. For example, an apartment building would fall into this classification.
3. **Outside Service:** Customers located outside the District's designated service area but are also served by the District.[3]

Table 3-3: Current Bimonthly Potable Water Meter Service Charges

Meter Size	Domestic/ Commercial/ Non-potable	Multiple Residential/ Multiple Commercial	Outside Service
5/8"	$18.01	$12.01	$24.00
3/4"	$27.02	$18.01	$34.50
1"	$45.03	$30.02	$56.00
1 1/2"	$90.06	$60.04	$108.00
2"	$144.09	$96.06	$170.00
3"	$288.18	$192.12	$316.00
4"	$450.28	$300.19	$524.00
6"	$900.55	$600.37	$1,044.00
8"	$1,440.88	$960.59	$1,668.00
10"	$2,071.27	$1,380.85	$2,396.00
12"	$2,791.71	$1,861.14	$4,476.00

Additionally, all customers pay a commodity rate by customer class on all water consumption. These rates are shown in Table 3-4. Domestic and Multi-Family residential customers pay a two-tiered rate based on consumption

[3] There are very few existing Outside Service accounts and no new customers are accepted if they are located outside of the District's service area.

at each tier level. All other customers pay a uniform rate per ccf consumed. Additionally, the District passes through imported water charges and the cost of power to transmit and distribute water to all customers.

Table 3-4: Current Potable and Non-potable Commodity Rates ($/ccf)

Commodity Rate	Tier Width (ccf)	CY 2019
	Bi-Monthly	
Domestic (Single-Family Residential)		
Block 1	0-44 ccf	$0.96
Block 2	45+ ccf	$1.05
Multi-Family Residential		
Block 1	0-35 ccf	$0.96
Block 2	36+ ccf	$0.98
Commercial/Fire Service	Uniform	$0.99
Multiple Commercial	Uniform	$0.99
Landscape	Uniform	$1.15
Schedule Irrigation	Uniform	$1.01
Construction	Uniform	$1.15
Non-potable	Uniform	$1.15
SCE Power Charge		$0.33
State Project Water		$0.46

Finally, private fire service lines also pay a fixed charge, shown in Table 3-5. Customers also pay a commodity rate, shown in Table 3-6 and the purchased water and power charge shown in Table 3-4 above for non-fire related water consumption.

Table 3-5: Current Bimonthly Fire Line Charges

Meter Size	CY 2019
Private Fire Lines	
4"	$51.82
6"	$150.53
8"	$320.79
10"	$576.89
12"	$931.84

Table 3-6: Current Fire Service Rate ($/ccf)

	CY 2019
Fire Service Rate	$0.99

3.3. Account and Usage Projections

Table 3-7 shows the estimated number of water accounts by meter size for CY 2019 through CY 2024. The projections are based on account data provided by the District for CY 2018. The number of accounts is used to forecast the amount of fixed revenue the District will receive from the bimonthly meter service charges. Note that

the Multiple Residential/ Multiple Commercial class is not charged by meter size but by dwelling unit, which is 2/3 the cost of the 5/8" charge (Table 3-3). They have been categorized as 5/8" meters in the table below, which is the total dwelling units. Though this table separates inside and outside District accounts, Raftelis recommends identical rates for both inside- and outside- customers. Table 3-8 shows the projected fire service accounts and hydrants for the study period and Table 3-9 shows the projection of the non-potable meters in the system.

Table 3-7: Potable Water Meters

Customer Class	Meter Size	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable Water Meters							
	5/8"	13,451	13,610	13,764	13,896	13,997	14,080
	3/4"	404	408	413	417	419	422
	1"	4,274	4,323	4,370	4,410	4,441	4,466
	1 1/2"	93	93	94	94	94	94
	2"	179	179	179	179	179	179
	3"	1	1	1	1	1	1
	4"	2	2	2	2	2	2
	6"	0	0	0	0	0	0
	8"	1	1	1	1	1	1
Total Potable Water Meters		**18,405**	**18,617**	**18,823**	**18,999**	**19,134**	**19,245**
Multiple Residential / Multiple Commercial							
	Equivalent Dwelling Units	961	961	961	961	961	961
Total Multiple Residential / Multiple Commercial		**961**	**961**	**961**	**961**	**961**	**961**
Outside Service							
	5/8"	5	5	5	5	5	5
	3/4"	0	0	0	0	0	0
	1"	1	1	1	1	1	1
Total Outside Service		**6**	**6**	**6**	**6**	**6**	**6**

Table 3-8: Total Fire Service Lines and Hydrants

Meter Size	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Private Fire Lines						
4"	72	72	72	72	72	72
6"	22	22	22	22	22	22
8"	47	47	47	47	47	47
10"	15	15	15	15	15	15
12"	12	12	12	12	12	12
Total Private Fire Lines	**168**	**168**	**168**	**168**	**168**	**168**
Public Fire Hydrants	**1,900**	**1,900**	**1,900**	**1,900**	**1,900**	**1,900**

Table 3-9: Non-potable Water Meters

Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Non-potable Water Meters						
5/8"	1	1	1	1	1	1
3/4"	0	0	0	0	0	0
1"	38	38	39	39	40	40
1 1/2"	87	88	89	90	91	92
2"	174	176	178	180	182	184
Total Non-potable Water Meters	**300**	**303**	**307**	**310**	**314**	**318**

Table 3-10 projects the potable and non-potable water consumption by class for the study period based on CY 2018 usage data.

Table 3-10: Potable and Non-potable Water Use by Class (ccf)

Line No.	Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
	A	B	C	D	E	F	G
1	Single-Family Residential						
2	Block 1	2,598,289	2,629,483	2,659,725	2,685,513	2,705,379	2,721,594
3	Block 2	646,738	654,502	662,030	668,449	673,393	677,429
4	Multi-Family Residential						
5	Block 1	30,559	30,559	30,559	30,559	30,559	30,559
6	Block 2	108,498	108,498	108,498	108,498	108,498	108,498
7	Commercial/Industrial	466,805	466,805	466,805	466,805	466,805	466,805
8	Fire Service	102,242	102,242	102,242	102,242	102,242	102,242
9	Multiple Commercial	0	0	0	0	0	0
10	Landscape Irrigation	84,948	84,948	84,948	84,948	84,948	84,948
11	Schedule Irrigation	20,914	20,914	20,914	20,914	20,914	20,914
12	Construction	122,380	122,380	122,380	122,380	122,380	122,380
13	**"No Charge" Accounts**	14,351	14,351	14,351	14,351	14,351	14,351
14	**Total Potable Usage**	**4,195,723**	**4,234,681**	**4,272,451**	**4,304,658**	**4,329,469**	**4,349,719**
15	**Total Potable Usage (AF)**	**9,632**	**9,721**	**9,808**	**9,882**	**9,939**	**9,986**
16	**Total Non-potable Usage**	**803,045**	**812,360**	**879,738**	**914,724**	**949,711**	**984,698**
17	**Total Non-Potable Usage (AF)**	**1,844**	**1,865**	**2,020**	**2,100**	**2,180**	**2,261**

3.4. O&M Expenses

As detailed in Section 2.1, the District's potable water supply consists of local groundwater and imported water purchases. The non-potable water service is currently supplied by imported water purchases, also referred to as make-up water, from SGPWA. However, the District anticipates that it will begin purchasing recycled water from the City of Beaumont in CY 2021. In order to meet demand, the District must purchase sufficient water to account for water lost in the system.

Table 3-11: Projected Potable and Non-potable Water Loss (%)

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Water Loss						
Potable	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Non-potable	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

The relevant water loss factor is applied to the potable and non-potable water usage in Line 15 and Line 17 of Table 3-10 so the District purchases sufficient water to meet its demand after water losses. The resulting water production to meet demand is shown below in Table 3-12. The following equation is used to calculate potable and non-potable water production:

Total Sales / (1 - Water Los) = Total Water Production

Table 3-12: Projected Water Production to Meet Demand (AF)

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable	10,884	10,985	11,083	11,166	11,231	11,283
Non-Potable						
Make Up Water	1,862	1,884	939	959	990	1,034
Recycled	0	0	1,101	1,162	1,212	1,250
Total Non-Potable	1,862	1,884	2,040	2,121	2,202	2,283
Total Water Production	**12,746**	**12,868**	**13,123**	**13,287**	**13,433**	**13,567**

Table 3-13 provides the per acre foot water supply costs. These costs include not only the price of imported water, but also the treatment and pumping costs. The cost of recycled water from the City of Beaumont is an estimate based on the District's current coordinated efforts with the City. Note, too, that per Line 13 and Line 14 (Table 3-13), due to a partial year rate change in 2019, 21.8% of potable and non-potable water is multiplied by the CY 2018 water purchase costs while the remainder is calculated using CY 2019 water purchase costs.

Table 3-13: Potable and Non-potable Water Costs ($/AF)

Line No.		CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	**Water Unit Cost ($/AF)**							
2	SGPWA Imported Water	$317	$399	$399	$399	$399	$399	$399
3	Unused Overlying Production Pumping	$133	$131	$131	$131	$131	$131	$131
4	Edgar Canyon Pumping	$65	$68	$68	$68	$68	$68	$68
5	Beaumont Basin Pumping	$133	$131	$131	$131	$131	$131	$131
6	**Recycled Water Unit Cost ($/AF)**							
7	City of Beaumont Recycled Water	$250	$250	$250	$250	$250	$250	$250
8	Make-Up Water (SGPWA)	$317	$399	$399	$399	$399	$399	$399
9	Recycled Water Treatment	$0	$0	$0	$22	$23	$23	$24
10	Make-Up Water Treatment	$0	$10	$10	$10	$10	$11	$11
11	Recycled Water Pumping	$0	$62	$62	$62	$62	$62	$62
12	Make-Up Water Pumping	$0	$145	$145	$145	$145	$145	$145
13	**% of Usage at prior rate:**	0.0%	21.8%	0.0%	0.0%	0.0%	0.0%	0.0%
14	**% of Usage at current rate:**	100.0%	78.2%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3-14 provides the distribution of water purchases across the different sources. The purchases by source are then multiplied by the costs in Table 3-13 to arrive at the potable and non-potable water supply costs in Table 3-15.

Table 3-14: Potable and Non-potable Water Purchases by Source (AF)[4]

Water Availability & Purchase (AF)	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable						
SGPWA Imported Water	7,476	7,520	7,555	7,837	8,128	8,380
Unused Overlying Production	1,905	1,962	2,025	1,826	1,600	1,400
Beaumont Basin (excluding Make Up Water)	9,381	9,482	9,580	9,663	9,728	9,780
Edgar Canyon	1,503	1,503	1,503	1,503	1,503	1,503
Total Potable	**10,884**	**10,985**	**11,083**	**11,166**	**11,231**	**11,283**
Non-Potable						
Make up Water	1,862	1,884	939	959	990	1,034
Recycled Water	0	0	1,101	1,162	1,212	1,250
Toal Non-Potable	**1,862**	**1,884**	**2,040**	**2,121**	**2,202**	**2,283**

Table 3-15 shows the District's total budgeted and projected O&M expenses for CY 2019 to CY 2024. Expenses are separated according to water service type (potable or non-potable). O&M expenses include staff salary and benefit expenses, water supply costs, administration expenses, equipment, and other miscellaneous costs. Raftelis also projected water supply costs for each source. Raftelis projected future water supply costs using the current rates, the District's supply mix projections (Table 3-14), projected demand (Table 3-1), and the District's water loss factor (Table 3-11). To ensure that future costs are reasonably projected, it is necessary to make informed assumptions about inflationary factors and water costs. O&M projections are based on the District's CY 2020 adopted budget and the projected budgetary increases in subsequent years based on the assumptions shown in Table 3-2. The District uses different inflation factors for different expenditures within the budget.

Table 3-2

[4] Quantities in this table are rounded to the nearest AF.

Table 3-15: Operating Expenditures Summary

Line No.	A	CY 2019 B	CY 2020 C	CY 2021 D	CY 2022 E	CY 2023 F	CY 2024 G
1	**Potable Water Purchases**						
2	State Project Water Purchases	$2,849,213	$3,000,430	$3,014,385	$3,127,120	$3,242,973	$3,343,733
3	Potable Pumping Costs	$1,333,261	$1,344,432	$1,357,275	$1,368,226	$1,376,662	$1,383,548
4	**Non-Potable Water Purchases**						
5	City of Beaumont Recycled Water	$0	$0	$275,159	$290,425	$303,033	$312,449
6	Make-Up Water (SGPWA)	$709,714	$751,620	$374,807	$382,813	$395,061	$412,403
7	Non-potable Water Treatment	$14,562	$18,838	$33,663	$36,266	$38,859	$41,408
8	Non-potable Water Pumping	$244,668	$246,923	$205,185	$211,908	$219,515	$228,182
9	**Potable O&M**						
10	Board of Directors	$167,988	$79,909	$123,761	$75,973	$153,253	$80,600
11	Engineering	$569,722	$693,378	$741,197	$762,968	$785,378	$808,445
12	Professional Services	$274,000	$334,390	$344,339	$354,584	$365,134	$375,997
13	Finance and Administrative Services	$2,448,492	$2,700,662	$2,843,643	$2,924,482	$3,007,746	$3,093,509
14	Information Technology	$449,893	$463,100	$484,841	$499,318	$514,228	$529,582
15	Human Resources and Risk Management	$136,732	$208,046	$217,928	$224,465	$231,199	$238,135
16	Source of Supply	$1,136,449	$1,136,759	$1,195,066	$1,231,599	$1,269,075	$1,307,581
17	Transmission & Distribution	$1,992,619	$2,093,746	$2,211,523	$2,277,740	$2,345,941	$2,416,183
18	Inspections	$55,445	$80,856	$85,707	$88,279	$90,927	$93,655
19	Customer Service and Meter Reading	$368,421	$370,636	$393,369	$405,148	$417,281	$429,777
20	Maintenance and General Plant	$643,394	$873,232	$907,001	$934,211	$962,238	$991,105
21	**Non-Potable Water O&M**	$0	$60,415	$258,896	$266,663	$274,663	$282,903
22	**Total Expenditures**	**$13,394,574**	**$14,457,372**	**$15,067,742**	**$15,462,189**	**$15,993,165**	**$16,369,194**

3.5. Capital Improvement Plan

Table 3-16 details the District's proposed capital improvement plans for replacement and expansion projects for CY 2019 to CY 2024. Inflated project costs in all years throughout the study period were provided by the District. The replacement CIP represents the infrastructure improvements needed to repair and replace aging infrastructure needed to maintain safe and reliable service to current customers. The expansion CIP represents projects the District will need to undertake to expand the system to meet the demand of new customers that will join the system during the study period.

Raftelis examined different CIP schedules for both the replacement and expansion projects. The District ultimately decided to fund 75% of its planned CIP for each year to minimize impacts on customers. Additionally, the District expects that they will be limited in staff time to accomplish planned improvements, which would reduce these costs from planned. Expansion projects will be funded from capacity fees as they become available based on growth.

Table 3-16: Capital Replacement at 75% of Plan and Expansion Improvement Plans

Line No.	A	CY 2019 B	CY 2020 C	CY 2021 D	CY 2022 E	CY 2023 F	CY 2024 G
1	**Percent of CIP to Fund**	**75%**	**75%**	**75%**	**75%**	**75%**	**75%**
2	**Capital Replacement Projects**						
3	Potable Infrastructure Projects	$147,768	$3,425,346	$4,370,885	$4,029,278	$576,431	$569,890
4	Non-Potable Infrastructure Projects	$0	$0	$0	$0	$0	$0
5	Potable Pipeline Replacement Projects	$33,914	$1,712,142	$2,612,590	$835,641	$660,376	$683,643
6	IT Infrastructure Projects	$242,369	$1,306,730	$1,076,988	$948,417	$1,028,460	$803,716
7	Aministrative Projects & Acquisitions	$10,827	$147,160	$28,633	$30,246	$0	$0
8	Vehicle and Equipment Acquisitions	$87,478	$62,859	$120,453	$270,951	$0	$0
9	Engineering and Operations Center (EOC)	$0	$750,000	$570,000	$0	$0	$0
10	Disaster Preparedness Equipment	$0	$174,800	$174,800	$174,800	$174,800	$0
11	**Subtotal Capital Replacement Projects**	**$522,356**	**$7,579,036**	**$8,954,349**	**$6,289,333**	**$2,440,067**	**$2,057,249**
12							
13	**Capital Expansion Projects**						
14	Potential Costs for SWP Newsource Purchase	$196,574	$70,286	$70,286	$389,732	$649,553	$779,465
15	Potable Infrastructure Projects	$26,216	$7,022,432	$5,677,569	$7,102,339	$1,892,696	$4,327,260
16	Non-Potable Infrastructure Projects	$0	$925,935	$2,584,589	$10,670,725	$4,002,489	$1,268,542
17	Potable Pipeline Projects	$0	$2,683,303	$2,541,967	$3,034,927	$220,216	$3,324,313
18	**Subtotal Capital Expansion Projects**	**$222,790**	**$10,701,955**	**$10,874,411**	**$21,197,724**	**$6,764,954**	**$9,699,579**

3.6. Debt Service

The District does not currently have any debt service obligations. However, the District is considering issuing new debt in CY 2022 to fund its replacement CIP shown in Table 3-16 and to mitigate rate increases to customers, thus the model incorporates the following proposed debt and financing assumptions for a $6M bond issue. This proposed debt issue provides a balance between rate adjustment levels and moderate debt obligations. Issuing debt not only allows the District to provide a more immediate response to infrastructure needs but also stabilizes the financial impact of such expenses. Rather than requiring significant rate increases in the short term in order to pay as they go (PAYGO), loan repayments are equally spread over a longer period. This supports the District's ability to provide a more stable rate schedule with generally lower rate increases.

Table 3-17: Proposed Debt

	CY 2022
Debt Assumptions	
Interest	5.0%
Term (# of Years)	30
Issuance Cost	1.5%
Debt Reserve Requirement	6.5%
Debt Issue	$6,000,000
Debt Proceeds	$5,519,691
Annual Debt Service	$390,309
% to Fund Capital Replaceme	100%
% to Fund Capital Expansion	0%

3.7. Status Quo Financial Plan

Table 3-18 below shows the financial plan for the District during the study period and under current rates with no adjustments. As shown in Line 45 of this table, the District is unable to meet its expenses, with particularly large deficits in CY 2020 and CY 2021 due to significant capital projects. Additionally, it is unable to meet debt coverage requirements should it issue debt in CY 2022 without increasing rate revenues (Lines 46 and 47 in Table 3-18). The debt coverage ratio indicates the ability of the District is to fund annual debt payments with revenues remaining after payment of operating expenditures. It is the ratio of revenues net of O&M to the total debt service payments in each year.

$$(T \quad R \quad - O \quad E \quad)/(A \quad D \quad P \quad) = \textit{Debt Coverage Ratio}$$

$$\frac{L \quad 15 - L \quad 39}{L \quad 42} = L \quad 46$$

Typically bond buyers require a debt coverage ratio of between 1.10 and 1.25.

Table 3-18: CY 2019 – CY 2024 Financial Plan under Current Rates

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	$8,479,519	$8,561,956	$8,709,386	$8,809,361	$8,896,206	$8,974,966
2	Potable SGPWA Revenue	$1,923,431	$1,941,352	$1,958,726	$1,973,541	$1,984,954	$1,994,269
3	Potable Power Revenue	$1,379,853	$1,392,709	$1,405,173	$1,415,801	$1,423,989	$1,430,672
4	Non-Potable Supply Revenue	$369,401	$373,686	$404,679	$420,773	$436,867	$452,961
5	Non-Potable Power	$265,005	$268,079	$290,313	$301,859	$313,405	$324,950
6	**Other Revenue**						
7	Interest Income - General	$270,828	$159,294	$153,364	$105,922	$82,586	$50,375
8	Interest Income - Other	$53,900	$54,439	$54,983	$55,533	$56,089	$56,649
9	Fees	$736,500	$736,500	$736,500	$736,500	$736,500	$736,500
12	Other	$85,814	$85,814	$85,814	$85,814	$85,814	$85,814
13	Miscellaneous	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000
14	**Total Other Revenue**	**$1,192,042**	**$1,081,047**	**$1,075,662**	**$1,028,769**	**$1,005,989**	**$974,339**
15	**Total Revenue**	**$13,609,251**	**$13,618,829**	**$13,843,940**	**$13,950,105**	**$14,061,410**	**$14,152,157**
16	**Expenditures**	**CY 2019**	**CY 2020**	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**
17	**O&M**						
18	Potable Water Purchases	$4,182,474	$4,344,863	$4,371,660	$4,495,346	$4,619,635	$4,727,281
21	Non-Potable Water Purchases	$968,944	$1,017,381	$902,160	$939,581	$977,012	$1,014,458
26	Potable O&M	$8,243,155	$9,034,714	$9,548,373	$9,778,769	$10,142,399	$10,364,568
38	Non-Potable Water O&M	$0	$60,415	$258,896	$266,663	$274,663	$282,903
39	**Total O&M**	**$13,394,574**	**$14,457,372**	**$15,081,089**	**$15,480,358**	**$16,013,709**	**$16,389,209**
40	**Rate Funded Capital Projects**	$522,356	$7,579,036	$8,954,349	$769,641	$2,440,067	$2,057,249
41	**Debt Service**						
42	New Proposed Debt - Capital Replacement	$0	$0	$0	$390,309	$390,309	$390,309
43	**Total Debt Service**	**$0**	**$0**	**$0**	**$390,309**	**$390,309**	**$390,309**
44	**Total Expenses**	**$13,916,929**	**$22,036,408**	**$24,035,439**	**$16,640,308**	**$18,844,085**	**$18,836,767**
45	**Net Cashflow**	**($307,678)**	**($8,417,580)**	**($10,191,499)**	**($2,690,203)**	**($4,782,675)**	**($4,684,611)**
46	Calculated Debt Coverage Ratio	0%	0%	0%	-392%	-500%	-573%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

3.8. Proposed Financial Plan

Balancing the need for the District to meet its revenue requirements while mitigating increases to ratepayers' cost of service, Raftelis worked with staff to determine the revenue adjustment schedule in Table 3-19. All revenue adjustments are set for January of each calendar year except CY 2020.These adjustments apply only to the District's own rates and do not include potential increases in imported water and power pass-through rates. Those rates are subject to the changes implemented by the wholesale water supplier or energy provider. Those costs, including any rate fluctuations, are directly passed through in their entirety to customers. Automatic pass-through adjustments in water rates are allowed through the provisions of Government Code Section 53756 provided that the adjustments are noticed to ratepayers at least 30 days before the effective date.

Table 3-19: Proposed Revenue Adjustments

CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
March	January	January	January	January
1.0%	7.0%	7.0%	7.0%	7.0%

Table 3-20 incorporates the proposed revenue adjustments into the financial plan. As noted above, the District needs to balance its revenue needs with mitigating rate increases for customers. While the proposed financial plan still shows a significant deficit in funding for CY 2020 and CY 2021 (Table 3-20, Line 45) due to significant improvement projects, it is able to exceed its required debt coverage ratio of 1.20 in CY 2022 onward (Table 3-20, Rows 46 and 47) should it pursue debt funding at that time.

Table 3-20: CY 2019 – CY 2024 Proposed Financial Plan

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	$8,479,519	$8,633,305	$9,412,233	$10,186,696	$11,007,218	$11,881,993
2	Potable SGPWA Revenue	$1,923,431	$2,700,387	$3,014,385	$3,127,120	$3,242,973	$3,343,733
3	Potable Power Revenue	$1,379,853	$1,344,432	$1,405,173	$1,415,801	$1,423,989	$1,430,672
4	Non-Potable Supply Revenue	$369,401	$751,620	$649,965	$673,238	$698,094	$724,853
5	Non-Potable Power	$265,005	$246,923	$205,185	$211,908	$219,515	$228,182
6	**Other Revenue**						
7	Interest Income - General	$270,828	$159,651	$157,592	$120,584	$114,825	$108,015
8	Interest Income - Other	$53,900	$54,439	$54,983	$55,533	$56,089	$56,649
9	Fees	$736,500	$736,500	$736,500	$736,500	$736,500	$736,500
12	Other	$85,814	$85,814	$85,814	$85,814	$85,814	$85,814
13	Miscellaneous	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000
14	**Total Other Revenue**	**$1,192,042**	**$1,081,404**	**$1,079,889**	**$1,043,431**	**$1,038,228**	**$1,031,979**
15	**Total Revenue**	**$13,609,251**	**$14,758,073**	**$15,766,831**	**$16,658,194**	**$17,630,017**	**$18,641,410**
16	**Expenditures**	**CY 2019**	**CY 2020**	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**
17	**O&M**						
18	Potable Water Purchases	$4,182,474	$4,344,863	$4,371,660	$4,495,346	$4,619,635	$4,727,281
21	Non-Potable Water Purchases	$968,944	$1,017,381	$888,813	$921,412	$956,468	$994,442
26	Potable O&M	$8,243,155	$9,034,714	$9,548,373	$9,778,769	$10,142,399	$10,364,568
38	Non-Potable Water O&M	$0	$60,415	$258,896	$266,663	$274,663	$282,903
39	**Total O&M**	**$13,394,574**	**$14,457,372**	**$15,067,742**	**$15,462,189**	**$15,993,165**	**$16,369,194**
40	**Rate Funded Capital Projects**	$522,356	$7,579,036	$8,954,349	$769,641	$2,440,067	$2,057,249
41	**Debt Service**						
42	New Proposed Debt - Capital Replacemer	$0	$0	$0	$390,309	$390,309	$390,309
43	**Total Debt Service**	**$0**	**$0**	**$0**	**$390,309**	**$390,309**	**$390,309**
44	**Total Expenses**	**$13,916,929**	**$22,036,408**	**$24,022,092**	**$16,622,139**	**$18,823,541**	**$18,816,752**
45	**Net Cashflow**	**($307,678)**	**($7,278,336)**	**($8,255,261)**	**$36,055**	**($1,193,524)**	**($175,341)**
46	Calculated Debt Coverage Ratio	0%	0%	0%	306%	419%	582%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

Figure 3-1 through Figure 3-4 display the Financial Plan in graphical format. Figure 3-1 shows the dollar value of the revenue adjustments (green bars) for the next five years on the left axis. It also graphs the calculated and required debt coverage ratios, as shown by the broken and solid blue lines respectively, on the right axis. Since debt is proposed to be issued only in 2022 the debt coverage line starts in 2022.

Figure 3-1: Revenue Adjustments and Debt Coverage

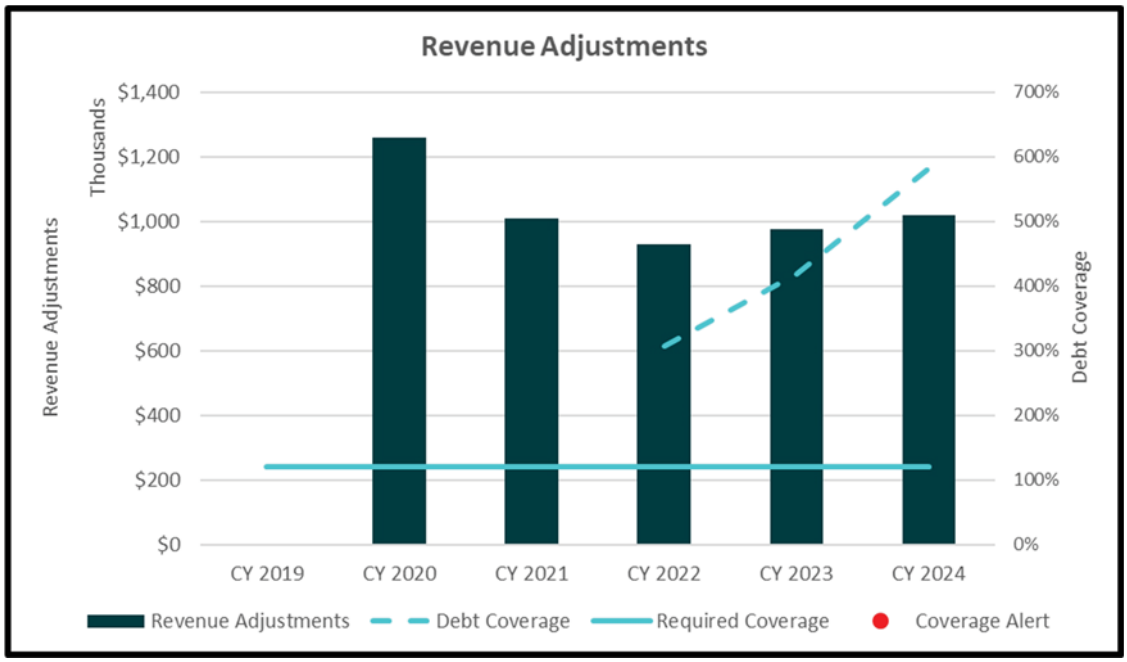


Figure 3-2 graphically illustrates the financial plan, comparing existing and proposed revenues (solid and broken black lines respectively) with projected expenses (bars). The expenses are represented by stacked bars to indicate each expense type's share of total costs. The net cash flow is shown in yellow and represents the use of reserves in most years to fund CIP.

Figure 3-2: Operating Financial Plan

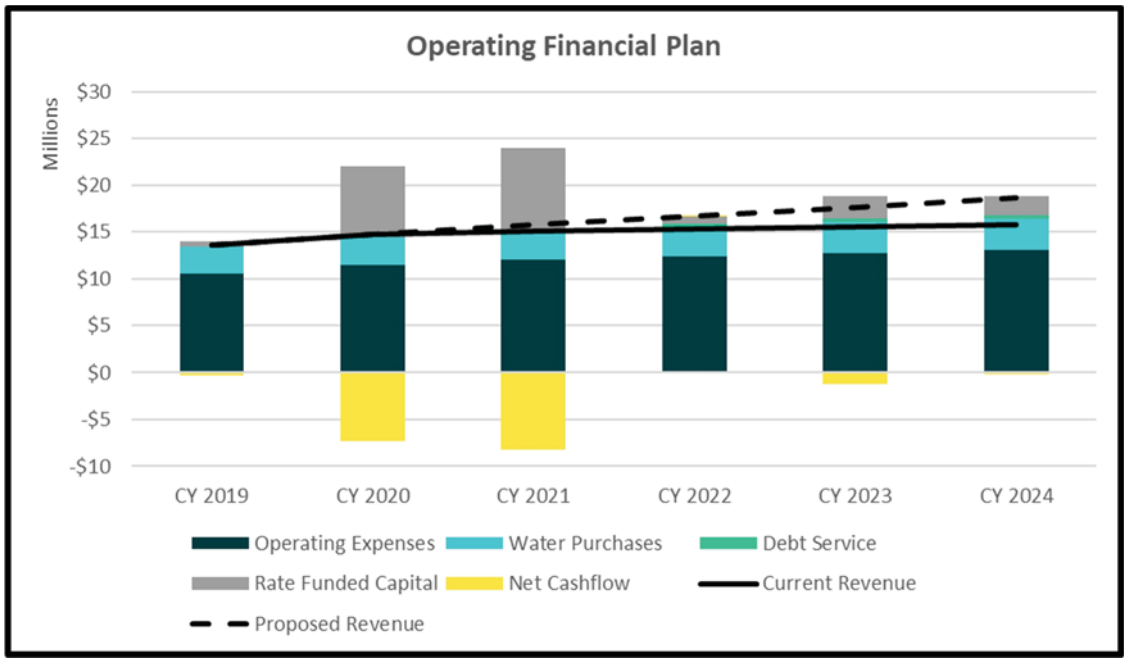


Figure 3-3 and Figure 3-4 show the replacement and expansion CIPs using stacked bars that indicate funding by funding mechanism for that year's projects. Note that Figure 3-4 shows negative reserves as the model is only funding the total expansion CIP with the conservatively estimated $2M in capacity fee revenue. The District will only fund capital expansion projects based on actual capacity fee revenue in each year. Essentially, if the District sees less development during the study period than in the last decade, it will not be funding expansion infrastructure projects as originally scheduled under the current CIP.

Figure 3-3: Capital Replacement Plan and Funding Sources

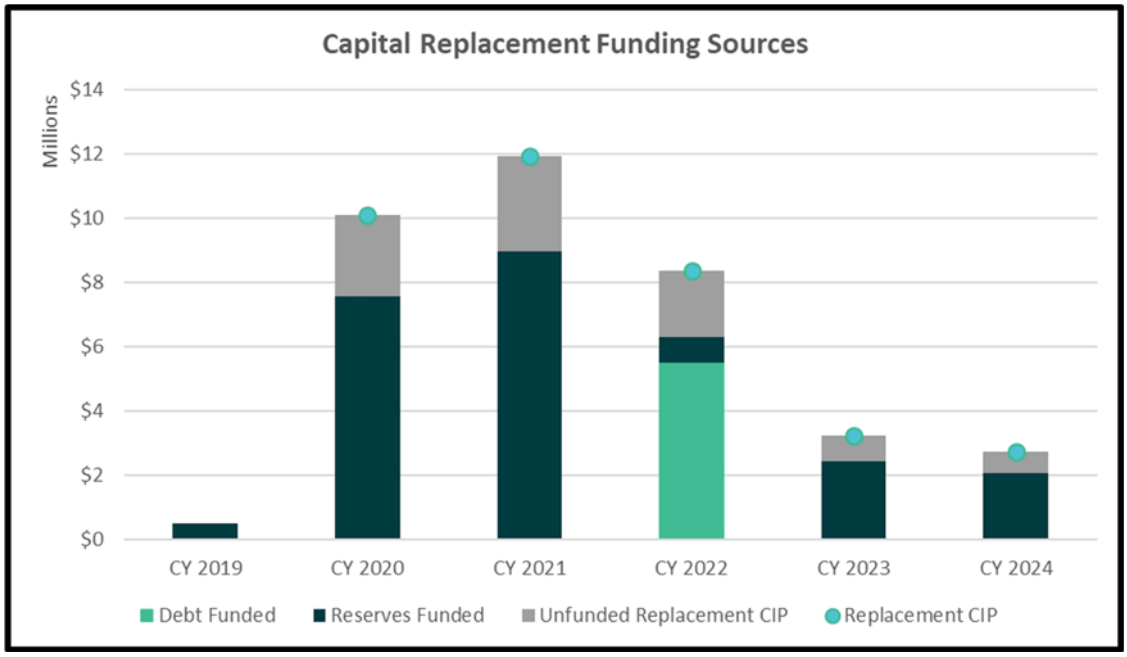
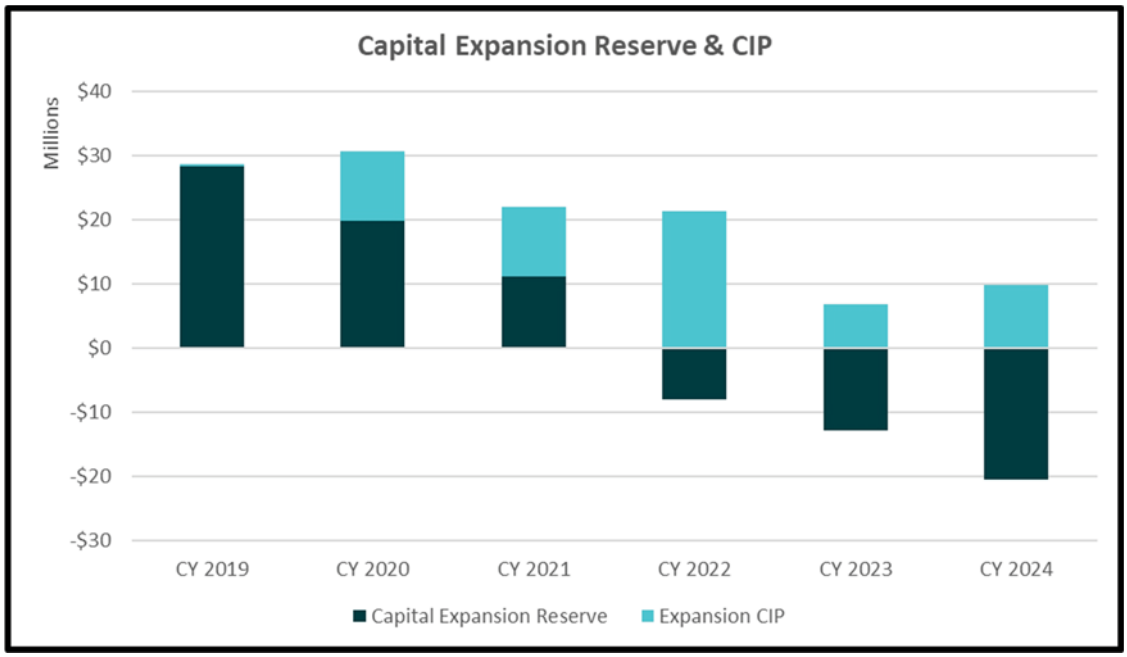


Figure 3-4: Capital Expansion Fund and CIP



3.9. Reserve Policy

3.9.1. RESERVE POLICY OVERVIEW

A reserve policy is a written document that establishes reserve goals/targets. It provides guidelines for sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs and emergencies. Adopting and adhering to a sustainable reserve policy enhances financial management transparency and helps achieve or maintain a certain credit rating for future debt issues. Reserves can offset unanticipated reductions in revenues, offset fluctuations in costs of providing services, and fiscal emergencies such as revenue shortfalls, asset failure, and natural disaster. Capital reserves set funds aside for replacement of capital assets as they age and for new capital projects to expand service.

