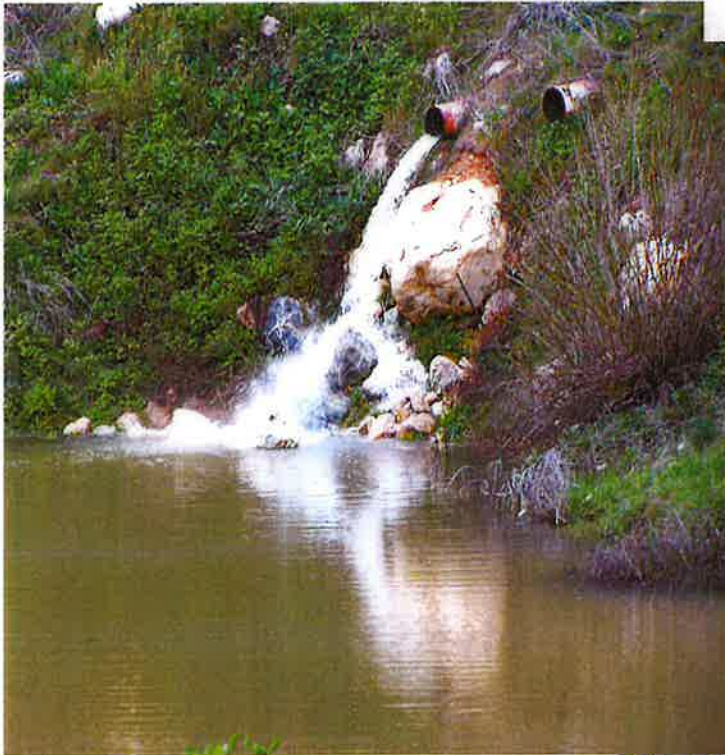


FINAL

2005 URBAN WATER MANAGEMENT PLAN UPDATE



BEAUMONT CHERRY VALLEY WATER DISTRICT

Beaumont, California

January 28, 2006



PARSONS

100 West Walnut Street • Pasadena, California 91124 • (626) 440-2000 • Fax: (626) 440-2630 • www.parsons.com

February 20, 2006

Mr. Charles J. Butcher
General Manager
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

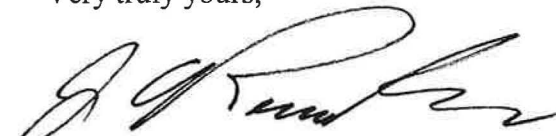
Subject: Final 2005 Urban Water Management Plan update – January 28, 2006"

Dear Mr. Butcher:

Parsons is pleased to submit the Final 2005 Urban Water Management Plan Update (UWMP) dated January 28, 2006. It incorporates the necessary revisions and reorganization of the Draft and Revised Draft UWMP resulting from the public meetings of 28 December, 2005 and 28 January 2006. This Final Report includes the Resolution of the Board of Directors adopting the plan and summary of the comments from the public hearings and workshops. A copy will be sent to the State Department of Water Resources as required.

If you have any questions, please feel free to call me at 626-440-6211 or Steve Gratwick at 626-440-6024.

Very truly yours,



Joseph C. Reichenberger, P.E.
District Engineer



Enclosure



FINAL
2005 URBAN WATER MANAGEMENT PLAN UPDATE



BEAUMONT CHERRY VALLEY WATER DISTRICT
560 N. MAGNOLIA AVENUE
BEAUMONT, CALIFORNIA 92220

January 28, 2006

BEAUMONT CHERRY VALLEY WATER DISTRICT

2005 URBAN WATER MANAGEMENT PLAN UPDATE

SECTION 1 BACKGROUND, PUBLIC INVOLVEMENT, AND BASIS FOR PLANNING	1-1
1.1 INTRODUCTION	1-1
1.2 RELATIONSHIP BETWEEN UWMP AND SB 610 (KUEHL) AND SB 221 (COSTA)	1-1
1.3 LAW	1-2
1.4 PUBLIC PARTICIPATION	1-2
1.5 PUBLIC HEARING	1-2
1.6 ADOPTION RESOLUTION	1-2
1.7 AGENCY COORDINATION	1-3
1.7.1 LAW	1-3
1.7.2 COORDINATION WITHIN THE DISTRICT	1-3
1.7.3 COOPERATIVE AGREEMENTS WITH LOCAL AGENCIES	1-4
1.7.4 FINANCING AGREEMENT WITH LOCAL AGENCIES	1-6
1.7.5 SETTLEMENT AGREEMENT WITH YUCAIPA VALLEY WATER DISTRICT	1-6
1.7.6 GROUNDWATER MANAGEMENT	1-6
1.8 SUPPLIER SERVICE AREA	1-7
1.8.1 LAW	1-7
1.8.2 DESCRIPTION	1-7
1.8.3 CLIMATE CHARACTERISTICS	1-10
1.8.4 DEMOGRAPHIC CHARACTERISTICS	1-11
1.9 FINANCING CAPABILITY	1-20
1.10 PROJECT TEAM	1-20
1.11 ACKNOWLEDGEMENTS	1-20
 SECTION 2 WATER SOURCES	 2-1
2.1 LAW	2-1
2.2 WATER SUPPLY SOURCES	2-1
2.2.1 GROUNDWATER	2-3
2.2.2 STORM WATER CAPTURE AND GROUNDWATER RECHARGE	2-11
2.2.3 URBAN RUNOFF AND GROUNDWATER RECHARGE	2-13
2.2.4 CAPTURED INFILTRATION FROM EDGAR CANYON	2-14
2.2.5 RECYCLED WATER	2-14
2.2.6 IMPORTED WATER	2-16
2.2.7 TRANSFER OR EXCHANGE OPPORTUNITIES	2-17
2.2.8 SURFACE WATER SOURCES	2-17
2.2.9 SUMMARY OF WATER SUPPLY SOURCES TO YEAR 2030	2-18
2.3 SUMMARY	2-18
 SECTION 3 WATER USE	 3-1
3.1 LAW	3-1
3.2 PAST, CURRENT, AND PROJECTED WATER USE	3-1
3.2.1 PAST AND CURRENT WATER USE	3-1
3.3 POTENTIAL RECYCLED WATER USERS	3-7
3.4 SALES TO OTHER AGENCIES	3-7

BEAUMONT CHERRY VALLEY WATER DISTRICT

2005 URBAN WATER MANAGEMENT PLAN UPDATE

SECTION 4 WATER RESOURCE RELIABILITY	4-1
4.1 LAW	4-1
4.2 RELIABILITY	4-1
4.3 FREQUENCY AND MAGNITUDE OF SUPPLY DEFICIENCIES	4-2
4.4 PLANS TO AFFIRM A RELIABLE WATER SUPPLY	4-2
4.5 RELIABILITY COMPARISON.....	4-3
4.6 INCONSISTENT WATER SOURCES.....	4-6
4.6.1 LAW	4-6
4.7 THREE YEAR MINIMUM WATER SUPPLY	4-6
4.7.1 LAW	4-6
4.7.2 ANALYSIS	4-6
 SECTION 5 SUPPLY AND DEMAND COMPARISON PROVISIONS.....	 5-1
5.1 LAW	5-1
5.2 TWENTY-FIVE YEAR COMPARISON	5-1
5.2.1 SUPPLY VS. DEMAND.....	5-1
5.2.2 SUMMARY OF WATER RESOURCE AVAILABILITY	5-1
 SECTION 6 WATER SHORTAGE CONTINGENCY PLAN	 6-1
6.1 LAW	6-1
6.2 PREPARATION FOR CATASTROPHIC WATER SUPPLY INTERRUPTIONS	6-1
6.2.1 DROUGHT CONDITIONS.....	6-1
6.2.2 EARTHQUAKE OR OTHER NATURAL DISASTERS	6-2
6.2.3 CONTAMINATION.....	6-3
6.3 BEAUMONT-CHERRY VALLEY WATER DISTRICT EMERGENCY FACILITIES	6-3
6.4 STAGES OF ACTION.....	6-5
6.4.1 STAGE 1.....	6-5
6.4.2 STAGE 2.....	6-6
6.4.3 STAGE 3.....	6-6
6.4.4 STAGE 4.....	6-6
6.4.5 STAGE 4 PLUS-UP TO 50% REDUCTION IN WATER SUPPLY	6-6
6.4.6 IMPLEMENTATION.....	6-7
6.5 METHODS OF DEMAND REDUCTION.....	6-8
6.5.1 HEALTH AND SAFETY REQUIREMENTS FOR RESIDENTIAL HOUSEHOLDS	6-8
6.5.2 CONSUMPTION REDUCTION METHODS AND PROHIBITIONS.....	6-8
6.5.3 PENALTIES OR CHARGES.....	6-8
6.5.4 WATER USE RESTRICTIONS FOR NEW CONSTRUCTION.....	6-9
6.6 MONITORING WATER DEMANDS & USAGE TRENDS.....	6-9
6.7 IMPACTS OF WATER RESTRICTIONS ON REVENUES AND EXPENDATURES.....	6-9
 SECTION 7 WATER DEMAND MANAGEMENT MEASURES.....	 7-1
7.1 LAW	7-1
7.2 WATER DEMAND MANAGEMENT MEASURES	7-2
7.3 BMP 1-WATER SURVEYS PROGRAMS FOR SINGLE-FAMILY RESIDENTIAL AND MULTI-FAMILY RESIDENTIAL CUSTOMERS	7-6
7.3.1 IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-6
7.4 BMP 2-RESIDENTIAL PLUMBING RETROFIT.....	7-6

BEAUMONT CHERRY VALLEY WATER DISTRICT

2005 URBAN WATER MANAGEMENT PLAN UPDATE

7.4.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-6
7.4.2	METHODS TO EVALUATE EFFECTIVENESS	7-6
7.4.3	ESTIMATE OF EXISTING CONSERVATION SAVINGS	7-7
7.5	BMP 3- SYSTEM WATER AUDITS, LEAKS DETECTION AND REPAIR	7-7
7.5.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-7
7.5.2	METHODS TO EVALUATE EFFECTIVENESS	7-7
7.6	BMP 4-METERING WITH COMMODITY RATES FOR ALL NEW CONNECTIONS AND RETROFIT OF EXISTING CONNECTIONS	7-7
7.6.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-7
7.6.2	METHODS TO EVALUATE EFFECTIVENESS	7-8
7.7	BMP 5-LARGE LANDSCAPE CONSERVATION PROGRAMS AND INCENTIVES.....	7-8
7.7.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-8
7.7.2	METHODS TO EVALUATE EFFECTIVENESS	7-8
7.7.3	ESTIMATE OF EXISTING CONSERVATION SAVINGS	7-8
7.7.4	EVALUATION	7-8
7.8	BMP 6-HIGH-EFFICIENCY WASHING MACHINE REBATE PROGRAMS	7-8
7.9	BMP 7-PUBLIC INFORMATION PROGRAMS	7-9
7.9.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-9
7.10	BMP 8-SCHOOL EDUCATION PROGRAMS	7-9
7.10.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-9
7.11	BMP 9-CONSERVATION PROGRAMS FOR COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL (CII) ACCOUNTS	7-9
7.11.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-9
7.11.2	METHODS TO EVALUATE EFFECTIVENESS	7-9
7.12	BMP 10-WHOLESALE AGENCY ASSISTANCE PROGRAMS.....	7-10
7.13	BMP 11-CONSERVATION PRICING	7-10
7.13.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-10
7.13.2	METHODS TO EVALUATE EFFECTIVENESS	7-10
7.14	BMP 12-CONSERVATION COORDINATOR	7-10
7.14.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-10
7.15	BMP 13-WATER WASTE PROHIBITION	7-10
7.15.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-11
7.16	BMP 14-RESIDENTIAL ULTRA-LOW-FLUSH TOILETS (ULFT) REPLACEMENT PROGRAMS ..	7-11
7.16.1	IMPLEMENTATION OR SCHEDULED IMPLEMENTATION	7-11
7.17	OPPORTUNITIES FOR DEVELOPMENT OF DESALINATED WATER.....	7-11
7.18	DISTRICT'S LEGAL AUTHORITY	7-12

SECTION 8 WATER RECYCLING 8-1

8.1	WASTEWATER SYSTEM DESCRIPTION	8-1
8.2	WASTEWATER GENERATION, COLLECTION, AND TREATMENT	8-2
8.2.1	OVERVIEW OF THE RECYCLED WATER PLAN.....	8-2
8.3	WASTEWATER DISPOSAL AND RECYCLED WATER USES	8-3
8.3.1	HISTORY OF WATER RECYCLING IN THE SERVICE AREA.....	8-3
8.3.2	TYPE AND PLACE OF RECYCLED WATER CURRENTLY BEING USED	8-4
8.3.3	RECYCLED WATER QUANTITY	8-4
8.3.4	RECYCLED WATER QUALITY	8-5
8.3.5	POTENTIAL USES OF RECYCLED WATER.....	8-9
8.3.6	POTENTIAL RECYCLED WATER DEMANDS	8-11
8.4	CITY OF BEAUMONT RECYCLED WATER ORDINANCES	8-11

BEAUMONT CHERRY VALLEY WATER DISTRICT

2005 URBAN WATER MANAGEMENT PLAN UPDATE

TABLES

TABLE 1-1 COORDINATION AND PUBLIC INVOLVEMENT	1-4
TABLE 1-2 DISTRICT CLIMATE.....	1-10
TABLE 1-3 HISTORIC, CURRENT AND PROJECTED POPULATION HOUSING	1-12
TABLE 1-4 HISTORIC, CURRENT AND PROJECTED POPULATION AND HOUSING SERVED BY THE DISTRICT	1-13
TABLE 1-5 DEVELOPMENTS REQUESTING SERVICE	1-17
TABLE 1-5 (CONT'D) DEVELOPMENTS REQUESTING SERVICE	1-18
TABLE 1-5 (CONT'D) DEVELOPMENTS REQUESTING SERVICE	1-19
TABLE 2-1 CURRENT AND FUTURE WATER SOURCES	2-3
TABLE 2-2 GROUNDWATER WELL CAPACITY SUMMARY	2-4
TABLE 2-3 GROUNDWATER EXTRACTIONS FROM EDGAR CANYON WELLS (2000-2004).....	2.5
TABLE 2-4 GROUNDWATER EXTRACTION STATISTICS FROM EDGAR CANYON WELLS (1983-2004)	2.5
TABLE 2-5 BCVWD'S GROUNDWATER EXTRACTIONS FROM BEAUMONT BASIN WELLS (2000-2004)	2-8
TABLE 2-5A PROJECTED TRANSFER OF UNUSED OVERLYING PARTY RIGHTS TO BCVWD	2-11
TABLE 2-6 ESTIMATED RUNOFF AT THE MOUTH OF LITTLE SAN GORGONIO AND NOBLE CREEKS.....	2-12
TABLE 2-7 RECYCLED WATER AVAILABLE FOR USE	2-15
TABLE 2-8 OVERLYING PARTIES WHICH COULD SUBSTITUTE RECYCLED WATER FOR PUMPING ...	2-16
TABLE 2-9 WATER SUPPLY AND DEMAND AND OVERALL BEAUMONT BASIN WATER SUPPLY	2-19
TABLE 3-1 PAST, CURRENT, AND PROJECTED WATER DEMAND ACRE-FT/YEAR	3-2
TABLE 3-2 PAST, CURRENT, AND PROJECTED POTABLE AND NON-POTABLE WATER DEMAND.....	3-2
TABLE 3-3 TOTAL PROJECTED WATER USE BY LAND USE TYPE	3-3
TABLE 3-4 WATER DEMANDS FOR DEVELOPMENTS REQUESTING SERVICE	3-6
TABLE 4-1 AVAILABLE POTABLE WATER SUPPLY RELIABILITY ACRE-Ft/Yr	4-4
TABLE 4-2 WATER SUPPLY RELIABILITY ANALYSIS MULTIPLE DRY YEARS	4-5
TABLE 4-3 AVAILABLE POTABLE WATER SUPPLY NEXT 3 YEARS ACRE-Ft/Yr.....	4-7
TABLE 6-1 AVAILABLE EMERGENCY RESERVOIR STORAGE 2005	6-4
TABLE 6-2 WELLS WITH EMERGENCY GENERATORS AND BACKUP SYSTEMS	6-5
TABLE 6-3 WATER SUPPLY SHORTAGE STAGES AND CONDITIONS	6-5
TABLE 6-4 AVAILABLE POTABLE WATER SUPPLY AVERAGE AND WORST CASE CONDITIONS ACRE-Ft/Yr	6-7
TABLE 6-5 PER CAPITA HEALTH & SAFETY WATER QUANTITY CALCULATIONS	6-8
TABLE 6-5 PENALTIES AND CHARGES	6-7
TABLE 7-1 STATUS OF 2000 WATER CONSERVATION MEASURES	7-3
TABLE 7-2 RECOMMENDED WATER DEMAND MANAGEMENT MEASURE AND THEIR STATUS AS OF 2005	7-5
TABLE 8-1 WASTEWATER GENERATION AND COLLECTION	8-2
TABLE 8-2 RECYCLED WATER MINERAL QUALITY (1995-2001)	8-7
TABLE 8-3 RECYCLED WATER METAL CONCENTRATIONS (1995-2001).....	8-9
TABLE 8-4 STATE WATER PROJECT WATER QUALITY	8-10
TABLE 8-5 EXISTING AND PROJECTED RECYCLED WATER DEMANDS (2005 – 2030) ACRE-FT/YR ..	8-12

BEAUMONT CHERRY VALLEY WATER DISTRICT
2005 URBAN WATER MANAGEMENT PLAN UPDATE

FIGURES

FIGURE 1-1 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE	1-8
FIGURE 1-2 DISTRICT POPULATION GROWTH PAST, PRESENT, AND FORECAST BASED ON SCAG FORECAST	1-13
FIGURE 2-1 GROUNDWATER PRODUCTION FROM 1970 THROUGH 2004	2-9
FIGURE 3-1 TOTAL WATER USE BY LAND USE DESIGNATION IN 2005	3-4
FIGURE 3-2 TOTAL WATER USE BY LAND USE DESIGNATION IN 2030	3-4
FIGURE 6-1 STATE WATER PROJECT DELIVERY RELIABILITY	6-2

BEAUMONT CHERRY VALLEY WATER DISTRICT

2005 URBAN WATER MANAGEMENT PLAN UPDATE

APPENDICES

APPENDIX A	CALIFORNIA URBAN WATER MANAGEMENT ACT (URBAN WATER MANAGEMENT PLANNING ACT OF 1983 - INCLUDING AMENDMENTS)
APPENDIX B	RESOLUTION TO ADOPT THE URBAN WATER MANAGEMENT PLAN
APPENDIX C	COOPERATIVE AGREEMENT BETWEEN THE CITY OF BEAUMONT AND THE BEAUMONT CHERRY VALLEY WATER DISTRICT
APPENDIX D	SAN GORGONIO PASS WATER AGENCY WATER FACILITIES MASTER PLAN COOPERATIVE AGREEMENT
APPENDIX E	IMPLEMENTATION MEMORANDUM OF UNDERSTANDING RELATING TO COOPERATIVE AGREEMENT BETWEEN THE CITY OF BEAUMONT AND THE BEAUMONT CHERRY VALLEY WATER DISTRICT & MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEAUMONT, BEAUMONT CHERRY VALLEY WATER DISTRICT AND OAK VALLEY PARTNERS LP FOR RECYCLED WATER DELIVERY RESCINDING MARCH 1998 MOU
APPENDIX F	AGREEMENT FOR JOINT USE OF PERCOLATION PONDS
APPENDIX G	JOINT POWERS AGREEMENT CREATING THE SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY
APPENDIX H	JOINT FINANCING AGREEMENT BETWEEN CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1 AND BEAUMONT CHERRY VALLEY WATER DISTRICT
APPENDIX I	AMENDED AND RESTATED JOINT FINANCING AGREEMENT BETWEEN CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1 AND BEAUMONT CHERRY VALLEY WATER DISTRICT
APPENDIX J	SETTLE AGREEMENT BETWEEN YUCAIPA VALLEY WATER DISTRICT AND BEAUMONT CHERRY VALLEY WATER DISTRICT
APPENDIX K	CALCULATIONS FOR WATER DEMAND AND WASTEWATER GENERATION BY DEVELOPMENT
APPENDIX L	CITY OF BEAUMONT RECYCLED WATER USE REGULATIONS ORDINANCE NO. 772
APPENDIX M	CITY OF BEAUMONT RECYCLED WATER USE REGULATIONS ORDINANCE NO. 773
APPENDIX N	CITY OF BEAUMONT RECYCLED WATER USE REGULATIONS ORDINANCE NO. 775
APPENDIX O	SUMMARY OF PUBLIC HEARING AND COMMENTS RECEIVED
APPENDIX P	BEAUMONT BASIN ADJUDICATION
APPENDIX Q	BEST MANAGEMENT PRACTICES (WATER CONSERVATION) ECONOMIC EVALUATIONS
APPENDIX R	AGREEMENT BETWEEN CITY OF BANNING AND BEAUMONT CHERRY VALLEY WATER DISTRICT TO PROMOTE CONJUNCTIVE USE AND ADDRESS LONG-TERM RELIABILITY OF THE (BEAUMONT) BASIN AS A SOURCE OF POTABLE WATER INCLUDING THE USE OF WATER RECYCLING AND THE TREATMENT AND USE OF IMPORTED WATER

ABBREVIATIONS AND ACRONYMS

Acre-ft	acre-feet
Acre-ft/yr	acre-feet per year
AD	Assessment District
AFY	acre-feet per year
BCVWD	Beaumont Cherry Valley Water District
BMP	Best Management Practices
BSU	Beaumont Storage Unit, Beaumont Basin
CaSIL	California Spatial Information Library
CEQA	California Environmental Quality Act
CFD	Community Facilities District
cfs	Cubic feet per second
CIMIS	California Irrigation Management Information System
Company	Beaumont Land and Water Company
DFG	Department of Fish and Game
District	Beaumont Cherry Valley Water District
DWR	Department of Water Resources
EIR	Environmental Impact Report
EMWD	Eastern Municipal Water District
ft	feet
ft bgs	feet below ground surface
GIS	Geographic Information System
gpcd	Gallons per capita per day
gpd	Gallons per day
gpm	gallons per minute
GWMP	Groundwater Management Plan
HP	Horsepower
ICWMC	Interagency California Watershed Mapping Committee
IRWMP	Integrated Regional Water Management Program
JPA	Joint Powers Agency
LAFCO	Local Agency Formation Commission
LSG	Little San Geronio
MAX	Maximum
MCL	Maximum Contaminant Level
MF	Microfiltration

MG	Million gallons
mgd	millions of gallons per day
mi ²	square miles
MIH	miner's inch hours
MIN	Minutes or Minimum
MOU	Memorandum of Understanding
MSL	Mean Sea Level
N/A	Not Available/Not Applicable
Pass	San Gorgonio Pass
Pass Agency	San Gorgonio Pass Water Agency
RCFCD	Riverside County Flood Control and Water Conservation District
Recharge Program	Stormwater Runoff and Groundwater Recharge Program
RF/CP	Recharge Facilities/Community Park
RTP	Regional Transportation Plan
RWQCB	Regional Water Quality Control Board
SAR	Sodium Adsorption Ratio
SAWPA	Santa Ana Watershed Project Authority
SARI	Santa Ana Regional Interceptor (Brine line)
SCAG	Southern California Association of Governments
SCPGA	Southern California Professional Golf Association
SGPWA	San Gorgonio Pass Water Agency
SOI	Sphere of Influence
Spreading Grounds	Little San Gorgonio Creek Spreading Grounds
STWMA	San Timoteo Watershed Management Authority
SWP	State Water Project
TDS	Total Dissolved Solids
THM	Trihalomethane (A disinfection by-product)
TOC	Total Organic Carbon
UF	Ultra-filtration
ULFT	Ultra-Low-Flush Toilet
USGS	U.S. Geological Survey
USWS	U.S. Weather Service
UWMP	Urban Water Management Plan
WWTF	Wastewater Treatment Facility
YVWD	Yucaipa Valley Water District

SECTION 1

BACKGROUND, PUBLIC INVOLVEMENT, AND BASIS FOR PLANNING

1.1 INTRODUCTION

The California Water Code requires all urban water suppliers within the state to prepare urban water management plans and update them every five years. These plans satisfy the requirements of the Urban Water Management Planning Act of 1983 including amendments that have been made to the Act. Sections 10610 through 10657 of the Water Code detail the information that must be included in these plans, as well as who must file them. Appendix A contains the text of the Act. This report constitutes the 2005 update to the Beaumont-Cherry Valley Water District's (District's) 2000 Urban Water Management Plan (UWMP).