The appropriate amount of reserves and reserve types are determined by a variety of factors, such as the size of the operating budget, the amount of debt, the type of rate structure, frequency of customer billing, and risk of natural disaster. The District employs the following reserves and funds:

1. Operating Reserve
2. Capital Replacement Reserve
3. Capital Expansion Fund (Reserves Restricted for Future Capital Commitments)
4. Emergency Reserve
5. Debt Service Reserve

3.9.2. RECOMMENDED RESERVE POLICIES

To enhance financial management transparency and financial risk management, District policy requires, and Raftelis recommends, the Water Fund to maintain these reserves. In addition, should the District decide to issue new debt in CY 2022, Raftelis recommends maintaining a Debt Service Reserve to directly reserve funds for annual payments. The following sections describe Raftelis' recommendations in detail for each reserve.

3.9.2.1. Operating Reserve

The purpose of an operating reserve is to provide working capital to support the operation, maintenance, and administration of the utility. From a risk management perspective, the O&M reserve supports the District's cash flow needs during normal operations and additionally ensures that operations can continue should there be significant events that impact cash flows. As it is unlikely for a utility to perfectly predict the revenues and revenue requirements for each billing period, a reserve set aside to hedge the risk of monthly negative cash positions is prudent in financial planning. Another factor to consider when creating a cash flow reserve is the frequency of billing. A utility that bills once a month would require a lower minimum reserve than a utility that bills bimonthly or once a year.

Raftelis recommends that the District maintain its current policy with a minimum 90 days of operating expenses and a target balance of 180 days to ensure adequate working capital for operating expenses. The District bills bimonthly; thus 180 days provides sufficient working capital to account for when expenses occur, and revenues are collected. Additionally, this accounts for revenues varying seasonally while most expenses remain relatively static.

3.9.2.2. Capital Replacement Reserve

Adequate and timely capital replacement planning is a critical task to ensure reliability and sustainability of the water system. Capital reserves are used to provide funding for capital expenditures due to the capital-intensive nature of the water system. The District currently conducts an annual review to determine maximum and minimum reserve level targets. Raftelis recommends the District adopt a policy using the estimated 5-year average CIP as the target balance. In CY 2020, this average is $4.0 million.

3.9.2.3. Capital Expansion Fund

The Capital Expansion Fund reserves are restricted for future capital commitments. It is used to finance the necessary capital improvements to expand system capacity to accommodate growth in the District's customer base. Expansion capital projects are funded through restricted new development facility (capacity) fees. The region has experienced significant growth for the last ten years. However, the District is uncertain if development will maintain its momentum during the study period. Resultantly, the District conservatively estimates that it will receive approximately $2,000,000 in restricted capacity fees each year that will be added to the reserve's current balance to fund the proposed expansion CIP defined in this report in Table 3-16. The Expansion CIP will depend on the restricted capacity fee revenue based on growth.

3.9.2.4. Emergency Reserve

The purpose of an emergency reserve is to allow the utility to provide uninterrupted service in a fiscal emergency, natural disaster, or facility failure. An emergency reserve decreases risk by recognizing the high capital costs of the facilities and setting aside adequate funds to restore service after an unanticipated event or replace an essential facility.

Raftelis recommends that the District maintain its existing reserve policy for its Emergency Reserve. The target balance for this reserve is 15% of annual operating expenses. This amounts to $2.2M to be set aside for emergency use in CY 2020. Although this level of emergency reserve is sufficient for now, the reserve should be re-evaluated periodically to ensure adequate reserves in the event of an emergency in light of rising construction and other costs.

3.9.2.5. Debt Service Reserve

The District is considering issuing debt in CY 2022. Should the District decide to use debt funding, Raftelis recommends that it maintain its Debt Service Reserve by allocating sufficient annual funding of its annual debt service obligations.

3.9.2.6. Recommended Total Reserve Targets

Table 3-21 summarizes the reserve policies proposed by Raftelis for the District. Table 3-22 and Table 3-23 show the projected cash balance and reserve targets for each of the funds for the study period.

Table 3-21: Proposed Reserve Targets

Reserve	Policy
Operating	Minimum: 90 days Target: 180 days
Capital Replacement	5-Year Average CIP
Emergency	15% of Annual Operating Expenses
Debt Service Reserve	One Year of Debt Service

Table 3-22: Operating and Emergency Reserves Projected Targets and Balances

Operating Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	$3,183,701	$11,025,065	$2,769,804	$2,805,859	$1,612,334
Rate Revenue	$13,676,669	$14,686,942	$15,614,763	$16,591,789	$17,609,432
Other Revenue	$867,314	$867,314	$867,314	$867,314	$867,314
Interest Income - General	$159,651	$157,592	$120,584	$114,825	$108,015
Interest Income - Other	$54,439	$54,983	$55,533	$56,089	$56,649
Total Income	**$14,758,073**	**$15,766,831**	**$16,658,194**	**$17,630,017**	**$18,641,410**
Total Expenses	$22,036,408	$24,022,092	$16,622,139	$18,823,541	$18,816,752
Water to Storage	($119,700)	$0	$0	$0	$0
Transfers from (to) Capital Replacement	**$15,000,000**	**$0**	**$0**	**$0**	**$0**
Ending Balance	**$11,025,065**	**$2,769,804**	**$2,805,859**	**$1,612,334**	**$1,436,993**
Target	$3,614,343	$3,766,936	$3,865,547	$3,998,291	$4,092,298

Emergency Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	$2,009,186	$2,168,606	$2,260,161	$2,319,328	$2,398,975
Transfers from Capital Replacement	$159,420	$91,555	$59,167	$79,646	$56,404
Subtotal	**$2,168,606**	**$2,260,161**	**$2,319,328**	**$2,398,975**	**$2,455,379**
Interest Income	*$20,889*	*$22,144*	*$22,897*	*$23,592*	*$24,272*
Ending Balance	**$2,168,606**	**$2,260,161**	**$2,319,328**	**$2,398,975**	**$2,455,379**
Minimum Target	$2,168,606	$2,260,161	$2,319,328	$2,398,975	$2,455,379

Table 3-23: Capital Replacement Reserve and Expansion Fund Projected Targets and Balances

Capital Replacement Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	$21,931,360	$6,771,940	$6,680,385	$6,621,218	$6,541,571
Transfers from (to) Operating	($15,000,000)	$0	$0	$0	$0
New Debt Proceeds	$0	$0	$5,519,691	$0	$0
Debt Funded Capital Replacement Projec	$0	$0	($5,519,691)	$0	$0
Transfers to Emergency	($159,420)	($91,555)	($59,167)	($79,646)	($56,404)
Ending Balance	**$6,771,940**	**$6,680,385**	**$6,621,218**	**$6,541,571**	**$6,485,167**
Interest Income	*$143,517*	*$67,262*	*$66,508*	*$65,814*	*$65,134*
Target	$4,053,090	$4,360,069	$3,285,239	$1,811,557	$2,551,336

Capital Expansion Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	$28,299,009	$19,836,535	$11,116,118	($8,066,433)	($12,831,387)
Facilities Charges	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
New Debt Proceeds	$0	$0	$0	$0	$0
Debt Service - Expansion	$0	$0	$0	$0	$0
Capital Projects	($10,701,955)	($10,874,411)	($21,197,724)	($6,764,954)	($9,699,579)
Subtotal	**$19,597,055**	**$10,962,124**	**($8,081,606)**	**($12,831,387)**	**($20,530,966)**
Interest Income	*$239,480*	*$153,993*	*$15,173*	*$0*	*$0*
Ending Balance	**$19,836,535**	**$11,116,118**	**($8,066,433)**	**($12,831,387)**	**($20,530,966)**

4. Cost of Service Analysis

4.1. Cost of Service Methodology

A cost of service analysis distributes a utility's revenue requirements (costs) to each customer class equitably. After determining a utility's revenue requirements, the next step in a cost of service analysis is to functionalize its O&M costs, based on the District's current O&M budget:

a. Administration – overhead costs associated with the management of the utility
b. Billing – all customer billing costs
c. Customer Service – represents the costs associated with meter reading, billing and customer and meter service
d. Supply – represents the cost of producing water from various sources
e. Production – the costs of producing potable water (e.g. treatment)
f. Transmission & Distribution – costs associated with transporting water to each metered connection
g. General - costs not associated with a specific function, rather the overall functioning of the utility
h. Capital – infrastructure costs
i. Pumping – the cost of pumping water from the ground or to meters located in higher elevations
j. Non-potable - all costs relating to the non-potable water service

Capital costs are similarly functionalized based on the assets which include storage, pumping, pipelines, fire hydrants, treatment, administration, meters, equipment, wells, general, and non-potable.

The functionalization of costs allows better allocation of the functionalized costs to the cost causation components. The cost causation components include:

a. Supply – variable costs associated with providing water supply to all customers
b. Base Delivery – fixed costs associated with providing service under average conditions
c. Peaking (maximum day and maximum hour) – costs associated with meeting demand in excess of average use
d. Fire – costs associated with providing fire protection capacity
e. Meters – costs associated with maintenance of meters and associated capital costs
f. Customer – costs incurred to provide meter reading, billing and customer service
g. General – costs that cannot be allocated directly to any one cost causation

Peaking costs are divided into maximum day and maximum hour demand. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities, such as distribution and storage facilities (and the O&M costs associated with those facilities), are designed to meet the peaking demands of customers. Therefore, extra capacity costs include the O&M and capital costs associated with meeting peak customer demand. This method is consistent with the AWWA M1 Manual and is widely used in the water industry to perform cost of service analyses.

4.2. Revenue Requirement Determination

The revenue requirement for the proposed rates will be based on CY 2020, designated the Test Year. Table 4-1 shows the revenue requirement derivation with the total revenue required from rates. The totals shown in the "Operating" and "Capital" columns are the total O&M and capital revenue requirements, respectively, that are to be recovered through rates. The operating costs (Line 9, Table 4-1) flow from Table 3-15. The Debt Service

category (Line 13, Table 4-1) represents both replacement capital projects (from Table 3-16) and any proposed debt. Note there is no debt issuance proposed for CY 2020. Revenue offsets are composed of non-rate revenues, shown in Table 3-20, Lines 7-14. To arrive at the rate revenue requirement, these revenue offsets are subtracted from the combined operating and debt service costs. Since the new rates will go into effect in March 2020, the revenue adjustment is annualized and also adjusted for transfers from reserves. These adjustments are then combined to arrive at the total annual revenue requirement from rates. This is the amount that the District's rates are designed to collect, for a full year, in the "Total" column at Line 25 in Table 4-1 below.

Table 4-1: Revenue Requirement Determination

Line No	Revenue Requirements	Operating	Capital	Total
1	**Operating Costs**			
2	State Project Water (SPW) Purchases	$3,000,430		$3,000,430
3	Potable Pumping Costs	$1,344,432		$1,344,432
4	Make-Up Water (SGPWA/SPW)	$751,620		$751,620
5	Non-potable Water Treatment	$18,838		$18,838
6	Non-potable Water Pumping	$246,923		$246,923
7	Potable O&M	$9,034,714		$9,034,714
8	Non-Potable Water O&M	$60,415		$60,415
9	**Subtotal Operating Costs**	**$14,457,372**	**$0**	**$14,457,372**
10	**Debt Service**			
11	Rate Funded Capital Projects		$7,579,036	$7,579,036
12	New Proposed Debt - Capital Replacement		$0	$0
13	**Subtotal Debt Service**	**$0**	**$7,579,036**	**$7,579,036**
14	**Total Revenue Requirements**	**$14,457,372**	**$7,579,036**	**$22,036,408**
15	**Less: Revenue Offsets**			
16	Interest Income	$214,090		$214,090
17	Fees	$736,500		$736,500
18	Other	$85,814		$85,814
19	Miscellaneous	$45,000		$45,000
20	**Total Revenue Offsets**	**$1,081,404**	**$0**	**$1,081,404**
21	**Less: Adjustments**			
22	Transfer from (to) Reserves	$0	$7,278,336	$7,278,336
23	Revenue to Annualize Revenue Increa	($14,270)		($14,270)
24	**Total Adjustments**	**($14,270)**	**$7,278,336**	**$7,264,066**
25	**Total Revenue Requirement from Rates**	**$13,390,238**	**$300,700**	**$13,690,939**

4.3. Peaking Factors

Water systems are designed to handle maximum day (Max Day) and maximum hour (Max Hour) demands. Different facilities, such as distribution and storage facilities, are designed to meet the peaking demands of customers. Therefore, peaking costs, also known as extra capacity costs, are associated with meeting peak customer demand. Peaking costs are therefore based on Max Day and Max Hour demands.

Table 4-2 shows the system-wide peaking factors used to derive the cost component allocation bases for Base Delivery, Max Day, and Max Hour costs. The Base Delivery, or Base Use is considered average daily demand over one year, which has been normalized to a factor of 1.00 (Column B, Line 1). The Max Day peaking factor (Line 2) indicates that the Max Day demand is 2 times greater than the average daily demand. Similarly, the Max Hour peaking factor (Line 3) shows that the Max Hour demand is 5.78 times greater than average demand. These factors were determined during the development of the District's 2016 Potable Water System Master Plan.

The percentage allocations of costs are calculated using the equations outlined.

The Base allocation is 1/1 x 100%= 100%

The Max Day allocation are calculated as follows:
» Base Delivery: 1 / 2 x 100% = 50%
» Max Day: (2 - 1) / 2 x 100% = 50%

The Max Hour allocations are calculated as follows:
» Base Delivery: 1 / 5.78 x 100% = 17%
» Max Day: (2 - 1) / 5.78 x 100% = 17%
» Max Hour: (5.78 - 2) / 5.78 x 100% = 65%

The Average Max Day / Max Hour allocation averages the Max Day and Max Hour allocations to Base, Max Day, and Max Hour, respectively, and is used to allocate the cost of transmission and distribution which are not identified separately.

Table 4-2: System Peaking Factors

Line No.	Allocation Factor A	System Peaking Factor B	Base C	Max Day D	Max Hour E	Total F
1	Base	1.00	100%	0%	0%	100%
2	Max Day	2.00	50%	50%	0%	100%
3	Max Hour	5.78	17%	17%	65%	100%
4	Average Max Day/Max Hour		34%	34%	33%	100%

Table 4-3 shows the derivation of the peaking factors by customer class and tier, determined by dividing the total maximum monthly usage (Column C) by the average monthly usage (Column D) for each customer class and tier. For this analysis, the classes and tiers used in the proposed rate schedule are employed. These peaking factors are used to allocate the peaking costs to each customer class and tier. See the Rate Derivation section of this report (Section 5) for a detailed discussion of tier widths and the use of peaking factors in determining rates.

Table 4-3: Customer Class Peaking Factors

Line No.	Customer Class	Selected Monthly Tiers (ccf)	Max Month (ccf)	Average Month (ccf)	Peaking Factor
	A	B	C	D	E
1	**Single Family**				
2	Tier 1	16	126,657	121,513	1.04
3	Tier 2	34	113,715	84,852	1.34
4	Tier 3	34+	203,407	84,408	2.41
5	**Multi-Family**		21,454	12,460	1.72
6	**Commercial/Industrial**		67,310	41,828	1.61
7	**Fire Service**		15,623	9,162	1.71
8	**Landscape Irrigation**		13,187	7,612	1.83
9	**Schedule Irrigation**		6,638	3,213	1.83
10	**Construction**		22,381	10,966	2.04
11	**Non-Potable**		116,524	68,286	1.71

4.4. Equivalent Meters

To allocate meter-related costs appropriately, the concept of equivalent meters needs to be understood. By using equivalent meters instead of a straight meter count, the analysis accounts for the fact that larger meters impose greater demands on the system and are more expensive to install, maintain, and replace than smaller meters. Equivalent meters are used in calculating meter service costs.

Equivalent meters are based on meter hydraulic capacity. Equivalent meters represent the potential demand on the water system in terms of the base or smallest meter size. A ratio of hydraulic capacity is calculated by dividing large meter capacities by the base meter capacity. The capacity ratio is calculated using the meter capacity in gallons per minute (gpm) provided in the AWWA M1 Manual Principles of Water Rates, Fees and Charges (7th Edition).

The base meter is the smallest meter, in this case, a 5/8-inch meter. The actual number of meters by size is multiplied by the corresponding capacity ratio to calculate equivalent meters. Table 4-4 and Table 4-5 show the equivalent meters for CY 2020 for potable and non-potable water service respectively.

Note that equivalent capacity associated with fire service line accounts and hydrants are calculated separately, with their own hydraulic capacity ratios based on industry standards (Table 4-6). Public fire capacity represents 78% of the total fire capacity:

Total Equivalent Hydrants/(Total Equivalent Hydrants + Total Equivalent Fire Lines) = Public Fire Capacity

$$\frac{L \quad 11}{(L \quad 11 + L \quad 6)} = 78\%$$

Table 4-4: Potable Water Equivalent Meters[5]

Potable Meter Size	Capacity (gpm)	AWWA Ratio	Number of Meters	Equivalent Meters
5/8"	20	1.00	13,685	13,685
3/4"	30	1.50	412	619
1"	50	2.50	4,375	10,936
1 1/2"	100	5.00	105	526
2"	160	8.00	193	1,544
3"	350	17.50	1	18
4"	630	31.50	2	63
6"	1,300	65.00	-	-
8"	2,800	140.00	1	140
10"	4,200	210.00	-	-
12"	5,300	265.00	-	-
Total Potable Meters			**18,774**	**27,531**

Table 4-5: Non-potable Water Equivalent Meters

Non-Potable Meter Size	Capacity (gpm)	AWWA Ratio	Number of Meters	Equivalent Meters
5/8"	20	1.00	1	1
3/4"	30	1.50	-	-
1"	50	2.50	38	96
1 1/2"	100	5.00	88	440
2"	160	8.00	176	1,408
Total Non-potable Meters			**303**	**1,945**

[5] Equivalent meters are rounded to the nearest whole number

Table 4-6: Equivalent Fire Lines

Line No.	Fire Line Size	Fire Ratio	Number of Lines	Equivalent Lines
1	4"	0.34	72	25
2	6"	1.00	22	22
3	8"	2.13	47	100
4	10"	3.83	15	57
5	12"	6.19	12	74
6	**Total Fire Lines**		**168**	**279**

	Hydrant Size	Fire Ratio	Number of Hydrants	Equivalent Lines
7	4": 1 x 2.5"	0.10	95	10
8	4": 2 x 2.5"	0.20	456	91
9	6": 1 x 4.5", 1 x 2.5"	0.57	152	87
10	6": 1 x 4.5", 2 x 2.5"	0.67	1,197	801
11	**Total - Public Fire Hydrants**		**1,900**	**988**

4.5. Allocation of Costs

As detailed in Section 4.1, functionalizing costs allows for better distribution of costs to the cost causation components. Table 4-7 shows the function categories used in this study in Column A. Column B identifies the chosen rationale for distributing these functionalized costs to the cost causation components. For example, all costs allocated to the Administration function (Column A, Line 1) are all initially allocated to the General cost causation components (Column L, Line 1). Transmission & Distribution costs (Line 6) are based on a modification of the Max Hour allocations shown in Table 4-2 to account for meters in the distribution system. Line 8 shows the distribution of Capital costs based on the District's total current asset value distributed to the relevant cost allocations.

Table 4-7: Functionalized O&M Cost Distributions to Cost Causation Factors

Line No.	Function	Rationale	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Administration	General										100%	100%
2	Billing	Customer							100%				100%
3	Customer Service	Customer							100%				100%
4	Supply	Supply	100%										100%
5	Production	Max Day		50%	50%								100%
6	Transmission & Distribution	Max Hour		16%	16%	62%		5%					100%
7	General	General										100%	100%
8	Capital	Capital		29%	29%	17%		2%		5%		18%	100%
9	Pumping	Pumping					100%						100%
10	Non-potable	Non-potable								100%			100%

Using Table 4-7 as a guide, all of the operating costs are then allocated based on their related function's cost allocation distribution. Table 4-8 shows first the percent distributions, then dollar allocations of each O&M cost.

Table 4-8: O&M Cost Allocations

O&M Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
State Project Water Purchases	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Potable Pumping Costs	Pumping	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Make-Up Water (SGPWA)	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Non-potable Water Treatment	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Non-potable Water Pumping	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Board of Directors	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Engineering	Capital	0%	29%	29%	17%	0%	2%	0%	5%	0%	18%	100%
Professional Services	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Finance and Administrative Servic	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Information Technology	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Human Resources and Risk Manag	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Source of Supply	Production	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Transmission & Distribution	Transmission & Distribution	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
Inspections	Customer Service	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Customer Service and Meter Reac	Customer Service	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
Maintenance and General Plant	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Non-Potable Water Purchases	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%

O&M Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
State Project Water Purchases	Supply	$3,000,430	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,000,430
Potable Pumping Costs	Pumping	$0	$0	$0	$0	$1,344,432	$0	$0	$0	$0	$0	$1,344,432
Make-Up Water (SGPWA)	Non-potable	$0	$0	$0	$0	$0	$0	$0	$751,620	$0	$0	$751,620
Non-potable Water Treatment	Non-potable	$0	$0	$0	$0	$0	$0	$0	$18,838	$0	$0	$18,838
Non-potable Water Pumping	Non-potable	$0	$0	$0	$0	$0	$0	$0	$246,923	$0	$0	$246,923
Board of Directors	Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$79,909	$79,909
Engineering	Capital	$0	$197,962	$197,962	$121,169	$0	$15,114	$0	$34,669	$0	$126,503	$693,378
Professional Services	Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$334,390	$334,390
Finance and Administrative Servic	Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,700,662	$2,700,662
Information Technology	Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$463,100	$463,100
Human Resources and Risk Manag	Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$208,046	$208,046
Source of Supply	Production	$0	$568,380	$568,380	$0	$0	$0	$0	$0	$0	$0	$1,136,759
Transmission & Distribution	Transmission & Distribution	$0	$344,128	$344,128	$1,300,803	$0	$104,687	$0	$0	$0	$0	$2,093,746
Inspections	Customer Service	$0	$0	$0	$0	$0	$80,856	$0	$0	$0	$0	$80,856
Customer Service and Meter Reac	Customer Service	$0	$0	$0	$0	$0	$0	$370,636	$0	$0	$0	$370,636
Maintenance and General Plant	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$873,232	$873,232
Non-Potable Water Purchases	Non-potable	$0	$0	$0	$0	$0	$0	$0	$60,415	$0	$0	$60,415
Total O&M Expenses		**$3,000,430**	**$1,110,469**	**$1,110,469**	**$1,421,972**	**$1,344,432**	**$200,657**	**$370,636**	**$1,112,465**	**$0**	**$4,785,842**	**$14,457,372**
O&M Allocation		***21%***	***8%***	***8%***	***10%***	***9%***	***1%***	***3%***	***8%***	***0%***	***33%***	***100%***

Table 4-9 distributes the functionalized capital asset values to cost causation factors similar to Table 4-7 and Table 4-10 shows the resulting percent and dollar allocations of the different capital assets. Capital costs are allocated based on the system assets because capital costs are incurred to refurbish and replace existing system assets. Using system assets takes a longer-term view of the allocations of capital costs and provides a consistent allocation of costs from year to year even if the capital costs associated with different types of system assets change every year. In valuing the assets, the original cost less depreciation was utilized to account for aging of the assets, thus a decrease in the value. For example, Storage costs are allocated according to Max Day rationale because storage is constructed to meet base and peak day demand. Contrastingly, other costs, such as Meter, Non-potable, General and Administrative costs are allocated 100% to their relevant cost causation factor.

Table 4-9: Functionalized Capital Cost Distributions to Cost Causation Factors

Function	Rationale	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
Storage	Max Day		50%	50%	0%							100%
Pumping	Max Day		50%	50%	0%							100%
Pipelines	Avg. Max Day/Hour		34%	34%	33%							100%
Fire Hydrants	Max Hour		17%	17%	65%							100%
Treatment	Max Day		50%	50%	0%							100%
Administration	General										100%	100%
Meters	Meter						100%					100%
Equipment	Transmission & Distribution		16%	16%	62%		5%					100%
Wells	Max Day		50%	50%								100%
General	General										100%	100%
Non-potable	Non-potable								100%			100%

Table 4-10: Capital Cost Allocations

Capital Asset Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
Land	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Pump House Structures	Pumping	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Well Casings & Development	Wells	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Chlorinators	Treatment	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Pumping Equipment	Pumping	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Reservoirs & Tanks	Storage	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Transmission Mains	Pipelines	0%	34%	34%	33%	0%	0%	0%	0%	0%	0%	100%
Telemetering Equipment	Meters	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Meters & Meter Services	Meters	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Fire Hydrants	Fire Hydrants	0%	17%	17%	65%	0%	0%	0%	0%	0%	0%	100%
Buildings & Improvements	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Office Furniture & Equipment	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Vehicles & Equipment	Equipment	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
General Equipment	Equipment	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
Non-potable	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%

Capital Asset Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
Land	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,335,644	$7,335,644
Pump House Structures	Pumping	$0	$11,073	$11,073	$0	$0	$0	$0	$0	$0	$0	$22,146
Well Casings & Development	Wells	$0	$2,949,796	$2,949,796	$0	$0	$0	$0	$0	$0	$0	$5,899,592
Chlorinators	Treatment	$0	$49,845	$49,845	$0	$0	$0	$0	$0	$0	$0	$99,690
Pumping Equipment	Pumping	$0	$1,507,684	$1,507,684	$0	$0	$0	$0	$0	$0	$0	$3,015,367
Reservoirs & Tanks	Storage	$0	$7,711,401	$7,711,401	$0	$0	$0	$0	$0	$0	$0	$15,422,801
Transmission Mains	Pipelines	$0	$20,313,927	$20,313,927	$19,739,497	$0	$0	$0	$0	$0	$0	$60,367,351
Telemetering Equipment	Meters	$0	$0	$0	$0	$0	$7,824	$0	$0	$0	$0	$7,824
Meters & Meter Services	Meters	$0	$0	$0	$0	$0	$2,465,173	$0	$0	$0	$0	$2,465,173
Fire Hydrants	Fire Hydrants	$0	$4,252	$4,252	$16,074	$0	$0	$0	$0	$0	$0	$24,578
Buildings & Improvements	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13,137,511	$13,137,511
Office Furniture & Equipment	General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$359,422	$359,422
Vehicles & Equipment	Equipment	$0	$36,967	$36,967	$139,736	$0	$11,246	$0	$0	$0	$0	$224,916
General Equipment	Equipment	$0	$15,576	$15,576	$58,876	$0	$4,738	$0	$0	$0	$0	$94,766
Non-potable	Non-potable	$0	$0	$0	$0	$0	$0	$0	$5,709,304	$0	$0	$5,709,304
Total Capital Assets		**$0**	**$32,600,520**	**$32,600,520**	**$19,954,183**	**$0**	**$2,488,981**	**$0**	**$5,709,304**	**$0**	**$20,832,577**	**$114,186,087**
Capital Asset Allocation		***0%***	***29%***	***29%***	***17%***	***0%***	***2%***	***0%***	***5%***	***0%***	***18%***	***100%***

The goal of allocating the costs and asset values in Table 4-8 and Table 4-10 is to allocate the total O&M costs and capital assets to the different cost causation components. This results in a percent distribution shown in the last line each of Table 4-8 and Table 4-10. Table 4-11 summarizes those cost allocations in addition to defining the allocation of revenue offsets entirely to the Offset cost causation component.

Table 4-11: Cost Allocation Distribution Summary

Function	Rationale	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
O&M	O&M Expenses	21%	8%	8%	10%	9%	1%	3%	8%		33%	100%
Capital	Capital Assets		29%	29%	17%		2%		5%		18%	100%
Offset	Revenue Offsets									100%		100%

4.6. Unit Cost Causation Component Derivations

The goal is to proportionately distribute costs to each user class. To accomplish this, unit costs for each cost causation component are calculated. The first step in this process is to calculate the total number of service units demanded by each class for each cost causation component. This is shown in Table 4-12. The capacity or peaking factor for each customer class was derived in Table 4-3. The total equivalent meters are from Table 4-4, Table 4-5, and Table 4-6. The max day and hour capacities are calculated by multiplying the average daily use by the capacity factor for each class and tier. This results in the total capacity, with extra capacity calculated by subtracting the average daily use from the total capacity for either Max Day or Max Hour.

Table 4-12: Derivation of Cost Causation Component Units of Service

Customer Class	Monthly Tiers (ccf)	Percent in Tier	Annual Use (ccf)	Average Daily Use (ccf/day)	Max Day			Max Hour			Number of Equivalent Meters/Lines	Number of Customers
					Capacity Factor	Total Capacity (ccf/day)	Extra Capacity (ccf/day)	Capacity Factor	Total Capacity (ccf/day)	Extra Capacity (ccf/day)		
Single Family			**3,283,985**								24,359	17,913
Tier 1	16	42%	1,373,941	3,764	1.04	3,915	151	3.01	11,314	7,399		
Tier 2	34	29%	957,531	2,623	1.34	3,515	892	3.87	10,159	6,644		
Tier 3	34+	29%	952,514	2,610	2.41	6,289	3,680	6.96	18,176	11,887		
Multi-Family			139,056	381	1.72	655	274	4.97	1,894	1,238	401	163
Commercial/Industrial			466,805	1,279	1.61	2,058	779	4.65	5,948	3,890	1,894	561
Fire Service			102,242	280	2.04	572	292	5.90	1,652	1,081	279	168
Landscape Irrigation			84,948	233	1.83	426	194	5.29	1,232	806	410	56
Schedule Irrigation			20,914	57	1.83	105	48	5.29	303	198	468	87
Construction			122,380	335	2.04	684	349	5.90	1,978	1,293		
Non-Potable			812,360	2,226	1.71	3,798	1,572	4.93	10,976	7,178	1,945	303
Total			**5,032,691**	**13,788**		**22,018**	**6,658**		**52,656**	**34,436**	**29,755**	**19,252**

The calculation of public and private fire service capacity for fire service is shown in Table 4-13. Line 1 assumes the average fire lasts four hours. To fight that fire, fire services needs 5,000 gallons/minute (kgals/minute). Seventy-eight percent of the District's fire costs are allocated to Public Fire due to the public fire hydrant's share of total equivalent fire lines (Table 4-6, Line 11/(Line 6 + Line 11)). Max Day Capacity Demanded for Fire (Table 4-13, Line 4) is then determined by converting 5 kgals/minute to kgals/hour, then multiplying it by the four-hour duration of a typical fire. This is then converted to acre feet (AF). A similar calculation is done for the Max Hour capacity, multiplying the Max Day capacity by 24 hours less the capacity already allocated to Max Day. Public Fire is then allocated 78% each of those capacities.

Table 4-13: Calculation of Fire Service Capacity

Line No.	Fire Estimate	Max Day	Max Hour
1	**Hours for Fire**	4	
2	**Kgals/minute**	5	5
3	**Cost to Public Fire**	78%	78%
4	**Capacity Demanded for Fire (ccf)**	1,604	8,021
5	Public Fire	1,251	6,257
6	Private Fire	353	1,764
7	**Total Fire**	1,604	8,021
8	**Total Capacity**	8,262	42,457

Table 4-14 shows the cost causation component unit cost derivations. The operating revenue requirement shown in Table 4-1, Line 1 is allocated to the cost causation components using the resulting O&M allocation from Table 4-11. Similarly, the capital revenue requirement in Line 2 of Table 4-14 is allocated to the cost causation factors per Table 4-11. General costs in Line 5 of Table 4-14, which cannot be tied to a specific function, are redistributed in proportion to the resulting allocations of the other cost causation components, except Supply and Pumping. The revenue offsets are also distributed accordingly. A portion of Max Hour and Max Day costs are redistributed to the Meter component. Finally, a small portion of non-potable water costs are allocated back to Max Day and Max Hour as potable water customers benefit from the reduction in demand on their water sources resulting from a separate non-potable water service. Based on the Max Day and Max Hour fire demands, a portion of Max Day and Max Hour costs are allocated to Private Fire/Backflow based on its share of these costs. This was calculated based on the proportion of Private Fire Capacity to Total Capacity for Max Day and Max Hour needs.

Table 4-14: Unit Cost Calculation

Line No.	Cost Allocation	Supply	Base Delivery	Max Day	Max Hour	Private Fire/ Backflow	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
1	Operating Revenue Requirement	$3,003,392	$1,111,565	$1,111,565	$1,423,375		$1,345,759	$200,855	$371,001	$1,113,563	$0	$4,790,566	$14,471,642
2	Capital Revenue Requirement	$0	$85,851	$85,851	$52,548			$6,555	$0	$15,035	$0	$54,861	$300,700
3	Revenue Offsets	$0	$0	$0	$0			$0	$0	$0	($1,081,404)	$0	($1,081,404)
4	**Total Cost of Service**	**$3,003,392**	**$1,197,416**	**$1,197,416**	**$1,475,923**	**$0**	**$1,345,759**	**$207,410**	**$371,001**	**$1,128,598**	**($1,081,404)**	**$4,845,426**	**$13,690,939**
5	Allocation of General and Offset Costs		$808,048	$808,048	$995,992	$0	$0	$139,966	$250,362	$761,608	$1,081,404	($4,845,426)	$0
6	Allocation to Public Fire			($303,746)	($364,268)			$668,014					$0
7	Allocation to Private Fire			($85,655)	($102,721)	$188,376							$0
8	Allocation of Peak to Meter			($808,032)	($1,002,463)			$1,810,494					$0
9	Allocation of Non-potable			$44,630	$55,370					($100,000)			$0
10	**Total Adjusted Cost of Service**	**$3,003,392**	**$2,005,464**	**$852,662**	**$1,057,832**	**$188,376**	**$1,345,759**	**$2,825,884**	**$621,363**	**$1,790,205**	**$0**	**$0**	**$13,690,939**
11	**Unit of Service**	4,220,330	4,220,330	6,658	34,436	1,672	4,220,330	165,188	113,691	812,360			
12	Unit	ccf	ccf	ccf/day	ccf/day	equiv. line/yr	ccf	equiv. meter/yr	bills/yr	ccf			
13	**Unit Cost**	**$0.71**	**$0.48**	**$128.08**	**$30.72**	**$112.65**	**$0.32**	**$17.11**	**$5.47**	**$2.20**			
14	Unit	ccf	ccf	ccf/day	ccf/day	equiv.line/2-mo	ccf	equiv.meter/ 2-mo	per bi-monthly bill	ccf			

The total adjusted cost of service (Line 10) is divided by the relevant units of service in Line 11 (and from Table 4-12) to calculate the unit cost (Line 13 and Line 14). For example, the unit cost for the Base Delivery component is determined by dividing the total base delivery cost by total water use in ccf, while annual Customer costs are divided by the estimated number of bills in each year. These unit costs will next be used to distribute the cost causation components to the customer classes. Fire service units are from Table 4-6 and annualized by six bills per year.