According to the Act, "The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level." The Act requires that each urban water supplier, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually, shall prepare, update and adopt its urban water management plan at least once every five years or before December 31, in years ending in five and zero. The Plan may be updated at any time when the Urban Water Supplier believes significant changes have occurred in population, land use, and/or water sources that may affect the contents in the Plan.

1.2 RELATIONSHIP BETWEEN UWMP AND SB 221 (KUEHL) AND SB 610 (COSTA)

In 2001 the California Senate passed SB 221, (sometimes called the "Keuhl Bill"), and SB 610, (generally referred to as the "Costa Bill). These became law on January 1, 2002 and have been chaptered into the California Codes. These measures were enacted to provide a link between water supply availability and land use decisions made by various governing bodies. SB 610, added to the Water code, requires that water supply assessments be provided to local governments for inclusion in the environmental documents needed for entitlement. SB 221, added to the Government Code, applies to those projects that involve a subdivision on land (subdivision map approval.)

If there is an UWMP on file (updated in accordance with State Law), and the demands for a particular project are included in the UWMP, the water supplier may use the UWMP to support the "Water Supply Assessment required by SB 610 or SB 221. As a result, this UWMP update includes a listing of on-going and planned subdivisions and projects as well as an allowance for "unknown projects." This Urban Water Management Plan Update conforms to the requirements of Water Code §10610 through §10657.

1.3 LAW

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

1.4 PUBLIC PARTICIPATION

Prior to adopting the UWMP, the UWMP is made available for public review and hearing. Notification of the hearing is made pursuant to Section 6066 of the Government Code. Publication of notice pursuant to this Section shall be "once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including herein the first day." Upon completion of the hearing, the District shall adopt the plan as prepared or as modified after the hearing. Within 30 days of adoption of the UWMP by the District, a copy of the UWMP is to be filed with the State of California, Department of Water Resources (DWR).

As part of the preparation of this UWMP update, the District met with developers and other interested parties to gather information on their plans and tentative building schedules.

1.5 PUBLIC HEARING

A public workshop was held in the evening on December 28, 2005 at a District Board Meeting. The District Engineer made a presentation of the Draft UWMP 2005 Update and took comments from the Board of Directors and the Public. Written comments were submitted to the District on the date of the meeting. These comments were responded to at the meeting. The comments and responses are presented in Appendix O. Also included is a copy of the District's presentation. Comments were also taken from the public verbally at the Board Meeting and were responded to. This is documented in the minutes of the Board Meeting.

A public hearing, noticed in accordance with the Government Code, was held at the District offices at 9:00am on January 28, 2006. A summary of the public hearing and comments received is provided in Appendix O and this UWMP has been amended as appropriate.

1.6 ADOPTION RESOLUTION

The District prepared this update of its UWMP in May 2005 through January 2006. The updated plan is proposed to be adopted by the Board of Directors on January 28, 2006 (Appendix B) and will be submitted to the California Department of Water Resources within 30 days of Board approval thereafter. This plan includes all information necessary to meet the requirements of California Water Code § 10610 *et. seq.* (Urban Water Management Planning Act).

1.7 AGENCY COORDINATION

1.7.1 Law

Describe the coordination of the plan preparation. 10620 (d) (2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

1.7.2 Coordination Within the District

Several agreements with the District and other agencies have been established in order to manage and preserve existing groundwater supplies. In addition, agreements have been developed to put into place mechanisms for development of new sources of water, including facilities for the distribution of recycled water.

The District first developed a needs study in 1980 to identify immediate infrastructure needs to supply water and meet fire flow requirements. This was then developed into a master plan in 1986, which was followed by updates in 1990 and 1994. In each of these plans, the City of Beaumont's General Plan and pending development projects were addressed along with the necessary water supply projects to meet these projected needs. The District has been very proactive in ensuring water supplies are available for all new development. The City of Beaumont's General Plan has been updated and is the basis for updates to the District's Potable Water and Non-potable Water Master Plans. These master plan updates are currently underway.

Senate Bill SB 901 (Costa), chaptered in 1995, required coordination between adopted community general plans and water supply. It also requires the water purveyor to assess the reliability of water supply for all projects, which were above a certain threshold level of development. The Local Government Reorganization Act of 2000 required local agencies, such as the District, to prepare a "Plan of Service" to assess the ability of the agency (District) to provide reliable and cost effective service to the proposed annexation. The District reviews the environmental documents associated with each project and provide comments as appropriate relative to water supply. Appropriate reports and studies are provided as required.

The District is also a member of the San Timoteo Watershed Management Authority (STWMA). The STWMA is a joint powers agency (JPA) consisting of Yucaipa Valley Water District, City of Beaumont, Beaumont Cherry Valley Water District, and the South Mesa Water Company. The goal of the JPA is the development of a watershed management program for the San Timoteo watershed area. This program includes specific elements to manage surface water, groundwater, imported water, and recycled water resources. This program is under development (2005) and is reported in San Timoteo Watershed Management Program, Final Phase 1 Report, prepared for the San Timoteo Watershed Management Authority by Wildermuth Environmental, Inc, March 2002.

Since the last UWMP update (2002) the District was a party to an adjudication of the Beaumont Groundwater Basin (Superior Court Case RIC 389197) which set for the rights of the parties and established the Beaumont Basin Watermaster (Watermaster). This is an important first step in the preparation of an overall groundwater management plan. The

Adjudication provided for management of Basin storage and extractions. A groundwater quality monitoring and management plan is being developed by Watermaster.

The District also purchased approximately 80 acres of undeveloped property adjacent to Noble Creek between Brookside Avenue and Cherry Valley Blvd. for use as a groundwater recharge area/community park. Numerous meetings were held with the local "park committee." Since 2001 the District has spent nearly \$2 million performing testing and hydrologic studies to validate the site as a groundwater recharge area.

Table 1-1 summarizes the efforts the District has taken to include various agencies and the community in the Urban Water Management planning process. Copies of the Draft UWMP were passed out at a Board Meeting on December 14, 2005 and were available at the District's Public Counter from December 14, 2005 through January 28, 2006.

**Table 1-1
Coordination and Public Involvement**

	Helped write the plan	Was contacted for assistance	Was sent a copy of the draft	Commented on the draft	Attended public meetings	Was notified of intention to adopt
San Geronio Pass Water Agency (Wholesaler)			√			√
City of Beaumont (Wastewater Agency)		√	√			√
Yucaipa Valley Water District (Water & Wastewater Agency)						√
City of Banning (Neighboring Agency)						√
San Timoteo Watershed Management Authority		√	√			√
Beaumont Basin Watermaster		√	√			√
Citizen Groups				√	√	√
General Public					√	√
Public Library						
Various Developers		√				√

1.7.3 Cooperative Agreements with Local Agencies

The District entered into several separate cooperative agreements with the City of Beaumont, San Geronio Pass Water Agency (Pass Agency), Riverside County Flood Control and Water Conservation District (RCFCD), the City of Banning and others as described below to construct predefined improvements including water supply facilities.

- In March of 1993, the District and the City of Beaumont entered into a cooperative agreement to facilitate implementation of the City's General Plan and Public Facilities Financing Program to ensure logical and orderly economic development within the City and the City sphere of influence (SOI) and safe groundwater management practices in the service areas of the District. Included was the need to cooperate in a long-term program to maintain safe groundwater management practices in the service area of the District and recognize the need to establish funding mechanisms to provide for the acquisition and development of certain new sources of

water supply, including the use of recycled water and imported water, in such a way as to protect and preserve the existing water supply. A copy is attached in Appendix C.

- In March of 1993, the District and City of Beaumont entered into a cooperative agreement with the Pass Agency to ensure cooperation in developing a long-term program to maintain safe groundwater management practices, to establish funding mechanisms to provide for the acquisition and development of new sources of water supply, including recycled water and imported water, in such a way as to protect and preserve the existing water supply through the importation of supplemental water from the State Water Project (SWP) for direct use and/or groundwater recharge. A copy of the San Geronio Pass Water Agency Water Facilities Master Plan Cooperative Agreement is provided in Appendix D.
- In March of 1998, the District and City entered into the Implementation Memorandum of Understanding Relating to Cooperative Agreement Between the City of Beaumont and the District (Reclaimed Water Implementation Memorandum of Understanding) to provide for the construction, ownership, operation, and maintenance by the City of necessary modifications to the wastewater treatment plant and a recycled water distribution system for the City to deliver recycled water to customers and potential customers within the City, the City's SOI, and the District's SOI. This MOU was rescinded in March 2003 resulting in BCVWD being responsible for the construction of the recycled water transmission system and delivery of recycled water. Copies of both MOUs are in Appendix E.
- In January of 1999, the District, Pass Agency and the RCFCD entered into a cooperative agreement for joint use of existing percolation ponds known as Little San Geronio Creek Spreading Grounds. The agreement was formed to ensure that the percolation ponds would be operated in a coordinated manner to allow recharge of both local and supplemental waters to maximize public benefit while preserving existing rights of the District and RCFCD. A copy is attached in Appendix F.
- In November of 2000, the District, along with the City of Beaumont, Yucaipa Valley Water District (YVWD), and the South Mesa Mutual Water Company entered into an agreement to form a JPA, known as the STWMA to implement a regional water resource management program in the upper parts of the San Timoteo and San Geronio watersheds that would ensure current and future water supply availability, optimal use of water resources, with an emphasis on maximizing the use of local resources. A copy of this agreement is attached in Appendix G.
- In December 2003 the District entered into an agreement with the City of Banning to jointly fund the construction and operation of municipal production wells in the Beaumont Basin for the mutual benefit of both entities and to agree to jointly fund the construction and operation of a potable water treatment for imported water at such time in the future that this may be necessary. See Appendix R.
- In 2004 and 2005 the District has meeting regularly (almost monthly) with the Department of Water Resources, Conjunctive Water Management Branch, and the SGPWA, Cities of Banning and Beaumont, Yucaipa Valley Water District, South Mesa Mutual Water Company, STWMA, and the Beaumont Basin Watermaster to

discuss items of mutual interest and to expedite the importation of water to the Beaumont Basin.

- In 2005, the District applied for a turn-out and connection to the SGPWA's East Branch Extension to take State Project Water to the District's Groundwater Recharge area.

1.7.4 Financing Agreement with Local Agencies

- In June of 1993, the City of Beaumont Community Facilities District No. 93-1 (CFD No. 93-1) and the District entered into a financing agreement for the purpose of financing the acquisition and construction of certain public facilities within the boundaries of the City of Beaumont. Certain predefined improvements to be funded by CFD No. 93-1 include recycled water facilities. A copy of the Joint Financing Agreement is provided in Appendix H.
- In December of 1999, the District and the City of Beaumont Community Facilities District No. 93-1 entered into a financing agreement to amend and restate the above joint financing agreement to provide for the issuance of bonds by the City with respect to Assessment District No. 98-1 (AD No. 98-1) to fund water and recycled water improvements and to provide for the annexation of property to CFD No. 93-1, AD No. 98-1 or the creation by the City of another financing district in the future. A copy of the Joint Financing Agreement to reinstate CFD No. 93-1 is provided in Appendix I.

1.7.5 Settlement Agreement with Yucaipa Valley Water District

In January of 1994, the District and YVWD entered into a Settlement Agreement. This agreement was formed as a result of litigation between the two parties regarding extraction of groundwater from the Beaumont Storage Unit (BSU). The agreement set forth the groundwork for a time schedule in developing and implementing a Basin Management Plan for the joint use and management of the BSU. The agreement between the two parties also set forth defined limits on the allowable annual production of groundwater from the BSU. A copy of the Settlement Agreement is provided in Appendix J.

1.7.6 Groundwater Management

Since the 2002 UWMP update, the BSU has been adjudicated in Riverside Superior Court (RIC 389197) and set up a Watermaster to oversee the operation of the BSU. This occurred February 4, 2004. The Judgment is included in Appendix P. The powers and duties of Watermaster are delineated in the Judgment and include, among others: wellhead protection and recharge location identification, well abandonment procedures, well construction standards, overdraft mitigation, replenishment, monitoring of water levels and water quality, and development of conjunctive use programs.

This together with STWMA's Integrated Regional Water Management Program (IRWMP) ensures proper management of the areas resources.

In summary the Judgment and the IRWMP are the functional equivalent of a groundwater management plan.

1.8 SUPPLIER SERVICE AREA

1.8.1 Law

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631. (a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

1.8.2 Description

The District owns approximately 2,800 acres of watershed land north of Cherry Valley along the Little San Geronio Creek (also known as Edgar Canyon) and Noble Creek. This land has pre-1914 recorded water rights amounting to 3,000 miners inch hours (MIH) or approximately 45,000 acre-feet per year (AFY) of right for diversion of water for domestic and irrigation uses. However, the District has never had a demand that requires such large quantities of water supply; and the watersheds may not be capable of supplying such quantities during an average year. The creeks/canyons have been used for water development via diversions for irrigation and domestic service since the latter part of the 1800s.

At the turn of the Twentieth Century the District's service area was provided water by the Beaumont Land and Water Company (Company) via diversions along the Little San Geronio Creek. This Company owned the land that would become the Beaumont Irrigation District in 1919 and the Beaumont-Cherry Valley Water District in 1920. Even though the name has changed, the District's authority comes from the Irrigation District Law of the State of California

As the Company's land began to develop, the need for water grew. To answer the new demands the Company began the construction of wells in 1907 on the watershed lands. With the construction of the new wells the Company began to divert water for recharge in the canyon areas rather than through the direct diversions, which began in 1902. The diversions allowed the Company to recharge the underground aquifers during storm events and pump the water as needed. With the diversions the Company also purchased the riparian water rights from downstream landowners. The purchases required the Company to deliver some amount of water on a regular basis. The District today continues deliveries of water as required by agreements dating back to the early 1900s. At the present time the District is not operating the wells in Noble Canyon.

Figure 1-1 shows the District's present service boundary and SOI. The District's present service area covers approximately ten square miles, virtually all of which is in Riverside County and includes the City of Beaumont and the community of Cherry Valley. The District owned land in San Bernardino County is located just north of the Riverside-San Bernardino County line in Edgar Canyon where the District operates a number of wells and a reservoir.

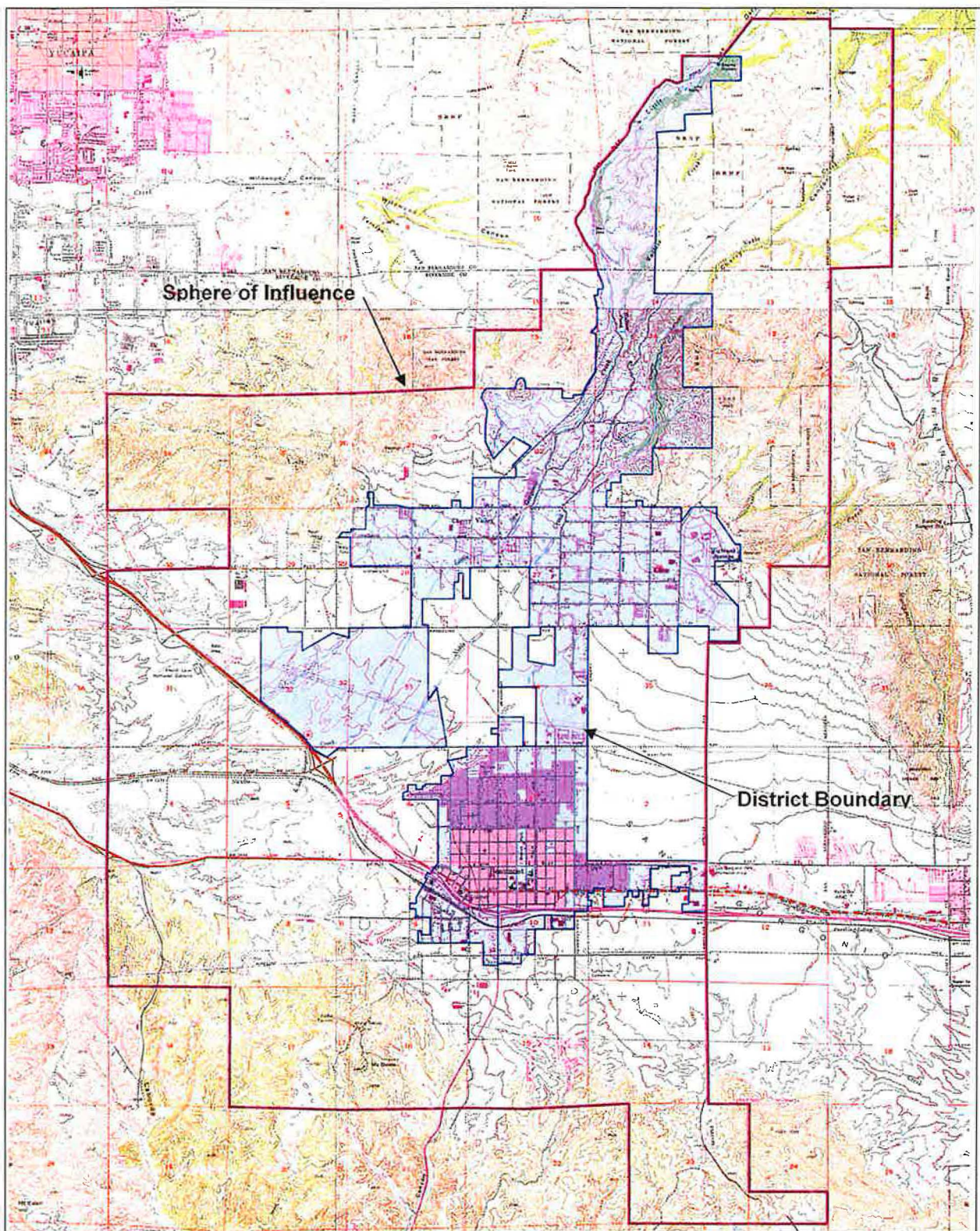
The District's SOI, or ultimate service planning area, encompasses an area of approximately 40 square miles. This SOI was established by the Riverside and San Bernardino County Local Agency Formation Commissions (LAFCOs). SOIs are

established as a planning tool and help establish agency boundaries and avoid problems in service, unnecessary duplication of costs, and inefficiencies associated with overlapping service.

The District's SOI is bounded on the west and north by the YVWD and on the east by the City of Banning. The northerly boundary of Eastern Municipal Water District (EMWD) is one-mile south of the District's southerly SOI boundary. The area between EMWD and the District's SOI is not within any SOI and could be annexed to either the District or EMWD.

In 1982, the District petitioned San Bernardino LAFCO to extend the District's SOI into the area west of Oak Glen Road known as the Wildwood Canyon area. YVWD opposed that extension, and after much discussion, the District and YVWD entered into an agreement which limited the District's SOI in San Bernardino County to the area east of Oak Glen Road in exchange for the agreement that YVWD would not export water from Wildwood Canyon.

In Riverside County, the north half of Section 30, T2S, R1E is not presently in the SOI of either YVWD or the District. This area was disputed and claimed by both agencies. Representatives of the YVWD and the District have met to discuss this area. Meetings and negotiations are currently being held which will reestablish a comprehensive SOI



Source: modified from USGS 1:24 000 topographic maps of Beaumont, Forest Falls, Yucaipa, and El Casco, CA

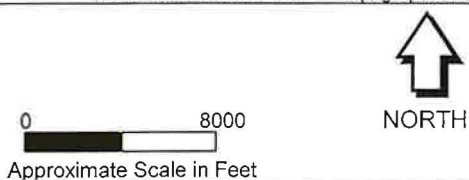


Figure 1-1
District Boundary and Sphere of Influence
Beaumont Cherry Valley Water District
Beaumont, California

between the two Districts. As of this date no formal agreement has been drawn up, however, taking a conservative planning approach, the north half of Section 30 is included in the District's service area for water service.

The service area ranges in elevation from 2,600 feet above mean sea level in Beaumont, to 2,800 feet in Cherry Valley, and over 4,000 feet in the upper reaches of the SOI.

1.8.3 Climate Characteristics

1.8.3.1 Temperature

Table 1-2 presents temperature data for the City of Beaumont obtained from the Western Regional Climate Center. The climate in Cherry Valley is similar, but temperatures are cooler in the upper elevations of the District's sphere of influence.

In Beaumont, temperatures below freezing are common in winter in the upper elevations of the service area. Temperatures over 100°F are also common in the summer.

Table 1-2
District Climate¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Average Max. Temperature (F)	60.5	63.6	66.2	72.5	78.8	88.0	95.6	95.5	90.6	80.7	69.4	62.0	77.0
Average Min. Temperature (F)	38.6	39.1	40.0	42.8	47.7	52.5	58.4	58.6	55.8	49.3	43.1	39.2	47.1
Average Total Precipitation (in.)	3.76	3.44	3.12	1.36	0.63	0.16	0.23	0.22	0.51	0.60	1.65	2.09	17.76
Average Total Snowfall (in.)	1.1	0.4	0.2	0	0	0	0	0	0	0	0.1	0.3	2.0
Standard Monthly Average ETo ¹	2.81	2.76	3.78	5.31	6.10	6.97	7.08	6.83	5.67	4.15	3.31	2.56	57.33

¹ Western Regional Climate Center, Beaumont 1E 7/1/1948 – 12/30/2004

² CIMIS website – Winchester, CA

1.8.3.2 Precipitation

As shown in Table 1-2, virtually all the precipitation occurs during the months of November through April; most of the precipitation is in the form of rain, but snow is common in higher elevations of the service area during the winter. Some rainfall occurs in summer from thunderstorms that are associated with monsoonal moisture. Annual precipitation in Beaumont averages approximately 17.8 inches, with increasing amounts of precipitation with increasing elevation.

1.8.3.3 Evapotranspiration

Table 1-2 presents the monthly reference average ETo based on the California Irrigation Management Information System (CIMIS), Winchester, CA station. This station is located about 15 miles south of the BCVWD along state highway and is representative of the evapotranspiration in the District's service area. The reference ETo represents the is the amount of water used and evaporated by a 4 to 7-in tall stand of grass in an open

field. Water use by other crops and landscape materials can be determined using the appropriate crop coefficient in conjunction with the ETo.

1.8.4 Demographic Characteristics

1.8.4.1 Population

1.8.4.1.1 Current

The District's present service area (end of 2005) includes approximately 9,700 service connections. Census data was obtained from the Southern California Association of Governments (SCAG) for Riverside County and the City of Beaumont. The Western Riverside County of Governments (WRCOG) prepared the estimates for SCAG. Table 1-2 presents the WRCOG data for the period 2000 to 2030.

The population change from 2000 to 2005 in the City of Beaumont was dramatic – a 66% increase in population in the 5-year period. The population (18,933) was checked against the State of California Department of Finance estimates for January 2005 and found to match, so it can be concluded this is a reasonable estimate of the current population.

Data was not available separately for Cherry Valley as it is an unincorporated community and would be included in the Riverside County unincorporated population. Data from the Cherry Valley Resource Guide indicated the population was 5,945 in 1990 and 5,891 in the year 2000. No current projections were available.

To verify the population of Census data was available for the year 2000 from the U.S. Census Bureau. This data was available by census tracts and "blocks" within the census tracts. Many of the census tracts extend beyond the District's service area. This data was allocated to "in District" and "outside of District" for Beaumont and Cherry Valley. The "in District" population for Beaumont compared favorably with the year 2000 City of Beaumont population in Table 1-3.

In the year 2000 update to the UWMP, census tract/block data were used in conjunction with a Geographical Information System (GIS) boundary map of the District and it was determined that 4,580 people in the Cherry Valley census tracts were actually in the District. This is 78% of the stated Cherry Valley year 2000 population (5,945). A far less rigorous estimate was made as part of this update and determined the year 2000 Cherry Valley population that was within the District was 4,950. It was determined to use the estimate based on the more rigorous GIS analysis, i.e., 4,580. This will maintain consistency with the year 2000 UWMP update.

1.8.4.1.2 Projected

Table 1-3 presents the population, housing and people per dwelling unit served by the District. The year 2000 population (9,650) for the City of Beaumont was taken from the 2000 UWMP update. This population was based on census tract data using the GIS methodology described above to allocate it to the District boundary. This is about 85% of the stated total City of Beaumont population. For the year 2005, it was assumed that 95% of the population of the City of Beaumont (From Table 1-2) was in the District. For the year 2010 and beyond, it is assumed that all of the City of Beaumont is served by the

District. This is reasonable since new developed are annexed into the City and the District simultaneously. Also the District has an application pending with LAFCO to annex a number of parcels that are not now in the District.

Table 1-3
Historic, Current and Projected Population and Housing
(Source: SCAG)

	2000	2005	2010	2015	2020	2025	2030
City of Beaumont							
Population	11,407	18,933	27,305	43,709	59,898	75,411	90,290
Households	3,887	5,821	8,914	14,036	19,212	24,304	29,333
People/DU ¹	2.93	3.25	3.06	3.11	3.12	3.10	3.08
Increase for 5-year period		66.0%	44.2%	60.1%	37.0%	25.9%	19.7%
Unincorporated Riverside County							
Population	352,616	417,870	475,002	575,248	667,930	751,712	830,191
Households	114,948	133,655	156,466	195,665	235,183	274,346	313,281
People/DU	3.07	3.13	3.04	2.94	2.84	2.74	2.65
Increase for 5-year period		18.5%	13.7%	21.1%	16.1%	12.5%	10.4%

¹ DU = Dwelling Unit

In Table 1-3 it should be noted there are a small number of people that are not in the City of Beaumont that are served by the District (designated Beaumont Unincorporated Areas in Table 1-4) As the area develops it is assumed this population will be included with the City of Beaumont population by the year 2010.

For consistency with the year 2000 UWMP update, the year 2000 Cherry Valley population is taken as 4,580 people. The ultimate population forecast for Cherry Valley is based on the Cherry Valley Community Policies of one-acre single-family residential lots, which would forecast an ultimate build-out of approximately 24,700 people.

There is interest in more intense development within Cherry Valley as demonstrated by the proposal to construct 900 homes on the 323 acre Sunny Cal Egg Ranch. Although this project has not yet been approved, it is an indicator of development potential. The forecasted growth in Cherry Valley from 2005 through 2030 is based on the forecasted, equivalent rate of growth of the unincorporated areas of West Riverside County¹. Most development is occurring within the City of Beaumont, and the forecast for these areas coincides with SCAG's forecast for all unincorporated cities in west Riverside County.

Based on the projections in Table 1-3, the total service area population for the District will increase by about 2.1 times the year 2005 population by the year 2015, and 4.2 times the year 2005 population by the year 2030.

The population growth is illustrated in Figure 1-2.

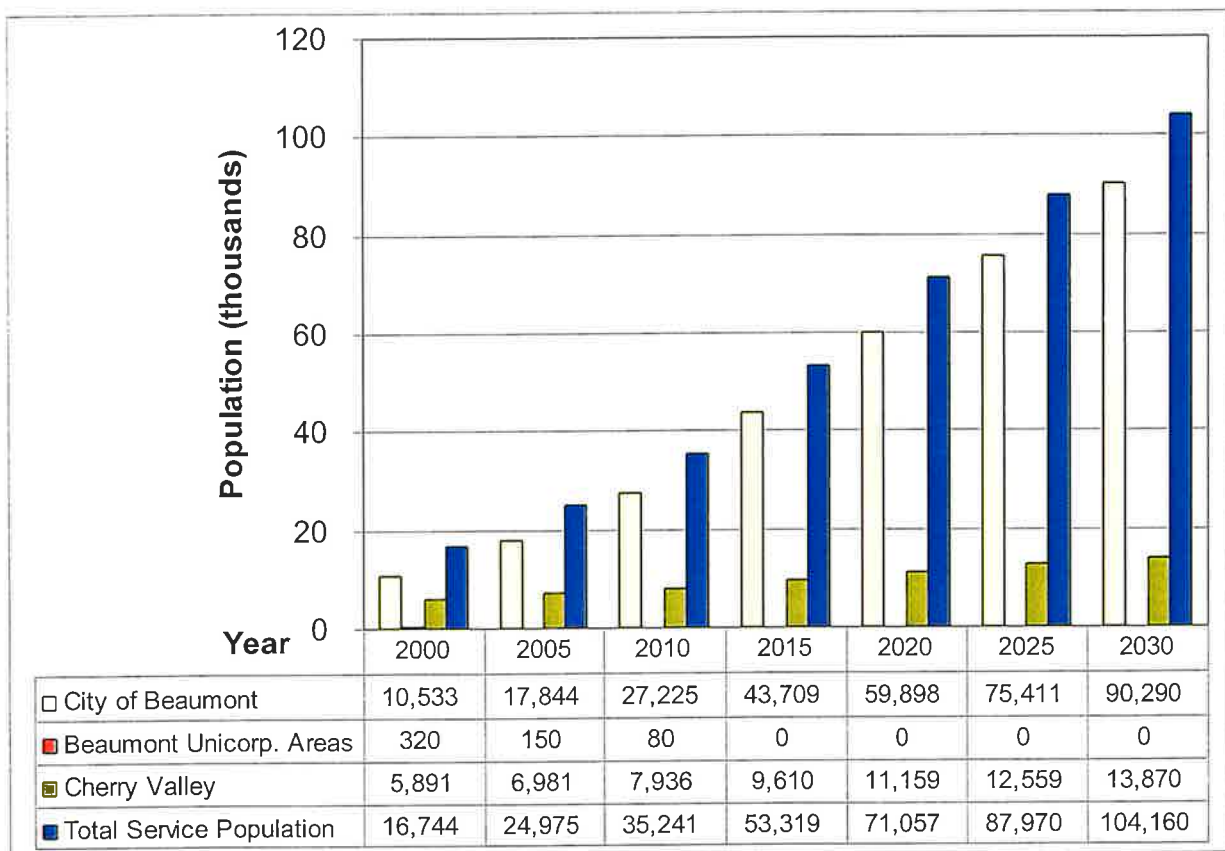
Table 1-4
Historic, Current and Projected Population and Housing Served by the District

	2000	2005	2010	2015	2020	2025	2030
City of Beaumont							
Population	10,533	17,844	27,225	43,709	59,898	75,411	90,290
Households	3,589	5,486	8,888	14,036	19,212	24,304	29,333
People/DU	2.93	3.25	3.06	3.11	3.12	3.10	3.08
Beaumont Unincorporated Areas							
Population	320	380	0	0	0	0	0
Households	100	120	0	0	0	0	0
People/DU	3.07	3.13					
Cherry Valley							
Population ¹	5,891	6,981	7,936	9,610	11,159	12,559	13,870
Households	1,900	2,200	2,600	3,300	3,900	4,600	5,200
People/DU ²	2.70	3.13	3.04	2.94	2.84	2.74	2.65
Totals							
Population	16,744	24,975	35,241	53,319	71,057	87,970	104,160
Households	5,589	7,736	11,518	17,336	23,112	28,904	34,533
People/DU	2.86	3.24	3.07	3.10	3.07	3.05	3.02

1 Based on growth rate in unincorporated Riverside County

2 Same as unincorporated Riverside County

Figure 1-2
District Population Growth Past, Present, and Forecast
Based on SCAG Forecast



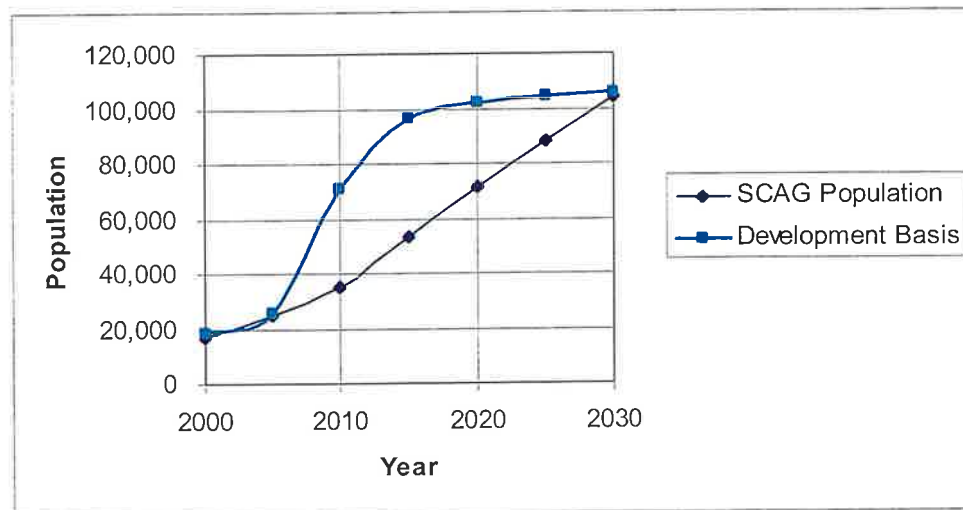
1.8.4.2 Land Development

Future water demands can be developed using either population or land development rate of growth (EDU growth). Both methods are used in this UWMP update.

Historically, the principal industry in the Beaumont and Cherry Valley area has been agriculture and agriculture related services, particularly those associated with fruit production (cherries) and egg ranching. Current trends suggest that more and more agricultural areas are being converted to residential uses as new buyers are seeking more affordable homes. The agricultural-based industries are giving way to major shopping and distribution centers, e.g., Lowes, Cross Roads Logistics, etc., which are being developed to support residential development in the area. Several major development projects have already been started or are in the planning phase. These include Sun Cal/Pardee/Ryland, Pardee Tournament Hills, Fairway Canyon, Pardee Sundance, K. Hovnanian's Four Seasons, Seneca Springs, Sunny Cal Egg Ranch, Rolling Hills and Noble Creek Vistas, just to name a few. These projects and others will have a major impact on the District's water supply system and the water resources in the entire San Geronio Pass (Pass) area. A number of proposed developments that have requested water service or have indicated a desire to develop in the District are shown in Table 1-5

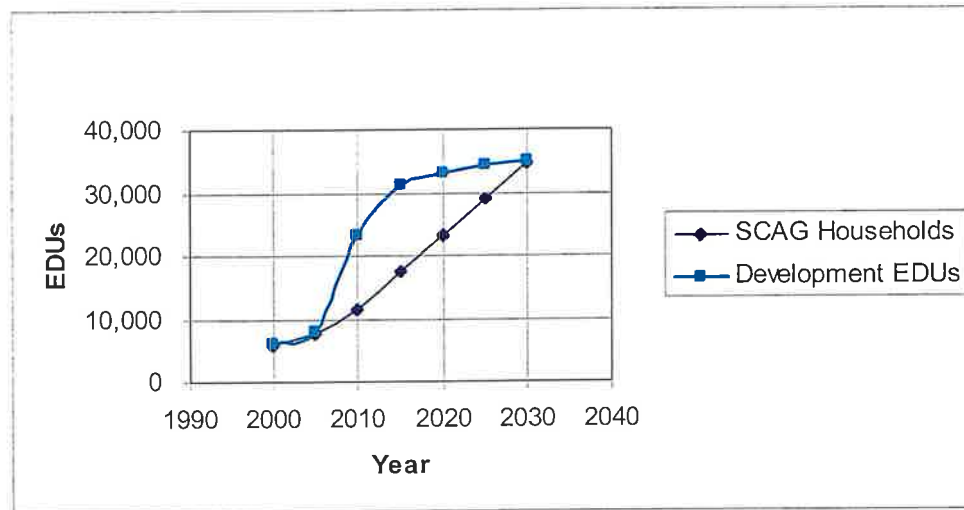
Using the SCAG estimates for the District SOI, (Table 1-3) the development growth rate would be approximately 1056 households per year over the next 25 years. For the period from 2000 to 2005 the District averaged 900 water service connections per year. For the period 2003 to 2005, District averaged 1600 water service connections per year. Using the known land developments in the District's SOI and projecting their completion, the estimated growth rate over the next 25 years averages approximately 1062 EDUs per year; 2428 EDUs/year over the next 10 years and 1315 EDUs/year over the next 20 years.

**Figure 1-3
District Population Forecast Comparison**



When compared to the development basis, Figure 1-3 illustrates the population in the District's service area in 2030 is approximately the same. However, the growth rate using the development approach is much higher in the next decade than that projected using the SCAG basis. Figure 1-4 shows the growth in EDUs for based on the SCAG projections and the land development approach.

**Figure 1-4
District EDU Forecast Comparison**



Based on the District's knowledge of the service area in concert with the City of Beaumont, the District believes the year 2030 population developed by SCAG reasonably estimates long term population in the service area. However, using the land development approach, the population increases more rapidly in the next decade than is predicted by SCAG. The District believes the land development rate better reflects water demand increases in the service area. Therefore, for planning purposes the land development based estimated water supply and demand were used to generate the projected water supply and demands presented in Sections 2 and 3.

Table 1-5 presents a list of the developments requesting water service from the District.

Table 1-6 lists the projected number of water user connections by customer type.

**Table 1-5
Developments Requesting Service**

Project Name	Entitlement Status	Jurisdictional Status	Development Plan	EDUs, Residential	EDUs, Commercial & Industrial	Number of Equivalent Dwelling Units	Estimated Years to Build Out	Estimated Construction Start Date	Units Already Served 1/2005	Units Remaining 1/2005
Pardee -- Sundance (Deutch)	Tract Approval and Construction in Process	City	Develop Master Plan	4,500	140	4,640	10	2002	900	3740
Noble Creek Specific Plan	Specific Plan Approved	City	Market Finished Lots / Builder	-	-	900	10	2006	-	900
Cougar Ranch	Tentative Tract Map Amendment in Process	City	Builder	164	-	164	2	2004	80	84
Suncal (formerly Heartland)	SP/Tentative Tract Map Approved	City	Bulk Sale of JP Offered	994	490	1,484	10	2006	-	1484
K-Hovnanian Four Seasons	Specific Plan Approved, Tract Maps in Process	City	Bulk Sale Offered	2,217	88	2,305	7	2005	-	2305
Hidden Canyon (formerly Lockheed Aircraft, Beaumont Gateway)	SP Amendment in Process	City	-	400	-	400	4	2007	-	400
Seneca Springs (formerly Loma Linda)	SP / Tentative Commercial PM Approved	City	-	950	-	950	7	2005	-	950
Pardee Tournament Hills (formerly Oak Valley Partners LP / SCPGA)	Tract Approval in Process	City Sphere	Golf Courses Completed, Tract Construction Underway	2,100	-	2,100	10	2004	-	2100
Majestic Realty (formerly Olinger Commercial)	General Plan / Zoning in process	City	Market Commercial Parcels 53 acres	-	84	84	2	2007	-	84
Cross Roads Logistics (formerly Rolling Hills Ranch)	Tentative Tract Map Approved	City	In Escrow with Builder	-	100	100	2	2007	-	100

Table 1-5 (Cont'd)
Developments Requesting Service

Project Name	Entitlement Status	Jurisdictional Status	Development Plan	EDUs, Residential	EDUs, Commercial & Industrial	Number of Equivalent Dwelling Units	Estimated Years to Build Out	Estimated Construction Start Date	Units Already Served 1/2005	Units Remaining 1/2005
Pulte Oak Valley Greens	Tracts Approved, Construction underway	City	Market Finished Lots	2,600	140	2,740	5	2002	1500	1240
Willow Springs Area	SP on Hold	Annexation in process	Market Finished Lots	2,800	210	3,010	15	2007		3010
Shea Homes Laborde Canyon Hidden Canyon I & II (formerly Mission Viejo Co., Jack Rabbit)	SP / Tentative Tract on Hold	Annexation on Hold	Unknown	1,200	-	1,200	10	2006		1200
Sixth Street Commercial Corridor -- Xenia St East	General Plan / SP in Process	City	Multiple Owner	320	958	1,278	5	2005		1278
Beaumont Industrial / Fourth Street Area	General Plan	City	Multiple Owner		1,139	1,139	5	2006		1139
Centerstone (formerly KSE)	UNKNOWN			470		470	2	2004		470
Tract 30450 (Oak Glen Road)		County	Grading Plan in Process	27		27	5	2006		27
Sunny Cal Egg Ranch Development				900		900	8	2007		900
SunCal Fairway Canyon	Grading in process	City	Grading in Process	3,300		3,300	8	2005		3300
Curtis Tr 30891	Grading in process	City	Grading in process	241		241	2	2006		241
Royal Homes Tr 30524		City		23		23	1	2006		23
Pacific Scene Tr 31426/32020				170		170	2	2006		170
Wal-Mart/Home Depot					20	20	1	2006		20
Cameo Homes Tr 29839				73		73	2	2005		73
Corman Leigh Tr 30779 (formerly Brookfield)				194		194	2	2006		194

Table 1-5 (Cont'd)
Developments Requesting Service

Project Name	Entitlement Status	Jurisdictional Status	Development Plan	EDUs, Residential	EDUs, Commercial & Industrial	Number of Equivalent Dwelling Units	Estimated Years to Build Out	Estimated Construction Start Date	Units Already Served 1/2005	Units Remaining 1/2005
TOTALS (KNOWN SCHEDULED PROJECTS)				23,643	3,369	27,912			2480	25432
ESTIMATED EDUs from UNKNOWN PROJECTS						1125				1125
TOTAL						29037			2480	26557

**Table 1-6
Number of Connections by Customer Type**

Customer Type	Year								
	1990	1995	2000	2005	2010	2015	2020	2025	2030
Residential	N/A	N/A	5555	9141	22604	30637	32611	33762	34512
Commercial	N/A	N/A	263	267	350	420	440	450	455
Industrial	N/A	N/A	7	8	10	12	14	16	18
Landscape Recycled Water Users	N/A	N/A	108	97	225	300	325	350	375
Agriculture	N/A	N/A	147	78	70	60	50	40	30
Other ¹	N/A	N/A	N/A	125	125	125	125	125	125
Total			6080	9716	23219	32035	34085	35283	36070

¹ Includes Construction and Fire Services

1.9 FINANCING CAPABILITY

In this UWMP update, the District has identified a number of water sources and facilities which are necessary to meet the projected demands. The District has had a capital “impact” fee on new developments since the early 1980s. In fact the District was one of the first agencies in the area to require new development to fund infrastructure improvements based on their impact to the system. In late 2004, the District had its Facilities Fee structure revisited and increases were recommended and adopted by the Board of Directors. The fee structure provides for wells, reservoirs, transmission mains, non-potable (recycled) water facilities, water treatment and new water purchase. The latter is to fund the purchase of additional imported water entitlement or participation in other local water resource projects, e.g., groundwater desalination; sea water desalination etc. As a result the District has the financing in place to meet the requirements of the UWMP.

1.10 PROJECT TEAM

The 2005 Urban Water Management Plan Update was prepared under the direction of Mr. Joseph C. Reichenberger, P.E., District Engineer with assistance from Mr. Steve Gratwick, P.E., and other staff at Parsons.

1.11 ACKNOWLEDGEMENTS

The District Engineer would like to express appreciation for the help and assistance given by the Beaumont-Cherry Valley Water District in the study, particularly Mr. C. J. Butcher, General Manager; Julie Salinas, Administrative Assistant, Jay Wilfley, General Superintendent, Tony Lara, Production Superintendent, and the rest of the District staff.

¹ <http://www.scag.ca.gov/forecast/index.htm>

SECTION 2

WATER SOURCES

2.1 LAW

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments [to 20 years or as far as data is available.] If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to part 2.75 (commencing with Section 10750), or an other specific authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree.

(3) A detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available including, but not limited to, historic use records.

2.2 WATER SUPPLY SOURCES

In the early years of the District diverted surface water from Edgar Canyon (Little San Gorgonio Creek) was used for domestic and agricultural supply. Remnants of some of the diversion boxes are still visible in Edgar Canyon. Since the early 1900's, wells supplemented the surface diversions. Eventually the surface diversions were no longer used and the District relied solely on groundwater from both Edgar Canyon and the Beaumont Storage Unit (BSU or the Beaumont Basin). Groundwater is the District's only current water source. However, this is changing as described below.

- In the late 1980s the District developed a recycled water master plan and

developed an agreement with the City of Beaumont to distribute recycled water. Developer have been required to install the backbone recycled water system as well as “in Tract” systems to irrigate common greenbelt areas, street medians, parks, and schools. An extensive piping system is currently “in the ground.” The City of Beaumont is in the process of designing the recycled water pump system to pressurize the recycled water distribution system. The District expects to be distributing recycled water in 2006.

- The East Branch Extension of the State Water Project is now complete and operational. (There are some operational constraints however, that limit its ability to import large quantities of water.) The District has been collecting fees from developers to purchase supplemental water over and above the San Gorgonio Pass Agency’s (Pass*Agency) Table A amount.
- The District purchased an 80 acre parcel, referred to as the Oda Property, on both sides of Noble Creek for the purpose of developing a groundwater recharge area. Over \$1,000,000 in engineering and hydrogeologic investigations have been conducted and the site is clearly an ideal place to recharge water – either captured stormwater, recycled water, or imported water. Bids have been received for the first phase of the project, construction of percolation ponds on the northwest portion of the site, the contract has been awarded and construction is about to start (late 2005).
- A pipeline has been designed to convey State Project Water from a SGPWA Turnout at Noble Creek to the groundwater recharge area described above. The design of the turnout by the SGPWA is underway.
- The District has initiated design of a stormwater capture and recharge program to take storm runoff from Little San Gorgonio Creek, desilt it, and convey it to the Oda Property spreading grounds for recharge.
- The City of Beaumont, as a condition of development, has required developers to install detention basins for stormwater percolation. Once such system adjacent to the Pardee Sundance Development on the east side of Beaumont proved to be very effective at capturing runoff and percolating it during the winter 2004-05.

Future water sources will include recycled water, captured stormwater in Edgar and Noble Canyons and its subsequent recharge, urban runoff capture and recharge, captured underflow from the Edgar Canyon, return flows from new development, and imported water. Each of these will be described in more detail in subsequent subsections.

Table 2-1 depicts the water sources which are or planned to be used by the District to meet future demands.

**Table 2-1
Current and Future Water Sources**

	2005	2010	2015	2020	2025	2030
Groundwater, Edgar Canyon	√	√	√	√	√	√
Groundwater, BSU	√	√	√	√	√	√
Storm Water Capture and Recharge		√	√	√	√	√
Urban Runoff & Groundwater Recharge	√	√	√	√	√	√
Captured Infiltration from Edgar Canyon		√	√	√	√	√
Recycled Water to Offset Existing Uses Currently on wells		√	√	√	√	√
Conversion of Existing Potable Water Uses to Recycled Water and Replenishment of Groundwater Using Recycled Water		√	√	√	√	√
Imported Water purchased through SGPWA		√	√	√	√	√

The following section presents a description and analysis of the current and future water sources and describes planned projects.

2.2.1 Groundwater

Table 2-2 presents a summary of the District's wells and their current capacity.

The District currently owns and operates a total of 23 groundwater wells of which only 22 are used to any great degree. These 22 wells have a total production capability of approximately 34.6 million gallons per day (mgd).

The District's wells are located in four areas:

- Upper Edgar Canyon (San Bernardino County)
- Middle Edgar Canyon (San Bernardino County)
- Lower Edgar Canyon (Riverside County)
- BSU (Riverside County)

Note that "Edgar Canyon" is synonymous with "Little San Gorgonio Creek".