4.7. Distribution of Cost Causation Components

The final step in the cost of service analysis is to distribute the cost causation components to the user classes using the unit costs derived in Table 4-14, thereby arriving at the cost to serve each customer class. Table 4-15 shows the cost allocation to each class. To derive the cost to serve each class, the unit costs from Table 4-14 are multiplied by the service units shown in Table 4-12 for each customer class and tier. For example, the supply costs for Tier 1 Single Family usage is calculated by multiplying the supply unit cost by that class' annual usage in Tier 1. Similarly, the Customer costs are derived by multiplying the Customer unit cost by the total number of bills by class in each year. Similar calculations yield the total cost to serve each user class, as shown in the last column of Table 4-15. The cost to serve each user class has now been calculated and rates that collect the cost to serve each class can be derived.

Table 4-15: Allocation of Costs to Customer Classes

Customer Class	Supply	Base Delivery	Max Day	Max Hour	Private Fire	Pumping	Meter	Customer	Non-Potable	Offset	Total COS
Single Family							$2,500,303	$587,423			$9,433,778
Tier 1	$977,763	$652,885	$19,284	$227,287		$438,116				$0	
Tier 2	$681,425	$455,010	$114,236	$204,095		$305,333					
Tier 3	$677,855	$452,626	$471,262	$365,142		$303,733					
Multi-Family	$98,959	$66,078	$35,165	$38,060		$44,342	$41,160	$5,345			$329,109
Commercial/Industrial	$332,201	$221,822	$99,784	$119,486		$148,853	$194,353	$18,396			$1,134,896
Fire Service	$72,761	$48,585	$37,345	$33,192	$188,376	$32,603		$5,509			$418,371
Landscape Irrigation	$60,453	$40,367	$24,783	$24,747		$27,088	$42,083	$1,836			$221,357
Schedule Irrigation	$14,883	$9,938	$6,101	$6,093		$6,669	$47,985	$2,853			$94,523
Construction	$87,091	$58,154	$44,701	$39,730		$39,024					$268,700
Non-Potable									$1,790,205		$1,790,205
Total Cost of Service	**$3,003,392**	**$2,005,464**	**$852,662**	**$1,057,832**	**$188,376**	**$1,345,759**	**$2,825,884**	**$621,363**	**$1,790,205**	**$0**	**$13,690,939**

5. Rate Design

This section includes the calculation of rates and the results of the study. It also includes bill impacts for different customer classes under the proposed rates. Rates and charges are designed for the study period, CY 2020 to CY 2024. CY 2020's rates and charges will be implemented in March 2020, with all subsequent rate adjustments occurring in January of each year.

5.1. Water Rate Development

5.1.1. DERIVATION OF THE PROPOSED BIMONTHLY FIXED CHARGE

Raftelis proposes that the District retain its schedule of a bimonthly fixed charges by meter size for most customer classes. Table 5-1 shows the derivation of the bimonthly fixed charge, which represents the Meter and Customer cost components determined in Table 4-14. This charge accounts for the fact that even when a customer does not use any water, the District incurs fixed costs related to maintaining the ability to serve each connection.

Meter Component

The meter component consists of costs to the District that vary based on meter size. It reflects the fact that larger meters have the potential to demand more capacity compared to smaller meters. The potential capacity demanded is proportional to the potential flow through each meter size as established by the AWWA hydraulic capacity ratios which are shown in the "Capacity Ratio" column of Table 5-1. The ratios show the potential flow through each meter size compared to the flow through a 5/8-inch meter. The Meter capacity component for larger meters is scaled up using the AWWA capacity ratios shown in the "AWWA Ratio" column. Allocating capacity costs by meter size is a common way to reliably recover the fixed cost of operating the utility.

Customer

The customer component recovers costs associated with meter reading, customer billing and collection as well as customer service costs. These costs are the same for all meter sizes as it costs the same to provide billing and customer services to a small meter as it does a larger meter.

The Meter and Customer components are combined to form the proposed charge by meter size. Table 5-1 also compares the proposed charges with the current charges in both dollars and percent.

Table 5-1: Derivation of the Bi-Monthly Fixed Charges

Bi-Monthly Service Charge	Capacity Ratio	Meter	Customer	Proposed Charge	Current Charge	Difference ($)	Difference (%)
5/8"	1.00	$17.11	$5.47	$22.58	$18.01	$4.57	25%
3/4"	1.50	$25.66	$5.47	$31.13	$27.02	$4.11	15%
1"	2.50	$42.77	$5.47	$48.24	$45.03	$3.21	7%
1 1/2"	5.00	$85.54	$5.47	$91.01	$90.06	$0.95	1%
2"	8.00	$136.86	$5.47	$142.33	$144.09	-$1.76	-1%
3"	17.50	$299.37	$5.47	$304.84	$288.18	$16.66	6%
4"	31.50	$538.87	$5.47	$544.34	$450.28	$94.06	21%
6"	65.00	$1,111.96	$5.47	$1,117.43	$900.55	$216.88	24%
8"	140.00	$2,394.99	$5.47	$2,400.46	$1,440.88	$959.58	67%
10"	210.00	$3,592.48	$5.47	$3,597.95	$2,071.27	$1,526.68	74%
12"	265.00	$4,533.37	$5.47	$4,538.84	$2,791.71	$1,747.13	63%

5.1.2. DERIVATION OF THE PROPOSED COMMODITY RATES

5.1.2.1. Unit Cost Definitions

The commodity rates for each class and tier are derived by summing of the unit rates ($/ccf) for:

1. Supply
2. Base Delivery
3. Peaking
4. Pumping

Supply

Supply costs are those related to the cost of purchasing and producing water. Table 5-2 lists the District's three different supply sources, their available supply, and the total cost associated with each. It then derives the per ccf unit cost.

Table 5-2: Water Supplies and Associated Cost

Water Supply Cost	Edgar Canyon	Unused Overlying	SGPWA	Total Potable
Available Supply (ccf)	577,398	753,800	2,889,133	4,220,330
Total COS	$0	$0	$3,003,392	$3,003,392
Unit Cost	$0.00	$0.00	$1.04	$0.71
Rank	1	2	3	

Since the District will be passing through the water supply cost to all customers, the average blended supply cost for all potable water shown in Table 5-2 is used for all potable customers, as shown in Table 5-3.

Table 5-3: Customer Class Water Supply Allocations

Line No.	Customer Class	Annual Use (ccf)	Edgar Canyon	Unused Overlying	SGPWA	Total Use (ccf)	Total Cost	Supply Unit Cost
1	**Single Family**	**3,283,985**	**449,293**	**586,557**	**2,248,134**	**3,283,985**	**$2,337,043**	**$0.71**
2	**Multi-Family**	139,056	19,025	24,837	95,195	139,056	$98,959	$0.71
3	**Commercial/Industrial**	466,805	63,865	83,377	319,563	466,805	$332,201	$0.71
4	**Fire Service**	102,242	13,988	18,262	69,993	102,242	$72,761	$0.71
5	**Landscape Irrigation**	84,948	11,622	15,173	58,153	84,948	$60,453	$0.71
6	**Schedule Irrigation**	20,914	2,861	3,735	14,317	20,914	$14,883	$0.71
7	**Construction**	122,380	16,743	21,858	83,778	122,380	$87,091	$0.71
8	**Total**	**4,220,330**	**577,398**	**753,800**	**2,889,133**	**4,220,330**	**$3,003,392**	**$0.71**

Base Delivery

Base Delivery costs are the operating and capital costs associated with delivering water to all customers at a constant average rate of use – also known as serving customers under average daily demand conditions. Therefore, the base delivery rate of $0.48 (Table 4-15) is spread over all units of water irrespective of customer class or tier.

Peaking

Peaking costs represent the cost of providing Max Day and Max Hour flow capacity to each customer class and are assessed based on total usage. Table 5-4 combines the Max Day and Max hour costs in Table 4-15 into Peaking Costs. These costs are divided by total annual use by class and tier to arrive at the Peaking unit cost for each.

Table 5-4: Peaking Unit Cost by Class and Tier

Customer Class	Annual Use (ccf)	Peaking Costs	Unit Cost
Single Family			
Tier 1	1,373,941	$246,572	$0.18
Tier 2	957,531	$318,331	$0.33
Tier 3	952,514	$836,404	$0.88
Multi-Family	139,056	73,225	$0.53
Commercial/Industrial	466,805	$219,271	$0.47
Fire Service	102,242	$70,538	$0.69
Landscape Irrigation	84,948	$49,530	$0.58
Schedule Irrigation	20,914	$12,194	$0.58
Construction	122,380	$84,431	$0.69

Pumping

Finally, the costs to pump water from the ground and to customers is allocated equally across all demand. The rate of $0.32 was derived in Table 4-14. Table 5-5 shows the proposed commodity rates, combining the four rate components for each customer class. As with the fixed charges, the proposed rates are compared to the current rates in both dollars and percentages.

Table 5-5: Derivation of the Commodity Rates ($/ccf)

Customer Class	Bi-Monthly Tiers	Supply	Base Delivery	Peaking	Pumping	Proposed Rate	Current Rate	Difference ($)	Difference (%)
Single Family									
Tier 1	16	$0.71	$0.48	$0.18	$0.32	$1.69	$1.75	-$0.06	-3%
Tier 2	34	$0.71	$0.48	$0.33	$0.32	$1.84	$1.75	$0.09	5%
Tier 3	34+	$0.71	$0.48	$0.88	$0.32	$2.39	$1.75	$0.64	37%
Multi-Family	Uniform	$0.71	$0.48	$0.53	$0.32	$2.04	$1.77	$0.27	15%
Commercial/Industrial		$0.71	$0.48	$0.47	$0.32	$1.98	$1.78	$0.20	11%
Fire Service		$0.71	$0.48	$0.69	$0.32	$2.20	$1.78	$0.42	24%
Landscape Irrigation		$0.71	$0.48	$0.58	$0.32	$2.09	$1.94	$0.15	8%
Schedule Irrigation		$0.71	$0.48	$0.58	$0.32	$2.09	$1.80	$0.29	16%
Construction		$0.71	$0.48	$0.69	$0.32	$2.20	$1.94	$0.26	13%
Non-Potable		$0.93	$0.72		$0.30	$1.95	$1.94	$0.01	1%

5.1.3. PROPOSED POTABLE WATER RATE SCHEDULE

The proposed rates derived in Table 5-1 and Table 5-5 are inflated annually by the proposed revenue adjustments shown in Table 3-19 and shown again below in Table 5-6. The resulting proposed rates for the study period are provided in Table 5-7 and Table 5-8.

Table 5-6: Proposed Rate Adjustments

CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
March	January	January	January	January
1.0%	7.0%	7.0%	7.0%	7.0%

Table 5-7: CY 2020-2024 Proposed Bimonthly Charges

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	$18.01	$22.58	$24.17	$25.87	$27.69	$29.63
3/4"	$27.02	$31.13	$33.31	$35.65	$38.15	$40.83
1"	$45.03	$48.24	$51.62	$55.24	$59.11	$63.25
1 1/2"	$90.06	$91.01	$97.39	$104.21	$111.51	$119.32
2"	$144.09	$142.33	$152.30	$162.97	$174.38	$186.59
3"	$288.18	$304.84	$326.18	$349.02	$373.46	$399.61
4"	$450.28	$544.34	$582.45	$623.23	$666.86	$713.55
6"	$900.55	$1,117.43	$1,195.66	$1,279.36	$1,368.92	$1,464.75
8"	$1,440.88	$2,400.46	$2,568.50	$2,748.30	$2,940.69	$3,146.54
10"	$2,071.27	$3,597.95	$3,849.81	$4,119.30	$4,407.66	$4,716.20
12"	$2,791.71	$4,538.84	$4,856.56	$5,196.52	$5,560.28	$5,949.50

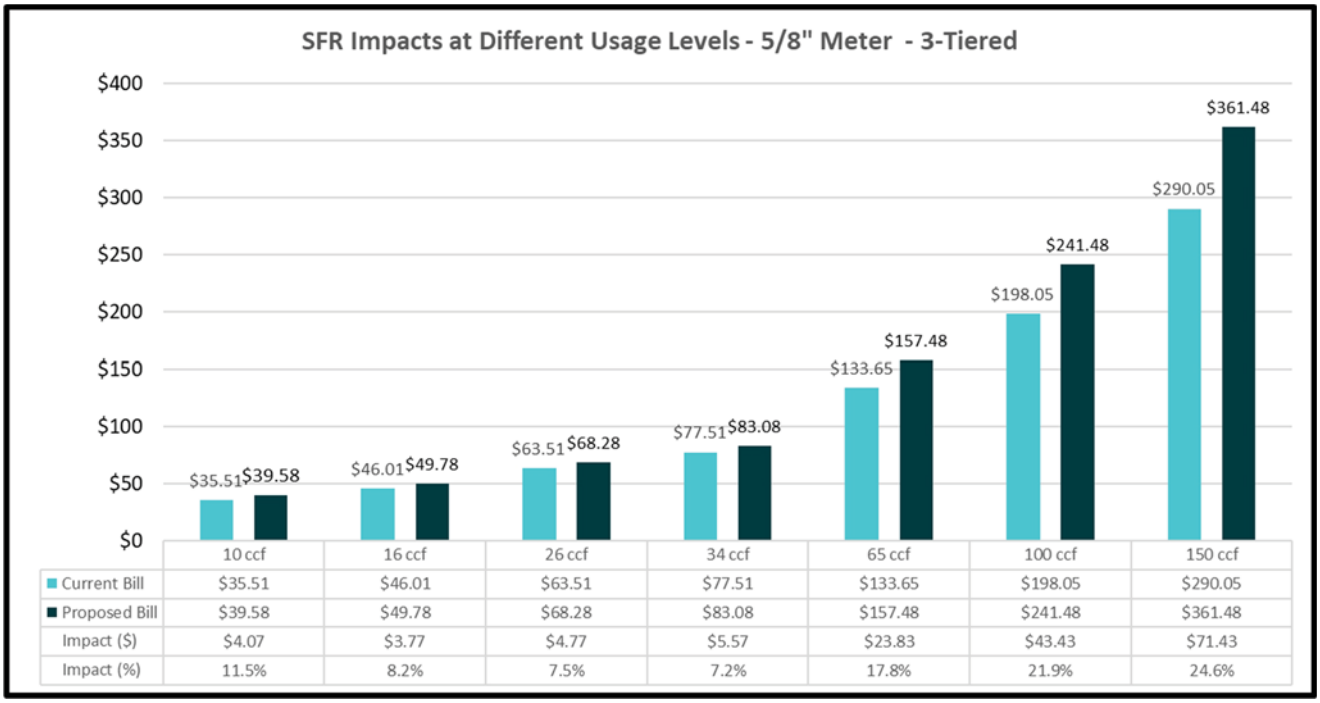
Table 5-8: CY 2020-2024 Proposed Commodity Rates

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	16	$0.66	$0.71	$0.76	$0.82	$0.88
Tier 2	34	$0.81	$0.87	$0.94	$1.01	$1.09
Tier 3	34+	$1.36	$1.46	$1.57	$1.68	$1.80
Multi-Family	Uniform	$1.01	$1.09	$1.17	$1.26	$1.35
Commercial/Industrial	Uniform	$0.95	$1.02	$1.10	$1.18	$1.27
Fire Service	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
Landscape Irrigation	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Schedule Irrigation	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Construction	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
State Project Water (SGPWA)		$0.72	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
SCE Power Charge (Pumping)		$0.32	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*

5.1.4. BILL IMPACTS

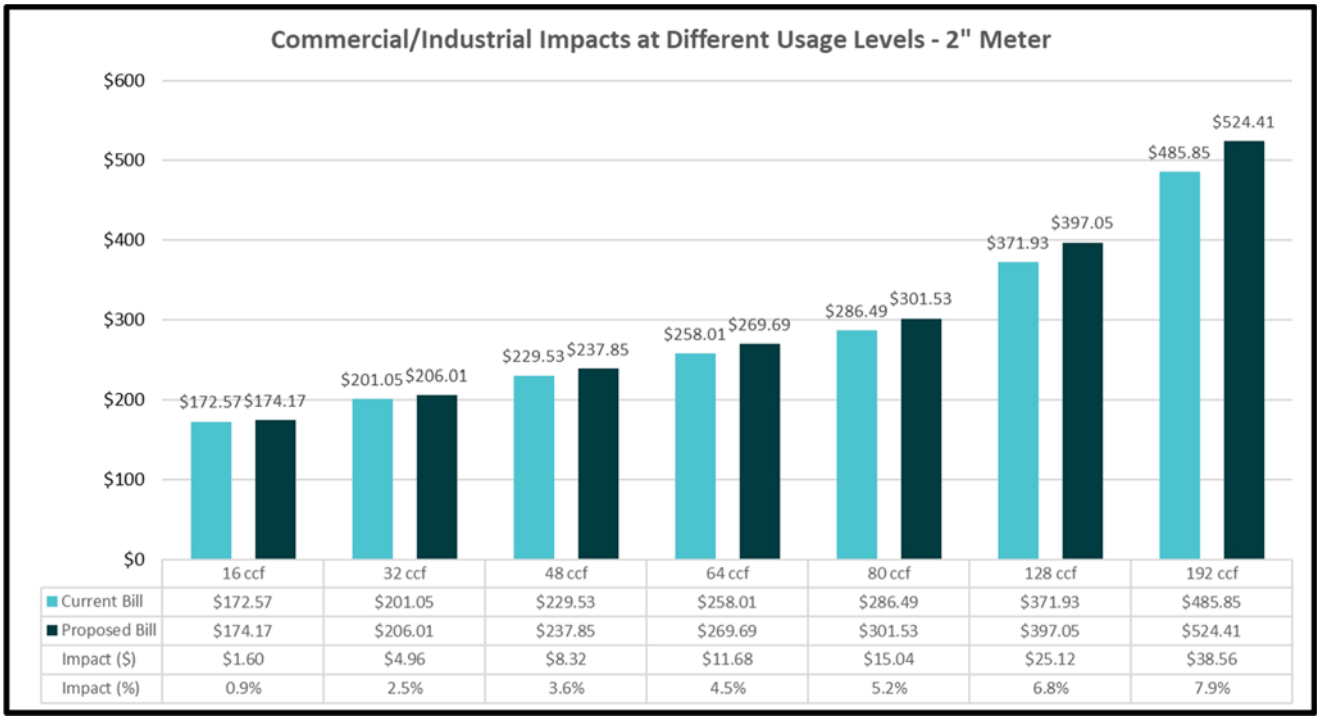
Figure 5-1 and Figure 5-2 compare the current rates (effective January 1, 2015) versus the proposed CY 2020 rates for two different customer classes. Figure 5-1 shows the impacts of the proposed rates on a hypothetical Single-Family Residential customer with a 5/8" meter at different usage levels. Figure 5-2 shows the impacts on a hypothetical Commercial or Industrial customer with a 2" meter and different levels of consumption.

Figure 5-1: Single-Family Residential Bill Impact Analysis



	10 ccf	16 ccf	26 ccf	34 ccf	65 ccf	100 ccf	150 ccf
Current Bill	$35.51	$46.01	$63.51	$77.51	$133.65	$198.05	$290.05
Proposed Bill	$39.58	$49.78	$68.28	$83.08	$157.48	$241.48	$361.48
Impact ($)	$4.07	$3.77	$4.77	$5.57	$23.83	$43.43	$71.43
Impact (%)	11.5%	8.2%	7.5%	7.2%	17.8%	21.9%	24.6%

Figure 5-2: Commercial/ Industrial Bill Impact Analysis



	16 ccf	32 ccf	48 ccf	64 ccf	80 ccf	128 ccf	192 ccf
Current Bill	$172.57	$201.05	$229.53	$258.01	$286.49	$371.93	$485.85
Proposed Bill	$174.17	$206.01	$237.85	$269.69	$301.53	$397.05	$524.41
Impact ($)	$1.60	$4.96	$8.32	$11.68	$15.04	$25.12	$38.56
Impact (%)	0.9%	2.5%	3.6%	4.5%	5.2%	6.8%	7.9%

5.2. Drought Rates

5.2.1. DROUGHT RATE BACKGROUND

Consistent with its water supply shortage response plan, the District can establish drought rates to:

1. Recover lost revenue due to decreased consumption during a drought
2. Encourage water conservation to meet the desired conservation goals for each drought stage.

Drought rates help send a conservation signal to maximize the probability that the District will meet its target use, escape penalties and meet its costs. Drought rates help the District recoup lost revenues when District customers curtail their water consumption during periods of drought.

In the event that the District activates its water supply drought rates, customers will be notified in advance. The District's drought rates would only be implemented by District Board action. Such action by the District is generally triggered by the declaration of a specific level of water shortage by the California Department of Water Resources (DWR).

Revenue Collection During a Drought

During a drought, the District's revenue requirement (costs) decreases along with revenue. However, the District's revenue decreases more than its costs. The majority of the District's costs are fixed (salaries, benefits, debt service, etc.) and since a portion of the fixed costs are collected through the variable commodity rates, the District suffers a net revenue loss with reduced sales. Drought rates are required to recover lost revenue to cover its fixed costs. The District's drought revenue requirement is lower than its non-drought revenue requirement because, as the District serves less water, it also purchases and treats less water, thereby saving the associated costs.

Customer Bills During a Drought

Provided that customers cutback their water use in line with the drought cutback goal, their total water bill should be lower than their bill during "normal" water/rainfall years. Conversely, those that do not cutback consumption will face higher charges.

5.2.2. POTABLE DROUGHT RATE CALCULATIONS

The first step in calculating drought rates is to estimate the cutback in potable water use from each customer class. Raftelis estimated the cutback in use by using District customer use data and estimating various percent cutbacks for each tier at each stage of reduction. Table 5-9 shows the estimated cutbacks, in percent and volume, for each class and tier. The resulting total cutback in ccf and percent for each drought level are shown on the last two rows of the table.

Table 5-9: Estimated Potable Demand Reductions

Customer Class	Normal Conditions	Reductions by Class (%)				Reductions by Class (ccf)			
		Stage 1	Stage 2	Stage 3	Stage 4	Stage 1	Stage 2	Stage 3	Stage 4
Single Family									
Tier 1 16 ccf	1,373,941	2%	4%	7%	10%	1,346,462	1,318,983	1,277,765	1,236,547
Tier 2 34 ccf	957,531	10%	25%	40%	50%	861,778	718,148	574,518	478,765
Tier 3 34+ ccf	952,514	25%	43%	56%	76%	714,385	542,933	419,106	228,603
Multi-Family	139,056	5%	10%	15%	20%	132,104	125,151	118,198	111,245
Commercial/Industrial	466,805	5%	10%	15%	20%	443,465	420,125	396,784	373,444
Fire Service	102,242	0%	0%	0%	0%	102,242	102,242	102,242	102,242
Landscape Irrigation	84,948	20%	40%	60%	75%	67,958	50,969	33,979	21,237
Schedule Irrigation	20,914	5%	10%	15%	20%	19,868	18,822	17,777	16,731
Construction	122,380	0%	20%	65%	80%	122,380	97,904	42,833	24,476
Total Potable Consumption	**4,220,330**					**3,810,642**	**3,395,277**	**2,983,203**	**2,593,291**
% Reduction						10%	20%	29%	39%

Table 5-10 shows the calculation of the drought rate for each stage. Line 3 shows the total revenue under the proposed non-drought commodity rates to generate the total revenue under each stage without the drought surcharge. Line 4 provides the revenue loss in each stage compared to under normal conditions. Line 8 calculates the cost to supply the total consumption at each stage. While the District loses revenue with each deduction, it also saves in in purchased water costs. These savings by stage are shown in Line 9. The Net Costs (Line 10) result from subtracting the cost savings from the revenue lost. This is the total additional revenue that the reduced demand must also generate in order to sustain revenues under normal conditions. Those net costs are then divided by the total consumption under each stage (Line 1) to arrive at the drought rate for each.

Table 5-10: Potable Drought Rate Calculation[6]

Line No.	Customer Class	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
1	**Total Potable Consumption**	**4,220,330 ccf**	**3,810,642 ccf**	**3,395,277 ccf**	**2,983,203 ccf**	**2,593,291 ccf**
2	% Reduction		10%	20%	29%	39%
3	Commodity Revenues	$8,283,298	$7,372,867	$6,478,216	$5,615,441	$4,759,249
4	**Revenue Loss**		**$910,431**	**$1,805,082**	**$2,667,857**	**$3,524,049**
5	Potable Sales, AF	9,689	8,748	7,794	6,848	5,953
6	% Losses	11.5%	11.5%	11.5%	11.5%	11.5%
7	Potable Purchases, AF	10,948	9,885	8,807	7,738	6,727
8	Purchase Costs	$3,003,392	$2,711,837	$2,416,243	$2,122,992	$1,845,511
9	Cost Savings		$291,554	$587,148	$880,400	$1,157,880
10	**Net Costs**		**$618,877**	**$1,217,934**	**$1,787,457**	**$2,366,169**
11	**Drought Rate**		**$0.17**	**$0.36**	**$0.60**	**$0.92**

Every single commodity rate will be increased by the drought rate shown above at each stage. For a reduction in use intermediate to the reductions shown the drought rate surcharge should be linearly prorated. For example, a 15% reduction would require a drought surcharge of $0.27 per ccf.

[6] The percent reduction in Line 2 is rounded to the nearest whole percent and the drought rate in Line 11 is rounded to the nearest penny.

Table 5-11 shows the CY 2020 rates for all classes and tiers with the drought surcharges from Table 5-11, Line 11 added for each stage.

Table 5-11: Potable Rate Schedule with Drought Rate Surcharges

Customer Class	Normal Conditions	Stage 1 10%	Stage 2 20%	Stage 3 30%	Stage 4 40%
Single Family					
Tier 1 16 ccf	$1.70	$1.87	$2.06	$2.30	$2.62
Tier 2 34 ccf	$1.85	$2.02	$2.21	$2.45	$2.77
Tier 3 34+ ccf	$2.40	$2.57	$2.76	$3.00	$3.32
Multi-Family	$2.05	$2.22	$2.41	$2.65	$2.97
Commercial/Industrial	$1.99	$2.16	$2.35	$2.59	$2.91
Fire Service	$2.21	$2.38	$2.57	$2.81	$3.13
Landscape Irrigation	$2.10	$2.27	$2.46	$2.70	$3.02
Schedule Irrigation	$2.10	$2.27	$2.46	$2.70	$3.02
Construction	$2.21	$2.38	$2.57	$2.81	$3.13

5.3. Non-potable Water Rate Development

Table 5-12 projects the non-potable water meters by meter size according to the inflation factors in Table 3-1. Non-potable water customers pay the same bimonthly meter service charges as potable water customers. Table 5-13 shows the calculation of the non-potable water commodity rate. The projected meters by meter size in CY 2020 are multiplied by their corresponding bimonthly meter charges in Table 5-7, then by six bimonthly bills per year to arrive at the total CY 2020 revenue from the bimonthly meter service charges (Line 2, Table 5-13). This is subtracted from the total revenue requirement (Line 1, Table 5-13) from Table 4-14, Line 10, to arrive at the total commodity rate revenue requirement (Line 3,Table 5-13). This then is divided by total non-potable water consumption (Line 4,Table 5-13) to arrive at the proposed CY 2020 rate in Line 5 (Table 5-13).

Table 5-12: Total Non-potable Water Accounts

Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Non-potable Water Meters						
5/8"	1	1	1	1	1	1
3/4"	0	0	0	0	0	0
1"	38	38	39	39	40	40
1 1/2"	87	88	89	90	91	92
2"	174	176	178	180	182	184
Total Non-potable Water Meters	**300**	**303**	**307**	**310**	**314**	**318**

Table 5-13: Non-potable Water Commodity Rate Calculation[7]

Line No.		CY 2020
1	Total Non-potable Water Revenue Requirement	$1,790,205
2	Total Revenue from Fixed Charges	$209,638
3	**Total Commodity Rate Revenue Requirement**	**$1,580,568**
4	Total Non-potable Water Consumption	812,360
5	**Proposed CY 2020 Non-potable Water Commodity Rate**	**$1.95**

This resulting rate is shown in Table 5-14 and divided into its three components: non-potable base, water supply, and power. Note that the operating costs increase with the purchase of recycled water in CY 2021 and beyond; however, the pass-through supply and pumping rates will decrease in CY 2021 and beyond.

Table 5-14: CY 2020 to CY 2024 Proposed Non-potable Water Commodity Rates

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Non-Potable	Uniform	$0.72	$0.96	$0.96	$0.98	$0.98
Non-potable Water Supply		$0.93	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
Non-potable Water Power		$0.31	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*

[7] Values are rounded

5.4. Fire Service

The bimonthly fire service charges consist of the Fire unit charge and the Customer unit charge (Table 4-14). As with the potable and non-potable customers, all fire line sizes are equally charged the Customer unit cost. The Fire component varies in cost based on the size of the fire line drawing water in an emergency. It is based on a 6" fire line with the Fire unit charge multiplied by the respective capacity ratio of the different fire line sizes. Table 5-15 then compares the proposed and current charges as with the previous charges.

Table 5-15: Derivation of Bimonthly Fire Service Charges

Bi-Monthly Fire Service Charge	Capacity Ratio	Fire	Customer	Proposed Charge	Current Charge	Difference ($)	Difference (%)
4"	0.34	$38.78	$5.47	$44.25	$51.82	-$7.57	-15%
6"	1.00	$112.65	$5.47	$118.12	$150.53	-$32.41	-22%
8"	2.13	$240.05	$5.47	$245.52	$320.79	-$75.27	-23%
10"	3.83	$431.70	$5.47	$437.17	$576.89	-$139.72	-24%
12"	6.19	$697.31	$5.47	$702.78	$931.84	-$229.06	-25%

The proposed Fire Service Charges are also escalated according to the rate adjustments in Table 5-6, resulting in the Fire Service Charge Schedule below.

Table 5-16: CY 2020 to 2024 Proposed Fire Service Charges

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	$51.82	$44.25	$47.35	$50.67	$54.22	$58.02
6"	$150.53	$118.12	$126.39	$135.24	$144.71	$154.84
8"	$320.79	$245.52	$262.71	$281.10	$300.78	$321.84
10"	$576.89	$437.17	$467.78	$500.53	$535.57	$573.06
12"	$931.84	$702.78	$751.98	$804.62	$860.95	$921.22

Fire Service customers also pay a commodity rate consisting of the Base Delivery ($0.48) and Peaking ($0.69) unit charges and resulting in the $1.17 CY 2020 rate, which is also escalated by the proposed rate adjustments through CY 2024. Additionally, the rate will recover the cost of supply and power.

Table 5-17: CY 2020 to CY 2024 Proposed Fire Service Commodity Rates

Customer Class	Monthly Tiers	March 2020	January 2021	January 2022	January 2023	January 2024
Fire Service	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
State Project Water (SGPWA)		$0.72	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*
SCE Power Charge (Pumping)		$0.32	*Pass-Through*	*Pass-Through*	*Pass-Through*	*Pass-Through*

PART 5 CHARGES

EXHIBIT B

5-1 SERVICE CHARGE: GENERAL PROVISIONS

5-1.1.1 DOMESTIC. For all metered domestic water service connections located within or outside the boundaries of the District, a bimonthly charge for water service will consist of a fixed meter charge (base rate or minimum bill) plus a charge for water used (commodity rate).

5-1.1.2 SCHEDULED IRRIGATION – A charge for distribution of scheduled irrigation water through permanently set meters, shall be adjusted from time to time on a schedule prepared by the Board.

5-1.1.3 DOMESTIC IRRIGATION – A charge for distribution of domestic irrigation water, will be determined as set forth in Part 13 of these regulations.

5-1.1.4 MULTIPLE RESIDENTIAL – Where a premises containing multiple residential housing units is served by one (1) meter or service connection, every living unit (dwelling unit) will be equal to two-thirds (2/3) of domestic service charge.

5-1.1.5 MULTIPLE COMMERCIAL – Where a premises containing multiple commercial units is served by one (1) meter or service connection, every two (2) commercial units will be equal to two-thirds (2/3) of the commercial service charge serving the property.

//

//

//

//

//

//

//

//

//

PAGE 5-2

5-1.2 FIXED WATER CHARGE

NOTE: Non-residential accounts that are billed on a monthly basis will be pro-rated at one-half of the Bi-Monthly fixed water charge.

BI-MONTHLY POTABLE AND NON-POTABLE METER SERVICE CHARGES:
Applicable to Domestic and Commercial services

Meter Size	Effective March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	$ 22.58	$ 24.17	$ 25.87	$ 27.69	$ 29.63
3/4"	$ 31.13	$ 33.31	$ 35.65	$ 38.15	$ 40.83
1"	$ 48.24	$ 51.62	$ 55.24	$ 59.11	$ 63.25
1-1/2"	$ 91.01	$ 97.39	$ 104.21	$ 111.51	$ 119.32
2"	$ 142.33	$ 152.30	$ 162.97	$ 174.38	$ 186.59
3"	$ 304.84	$ 326.18	$ 349.02	$ 373.46	$ 399.61
4"	$ 544.34	$ 582.45	$ 623.23	$ 666.86	$ 713.55
6"	$ 1,117.43	$ 1,195.66	$ 1,279.36	$ 1,368.92	$ 1,464.75
8"	$ 2,400.46	$ 2,568.50	$ 2,748.30	$ 2,940.69	$ 3,146.54
10"	$ 3,597.95	$ 3,849.81	$ 4,119.30	$ 4,407.66	$ 4,716.20
12"	$ 4,538.84	$ 4,856.56	$ 5,196.52	$ 5,560.28	$ 5,949.50

BI- MONTHLY PRIVATE FIRE SERVICE CHARGES:

Meter Size	Effective March 2020	January 2021	January 2022	January 2023	January 2024
4"	$ 44.25	$ 47.35	$ 50.67	$ 54.22	$ 58.02
6"	$ 118.12	$ 126.39	$ 135.24	$ 144.71	$ 154.84
8"	$ 245.52	$ 262.71	$ 281.10	$ 300.78	$ 321.84
10"	$ 437.17	$ 467.78	$ 500.53	$ 535.57	$ 573.06
12"	$ 702.78	$ 751.98	$ 804.62	$ 860.95	$ 921.22

NOTE:
Where fire flow exceeds the required flow rate for the duration set by the Fire Department, each development will pay their pro-rata share for extra fire protection storage equal to $0.05 per gallon per minute.

PAGE 5-3

5-1.2.1 GENERAL PROVISIONS – When service is started or discontinued during the month, the charge will be determined as follows:

1. Permanent Service Connection:
    a. For service connections started after the 1st day of the billing period, the service charge will be pro-rated.
    b. For service connections discontinued within the billing period, the service charge will based on the full billing periods of active service.
2. Temporary Service Connection – The charge will be pro-rated.