Table 2-2
Groundwater Well Capacity Summary

Area / Location	No. of Wells	Pump Capacity	
		(mgd)	(acre-ft/yr)
Upper Edgar Canyon	9 ^a	2.9	3,230
Middle Edgar Canyon	1	0.9	960
Lower Edgar Canyon	3	1.6	1,850
BSU	10 ^b	29.2	32,700
TOTALS	23	34.6	38,740

^aWell 13 in Upper Edgar Canyon is standby

^b Well 2 is inactive and will be replaced in 2005-06; includes Wells 25 and 26 which are scheduled to come on line in 2006, construction has started.

The District will begin constructing 2 additional wells (Well 25 and 26) in the Beaumont Basin in 2005 and will have them on line in 2006. Well No. 2 in the Beaumont Basin will be replaced in 2006 also.

2.2.1.1 Edgar Canyon

Groundwater in Edgar Canyon primarily occurs in the younger and older alluvium valleys and within the rock fractures associated with the extensive faulting in the area. Numerous faults cross the canyon generally in a southeast-northwest direction. These act as barriers to groundwater movement and subdivide the canyon into several sub basins. Groundwater aquifer material is limited and storage is small. Groundwater levels vary from just few feet below ground surface to about 200 below ground surface. The groundwater levels and groundwater production respond quickly to stream flow. During wet years considerably more water can be pumped than during dry years.

The District prefers to use the wells in Edgar Canyon since they are the least expensive to operate and the water can be conveyed to the District customers by gravity with no additional pumping.

The District has operated numerous percolation ponds in the canyon. Surface flows in Little San Gorgonio Creek are diverted into the percolation ponds which then recharge the shallow aquifers. The District has been doing this since the late 1800s and has a pre-1914 water right to divert up to 3,000 miners inch hours (MIH) or approximately 45,000 acre-feet per year (acre-ft/yr) for diversion of water for domestic and irrigation uses. However, the District has never had a demand that requires such large quantities of water supply; and the watersheds may not be capable of supplying such quantities during an average year.

Table 2-3 presents the 5-year production from the wells in Edgar Canyon for the years 2000 - 2004.

Table 2-3
Groundwater Extractions from Edgar Canyon Wells (2000 – 2004)

Year	Total Production Acre-ft
2000	2671
2001	806
2002	592
2003	923
2004	895
5-year average	1177

From 1957 to 2000 the average production from the Edgar Canyon Wells was 1950 ac-ft/yr. However, prior to 1983, the ability to utilize the water pumped from Edgar Canyon was limited. In 1983, the District installed the Edgar Canyon Transmission Main which enabled larger quantities of water to be conveyed from the Edgar Canyon to Cherry Valley and Beaumont. Since 1983, the average amount pumped was 2454 ac-ft/yr. This is far more indicative of Edgar Canyon's ability to produce water.

For the period 1983 to 2000 statistical information on the Edgar Canyon production is presented in Table 2-4:

Table 2-4
Groundwater Extraction Statistics from Edgar Canyon Wells (1983 -2004)

Parameter	Annual Production Acre-ft
Average	2,280
Maximum	3,738
Minimum	1,117
90 th Percentile	3,336
10 th percentile	1,241

In Table 2-4, the term "10th Percentile" means that 90 percent of the time the production was greater than the value shown. In other words, there would be only one year in ten that the production would be less than 1,241 ac-ft/yr.

The San Timoteo Watershed Management Authority (STWMA) estimated the safe yield from Edgar Canyon to be 2,600 ac-ft/yr.¹ This amount appears reasonable in light of the statistical data on historical pumping in Table 2-4 and will be used as the yield from Edgar Canyon.

¹ Wildermuth Environmental, Inc. (2005). Integrated Regional Water Management Program for the San Timoteo Watershed, Final Draft, prepared for the San Timoteo Watershed Management Authority, , June 2005.

The District currently maintains 40 to 50 ponds in Upper Edgar Canyon to capture and recharge winter runoff in Little San Gorgonio Creek to supplement the groundwater in the canyon and minimize the amount of water the District extracts from the BSU. These ponds have contributed to the productivity of the Edgar Canyon wells since early in the Twentieth Century. On an average annual basis, the wells have shown increased production in the canyon of approximately 800 acre-ft/yr; however the District estimates that approximately 2,600 acre-ft/yr has been captured and percolated in the Upper Edgar Canyon ponds. This estimate is based on historic pumping records and evaluation of the corresponding weather conditions. It could be overly conservative due to the fact that the historic pumping records matched the water demand on the system.

The District does not know where the difference between 2600 acre-ft/yr recharged and additional extraction has gone. It is not known if this water passes over the Banning Fault into the BSU or Singleton Storage Unit or if it flows southeasterly behind the fault barrier.

Because of this uncertainty, the District is proposing to change the diversion point to the lower end of Edgar Canyon and convey the captured water to spreading basins overlying the Beaumont Basin. This is discussed as part of the stormwater capture and recharge project to follow.

After construction of the stormwater capture project and the relocation of the diversion point downstream to the desilting basins at the mouth of the canyon, the resulting production from Edgar Canyon will be reduced since the percolation ponds in the upper and middle canyon areas will not be used as much. The District believes this will reduce the production from the Edgar Canyon wells by about 800 acre-ft/yr. Thus, one the stormwater capture and recharge project is completed the annual production from Edgar Canyon will be reduced to 1,800 acre-ft/yr, i.e., 2,600 acre-ft/yr less 800 acre-ft/yr.

The quality of the groundwater in Edgar Canyon is excellent. The total dissolved solids are in the lower 200 mg/L range; nitrate levels are low since development around the well fields is limited.

2.2.1.2 Beaumont Basin (Beaumont Storage Unit)

Beaumont Basin. The Beaumont Basin or Beaumont Storage Unit (BSU) as it is also known, is one of the largest storage units in the San Gorgonio Pass area with at least 1.1 million acre-feet of water in storage and about 200,000 to 400,000 acre-feet of unused groundwater storage capacity. With the recent information developed by the District which shows the aquifer extending an additional 500 ft below that previously know, STMWA estimates the amount of water in the Beaumont Basin could be as much as 2.4 million acre-ft.²

The boundaries of the BSU are defined on all sides by postulated faults including the Banning and Cherry Valley Faults to the north and unnamed faults to the south, east, and west. The BSU is approximately 27 sq. mi. oriented in a northwest-southeast direction. The Cherry Valley Fault is the dividing line between the BSU and the Singleton storage

² "Integrated Regional Water Management Program for the San Timoteo Watershed," Final Draft, prepared for the San Timoteo Watershed Management Authority, Wildermuth Environmental, Inc., p 2-15, June 2005.

unit.

Groundwater within the BSU primarily occurs in the older alluvium and the San Timoteo Formation. Groundwater elevations in the BSU range from approximately 160 ft below ground surface (bgs) to 600 ft bgs.

It should be noted that the BSU has been drawn down from the steady state groundwater elevations computed in the Bloyd (1971) report. The Bloyd report shows that the groundwater elevation is approximately 100 feet below steady-state (pre-development) conditions. According to STWMA, progressive drawdown of water levels in the Beaumont Basin occurred from the 1920s to about 1980. Since then groundwater levels have stabilized. Current levels in the basin are about 75 to 120 ft below the 1920 levels and about 10 to 40 ft below the 1980 level.³

Groundwater flow in the BSU generally follows the ground surface topography. However, there is a groundwater divide that roughly follows Cherry Avenue, a major north-south arterial on the east side of Beaumont. To the west of Cherry Avenue, groundwater flows southwest and west toward San Timoteo Canyon; to the east of Cherry Avenue, groundwater flows southeast and east toward Banning.

In the western portion of the Beaumont Basin, the groundwater elevations intersect the surface elevations. The groundwater becomes surface water in springs and seeps along the tributary drainages to San Timoteo Wash.

During the field investigation work related to the District's Stormwater Capture and Recharge project, (described subsequently), multiple aquifers systems were identified by Geoscience Support Services Inc (Geoscience)⁴. They designated the aquifer systems beneath the recharge site as:

- Perched -- 300 to 400 ft bgs
- Shallow -- 478 to 485 ft bgs
- Intermediate -- 600 to 1000 ft bgs
- Deep --below 1000 ft bgs

Prior to drilling the production well at the recharge site, the base of useable groundwater water in the Beaumont Basin was thought to be 1000 ft. This the primary production zone of most of the municipal wells in the BSU. As part of the pilot recharge project a well was drilled to 1500 ft bgs and test pumped at 3000 gpm. The water quality from this well is excellent, with total dissolved solids concentrations in the low 200 mg/L range. During the aquifer testing, water from the deep aquifer was analyzed and found to be chemically quite different from that of the intermediate aquifer. That well became BCVWD Well No. 23 and was put into service in late summer 2004. Geoscience indicated that there were several other wells that were drilled to that depth and tapped into that deeper aquifer. In 2005, BCVWD drilled Well No. 24 into the deep aquifer and it too was test pumped at 3000 gpm. That well is due to come on line in late summer

³ "Integrated Regional Water Management Program for the San Timoteo Watershed," Final Draft, prepared for the San Timoteo Watershed Management Authority, Wildermuth Environmental, Inc., p 2-13, June 2005

⁴ Geoscience Support Services, Inc, (2002). *Geohydrologic Investigation Noble Creek Recharge Study*, July 1, 2002

2005. The finding of this deep aquifer greatly extends the amount of usable groundwater in the BSU.

Table 2-5 presents the BCVWD's groundwater extractions in the BSU.

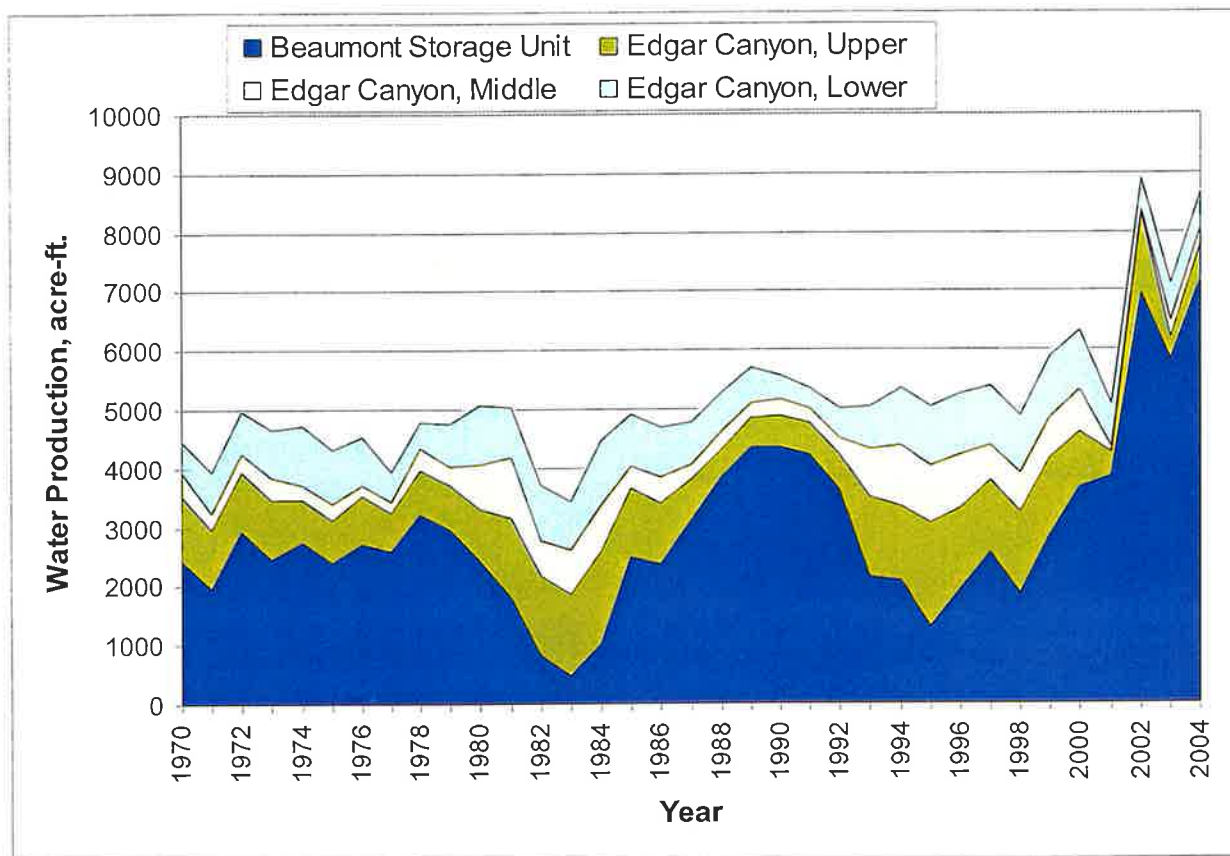
Table 2-5
BCVWD's Groundwater Extractions from Beaumont Basin Wells (2000 – 2004)

Year	Total Production Acre-ft
2000	3637
2001	3827
2002	6936
2003	5822
2004	7158
5-year average	5476

2.2.1.3 Total BCVWD Groundwater Extractions

The District's annual groundwater production from 1970 through 2004 is depicted in Figure 2-1. From 1970 to 2004, the District's average annual production was 5,166 acre-feet. The minimum annual production of 3,417 acre-feet occurred in 1983 and the maximum annual production of 8,896 acre-feet resulted in 2002. For the 1970 – 2004 period, the BSU supplied approximately 57% of the total groundwater production while 19, 9% and 15% were produced from the Upper, Middle, and Lower Edgar Canyon areas, respectively. Total production in any given year is a function of the hydrologic conditions and usually mirrors the annual rainfall.

**Figure 2-1
Groundwater Production from 1970 through 2004**



2.2.1.4 Beaumont Basin Adjudication

The Beaumont Basin was adjudicated in February 2004, in Superior Court, Riverside County Case RIC 389197, San Timoteo Watershed Management Authority vs. City of Banning et al. The Judgment established the Beaumont Basin Watermaster (Watermaster) to administer the judgment. It established the rights of the Overlying Parties and the Appropriator Parties, e.g., the BCVWD. Some of the essential elements of the Judgment are as follows:

- The Safe Yield of the Basin is established at 8,650 acre-ft/yr.
- A controlled overdraft of the basin is allowed to create more usable storage capacity in the Basin. In the Judgment this is termed “Temporary Surplus.” This has been established at 160,000 acre-ft.
- During the first ten years after adoption of the Judgment (until 2014), the Overlying Parties can extract, in total, a maximum of 8,650 acre-ft/yr. There after, the Overlying Parties can extract, in total, a maximum of 5,845 acre-ft/yr. If, after the first 10 years, an Overlying Party pumps more than its share

of the operating safe yield, the overlying producer shall provide Watermaster with sufficient funds to replace the overproduction. In the accounting, Watermaster uses a 5-year (consecutive) period. So the extractions over a consecutive 5-year period cannot exceed 5 times the annual extraction share.

- During the first ten years after adoption of the Judgment (until 2014), the Appropriator Parties can extract, in total a maximum of 16,000 acre-ft/yr. There after the Appropriating Parties can extract, in total, a maximum of 2,805 acre-ft/yr. If, after the first 10 years, an Appropriator Party pumps more than its share of the operating safe yield, the appropriator producer shall provide Watermaster with sufficient funds to replace the overproduction. Watermaster uses a similar 5-consecutive year period for accounting as described above for the Overlying Parties. BCVWD is an Appropriator Party. **BCVWD has a 42.51% share of the temporary surplus and for the first 10 years (until 2014) can extract 6,802 acre-ft/yr.**
- An Overlying Party can request water service from an Appropriator Party. For example, if an Overlying Party subdivides its property and requests an Appropriator, such as BCVWD, to supply the new subdivision with water. When this happens, the Overlying Party is precluded from extracting that volume of water provided by the Appropriating Party and the Appropriating Party shall have the right to produce the water foregone by the Overlying Party.
- On a year-to-year basis, if an Appropriating Party serves recycled water to an Overlying Party, the Overlying Party's water right is not diminished, but the Appropriator Party shall have the right to use that portion of the Overlying Water Right offset by the recycled water. In other words, serving recycled water to an Overlying Party allows the Appropriator to pump the equivalent amount of groundwater.
- There is a provision which requires the BCVWD to set aside 2,400 acre-ft/yr of projected water demand in the 2005 Urban Water Management Plan update specifically for Oak Valley Partners LP. For the 2010 update, the Judgment states this figure should be reviewed. This was done in exchange for Oak Valley forgoing any overlying water rights in excess of that stipulated in the Judgment.
- If any Overlying Party produces less than the Overlying Party's right under the Judgment, the unused portion shall be apportioned to the Appropriator Parties as follows: BCVWD 42.51%, Yucaipa Valley Water District 13.58%, South Mesa Water Company 12.48%, and the City of Banning 31.43%.
- The Watermaster has the authority to enter into Groundwater Storage Agreements with producers for the storage of supplemental water, wellhead protection and recharge, well abandonment, well construction, monitoring, replenishment, mitigation of overdraft, and collection of assessments.

The entire Judgment is contained in Appendix P.

The projected quantities of water from the from the transfer of unused Overlying Party

The projected quantities of water from the from the transfer of unused Overlying Party rights to BCVWD have been estimated and are included in the water supply. These amounts are projected as follows:

Table 2-5a
Projected Transfer of Unused Overlying Party Rights to BCVWD

Year	Total Transferred Acre-ft/yr
2005	2280
2010	1507
2015	1049
2020	1049
2025	1049
2030	1049

The source of the amounts in Table 2-5a are SunnyCal Egg Ranch, California Oak Valley Golf and Resort LLC (2005, 06, and 07 only), Oak Valley Partners, Southern California PGA (through 2008 only), and the minor overlying parties.

2.2.2 Storm Water Capture and Groundwater Recharge

The District has been diverting surface flows in Edgar Canyon for groundwater recharge since 1902. Over the last twenty years the District has found that the amount of water diverted was considerably more than the amount that could be retrieved via the District wells. (Refer to the previous discussion for Edgar Canyon Wells.) It is believed that a large quantity of the diverted and percolated water flow is lost from the service area due to the severely faulted underground geology of Edgar Canyon.

In 2000 the District initiated a study of the Little San Geronio Creek and Noble Creek watershed areas to determine the amount of available runoff these canyons produce. Two reports were prepared by BCVWD documenting the estimate of annual runoff.

- *Resource Development, Surface Water Capture for Little San Geronio Creek and Other Locations*, prepared by Parsons, Pasadena, CA, September 12, 2000
- *Hydrology Study, Resource Development Program on Little San Geronio & Noble Creeks*, prepared by Parsons, Pasadena, CA, January 2003.

The methodology is described in detail in these reports. But the following is a brief summary.

The USGS operated a stream gauging station in Little San Geronio Creek (11056500) at the Oak Glen Road bridge for the period 1948 through 1985 – a 37-year period. The station measured flows from only a 1.74 sq mi (1114 acres) drainage area. (The entire Little San Geronio Creek watershed at the mouth of Edgar Canyon is 4610 acres.) Average daily flows are highly variable ranging from 0 to over 1000 cfs. The average

flow at the gauging station during the gauged period is 0.7 cfs (about 500 acre-ft/yr). On January 25, 1969 a flow 5,900 cfs was recorded at the gauge.

Historic precipitation data was obtained from stations in the watershed, namely Oak Glen, Oak Glen Conservation Camp and Cherry Valley. Data was available from 22 to 99 years depending on the station. From this data, an annual rainfall-runoff relationship was developed correlating the streamflow in Little San Gorgonio Creek with the rainfall. Since the amount of precipitation in a given year affects the soil moisture (more runoff in a wet year than a dry year for a given amount of rainfall), plots of rainfall versus runoff were developed for dry, wet and average years. Also since the gauged watershed was only a portion of the entire watershed, the yield for Little San Gorgonio Creek watershed was proportioned. There was no runoff data for the Noble Creek watershed, so it was estimated the runoff would be 75 percent of that of Little San Gorgonio Creek. This accounts for the lower mean sea level elevation of the watershed and the reduced orographic effect.

The study determined that from the Little San Gorgonio Creek watershed there are approximately 2,600 acre-ft/yr long-term average runoff and 1,500 acre-ft/yr long-term average runoff from the Noble Creek watershed tributary up to Orchard Avenue. Table 2-5 presents the amount of runoff from Little San Gorgonio Creek and Noble Creek.

Table 2-6
Estimated Runoff at the Mouth of Little San Gorgonio and
Noble Creek

Watershed Area	Average Annual Precipitation, inches	Average Annual Water Yield, AF
Noble Creek	23	1,500
Little San Gorgonio Creek	26	2,600
TOTAL		4,100

The mean annual runoff is based on relatively long records and a reasonable approach was used to obtain the projections.

Since the preparation of these estimates, the STWMA used a proprietary model developed by their engineer to estimate the runoff from this watershed. Their results vary somewhat from the estimates in Table 2-6. STWMA is in the process of verifying these estimates at the time of this writing. For purposes of this UWMP update, 4,100 acre-ft per year will be used as the estimated runoff from Little San Gorgonio and Noble Creeks. This may be revised as data is collected when the system is in actual operation. Subsequent updates of this UWMP can be used as the vehicle to monitor and review the water yield.

The District is currently in the final design stage for the Recharge Program. Under the Recharge Program Plan, the existing Little San Gorgonio Creek spreading grounds would be modified for use as desilting basins. These desilting basins would capture stormwater runoff from Little San Gorgonio Creek and the adjoining Wallace Canyon. Stormwater

currently captured in the Upper Edgar Canyon percolation ponds would be allowed to flow down to the modified spreading grounds (converted to desilting basins) unless the existing Upper Edgar ponds are required for flood control. Should all of the ponds downstream be full, the District will then start to impound water in the Upper and Middle Edgar Canyon percolation ponds to conserve the water and reduce the flood impact downstream. In essence, with this operation, under normal conditions, the District is moving it pre-1914 right diversion point from upper Little San Geronio Creek to the mouth of the canyon.

Desilted water will be conveyed down to the groundwater recharge facilities constructed on 80 acres of District-owned land at the intersection of Cherry Valley Blvd. and Beaumont Avenue. Phase 1 of the groundwater recharge ponds will be under construction in late 2005 or early 2006. Phase 2 of the recharge ponds is anticipated to be constructed in late 2006.

The District also plans the construction of wetlands habitat areas on Noble Creek, and pipelines to transfer captured and desilted stormwater flows from Noble Creek. Recycled water will be released into Noble Creek in Bogart Park and allowed to flow through the wetlands before being recaptured and percolated in the recharge facilities.

The groundwater recharge facilities would be developed into a recreational park for additional beneficial use by the surrounding community.

In 2002 and 2003, the District performed a pilot test to determine percolation rates at the groundwater recharge site. This is documented in:

- “*Geohydrologic Investigation Noble Creek Artificial Recharge Study*” prepared by Geoscience Support Services Inc., July 2002
- “*Groundwater Recharge Implementation Plan, Nobel Creek Artificial Recharge Facility*,” prepared by Geoscience Support Services Inc., Sept. 19, 2005.

Short term subsurface infiltration rates measured during the pilot artificial recharge testing ranged from 1 to 6 ft/day. The average short-term infiltration rate considering all of data collected over the 80-acre site was 5.5 ft/day. Geosciences estimates the long term infiltration rate to be about 3 ft/day. It was estimated that the entire 80 acre site could recharge about 18,000 ac-ft annually when fully developed. This clearly demonstrates the recharge area can easily recharge the runoff from Edgar and Noble Canyons and have capacity to recharge recycled and imported water as required.

2.2.3 Urban Runoff and Groundwater Recharge

The City of Beaumont is developing plans and requirements for urban stormwater management that will require new development to construct recharge structures along Noble, Marshall, and Potrero Creeks. This will allow for collection of storm flows for recharge from the developed areas of Cherry Valley and Beaumont, as well as from the new construction currently being planned.