5-1.3 CHARGE FOR WATER USED (Quantitative Use):

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	0 - 16	$ 0.66	$ 0.71	$ 0.76	$ 0.82	$ 0.88
Tier 2	17 - 34	$ 0.81	$ 0.87	$ 0.94	$ 1.01	$ 1.09
Tier 3	34+	$ 1.36	$ 1.46	$ 1.57	$ 1.68	$ 1.80
Multi-Family	Uniform	$ 1.01	$ 1.09	$ 1.17	$ 1.26	$ 1.35
Commercial / Industrial	Uniform	$ 0.95	$ 1.02	$ 1.10	$ 1.18	$ 1.27
Fire Service	Uniform	$ 1.17	$ 1.26	$ 1.35	$ 1.45	$ 1.56
Landscape Irrigation	Uniform	$ 1.06	$ 1.14	$ 1.22	$ 1.31	$ 1.41
Schedule Irrigation	Uniform	$ 1.06	$ 1.14	$ 1.22	$ 1.31	$ 1.41
Construction	Uniform	$ 1.17	$ 1.26	$ 1.35	$ 1.45	$ 1.56
Non-Potable	Uniform	$ 0.72	$ 1.02	$ 1.04	$ 1.06	$ 1.07

5-1.3.1 ADJUSTMENT OF PASS-THROUGH CHARGES

SCE POWER CHARGE: To account for fluctuations in District costs to provide water service, the consumption based pass-through service charge may be adjusted as necessary by the District by an amount equal to any incremental adjustment imposed on the District for the cost of energy purchased from Southern California Edison (SCE) upon 30 days' notice. This is the cost of electricity to pump and deliver water to the consumer. It includes all SCE power charges for operation of pumps and wells in the water system. Beaumont-Cherry Valley Water District strives to operate during SCE Time of Use (off-peak and mid-peak) in order to maintain lower rates for the consumer.

IMPORTED WATER CHARGE: The pass-through charges for imported water may be adjusted as necessary by the District by an amount equal to any adjustments for the cost of water purchased from the San Gorgonio Pass Water Agency (SGPWA) upon 30 days' notice. Adjustments shall not increase or decrease by an amount that exceeds the cost of imported water.

5-1.4 DROUGHT SURCHARGES

In the event that the District activates water supply drought rates, customers will be notified in advance of the below surcharges. Drought rates are generally triggered by the declaration of a specific water shortage by the California Department of Water Resources, or alternatively, by the District's Board of Directors.

The Surcharge Rate below is additive to the current Commodity Rate, per unit of water, at the date of presentation. The Surcharge Rate in effect is dependent on the drought stage declared.

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	$0.17	$0.36	$0.60	$0.92

5-1.2.3 ESTIMATING WATER USAGE – Where a meter is damaged or is not operational, and the District is unable to accurately read the meter, the water usage will be determined on the basis of past meter readings or it will be estimated as described below.

1) An estimate of water delivered based upon the prior use during the same season of the year for the property or upon a reasonable comparison with the use of other consumers receiving the same class of service during the same period and under similar circumstances and conditions; or

2) The average meter reading for the four (4) preceding months adjusted for seasonal variation, if prior year reads for the same season are unavailable.

5-1.4 MINIMUM CLOSING BILL – The closing bill will be based upon charges applicable on the date service is discontinued. The service charge will be pro-rated based on the final date of service, along with all consumption related charges.

5-2 <u>WATER SERVICE INSTALLATION CHARGE</u> – The charges for the installation of a service connection at all locations are determined from time to time by the Board of Directors and a schedule of those charges are listed below:

METER SIZE	NON-TRACT (Short Side)	NON-TRACT (Long Side)	IN-TRACT
5/8" X 3/4"	$4,783	$8,213	$986
3/4"	$4,845	$8,159	$1,048
1"	$4,862	$8,292	$1,082
1-1/2"	$5,587	$9,503	$784
2"	$5,780	$9,580	$977

Larger than 2” meters will be billed on a time and material basis.

Tract installation are lower as water service has previously been installed by the developer.

The charge is for physical installation of meter, box, lateral, and appurtenances and is determined from time to time by the Board of Directors.

5-2.1 TURN-ON – There is no charge to turn on a service connection for which proper application has been made and approved if the turn-on can be made after 8:00 a.m. and before 3:30 p.m.

The charge for any authorized turn-on made after 3:30 p.m. and before 8:00 a.m. will be on a time and material basis.

The charge for an unauthorized turn-on will be on a time and material basis.

5-2.2 FIRE SERVICE INSTALLATION DEPOSIT:

Fire hydrant installation deposit:

Installation Deposit $10,000

Fire Service Installation deposit:

-	4” Fire Service	$8,930
-	6” Fire Service	$10,600
-	8” Fire Service	$15,900
-	10” Fire Service	$27,500
-	12” Fire Service	$31,300

Fire service installation will be installed by the District at the consumer’s request and shall be installed at a time and material basis. Additional billing and/or credits will be issued following installation and acceptance of the installation.

5-2 BACKFLOW ADMINISTRATIVE CHARGE – A service connection with a backflow preventive device installed is subject to a bi-monthly charge of $6.67, equivalent to $40 per year.

PAGE 5-6

5-5 FACILITIES CHARGE

5-5.1 SCHEDULES

5-5.1.1 SINGLE FAMILY RESIDENTIAL – Includes condominiums, townhouses and planned residential developments. The facilities fee is $10,122 per equivalent dwelling unit (EDU).

NOTE: Where fire flow exceeds gpm for a two-hour duration, each development will pay their pro-rata share for extra fire protection storage equal to $.05 per gallon per minute.

5-5.1.2 MULTIPLE FAMILY RESIDENTIAL PROPERTY – The cost is based on an equivalent dwelling unit (EDU), including apartments, duplexes and mobile home parks. Cost per EDU is $6,073.

5-5.1.3 COMMERCIAL PROPERTY – Commercial property shall be calculated on a case-by-case basis, comparing the projected water use by the commercial center, motels and hotels to that of an equivalent dwelling unit (EDU) (580 gallons per day per EDU).

5-5.1.4 INDUSTRIAL PROPERTY – Industrial facilities fees will be based on a case-by-case basis, comparing the projected water use by the industrial facility to that of an equivalent dwelling unit (EDU) (580 gallons per day per EDU).

NOTE: Facilities Fees for developments requiring fire flows greater than the baseline 1,000 gpm for a two-hour duration will be adjusted to account for additional storage required. The adjustment cost is based on the Master Plan fire flow and durations.

Supply			
Wells	$1,936	Transmission (=16”)	$1,568
Water Rights (SWP)	$1,225	Storage	$2,008
Water Treatment Plant	$921	Booster	$139
Local Water Resources	$485	Pressure Reducing Stations	$71
Recycled Water Facilities	$1,402	Miscellaneous Projects	$62
SUBTOTAL	**$5,969**	SUBTOTAL	**$9,818**
Financing Costs	$305		
Total with Financing Costs	**$10,122**		

5-5.1.5 FOR SCHEDULED IRRIGATION PROPERTY – Per meter:

METER SIZE	AMOUNT OF FEE
1 inch	$1,000.00
1-1/2 inch	2,000.00
2 inch	3,000.00

5-5.2 MISCELLANEOUS CHANGES, UPGRADES, DOWNGRADES AND ADDITIONAL UNITS:

5-5.2.2 SCHEDULED IRRIGATION METER EXCHANGE– Where a property or lot has been previously served by a scheduled irrigation meter, as defined in Part 13 of these Regulations, the property owner may exchange his 1" or 1 1/2" or 2" scheduled irrigation meter for a 5/8" domestic meter. The exchange shall occur without additional Facilities Fee requirements.

Installation and retirement costs. The applicant shall be responsible for water service installation charges per Section 5-2. Additionally, the applicant shall reimburse the District for labor and equipment costs associated with the retirement of the scheduled irrigation meter.

Additionally, applicant shall pay all costs for installation of 5/8" Domestic Meter and Service pursuant to section 5-2; Water Service Installation Charge.

5-5.2.3 DOWNGRADES – Where a meter is exchanged for a smaller meter, no facilities charge will be imposed and no refund or credit will be made or given.

5-5.2.4 ADDITION OF DWELLING/COMMERCIAL UNITS – Where additional dwelling or commercial units are created by the addition to or division or remodeling of any existing, free standing single family or multiple family residential structure or of any existing, free standing commercial or multiple commercial structure, a facilities charge shall be imposed on each such unit as per the schedules set forth above in subsection 5-5.1.2 and 5-5.1.4 as appropriate.

5-5.2.4.1 MULTIPLE FAMILY RESIDENTIAL RATE – The multiple family residential rate shall apply to the multiple dwelling units in each free standing multiple residential structure on a property; each additional free standing multiple family residential structure on that same property will require a separate meter and a facilities charge will be imposed on each dwelling unit therein per subsection 5-5.1.2 above.

PAGE 5-8

5-5.2.4.2 MULTIPLE COMMERCIAL PROPERTY RATE – The multiple commercial property rate shall apply to the commercial units in each freestanding commercial structure on a property; each additional free standing multiple commercial structure on that same property will require a separate meter, and a facilities charge will be imposed on each commercial unit therein per Subsection 5-5.1.4 above.

5-6 MISCELLANEOUS CHARGES:

5-6.1 RESTORATION OF SERVICE CHARGE – In all cases, a charge will be made for restoration of water service, the amount of which will be the actual costs incurred by the District.

5-6.2 METER TESTING – The following charges will be imposed for testing meters:

1)	In-house	5/8" to 1" meters	$ 30.00
		1 1/2" to 2" meters	200.00
2)	Outside	5/8" to 1" meters	$ 50.00
		1 1/2" to 2" meters	250.00

5-6.3 INSPECTION CHARGES:

5-6.3.1 AMOUNT – Inspection charges shall be based on the estimated cost of the actual inspection and shall be estimated by the District Engineer. All estimated inspection costs shall include an additional contingency deposit equal to 135% of the Engineers estimate.

5-6.3.2 DEPOSIT – The applicant shall deposit the estimated cost of the inspection prior to the start of construction. When the inspection charges exceed 75 percent of the deposit, the applicant shall make additional deposits as required, by the District prior to any additional inspection.

5-6.4.1.1REFUND – The District will refund any excess funds within 30 days of acceptance of the facilities by the District.

5-6.5 PLANNING:

5-6.4.1 DEPOSIT PLAN CHECK CHARGE – All deposits shall be in the amount of $5,000 for all sub-divisions.

PAGE 5-9

5-6.4.2 MAIN EXTENSION PLAN CHECK DEPOSIT – Where the Applicant is requesting service to a lot or lots that require Main Extension, the Districts General Manager shall estimate the deposit for planning, engineering and administration for Main Extensions to serve one or more lots.

5-6.4.2 PLAN CHECK CHARGE – The charge for reviewing and checking the drawings for a water main extension, as provided for in Subsection 8-3.6 is determined by actual costs incurred. Hours will be computed to the nearest one-half hour.

5-6.5 FRONT FOOTAGE FEES / REIMBURSEMENT AGREEMENT – Where a Reimbursement Agreement (or an agreement of like or similar kind) exists, the applicant shall pay the district the amount specified in the Reimbursement Agreement or as required in section 5-6.5.1.

5-6.5.1 RESIDENTIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no "Reimbursement Agreement" the applicant shall pay to the District the sum of $28.50 per foot for the pipeline crossing the frontage.

5-6.5.2 COMMERCIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no "Reimbursement Agreement" the applicant shall pay to the District the sum of $35.00 per foot for the pipeline crossing the frontage.

5-6.5.3 FRONT FOOTAGE FEES, CORNER LOT: Where a corner lot requesting water is not subject to a reimbursement Agreement, the fees will be equal to those set forth in the preceding Subsection for all frontages.

5-9 RELOCATION – The charge for the relocation of facilities other than a meter or permanent service connection is determined by the Board.

5-10 DEPOSIT AND CHARGES FOR RECYCLING/RECLAMATION STUDY – The applicant for new commercial/industrial service shall deposit $250.00 for engineering study to determine the feasibility of onsite recycling/reclamation as determined by the General Manager. If the actual study cost of such study as performed is more or less than said deposit, the applicant shall pay the difference upon receipt of an invoice therefore by the District or shall be given a credit against other charges, as appropriate.

5-11 PAYMENT – Any charges, as may be required, shall be paid prior to the District issuing a financial arrangements letter to any public or private agency, State of California, or prior to the District providing service, whichever comes first.

PAGE 5-10

5-12 CONSTRUCTION METER CHARGES AND DEPOSITS – The charges and deposits for construction water meter service is as follows:

Water Usage Rate:	(See Section 5-1.3)
Monthly Water Service Charge	$110
1” Construction Meter and Backflow Prepayment Deposit	$502
Lost or Stolen 1” Construction Meter Replacement Charge	$502

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter.

3” Construction Meter and Backflow Prepayment Deposit	$2,042
Lost or Stolen 3” Construction Meter Replacement Charge	$2,042

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter

Unauthorized Connection Charge $1,150.00 (Plus estimated water usage charged at the current construction water rate)

ATTACHMENT 2 - PART 5 REDLINE

REGULATIONS GOVERNING WATER SERVICE

PART 5 CHARGES

5-1 SERVICE CHARGE:

5-1.2 GENERAL PROVISIONS:

5-1.1.1 DOMESTIC – For all metered service connections located within or outside the boundaries of the District, a bimonthly charge for domestic water service will consist of a service charge (base rate or minimum bill) plus a charge for water used (commodity rate).

5-1.1.2 SCHEDULE IRRIGATION – A charge for distribution of scheduled irrigation water through permanently set meters, ~~transferable meters, sprinkler systems~~ shall be ~~determined~~ adjusted from time to time on a schedule prepared by the Board.

5-1.1.3 DOMESTIC IRRIGATION – A charge for distribution of domestic irrigation water ~~through established domestic service connection, or in some other fashion,~~ will be determined as set forth in Part 13 of these regulations.

5-1.1.4 MULTIPLE RESIDENTIAL – Where a premises containing multiple residential housing units is served by one (1) meter or service connection, every living unit (dwelling units) will be equal to two-thirds (2/3) of domestic service charge.

5-1.1.5 MULTIPLE COMMERCIAL – Where a premises containing multiple commercial units is served by one (1) meter or service connection, every two (2) commercial units will be equal to two-thirds (2/3) of commercial service charge.

5-1.2 FIXED WATER CHARGE

~~**DOMESTIC SERVICE CHARGE:**~~

~~Meter Size~~	~~Effective 7/1/2010~~	~~Effective 1/1/2011~~	~~Effective 1/1/2012~~	~~Effective 1/1/2013~~	~~Effective 1/1/2014~~	~~Effective 1/1/2015~~
~~5/8"~~	~~$15.00~~	~~$17.04~~	~~$18.01~~	~~$18.01~~	~~$18.01~~	~~$18.01~~
~~3/4"~~	~~$22.50~~	~~$25.56~~	~~$27.02~~	~~$27.02~~	~~$27.02~~	~~$27.02~~
~~1"~~	~~$37.50~~	~~$42.61~~	~~$45.03~~	~~$45.03~~	~~$45.03~~	~~$45.03~~
~~1-1/2"~~	~~$75.01~~	~~$85.21~~	~~$90.06~~	~~$90.06~~	~~$90.06~~	~~$90.06~~
~~2"~~	~~$120.01~~	~~$136.34~~	~~$144.09~~	~~$144.09~~	~~$144.09~~	~~$144.09~~
~~3"~~	~~$240.02~~	~~$272.67~~	~~$288.18~~	~~$288.18~~	~~$288.18~~	~~$288.18~~
~~4"~~	~~$375.03~~	~~$426.05~~	~~$450.28~~	~~$450.28~~	~~$450.28~~	~~$450.28~~
~~6"~~	~~$750.05~~	~~$852.10~~	~~$900.55~~	~~$900.55~~	~~$900.55~~	~~$900.55~~
~~8"~~	~~$1,200.08~~	~~$1,363.36~~	~~$1,440.88~~	~~$1,440.88~~	~~$1,440.88~~	~~$1,440.88~~
~~10"~~	~~$1,725.12~~	~~$1,959.83~~	~~$2,071.27~~	~~$2,071.27~~	~~$2,071.27~~	~~$2,071.27~~
~~12"~~	~~$2,325.16~~	~~$2,641.51~~	~~$2,791.71~~	~~$2,791.71~~	~~$2,791.71~~	~~$2,791.71~~

REGULATIONS GOVERNING WATER SERVICE

5-1.2 FIXED WATER CHARGE

NOTE: Non-residential accounts that are billed on a monthly basis will be pro-rated at one-half of the Bi-Monthly fixed water charge.

BI-MONTHLY POTABLE AND NON-POTABLE METER SERVICE CHARGES:
Applicable to Domestic and Commercial services

Meter Size	Effective March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	$ 22.58	$ 24.17	$ 25.87	$ 27.69	$ 29.63
3/4"	$ 31.13	$ 33.31	$ 35.65	$ 38.15	$ 40.83
1"	$ 48.24	$ 51.62	$ 55.24	$ 59.11	$ 63.25
1-1/2"	$ 91.01	$ 97.39	$ 104.21	$ 111.51	$ 119.32
2"	$ 142.33	$ 152.30	$ 162.97	$ 174.38	$ 186.59
3"	$ 304.84	$ 326.18	$ 349.02	$ 373.46	$ 399.61
4"	$ 544.34	$ 582.45	$ 623.23	$ 666.86	$ 713.55
6"	$ 1,117.43	$ 1,195.66	$ 1,279.36	$ 1,368.92	$ 1,464.75
8"	$ 2,400.46	$ 2,568.50	$ 2,748.30	$ 2,940.69	$ 3,146.54
10"	$ 3,597.95	$ 3,849.81	$ 4,119.30	$ 4,407.66	$ 4,716.20
12"	$ 4,538.84	$ 4,856.56	$ 5,196.52	$ 5,560.28	$ 5,949.50

BI- MONTHLY PRIVATE FIRE SERVICE CHARGES:

Meter Size	Effective March 2020	January 2021	January 2022	January 2023	January 2024
4"	$ 44.25	$ 47.35	$ 50.67	$ 54.22	$ 58.02
6"	$ 118.12	$ 126.39	$ 135.24	$ 144.71	$ 154.84
8"	$ 245.52	$ 262.71	$ 281.10	$ 300.78	$ 321.84
10"	$ 437.17	$ 467.78	$ 500.53	$ 535.57	$ 573.06
12"	$ 702.78	$ 751.98	$ 804.62	$ 860.95	$ 921.22

NOTE:
Where fire flow exceeds the required flow rate for the duration set by the Fire Department, each development will pay their pro-rata share for extra fire protection storage equal to $0.05 per gallon per minute.

~~**MULTIPLE RESIDENTIAL SERVICE CHARGE:**~~

~~Charge to be determined as set forth in 5-1.1.4 above or by meter size, whichever is greater.~~

COMMERCIAL SERVICE CHARGE:

Meter Size	Effective 7/1/2010	Effective 1/1/2011	Effective 1/1/2012	Effective 1/1/2013	Effective 1/1/2014	Effective 1/1/2015
5/8"	$15.00	$17.04	$18.01	$18.01	$18.01	$18.01
3/4"	$22.50	$25.56	$27.02	$27.02	$27.02	$27.02
1"	$37.50	$42.61	$45.03	$45.03	$45.03	$45.03
1-1/2"	$75.01	$85.21	$90.06	$90.06	$90.06	$90.06
2"	$120.01	$136.34	$144.09	$144.09	$144.09	$144.09
3"	$240.02	$272.67	$288.18	$288.18	$288.18	$288.18
4"	$375.03	$426.05	$450.28	$450.28	$450.28	$450.28
6"	$750.05	$852.10	$900.55	$900.55	$900.55	$900.55
8"	$1,200.08	$1,363.36	$1,440.88	$1,440.88	$1,440.88	$1,440.88
10"	$1,725.12	$1,959.83	$2,071.27	$2,071.27	$2,071.27	$2,071.27
12"	$2,325.16	$2,641.51	$2,791.71	$2,791.71	$2,791.71	$2,791.71

MULTIPLE COMMERCIAL SERVICE CHARGE:

Charge to be determined as set forth in 5-1.1.5 above or by meter size, whichever is greater.

OUTSIDE SERVICE CHARGE:

1)	5/8"	$24.00
2)	3/4"	$34.50
3)	1"	$56.00
4)	1 1/2"	$108.00
5)	2"	$170.00
6)	3"	$316.00
7)	4"	$524.00
8)	6"	$1044.00
9)	8"	$1,668.00
10)	10"	$2,396.00
11)	12"	$4,476.00

~~PAGE 5-3~~

~~PRIVATE FIRE SERVICE CHARGES:~~

~~Meter Size~~	~~Effective 7/1/10~~	~~Effective 1/1/11~~	~~Effective 1/1/12~~	~~Effective 1/1/13~~	~~Effective 1/1/14~~	~~Effective 1/1/15~~
~~4"~~	~~$42.59~~	~~$44.30~~	~~$46.07~~	~~$47.91~~	~~$49.83~~	~~$51.82~~
~~6"~~	~~$123.73~~	~~$128.68~~	~~$133.82~~	~~$139.18~~	~~$144.74~~	~~$150.53~~
~~8"~~	~~$263.67~~	~~$274.21~~	~~$285.18~~	~~$296.59~~	~~$308.45~~	~~$320.79~~
~~10"~~	~~$474.16~~	~~$493.13~~	~~$512.85~~	~~$533.37~~	~~$554.70~~	~~$576.89~~
~~12"~~	~~$765.90~~	~~$796.54~~	~~$828.40~~	~~$861.54~~	~~$896.00~~	~~$931.84~~

5-1.2.1 GENERAL PROVISIONS – When service is started or discontinued during the month, the charge will be determined as follows:

1) Permanent Service Connection:
   a) For service connections started after the 1st day of the billing period, the service charge will be pro-rated.
   b) For service connections discontinued within the billing period, the service charge will be ~~pro-rated~~ based on the full billing periods of active service.
2) Temporary Service Connection – The charge ~~shall be determined on a schedule prepared by the Board~~ will be pro-rated.

5-1.3 CHARGE FOR WATER USED (Quantitative Use):

~~Description~~	~~Effective 7/1/10~~	~~Effective 1/1/11~~	~~Effective 1/1/12~~	~~Effective 1/1/13~~	~~Effective 1/1/14~~	~~Effective 1/1/15~~
~~Domestic (Single-Family Residential)~~						
~~Block 1 Rate (0-44 ccf)~~	~~$0.80~~	~~$0.91~~	~~$0.96~~	~~$0.96~~	~~$0.96~~	~~$0.96~~
~~Block 2 Rate (45+ ccf)~~	~~$0.88~~	~~$1.00~~	~~$1.05~~	~~$1.05~~	~~$1.05~~	~~$1.05~~
~~Multi-Family Residential~~						
~~Block 1 Rate (0-35 ccf)~~	~~$0.80~~	~~$0.91~~	~~$0.96~~	~~$0.96~~	~~$0.96~~	~~$0.96~~
~~Block 2 Rate (36+ ccf)~~	~~$0.82~~	~~$0.93~~	~~$0.98~~	~~$0.98~~	~~$0.98~~	~~$0.98~~
~~Commercial/Fire Service~~	~~$0.82~~	~~$0.94~~	~~$0.99~~	~~$0.99~~	~~$0.99~~	~~$0.99~~
~~Multiple Commercial~~	~~$0.82~~	~~$0.94~~	~~$0.99~~	~~$0.99~~	~~$0.99~~	~~$0.99~~
~~Landscape~~	~~$0.96~~	~~$1.09~~	~~$1.15~~	~~$1.15~~	~~$1.15~~	~~$1.15~~
~~Schedule Irrigation~~	~~$0.84~~	~~$0.96~~	~~$1.01~~	~~$1.01~~	~~$1.01~~	~~$1.01~~
~~Construction~~	~~$0.96~~	~~$1.09~~	~~$1.15~~	~~$1.15~~	~~$1.15~~	~~$1.15~~

Commodity Rates

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	0 - 16	$ 0.66	$ 0.71	$ 0.76	$ 0.82	$ 0.88
Tier 2	17 - 34	$ 0.81	$ 0.87	$ 0.94	$ 1.01	$ 1.09
Tier 3	34	$ 1.36	$ 1.46	$ 1.57	$ 1.68	$ 1.80
Multi-Family	Uniform	$ 1.01	$ 1.09	$ 1.17	$ 1.26	$ 1.35
Commercial / Industrial	Uniform	$ 0.95	$ 1.02	$ 1.10	$ 1.18	$ 1.27
Fire Service	Uniform	$ 1.17	$ 1.26	$ 1.35	$ 1.45	$ 1.56
Landscape Irrigation	Uniform	$ 1.06	$ 1.14	$ 1.22	$ 1.31	$ 1.41

~~**5-1.3.1 SCE POWER CHARGE** – Is the cost of electricity to pump and deliver water to the end user (home owner/water user). It includes all SCE charges for operation of pumps and wells in the water system. Beaumont Cherry Valley Water District uses SCE Time of Use (off peak) rates to limit the cost to the water user.~~

5-1.3.1 ADJUSTMENT OF PASS-THROUGH CHARGES

SCE POWER CHARGE: To account for fluctuations in District costs to provide water service, the consumption based pass-through service charge may be adjusted as necessary by the District by an amount equal to any incremental adjustment imposed on the District for the cost of energy purchased from Southern California Edison (SCE) upon 30 days' notice. This is the cost of electricity to pump and deliver water to the consumer. It includes all SCE power charges for operation of pumps and wells in the water system. Beaumont-Cherry Valley Water District strives to operate during SCE Time of Use (off-peak and mid-peak) in order to maintain lower rates for the consumer.

IMPORTED WATER CHARGE: The pass-through charges for imported water may be adjusted as necessary by the District by an amount equal to any adjustments for the cost of water purchased from the San Gorgonio Pass Water Agency (SGPWA) upon 30 days' notice. Adjustments shall not increase or decrease by an amount that exceeds the cost of imported water.

~~**5-1.3.2 State Project Water** – The cost to the end user (Rate Payer) for imported water supplies to offset existing groundwater overdraft not to exceed the actual State Water Project Water costs incurred by the District. **NOTE:** Groundwater Overdraft occurs when more water is pumped out of the groundwater system than that that is naturally replaced.~~

5-1.4 DROUGHT SURCHARGES

In the event that the District activates water supply drought rates, customers will be notified in advance of the below surcharges. Drought rates are generally triggered by the declaration of a specific water shortage by the California Department of Water Resources, or alternatively, by the District's Board of Directors.

The Surcharge Rate below is additive to the current Commodity Rate, per unit of water, at the date of presentation. The Surcharge Rate in effect is dependent on the drought stage declared.

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	$0.17	$0.36	$0.60	$0.92

5-1.2.3 ESTIMATING WATER USAGE – ~~Where the District is unable to read a meter, if meter is damaged or is not operational, the water usage will be determined on the basis of past bi-monthly meter readings or it will be estimated as described below.~~

~~1) The average meter reading for the four (4) preceding months; or~~

~~2) An estimate of water delivered based either upon the consumer's prior use during the same season of the year or upon a reasonable comparison with the use of other consumers receiving the same class of service during the same period and under similar circumstances and conditions.~~

5-1.2.3 ESTIMATING WATER USAGE – Where a meter is damaged or is not operational, and the District is unable to accurately read the meter, the water usage will be determined on the basis of past meter readings or it will be estimated as described below.

1) An estimate of water delivered based upon the prior use during the same season of the year for the property or upon a reasonable comparison with the use of other consumers receiving the same class of service during the same period and under similar circumstances and conditions; or

2) The average meter reading for the four (4) preceding months adjusted for seasonal variation, if prior year reads for the same season are unavailable.

REGULATIONS GOVERNING WATER SERVICE

5-1.4 MINIMUM CLOSING BILL – ~~The closing bill will be based upon charges applicable on the date service is discontinued.~~ The closing bill will be based upon charges applicable on the date service is discontinued. The service charge will be pro-rated based on the final date of service, along with all consumption related charges.

5-2 WATER SERVICE INSTALLATION CHARGE – The charges for the installation of a service connection at all locations are determined from time to time by the Board of Directors and a schedule of those charges are listed below:

METER SIZE	NON-TRACT (Short Side)	NON-TRACT (Long Side)	IN-TRACT
5/8″ X 3/4″	$4,783	$8,213	$986
3/4″	$4,845	$8,159	$1,048
1″	$4,862	$8,292	$1,082
1-1/2″	$5,587	$9,503	$784
2″	$5,780	$9,580	$977

Larger than 2” meters will be billed on a time and material basis.

Tract installation are lower as water service has previously been installed by the developer.

The charge is for physical installation of meter, box, lateral, and appurtenances and is determined from time to time by the Board of Directors.

5-2.1 TURN-ON – There is no charge to turn on a service connection for which proper application has been made and approved if the turn-on can be made after 8:00 a.m. and before 3:30 p.m.

The charge for any authorized turn-on made after 3:30 p.m. and before 8:00 a.m. will be on a time and material basis.

The charge for an unauthorized turn-on will be on a time and material basis.

5-2.2 FIRE SERVICE INSTALLATION DEPOSIT:

Fire hydrant installation deposit:

- Installation Deposit $10,000 (No Change)

Fire Service Installation deposit:

-	4″ Fire Service	$8,930
-	6″ Fire Service	$10,600
-	8″ Fire Service	$15,900
-	10″ Fire Service	$27,500
-	12″ Fire Service	$31,300

Fire service installation will be installed by the District at the consumer's request and shall be installed at a time and material basis. Additional billing and/or credits will be issued following installation and acceptance of the installation.

5-2 BACKFLOW ADMINISTRATIVE CHARGE – A service connection with a backflow preventive device installed is subject to a bi-monthly charge of $6.67, equivalent to $40 per year.

5-5 FACILITIES CHARGE:

5-5.1 SCHEDULES

5-5.1.1 SINGLE FAMILY RESIDENTIAL – Includes condominiums, townhouses and planned residential developments. The facilities fee is $10,122 per equivalent dwelling unit (EDU).

NOTE: Where fire flow exceeds gpm for a two-hour duration, each development will pay their pro-rata share for extra fire protection storage equal to $.05 per gallon per minute.

5-5.1.2 MULTIPLE FAMILY RESIDENTIAL PROPERTY – The cost is based on an equivalent dwelling unit (EDU), including apartments, duplexes and mobile home parks. Cost per EDU is $6,073.

5-5.1.3 COMMERCIAL PROPERTY – Commercial property shall be calculated on a caseby-case basis, comparing the projected water use by the commercial center, motels and hotels to that of an equivalent dwelling unit (ED) (580 gallons per day per EDU).

5-5.1.4 INDUSTRIAL PROPERTY – Industrial facilities fees will be based on a case-by-case basis, comparing the projected water use by the industrial facility to that of an equivalent dwelling unit (EDU) (580 gallons per day per EDU).

NOTE: Facilities Fees for developments requiring fire flows greater than the baseline 1,000 gpm for a two-hour duration will be adjusted to account for additional storage required. The adjustment cost is based on the Master Plan fire flow and durations.

Supply	
Wells	$1,936
Water Rights (SWP)	$1,225
Water Treatment Plant	$921
Local Water Resources	$485
Recycled Water Facilities	$1,402
	$5,969
Transmission (=16")	**$1,568**
Storage	**$2,008**
Booster	**$139**
Pressure Reducing Stations	**$71**
Miscellaneous Projects	**$62**
	$9,818
Financing Costs	**$305**
Total with Financing Costs	**$10,122**

5-5.1.5 FOR SCHEDULED IRRIGATION PROPERTY – Per meter:

METER SIZE	AMOUNT OF FEE
1 inch	$1,000.00
1-1/2 inch	2,000.00
2 inch	3,000.00

5-5.2 MISCELLANEOUS CHANGES, UPGRADES, DOWNGRADES AND ADDITIONAL UNITS:

5-5.2.2 SCHEDULED IRRIGATION METER EXCHANGE– Where a property or lot has been previously served by a scheduled irrigation meter, as defined in Part 13 of these Regulations, the property owner may exchange his 1" or 1 1/2" or 2" scheduled irrigation meter for a 5/8" domestic meter. The exchange shall occur without additional Facilities Fee requirements.

Installation and retirement costs. The applicant shall be responsible for water service installation charges per Section 5-2. Additionally, the applicant shall reimburse the District for labor and equipment costs associated with the retirement of the scheduled irrigation meter.

Additionally, applicant shall pay all costs for installation of 5/8" Domestic Meter and Service pursuant to section 5-2; Water Service Installation Charge.

5-5.2.3 DOWNGRADES – Where a meter is exchanged for a smaller meter, no facilities charge will be imposed and no refund or credit will be made or given.

5-5.2.4 ADDITION OF DWELLING/COMMERCIAL UNITS – Where additional dwelling or commercial units are created by the addition to or division or remodeling of any existing, free standing single family or multiple family residential structure or of any existing, free standing commercial or multiple commercial structure, a facilities charge shall be imposed on each such unit as per the schedules set forth above in subsection 5-5.1.2 and 5-5.1.4 as appropriate.

5-5.2.4.1 MULTIPLE FAMILY RESIDENTIAL RATE – The multiple family residential rate shall apply to the multiple dwelling units in each free standing multiple residential structure on a property; each additional free standing multiple family residential structure on that same property will require a separate meter and a facilities charge will be imposed on each dwelling unit therein per subsection 5-
5.1.2 above.

5-5.2.4.2 MULTIPLE COMMERCIAL PROPERTY RATE – The multiple commercial property rate shall apply to the commercial units in each freestanding commercial structure on a property; each additional free standing multiple commercial structure on that same property will require a separate meter, and a facilities charge will be imposed on each commercial unit therein per Subsection 5-
5.1.4 above.

5-6 MISCELLANEOUS CHARGES:

5-6.1 RESTORATION OF SERVICE CHARGE – In all cases, a charge will be made for restoration of water service, the amount of which will be the actual costs incurred by the District.

5-6.2 METER TESTING – The following charges will be imposed for testing meters:

1)	In-house	5/8" to 1" meters	$ 30.00
		1 1/2" to 2" meters	200.00
2)	Outside	5/8" to 1" meters	$ 50.00
		1 1/2" to 2" meters	250.00

5-6.3 INSPECTION CHARGES:

5-6.3.1 AMOUNT – Inspection charges shall be based on the estimated cost of the actual inspection and shall be estimated by the District Engineer. All estimated inspection costs shall include an additional contingency deposit equal to 135% of the Engineers estimate.

5-6.3.2 DEPOSIT – The applicant shall deposit the estimated cost of the

inspection prior to the start of construction. When the inspection charges exceed 75
percent of the deposit, the applicant shall make additional deposits as required, by the District prior to any additional inspection.

5-6.4.1.1 REFUND – The District will refund any excess funds within 30 days of acceptance of the facilities by the District.

5-6.5 PLANNING:

5-6.4.1 DEPOSIT PLAN CHECK CHARGE – All deposits shall be in the amount of $5,000 for all sub-divisions.

5-6.4.2 MAIN EXTENSION PLAN CHECK DEPOSIT – Where the Applicant is requesting service to a lot or lots that require Main Extension, the Districts General Manager shall estimate the deposit for planning, engineering and administration for Main Extensions to serve one or more lots.

5-6.4.2 PLAN CHECK CHARGE – The charge for reviewing and checking the drawings for a water main extension, as provided for in Subsection 8-3.6 is determined by actual costs incurred. Hours will be computed to the nearest one-half hour.

5-6.5 FRONT FOOTAGE FEES/REIMBURSEMENT AGREEMENT – Where a Reimbursement Agreement (or an agreement of like or similar kind) exists, the applicant shall pay the district the amount specified in the Reimbursement Agreement or as required in section 5-6.5.1.

5-6.5.1 RESIDENTIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no "Reimbursement Agreement" the applicant shall pay to the District the sum of $28.50 per foot for the pipeline crossing the frontage.

5-6.5.2 COMMERCIAL SERVICE NO REIMBURSEMENT AGREEMENT – Where there is no "Reimbursement Agreement" the applicant shall pay to the District the sum of $35.00 per foot for the pipeline crossing the frontage.

5-6.5.3 FRONT FOOTAGE FEES, CORNER LOT: Where a corner lot requesting water is not subject to a reimbursement Agreement, the fees will be equal to those set forth in the preceding Subsection for all frontages.

5-9 RELOCATION – The charge for the relocation of facilities other than a meter or permanent service connection is determined by the Board.

5-10 DEPOSIT AND CHARGES FOR RECYCLING/RECLAMATION STUDY – The applicant for new commercial/industrial service shall deposit $250.00 for engineering study to determine the feasibility of onsite recycling/reclamation as determined by the General Manager. If the actual study cost of such study as performed is more or less than said deposit, the applicant shall pay the difference upon receipt of an invoice therefore by the District or shall be given a

credit against other charges, as appropriate.

5-11 PAYMENT – Any charges, as may be required, shall be paid prior to the District issuing a financial arrangements letter to any public or private agency, State of California, or prior to the District providing service, whichever comes first.

5-12 CONSTRUCTION METER CHARGES AND DEPOSITS – The charges and deposits for construction water meter service is as follows:

Water Usage Rate:	See Section 5-1.3
Monthly Water Service Charge:	$110.00
1″ Construction Meter and Backflow Pre-Payment Deposit	$502.00
Lost or stolen 1″ construction meters replacement charge:	$502.00

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter

3″ Construction Meter and Backflow Pre-Payment Deposit	$2,042.00
Lost or stolen 3″ construction meters replacement charge:	$2,042.00

Repairs to damaged construction meters and back flow devices will be charged at prevailing time and material rates to repair the meter

Unauthorized Connection Charge	$1,150.00

(Plus estimated water usage charged at the current construction water rate)

ATTACHMENT 3 - TO BE RESCINDED

RESOLUTION 2010-09

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
AMENDING PART 5 OF THE DISTRICT'S
RULES AND REGULATIONS GOVERNING WATER SERVICE
RATES, FEES AND CHARGES**

WHEREAS, the Board of Directors of the Beaumont-Cherry Valley Water District held a public hearing tonight for the purpose of considering the adoption of increased rates, fees and charges;

WHEREAS, the Board of Directors of the Beaumont Cherry Valley Water District has carefully reviewed the Water Rate Study prepared and submitted by Willdan Financial Services dated May 13, 2010 which is attached hereto marked Exhibit "A"; and

WHEREAS, the Board of Directors of the Beaumont-Cherry Valley Water District has carefully reviewed and considered the proposed rate increases as set forth in the proposed amendments to the District's Rules and Regulations which are set forth in the attachment hereto marked Exhibit "B"; and

WHEREAS, the Board of Directors and Staff of the Beaumont-Cherry Valley Water District have determined that written protests submitted do not constitute a majority of affected Customers and Property Owners within the District.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Beaumont-Cherry Valley Water District does hereby adopt the following:

1. **RESOLVED**, that the recommendations set forth in the Rate Study prepared and submitted by Willdan Financial Services, dated May 13, 2010 which is attached hereto and made a part of this Resolution marked Exhibit "A", is hereby accepted and approved; and

2. **RESOLVED**, that Part 5 of Beaumont-Cherry Valley Water District's Rules and Regulations as set forth in Exhibit "B" to this Resolution and made a part of this Resolution and the rates, fees and charges set forth therein are hereby adopted effective June 30, 2010.

ADOPTED, SIGNED AND APPROVED, this 30th day of June of 2010 by the following votes:

AYES: Parks, Ross, Halliwill and Woll

NOES: None

ABSENT: Ball

ABSTAIN: None

Dr. Blair Ball

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

(SEAL)

ATTEST:

Ryan Woll, Secretary to the
Board of Directors of the
Beaumont Cherry Valley Water District

NOTICE of PUBLIC HEARING

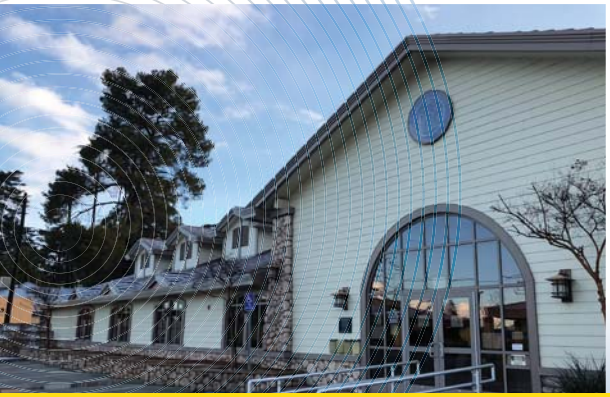
Si gustaría obtener esta información en español, por favor visite ***www.bcvwd.org.***

PUBLIC HEARING

THURSDAY
February 27, 2020
6:00 p.m.

Beaumont-Cherry Valley Water District

560 Magnolia Avenue
Beaumont, CA 92223



Concerning Proposed Changes To Water, Fire and Non-Potable (Recycled) Water Rates and Service Charges

NOTICE IS HEREBY GIVEN that the Beaumont-Cherry Valley Water District (BCVWD) is considering a water rate and service charge increase. You are receiving this Notice because our records indicate that you are a water customer and/or owner of a property within the Beaumont-Cherry Valley Water District. This Notice describes the proposed increase and explains how you can participate in the rate setting process.

If adopted, the increased rates will become effective on all rates and charges on any bill where the billing period ends after March 1, 2020, and annually thereafter on January 1 for a period of five years (2020 to 2024).

The public hearing will be conducted per California Constitution Article XIII D, Section 6 (also known as "Proposition 218"). This notice is being sent to all owners and customers of record whose parcels receive water service from Beaumont-Cherry Valley Water District, who would be subject to the proposed rates and charges.

The term "Property Owner" and/or "Customer" as used in this Notice includes any affected person or entity that has a right to lawful possession and/or occupancy of property and who is responsible for payment of water service charges.

At the date, time and location specified on the left, the Board of Directors will conduct a Public Hearing to consider proposed increases to water rates and service charges. The proposed adjustments will be applicable to all parcels that receive water service from BCVWD. The Public Hearing will be for hearing public testimony and receiving written protests on the proposed rate increase. Only one protest per parcel is permitted. The Board may continue the hearing without further written notice.

Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. You may also appear at the Public Hearing at the date and time specified on the left.

More information about the proposed rate changes, including the full rate study and a bill estimator tool, is available on the BCVWD website at **www.bcvwd.org**. Staff are also available to answer questions. You can call 951-845-9581 or email **info@bcvwd.org**.

BCVWD At-a-glance

BCVWD ensures the long-term health and sustainability of water sources, plans for future growth and maintains assets such as pipes and pumps.

SERVICE POPULATION
55,000

SERVICE AREA
28 square miles

PIPELINES, PRESSURE ZONES, WELLS & RESERVOIRS
BCVWD serves its rate payers from **24 wells** and **14 reservoirs** through a multitude of pipelines ranging from **4 to 24 inches in diameter** located within **11 pressure zones**

SOURCES OF SUPPLY
- **State Water Project**
- **Local sources** such as the Little San Gorgonio Creek (Edgar Canyon)
- **Expanding to add recycled water** (partnering with City of Beaumont)

ACTIVE SERVICE CONNECTIONS
19,060

BCVWD has increased water storage capacity from **7 million** to **25 million gallons**

Why am I receiving this notice?

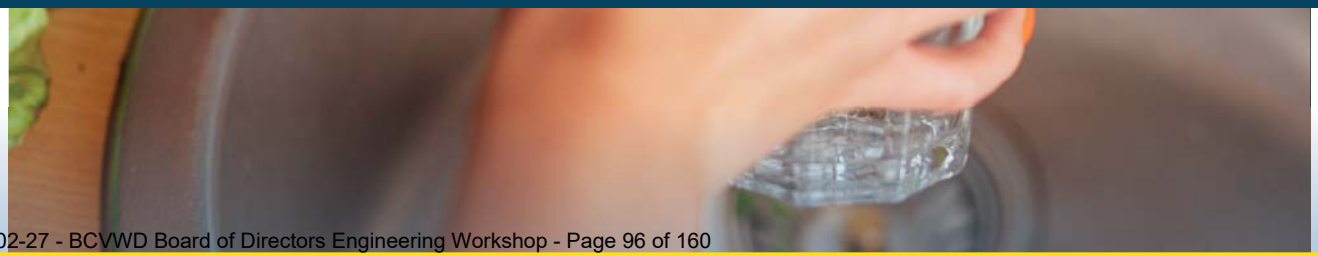
BCVWD is proposing a five-year rate adjustment sufficient to pay for the increased cost of water, water supply and delivery systems, and to maintain appropriate debt service coverage levels necessary for anticipated bonds and credit standing, fairly and equitably allocated across all Property Owners and/or Customers.

BCVWD's most recent 5-year rate increase plan was implemented in 2010, making BCVWD due for another rate and fee analysis. A new analysis was conducted by an independent financial expert over the last seven months. Upon request, a copy of the Water Financial Plan and Utility Rate Study may be obtained at the BCVWD District Office located at **560 Magnolia Avenue, Beaumont, California, 92223** or by visiting BCVWD's website at **www.bcvwd.org**.

What would change?

The proposed rate changes would increase the fixed bi-monthly service charge, volumetric commodity rates, fire service charge and drought rates. In addition, the volumetric commodity rates would change from the current two-tier system to a three-tier system.

Information detailing the changes can be found in this Notice of Public Hearing or the BCVWD Water Financial Plan and Utility Rate Study online at **www.bcvwd.org**.






Why are increases necessary?

As a result of a detailed budget analysis, the BCVWD Water Financial Plan and Utility Rate Study revealed the need for new rates and charges based on the following factors:

- ***GROWING OPERATION & MAINTENANCE COSTS***
- ***26% INCREASE IN THE COST OF IMPORTED WATER***
- ***FLUCTUATING ELECTRICITY COSTS***

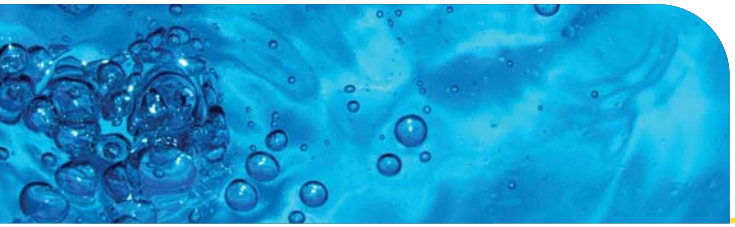
Should the actual cost of any of these components (excluding the pass-through charges) be less than their projected cost over the five years, the excess revenues will be allocated to the Capital Replacement Reserves for capital improvement projects as shown in the BCVWD Capital Improvement Plan.

BCVWD is dedicated to providing safe and reliable water services in a cost-effective manner, while protecting water resources and the public's health. The proposed changes would ensure sufficient funds for the ongoing operation, repairs and maintenance of BCVWD's facilities, and an adequate long-term water supply for the region.

DID YOU KNOW?

According to state law, BCVWD cannot charge more than the actual cost of providing water service.

As a not-for-profit government agency, BCVWD is not legally allowed to make a profit.



PROPOSED NEW WATER RATES

Understanding your water bill

Your water bill is calculated based on a rate structure that includes a fixed bi-monthly service charge based on the size of the customer's meter and a volumetric commodity charge based on the amount of water actually used by the customer. Your bill also contains pass-through charges for the cost of imported water and the cost of energy to pump water.

The ***BI-MONTHLY SERVICE CHARGE*** on your bill is used to pay for the costs of service associated with operations, like pipe and system maintenance, capital projects, distribution, meters and service.

The ***VOLUMETRIC CHARGE*** is used to pay for the amount of water each customer actually uses. For single family customers, there are tiers of use within the volumetric charge and the cost of water increases based on how much you consume.

The ***PASS-THROUGH CHARGES*** reflect the true cost of imported water and the energy it takes to provide water to your home or business.

BCVWD bills most accounts on a bi-monthly basis. This means each bill customers receive includes charges for two months of service.

Proposed Potable and Non-Potable Bi-monthly Meter Service Charges

These are the fixed rates charged on each bi-monthly bill based on meter size.

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	$18.01	$22.58	$24.17	$25.87	$27.69	$29.63
3/4"	$27.02	$31.13	$33.31	$35.65	$38.15	$40.83
1"	$45.03	$48.24	$51.62	$55.24	$59.11	$63.25
1 1/2"	$90.06	$91.01	$97.39	$104.21	$111.51	$119.32
2"	$144.09	$142.33	$152.30	$162.97	$174.38	$186.59
3"	$288.18	$304.84	$326.18	$349.02	$373.46	$399.61
4"	$450.28	$544.34	$582.45	$623.23	$666.86	$713.55
6"	$900.55	$1,117.43	$1,195.66	$1,279.36	$1,368.92	$1,464.75
8"	$1,440.88	$2,400.46	$2,568.50	$2,748.30	$2,940.69	$3,146.54
10"	$2,071.27	$3,597.95	$3,849.81	$4,119.30	$4,407.66	$4,716.20
12"	$2,791.71	$4,538.84	$4,856.56	$5,196.52	$5,560.28	$5,949.50

PROPOSED NEW WATER RATES

PROPOSED POTABLE AND NON-POTABLE COMMODITY RATES

($ per ccf, 1 ccf = one hundred cubic feet, or 748 gallons)

These are the rates for water consumption based on tiers of use. The proposed rate structure for the Potable Commodity Rate for Single-Family Residential Customers has three tiers which impose higher rates as the level of consumption increases. The tiers are designed to recover the incremental costs to BCVWD of serving more water to those who place higher demands and greater burdens on BCVWD's water system and resources.

Due to the varying consumption needs among all other customers, the Potable and Non-Potable Commodity Rate is a uniform rate per ccf of water delivered during a billing period.

PROPOSED FIRE SERVICE CHARGES

These are the bi-monthly fixed rates charged to properties having a separate fire service line based on meter size.

Proposed Potable and Non-Potable Commodity Rates

($ per ccf, 1 ccf = one hundred cubic feet, or 748 gallons)

Customer Class	Tiers	Bi-monthly Tiers & Rates (ccf)			March 2020	January 2021	January 2022	January 2023	January 2024
		Current Tiers	Current Rates	Proposed Tiers	Proposed Bi-monthly Rates				
Single Family	*Tier 1*	0-44	$0.96	0-16	$0.66	$0.71	$0.76	$0.82	$0.88
	Tier 2	45+	$1.05	17-34	$0.81	$0.87	$0.94	$1.01	$1.09
	Tier 3	N/A	N/A	34+	$1.36	$1.46	$1.57	$1.68	$1.80
Multi-Family	*Tier 1*	0-35	$0.96	Uniform	$1.01	$1.09	$1.17	$1.26	$1.35
	Tier 2	36+	$0.98						
	Tier 3	N/A	N/A						
Commercial / Industrial	Uniform	Uniform	$0.99	Uniform	$0.95	$1.02	$1.10	$1.18	$1.27
Fire Service	Uniform	Uniform	$0.99	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
Landscape Irrigation	Uniform	Uniform	$1.15	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Schedule Irrigation	Uniform	Uniform	$1.01	Uniform	$1.06	$1.14	$1.22	$1.31	$1.41
Construction	Uniform	Uniform	$1.15	Uniform	$1.17	$1.26	$1.35	$1.45	$1.56
Non-Potable	Uniform	Uniform	$1.15	Uniform	$0.72	$0.96	$0.96	$0.98	$0.98

Proposed Fire Service Charges (based on meter size)

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	$51.82	$44.25	$47.35	$50.67	$54.22	$58.02
6"	$150.53	$118.12	$126.39	$135.24	$144.71	$154.84
8"	$320.79	$245.52	$262.71	$281.10	$300.78	$321.84
10"	$576.89	$437.17	$467.78	$500.53	$535.57	$573.06
12"	$931.84	$702.78	$751.98	$804.62	$860.95	$921.22

PROPOSED NEW WATER RATES

PROPOSED DROUGHT RATES

The table on the right shows the drought rate surcharge that would be applied to each commodity rate at a given drought stage. In the event that BCVWD activates water supply drought rates, customers will be notified in advance. Drought rates are generally triggered by the declaration of a specific water shortage by the California Department of Water Resources.

Proposed Drought Rates ($ per ccf, 1 ccf = one hundred cubic feet, or 748 gallons)

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	$0.17	$0.36	$0.60	$0.92

Adjustments to Pass-Through Charges:

BCVWD purchases a great deal of its water replenishment supply from the San Gorgonio Pass Water Agency (SGPWA). The cost of this imported water rose by 26 percent in 2019 and these costs are passed through to customers as a separate charge on the bi-monthly bill.

Provided that any such rates shall not increase by an amount that exceeds the cost of providing water service:

- ***State Water Project (purchased through the SGPWA)*:** The pass-through charges for State Water Project may be increased as necessary by BCVWD by an amount equal to any increases for the cost of water purchased from the SGPWA upon 30 days' notice.
- ***SCE Power Charge:*** To account for increases in BCVWD costs in providing water service, the pass-through service charge may be increased as necessary by BCVWD by an amount equal to any incremental increase imposed on BCVWD for the cost of energy purchased from Southern California Edison upon 30 days' notice.

More information about pass-through charges can be found in the BCVWD Water Financial Plan and Utility Rate Study online at **www.bcvwd.org**.

How will the new rates and charges impact my bill?

If approved, a water bill for a typical single-family residence with a 5/8-inch meter using 34 units of water (25,432 gallons) during a bi-monthly billing period will increase by approximately $5.57.

Typical Bill Calculation (34 ccf Bi-monthly)

Description	Existing Bill	Proposed March 1, 2020
Single-Family with 5/8" meter	$77.51	$83.08

For an estimate of how this would impact you specifically, visit the BCVWD bill estimator tool online at **www.bcvwd.org**. Customers can also call (**951) 845-9581** or email **info@bcvwd.org** with questions.

How can I participate?

Written protests will be accepted in person or by regular mail at the BCVWD District Office, **560 Magnolia Avenue, Beaumont, CA 92223** during office hours of 8 a.m. to 5 p.m., Monday through Thursday. Emailed or faxed protests will NOT be accepted.

The content of the written protest should include:

1. **Printed name of protestor**
2. **Clear indication that the document is a protest**
3. **Residence or business address or parcel number (APN) within the BCVWD's service area**
4. **Signature of protestor**

Any Property Owner and/or Customer may appear at the Public Hearing and orally protest the proposed rate increases, or submit to BCVWD, at any time before the end of the Public Hearing, a written protest against the proposed rate increases. Oral protests will not qualify as a protest unless accompanied by a written protest, but the Board of Directors welcomes input from the community during the Public Hearing.

Any Property Owner and/or Customer may submit a protest. Only one protest per address/parcel will be accepted. Protests received prior to the Public Hearing will be opened and tallied. Copies of protests received prior to close of business on February 20, 2020, will be available at the Public Hearing.

For further information or to withdraw a protest, contact Recording Secretary Yolanda Rodriguez at **(951) 845-9581**. A letter of withdrawal may be required.

To be counted, any written protest must be received by BCVWD not later than the end of the Public Hearing. Protest tabulation will be finalized at the close of the Public Hearing on **February 27, 2020,** or on a date specified by the Board of Directors following the Public Hearing.

*This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act, by contacting the Administrative Assistant at **(951) 845-9581**. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters require different lead times, ranging from five business days to two weeks. Please provide as much advance notice as possible in order to assure availability.*

CONTACT: Yolanda Rodriguez, Director of Finance and Administrative Services | (951) 845-9581 | info@bcvwd.org

Community Meeting

An informational Community Meeting will take place at **6:00 p.m.** on **Thursday, February 20, 2020**, at the BCVWD District Office, located at **560 Magnolia Avenue Beaumont, CA, 92223**.

Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Important Information About Your Rates and Service Charges

HOURS OF OPERATION & CONTACT

Monday – Thursday, 8 a.m. to 5 p.m.
(Closed on Friday)

Phone: (951) 845-9581

Email: info@bcvwd.org

Online: www.bcvwd.org

*Si gustaría obtener esta información en español, por favor visite **www.bcvwd.org**.*

Beaumont-Cherry Valley Water District
Special Board Meeting
February 27, 2020

Item 02

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Award of Contract for the 9th Street and 11th Street Pipeline Replacement Project**

Staff Recommendation

Authorize the General Manager to enter into a contract with Merlin Johnson Construction, Co. for an amount not to exceed $112,688.00 (including contingency) to provide labor and construction equipment, and testing necessary to install approximately 600 linear feet of District furnished pipeline, materials and appurtenances in 9th Street and 11th Street, west of Beaumont Avenue, and authorize the expenditure of $104,791.00 of additional funds (including contingency) to furnish materials for installation (pipe and appurtenances) and associated project testing for a total authorized project amount of $217,479.00.

Background

In January of 2019, the City of Beaumont (City) notified Beaumont-Cherry Valley Water District (District) staff of its plan to resurface Beaumont Avenue from Brookside Avenue south to Cougar Way and from Oak Valley Parkway south to Interstate 10. In September of 2019, the City provided the District a draft set of the Beaumont Avenue Pavement Rehabilitation Plans, which included road bed rehabilitation plans consisting of asphalt concrete and aggregate base replacement, as well as a 0.25' grind and overlay of all existing asphalt pavement.

In October of 2019, District staff presented the project to the Board of Directors for discussion regarding the Staff identified need to replace certain existing polyethylene and galvanized service laterals and existing pipelines that District past experience show are prone to leakage within the City's proposed project limits.

At the October 2019 Board Meeting, District staff anticipated the replacement of approximately 68 service laterals and meters to accommodate the pavement rehabilitation. Said discussion also included discussion of the need to replace two (2) pipelines within the City's project limits which should be replaced at this time due to significant maintenance and repair activities completed in recent years.

At this time, Staff has a better understanding of the City's current Pavement Rehabilitation Plan phasing and District staff identifies that only 10 service laterals of the original 68 services and associated required replacement. Further, Staff has completed the replacement of these service laterals with District staff.

District staff still recommends that the two (2) existing pipelines in 9th Street and 11th Street should be replaced prior to City's Pavement Rehabilitation work begins to avoid impacts to the newly paved areas. The location of work for the Pipeline Replacement Plan for 9th Street and 11th Street is shown in **Attachment 1**.

California Environmental Quality Act (CEQA) work has been completed at this time.

Summary

Due to the compressed construction schedule finally identified by City staff, District staff has prepared a project approach which consists of the following:

1. Provide materials and equipment for installation by outside contractor.

2. Provide compaction testing and street paving repairs subsequent to installation of District furnished materials and equipment by outside contractor.

District staff completed a Pipeline Replacement Plan and associated construction documents for the 9th Street and 11th Street existing pipelines as indicated in **Attachment 2**. The Pipeline Replacement Plan for 9th Street and 11th Street was bid in accordance with District policy commencing on February 6, 2020. Said bids for construction related to installation of District furnished materials and appurtenances were received from two (2) contractors and opened on February 18, 2020 at 2:00 PM.

General work for the 9th Street Pipeline Replacement consists of installation, testing, and disinfection of approximately 402 LF of 8" diameter ductile iron pipe and appurtenances, with the points of connection located at Beaumont Avenue and Euclid Avenue. Work will also include relocation of two (2) water service connections, laterals, and appurtenances

General work for the 11th Street Pipeline Replacement consists of installation, testing, and disinfection of approximately 205 LF of 8" ductile iron pipe and appurtenances, with the points of connection located at Beaumont Avenue and the alley located east of Euclid Avenue. Work will also consist of relocation of one (1) water service connection, lateral, and appurtenances.

Along with the replacement of each of the pipelines, the contractor will also be responsible for providing project traffic control. to ensure a minimal impact on traffic flow and a safe work environment during the duration of the project.

Said construction and traffic control plans are included for reference as **Attachment 2** and **Attachment 3**.

Staff has completed a review of the bids received for work related to pipeline installation activities and has determined that Merlin Johnson Construction, Inc. is the lowest responsive bidder. The bid amounts set forth in Table 1 include Base Bid Amounts which establish the recommended Basis of Award. Said Bid Schedules set forth the minimum work District staff anticipates will be required for replacement, disinfection, and testing of the pipelines.

The bid results are set forth in Table 1 below.

Table 1
PIPELINE REPLACEMENT FOR 9TH STREET AND 11TH STREET SUMMARY OF BID RESULT

Bidder	Bid Schedule I: 9th Street Pipeline Replacement	Bid Schedule II: 11th Street Pipeline Replacement	**Bid Amount (Basis of Award)**
Merlin Johnson Construction, Inc.	$60,517.00	$41,927.00	$102,444.00
EL-Co Contractors, Inc.	$82,010.00	$53,425.00	$135,435.00

DAB

Table 2 sets forth project costs associated with project installation activities (to be provided by the outside contractor). Said work includes a 10% contingency

Table 2
9TH STREET AND 11TH STREET PIPELINE REPLACEMENT
SUMMARY OF REQUESTED WORK AUTHORIZATION

Item	Description	Base Amount (Basis of Award)
1	Base Bid Work (Pipeline Installation, Disinfection, Testing, Traffic Control) (Estimated Cost)	$102,444.00
	Pipeline Replacement Work	**$102,444.00**
	Pipeline Replacement Services Contingency (10%)(Excluding Material Cost)	**$10,244.00**
	Total Requested Contract Amount Authorization (Rounded)	**$112,688.00**

At this time, District staff requests that the Board approve award of the work described above and authorize the General Manager to enter into a contract for the replacement of pipelines within 9th Street between Beaumont Avenue and Euclid Avenue, and within 11th Street between Beaumont Avenue and the alley east of Euclid Avenue with Merlin Johnson Construction, Inc. in the amount set forth in Table 2, above.

Table 3A and 3B set forth District provided materials, appurtenances and required services necessary to provide complete installation and to support the contractor installed facilities. Said work includes a 15% contingency.

Table 3A
9TH STREET PIPELINE REPLACEMENT SUMMARY OF COST TO FURNISH MATERIALS

Item	Description	Engineer's Estimate
1	Permits	$2,000.00
2	Potable Pipeline Materials	$17,180.00
3	Pavement Repair	$31,793.00
4	Lab and Materials Testing	$4,092.00
	Sub Total:	**$55,065.00**
	Contingency (15%)	**$8,260.00**
	Total	**$63,325.00**

DAB

Table 3B
11TH STREET PIPELINE REPLACEMENT SUMMARY OF COST TO FURNISH MATERIALS

Item	Description	Engineer's Estimate
1	Permits	$2,000.00
2	Potable Pipeline Materials	$11,701.00
3	Pavement Repair	$18,264.00
4	Lab and Materials Testing	$4,092.00
	Sub Total:	**$36,057.00**
	Contingency (15%)	**$5,409.00**
	Total	**$41,466.00**
	Total Requested Materials & Pavement Authorization:	**$104,791.00**

District staff also requests allocation of Capital Replacement Reserves and authorization of the General Manager to utilize the Capital Replacement Reserves funds for the materials, appurtenances, paving repair, and testing required for the replacement of pipelines within 9th Street between Beaumont Avenue and Euclid Avenue, and within 11th Street between Beaumont Avenue and the alley east of Euclid Avenue in the amount not to exceed $104,791.00, which includes $13,669.00 of contingency set forth in Table 3A and Table 3B, hereafter.

Fiscal Impact

The fiscal impact to the District for this project will be an amount not to exceed $217,479.00, as set forth in Tables 2, 3A, and 3B. This not-to-exceed amount includes additional funds to provide approximately 10% contingencies for construction related costs and 15% contingencies for materials costs.

While the 9th Street and 11th Street Pipeline Replacement Project is not part of the District's 2020 Operating/Capital Budget, funds are available from Capital Replacement Reserve budget for completion of this work.

Attachment(s)

Attachment 1 – Project Location Map

Attachment 2 – District Approved Project Plans

Attachment 3 – Traffic Control Plan

DAB

ATTACHMENT 1 - PROJECT LOCATION MAP

Location of 9th Street and 11th Street Replacement Pipelines

Not to Scale

BEAUMONT-CHERRY VALLEY WATER DISTRICT

PIPELINE REPLACEMENT PLAN

FOR

9TH STREET AND 11TH STREET

2750 PRESSURE ZONE

LEGEND

EXISTING WATER
PROPOSED WATER
EXISTING METER (WM)
EXISTING FIRE HYDRANT
EXISTING SERVICE LATERAL
CURB & GUTTER
EXISTING R/W
CENTERLINE

ABBREVIATIONS

BEAUMONT-CHERRY VALLEY WATER DISTRICT	BCVWD
DUCTILE IRON PIPE	DIP
EXISTING	EX
NOT TO SCALE	NTS
PROPOSED	PROP
STATION	STA
STEEL	STL
PROTECT IN PLACE	PIP
FLANGED	FLG'D
MECHANICAL JOINT	MJ
PLAIN END	PE

GENERAL CONSTRUCTION & NOTES

1. 9TH STREET PIPELINE SHALL BE FULLY RESTRAINED WITH RESTRAINED JOINT GASKETS PER BCVWD STNADARD SPECIFICATIONS.
2. 11TH STREET PIPELINE SHALL BE FULLY RESTRAINED WITH RESTRAINED JOINT GASKETS PER BCVWD STANDARD SPECIFICATIONS.
3. BEAUMONT AVENUE CENTERLINE STATIONING FROM CITY OF BEAUMONT STREET IMPROVEMENT PLANS.
4. INSTALL CLASS II AGGREGATE BASE (FURNISHED BY DISTRICT) FROM TOP OF PIPE ZONE TO GROUND SURFACE ALONG ALL NEW AND EXISTING PIPELINE TRENCHES PER BCVWD PLATE 6-1 AND 6-2.

DISTRICT ENGINEER'S NOTICE TO CONTRACTOR(S)

THE EXISTENCE AND LOCATION OF ANY UNDERGROUND UTILITIES OR STRUCTURES SHOWN ON THESE PLANS ARE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE THERE ARE NO EXISTING UTILITIES EXCEPT THOSE SHOWN ON THESE PLANS. THE CONTRACTOR IS REQUIRED TO TAKE ALL PRECAUTIONARY MEASURES TO PROTECT THE UTILITIES SHOWN, AND ANY OTHER LINES OR STRUCTURES NOT SHOWN ON THESE PLANS, AND IS REQUIRED FOR THE PROTECTION OF, AND ANY DAMAGE TO THESE LINES OR STRUCTURES.

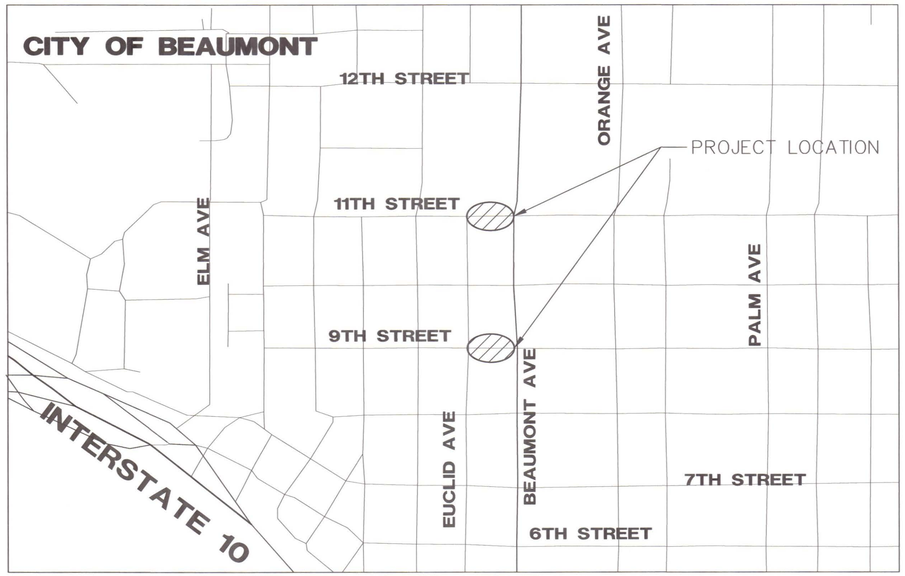
IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO NOTIFY THE OWNER OF ALL UTILITIES OR STRUCTURES CONCERNED BEFORE STARTING WORK.

THE ENGINEER PREPARING THESE PLANS WILL NOT BE RESPONSIBLE FOR/OR LIABLE FOR UNAUTHORIZED CHANGES TO OR USES OF THESE PLANS. ALL CHANGES TO THE PLANS MUST BE IN WRITING AND MUST BE APPROVED BY THE PREPARER OF THESE PLANS.

QUANTITIES SHOWN HEREON ARE PROVIDED FOR BIDDING PURPOSES ONLY. CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL QUANTITIES PRIOR TO BIDDING FOR CONSTRUCTION.

SHEET No.	DESCRIPTION
1	TITLE, SHEET INDEX, VICINITY MAP, AND CONSTRUCTION NOTES
2	PIPELINE REPLACEMENT PLAN 9TH STREET: STA 10+00 – 14+02± 11TH STREET: STA 10+00 – 12+06±

SHEET INDEX



VICINITY MAP

CONSTRUCTION NOTES		UNIT	QTY
1	PROTECT IN PLACE	–	–
2	INSTALL DISTRICT FURNISHED 1" WATER SERVICE SADDLE, CORPORATION STOP, SERVICE LATERAL PIPING, ANGLE METER STOP, AND METER BOX PER BCVWD STANDARD PLATE 6-3 AND PLATE 12.	EA	3
3	NOT USED	–	–
4	DISINFECT ALL POTABLE WATER SERVICE PIPING AND APPURTENANCES (PER AWWA STANDARD)	–	–
5	TIE IN TO EXISTING PIPELINE	EA	4
6	INSTALL 8" DIP (CLASS 350) WITH POLYETHYLENE ENCASEMENT AND BEDDING PER BCVWD PLATE 6-1 (36" MIN. COVER)	LF	608
7	INSTALL 8"– 45° FLG'D X MJ ELBOW, WITH EBAA IRON SERIES 1100 RESTRAINT	EA	4
8	INSTALL 8" – 45° MJ ELBOW WITH EBAA IRON SERIES 1100 RESTRAINT	EA	4
9	ABANDON IN PLACE EXISTING PIPELINE AND PLUG SEVERED PIPE ENDS WITH 3' MINIMUM CLASS "C" CONCRETE PLUG (EACH END)	EA	2
10	INSTALL THRUST BLOCK PER BCVWD PLATE 11-1 AND 11-2	EA	1
11	INSTALL FLEX COUPLING ADAPTER PER BCVWD PLATE 9	EA	1
12	INSTALL 4" FLG'D X PE SPOOL, 2'-0" LONG	EA	1
13	INSTALL 4" X 8" FLG'D DIP ECCENTRIC REDUCER, ORIENTED AS SHOWN	EA	2
14	REMOVE AND REPLACE EXISTING GATE VALVE PER BCVWD STANDARD SPECIFICATIONS	EA	3

CONTRACTOR'S RESPONSIBILITY FOR THE JOB SITE

CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, CONSTRUCTION CONTRACTOR WILL BE REQUIRED TO ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THE PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL BE MADE TO APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS, AND CONSTRUCTION CONTRACTOR FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD DESIGN PROFESSIONAL HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPT LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF DESIGN PROFESSIONAL.