In the estimate of the additional captured urban runoff, the following methodology was used:

- Only the Pardee Sundance, Oak Valley Greens and Marshall Creek areas were considered
- Impervious area was estimated to be 25% of the total gross area of the development
- Average annual rainfall is 18 inches
- Prior to development an estimated 30% of rainfall reaches the groundwater table

Captured additional urban runoff is projected to increase from 380 ac-ft/yr in 2005 to 1130 ac-ft/yr in 2025 as development occurs and more areas become covered with impermeable surfaces such as pavement and roofs..

2.2.4 Captured Infiltration from Edgar Canyon

The capture of shallow groundwater or infiltration appears feasible based on the operation of the District's resource recovery well RR1, which captures underflow of unknown origin during the winter months in the lower Edgar Canyon. The District estimates 300 acre-ft/yr could be captured by additional recovery wells.

2.2.5 Recycled Water

Currently, the District is installing recycled water pipelines as part of the overall recycled water distribution system. The pipelines and appurtenances are being installed as development occurs. As of 2005 about 18 to 20 miles of recycled water pipeline is "in the ground." Service lines are installed to irrigation systems in parks and common areas in Pardee Sundance, Three Rings Ranch, Oak Valley Greens, Pardee Tournament Hills, and elsewhere. Pipelines extend to the Oak Valley and the two PGA West golf courses.

Currently the City of Beaumont treats all of the wastewater to meet Title 22 regulations for recycled use. Presently all flows, about 2 mgd, are being discharged to Cooper Creek which is tributary to San Timoteo Creek. (The effluent percolates underground prior to reaching San Timoteo Creek.) The City is in the final stages of expanding the treatment facility to 4.0 mgd and is starting the design for the recycled water pumping station. BCVWD is in design on the first phase (2 MG) of a non-potable water storage reservoir on the site of the Phase 1 Stormwater Capture and Recharge Project. The system is designed so that any surplus recycled/non-potable water will overflow into the percolation basins and recharge the BSU. A new pipeline will also bring State Project Water to the site to blend with and supplement the recycled water. The design for the pipeline is complete and the Pass Agency is in design on the turnout and metering station on the East Branch Extension. Recycled water should be available for delivery by mid-2006.

The District's service area is in a unique position. At this point in time there is more demand for recycled water (parks, playgrounds, school yards, medians and common areas, golf courses, etc.) than the available supply.

**Table 2-7
Recycled Water Available for Use**

Year	Total Recycled Water Produced mgd	Total Recycled Water Produced acre-ft/yr	Total Recycled Water Available for Use acre-ft/yr
2000	1.2	1340	1050
2005	1.7	1850	1470
2010	5.4	6100	5500
2015	7.9	8885	8160
2020	8.4	9465	8710
2025	8.7	9780	9006
2030	8.9	9980	9200

The total recycled water which is available for use assumes a 300 acre-ft/yr set aside for environmental mitigation/evapotranspiration etc. and assuming only 95 percent of the net remaining can be reused either for irrigation or groundwater recharge. The recycled water flow also is based on sewerage Cherry Valley beginning in 2010. It is assumed that 95% of the population of Cherry Valley will be served with a wastewater collection system. Flow from Cherry Valley in the year 2030 is 1 mgd.

2.2.5.1 Offset Existing Uses on Wells

The Beaumont Basin Adjudication states that if an Overlying Party receives recycled water for an Appropriator, .e.g., the District, the Appropriator which serves the recycled water shall have the right to use that portion of the Overlying Water Right of the Overlying Party offset by the provision of recycled water. In other words the Appropriator gets credit for the recycled water provided and can pump an equal amount from the groundwater basin. The Overlying Party must reduce his/her groundwater pumping accordingly for that period of time.

Currently recycled water pipelines extended to Oak Valley Golf Course (18 holes) and the Southern California Professional Golf Association Golf Courses (36 holes). The Adjudicated Rights for these Overlying Producers are presented in Table 2-8. It is important to note that the users in Table 2.8 can take recycled water today.

Table 2-8
Overlying Parties Which Could Substitute Recycled Water for Pumping

Overlying Party	Overlying Right acre-ft/yr	Estimated Recycled Water Use ¹ acre-ft/yr
California Oak Valley Golf and Resort LLC	950	950
So. California Professional Golf Association	2,200	2,200
Total	3,150	3,150

2.2.6 Imported Water

As discussed in Section 1, the District has historically served its customers with groundwater produced from Edgar Canyon and the BSU. Wells in the canyon were supplemented by surface water capture and percolation. Recycled water will become a larger source of local supplies along with stormwater and urban runoff capture and percolation. However, these sources alone are not able to meet the needs of the District through 2030 and the District must rely on imported water delivered through the State Water Project's East Branch Extension (EBX). The local State Water Contractor is the San Geronio Pass Water Agency (SGPWA). The Agency has a maximum current Table A amount of 17,300 acre-ft/yr; however, the EBX Phase I is limited to 8,650 acre-ft/yr. The planning to bring the EBX to full Table A amount has begun.

The BCVWD is taking the approach that the SGPWA Table A amount is already "spoken for" and has a fee structure in place for the following:

- To purchase additional Table A water through the SGPWA from other State Water Contractors or non-State Water Contractors and have that water delivered to the BCVWD through the EBX
- Purchase Turnback Pool water through the SGPWA when available for delivery
- Purchase Article 21 Water through the SGPWA when available for delivery

The 80-acre groundwater recharge facility which will begin construction in late 2005 or early 2006 will provide the opportunity to take advantage of Article 21 water, which is typically available only on very short notice. This will allow BCVWD to "bank" water for later use.

BCVWD has included a water treatment facility fees as part of the impact fees collected from each new development. This fee is collected to construct a water treatment plant on District-owned land immediately adjacent to the State Water Project Cherry Valley Pump Station. The treatment plant would treat State Project Water for direct delivery to consumers within the District. The City of Banning and BCVWD have had preliminary discussions on a joint treatment plant, with BCVWD wheeling treated water through its

system to the City of Banning. BCVWD has constructed major transmission facilities and stubbed out transmission mains on the joint boundary between the City of Banning and BCVWD. Several years ago BCVWD purchased land for a treatment plant.

The hydraulic grade line for the inflow to the Cherry Valley Pump Station is such that the treated water can flow into the BCVWD's 2750 Pressure Zone. A 4 million gallon reservoir (Taylor Reservoir) is already constructed on the site which can serve as a clear well for the future water treatment plant. The District envisions a membrane treatment plant – most likely a microfiltration/ultrafiltration facility (MF/UF).

Initial projections for imported water range from about 3950 acre-ft per year in the year 2006 to 6870 acre-ft/yr by the year 2030. When BCVWD purchases additional Table A water, BCVWD will purchase more than the required amount to take into account the State Water Project reliability.

The Department of Water Resources has just issued a draft reliability report (November 2005) for public comment. The results of this study will be factored in to the actual purchase amount.

2.2.7 Transfer or Exchange Opportunities

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

The District is collecting a “new water source” fee from all new developments. This fee structure has been in place for a number of years. The fee structure was reviewed in 2004 and an upward adjustment was made to ensure that enough money is collected to purchase new water for the development. The District periodically reviews that fee structure to make sure it is current. This fee can be used to purchase additional Table A water, Turnback Pool water or Section 21 Water as described above. It can also be used to “buy into” other agency water resource projects in exchange for imported water which can be delivered through the SGPWA via the EBX. These “other agency water resource projects” could include groundwater treatment and desalination.

Many of the groundwater basins in Southern California are impacted by excessive nitrates, high total dissolved solids, and, in some cases volatile organic chemicals (VOCs) and perchlorate. There are a number of agencies constructing or planning to construct desalters, VOC, nitrate and perchlorate removal facilities in the area including the Santa Ana Watershed Project Authority, the Chino Basin Desalting Authority and others. BCVWD could participate in one or more of these projects in exchange for State Project Water. BCVWD sees transfers and exchanges as very viable solution to providing long term water supplies.

2.2.8 Surface Water Sources

Although the BCVWD has pre-1914 rights to the waters of Little San Geronio Creek (Edgar Canyon) as described previously, the District does not divert these waters for direct use. To the extent possible the water is percolated into the ground for recharge. Currently significant recharge is occurring in ponds constructed by the District in the

Upper and Middle Edgar Canyon. With the construction of the Stormwater Capture and Recharge Project, the water will be percolated first in the Beaumont Basin and secondarily during floods in the existing ponds in Edgar Canyon.

The District believes this is much more efficient than constructing a surface water treatment plant for these flashy, often turbid, seasonal streamflows. As a result, direct surface deliveries is not considered a viable source of supply.

2.2.9 Summary of Water Supply Sources to Year 2030

Table 2-9 presents a “water balance” for BCVWD for each year to 2030. The Table takes into account banking of unused portions of the temporary surplus, recharge, direct deliveries of non-potable water, transfers of unused rights from Overlying Parties etc.

Table 2-9 is based on average year water supply conditions. Water sources and quantities are based on the data presented in this section. Water demands and wastewater production are based on the development rates presented in Table 1-5.

2.3 SUMMARY

The key elements for supporting the continued growth in the District are the completion of construction of a recycled water distribution system, the implementation of the Stormwater Capture and Recharge Program, the development of an urban runoff/recharge program, and the delivery and recharge of SWP water. With these projected available water sources along with the incidental water sources planned for the next twenty-five years, the District will have ample water available in 2030 and will have over 31,000 acre-ft in storage in the Beaumont Basin as is shown in Table 2-9.

Construction of a recycled water distribution system to make recycled water available to parks, playgrounds, golf courses, street medians, and freeway landscaping, will save valuable potable water resources for their highest and best use (domestic consumption).

The District’s proposed Recharge Program, as discussed in Section 2.2.2, will also provide new water supply to the District for potable use. The Recharge Program with an estimated 4,100 acre-ft/yr will provide 6,700 EDU with potable water. Both the Recharge Program and recycled water distribution combined will provide a total water source for over 22,000 EDU.

Table 2-9
Water Supply and Demand and Overall Beaumont Basin Water Balance
(2006-2030)

Line	WATER BALANCE -- SOURCES vs DEMANDS	Comment	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Water Supply Sources													
2	State Project Water via San Geronio Pass Water Agency													
3	For Direct Non-potable Reuse	Same as line 19	0	0	133	805	949	448	222	0	0	0	0	0
4	For Recharge	Adjusted to maintain positive storage		3950	3999	4179	5029	6017	6498	6755	6782	6803	6814	6821
5	Total Imported Water	line 2 + 3		3950	4132	4983	5978	6464	6721	6755	6782	6803	6814	6821
6	Reduced when stormwater capture project comes on line													
7	Groundwater Produced from Edgar Canyon		2600	2600	2600	2600	1800	1800	1800	1800	1800	1800	1800	1800
8	Groundwater Produced from Beaumont Storage Unit	From Judgement -- goes away after 2014	6802	6802	6802	6802	6802	6802	6802	6802	6802			
9	from Temporary Surplus up to BCVWD Adj. Right	Based on data from watermaster	2280	1986	2595	2090	1650	1507	1364	1221	1078	1049	1049	1049
10	Total Overlifer Rights Distributed to BCVWD	Based on data from watermaster adjusted to include all of the adjacent areas.												
11	Potable Water Supplied to Overlaying Parties (Sunny Cal Egg Ranch and Surroundings)	Based on data from watermaster -- golf courses	0	0	69	137	206	275	343	412	480	549	549	549
12	Recycled or Non-potable Water Supplied to Overlaying Parties		0	800	1600	2450	3150	3150	3150	3150	3150	3150	3150	3150
13	Urban Runoff/Groundwater Recharge		379	470	560	651	742	832	847	862	877	882	907	921
14	Captured Infiltration (shallow groundwater)		0	0	0	0	0	300	300	300	300	300	300	300
15	Stormwater Capture/Groundwater Recharge		0	0	0	2600	2600	4100	4100	4100	4100	4100	4100	4100
16	Recycled Water Recharged		0	0	0	0	0	0	0	226	712	1096	1328	1440
17	Total Allowable Extractions from Beaumont Storage Unit	Same as line 18	9461	14618	15624	18909	20179	22982	23404	23828	24281	17939	18196	18330
18	Total Potable Water Supply	Line 3 + (Lines 6 thru 13)	12081	17218	18224	21509	21979	24782	25204	25628	26081	19739	19996	20130
19	Water Demand (includes existing demands which can be served by non-potable water)	Estimated by BCVWD based on development	8767	10708	12689	14609	16472	18029	19421	20814	21923	22781	23213	23513
20	Water Demand less existing potable water users converted to non-potable water	Estimated by BCVWD	8767	9908	11189	13109	14872	16329	17421	18661	19770	20628	21060	21360
21	Recycled Water Available for Recharge													
22	Imported Water to Recycled System to make up shortfall	Line 24 - 23 - 22 - 21 if less than zero, indicate makeup shortfall amount	0	610	0	0	0	0	0	226	712	1096	1328	1440
23	Subtotal Non Potable Water Demand	See comment line 18	0	0	133	805	949	448	222	0	0	0	0	0
24	Existing Potable Water Users Converted to Recycled Water	Lines 21 thru 23	0	1691	3282	4775	5716	5957	6400	6628	6703	6778	6828	6878
25	Future Recycled Water Users (not including recharge)	Estimated by BCVWD	0	800	1500	1500	1600	1700	2000	2153	2153	2153	2153	2153
26	Recycled Water Supplied to Overlaying Parties	Estimated by BCVWD	0	91	182	825	966	1107	1250	1325	1400	1475	1525	1575
27	Recycled Water Available	Same as line 9	0	800	1600	2450	3150	3150	3150	3150	3150	3150	3150	3150
28	Water to BCVWD Storage Account	Includes sewerage of Cherry Valley up to 95% of households	1471	2301	3149	3970	4767	5509	6178	6854	7415	7874	8156	8318
29	Accumulated Water in BCVWD Storage Account	Line 15 - 17	3284	7310	7035	8400	7106	8454	7783	6967	6311	-869	-1064	-1229
30				10604	17639	26039	33146	41599	49392	56349	62660	61771	60707	59478

Table 2-9
Water Supply and Demand and Overall Beaumont Basin Water Balance
(2005-2030)

Line	WATER BALANCE -- SOURCES vs DEMANDS	Comment	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	Water Supply Sources															
2	State Project Water via San Geronio Pass Water Agency															
3	For Direct Non-potable Reuse	Same as line 19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	For Recharge	Adjusted to maintain positive storage	6827	6832	6838	6843	6849	6854	6856	6858	6861	6863	6865	6867	6870	6872
5	Total Imported Water	line 2 + 3	6827	6832	6838	6843	6849	6854	6856	6858	6861	6863	6865	6867	6870	6872
6	Groundwater Produced from Edgar Canyon	Reduced when stormwater capture project comes on line	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
7	Groundwater Produced from Beaumont Storage Unit	From Judgement -- goes away after 2014														
8	from Temporary Surplus up to BCVWD Adjud. Right	Based on data from watermaster	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049	1049
9	Total Overlie Rights Distributed to BCVWD	Based on data from watermaster adjusted to include all of the adjacent areas.	549	549	549	549	549	549	549	549	549	549	549	549	549	549
10	Potable Water Supplied to Overlying Parties (Sunny Cal Egg Ranch and Surroundings)	Based on data from watermaster -- golf courses	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150
11	Recycled or Non-potable Water Supplied to Overlying Parties		936	951	966	981	995	1010	1025	1040	1055	1069	1084	1099	1114	1129
12	Urban Runoff/Groundwater Recharge		300	300	300	300	300	300	300	300	300	300	300	300	300	300
13	Captured Infiltration (shallow groundwater)		4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100
14	Stormwater Capture/Groundwater Recharge		1487	1534	1581	1628	1675	1722	1769	1816	1863	1910	1957	2004	2051	2098
15	Recycled Water Recharged	Same as line 18	18398	18465	18532	18600	18667	18734	18801	18868	18935	19002	19069	19136	19203	19270
16	Total Allowable Extractions from Beaumont Storage Unit	Line 3 + (Lines 6 thru 13)	20198	20265	20332	20400	20467	20534	20601	20668	20735	20802	20869	20936	21003	21070
17	Potable Water Supply	Line 5 + 14	23739	23965	24191	24417	24643	24869	25095	25321	25547	25773	25999	26225	26451	26677
18	Water Demand (includes existing demands which can be served by non-potable water)	Estimated by BCVWD based on development	21586	21812	22038	22264	22490	22716	22942	23168	23394	23620	23846	24072	24298	24524
19	Water Demand less existing potable water users converted to non-potable water	Estimated by BCVWD														
20	Recycled Water Available for Recharge	Line 24 - 23 - 22 - 21; if less than zero, indicate makeup shortfall amount	1487	1534	1581	1628	1675	1722	1769	1816	1863	1910	1957	2004	2051	2098
21	Imported Water to Recycled System to make up shortfall	See comment line 18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Subtotal Non Potable Water Demand	Lines 21 thru 23	8928	8978	9028	9078	9128	9178	9228	9278	9328	9378	9428	9478	9528	9578
23	Existing Potable Water Users Converted to Recycled Water	Estimated by BCVWD	2153	2153	2153	2153	2153	2153	2153	2153	2153	2153	2153	2153	2153	2153
24	Future Recycled Water Users (not including recharge)	Estimated by BCVWD	1625	1675	1725	1775	1825	1875	1925	1975	2025	2075	2125	2175	2225	2275
25	Recycled Water Supplied to Overlying Parties	Same as line 9	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150
26	Cherry Valley up to 95% of households	Includes sewerage of Cherry Valley up to 95% of households	8415	8512	8609	8706	8798	8890	8929	8967	9006	9044	9083	9121	9160	9199
27	Water to BCVWD Storage Account	Line 15 - 17	-1388	-1547	-1705	-1814	-1916	-2018	-2054	-2090	-2126	-2161	-2197	-2233	-2269	-2305
28	Accumulated Water in BCVWD Storage Account		58090	56543	54838	53023	51107	49089	47036	44946	42820	40659	38462	36229	33950	31655

SECTION 3

WATER USE

3.1 LAW

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors including, but not necessarily limited to, all of the following uses:

(A) Single-family residential; (B) Multifamily; (C) Commercial; (D) Industrial; (E) Institutional and governmental; (F) Landscape; (G) Sales to other agencies; (H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof; and (I) Agricultural.

(2) The water use projections shall be in the same 5-year increments to 20 years or as far as data is available.

3.2 PAST, CURRENT, AND PROJECTED WATER USE

3.2.1 Past and Current Water Use

In 1990 the demand on the District supply was approximately 5,572 acre-feet, and the water demand in the year 2000 was 6,308 acre-feet. Current demand, based on the totals in the year 2004 is 8,662 acre-ft. The population grew from 12,850 in 1990 to a projected 24,975 in 2005. About 3,600 new services have been added – almost all were residential. Water use for agricultural purposes is projected to decrease within the District from approximately 3% of the total demand in 2005 to less than 1% by the year 2030.

Although the water demand is based on well production records, the amount of average daily pumpage exceeds that of the average daily demand. This is due to several factors including inaccurate meters, fire flows, main flushing, leaks, and accidental main breaks, etc. Unaccounted for water is approximately 5 to 7 percent of the total water pumped. This is easily within the range of a well-operated water system.

Table 3-1 illustrates past, current, and projected water use from 1990 to the year 2030 in AFY. The total demand includes both potable and non-potable demands.

Table 3-1
Past, Current, and Projected Water Demand
acre-ft/year

Water Use Sectors	1995	2000	2005	2010	2015	2020	2025	2030
Single & Multi-family residential	2,608	3,297	4,230	10,658	14,873	16,015	16,805	17,400
Commercial	503	630	797	2,515	3,473	3,689	3,809	3,905
Industrial	169	212	242	303	363	424	485	545
Landscape / Recycled Water Users	900	1,100	2,153	6,410	6,828	7,028	7,028	7,028
Agriculture	201	252	225	171	120	85	69	51
Other	652	817	1,140	2,229	2,231	2,050	1,800	1,523
Total	5,033	6,308	8,767	22,286	27,888	29,292	29,994	30,452

Table 3-2
Past, Current, and Projected Potable and Non-Potable Water Demand

Water Use s	1995	2000	2005	2010	2015	2020	2025	2030
Potable, AFY			6,315	15,876	21,060	22,264	22,966	23,424
Non-Potable AFY ¹			2,153	6,410	6,828	7,028	7,028	7,028
Total, AFY	5,033	6,308	8,767	22,286	27,888	29,292	29,994	30,452
Potable, mgd			5.90	14.17	18.80	19.88	20.50	20.91
Non-Potable, mgd			1.92	5.72	6.10	6.27	6.27	6.27
Total, mgd		5.63	7.83	19.89	24.90	26.15	26.78	27.18

¹ Non-Potable water demand includes only existing landscape customers converted to recycled water; recycled water to irrigate future landscape areas, and recycled water supplied to Overlying Parties.

Table 3-3, Figure 3-1, and Figure 3-2 illustrate the percent of total water use by land use designation estimated within the District's SOI for both the current and year 2030 conditions.

Table 3-3
Total Projected Water Use by Land Use Type

TYPE	2005 (%)	2030 (%)
Residential (Single & Multifamily)	48	57
Commercial	9	13
Industrial	3	2
Landscaping / Recycled Water Users e.g. parks, medians, cemeteries, golf courses, egg ranch, groundwater recharge, etc.	25	23
Agriculture	2	>1
Other e.g. construction, fire, maintenance, system losses, etc.	13	5

Figure 3-1
Total Water Use by Land Use Designation in 2005

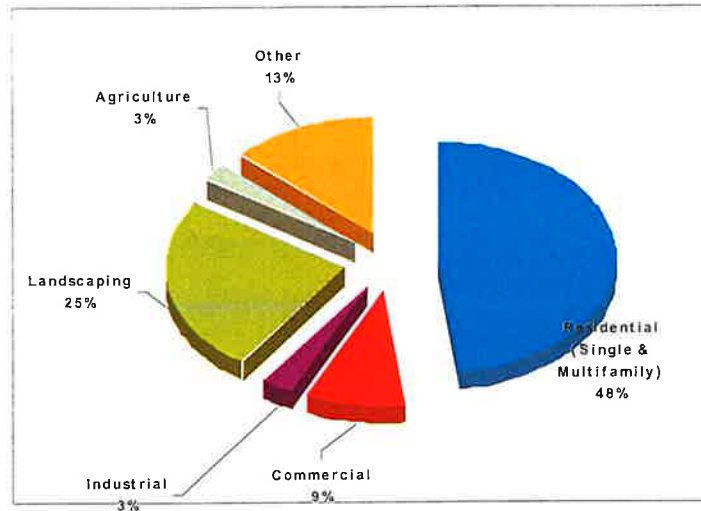
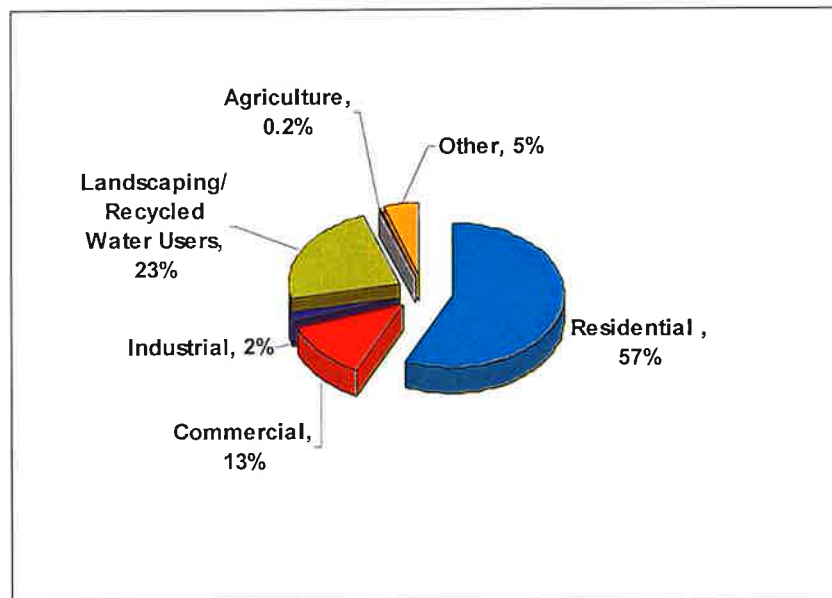


Figure 3-2
Total Water Use by Land Use Designation in 2030



The residential, commercial, and industrial developments listed in Table 3-4 will add approximately 10,940 gpm or about 17,650 AFY to the current demand. This is based on a water demand of 0.38 gpm/EDU or 0.61 AFY/EDU. Analyses of water meter records for three recent projects in Beaumont totaling 392 units indicated a range from 0.34 gpm/unit to 0.39 gpm/unit. The average of the projects studied was 0.37 gpm/unit. For the purposes of planning 0.38 gpm/EDU is used.