GENERAL NOTES

1. ALL WORK SHOWN ON THESE PLANS SHALL BE PERFORMED IN ACCORDANCE WITH THE "DISTRICT STANDARDS FOR THE FURNISHING OF MATERIALS AND THE CONSTRUCTION OF WATER AND RECYCLED WATER FACILITIES AND PREPARATION OF WATER SYSTEM PLANS," LATEST REVISION, AND THE ADOPTED ADDENDUMS THERETO.
2. WORK SHALL BE PERFORMED BY A CONTRACTOR LICENSED IN THE STATE OF CALIFORNIA, EXPERIENCED IN WATER UTILITY CONSTRUCTION.
3. UNLESS OTHERWISE INDICATED, ALL PIPES SHALL BE CEMENT MORTAR LINED DUCTILE IRON PIPE, MINIMUM PRESSURE CLASS 350, WITH PUSH-ON JOINTS. ALL PIPES SHALL BE INSTALLED WITH TRACER WIRE AND WITH POLYETHYLENE ENCASEMENT. TRACER WIRE SHALL BE 14-GAUGE, INSULATED (BLUE COLOR) SOLID COPPER WIRE.
4. FOR SEPARATION REQUIREMENTS BETWEEN WATER AND RECYCLED WATER, STORM DRAINS, AND SEWER LINES, SEE STATE OF CALIFORNIA CODE OF REGULATIONS, TITLE 22, SECTION 64572.
5. CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA (TELEPHONE 811 / 800-227-2600) FOR LOCATION OF ALL UNDERGROUND UTILITIES TWO WORKING DAYS PRIOR TO COMMENCING WORK.
6. CONTRACTOR SHALL OBTAIN NECESSARY PERMITS FROM CITY OF BEAUMONT AND/OR RIVERSIDE COUNTY, AS APPROPRIATE, PRIOR TO CONSTRUCTION.
7. CONTRACTOR SHALL NOTIFY THE DISTRICT AT (951) 845-9581 TWO WORKING DAYS PRIOR TO COMMENCING WORK ON THE WATER UTILITY INSTALLATION. CONTRACTOR SHALL NOTIFY DISTRICT BY PRECEDING WEDNESDAY AT 4:00 P.M. PRIOR TO WORKING DURING THE WEEKEND. CANCELLATIONS SHALL BE NOTIFIED TO THE DISTRICT BY PRECEDING FRIDAY AT 3:00 P.M.
8. NO EXISTING DISTRIBUTION SYSTEM VALVE SHALL BE OPERATED BY THE CONTRACTOR. DISTRICT PERSONNEL WILL OPERATE ALL NECESSARY VALVES.
9. NO DEVIATIONS FROM THESE PLANS SHALL BE PERMITTED WITHOUT THE APPROVAL OF THE DISTRICT.
10. EXISTING WATER MAINS SHALL NOT BE TAKEN OUT OF SERVICE FOR MORE THAN 4 HOURS. CONTRACTOR SHALL NOTIFY ALL WATER USERS AFFECTED BY THE SHUTDOWN A MINIMUM OF 48 HOURS PRIOR TO THE ACTUAL SHUTDOWN. INDICATE THE DATE AND PRECISE HOURS THAT THE MAIN WILL BE TAKEN OUT OF SERVICE.
11. CONTRACTOR SHALL CONFORM TO THE STREET EXCAVATION REPLACEMENT STANDARDS OF THE CITY OF BEAUMONT.
12. CONTRACTOR SHALL NOTIFY THE DISTRICT AT (951) 845-9581 TWO WORKING DAYS PRIOR TO PLACEMENT OF CONCRETE FOR SIDEWALKS.
13. CONTRACTOR TO INSTALL MINIMUM 1" COPPER, TYPE K, SERVICE LATERALS IN ACCORDANCE WITH DISTRICT SPECIFICATIONS SHOWN ON DISTRICT STANDARD PLATE 6-2, PLATE 6-3, AND PLATE 12. ALL COPPER SERVICES SHALL BE INSTALLED WITH TAPE WRAP AND WITH POLYETHYLENE ENCASEMENT.
14. CONTRACTOR SHALL COORDINATE ALL RECONNECTS WITH DISTRICT PERSONNEL PRIOR TO ANY CONNECTIONS OR RETIREMENTS OF ANY DISTRICT FACILITIES.
15. CONTRACTOR SHALL BEAR ALL COSTS FOR THE CORRECTION OR REMOVAL AND REPLACEMENT OF DEFECTIVE WORK, AND ALL ADDITIONAL DIRECT AND INDIRECT COSTS THE CITY, COUNTY, OR DISTRICT MAY INCUR ON ACCOUNT OF DEFECTIVE WORK, INCLUDING THE COSTS OF ADDITIONAL ADMINISTRATIVE, PROFESSIONAL CONSULTANT, INSPECTION, TESTING, AND OTHER SERVICES.
16. ALL PIPE SHALL BE HYDRO TESTED, DISINFECTED AND APPROVED PRIOR TO FINAL CONNECTION TO EXISTING WATER LINES.
17. ALL MATERIALS SHALL BE OF DOMESTIC ORIGIN AND NOT OF FOREIGN MANUFACTURE.
18. CONTRACTOR SHALL FURNISH TO THE DISTRICT COPIES OF ALL SOIL COMPACTION TEST REPORTS FOR THE INSTALLED WATER MAINS TWO (2) WORKING DAYS PRIOR TO HYDRO TESTING OF PIPELINES.
19. CONTRACTOR SHALL FURNISH DISTRICT WITH PROJECT SPECIFIC MATERIALS OF CONSTRUCTION SUBMITTALS (IN PDF FORMAT) FOR REVIEW APPROVAL PRIOR TO COMMENCING CONSTRUCTION.
20. CONTRACTOR SHALL KEEP AND MAINTAIN AT THE JOB SITE ONE (1) SET OF RECORD DRAWINGS. CONTRACTOR SHALL MARK ON DRAWINGS ALL CHANGES IN PROJECT CONDITIONS, LOCATIONS, CONFIGURATIONS AND ANY DEVIATIONS WHICH MAY VARY FROM THE DRAWINGS. THESE MASTER RECORD DRAWINGS SHALL BE MAINTAINED AND UP TO DATE DURING THE PROGRESS OF WORK. RECORD DRAWINGS SHALL BE ACCESSIBLE TO THE DISTRICT AT ALL TIMES DURING CONSTRUCTION AND A COPY OF SAID RECORD DRAWINGS SHALL BE DELIVERED TO THE DISTRICT UPON COMPLETION OF THE WORK.

2750 PZ

48 hours BEFORE excavation
1-(800)227-2600
CALL Underground Service Alert

BEAUMONT-CHERRY VALLEY WATER DISTRICT
ENGINEERING
TRANSMISSION & DISTRIBUTION

SYM	REVISIONS	DATE	BY

REGISTERED PROFESSIONAL ENGINEER · MARY BRYAN SWANSON · No. 72332 · CIVIL · STATE OF CALIFORNIA

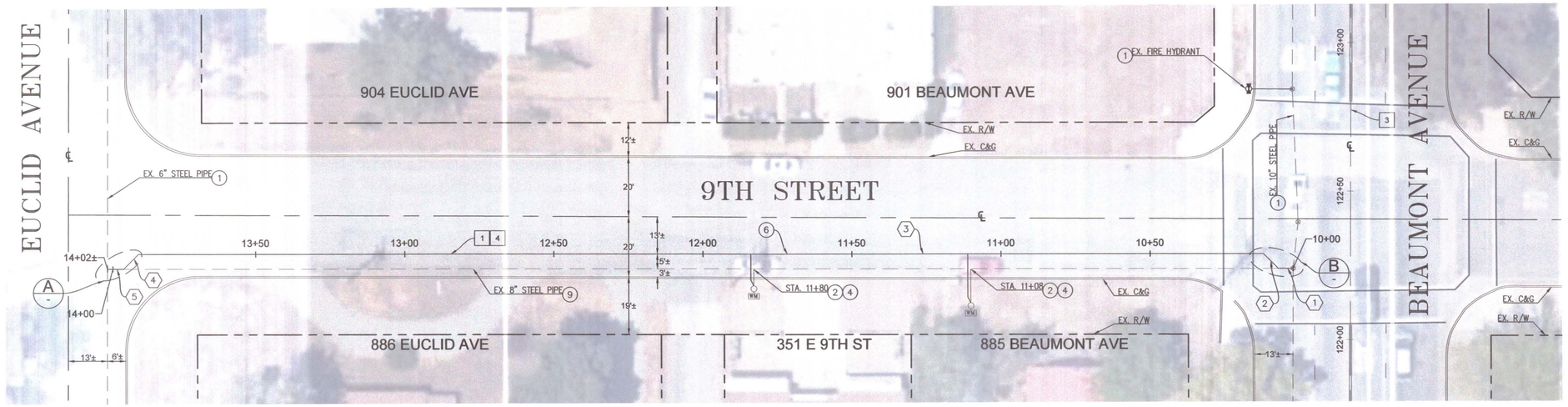
BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Ave. • Beaumont, CA. 92223 • 951-845-9581

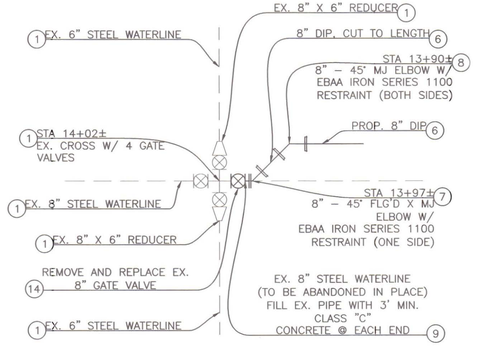
APPROVED BY
REGISTERED ENGINEER No. 72332 DATE 02-06-2020

SCALE	AS NOTED
FIELD BOOK	N/A
DESIGN	DAB
DRAWN	DAB
CHECKED	MBS/DKJ

BCVWD
PIPELINE REPLACEMENT PLAN
TITLE, SHEET INDEX, VICINITY MAP, AND CONSTRUCTION NOTES

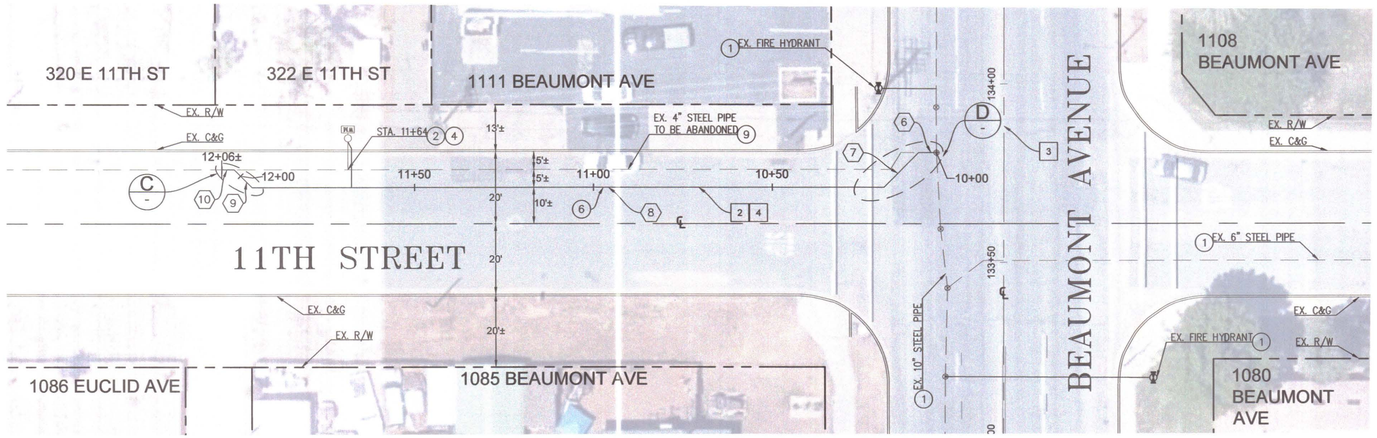
SHEET 1 OF 2 SHEETS
FILE No. ---



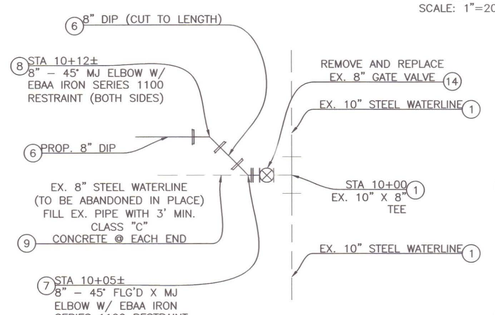


DETAIL "A"
9TH STREET EXISTING WESTERN TIE–IN
NOT TO SCALE

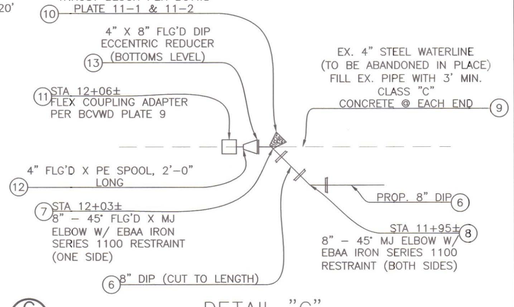
9TH STREET PIPELINE REPLACEMENT



SCALE: 1"=20'



DETAIL "B"
9TH STREET EXISTING EASTERN TIE–IN
NOT TO SCALE



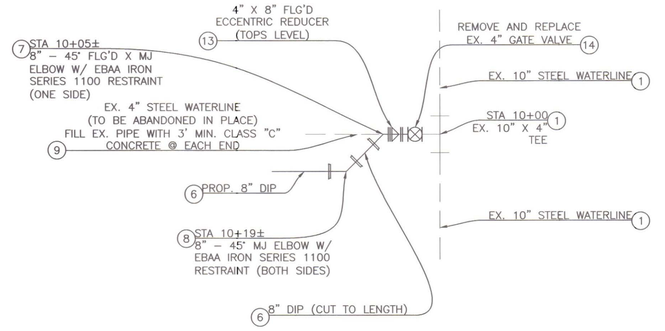
DETAIL "C"
11TH STREET EXISTING WESTERN TIE–IN
NOT TO SCALE

11TH STREET PIPELINE REPLACEMENT

CONSTRUCTION NOTES	
1	PROTECT IN PLACE
2	INSTALL DISTRICT FURNISHED 1" WATER SERVICE SADDLE, CORPORATION STOP, SERVICE LATERAL PIPING, ANGLE METER STOP, AND METER BOX PER BCVWD STANDARD PLATE 6-3 AND PLATE 12.
3	NOT USED
4	DISINFECT ALL POTABLE WATER SERVICE PIPING AND APPURTENANCES (PER AWWA STANDARD)
5	TIE IN TO EXISTING PIPELINE
6	INSTALL 8" DIP (CLASS 350) WITH POLYETHYLENE ENCASEMENT AND BEDDING PER BCVWD PLATE 6-1 (36" MIN. COVER)
7	INSTALL 8"- 45° FLG'D X MJ ELBOW, WITH EBAA IRON SERIES 1100 RESTRAINT
8	INSTALL 8" - 45° MJ ELBOW WITH EBAA IRON SERIES 1100 RESTRAINT
9	ABANDON IN PLACE EXISTING PIPELINE AND PLUG SEVERED PIPE ENDS WITH 3' MINIMUM CLASS "C" CONCRETE PLUG (EACH END)
10	INSTALL THRUST BLOCK PER BCVWD PLATE 11-1 AND 11-2
11	INSTALL FLEX COUPLING ADAPTER PER BCVWD PLATE 9
12	INSTALL 4" FLG'D X PE SPOOL, 2'-0" LONG
13	INSTALL 4" X 8" FLG'D DIP ECCENTRIC REDUCER, ORIENTED AS SHOWN
14	REMOVE AND REPLACE EXISTING GATE VALVE PER BCVWD STANDARD SPECIFICATIONS

LINE/CURVE DATA TABLE			
	BEARING/DELTA	RADIUS	LENGTH(±) (FT)
1	N 90°00'00" E	–	5
2	N 45°00'00" W	–	7
3	N 90°00'00" E	–	377
4	N 45°00'00" E	–	7
5	N 90°00'00" E	–	5
6	N 90°00'00" E	–	5
7	N 45°00'00" E	–	14
8	N 90°00'00" E	–	177
9	N 45°00'00" W	–	7
10	N 90°00'00" E	–	3

SCALE: 1"=20'



DETAIL "D"
11TH STREET EXISTING EASTERN TIE–IN
NOT TO SCALE

GENERAL CONSTRUCTION & NOTES:

1. 9TH STREET PIPELINE SHALL BE FULLY RESTRAINED WITH RESTRAINED JOINT GASKETS PER BCVWD STANDARD SPECIFICATIONS.
2. 11TH STREET PIPELINE SHALL BE FULLY RESTRAINED WITH RESTRAINED JOINT GASKETS PER BCVWD STANDARD SPECIFICATIONS.
3. BEAUMONT AVENUE CENTERLINE STATIONING FROM CITY OF BEAUMONT STREET IMPROVEMENT PLANS.
4. INSTALL CLASS II AGGREGATE BASE (FURNISHED BY DISTRICT) FROM TOP OF PIPE ZONE TO GROUND SURFACE ALONG ALL NEW AND EXISTING PIPELINE TRENCHES PER BCVWD PLATE 6–1 AND 6–2.

2750 PZ

48 hours BEFORE excavation
1–(800)227–2600
CALL Underground Service Alert

BEAUMONT–CHERRY VALLEY WATER DISTRICT
ENGINEERING
TRANSMISSION & DISTRIBUTION

SYM	REVISIONS	DATE	BY

REGISTERED PROFESSIONAL ENGINEER MARK BRYAN SWANSON No. 72332 CIVIL STATE OF CALIFORNIA

BEAUMONT–CHERRY VALLEY WATER DISTRICT
560 Magnolia Ave. • Beaumont, CA. 92223 • 951–845–9581

APPROVED BY
REGISTERED ENGINEER No. 72332 DATE 02-06-2020

SCALE	AS NOTED
FIELD BOOK	N/A
DESIGN	DAB
DRAWN	DAB
CHECKED	MBS/DKJ

BCVWD
PIPELINE REPLACEMENT PLAN
9TH STREET: STA 10+00 - 14+02±
11TH STREET: STA 10+00 - 12+06±

SHEET 2 OF 2 SHEETS
FILE NO. ---

BEAUMONT-CHERRY VALLEY WATER DISTRICT

TRAFFIC CONTROL PLANS

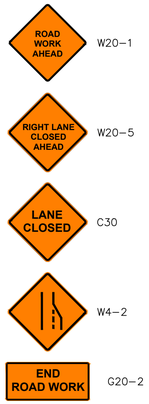
FOR

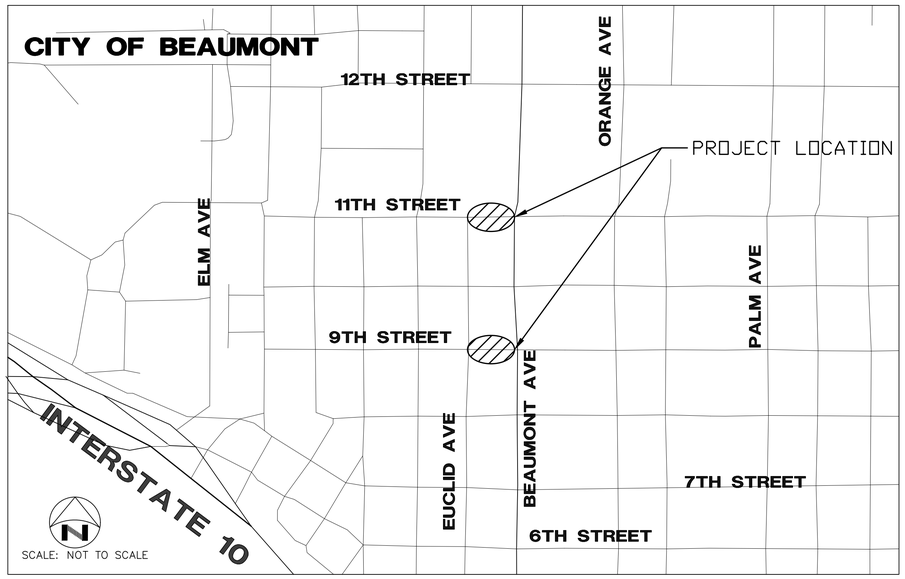
PIPELINE REPLACEMENT FOR 9TH STREET AND 11TH STREET

2750 PRESSURE ZONE

LOCATED WITHIN A PORTION OF SECTION 29, TOWNSHIP 3S SOUTH, RANGE 1 WEST, S.B.M.

LEGEND





VICINITY MAP

SHEET No.	DESCRIPTION
1	TITLE, SHEET INDEX, VICINITY MAP, LEGEND, AND NOTES
2	TYPICAL TRAFFIC CONTROL LAYOUT

SHEET INDEX

NOTES (APPLY TO SHEETS 1 THRU 2):

1. ALL TRAFFIC CONTROL DEVICES FOR THIS PROJECT SHALL BE IN ACCORDANCE WITH THE WORK AREA TRAFFIC CONTROL HANDBOOK (WATCH), LATEST EDITION.
2. TRAFFIC CONTROL SHOWN HEREON IS THE MINIMUM REQUIRED. ADDITIONAL TRAFFIC CONTROL MAY BE REQUIRED TO FACILITATE PUBLIC SAFETY AND TRAFFIC FLOW IF DEEMED NECESSARY BY DISTRICT OR THE CITY OF BEAUMONT.
3. THE PANEL SIZE OF ALL ADVANCE WARNING SIGNS SHALL BE 36"X36". ALL ADVANCE WARNING SIGNS SHALL BE AT LEAST EIGHT FEET HIGH AND DESIGNED TO RESIST OVERTURNING BRISK WINDS. ALL ADVANCE WARNING SIGNS SHALL BE EQUIPPED WITH AT LEAST THREE 16" SQUARE ORANGE FLAGS FOR DAY USE.
4. THROUGHOUT EACH WORK PERIOD, CONTRACTOR SHALL INSPECT TRAFFIC CONTROL (SIGNS, BARRICADES, AND DELINEATORS) AND MAINTAIN SAME IN ACCORDANCE WITH TRAFFIC CONTROL PLANS.
5. ALL WORKERS SHALL BE EQUIPPED WITH A HIGH VISIBILITY REFLECTIVE SAFETY VEST AND HARD HAT AT ALL TIMES.
6. ALL FLAGGERS SHALL BE TRAINED AND THEIR SOLE DUTY SHALL BE TRAFFIC CONTROL. ALL FLAGGERS SHALL COMMUNICATE WITH EACH OTHER AND WITH EQUIPMENT OPERATORS BY RADIO TO ENSURE SAFE MOVEMENT OF LOCAL TRAFFIC AND PEDESTRIANS THROUGH THE WORK AREA. ALL FLAGGERS SHALL WEAR REFLECTIVE GEAR.
7. CONTRACTOR SHALL MAINTAIN A 10' MINIMUM LANE WIDTH AT ALL TIMES.
8. ACCESS TO PRIVATE PROPERTY AND BUSINESSES SHALL BE MAINTAINED AT ALL TIMES.
9. CONTRACTOR SHALL PROVIDE ACCESS FOR LOCAL RESIDENTS, EMERGENCY VEHICLES, MAIL DELIVERY, ROUTINE UTILITY OPERATIONS, AND REFUSE COLLECTION AT ALL TIMES.
10. THERE SHALL BE A MINIMUM DISTANCE OF 5' BETWEEN ANY OPEN TRENCH AND THE NEAREST TRAFFIC LANE. NO OPEN TRENCH ADJACENT TO A TRAFFIC LANE SHALL EXCEED 300 FEET.
11. CONTRACTOR SHALL POST SPECIAL ADVANCED NOTIFICATION SIGNS INDICATING DURATION OF CONSTRUCTION, A MINIMUM OF 1 WEEK PRIOR TO CONSTRUCTION TO INFORM THE PUBLIC OF THE IMPENDING WORK.
12. CONRACTOR SHALL USE TRAFFIC CONTROL SHOWN HEREON FOR CONSTRUCTION OF WATERLINE AND APPURTENANCES, CONSTRUCTION OF PERMANENT ASPHALT CONCRETE BASE PAVEMENT, ASPHALT CONCRETE OVERLAY, AND FOR ANY OTHER WORK.
13. ALL WORK SHALL BE PERFORMED BETWEEN THE HOURS OF 7:00 AM TO 5:00 PM, MONDAY THRU FRIDAY. ALL TRENCHES SHALL BE PLATED OR BACKFILLED AT THE END OF EACH WORK PERIOD AND THE STREETS OPENED TO TRAFFIC FOR ALL DIRECTIONS.
14. CONTRACTOR PERFORMING WORK ON A PUBLIC STREET SHALL INSTALL AND MAINTAIN CONTROL DEVICES AS SHOWN HEREIN, AS WELL AS ANY SUCH ADDITIONAL DEVICES AS MAY BE REQUIRED TO INSURE THE SAFE MOVEMENT OF TRAFFIC AND PEDESTRIANS THROUGH OR AROUND THE WORK AREA.
15. ALL TRAFFIC CONTROL DEVICES SHALL BE KEPT IN THEIR PROPER POSITION AT ALL TIMES, AND SHALL BE REPAIRED, REPLACED, OR CLEANED AS NECESSARY TO PRESERVE THEIR APPEARANCE AND CONTINUITY.

RECMD CITY ENGINEER | REGISTRATION # | DATE SIGNED

APPROVED AS TO COMPLIANCE WITH APPLICABLE CITY OF BEAUMONT STANDARDS AND PRACTICES.

2750 PZ

48 hours BEFORE excavation
1-(800)227-2600
CALL Underground Service Alert

BEAUMONT-CHERRY VALLEY WATER DISTRICT
ENGINEERING
TRANSMISSION & DISTRIBUTION

SYM	REVISIONS	DATE	BY

REGISTERED PROFESSIONAL ENGINEER — MARC BRYAN SWANSON — No. 72332 — CIVIL — STATE OF CALIFORNIA

BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Ave. • Beaumont, CA. 92223 • 951-845-9581

APPROVED BY _____
REGISTERED ENGINEER No. _____ DATE _____

SCALE	N/A
FIELD BOOK	N/A
DESIGN	DAB
DRAWN	DAB
CHECKED	MBS/DKJ

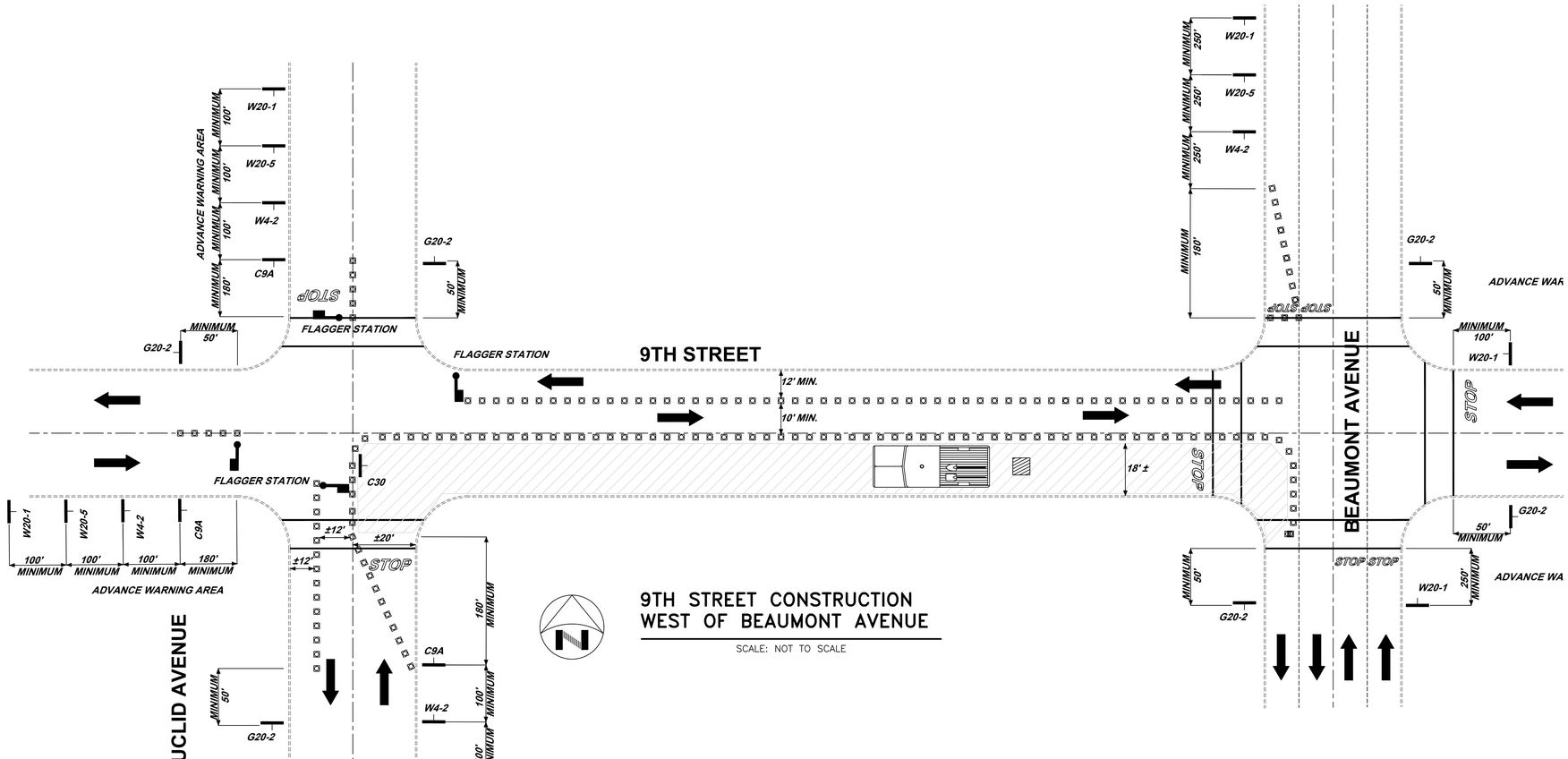
BCVWD

TRAFFIC CONTROL PLANS FOR PIPELINE REPLACEMENT FOR 9TH AND 11TH STREET

TITLE, SHEET INDEX, VICINITY MAP, LEGEND, AND NOTES

SHEET 1 OF 2 SHEETS

FILE No. ---



9TH STREET CONSTRUCTION
WEST OF BEAUMONT AVENUE

SCALE: NOT TO SCALE

11TH STREET CONSTRUCTION
WEST OF BEAUMONT AVENUE

SCALE: NOT TO SCALE

WORK AREA

**ALL TRAFFIC CONTROL SHALL CONFORM TO THE WORK AREA TRAFFIC CONTROL HANDBOOK (W.A.T.C.H.), LATEST EDITION

2750 PZ

48 hours BEFORE excavation
1-(800)227-2600
CALL Underground Service Alert

BEAUMONT-CHERRY VALLEY WATER DISTRICT
ENGINEERING
TRANSMISSION & DISTRIBUTION

SYM	REVISIONS	DATE	BY

REGISTERED PROFESSIONAL ENGINEER
MARK BRYAN SWANSON
No. 72332
CIVIL
STATE OF CALIFORNIA

BEAUMONT-CHERRY VALLEY WATER DISTRICT

560 Magnolia Ave. • Beaumont, CA. 92223 • 951-845-9581

APPROVED BY _____
REGISTERED ENGINEER No. _____ DATE _____

SCALE	N/A
FIELD BOOK	N/A
DESIGN	DAB
DRAWN	DAB
CHECKED	MBS/DKJ

BCVWD

TRAFFIC CONTROL PLANS FOR PIPELINE REPLACEMENT FOR 9TH AND 11TH STREET

TYPICAL TRAFFIC CONTROL SETUP

SHEET 2 OF 2 SHEETS

FILE No. ---

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27,2020

Item 3

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Resolution 2020-__: Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency and Rescinding Resolution 2019-14**

Staff Recommendation

Adopt Resolution 2020-__: Approving a Memorandum of Agreement for the creation of the Coordinated San Timoteo Groundwater Sustainability Agency (STGSA) and rescinding Resolution 2019-14.

Background

The Sustainable Groundwater Management Act (SGMA) was signed into state law on September 16, 2014, establishing a new structure for managing California's groundwater resources. The STGSA was established on June 20, 2017 and consists of representatives from the City of Banning, Beaumont-Cherry Valley Water District (District), City of Redlands, Yucaipa Valley Water District (Parties), and the San Gorgonio Pass Water Agency. General Manager Dan Jaggers and Assistant Director of Operations James Bean are the primary and alternate representatives for the District, respectively.

At the Regular Board meeting on June 13, 2018, staff informed the Board that although the Upper Santa Ana Valley – San Timoteo Basin was originally assigned a priority level of "Medium," it had been downgraded to a "Very Low" priority in the 2018 DRAFT Prioritization published by the California Department of Water Resources (DWR). The boundary amendment for the San Timoteo Groundwater Basin has subsequently been approved, eliminating the southerly portion of the basin in the Badlands area due to the lack of available groundwater. Due to this change, along with the adjudication of the Beaumont Basin and Watermaster Committee, the functionality and management of the San Timoteo Groundwater Basin is significantly reduced.

The attached Memorandum of Agreement (MOA) was approved by the BCVWD Board of Directors at the Regular meeting of November 13, 2019 to create a coordinated management effort between the City of Banning, City of Redlands, Beaumont-Cherry Valley Water District and the Yucaipa Valley Water District; the San Gorgonio Pass Water Agency is no longer interested in participating.

When presenting the MOA to the City of Banning's City Council, the language on page 4; section V was changed to allow for adoption of the MOA without holding a Public Hearing. To provide transparency and to maintain uniformity in the versions of the MOA adopted by each governing board, this item is being presented to the BCVWD Board for consideration once again.

The language in the original document was as follows:

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

This language will now read:

> *"**Approval of MOA and Formation of the San Timoteo GSA.** Approval of this MOA and formation of the San Timoteo GSA shall be accomplished by Banning, BCVWD, Redlands, and YVWD each holding its own noticed meeting and at such hearing approving a Resolution by its governing board to enter into this MOA and jointly form the San Timoteo GSA."*

Fiscal Impact

There is no fiscal impact to the District at this time.

Attachment(s)

Figure 1 – Management Areas of the San Timoteo Groundwater Sustainability Agency (STGMA)

Figure 2 - Management Area B (YVWD) and Management Area C (BCVWD) Boundary

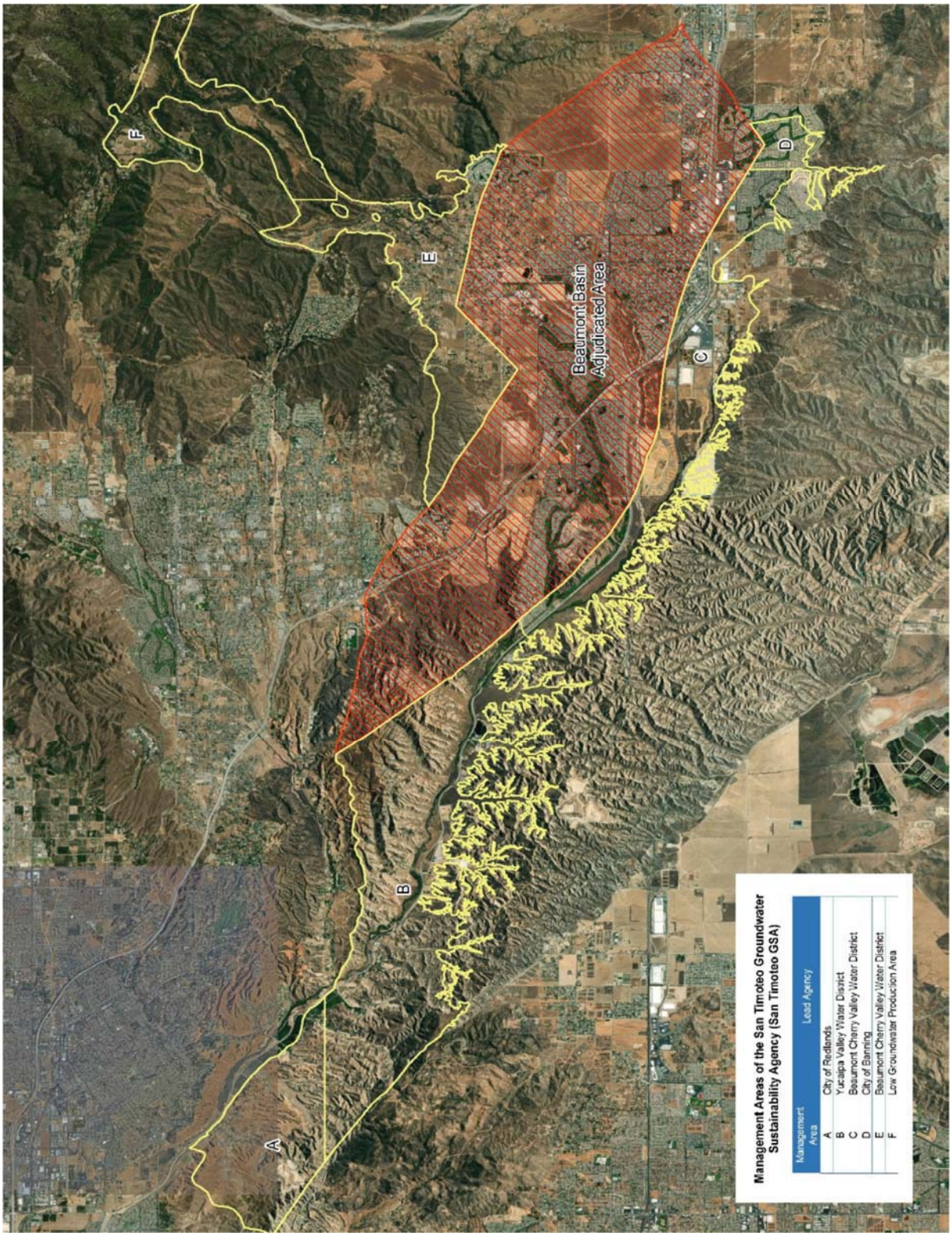
Figure 3 - Geological Map

Resolution 2020-__: Approve a Memorandum of Agreement to form a Coordinated Groundwater Sustainability Agency for the Unadjudicated Portion of the San Timoteo Sub-Basin and to Create Multiple Groundwater Sustainability Plans

Draft Memorandum of Agreement for the proposed STGMA

EMG

Figure 1 –
Management Areas of the San Timoteo Groundwater Sustainability Agency (STGMA)



EMG

*Figure 1, 2 and 3 taken from Yucaipa Valley Water District November 5, 2019 Regular Board Meeting Agenda

Figure 2 – Management Area B (YVWD) and Management Area C (BCVWD) Boundary

Figure 3 – Geological Map

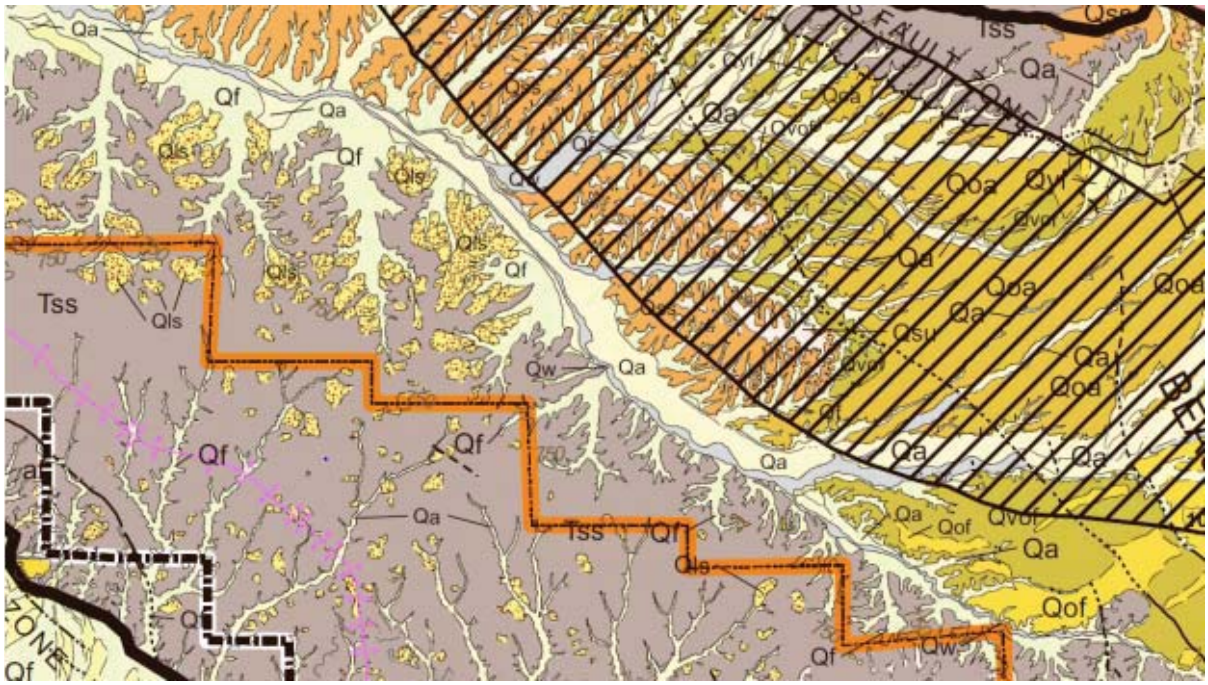


*Figure 1, 2 and 3 taken from Yucaipa Valley Water District November 5, 2019 Regular Board Meeting Agenda

EMG

RESOLUTION 2020-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT TO APPROVE A MEMORANDUM OF AGREEMENT TO FORM A COORDINATED GROUNDWATER SUSTAINABILITY AGENCY FOR THE UNADJUDICATED PORTION OF THE SAN TIMOTEO SUB-BASIN AND TO CREATE MULTIPLE GROUNDWATER SUSTAINABIILITY PLANS

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

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

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

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

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

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Beaumont-Cherry Valley Water District as follows:

1. The above recitals, and each of them, are true and correct, and are incorporated as terms of this Resolution.

2. The Board of Directors hereby decides and determines that the Beaumont-Cherry Valley Water District shall become a member of the Coordinated Groundwater Sustainability Agency for the unadjudicated portion of the San Timoteo Sub-basin and to participate in the creation of multiple Groundwater Sustainability Plans pursuant to the attached Memorandum of Agreement.

3. Beaumont-Cherry Valley Water District (District) staff, or staff of one of the other member agencies on behalf of the District, shall submit to the Department of Water Resources, within thirty (30) days of the approval of this Resolution, all documentation and information required by Water Code section 10723.8 to support the Agency's formation of a GSA over the Basin.

4. The Board of Directors hereby finds and determines that the approval of this Resolution and formation of the Coordinated Groundwater Sustainability Agency for the unadjudicated portion of the San Timoteo Sub-basin is not a project pursuant to the California Environmental Quality Act (Pub. Resources Code, §21000 et seq.) or the State CEQA Guidelines (14 Cal. Code Regs., Title 14, § 15000 et seq.) (collectively, CEQA). Specifically, the Board finds that, because it is only electing to form the GSA for the Basin and not approving any specific projects or authorizing any further activities, formation of the GSA is not a project under State CEQA Guidelines §15387 because there is no potential that formation of the GSA will result in either a direct physical change or a reasonably foreseeable indirect change in the environment. The Board further finds that even if formation of the GSA constitutes a project under CEQA, it is exempt from CEQA review pursuant to State CEQA Guidelines § 15061 (b)(3) because it can be seen with certainty that there is no possibility that the formation of the GSA may have a significant effect on the environment, finally, the Board finds that formation of the GSA is further exempt from CEQA review pursuant to State CEQA Guidelines § 15307 and § 15308 as an action authorized by state law and taken by a regulatory agency that will assure the maintenance, restoration, or enhancement of a natural resource and the environment.

5. Beaumont-Cherry Valley Water District is directed to file and post within five (5) business days a Notice of Exemption for this approval with the Clerk of the Board of Supervisors of Riverside County.

6. Resolution 2019-14 is rescinded in its entirety.

ADOPTED this _____ day of _____, _____, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

_____ _____

Director John Covington, President of the Board of Directors of the Beaumont-Cherry Valley Water District

Director Lona Williams, Secretary to the Board of Directors of the Beaumont-Cherry Valley Water District

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

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

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

RECITALS

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

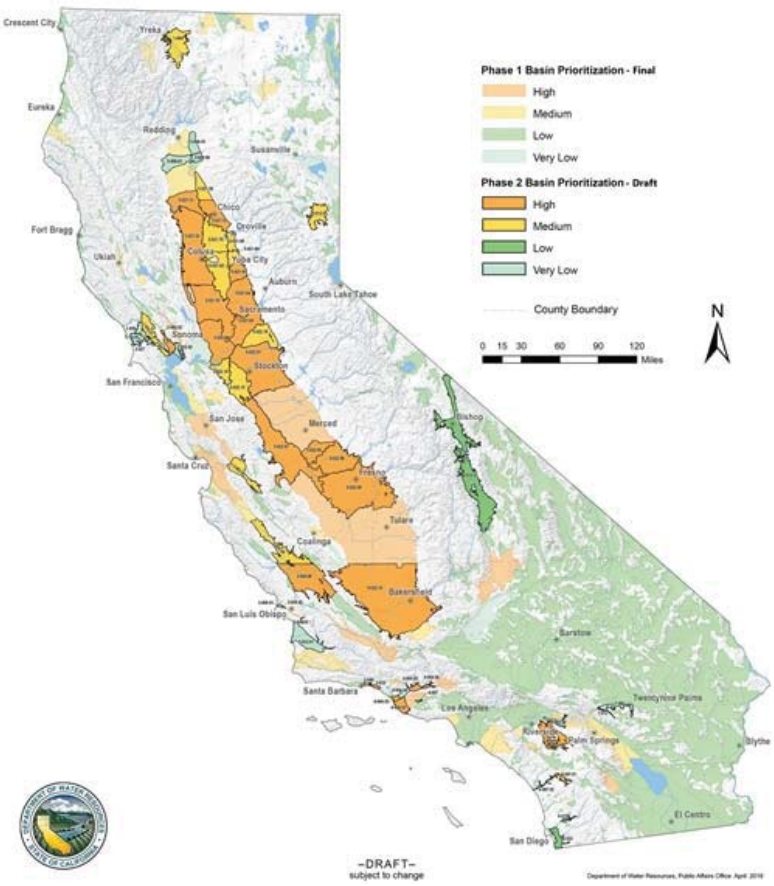
WHEREAS, SGMA went into effect on January 1, 2015, and thereafter various clarifying amendments to SGMA were signed into law in 2015, including Senate Bills 13 and 226, and Assembly Bills 617 and 939; and

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

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

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

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



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

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

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

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

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

AGREEMENT

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

I. Incorporation of Recitals. The Recitals stated above are incorporated herein by reference.

II. Purposes. The purpose of this MOA is to form the San Timoteo GSA for part of the unadjudicated portion of the Basin and to initially create separate Groundwater Sustainability Plans (GSPs) for each Management Area in such a manner that the individual GSPs can be consolidated into a single GSP when the priority of the Basin is changed and a GSP is required.

III. Boundaries of San Timoteo GSA. The boundaries of the San Timoteo GSA, as further depicted in Exhibit B to this MOA, shall be the entire Basin except the Adjudicated Area of the Basin as further specified in this MOA. The Parties understand and agree that the Adjudicated Area of the Basin will not be managed by the San Timoteo GSA.

IV. Definitions. The following terms, whether used in the singular or plural, and when used with initial capitalization, shall have the meanings specified herein. The Parties agree that any definitions set forth herein are intended to be consistent with SGMA, and in the event of any discrepancy between a defined term in this MOA and a defined term in SGMA, the terms of SGMA shall control.

A. "Adjudicated Area" refers to that portion of the Basin that is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, as further depicted in Exhibit B to this MOA.

B. "Banning" means the City of Banning.

C. "Basin" refers to the San Timoteo Subbasin, designated by the California Department of Water Resources as Subbasin No. 8-002.08, as further specified, and depicted in Exhibit B to this MOA.

D. "BCVWD" means the Beaumont Cherry Valley Water District.

E. "DWR" means the California Department of Water Resources.

F. "GSA" means Groundwater Sustainability Agency, as defined by SGMA.

G. "GSP" means Groundwater Sustainability Plan, as defined by SGMA.

H. "Management Area" refers to the portions of the Basin that have been identified in Exhibit C that allow each Party to proceed at their leisure to create a site-specific GSP to collect data and support the localized groundwater Management Area.

I. "Memorandum of Agreement" or "MOA" refers to this Memorandum of Agreement.

J. "Party" or "Parties" refers individually or collectively to Beaumont Cherry Valley Water District, City of Banning, City of Redlands, and Yucaipa Valley Water District, as signatories to this MOA.

K. "Redlands" means the City of Redlands.

L. "SGMA" refers to the Sustainable Groundwater Management Act.

M. "San Timoteo GSA" refers to the San Timoteo Subbasin GSA formed under this MOA, the members of which GSA are Banning, BCVWD, Redlands, and YVWD.

N. "YVWD" means the Yucaipa Valley Water District.

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

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

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

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

VI. Coordination and Cooperation

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

i. The reason for the creation of each management area;

ii. The minimum thresholds and measurable objectives established for each Management Area, and an explanation of the rationale for selecting those values
iii. The level of monitoring and analysis appropriate for each Management Area;
iv. An explanation of how the Management Area can operate under different minimum thresholds and measurable objectives without causing undesirable results outside the Management Area; and
v. Specific localized descriptions, maps, and other information sufficient to describe conditions in each area.

B. Determination to Prepare a GSP. As a very low priority Basin, each Party, as a lead agency, shall retain the sole and absolute discretion to prepare a GSP for their respective Management Area based on the boundary illustrated in Exhibit C.

C. Continued Cooperation. At least annually, the Parties to this MOA will meet, confer, coordinate, and collaborate to discuss and develop technical, managerial, financial, and other criteria and procedures for the preparation, governance, and implementation of GSPs in the Basin and to carry out the policy, purposes, and requirements of SGMA in the Basin.

D. Points of Contact. Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Parties in scheduling meetings and other activities under this MOA.

E. Changes to Water Levels. The Parties shall coordinate and resolve any changes in groundwater elevations within each Management Area to ensure the Parties, stakeholders, and other interested individuals are reasonably protected from damages related to the operation of each individual Management Area.

F. Development of a Basin-wide GSP. In the event the Department of Water Resources requires, or by unanimous written consent of the Parties adopting this MOA in calendar year 2019, the Parties may consolidate the individual GSPs into one GSP and redefine the cost sharing, voting, and operational parameters for the long-term maintenance and oversight of a Basin-wide GSP.

VII. Roles and Responsibilities

A. The Parties agree to work in good faith and coordinate all activities to carry out the purposes of this MOA in implementing the policy, purposes, and requirements of SGMA within the boundaries of the San Timoteo GSA.

B. Banning, BCVWD, Redlands, and YVWD, as members of the San Timoteo GSA, shall coordinate with each other to cause all applicable noticing and submission of required information to DWR regarding formation of the San Timoteo GSA.

C. Banning, BCVWD, Redlands, and YVWD, as members of the San Timoteo GSA, shall determine the information collected and provided on individual websites for

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

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

IX. Stakeholders

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

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

X. Term, Termination, and Withdrawal

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

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

XI. Notice Provisions

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

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

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

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

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

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

service, or on the fifth (5th) calendar day following deposit of the notice in registered first class mail.

XII. General Terms

A. Amendments. Amendments to this MOA require unanimous written consent of all Parties and approval by the Parties' respective governing bodies.

B. Successors and Assigns. The terms of this MOA shall be binding upon all successors in interest and assigns of each Party; provided, however, that no Party shall assign its rights or obligations under this MOA without the signed written consent of all other Parties to this MOA.

C. Waiver. No waiver of any provision of this MOA by any Party shall be construed as a further or continuing waiver of such provision or any other provision of this MOA by the waiving Party or any other Party.

D. Authorized Representatives. Each person executing this MOA on behalf of a Party hereto affirmatively represents that such person has the requisite authority to sign this MOA on behalf of the respective Party.

E. Exemption from CEQA. The Parties recognize and agree that, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this MOA nor the preparation or adoption of a GSP constitute a "project" or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines, and therefore this MOA is expressly exempt from CEQA review.

F. Governing Law and Venue. This MOA shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOA shall be brought and maintained to the extent allowed by law in the County of Riverside, California.

G. Attorney's Fees, Costs, and Expenses. In the event of a dispute among any or all of the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney's fees, costs, and expenses.

H. Entire Agreement/Integration. This MOA constitutes the entire agreement among the Parties regarding the specific provisions of this MOA, and the Parties hereto have made no agreements, representations or warranties relating to the specific provisions of this MOA which are not set forth herein.

I. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through a negotiated process among the Parties, and that each Party has had a full and fair opportunity to review the terms of this MOA with the advice of its own legal counsel and to revise the terms of this MOA, such that each Party constitutes a drafting Party to this MOA. Consequently, the Parties understand and agree that no rule of construction shall be applied to resolve any ambiguities against any particular Party as the drafting Party in construing or interpreting this MOA.

J. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOA, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Parties in writing to the extent practicable. It shall further pursue its best efforts to resume its obligations under this MOA as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.

K. Execution in Counterparts. This MOA may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.

L. No Third Party Beneficiaries. This MOA is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right of any third party to bring an action to enforce any of the terms of this MOA.

M. Timing and Captions. Any provision of this MOA referencing a time, number of days, or period for performance shall be measured in calendar days. The captions of the various articles, sections, and paragraphs of this MOA are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, terms, or intent of this MOA.

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

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

[Signature pages to follow.]

BEAUMONT CHERRY VALLEY WATER DISTRICT

By: _____

President, Board of Directors

Attest:

_____

Secretary, Board of Directors

Approved as to form:

_____

Counsel, Beaumont Cherry Valley Water District

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

on _____.

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

Attention: General Manager
560 Magnolia Avenue
Beaumont, California 92223

With copies to:

_____
_____
_____
_____

CITY OF BANNING

By: _____
Mayor, City Council

Attest:

_____
Secretary, City Council

Approved as to form:

_____
Counsel, City of Banning

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

on _____.

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

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

With copies to:

_____
_____
_____
_____

CITY OF REDLANDS

By: _____
Mayor, City Council

Attest:

_____
Secretary, City Council

Approved as to form:

_____
Counsel, City of Redlands

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

on _____.

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

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

With copies to:

_____
_____
_____
_____

YUCAIPA VALLEY WATER DISTRICT

By: _____
President, Board of Directors

Attest:

_____
Secretary, Board of Directors

Approved as to form:

_____
Counsel, Yucaipa Valley Water District

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

on _____.

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

Attention: General Manager
12770 Second Street
Yucaipa, California 92399

With copies to:

_____
_____
_____
_____

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

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

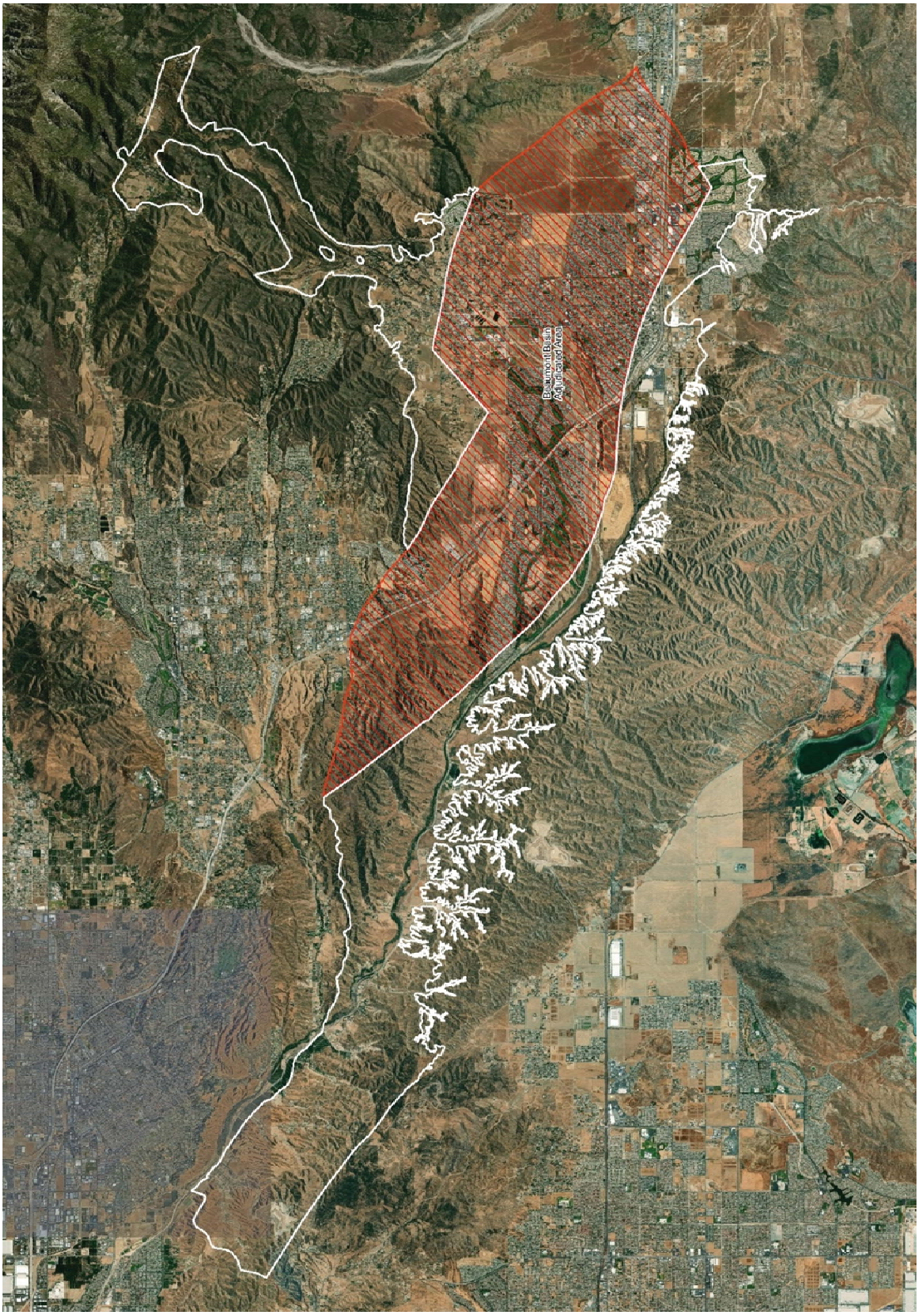
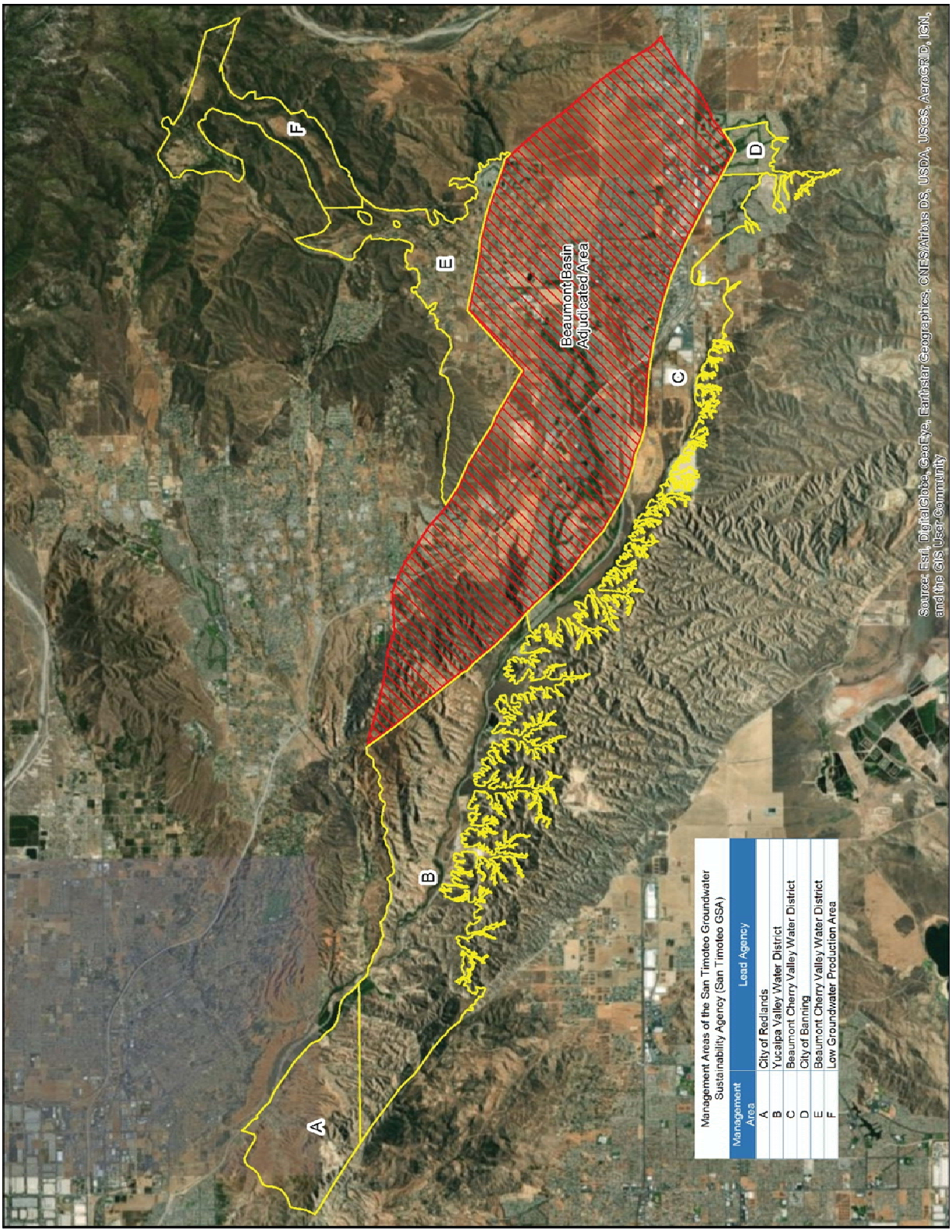


Exhibit C - Management Areas of the San Timoteo Groundwater Sustainability Agency - 2019



Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 4

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Opposition to AB 2093 (Gloria): Public Records: Writing Transmitted by Electronic mail: Retention**

Staff Recommendation

Consider the letter of opposition and direct staff:

a. To execute the letter and forward to the California Special Districts Association and designated elected officials

b. To not execute or forward the letter

Background

The BCVWD prides itself on its transparency and proper and complete response to California Public Records Act (CPRA) requests. AB 2093 is not a transparency bill, it is a data storage bill. The public will have no greater access to public records under AB 2093. This bill creates no new disclosures or exemptions of records in the CPRA. This bill only mandates that public agencies retain all emails related to agency business for two years, not that they release them.

Caught up in the storage requirement would be numerous emails irrelevant to the conduct of the public's business, such as out-of-office automatic replies and spam. The District is already required to retain business-related emails for a minimum of two years.

AB 2093 is expected to add significant costs to government agencies by requiring additional storage capacity and additional staff time to sort through thousands of retained emails in response to any CPRA request. The bill states that the additional storage is to be done in furtherance of the California Public Records Act (CPRA) to ensure that the State will not need to reimburse public agencies for any additional costs associated with this new mandate.

On September 10, 2019, identical legislation (AB 1184) was passed by the legislature. Upon recommendation by the California Special Districts Association, at its meeting of September 26, 2019, the BCVWD Board of Directors voted to send a letter to Governor Gavin Newsom requesting veto of the AB 1184. The governor did indeed veto AB 1184, stating, "*I am returning Assembly Bill 1184 without my signature. This bill would require state and local public agencies to retain every public record transmitted by e-mail for at least two years. This bill does not strike the appropriate balance between the benefits of greater transparency through the public's access to public records, and the burdens of a dramatic increase in records-retention requirements, including associated personnel and data-management costs to taxpayer. Therefore, I am unable to sign this bill.*"

Assembly member Gloria has resurrected the effort and the bill has returned in 2020 as AB 2093.

Summary

The California Special Districts Association (CSDA) opposes AB 2093 and has requested its members contact their representatives in opposition.

If approved, BCVWD staff will prepare the letter and disseminate to the CSDA and recommended legislators.

Fiscal Impact:

If AB 2093 becomes law, there will be a fiscal impact dependent on the amount of additional digital storage capacity necessary for compliance. There may be additional costs in the future, dependent on any staff time needed to fully respond to any CPRA requests.

Attachments

Text of AB 2093 - Redline

Draft letter in opposition to AB 2093

Beaumont-Cherry Valley Water District

Phone: (951) 845-9581 Fax: (951) 845-0159
Email: info@bcvwd.org

http://www.bcvwd.org

March 2, 2020

The Honorable Todd Gloria
California State Assembly
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 2093 (Gloria) – Opposition

Dear Assembly Member Gloria,

The Beaumont-Cherry Valley Water District opposes AB 2093.

BCVWD provides potable and non-potable water service to more than 18,000 connections. Its service area covers 28 square miles, virtually all of which is in Riverside County, and includes the City of Beaumont and the community of Cherry Valley. The BCVWD prides itself on its transparency and proper and complete response to California Public Records Act (CPRA) requests.

AB 2093 is not a transparency bill, it is a data storage bill. The public will have no greater access to public records under AB 2093. This bill creates no new disclosures or exemptions of records. This bill only mandates that public agencies retain all emails related to agency business for two years and avoids the constitutionally-required mandate subvention process declaring that the provisions of the bill are in furtherance of the California Public Records Act (CPRA)

While this measure is intended to improve public access to government records, in practice it will merely increase the burdens for both public agencies and CPRA requesters. The vast majority of emails consist of auto-replies, spam, and insignificant routine communications of minimal public interest. As the bulk of these emails increases, the burden to search through them and locate responsive records in the event of a CPRA request rises accordingly. Under the CPRA, the requester may be required to bear the cost of this data extraction - and indiscriminately mandating that emails be retained will thus make CPRA requests more expensive, perversely impeding public access. Moreover, for those costs that cannot be passed on to the requester, the public agency has no source for reimbursement, and must divert funds from other public programs. Compelling public agencies to retain masses of routine emails - which neither the sender nor recipient otherwise thought important enough to save - imposes significant burdens on all concerned for minimal public benefit. This point is corroborated by the Department of Finance's analysis of AB 1184 (Gloria, 2019), a bill that is completely identical to AB 2093 that was vetoed by Governor Newsom. In their analysis of AB 1184, the Department of Finance wrote that "[t]he retention of non-pertinent e-mails and the need to search through those e-mails, particularly for less specific CPRA requests, increases the amount of time needed to complete CPRA requests. This makes compliance with the CPRA more difficult in these instances and *produces worse outcomes for persons and entities submitting those requests* [emphases added]."

560 Magnolia Avenue Beaumont CA 92223

Beaumont-Cherry Valley Water District

Phone: (951) 845-9581 Fax: (951) 845-0159
Email: info@bcvwd.org

http://www.bcvwd.org

To further underscore this point, the Governor's veto message of AB 1184 read "[t]his bill does not strike the appropriate balance between the benefits of greater transparency through the public's access to public records, and the burdens of a dramatic increase in records-retention requirements, including associated personnel and data-management costs to taxpayer."

AB 2093 will add millions of dollars in costs annually to the state and local agencies, including school districts. Public agencies will be forced to pay for additional data storage space as well as hire additional staff to sort through the millions of emails that are exempt from disclosure under the CPRA but mandated to be retained under AB 2093 in order to respond to public records act requests. Without the ability to be reimbursed for this costly unfunded mandate, public agencies will be forced to either raise fees and taxes or cut services to the communities they serve.

It is for these reasons that the Beaumont-Cherry Valley Water District must respectfully oppose AB 2093 (Gloria). Should you have any questions about our position, please feel free to contact us.

Sincerely,
BEAUMONT-CHERRY VALLEY BOARD OF DIRECTORS

John Covington, President

cc: Raquel Mason, Legislative Assistant, Office of Assembly Member Todd Gloria (Raquel.mason@asm.ca.gov)
Dillon Gibbons, Senior Legislative Representative, California Special Districts Association [advocacy@csda.net]

AB-2093 Public records: writing transmitted by electronic mail: retention. (2019-2020)

Date Published: 02/05/2020 09:00 PM

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

ASSEMBLY BILL NO. 2093

Introduced by Assembly Member Gloria

February 05, 2020

An act to add Section 6253.32 to the Government Code, relating to public records.

LEGISLATIVE COUNSEL'S DIGEST

AB 2093, as introduced, Gloria. Public records: writing transmitted by electronic mail: retention.

Existing law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. Existing law requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6253.32 is added to the Government Code, immediately following Section 6253.31, to read:

6253.32. Unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act (Article 7 (commencing with Section 12270) of Chapter 3 of Part 2 of Division 3 of Title 2), a public agency shall, for the purpose of this chapter, retain and preserve for at least two years every public record, as defined in subdivision (e) of Section 6252, that is transmitted by electronic mail.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds Section 6253.32 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act furthers the right of public access to the writings of local public officials and local agencies by requiring that public agencies preserve for at least two years every public record that is transmitted by electronic mail.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 6

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Review of Grading Water Letter for Ongoing Development Within Olivewood Master Planned Community (Tract 27971) located South of Oak Valley Parkway, North of Highway 60 and West of Potrero Boulevard**

Staff Recommendation

No recommendation.

Background

The Olivewood Community (Tract 27971) Developer, William Lyon Homes, has requested re-establishment of grading water supply for the continuation of their project which is planned for 981 homes at build out (see Figure 1 – Overall William Lyon Homes - Olivewood Location Map). District staff further identifies that the Beaumont-Cherry Valley Water District Board of Directors approved an extension to the "Will Serve Letter" for William Lyon Homes' Olivewood project on August 22, 2019.

As with another large development project, District staff felt it is appropriate to review that the proposed project was going to continue with its grading operations. This update serves to identify to the Board the area to be graded and duration of grading activities.

The Developer has identified the grading activity for this project is proposed to be done between March and June, 2020. District staff will be preparing a conditional letter for the use of grading water, which sets forth various conditions regarding conditions of supply related to Construction water. Staff further will identify that although grading water is being provided, the District reserves the right to end or restrict water supply deliveries, as necessary, to ensure stable system operations.

This item is provided for informational purposes only.

Fiscal Impact

None. The Developer will pay all rates and fees associated with grading Tract 27971.

Attachment(s)

Figure 1 – Overall William Lyon Homes - Olivewood Location Map
Figure 2 – William Lyon Homes - Olivewood Grading Area

MBS

Figure 1

William Lyon Homes – Olivewood Location Map

Figure 2

William Lyon Homes - Olivewood Grading Area

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 7

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Update: Grading Water for Fairway Canyon Master Planned Community (Tract 31462 - Phase IV) located Northeast of Oak Valley Parkway and Southwest of Interstate 10**

Staff Recommendation

Informational only. No recommendation.

Background

At the October 24, 2019 Beaumont-Cherry Valley Water District (BCVWD) Engineering Workshop, District staff informed the Board of the upcoming earthwork/grading activities and associated grading water needs that would be commencing within the Fairway Canyon Master Planned Community.

The Board of Directors requested that District staff provide updates regarding the status of the grading activities.

A recent update provided by the Developer indicates that the grading efforts are actively underway, and the contractor has performed over 1 million cubic yards (CY) of grading activity with approximately 1.9 million CY of grading activities (i.e. approximately 35% of the grading activity has been completed) remaining.

District staff will update the Board again in approximately three (3) months.

Fiscal Impact

None. The Developer will pay all rates and fees associated with grading Tract 31462 – Phase IV.

MBS

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 8

STAFF REPORT

TO: Board of Directors

FROM: Dan Jaggers, General Manager

SUBJECT: **Update: Status of District Wells, Capital Improvements, and Engineering Projects**

Staff Recommendation

No recommendation.