To determine the water demand from forecasted property development, the potable water demand was based on the "Estimated Start Date" for construction and the "Estimated Years to Build-Out" for the developments listed in Table 3-4. These estimates were made by BCVWD. It is possible some of the developers could have delayed start dates or extended build-out periods. The demand is equally distributed over the number of years to completion of the development. To estimate the projected wastewater generated for residential and commercial/industrial development, 250 gpd/EDU was used. The calculation tables are provided in Appendix K.

The City of Beaumont's WWTP receives wastewater from almost all of the City of Beaumont and the northeast portion of Cherry Valley. The remainder of Cherry Valley is currently unsewered; all parcels are on septic tanks. The District has noticed an increase in nitrate concentration at several of its wells in the Beaumont Basin. Because the Beaumont Basin is such a critical part of the District's water supply and the cost to remove nitrates from groundwater is very expensive, the District is planning on activating its latent sewerage authority and sewer Cherry Valley, (except for the Mesa Area which will remain on septic tanks since the population is limited and the cost to extend sewer lines into this area would be very expensive. The sewerage of Cherry Valley will add about 1 mgd (1,100 AFY) to the flow at the City of Beaumont's treatment plant by the year 2030. This can be recycled.

3.2.1.1 Multiple and Single-Family Residential

Residential water consumption is composed of both indoor and outdoor uses. Indoor water use includes sanitation, bathing, laundry, cooking and drinking. Most outdoor water use is to meet domestic landscaping irrigation requirements. Other minor outdoor uses include car washing, surface cleaning, and similar activities.

3.2.1.2 Commercial

The District has a mix of commercial customers, ranging from markets, restaurants, stores, insurance offices, beauty shops, and gas stations to office buildings, shopping centers and other facilities serving the population. The commercial sector is growing each year. Major supermarkets, a Wal-Mart, and Lowes have, or are in the process of, constructing facilities in Beaumont to serve the residential growth. The planned development as shown in Table 3-4 includes planned areas of commercial land use to serve the proposed increasing population. The commercial water demands are expected to increase to 13% of the total demand over the next 25 years.

**Table 3-4
Water Demands for Developments Requesting Service**

Project Name	TOTAL EDUs	EDUs Remaining 1/2005	Average Water Demand of Remaining Units (AFY)	Estimated Start Date	Estimated Years to Build Out
Pardee -- Sundance (Deutch)	4,640	3740	2281	2002	10
Noble Creek Specific Plan	900	900	549	2006	10
Cougar Ranch	164	84	51	2004	2
Suncal (formerly Heartland)	1,484	1484	905	2006	10
K-Hovnanian Four Seasons	2,305	2305	1406	2005	7
Hdden Canyon (formerly Lockhead Aircraft, Beaumont Gateway)	400	400	244	2007	4
Seneca Springs (formerly Loma Linda)	950	950	580	2005	7
Pardee Tournament Hills (formerly Oak Valley Partners LP / SCPGA)	2,100	2100	1281	2004	10
Majestic Realty (formerly Olinger Commercial)	84	84	51	2007	2
Cross Roads Logistics (formerly Rolling Hills Ranch)	100	100	61	2007	2
Pulte Oak Valley Greens	2,740	1240	756	2002	5
Willow Springs Area	3,010	3010	1836	2007	15
Shea Homes Laborde Canyon Hidden Canyon I & II (formerly Mission Viejo Co., Jack Rabbit)	1,200	1200	732	2006	10
Sixth Street Commercial Corridor -- Xenia St East	1,278	1278	780	2005	5
Beaumont Industrial / Fourth Street Area	1,139	1139	695	2006	5
Centerstone (formerly KSE)	470	470	287	2004	2
Tracat 30450 (Oak Glen Road)	27	27	16	2006	5
Sunny Cal Egg Ranch Development	900	900	549	2007	8
SunCal Fairway Canyon	3,300	3300	2013	2005	8
Curtis Tr 30891	241	241	147	2006	2
Royal Homes Tr 30524	23	23	14	2006	1
Pacific Scene Tr 31426/32020	170	170	104	2006	2
Walmart/Home Depot	20	20	12	2006	1
Cameo Homes Tr 29839	73	73	45	2005	2
Corman Leigh Tr 30779 (formerly Brookfield)	194	194	118	2006	2
TOTALS	27,912	25,432	15,514		
OTHER POTENTIAL UNKNOWN PROJECTS	1,125	1125	686		
ADDED EDUs IN CHERRY VALLEY	2,400	2,400	1,464		
OVERALL POTENTIAL FUTURE DEVELOPMENT TOTALS	31,437	28,957	17,646		

3.2.1.3 Industrial

The District has a small industrial sector, primarily centered on manufacturing and light manufacturing. A Lowes Distribution Center has been constructed and the Cross Roads Logistics industrial park is in design. The industrial sector has not grown much prior to 2003 or so. While there will likely be a few additions to the industrial areas within the District's SOI, the impact on water demands are expected to be small. The industrial development envisioned for Beaumont is low water-using industry.

3.2.1.4 Institutional and Governmental

The District service area has a stable institutional/governmental sector, primarily local government and schools. This sector will keep pace with the growth of the city.

3.2.1.5 Landscape / Open Space

Landscaped areas including parks, medians, schools, green belt areas, and executive golf courses in the District currently consume approximately 2,153 AFY. These will be supplied by recycled water beginning in 2006. In addition to the current water demand, there are three championship golf courses, several ready-mix concrete facilities, and groundwater recharge facilities, within the District's SOI that could be served with recycled water as it becomes available. Landscape and recycled water customer demand is expected to increase to approximately 23% of the District's total demand over the next 25 years. These current and planned increases in landscape areas account for the increase in irrigation demands and represent a viable use of recycled water to offset those demands.

3.2.1.6 Agricultural

Agricultural water demand is projected to decrease in the next 25 years as the agricultural land is developed within the City of Beaumont and Cherry Valley. There will still be some agricultural use on the "Mesa."

3.3 POTENTIAL RECYCLED WATER USERS

Section 8 of this plan discusses in more detail the potential users of recycled water within the District's service area.

3.4 SALES TO OTHER AGENCIES

In 2003 and 2004 the District sold water to the City of Banning in response to an emergency with the City of Banning's water supply. The water was delivered through a temporary connection at Highland Springs Road and First Street.

As part of the development of the Sundance Project on the eastern edge of the District, permanent pipelines have been extended across Highland Springs Road at various locations to provide water to Banning. The water would be pumped by the District through the joint BCVWD-Banning Wells and delivered to Banning. The water which is pumped and delivered would come from Banning's rights in the BSU as stipulated in the Judgment and would not be "charged" against the District's water supply.

SECTION 4

WATER RESOURCE RELIABILITY

4.1 LAW

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (c) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable.

10631 (c) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to replace that source with alternative sources or water demand management measures, to the extent practicable.

10631 (c) Provide data for each of the following: (1) An average water year, (2) A single dry water year, (3) Multiple dry water years.

10632. The plan shall provide an urban water shortage contingency analysis which includes each of the following elements which are within the authority of the urban water supplier:

10632 (b) An estimate of the minimum water supply available during each of the next three-water years based on the driest three-year historic sequence for the agency's water supply.

4.2 RELIABILITY

Despite rapidly growing demands from residential development in the District service area, a number of opportunities exist to provide a reliable water supply for the community through the year 2030. In the near term, the District will stabilize its demands on the BSU and Edgar Canyon areas, develop recycled water use, capture and percolate stormwater, and use imported water for water supply to customers. Available water supply from the SWP, stormwater capture, and recycled water use can be used interchangeably depending upon local and statewide hydrologic conditions to supplement a stable local groundwater yield.

In the near term, the District Phase 1 Stormwater Capture and Recharge Program is expected to be complete by the winter of 2006-07. In an average rainfall year, the BSU can be recharged over and above the District's extractions. The surplus recharge will become accumulated storage, which can be extracted during dry years and/or for future water demands. Reports by DWR¹ and the USGS² estimate that the volume of groundwater in storage is approximately 1.1 million acre-feet. USGS, in 1971, reported that 160,000 acre-feet of available storage capacity exists in the BSU. DWR, in 1987, indicated the available storage may be even higher, approaching 383,000 acre-feet. This

is over and above the 1.1 million acre-feet currently in storage. STWMA estimates the amount of water in the Beaumont Basin could be as much as 2.4 million acre-ft. STWMA has also indicated that the BSU has been in or near equilibrium for twenty years from 1980 to 2000.³

SWP water can be recharged for many years before the demand increases to meet the available supply. Since the BSU has a large amount of available capacity, this recharged water will essentially be banked for future use. Combining the runoff and recharge projects planned by the District and the recharge of SWP water, reliability of water supply in the area appears to be more than adequate over the next 25 years.

To further stabilize the local groundwater use in the Beaumont/ Yucaipa area STWMA is developing a Watershed Management Plan for the 140 square mile area that includes the service area and SOI of the District. The Plan will include all necessary components that will establish how the member agencies will protect water quality and manage the areas local water resources to allow for its best and most beneficial use.

STWMA has completed the first phase of a four phase program to produce the watershed management plan. Groundwater extractions of the BSU will be coordinated and stabilized through a court appointed Watermaster.

The District will continue to incorporate recycled water delivery systems into new development, focusing on servicing new irrigation demands with recycled water and converting existing irrigation uses to recycled water. Recycled water will provide the District a new local source of water of high reliability, both lessening the dependence on imported sources and increasing reliability of the District's total supply.

4.3 FREQUENCY AND MAGNITUDE OF SUPPLY DEFICIENCIES

The District experienced extended droughts during 1950 – 1969; 1976 – 1977; and 1987 – 1992. In all of these drought events the BSU and Edgar Canyon areas continued to provide adequate water quantities without the need to ration water supply and with continued supply to all customers. This can be attributed to the large amount of groundwater in storage in the BSU. This stored water is replenished during wet years. Approximately 57% of the District's current water supply comes from the BSU. From 1950 to 1993, the groundwater level has declined about an average of 1.4 feet per year to a groundwater elevation of approximately 2,260 feet above mean sea level (msl). However, from 1980 to 1999 the rate of decline slowed to nearly a steady state condition⁴ with essentially no qualitative change in groundwater storage in the BSU⁵. This clearly demonstrates the ability of the BSU to provide adequate water during extended drought periods.

4.4 PLANS TO AFFIRM A RELIABLE WATER SUPPLY

The main operational goal of the District is to use the surface water runoff, recycled water, and the BSU groundwater basin conjunctively. The current and future supply projections through 2030 are provided in Table 2-8 and a discussion is provided Section 2.2, which summarizes future plans to affirm a reliable water supply.

As a means of addressing any future BSU overdraft conditions, the Pass Agency has constructed water transmission facilities initially capable of delivering a minimum average flow of approximately 8,650 AFY from northern California to spreading grounds for recharge of the BSU, and for direct delivery to a proposed treatment plant located in Yucaipa.⁶ The Pass Agency's total State Water Project Table A amount is 17,300 AFY. To provide this amount, the current pump station and possibly other facilities, would need to be increased in capacity. As stated previously, the District has the financing in place and is collecting fees from all new development for the purchase of additional Table A water. Also when they are purchasing the Table A amount the District is purchasing more rights than they need to account for the reported reliability issues with delivery of State Project Water.

4.5 RELIABILITY COMPARISON

The data in Table 4-1 shows the minimum available water supply to the District for an average/normal water year and a theoretical drought of one year and three consecutive years. For the basis, the year 2030 development conditions will be assumed. (This represents a "worst case scenario.") Note that it is necessary to assume some level of development to evaluate the amount of recycled water available etc.

The data in Table 4-1 assume that a single year drought is more severe on an annual basis than an extended 3-year drought. The extractions for Edgar Canyon were based on analysis of the lowest annual production from the Canyon for the 1983 to the present and the production for the lowest 3 consecutive years from 1983 to present. Recycled water is available in more than sufficient quantities to meet the non potable water demand, i.e., 9,199 acre-ft/yr of recycled water versus 7,028 acre-ft/yr non-potable water demand.

A conservative approach is used in that no State Project Water is available in the single dry year and a reduced amount is available during the 3-year drought. Table 4-1 also shows reductions in stormwater capture, urban runoff/groundwater recharge, and captured infiltration.

4.5.1 Average Year Analysis at Year 2030

As provided in Table 3-2, presented previously, the projected potable water demand is forecasted to be approximately 23,424 acre-feet for the year 2030. The non-potable water demand for that same year is 7,028 acre-ft. The recycled water available in 2030 is 9,199 acre-ft/year (see Table 2-8) and is more than adequate to meet the non-potable water demands. The difference can be recharged and become part of the additional extractions. Hence in Table 4-1, only the potable water demands are considered. For this scenario, there is a short-fall shown of about 2,305 acre-ft/yr between the potable water supply and the potable water demand. This could easily be remedied by increasing the amount of imported water, but the District would rather reduce the amount of water which is "banked." Table 2-8 shows a large amount of water in storage in the BSU – a high of nearly 62,000 acre-ft by 2014. This "banked water" can be used during the drought years

Table 4-1
Available Potable Water Supply Reliability
Acre-ft/yr

Water Source			Multiple Dry Water Years		
	Average / Normal Water Year	Single Dry Water Year	Year 1	Year 2	Year 3
Development Basis	2030	2030	2028	2029	2030
SWP via San Geronio Pass Agency	6872		1,000	1,000	1,000
Groundwater Produced from Edgar Canyon	1,800	600	800	800	800
Groundwater Produced from Beaumont Storage Unit from Temporary Surplus up to BCVWD Adjud. Right					
Total Overlier Rights Distributed to BCVWD	1049	1049	1049	1049	1049
Potable Water Supplied to Overlying Parties (Sunny Cal Egg Ranch and Surroundings)	549	549	549	549	549
Recycled or Non-potable Water Supplied to Overlying Parties	3,150	3,150	3,150	3,150	3,150
Urban Runoff/Groundwater Recharge	1129	100	150	150	150
Captured Infiltration (shallow groundwater)	300	100	150	150	150
Stormwater Capture/Groundwater Recharge	4,100	500	750	750	750
Recycled Water Recharged	2171	2171	2093	2132	2171
Total Allowable Extractions from Beaumont Storage Unit	19,319	7619	8891	8930	8969
TOTAL Potable Water Supply	21,119	8219	9691	9730	9769
Assumes recycled water meets non-potable water demands					
Data taken from Table 2-8					

4.5.2 Single Dry Year Analysis at Year 2030

The year 2030 was selected as the single dry year for evaluation. See Table 4-1. This is a worst case scenario. The projected potable water demand is 23,424 acre-ft/yr. This assumes no conservation and no effort to encourage customers to reduce demand. This too, is a conservative assumption. Analysis of the supply and demand for the critical dry year indicates a shortfall of 15,205 acre-ft. Table 2-8 shows the District will have 33,960 acre-ft of water in storage banked in the BSU; so this can easily accommodate the critical dry year shortfall. In fact, there will still be 18,755 acre-ft in a storage in the BSU at the end of the critical dry year.

4.5.3 Multiple (3-year) Period of Below Average Water Supply

Table 4-1 shows the water supply which is available each year for the 3-year extended period of below average water supply.

Table 4-2
Water Supply Reliability Analysis
Multiple Dry Years

Item		Multiple Dry Water Years		
		Year 1	Year 2	Year 3
Year	2027	2028	2029	2030
Potable Water Demand, Table 2-8 acre-ft/yr		23,241	23,332	23,424
Demand Reduction Through Conservation		10%	15%	15%
Potable Water Demand including effect of Conservation, acre-ft/yr		20,900	19,800	19,910
Water Supply Available (Table 4-1), acre-ft/yr		9,691	9,730	9,769
Supply - Demand, acre-ft/yr		-11,209	-10,070	-10,141
Groundwater "Banked" in BSU, acre-ft	38,462	27,253	17,183	7,042

The BSU can be used during dry years to provide water supply from groundwater storage. The District does not anticipate the need to reduce water deliveries during a drought. The analysis shows that even with an extended drought at the end of the planning period, the District is still able to meet the demands and still have some banked water in storage. If the demand could be reduced even more by conservation than indicated in Table 4-2, the amount of "banked" water would increase.

It should be noted that the water in storage shown in Table 2-8 are based on average hydrologic conditions. There will be some years, such as 2004-2005 that more than ample supplies will be available and additional water can be recharged and "banked," building up the reserve for dry years.

The emphasis of the District is to continue to develop the recycled water infrastructure and develop the stormwater capture recharge programs. The immediate benefit for additional water resource is the capture of stormwater runoff for percolation into the BSU. The first phase of the project (2,600 AFY) is scheduled for completion by about 2007. It can be seen from Figure 4-1 that full implementation of the project, which is anticipated for completion by 2010, will generate 4,100 AFY of additional water supply. Obviously the anticipated stormwater runoff during a dry year is not expected to match the long-term average of 4,100 AFY, however, the runoff is also expected to be greater during heavy rainfall years such as the winter of 2004-05. The accumulated storage from

heavy rainfall years and surplus storage from typical years can be extracted during dry years when necessary.

4.6 INCONSISTENT WATER SOURCES

4.6.1 Law

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (c) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to replace that source with alternative sources or water demand management measures, to the extent practicable.

Groundwater is consistently available due to the size of the BSU. Recycled water is also consistently available. The District can for short periods of time, extract greater quantities of groundwater in the BSU knowing that during wet years the basin will be replenished. In addition, the Adjudication allows the District to build up a storage account for use during dry years. Section 6 discusses water shortage contingencies that can be implemented on a short-term basis to assist during periods of water supply shortages.

4.7 NEXT THREE YEAR MINIMUM WATER SUPPLY (2006 -2008)

4.7.1 Law

10632. The plan shall provide an urban water shortage contingency analysis which includes each of the following elements which are within the authority of the urban water supplier:

10632 (b) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.

4.7.2 Analysis

Table 4-3 presents a summary of the water supply and demand over the next 3 years. The law requires that the District evaluate what would happen under the "driest three year historic sequence" for the District's water supply. The District has encountered reduce pumping from Edgar Canyon. This has been addressed elsewhere in this UWMP, but has never had a reduction in the groundwater supply from the BSU. So for this analysis, the District will use the hydrologic conditions assumed for the extended 3-year dry period, presented previously.

The District has ordered 3950 acre-ft of State Project Water from the Pass Agency and this has been approved by the Pass Agency Board. Hydrologic conditions in the Sierra Nevada Mountains in early January 2006 indicate that water deliveries should be above 80 percent of the total Table A amount by the time the snow season is over. As a result the District will assume that it will obtain 3950 acre-ft for 2006. For subsequent years, it is assumed this is cut back to 1000 acre-ft/yr.

Table 4-3
Available Potable Water Supply Next 3 Years
Acre-ft/yr

Water Source	Multiple Dry Water Years		
	Year 1	Year 2	Year 3
Development Basis	2006	2007	2008
SWP via San Geronio Pass Agency	3950	1,000	1,000
Groundwater Produced from Edgar Canyon	800	800	800
Groundwater Produced from Beaumont Storage Unit from Temporary Surplus up to BCVWD Adjud. Right	6802	6802	6802
Total Overlie Rights Distributed to BCVWD	1986	2595	2090
Potable Water Supplied to Overlying Parties (Sunny Cal Egg Ranch and Surroundings)	0	0	69
Recycled or Non-potable Water Supplied to Overlying Parties	800	1600	2450
Urban Runoff/Groundwater Recharge	150	150	150
Captured Infiltration (shallow groundwater)	150	150	150
Stormwater Capture/Groundwater Recharge	750	750	750
Recycled Water Recharged	610	0	0
Total Allowable Extractions from Beaumont Storage Unit	15,198	13,047	13,461
TOTAL Potable Water Supply	15,998	13,847	14,261
Potable Water Demand	9,908	11,189	13,109
Supply - Demand	6,090	2,658	1,152
Banked Water in BSU (Includes 3,294 acre-ft carryover from 2005)	9,384	12,042	13,194
Data taken from Table 2-8			

Table 4-3 clearly indicates the District is able to meet the water supply demands even under rather severe hydrologic conditions. The supply exceeds the demand in each of the three years and permits the District to “bank” surplus water in the BSU.

¹ *Ground Water Storage, Movement, and Quality Data, San Geronio Pass Water Agency* (September 1987). Letter Report prepared by Department of Water Resources, page 25.

² *Underground Storage of Imported Water in the San Geronio Pass Area, Southern California*, Geological Survey Water-Supply Paper 1999-D (1971). Prepared by R.M. Bloyd, Jr., page D29.

³ San Timoteo Watershed Management Authority, *Watershed Management Program, Phase 1* (March 2002). Prepared by Wildermuth Environmental Inc., Section 2.3.2.2, page 2-7.

⁴ *1994 Water System Master Plan Update* (September 1995). Beaumont-Cherry Valley Water District. Prepared by Parsons Engineering Science Inc. Pages 4-13 through 4-15.

⁵ San Timoteo Watershed Management Authority, *Watershed Management Program, Phase 1* (March 2002). Prepared by Wildermuth Environmental Inc., Section 2.3.2.3, page 2-8.

⁶ *Noble Creek Vistas Specific Plan Draft Environmental Impact Report* (September 2001). City of Beaumont. Prepared by Applied Planning Inc. Pages 4.3-4 and 4.3-5.

SECTION 5

SUPPLY AND DEMAND COMPARISON PROVISIONS

5.1 LAW

10635 (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from the state, regional, or local agency population projections within the service area of the urban water supplier.

5.2 TWENTY-FIVE YEAR COMPARISON

5.2.1 Supply vs. Demand

Table 2-9 compares current and projected water supply and demand based on the forecast increase in known developments requesting service shown in Table 1-5.

There is an accelerated water demand over the next 10 years or so based on land development which appears to start leveling off around the year 2013. It should be noted that economic downturns could flatten the rate of development in the District's service area; such conditions are not included in this UWMP.

5.2.2 Summary of Water Resource Availability

The preceding sections presented the water resource availability versus demands. Table 2-9 shows the water in "banked storage" in the BSU increasing to near 62,000 acre-ft by year 2013. The District then assumes that this banked storage volume will be reduced to about one half of that volume by the year 2030. This is a District management decision which provides some flexibility in the amount of State Water Project used and its availability.

Based on Table 2-9 it can be concluded then, there is adequate water supply to meet the projected developments for the next 25 years.

SECTION 6

WATER SHORTAGE CONTINGENCY PLAN

6.1 LAW

10632. The plan shall provide an urban water shortage contingency analysis which includes each of the following elements which are within the authority of the urban water supplier:

10632 (c) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

10632 (g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f) inclusive on the revenue and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

6.2 PREPARATION FOR CATASTROPHIC WATER SUPPLY INTERRUPTIONS

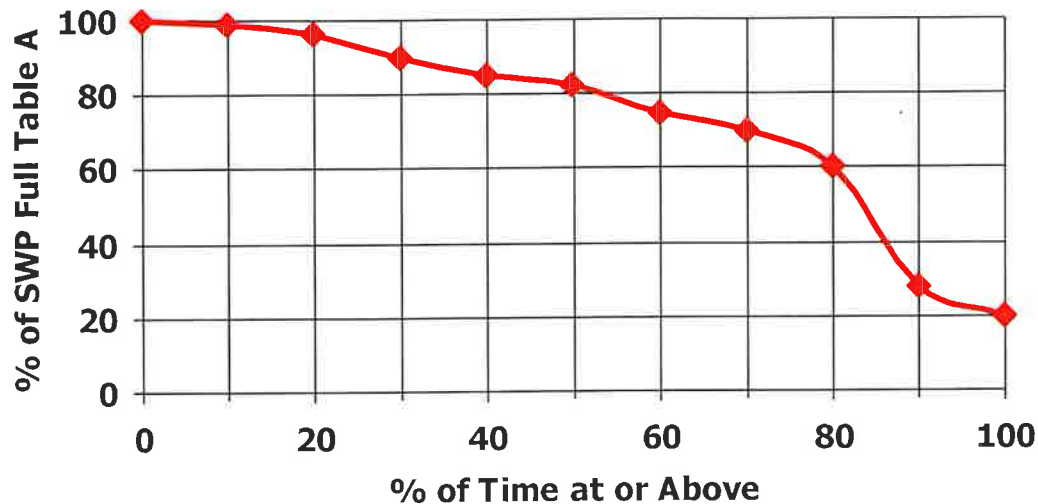
Water supplies may be interrupted or reduced significantly in a number of ways - drought, an earthquake that damages water delivery or storage facilities, or a toxic spill that affects water quality. This section of the UWMP describes how the District plans to respond to such emergencies so that emergency needs are met promptly and equitably.

6.2.1 Drought Conditions

The Pass Agency is the wholesale contractor for delivery of SWP water to the District. The DWR has prepared a study, which projects the probability of delivering the full entitlement to its wholesale contractors. Figure 6-1, based on data from the Department of Water Resources State Water Project Reliability Report, shows that The State Water Project will be able to deliver 80% of the full Table A amount (4.1 million acre-ft) to their member Agencies approximately 50 percent of the time. The data in the report is based on rainfall and runoff records from 1922 to 1994 (72 years of data) adjusted for current and projected development conditions. During a critical 3-year drought, the project can deliver about 42% of the full Table A; in a single critical dry year, the project can still deliver 20% of full Table A.

As discussed in Section 2, the storage within BSU can be used in times of continued drought and would be recharged with natural water, recycled water and/or imported water during wet years or years of surplus water supply.

Figure 6-1
State Water Project Delivery Reliability



Source: State Water Project Delivery Reliability Report, California Department of Water Resources, Final 2002

6.2.2 Earthquake or other Natural Disasters

The San Andreas Fault passes through the Pass area. If a major earthquake were to occur along the San Andreas Fault in the Pass area many of the District's facilities could be affected.

The California Aqueduct could be ruptured by displacement on the San Andreas Fault, and supply may not be restored for a three to six week period. The situation would be further complicated by physical damage to the pumping equipment and local loss of electrical power. The DWR has a contingency Aqueduct Outage Plan for bringing the California Aqueduct back on line should a major break occur, which they estimate would take approximately four months to repair.

Experts agree it may be at least 72 hours after the earthquake before outside help could get into the local area. Extended supply shortages of both groundwater and imported water, due to power outages and/or equipment damage resulting from a natural disaster, would be severe until the water supply could be restored.

The District's recently constructed storage tanks have been fitted with flexible couplings, which should reduce the damage to local storage. The public would be asked to reduce consumption to minimum health and safety levels. This would provide sufficient time to restore groundwater production, if interrupted.

The District is also working on emergency interties at various locations along Highland Springs Road such that water can be supplied in either direction between the City of Banning and the District.

6.2.3 Contamination

The local surface and groundwater quality is excellent. The District has been monitoring the nitrate concentration in its wells over the years and has noticed a gradual increase. At this point in time, no wells are shut down because of nitrate contamination. The District is conducting investigations to determine the exact cause, but it is believed to be from septic tanks and on-site disposal systems in Cherry Valley.

To ensure that its water supply is protected, the District is planning on sewerage most of Cherry Valley within the next 10 years.

Other than nitrates, there are no other known sources of contamination..

6.3 BEAUMONT-CHERRY VALLEY WATER DISTRICT EMERGENCY FACILITIES

To meet emergency water needs the District has a multi-tiered system. First, approximately 24.25 MG (73.6 acre-feet) of gravity storage is available as listed in Table 6-1. Second, emergency engine generators and backup systems are available for the wells and locations provided in Table 6-2; the wells can supply up to a maximum of 13,350 gpm, or 59.1 acre-feet per day (AF/Day). Note that the year 2005 average demand of 8767 acre-feet is equivalent to 24.0 AF/Day as a comparison. Well Nos. 6 and 12 have auxiliary engine-drives, which can be used in the event of an electrical failure. Well Nos. 4A, 14, 16, 21, and 22 have provisions for portable generator hook-up. Wells 23 and 24 have stationary generators. The District has three portable and two stationary generators. The portable units have the capability of running up to 50, 350 and 550 horsepower (hp) motors. The Cherry Yard Booster station also has a natural gas driven pump that has a capability of pumping 1,500 gpm from the Cherry reservoir to the Noble reservoir. There is an emergency booster at the Well 4A site with a 100 hp motor; which is rated at 500 gpm and delivers water to the Upper Edgar Tank. In addition, the 50 hp Noble Tank Booster, which has a rated capacity of 500 gpm, serves as a backup to the Mesa Pressure Zone and Lower Edgar Tank. In 1998 and 1999, Boosters 21A and 21B which pump from the Cherry Reservoir to Noble Reservoir were also retrofitted with transfer switches. In 2001 the District installed stationary backup generators with automatic transfer switches at the headquarters and at Highland Springs Hydropneumatic system.

In addition to the wells listed in Table 6-2, the District has awarded a contract to drill two more large capacity wells on the east side of the District between Cherry Avenue and Highland Springs Road. These should be active by late 2006/ early 2007.

**Table 6-1
Available Emergency Reservoir Storage 2005**

Available Reservoirs	Total Aboveground Storage (MG)	Total Aboveground Storage (acre-feet)
Upper Edgar	0.75	1.5
Lower Edgar	1.0	3.1
Noble & Highland Springs	3.0	9.2
Vineland I and II	3.0	9.2
Cherry I and II	2.0	6.1
Taylor	3.9	12.0
Vineland III (in design)	3.0	9.2
2650 Zone (Construction to start in 2006)	5.6	17.2
Cherry III (Construction to start in 2006)	2.0	6.1
TOTAL	24.25	73.6

The above reservoir storage capacity does not include the Twelfth and Palm Reservoir (0.4 MG). This serves as an equalization tank for the Twelfth and Palm Boosters. .

Table 6-2
Wells With Emergency Generators and Backup Systems

Wells No.	Location	Total Capacity		Remarks
		GPM	AF/Day	
12	Upper Edgar Canyon	400	1.8	Auxiliary engine drive
14	Upper Edgar Canyon	500	2.2	Portable generator connection
6	Middle Edgar Canyon	600	2.7	Auxiliary engine drive
4A	Lower Edgar Canyon	650	2.9	Portable generator connection
16	BSU	1,250	5.5	Portable generator connection
21	BSU	2,200	9.7	Portable generator connection
22	BSU	1,750	7.7	Portable generator connection
23	BSU	3000	13.3	Standby Generator
24	BSU	3000	13.3	Standby Generator
TOTAL		13,350	59.1	19.3 mgd capacity

6.4 STAGES OF ACTION

As mentioned earlier, the District presently receives all of its water supply from underground sources. Although the District presently has a relatively uninterrupted source of water to meet water demands, water shortage contingency planning is still of utmost importance to the District in order to meet future water demands during a prolonged drought condition. The District proposes a four-stage plan of action in the event of a long-term drought condition or loss of supply. The action levels for each stage are presented in the subsections that follow, and the water supply rationing stages are provided in Table 6-3.

Table 6-3
Water Supply Shortage Stages and Conditions

RATIONING STAGES				
Rationing Stages	1	2	3	4
Water Supply Conditions (% Total Reduction)	10% ^v	10% ^m / 20% ^v	20% ^m / 30% ^v	20% ^m / 30% ^v

v = voluntary reduction
m = mandatory reduction

6.4.1 Stage 1

Stage 1 occurs when the District declares a water shortage and imposes voluntary water conservation. In this stage the District shall notify all its customers that water deliveries may be reduced. The District will recommend a voluntary 10 percent water use reduction based on an established base year to be determined by the District at the time Stage 1 is

implemented. At the same time the District shall start its own public awareness program to encourage the efficient use of water. This will be accomplished by printing articles in the local newspaper and distributing literature and publications to its customers. Public awareness programs will also include educational conservation programs that would be introduced in the schools.

6.4.2 Stage 2

Stage 2 occurs when the District determines voluntary water reduction goals are not being met and the declared water shortage has been in effect for two consecutive years. In this stage the District will recommend a 10 percent mandatory reduction in water use and continue its public awareness efforts and conduct a survey on a 20 percent voluntary water use reduction program. The District at this time will begin to establish a water conservation advisory committee. This committee will comprise of officials from the District, the City of Beaumont, and the Cherry Valley community.

6.4.3 Stage 3

Stage 3 occurs if the water shortage continues for four consecutive years. In this stage the District will recommend a mandatory 20 percent and a voluntary 30 percent water use reduction from the established base year. The District will adopt a rate structure with financial incentives to encourage efficient water use. The District will also develop a plan and ordinance to enforce penalties for excessive water use and include prohibition against specific wasteful practices such as gutter flooding, open hose car washing, and driveway washdown, etc. The District will analyze the impacts of the plan on the revenues and expenditures of the District and propose measures to overcome those impacts, such as adjustments in customer rates, to help pay for additional sources of water.

6.4.4 Stage 4

Stage 4 occurs if the declared water shortage continues for one year after Stage 3. In this stage the District shall conduct a survey on the mandatory 20 percent and voluntary 30 percent water use reduction programs and consider enforcing penalties described in the ordinance developed under Stage 3.

6.4.5 Stage 4 Plus –Up to 50% Reduction in Water Supply

The Critical Dry Year identified in Table 4-1 and re-iterated in Table 6-4 results in a water supply of 41% of average (year 2030 development conditions). This represents an almost 60% reduction in water supply. The year 2030 potable water demand is 23,424 AFY. (Refer to Table 2-8).

On the average year in Table 6-4 the total potable water supply is shown as 21,119 AFY which indicates a shortfall of 2305 AFY. This shortfall is intentional in order to reduce the amount of water the District has in storage in the Beaumont Basin. The District could balance the supply and demand through the planned purchase of additional State Project Water.

Table 6-4
Available Potable Water Supply Average and Worst Case Conditions
Acre-ft/yr

Water Source	Average / Normal Water Year	Single Critical Dry Year
	2030	2030
Development Basis Year(s) =>	2030	2030
SWP via San Geronio Pass Agency	6800	-
Groundwater Produced from Edgar Canyon	1,800	0
Groundwater Produced from Beaumont Storage Unit from Temporary Surplus up to BCVWD Adjud. Right	-0	-0
Total Overlaid Rights Distributed to BCVWD	1049	1049
Potable Water Supplied to Overlying Parties (Sunny Cal Egg Ranch and Surroundings)	549	549
Recycled or Non-potable Water Supplied to Overlying Parties	3,150	3,150
Urban Runoff/Groundwater Recharge	1129	100
Captured Infiltration (shallow groundwater)	300	100
Stormwater Capture/Groundwater Recharge	4,100	500
Recycled Water Recharged	2171	2171
Total Allowable Extractions from Beaumont Storage Unit	19,319	7619
Total Potable Water Supply	21,119	8219
Total Potable Water Demand	23,424	23,424

Assumes recycled water meets non-potable water demands

Need to discuss impact of critical dry year on storage etc.

6.4.6 Implementation

It is highly unlikely that the District will need to implement any of these stages within the next 20 to 25 years since the available water supply even under worst case conditions is nearly equal to or greater than the demand for the next 3 years. Because of this it is not possible to link specific water supply quantities with "stages" at this time. A Groundwater Management Plan (GWMP) is being developed by STWMA and Watermaster. Data on the BSU characteristics will be collected and analyzed and the

BSU will be modeled to better understand basin performance under varying hydrologic (wet/dry) conditions. This information could be used to determine if specific trigger mechanisms are necessary to protect the BSU.

6.5 METHODS OF DEMAND REDUCTION

6.5.1 Health and Safety Requirements for Residential Households

Based on commonly accepted estimates of interior residential water use in the United States, Table 6-5 indicates minimum per capita health and safety water requirements. In Stage 1 shortages, customers may adjust either interior or outdoor water use or both, in order to meet the voluntary water reduction goals. Where mandatory reduction is required, Stages 2, 3, and 4, the District staff may recommend to the Board that residential customers meet the interior water use shown below or be subject to penalties and charges.

Table 6-5
Per Capita Health & Safety Water Quantity Calculations

	Non-Conserving Fixtures		Habit Changes ¹		Conserving Fixtures ²	
Toilets	5 flushes x 5.5 gpf	27.5	3 flushes x 5.5 gpf	16.5	5 flushes x 1.6 gpf	8.0
Shower	5 min x 4.0 gpm	20.0	4 min x 3.0 gpm	12.0	5 min x 2.0 gpm	10.0
Washer	12.5 gpcd (1/3 load)	12.5	11.5 gpcd (1/3 load)	11.5	11.5 gpcd (1/3 load)	11.5
Kitchen	4 gpcd	4.0	4 gpcd	4.0	4 gpcd	4.0
Other	4 gpcd	4.0	4 gpcd	4.0	4 gpcd	4.0
Total	gpcd	68.0	Total	48.0	Total	37.5

¹ Reduced shower use results from shorter and reduced flow. Reduced washer use results from fuller loads.

² Fixtures include ULF 1.6 gpf toilets, 2.0 gpm showerheads, and efficient clothes washers.

6.5.2 Consumption Reduction Methods and Prohibitions

The City of Beaumont Water Use Regulations Ordinances (Appendices L-M) include prohibitions on various wasteful water uses such as washing sidewalks and driveways with potable water, and allowing plumbing leaks to go uncorrected more than 48 hours after customer notification.

6.5.3 Penalties or Charges

Any customer violating the regulations and restrictions on water use set forth in the Water Use Ordinance shall receive a written warning for the first such violation. Upon a second violation, the customer shall receive a written warning and the City may cause a flow-restrictor to be installed in the service. If a flow-restrictor is placed, the violator shall pay the cost of the installation and removal. Any willful violation occurring subsequent to the issuance of the second written warning shall constitute a misdemeanor and may be referred to the City of Beaumont Police Department for prosecution.

Table 6-6
Penalties and Charges

Examples of Penalties and Charges	Stage When Penalty May Take Effect
Penalties for not reducing consumption	4
Charges for excess use	4
Flat fine	4
Charge per unit over allotment	4
Flow restriction	4

6.5.4 Water Use Restrictions for New Construction

In Stage 4, it may be necessary to discontinue all use of construction water (unless recycled water is used), even if a permit has been issued, and consider banning all use of water for nonessential uses, such as new landscaping and filling pools.

6.6 MONITORING WATER DEMANDS & USAGE TRENDS

The District keeps historic and current pumping records on all of its wells and implemented a computer accounting system on its customer's water usage. These records are then used to determine seasonal and annual fluctuations in water use. Within the District, since total water pumped closely approximates water use, the District can compare pumping records from one year to the next to determine actual reductions in water use. The District also, through its accounting system, is able to determine historic and current use by service account and therefore track customer usage during a drought and evaluate the effectiveness of each conservation measure implemented under this plan.

6.7 IMPACTS OF WATER RESTRICTIONS ON REVENUES AND EXPENDITURES

The District water rate structure includes a meter charge (bimonthly, regardless of how much water is used) and a commodity charge per 100 cu ft of water used. During times of drought, the revenue from the commodity charge would be reduced by an amount equal to the water conservation effort. The meter charge would not be affected. The reduction in consumption would also reduce the District's energy cost to produce the water.

For 2005, the budget estimated \$4.7 million in water sales revenue (meter charge plus commodity charge) and over \$890,000 in purchased power to pump the water. About \$2.8 million of the \$4.7 million water sales revenue is do to the commodity charge. Assuming a given conservation effort impacts the commodity revenue and the energy costs equally, a 10% reduction in water sales would result in net loss of \$200,000, (sales less power cost savings). A 20% reduction in water sales would result in a net revenue loss of \$400,000. To put this in perspective, the District's total operating revenue for 2005 is \$6.56 million. The \$400,000 lost revenue represents 6% of the budget.

The year 2005 budget included \$92,000 for emergency reserve and \$210,000 for operating reserve. These could be used to absorb the cash shortfall for one year, but it

would have to be made up the following year with an appropriate rate increase.

For the case where the water supply would be reduced by 50%, the District would continue to supply water to its customers relying on banked water and the large BSU underground reservoir. Water sales would be reduced but not by 50%. The District anticipates that a 20 to 30% reduction in water sales would result due to increased public awareness, penalties, and tiered rates.

Other factors that should be considered include:

- Increased staff cost with public information programs, water conservation programs, audits, inspections etc. This could amount to as much as one more staff position.
- Increased public outreach costs for publication material, ads, etc.
- Increased cost for water conservation devices such as low flush toilets, hose nozzles etc.

DRAFT

RESOLUTION _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT WATER SHORTAGE CONTINGENCY REGULATIONS

The Board of Directors of the Beaumont Cherry Valley Water District (District) does hereby resolve:

WHEREAS, the Urban Water Management Plan (UWMP), 2005 Update, adopted by the Board contains provisions relating to water shortages and contingencies due to catastrophic outage of state, regional and District supply facilities, hydrologic conditions resulting in lower than normal water supply or other factors which prevent the District from providing as much water as is customary; and

WHEREAS, the District endeavors to supply water in sufficient quantities to protect public health; and

WHEREAS, the District has established four stages of action in the UWMP 2005 Update which impose both voluntary and mandatory reductions in water use depending on the severity of the shortage,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the District as follows:

1. The General Manager is hereby authorized to declare a Water Shortage according to the Water Shortage Contingency Plan in the UWMP 2005 Update
2. The General Manager is hereby authorized and directed to implement the various stages identified in the UWMP 2005 Update
3. The General Manager shall monitor water use and recommend to the Board of Directors additional measures as may be required to conserve water resources and ensure public health.

ADOPTED this _____

BEAUMONT CHERRY VALLEY WATER DISTRICT

President of the Board of Directors of the
Beaumont Cherry Valley Water District

SECTION 7

WATER DEMAND MANAGEMENT MEASURES

7.1 LAW

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

- (1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:
 - (A) Water survey programs for single-family residential and multifamily residential customers.
 - (B) Residential plumbing retrofit.
 - (C) System water audits, leak detection, and repair.
 - (D) Metering with commodity rates for all new connections and retrofit of existing connections.
 - (E) Large landscape conservation programs and incentives.
 - (F) High-efficiency washing machine rebate programs.
 - (G) Public information programs.
 - (H) School education programs.
 - (I) Conservation programs for commercial, industrial, and institutional accounts.
 - (J) Wholesale agency programs.
 - (K) Conservation pricing.
 - (L) Water conservation coordinator.
 - (M) Water waste prohibitions.
 - (N) Residential ultra-low-flush toilet replacement programs.
- (2) A schedule of implementation for all water demand management measures proposed or described in the plan.
- (3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.

- (4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of such savings on the supplier's ability to further reduce demand.
- (g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, which offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:
 - (1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.
 - (2) Include a cost-benefit analysis, identifying total benefits and total costs.
 - (3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.
 - (4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.
- (h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long term supply.
- (h) Urban water suppliers that are members of the California Urban Water Conservation Council and submit annual reports to the council in accordance with the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated September 1991, may submit the annual reports identifying water demand management measures currently being implemented, or scheduled for implementation, to satisfy the requirements of subdivisions (f) and (g).

7.2 WATER DEMAND MANAGEMENT MEASURES

The District has implemented several water conservation measures beginning as early as the 1980 Immediate Needs Study. Presently the District is not signatory to the Memorandum of Understanding (MOU) regarding Urban Water Conservation in California but the District does implement several of the Best Management Practices (BMP) identified in the MOU.

The District's 1986 Urban Water Conservation Plan (UWCP) took a list of conservation methods and assessed whether they were currently being implemented and, if not, what level of effort was required. This was also conducted for the District's 1990 UWCP and 1995 UWMP along with an initial screening and assessment. Table 7-1 lists a summary of conservation methods from the 1986 UWCP.

Table 7-1
Status of 2000 Water Conservation Measures

	2000 Status	Current Status
I. Education and Public Information		
A. Local Water Conservation Advisory Committee	X	+
B. Conservation Literature		
1. General Water Conservation Brochure	O	O+
2. Landscape Brochure with Plant List	+	+
3. Brochures for Specific Water Users	+	+
C. Previous Year's Use on Water Bills	X	X
1. Public Relations	O	O+
2. Public Speaking Presentations	O	O+
3. Demonstration Low Water-Using Landscapes	X	X
4. Promotional Campaign with Nurseries and Irrigators	X	X
5. Awards for Conservation Developments	X	X
D. Work with Large Water Users (Landscapers, Agriculture, and Parks)	+	O+
E. In-School Education	X	+
F. Information on Federal and State Laws and Programs	+	+
II. Water Management Programs		
A. Water Loss Reduction Techniques		
1. System-Wide Water Audit	+	O
2. Leak Detection Program		
a. For BCVWD's System	O	O+
b. For Customer's Side	X	O+
3. Meter Calibration and Replacement Program	O	O+
4. Corrosion Control	O	O+
5. Valve Mapping and Exercising Program	O	O+
B. Metering Existing Customers	O	O+
C. Device Distribution	+	+
D. Meter Loan Program, Construction Water Users	O	O
E. Water Waste Prohibition	O	O
F. Conservation Pricing	O	O
G. Financial Incentives	O	O
III. Regulations		
A. Environmental Impact Reports/Statements	O	O
B. Water Waste Reduction Program	+	+
C. Water Conservation Ordinances	+	+
1. Requirements for Large Water Users (Landscape, Agriculture, and Parks)	O	O
2. Self-closing Faucets - Commercial and Institutional	X	X
3. Low Water-Using Landscapes	X	+
4. Metering New Customers	O	O
5. Ultra-low-flow Toilets	X	+
IV. Water Shortage Contingency Plan	+	+
X =Recommended Implementation		
+ = Recommend Increased Effort		
O =Currently Implemented		
O+=Continue to Implement		

The 1986 and 1990 UWCPs focused on measures that reduced and/or regulated the water used for agricultural and landscape purposes. This was, and still is, the area with the greatest potential for water conservation. Such measures as the installation of drip irrigation systems and restructuring of water rates for irrigation have been implemented. The conservation measures focused on in the 1990 UWCP took three approaches: system modification, conservation incentives, and public education. Because of the extent of orchard irrigation within the District, it was believed that the greatest potential for current water conservation through system modification existed in the conversion to drip irrigation systems. Other measures were: the use of low flow equipment in new developments (i.e., ultra-low-flow water use toilets, shower flow restrictors, and self closing faucets), conservation incentives (which take the form of water rate increases and seem to have the greatest impact on reducing water consumption), and public education (which is used to emphasize a relationship between the individual consumer and the District). The latter also informs customers of conservation methods as well as instills conservation ethics.

As indicated in the 2000UWMP, the District was and is experiencing much new land development, which previously was used for agricultural purposes. This land is in the process of being turned into commercial and residential uses which use ULF toilets, low flow showerheads etc. Since the mid-1990s, the District's connection base has doubled which means that at least half of the new connections have low flow fixtures..

The District is requiring developers to install separate recycled water pipelines to serve street medians, parks, playgrounds, schoolyards and common areas. Initially these areas will be served with potable water, but will be converted over to recycled water in 2006. In addition the District is looking for opportunities to use recycled water for other non-potable uses. For example, the District has an agreement with an existing concrete "ready mix" plant to use recycled water as soon as it is available. This should occur within the next few years.