Background

Beginning in late 2017, the Board approved a number of Capital Improvement, Engineering and Well repair and rehabilitation projects, either as part of the annual program to ensure quality of supply and serviceable equipment, or out of necessity due to equipment failure. The purpose of this staff report is to update the Board on all major Capital Improvement, Engineering and Well repair and rehabilitation projects that are ongoing or are upcoming in the near future.

Summary

The attached tables set forth the current status of said on-going projects.

Attachments

Table 1 – Board Approved Facility Replacement and Well Site Repair, Rehabilitation, and Replacement

Table 2 – 2020 Ongoing Capital Improvement Plan (CIP) Projects

Table 3 – 2020 Planned Capital Improvement Plan (CIP) Projects

Table 1 Board Approved Facility Replacement and Well Site Repair, Rehabiliation, and Replacement						
Potable Infrastructure Project Description	**Total Anticipated Project Amount**	**Total Project Expenses**	**Y-T-D Costs (January 31, 2020)**	**Funding Source**	**Current Status**	**Project Notes**
Well 22 Repair and Rebilitation	$ 217,660	$ 205,760	$ -	Capital Replacement Reserve	Ongoing	Work complete pending landscaping, and paint
Well 4A Repair and Rehabilitation	$ 145,102	$ 87,050	$ 29,985	Capital Replacement Reserve	Ongoing	Pumping unit installed, complete pending startup, flushing, and sampling
Well 10 Repair and Rehabilitation	See Well 4A	$ -	$ -	Capital Replacement Reserve	Complete	
Well 18 Repair and Rehabilitation	See Well 4A	$ -	$ -	Capital Replacement Reserve	Complete	

Beaumont-Cherry Valley Water District

Table 2
2020 Ongoing Capital Improvement Plan (CIP) Projects

Project No.	Project Description	2020 Approved CIB Cost	Total Project Costs (January 31, 2020)	% Expended	Budget 2020	Y-T-D Costs (January 31, 2020)	% Completion -	Funding Source
WR-REWTR-Plan	Recycled Water Masterplan Update 2016	$ -	$ 88,997	100%	$ -		60%	Facilities Fees
WR	Grand Avenue Storm Drain	$ 5,336,402	$ 66,164	1%	$ 2,595,052	$ 191	20%	Facilities Fees
W-2750-0005	Replace 2750 Zone Well 1	$ 4,182,944	$ 39,330	1%	$ 1,627,307		1%	Capital Replacement Reserve
W-2750-0001	Replacement for Well 2	$ 5,845,408	$ 35,563	1%	$ 1,658,912		1%	Capital Replacement Reserve
W-2750-0002	2750 Zone Well in Noble Creek Regional Park	$ 7,452,407	$ 16,732	0%	$ -		1%	Facilities Fees
W-2850-0001	New Beaumont Basin Well on Pardee Sundance Site	$ 7,663,157	$ 16,004	0%	$ -		1%	Facilities Fees
M-2750-0001	2850/2750 Pressure Reducing Station & Piping (Cherry Reservoir)	$ 56,452	$ 869	2%	$ -		1%	Capital Replacement Reserve
M-2850-0001	Well 25 East Block Wall and Entrance Gate	$ 56,143	$ 4,761	8%	$ 56,143		15%	Facilities Fees
M-0000-0001	800hp Spare Motor	$ 136,969	$ 2,433	2%	$ 136,969		2%	Capital Replacement Reserve
M-3040-0002	Noble Booster Pump and Motor(Spare Pump & Motor)	$ 24,611	$ 2,978	12%	$ 24,611		13%	Capital Replacement Reserve
NPT-2800-001	Raw Water Filter System at 2800 PZ Tank	$ 292,688	$ 2,235	1%	$ -		1%	Facilities Fees
T-3040-0001	Pressure Zone Pipeline	$ 1,259,291	$ 37,883	3%	$ 1,041,053	$ 1,621	70%	Facilities Fees
T-3040-0001	2 MG 3040 Zone Tank	$ 3,757,487	$ 201,984	5%	$ 3,106,304	$ 1,738	75%	Facilities Fees
P-2750-0069	Egan Ave-California Ave. Alley, 5th to 7th	$ 167,472	$ 64,692	39%	$ 167,472	$ 183	70%	Capital Replacement Reserve

Table 2
2020 Ongoing Capital Improvement Plan (CIP) Projects

Project No.	Project Description	2020 Approved CIB Cost	Total Project Costs (January 31, 2020)	% Expended	Budget 2020	Y-T-D Costs (January 31, 2020)	% Completion -	Funding Source
P-3620-0012	Ave Altejo Bella, Ave Miravilla to end of cul-de-sac	$ 234,268	$ 65,037	28%	$ 234,268	$ 183	70%	Capital Replacement Reserve
P-3620-0015	Appletree Ln, B line to Oak Glen Rd	$ 669,509	$ 63,571	9%	$ 669,509	$ 183	70%	Capital Replacement Reserve
M-0000-0002	Chlorination Retrofit At Misc. Wells (6 Well Sites)	$ 69,577	$ -	0%	$ 69,577		75%	Capital Replacement Reserve
IT-SCAD-0002	Wonderware SCADA Phase 2 Project	$ 411,343	$ 263	0%	$ 300,058		50%	Capital Replacement Reserve
WR-SITES-Reser.	Investment in Sites Reservoir Project	$ 4,000,000	$ 428,300	11%	$ 93,714		20%(1)	Facilities Fees
IT-NETW-0006	Workstation Replacement Project (50 units @ $1,000 per unit - 33% per year)	$ 101,392	$ -	0%	$ 20,846		0% (2)	Capital Replacement Reserve
IT-ADMN-0003	Front Office Space Reconfiguration and Furniture Replacement	$ 38,500	$ 1,995	5%	$ 26,892		15%	Capital Replacement Reserve
	Well Eyewash Station Additions	$ 50,533	$ 10,736	21%	$ 50,533	$ 118	15%	Capital Replacement Reserve
IT-SCAD-0004	AMR / AMI Deployment Project	$ 5,546,953	$ 474,106	9%	$ 1,056,806		50%	Capital Replacement Reserve

NOTES:

(1) BCVWD is a participant in this project , currently in Phase II, for 4,000 AF

(2) Project completion % for 2020 portion

Beaumont-Cherry Valley Water District

Table 3 2020 Planned Capital Improvement Plan (CIP) Projects			
Project No.	**Project Description**	**Approved Capital Improvement Budget Cost [(1)]**	**Funding Source**
PR-3620-0001	3620 to 3330 Fisher Pressure Regulator	$ 177,083	Capital Replacement Reserve
TM-3040-0001	Highland Springs Reservoir Recoat & Retrofit	$ 391,125	Capital Replacement Reserve
TM-3330-0001	Lower Edgar Reservoir Recoat & Retrofit	$ 391,125	Capital Replacement Reserve
-	Arc Flash Study and Improvement Project	$ 65,606	Capital Replacement Reserve
-	Well 21 Generator Conduit and Wiring	$ 36,978	Capital Replacement Reserve
-	Climate Control for High Horsepower Electrical Buildings	$ 55,875	Capital Replacement Reserve
P-3040-0023	Bing Pl	$ 103,452	Capital Replacement Reserve
P-3040-0024	Lambert Pl	$ 103,452	Capital Replacement Reserve
P-3040-0026	Utica Way, Vineland St to View Dr.	$ 183,255	Capital Replacement Reserve
P-3040-0027	Grand Ave., Jonathon Ave. to Bellflower; Cherry Valley Blvd. Bellflower to HS Village 12 in	$ 989,405	Capital Replacement Reserve
P-3620-0001	"B" Line Upper Edgar to upper end of 20" DIP and from lower end 20" DIP to Balance line and Balance Line in Edgar Canyon	$ 2,004,401	Capital Replacement Reserve
P-3620-0009	Ave. Miravilla,End of 12-in to Whispering Pines	$ 151,843	Capital Replacement Reserve
-	Avenida Sonrisa	$ 510,888	Capital Replacement Reserve
-	Beaumont Ave Service Replacement (6th to OVP) and 9th & 11th Street Pipeline Replacements	$ 402,737	Capital Replacement Reserve
IT-NETW-0013	Servers and Related Equipment (4 per year, 3 year life, $15K per server)	$ 354,671	Capital Replacement Reserve

Beaumont-Cherry Valley Water District

Table 3 2020 Planned Capital Improvement Plan (CIP) Projects			
Project No.	**Project Description**	**Approved Capital Improvement Budget Cost [(1)]**	**Funding Source**
IT-NETW-0014	Network Infrastructure and Equipment (Network Switches, Firewall Appliances, SAN Storage, Tape/Backup Storage, Power Capacity)	$ 103,240	Capital Replacement Reserve
IT-SCAD-0002	Wonderware SCADA Phase 2 Project	$ 411,343	Capital Replacement Reserve
IT-SCAD-0003	Wonderware SCADA Phase 3 Project	$ 235,498	Capital Replacement Reserve
IT-ADMN-0001	Laser-Fishe Digitized Fileroom Project	$ 78,505	Capital Replacement Reserve
IT-ADMN-0002	Board Room Audio/Video System	$ 167,625	Capital Replacement Reserve
VE-TRUK-0011	2008 F250 (Feb, 2008)	$ 47,440	Capital Replacement Reserve
-	Engineering and Operations Center	$ 1,760,000	Capital Replacement Reserve
-	Disaster Preparedness Equipment	$ 932,265	Capital Replacement Reserve
NP-2600-0001	24" San Timoteo Rd, Palmer to Tukwet Canyon	$ 4,978,637	Developer/Facilities Fees
NP-2600-0003	18" Tuckwet Canyon, Suncal Tract to San Timoteo	$ 1,275,397	Developer/Facilities Fees
NP-2600-0004	18" San Timoteo Canyon, Tukwet Canyon to end of Existing NP	$ 1,657,903	Developer/Facilities Fees
NP-2600-0006	24" Potrero Ave, South side San Timoteo (Heartland) to Fourth St.	$ 2,799,275	Developer/Facilities Fees
NP-2600-0010	24" Fourth St, from e/o Distribution Way to Potrero Ave.	$ 2,733,121	Developer/Facilities Fees
NP-2800-0019	8" Sundance TR, Mary lane, Tioga Tr West	$ 168,466	Developer
NWR-2600-0002	San Timoteo Creek Non-potable Extraction Wells	$ 4,325,585	Facilities Fees
P-2520-0004	Cherry Valley Blvd.,Suncal PA 17 to PA 22/26	$ 950,367	Developer/Facilities Fees

Beaumont-Cherry Valley Water District

Table 3 2020 Planned Capital Improvement Plan (CIP) Projects			
Project No.	**Project Description**	**Approved Capital Improvement Budget Cost [(1)]**	**Funding Source**
P-2520-0005	Cherry Valley Blvd.,Suncal PA 22/27 to Oak Valley Pkwy	$ 682,844	Developer/Facilities Fees
P-2520-0008	In Heartland 2520 Tract, stream crossing to Clifton Way	$ 1,406,737	Developer/Facilities Fees
P-2520-0009	In Hearland 2520 Tract, Clifton Way to Potrero	$ 1,946,265	Developer/Facilities Fees
P-2650-0008	Sunny Cal Egg Ranch, Cherry Valley Blvd South	$ 155,111	Developer/Facilities Fees
P-2650-0010	Sunny Call Egg Ranch, Brookside Ave. north	$ 221,520	Developer
P-2650-0017	Cherry Valley Blvd, Champions Dr., to Oak Valley Pkwy	$ 1,328,768	Developer
P-2750-0072	Ring Ranch Rd extension, across Noble Cr. to Kirkwood Ranch Project	$ 824,863	Developer/Facilities Fees
P-2750-0074	Kirkowood Ranch, Oak Valley Pkwy to I-10 (existing pipe)	$ 954,850	Developer/Facilities Fees
P-2850-0017	Sundance Drive, Sundance Circle to Highland Springs Rd.	$ 995,072	Developer/Facilities Fees
P-2850-0018	2850 to 3040 Zone Booster Pump Suction and Discharage Pipes	$ 205,950	Facilities Fees
P-3040-0009	Cherry Ave. Noble Tank to Dutton St	$ 1,241,599	Facilities Fees
P-3040-0016	Cougar Way, Cherry Ave. to Highland Springs Ave.	$ 1,165,872	Developer/Facilities Fees
P-3040-0017	2850 Sundance Booster to 3040 Zone	$ 130,459	Developer/Facilities Fees
WR-SITES-Reser.	Investment in Sites Reservoir Project	$ 2,612,428	Facilities Fees

NOTES:

(1) Total Project Cost only includes the next five years (2020-2024) as approved in the 2020 Operating and Capital Budget

Beaumont-Cherry Valley Water District
Regular Board Meeting
February 27, 2020

Item 9

Update: Legislative Action and Issues Affecting BCVWD

Federal			
Issue	Status	Description	New or Change in Status (New/Y/N)
HR 535 – PFAS Action Act of 2019 (see also S.1507)	7/12/19 Included in HR 2500 the National Defense Authorization Act for FY 2020 (Failed) 1/13/20 – Revised and Passed House, received in Senate	ACWA Watch List. Requires the EPA to designate all PFAS as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund. (ACWA Note: EPA indicates it will regulate two PFAs under CERCLA within the year. News: Jan. 10, 2019: The U.S. House of Representatives passed H.R. 535 along a 247-159 vote. The bill targeting per- and polyfluoroalkyl substances (PFAS) notably gained support from around two-dozen Republicans, despite opposition from President Donald Trump, who has said he will veto the bill if it comes to the White House. After its overwhelming passage in the House, the bill is likely to lose momentum now, with Republicans in the Senate averse to taking up the measure. During the conference to reconcile the House and Senate versions of the National Defense Authorization Act (NDAA), the House managers pushed for additional PFAS provisions, but the two sides did not reach agreement on those provisions. On January 10, 2020, the House passed a revised H.R. 535, the PFAS Action Act of 2019, with the votes of 24 Republicans, and sent it to the Senate for its consideration. Senate passage is probably unlikely, particularly in light of the rejection by Senate conferees on the NDAA of some of these provisions.	Y
HR 1435 – Sites Reservoir Protection Act	2/28/19 – Introduced 3/15/19 Ref to Com on Water, Oceans	ACWA Supports. Referred to Committee on Natural Resources. Supports building of the Reservoir and other water infrastructure in the Central Valley. Could also authorize additional funding and technological assistance for the project. Matching funds provided through Prop. 1. FUNDING: Sites Reservoir will receive $6 million from the federal government as part of a bipartisan spending bill that was signed by President Trump at the close of 2019. The funding, authorized by the WIIN Act, was appropriated to the Bureau of Reclamation to advance Sites Reservoir. With the passage of this legislation, Congress has now appropriated roughly $10 million in WIIN Act funding to the Bureau of Reclamation for Sites Reservoir.	Y

H.R. 1621 – Water Supply Permitting Coordination Act	Introduced 3/7/19 – Referred to House Com on Natural Resources	To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes. Helps with NEPA and Endangered Species Act. FEO becomes lead review agency. 2/1212/20 – No change in status.	N
HR 2377 – Protect Drinking Water from PFAS Act	9/26/19 – Forwarded to Energy and Commerce Subcommittee on Environment and Climate Change	ACWA: Oppose unless amended, Proposed Amendment: Provide robust funding for treatment and cleanup. Summary: Directs EPA to set a drinking water standard for all PFAS and PFOAS within two years of enactment.	N
HR 2473 – SAVE Water Resources Act	5/2/19 - Introduced in House 6/13/19 – Heard in Natural Resources Subcommittee	ACWA supports with amendments. Requires the Bureau of Reclamation to fast-track California water storage projects such as the Sites Reservoir. Will create cutting-edge programs to grow and sustain the region's water supply by improving storage capacity, supporting key new technological innovations for drought resistance and groundwater management and establishing responsible levels of federal funding to invest in water future. Amendments under consideration. 2/1212/20 – No new action.	N
S.1507 PFAS Release Disclosure and Protection Act of 2019	6/27/19 - Included in S.1790 the National Defense Authorization Act for FY 2020 12/20/19 – Passed, became law	ACWA: Oppose unless amended. ACWA Proposed amendments: Revise the bill to be consistent with the Safe Drinking Water Act. For example, adjust the timeline from regulatory determination to proposed MCL to be consistent with SDWA. Summary: Amendment to 2020 NDAA. Directs EPA to propose an MCL for at a minimum PFOA and PFAS within two years. Adds at least 18 PFAS to UCMR5; requires any PFAS or class of PFAS that appears on a future CCL to be subject to a regulatory determination within 18 months; if a decision to regulate is made, EPA has 18 months to propose an MCL and one year to finalize. The bill also accelerates the process for issuing health advisories for other PFAS and includes studies on health and environmental impact of PFAS. ACWA sent Comment Letter on 2/3/20: Comments support the new National Defense Authorization Act (NDAA) requirements and subsequent EPA action for listing both individual and classes of PFAS, but recommend that the NDAA reporting threshold of 100 lbs is too high and should be determined through consultations with states.	Y

S.1613 – Contaminant and Lead Electronic Accounting and Reporting Requirements (CLEARR) for Drinking Water Act	5/22/19 - Referred to the Committee on Environment and Public Works.	ACWA: Watch. Summary: Amends the Safe Drinking Water Act to update and modernize the reporting requirements for contaminants, including lead, in drinking water, and provides specific assistance to small and disadvantaged communities for education and system improvements. 2/12/20 – No new action.	N
S.1932 – Drought Resiliency and Water Supply Infrastructure Act	Introduced 6/20/19 (Feinstein) 7/18/19 – Hearing in Senate Energy and Natural Resources Committee 2/1212/20 – No change in status	Federal Drought Legislation. ACWA-supported bill would build on Sen. Feinstein's 2016 drought legislation that was included in the Water Infrastructure Improvements for the Nation (WIIN) Act. The bipartisan Act would improve the nation's water supply and drought resiliency to protect against climate change impacts. Key provisions include: • Extending funding under the WIIN Act for an additional five years, including $670 million for surface and groundwater storage projects, and supporting conveyance, $100 million for water recycling projects, $60 million for desalination projects • Creating a new loan program for water agencies at 30-year Treasury rates to spur investment in new water supply projects • Authorizing $140 million for habitat restoration and environmental compliance projects, including forest, meadow and watershed restoration and projects that benefit threatened and endangered species.	N
S.2086 – National Opportunity for Lead Exposure Accountability and Deterrence Act	7/11/19 Ref. to Committee on Environment and Public Works.	ACWA: Oppose. Summary: Amends the Safe Drinking Water Act to require EPA to lower the lead standard to less than 10 ppb by December 21, 2020; and not more than 5 ppb by December 31, 2026. 2/12/20 – No new action.	N

Continued next page

California			
Issue	Status	Description	New or Change in Status (New/Y/N)
SB 45 – Climate Resiliency Bond - The Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020	Proposed in Governor's 2020-21 Budget 1/23/20 – Amended to increase amount to $5.5 billion 1/31/20 – Passed Senate, on to Assembly. Urgency clause added.	Climate resiliency bond: The projected climate budget relies heavily on the proposed $5.5 billion climate resiliency bond being passed by voters on the November's ballot. 80% of these funds would be allocated to address nearer term risks such as floods, drought and wildfire, with the remaining funds aimed at addressing longer term climate risks such as sea level rise and extreme heat. The proposed bond includes $250 million for community resilience; $2,925 million for drinking water, flood, drought; $750 million for wildfire; $500 million for sea level rise; and $325 million for extreme heat. The bill made it out of Senate Appropriations with amendments and passed out of the Senate on a required two-thirds vote. It is now in the Assembly. The bill was amended on the Senate Floor to include an urgency clause, which offers flexibility beyond normal legislative deadlines. The measure is anticipated to be taken under consideration in the Assembly simultaneously with the other climate bond proposals anticipated from the Assembly and Governor, which we expect to be introduced in the coming weeks. • General Provisions: including definitions, how the funds may be used, grant eligibility, and applicant eligibility. See Chapter 1 (beginning at Section 80200) • Wildfire Prevention and Community Resilience from Climate Impacts: $2,200,000,000 for wildfire prevention, drought, or other natural disaster prevention and community resilience from climate change impacts. See Chapter 2 (beginning at Section 80220). Note: "Fire hardening" is defined in Chapter 1, Section 80203 (f) • Ensuring Safe Drinking Water and Protecting Water Supply and Water Quality from Climate Risks: $1,470,000,000 for providing safe drinking water and protecting water supply and water quality from climate risks. See Chapter 3 (beginning at Section 80230). • Protecting Fish and Wildlife from Climate Risks: $620,000,000 for protecting fish and wildlife from climate risks. See Chapter 4 (beginning at Section 80240). • Protecting Agricultural Lands from Climate Risks: $190,000,000 for protecting agricultural land from climate risks. See Chapter 5 (beginning at Section 80250). • Protecting Coastal Lands, Bays, and Oceans from Climate Risks: $970,000,000 for protecting coastal lands, oceans, bays, waters, natural resources, and wildlife from climate risks. See Chapter 6 (beginning at Section 80260). • Climate Resilience, Workforce Development, and Education: 60,000,000 for climate resilience, workforce development, and education. See Chapter 7 (beginning at Section 80270). Note: This section includes grant funding for career pathways for fire prevention and park and open space operations, among others, as well as funding for community colleges and the CSU and UC systems for fire education purposes.	Y

Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 (Budget Trailer Bill from Gov. Newsom) (Different than SB45, above)	Awaiting bill number. Likely to be sponsored by Asm. Eduardo Garcia.	Bond proceeds will be allocated as follows: Chapter 2: Supporting Safe Drinking Water and Resilience to Flood and Drought: $2,925,000,000 for providing safe and clean drinking water and resilience to flood and drought (See Section 80220). This allocation is broken down as follows: • $1,000,000,000 to the Department of Water Resources and Water Board for grants or loans to support regional and inter-regional water resilience programs and projects – this funding is intended to support the regional approach identified in the Water Resilience Portfolio (See Section 80221). • $395,000,000 to the Department of Water Resources for competitive grants to projects that support sustainable groundwater management implementation (See Section 80222). • $360,000,000 to the Water Board for competitive grants or loans to help provide clean, safe and reliable drinking water to all Californians, pursuant to the same purposes of the Clean, Safe and Reliable Drinking Water fund (See Section 80223). • $340,000,000 to the Department of Water Resources for flood Infrastructure projects (See Section 80224). • $270,000,000 to the Department of Water Resources for Central Valley and Sacramento-San Joaquin Delta multi-benefit flood control projects (See Section 80225). • $220,000,000 to the Natural Resources Agency for restoration activities identified in the Salton Sea Management Program (See Section 80226). • $200,000,000 to the Department of Food and Agriculture for projects and competitive grants to support environmental farming projects. (See Section 80227) • $140,000,000 to the Department of Fish and Wildlife for project and competitive grants that enhance or restore native fish species habitat (See Section 80228). Chapter 3: Wildfire Resilience Through Forest Health and Community Preparedness: $750,000,000 for wildfire resilience (See Section 80230). This allocation is broken down as follows: • $250,000,000 to the Department of Forestry and fire Protection for competitive grants for projects that reduce the risk of wildfire and provide long-term forest health benefits (See Section 80231). • $500,000,000 to the Office of Emergency Services, managed in coordination with the Natural Resources Agency and the Department of Forestry and Fire Protection, for competitive grants for hardening critical community infrastructure (See Section 80232). Chapter 4: Minimizing Threats Posed to Coastal Resources and Communities from Sea Level Rise and Changing Ocean Conditions: $500,000,000 for competitive grants to the Ocean Protection Council (See Section 80240). This allocation is broken down as follows: • $320,000,000 for projects and competitive grants that restore coastal wetlands (See Section 80241).	New

		• $130,000,000 for competitive grants that use nature-based solutions to address climate change impacts to California's ocean ecosystems (See Section 80242). • $50,000,000 for competitive grants for demonstration projects protecting critical infrastructure that is vulnerable to sea level rise and flooding (See Section 80243). Chapter 5: Mitigating Extreme Heat: $325,000,000 for mitigating extreme heat impacts (See Section 80250). This allocation is broken down as follows: • $200,000,000 to the Natural Resources Agency for competitive grants for urban greening and forestry projects (See Section 80251). • $125,000,000 to the Strategic Growth Council, in collaboration with the Department of Transportation, for competitive grants to support projects that provide for cool surface materials (See Section 80252). Chapter 6: Supporting Community Resilience: $250,000,000 to the Strategic Growth Council for community resilience (See Section 80260). This allocation is broken down as follows: • $225,000,000 for the development of community resilience centers (See Section 80261). • $25,000,000 for competitive grants that support community resilience planning efforts (See Section 80262). Chapter 7: Fiscal Provisions: Bond issuance procedures and mechanisms necessary for the State Treasurer and the Department of Finance to implement the bond act (See Section 80280). Legislative Analyst's Office 2/13/20 The Governor's proposal lays out one approach to designing a climate bond, but the Legislature has other options. As the Legislature deliberates whether to pursue a climate bond at either the Governor's proposed level or for a different amount, we recommend it consider the out-year implications for the state budget. We also recommend it focus on the categories of activities it thinks are the highest priorities for the state, including how much to spend responding to more immediate climate effects as compared to preparing for impacts that have a longer time horizon. Additionally, we recommend the Legislature adopt bond language to ensure dollars are used strategically to maximize their impact at addressing climate change risks, as well as include evaluation criteria to ensure the state will measure and learn from project outcomes. Read full LAO Report, here: https://lao.ca.gov/reports/2020/4155/climate-change-proposals-021320.pdf	
Key dates for the California Legislature	February 2020	2/21: Last day for bills to be introduced for 2020. The March Legislative Update will present any status changes occurring after 2/16/20	

ACA 3: Clean Water for All Act	3/20/19 – Amended in Assembly 4/30/19 – Failed Committee, granted reconsideration	Constitutional Amendment to require a minimum of 2% of specified state revenues to be earmarked for payment of principal and interest on bonds authorized by the Water Quality, Supply and Infrastructure Improvement Act of 2014. 4/15/19 – Now called the "Clean Water for All Act" 02/12/20 – No change in status. Bill still active.	N
AB 636: State Water Resources Control Board – water quality initiatives	2/15/19 – Introduced 3/14/19 - Referred to Com on Env Safety and Toxic Materials	Requires the Legislature to hold a hearing to review proposals of the State Board which result in significant environmental harm before said proposals can go into effect. Targeted at the Bay-Delta plan; could affect the Sites Reservoir. 4/9/19 – First hearing was set, but then canceled by author. 6/19/19 – Failed deadline, now a 2-year bill 2/3/20 – Bill died.	Y
AB 992: Open Meetings – Social Media	2/21/19 – Introduced 11/31/20 – Passed Assembly, on to Senate Rules Committee	The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and expressly excludes certain activities from the application of the act. This bill would provide that the Act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency. CSDA supports.	Y
AB 1204: Maximum Contaminant Level Compliance Period	2/21/19: Read first time. 4/9/19: Second committee hearing canceled	Sponsored by ACWA and the Calif Water Assn. Would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. 2/3/20 – Bill died.	Y
AB 1415: DWR Reporting Requirements – Civil Penalties	Bill held in suspense file. 2/12/20 – No change in status	CSDA Opposed. As amended 5/24/19: Requires the Department of Water Resources (the Department) to impose a civil penalty of up to $1,000 on any entity that fails to file with the department a report or plan by the deadline required. The reports subject to penalty include: (1) A report that summarizes aggregated farm-gate delivery data. (2) A water loss audit report, and accompanying information. (3) An urban water management plan or plan update. (4) A report on the implementation and enforcement of the model water efficient landscape ordinance, or a locally modified water efficient landscape ordinance that is at least as effective in conserving water. Additional penalties may apply for continued failure to file report. The Department has discretion to reduce or waive penalty.	New
AB 2060: Drinking water: pipes and fittings: lead content	Introduced 2/4/20	CSDA: No position. Would define "lead free," for purposes of manufacturing, industrial processing, or conveying or dispensing water for human consumption, to mean not more than one microgram of lead under certain tests and meeting a specified certification when used with respect to end-use devices.	New

AB 1484: Mitigation Fee Act: Housing Developments	9/6/19: Amended in Senate to include Special Districts 9/10/19 – Delay hearing until 2020, per author 2/12/20 – No change in status	Development Impact Fees. CSDA watch: Would place into law an expansive list of requirements that would run parallel to and in conjunction with both the Fee Mitigation Act and the Quimby Act as well as the Mello-Roos Community Facilities Districts Act. CSDA holds major concerns with this measure including: • Projects would need an individualized determination of their alignment with the nexus study; • Adds a new standard of "roughly proportional" in addition to the more common "reasonable" standard, which may not be appropriate for these types of fees and charges; • Levels of service may not exceed that of the "existing community"; • New facilities to be funded via impact fees would have to be specifically identified within the district's capital improvement plan (CIP); • "Capital Cost Level of Service" would be prohibited; • Mandates even more public website postings, hearings, and comment periods prior to adopting a nexus study; • If challenged in court, the burden would be on a district to demonstrate compliance with this bill. The author has agreed to postpone hearing AB 1484 until 2020 as the issues it tackles and their consequences are too complicated to resolve in one week. There may be informational hearings during the interim between legislative session late in 2019. 9/19 Statement by California YIMBY: "California YIMBY is disappointed in this stalemate. We call on the Legislature to heed the recommendations of the UC Berkeley Terner Center for Housing Innovation and prevent local governments from imposing fees that worsen the housing affordability crisis. Some local governments require fees on new home building in excess of $100,000 per home. Fees this high are guaranteed to worsen our housing affordability crisis. California's Legislative Analyst's Office has blamed excessive fees as one reason for the precipitous decline in housing permits in our state. Unless the Legislature curtails these usurious fees imposed by many local governments, Californians will continue to suffer from higher rent burdens, displacement, increased homelessness, reduced upward social mobility, and crushed dreams of homeownership."	N
AB 2093: Public records: writing transmitted by electronic mail: retention	Introduced 2/5/20.	CSDA: Opposed. Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail. CSDA Analysis: CSDA has adopted an "Oppose 1" position on AB 2093 (Gloria) which mandates that public agencies keep all emails related to the public's business for at least two years. This bill is exactly the same as AB 1184 from last year that, with CSDA members' help, we were successful in getting	New

		vetoed. CSDA asks for help again to stop AB 2093. A draft opposition letter has been included with this Agenda for Board consideration. Assembly Bill 2093 (Gloria) will mandate that all public agencies, including special districts, to retain all emails related to the public's business for two years. The practical effect of this is that every public agency will need to keep all emails, sent and received, including out-of-office and spam emails for two years. The bill states that this is to be done in furtherance of the California Public Records Act (CPRA) to ensure that the State will not need to reimburse public agencies for any additional costs associated with this new mandate. AB 2093 is identical to a bill from last year, AB 1184 (Gloria, 2019), which was opposed by CSDA and vetoed by Governor Newsom. The Governor's veto Message stated: "I am returning Assembly Bill 1184 without my signature. This bill would require state and local public agencies to retain every public record transmitted by e-mail for at least two years. This bill does not strike the appropriate balance between the benefits of greater transparency through the public's access to public records, and the burdens of a dramatic increase in records-retention requirements, including associated personnel and data-management costs to taxpayer. Therefore, I am unable to sign this bill." AB 2093 will require many agencies to purchase additional servers to store the massive amounts of data contained in the emails. Additionally, many agencies will likely need to hire additional staff to respond to CPRA requests in order to review and filter through all the additional emails agencies are maintaining. AB 2093 will also likely result in lengthened response times to CPRA requests.	
AB: 2123: Accessibility: internet website.	Introduced 2/6/20	CSDA: No position. Current law imposes liability upon a person, firm, or corporation that denies or interferes with admittance to or enjoyment of public facilities or otherwise interferes with the rights of an individual with a disability, as specified, for damages and attorney's fees to a person who was denied those rights. This bill would specify that statutory damages based upon the inaccessibility of internet website under these provisions shall only be recovered against a business establishment or public place if the internet website fails to provide equally effective communication or to facilitate full and equal enjoyment of the entity's goods and services to the public.	New
AB 2148: Climate Change Adaptation: Regional Plans	Introduced 2/10/20	Current law establishes the Integrated Climate Adaptation and Resiliency Program, administered by the Office of Planning and Research, to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as specified. This bill would state the intent of the Legislature to enact legislation that would foster regional-scale adaptation, as specified; give regions a time to develop their regional plans, as specified; and consider, among other things, sea level rise and fire vulnerability.	New

AB 2151: Political Reform Act: Online Filing and Disclosure System	Introduced 2/10/20	CSDA: No position. Applicable to the Form 700. The Political Reform Act of 1974 requires the filing of specified statements, reports and other documents. Under the act, a local government agency may require these filings to be made online or electronically with the local filing officer, as specified. The act requires the local filing officer to make all data so filed available on the internet in an easily understood format that provides the greatest public access. This bill would require a local government agency to post on its internet website, within 72 hours of the applicable filing deadline, a copy of any specified statement, report, or other document filed with that agency in paper format. This bill would require that the statement, report, or other document be made available for four years from the date of the election associated with the filing.	New
AB 2178: Emergency Services (De-energization)	Introduced 2/11/20	CSDA: No position. Current law defines the terms "state of emergency" and "local emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would additionally include a de-energization event, defined as a planned public safety power shutoff, as specified, within those conditions constituting a state of emergency and a local emergency.	New
AB 2182: Emergency Backup Generators: Water and Wastewater facilities: Exemption	Introduced 2/11/20	ACWA-sponsored. Would exempt the operation of an alternative power source, as defined, to provide power to a critical facility, as defined, from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System, NFPA 110, for alternative power sources designated by the providers for the support of critical facilities.	New
SB 414: Small System Water Authority Act of 2019		CSDA supports. 9 As amended 6/25/19: Creates the Small System Water Authority Act, which would allow county local agency formation commissions, in concert with the State Water Resources Board, to consolidate clusters of small water systems that have chronically failed to provide safe and affordable drinking to their customers. These small, failing systems would be reformed into a single Small System Water Authority, benefiting from economies of scale and improved governance and accountability.	New
SB 931: Local government meetings: agenda and documents	Introduced 2/5/20	CSDA: No position. The Ralph M. Brown Act authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require a legislative body to email a copy of the agenda or a copy of all the documents constituting the agenda packet if so requested. By requiring local agencies to comply with these provisions, this bill would impose a state-mandated local program. BCVWD practice is to do this anyway.	New

SB 996: State Water Resources Control Board: Constituents of Emerging Concern Program	Introduced 2/13/20	CSDA: No position. Would require the State Water Resources Control Board to establish by an unspecified date and then maintain an ongoing, dedicated program called the Constituents of Emerging Concern Program to support and conduct research to develop information and, if necessary, provide recommendations to the state board on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program.	New
Water Resilience Portfolio	Released 1/10/2020	State agencies have released a draft Water Resilience Portfolio with a suite of recommended actions to help California cope with more extreme droughts and floods, rising temperatures, declining fish populations, aging infrastructure and other challenges. Shaped by months of valuable input from across the state, the draft outlines more than 100 integrated actionable recommendations in four broad areas to help regions build water resilience as resources become available, while at the same time providing state leadership to improve infrastructure and protect natural ecosystems. ACWA submitted an 11-page comment letter. ACWA's examples of positive proposed actions in the Draft Portfolio are: • Proposed discussions of a General Obligation Bond with funding for water projects • Support for Voluntary Agreements • Support for Integrated Regional Water Management • State support for local and regional agencies to increase water recycling and reuse • A simplified permitting process for flood management projects • Collaboration with regional and local water agencies. A final draft will be released soon. Link: http://waterresilience.ca.gov/wp-content/uploads/2020/01/California-Water-Resilience-Portfolio-2019-Final2.pdf	N