Table 7-2 summarizes and briefly describes the water demand management measures and indicates if the District in some form has implemented the measure.

Table 7-2
Recommended Water Demand Management Measure and Their Status as of 2005

Measure	Definition	Implemented (Y/N)
Water Survey Audits for Single-Family and Multi-Family Residential Customers	Inspect for leaks in households and to improve the efficiency of landscape irrigation water use.	N
Residential Plumbing Retrofits	Replace devices with high efficiency (low flow) devices. Retrofitting of residential toilets and showers with water saving devices.	N
Distribution System Water Audits	Reduce system leakage. Repair pipes.	Y
Metering with Commodity Rates	Test and replace defective meters. Meter all new connections.	Y
Large Landscapes Conservation Programs	Review water irrigation techniques such as water cycle times for golf courses, schools, parks, and cemeteries. Establish rotating use schedules for irrigation, which reduces the impact of peak demands. Convert to recycled water wherever possible.	Y
High-Efficiency Washing Machine Rebate	Customer rebates for high-efficiency (horizontal-axis) clothes washers.	N
Public Information Programs	Describe and make available water conservation information. Emphasize the relationship between the individual consumer water use to the total District water demand.	Y
School Education Programs	Teach water conservation methods and instill a conservation ethics.	Y
Conservation Programs for Commercial and Industrial Users	Evaluate existing sites water needs and recommend water efficiency measures. Look at opportunities to use recycled water.	Y
Wholesale Agency Assistance	Wholesale water suppliers to provide incentives or equivalent resources to benefit their retail suppliers. The District is not a wholesale water supplier.	N
Conservation Pricing	Charge irrigators for actual amount of water used. Eliminate reduced rate for irrigation water.	Y
Conservation Coordinator	Designate a water conservation coordinator to promote and enforce conservation programs	N
Water Waste Prohibitions	Develop methods to prohibit gutter flooding and single pass cooling systems and develop measures to encourage, recirculating water systems in conveyor car wash, commercial laundry systems, and in decorative fountains.	N
Ultra-Low-Flush Toilets	Incentive programs to replace high-water-using toilets.	N

Measures considered for this 2005 UWMP update fall into six categories: (1) inside residential, (2) industrial and commercial measures, (3) landscape measures, (4) distribution system measures, (5) public relation and education measures, and (6) pricing measures. The majority of the programs recommended will focus on regulating new developments. The new developments place additional strain on existing water supplies. Water conservation measures are easiest and most cost effective to install in new construction because there are no removal or replacement costs. A large percent of the total population increase in the City of Beaumont in the next 10 to 15 years will be as a result of new development; therefore less emphasis is placed on measures involving existing residential, industrial, and commercial customers.

7.3 BMP 1-WATER SURVEYS PROGRAMS FOR SINGLE-FAMILY RESIDENTIAL AND MULTI-FAMILY RESIDENTIAL CUSTOMERS

The District presently does not implement this demand management measure in performing water audits for single-family and multi-family residential sites.

7.3.1 Implementation or Scheduled Implementation

The District's long range goal is to develop guidelines for implementing a water survey for single and multi-family residential customers. Initially this will be in the form of information items, bill stuffers, etc. to inform customers how to monitor their consumption. Some guidelines will be provided so those customers can compare themselves to a "baseline".

7.4 BMP 2-RESIDENTIAL PLUMBING RETROFIT

Minimal (Limited) Kit Delivery Program; this type of kit may include a variety of water saving devices. A limited kit could contain shower flow restrictors, toilet tank displacement bag, and toilet tank leak detection dye tablets together with installation information, leak detection, and repair tips. These kits are intended for use in non-conserving showerheads and toilets in accordance with City and county ordinances.

7.4.1 Implementation or Scheduled Implementation

This measure is not presently implemented. The District will be considering providing Minimal (Limited) Kits in the implementation of such a measure for existing devices. New residential construction already incorporates low flow fixtures.

7.4.2 Methods to Evaluate Effectiveness

The technology for each of the items in the kit has been successfully demonstrated. Shower flow restrictors constrict the flow rate to 3 gpm compared to unrestricted showerheads that have a rated flow of 5 to 8 gpm. Toilet tank displacement bags lessen the amount of water used to flush by holding a small amount of water out of use. Non-conserving toilets fitted with tank displacement bags use 4.8 gallons per flush, versus 5.5 gallons per flush for non-conserving toilet. Toilet leaks are detected using leak detection tablets. The tablets are placed in the toilet tank, turning the water a bright color. If the water is leaking from the tank to the toilet bowl, the water in the toilet bowl will turn

color.

7.4.3 Estimate of Existing Conservation Savings

This program is cost effective to consumers. The installation of these fixtures will reduce current water and wastewater flows significantly and will have direct economic benefits in deferred sewage treatment facility enlargement and deferred water supply alternatives.

Water and monetary savings offset the cost to the District and the consumer for the purchase and installation of the retrofit kits.

7.5 BMP 3- SYSTEM WATER AUDITS, LEAKS DETECTION AND REPAIR

Water distribution lines are routinely checked and/or tested for leaks; when leaks are found they are promptly repaired.

The distribution system water audit compares the amount of water produced (from wells, surface supplies) by the District to the amount of water used by consumers (as reported by metering readings). The difference is unmetered water. After allowing for authorized unmetered uses such as fire fighting, main flushing, and public use, it can be assumed that the remaining unmetered water is explained by inaccurate meter readings, malfunctioning valves and leakage, and theft.

7.5.1 Implementation or Scheduled Implementation

The District has an ongoing schedule to inspect facilities and periodically calibrate master water meters. The District has already implemented leak detection. Water system audits are generally done at least once a year

7.5.2 Methods to Evaluate Effectiveness

The District annually reviews data records to confirm that unaccounted for water losses stay within an acceptable range of 5% to 7%.

7.6 BMP 4-METERING WITH COMMODITY RATES FOR ALL NEW CONNECTIONS AND RETROFIT OF EXISTING CONNECTIONS

Purveyors are required to place water meters on all new service connections per California State law. The District fully meters all customer sectors.

7.6.1 Implementation or Scheduled Implementation

Prior to the 1980s, the District's method of billing on any land 0.81 acres or more was a fixed rate schedule independent of water use. In 1982 the District changed the billing method to reflect a varying rate structure based on water use.

The District presently replaces old meters under the Meter Exchange Program, which started in the early 1980s. The District continues to change out every meter on ten year intervals. The District plans to continue to conduct its meter calibration and replacement program.

7.6.2 Methods to Evaluate Effectiveness

Use daily District-wide pumping records to evaluate consumption. Utilize customer water bills to analyze water use consumption patterns.

7.7 BMP 5-LARGE LANDSCAPE CONSERVATION PROGRAMS AND INCENTIVES

Presently the City of Beaumont reviews, on a project-by-project basis, the conditions of approval for landscape practices. This approved Landscape Ordinance for New Construction encourages landscaping using low-water-using plants. Irrigation systems with automatic controllers and valves are required on all commercial and industrial developments to control excessive water use. Landscaping practices that require excessive water use will be re-evaluated on a project-by-project basis.

The District also establishes rotating use of schedules for irrigation for those irrigation customers, which reduces the impact of peak demands. The District is encouraging the use of recycled water for these areas.

7.7.1 Implementation or Scheduled Implementation

The City of Beaumont's landscape ordinance has been implemented and in effect since 1995.

7.7.2 Methods to Evaluate Effectiveness

Water usage in new landscaped areas particularly during the typical dry months from May through September may be compared on a "per acre" basis with existing landscaped areas, which were not affected nor required prior to the implementation of the Landscape Ordinance.

Surveys, landscape information training, water bill historical water use and other programs will also assess effectiveness.

7.7.3 Estimate of Existing Conservation Savings

A 20 percent savings in water use through water efficient landscape is possible, compared to traditional landscaping water use for existing commercial, industrial, or governmental landscape.

7.7.4 Evaluation

Because many new developments are currently under construction, a current evaluation of the method has not been determined. However, future assessments should be possible to more accurately estimate the cost savings and water demand reduction of this method.

7.8 BMP 6-HIGH-EFFICIENCY WASHING MACHINE REBATE PROGRAMS

The District and the City of Beaumont presently do not have a rebate program in place for the replacement of old clothes washers.

7.9 BMP 7-PUBLIC INFORMATION PROGRAMS

The District participates and exhibits at public events such as fairs to provide information and promote water conservation. At these events the District provides information on water consumption, costs, and water quality. The District also has available brochures that provide the general public with information on water quality and water conservation.

7.9.1 Implementation or Scheduled Implementation

The public information programs are ongoing and information is provided as needed.

7.10 BMP 8-SCHOOL EDUCATION PROGRAMS

The District presently does not make a special effort to promote water conservation at local schools. District staff is available on an “as requested” basis however. Teachers at the schools may periodically discuss with students, awareness and importance of water conservation.

7.10.1 Implementation or Scheduled Implementation

District staff may consider coordinating with School District staff, events where information packets on water conservation and water savings techniques can be distributed to students.

7.11 BMP 9-CONSERVATION PROGRAMS FOR COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL (CII) ACCOUNTS

The District does not make a special effort to audit water use by commercial and industrial users but does work with local commercial and industrial users to promote water conservation as needed particularly with recycled water use. The District “standard” metering practice for large commercial/industrial customers is to install multiple, parallel small diameter (2-in) meters. These meters are more accurate at low flows than larger meters and provide an opportunity to monitor consumption. Malfunctioning meters are easily detected. If any of the meters read “high” or “low” they are replaced. The District also installs “Performance Meters” on all new fire services to meter fire suppression water use. The District works with existing and new commercial and industrial users to determine if recycled water can be incorporated and used in their operation such as a concrete ready mix business.

7.11.1 Implementation or Scheduled Implementation

The District will continue to implement this measure on an as need basis.

7.11.2 Methods to Evaluate Effectiveness

Water bills show the water customer the amount of water used in previous billing period. All commercial and industrial users are provided with historical usage on their bill. This allows customers to compare their water usage with the same period of the previous year and to monitor their water usage over time. The District is available to assist customers, if requested, to review methods to improve water use effectiveness.

7.12 BMP 10-WHOLESALE AGENCY ASSISTANCE PROGRAMS

The District is not a wholesale water supplier and therefore does not provide financial assistance or resources to advance water conservation efforts to retail water suppliers.

7.13 BMP 11-CONSERVATION PRICING

The District has eliminated a reduced water rate for high agricultural water users. These users pay the prevailing rate as set by the District for the volume of water used.

7.13.1 Implementation or Scheduled Implementation

The District will continue to review their rate structure to eliminate non-conserving pricing structures.

7.13.2 Methods to Evaluate Effectiveness

Review billing records and pricing structures.

7.14 BMP 12-CONSERVATION COORDINATOR

The District presently does not have a designated conservation coordinator.

7.14.1 Implementation or Scheduled Implementation

The District will review staff needs and make recommendation to the Board to possibly implement this measure. The District is a small agency and funding a full time water conservation coordinator would have significant financial impacts. The District will investigate opportunities to incorporate water conservation “duties” within the existing staffing or if this can be accomplished regionally through the STWMA.

7.15 BMP 13-WATER WASTE PROHIBITION

Section 9.6 of the District’s Rules Governing Water Service states the following:

It is a violation of these Regulations:

- 3) To cause or permit the waste of water from the water system or to maintain or cause or permit to be maintained any leaky outlets, apparatus or plumbing fixtures through which water is permitted to waste;
- 4) To use water for washing sidewalks and driveways in a manner that prevents the usual and customary use of public streets and sidewalks by others;
- 5) To permit water sprinklers to spray onto sidewalks and streets or to permit water to run from the consumer’s property onto public sidewalks and streets to cause risk and/or damage to the public or to public and private property;

Section 15 of the District’s Rules Governing Water Service states the following:

No person, firm or corporation shall use, deliver, or apply waters received from this District in any manner that causes the loss, waste, or the application of water for unbeneficial purposes. Within the meaning of this Regulation, any waters that are allowed to escape, flow, and run into areas which do not make reasonable beneficial use of such waters, including but not limited to streets, gutters, drains, channels, and uncultivated lands, shall be presumed to be wasted contrary to the prohibitions of these Rules and Regulations.

The Regulations for Water Service have a series of warnings/penalties. The first notice is a written warning; the second offense results in a doubling of the water charges until full compliance is attained. After the third offense, the District can terminate water service to the customer.

7.15.1 Implementation or Scheduled Implementation

The District already has the ordinance regulation in place.

7.16 BMP 14-RESIDENTIAL ULTRA-LOW-FLUSH TOILETS (ULFT) REPLACEMENT PROGRAMS

The California Code of Regulations, Title 24, regulated by Part 5 of the California Plumbing Code, which is a division of the California Building Standards, requires ULFTs in all new construction starting January 1, 1994. The District does not presently have a program for replacement or a rebate program for replacement of old pre-1994 toilets.

7.16.1 Implementation or Scheduled Implementation

The City of Beaumont requires all new construction and remodel projects to install ULFTs.

7.17 OPPORTUNITIES FOR DEVELOPMENT OF DESALINATED WATER

At the present time and for the foreseeable future there are few opportunities for the development and use of desalinated water. The groundwater in the area has very low TDS and providing desalination systems would not be needed. However, as part of an agreement between the City of Beaumont (and other dischargers) with the Santa Ana Regional Water Quality Board to maximize the use of recycled water, the City and other discharges have agreed to install desalination systems on either the drinking water side or the treated wastewater side in exchange for an increase in the Basin Water Quality Objectives. This was done in Resolution R8-2004-001 of the Santa Ana Regional Water Quality Control Board. The Beaumont Basin Watermaster's initial estimate is that this will not be needed for decades.

One of the impediments to desalination is brine disposal. The Santa Ana Regional Interceptor (SARI) will need to be extended from the Riverside/San Bernardino area to Beaumont. This will require a significant capital investment and may require increasing the overall capacity of the existing pipeline.

The best current opportunities for the District to be involved with desalination is through a joint project with another agency such as the Santa Ana Watershed Project Authority (SAWPA), the Chino Desalting Authority, or others. In exchange for District financial participation, the District would receive an equivalent amount of the agency's State Project Water. BCVWD has been collecting a "new water source" fee from all new development for several years now to finance such an endeavor. It is possible this could be extended to participation in a sea water desalination project on the same exchange terms.

7.18 DISTRICT'S LEGAL AUTHORITY

The District was formed originally as the Beaumont Irrigation District on March 17, 1919 under the statutes of 1897, page 254 as amended, know as "an Act to provide for organization and government of irrigation districts....[etc]." The District currently exists and operates under the provisions and authority of the Irrigation District Law, California Water Code section 20500, et seq. The District has the legal authority to impose regulations relative to water use and adopt rates as appropriate for water service.

SECTION 8

WATER RECYCLING

8.1 WASTEWATER SYSTEM DESCRIPTION

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (a) A description of the wastewater collection and treatment systems in the supplier's service area...

The City of Beaumont's WWTP is within the service area of the District. The City of Beaumont is responsible for the collection and treatment of municipal wastewater. Although the District is not responsible for wastewater collection and treatment, the District is coordinating with the City of Beaumont on recycle water projects for reuse of treated wastewater. The present capacity of the plant is approximately 2 million gallons per day (mgd). The City of Beaumont is presently making modifications and enhancements to the plant to increase the plant capacity to 4 mgd. The ultimate capacity of the plant will be approximately 8 mgd. It is not known at this time when the next major expansion to the plant is scheduled. It is planned that the community of Cherry Valley will be sewered to the City of Beaumont's treatment plant through BCVWD's latent wastewater power. This will increase the flow to the City of Beaumont's treatment plant by about 1 mgd by the year 2030.

Raw wastewater from the City of Beaumont enters the plant and flows through a mechanical screening and flow metering facility before flowing to the influent pumping station. From there the wastewater is pumped to a pair of combination flow equalization/aeration basins for secondary treatment. The effluent from the equalization/aeration basins flows to two secondary clarifiers where the activated sludge is separated and returned to the equalization/aeration basins. The plant will incorporate a centrifuge system for dewatering in their current modifications. The clarified secondary effluent flows to two shallow bed, traveling bridge filters then through an ultraviolet light facility for final disinfection. The disinfected effluent then flows through a metering flume and down a stair-step cascade aeration channel to Coopers Creek, which is tributary to San Timoteo Creek. It should be noted that the outfall to Coopers Creek is outside and not tributary to the BSU. The plant currently meets Title 22 requirements for unrestricted use and will provide tertiary treated effluent for water recycling. Additions will be made

at the treatment facility for recycled water pumping and for chlorine application to maintain water quality within the recycled water distribution system.

8.2 WASTEWATER GENERATION, COLLECTION, AND TREATMENT

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (a) A [...] quantification of the amount of wastewater collected and treated...

Table 8-1 summarizes the estimated wastewater generation and collection within the existing service area of the District and estimated flows through 2030 based on known developments. Wastewater generation includes all flows received by the City of Beaumont's WWTP and estimated flow from Cherry Valley . .

**Table 8-1
Wastewater Generation and Collection**

	2000	2005	2010	2015	2020	2025	2030
Wastewater collected and treated at City of Beaumont WWTP from the City of Beaumont, mgd	1.2	1.65	5.37	7.37	7.71	7.88	7.94
Wastewater collected from Cherry Valley and treated at the City of Beaumont WWTP, mgd		-	-	0.56	.76	.86	.97
Total Wastewater Flow, mgd	1.2	1.65	5.37	7.93	8.47	8.74	8.91
Total Wastewater Flow, acre-ft/yr		1848	6099	8885	9561	9901	9983
Wastewater Flow for Environmental Mitigation, acre-ft/yr		300	300	300	300	300	300
Wastewater Flow Available for Recycled based on 95 utilization		1471	5509	8156	8798	9121	9199

8.2.1 Overview of the Recycled Water Plan

The City of Beaumont has previously expanded and upgraded its WWTP to a full reclamation facility. This is in response to the California Regional Water Quality Control Board (RWQCB), Santa Ana River Region to upgrade the level of treatment to allow continued discharge to Cooper's Creek, a tributary of San Timoteo Creek. In lieu of discharging effluent to the creek, the City of Beaumont and District, through the two party Cooperative Agreement, have agreed to implement a water recycling project, since the effluent limits for discharge to the creek currently are equivalent to that required for water recycling.

The City of Beaumont will operate the treatment facility and deliver treated water to the District for recycling. The District will own and operate the recycled water pumping

stations, storage reservoirs and distribution piping. The District will then enter into agreements with various users, such as the City of Beaumont, Parks and Recreation District, Caltrans, Golf Courses, etc. for providing recycled water. The District will be responsible for metering and revenue collection as well as overall recycled water pumping, storage and distribution system operation and maintenance.

The District intends to serve recycled water to the full extent possible for non-potable uses and as permitted by law. This would make potable water, now used for irrigation, available for new development. As new development occurs, the new projects would include appropriate piping systems to permit the use of recycled water for irrigation of street medians, greenbelts, schools, parks and common areas. This concept then envisions limiting the use of potable quality water to potable water purposes to the extent practical. Surplus recycled water will be available during certain times of the year when normal irrigation demands are reduced. During these times, the surplus will be piped to spreading basins for surface spreading of recycled water for recharge to the BSU.

The recycled water system will be developed in phases to match both demand for recycled water and the availability of treated effluent to be recycled. Currently about 18 to 20 miles of recycled water piping are in place.

8.3 WASTEWATER DISPOSAL AND RECYCLED WATER USES

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (a) A description of the [...] methods of wastewater disposal.

10633 (b) A description of the recycled water currently being used in the supplier's service area, including but not limited to, the type, place and quantity of use.

10633 (c) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

10633 (d) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years.

8.3.1 History of Water Recycling in the Service Area

The District has considered the use of recycled water to supplement the water supply for a number of years. As early as 1987 the District began discussing water recycling in earnest with the City of Beaumont and the Pass Agency.

In June of 1989 the District prepared an internal memorandum on the potential for using recycled water in the Pass area. The report discussed the installation and operation of a conceptual project, which included treatment facilities serving the cities of Banning and Beaumont. Included in this plan were conceptual alignments for recycled water distribution and storage facilities. The concept involved the formation of a Joint Powers

Reclamation Agency with each city operating its own treatment facilities. The effluent would be provided to the JPA for distribution. Surplus recycled water was proposed to be percolated into the ground for recharge.

In August of 1989 the cities of Beaumont and Banning along with the District sent letters to the Pass Agency to have the Pass Agency take the lead on the conceptual project.

Since that time, the District, the City of Beaumont and several large developers took the lead in developing a conceptual regional wastewater collection and reclamation study. The District's Engineer completed the study in 1993. The plan envisioned a regional reclamation facility in San Timoteo Canyon in the vicinity of San Timoteo Canyon and Singleton Roads. The plan also envisioned continued use of the City of Beaumont's WWTP as a satellite reclamation plant. The current plan, however, is to keep the City of Beaumont's WWTP in operation supplying recycled water up to at least 8 mgd (or 9 mgd including the Cherry Valley flow.) Flow will not reach this level until well into the future.

With increasing interest in development in the City of Beaumont, the District and the City of Beaumont entered into a cooperative agreement that funded a new recycled water master plan from Community Facilities District Bonds. This work was completed as part of the 1995 Master Plan.

8.3.2 Type and Place of Recycled Water Currently Being Used

At the present time treated wastewater is not being used to offset potable water demands. Pipelines are being installed as development occurs in accordance with the District's Recycled Water Master Plan, which is presently being updated. Certain facilities need to be in place such as a booster station, chlorination facility, and water storage at the City of Beaumont's WWTP in addition to pipelines before water recycling can be begin. The chlorination facility is not for disinfection, but to provide a residual disinfectant in the recycled water to maintain water quality in the recycled water distribution system.

8.3.3 Projections of Recycled Water Use in 2002 UWMP Update

The District's UWMP 2002 Update included potential recycled water demands as follows:

2002 UWMP Recycled Water Demand Projections

2005	0.9 mgd	1000 acre-ft/yr
2010	2.9 mgd	3250 acre-ft/yr
2015	4.9 mgd	5500 acre-ft/yr
2020	5.3 mgd	5900 acre-ft/yr
2025	5.4 mgd	6050 acre-ft/yr

These quantities have increased significantly in this 2005 UWMP update

2005 UWMP Recycled Water Demand Projections

2005	1.92 mgd	2153 acre-ft/yr
2010	5.72 mgd	6410 acre-ft/yr
2015	6.10 mgd	6828 acre-ft/yr
2020	6.27 mgd	7028 acre-ft/yr
2025	6.27 mgd	7028 acre-ft/yr
2030	6.27 mgd	7028 acre-ft/yr

Note that the above projections for the 2005 Update do not include the amount of recycled water which is recharged. The District's philosophy of operation is to utilize the recycled water first for irrigation and then if there is any unused recycled water available, it shall be used for groundwater recharge. This was the basis for Table 2.8.

When the 2002 UWMP Update was being prepared there were only a few developments, e.g., Three Rings Ranch, that installed recycled water mains and plumbed their system for recycled water. As of the December 2005, the District has between 18 to 20 miles of recycled water transmission main in place. This does not include the distribution mains installed by developers to serve parks and playgrounds etc.

8.3.4 Recycled Water Quantity

Successful recycled water systems require the recycled water to be available not only in sufficient quantities, on demand, but also be of the highest quality possible.

With respect to quantity, the demand must not outpace the supply and sufficient storage must be provided to match hourly demand with supply.

Currently there is about 1.1.65 to 1.8 mgd of wastewater treated at the City of Beaumont's WWTP. This water, once treated, is discharged into Coopers Creek, which is tributary to San Timoteo Creek. Because it provides a portion of the streamflow to San Timoteo Creek, the RWQCB has indicated that some portion of the flow should continue to be discharged to the creek. For purposes of this plan this is assumed to be 20 percent of the current discharge or about 0.25 mgd. Based on this there is currently about 1.25 to 1.55 mgd available for recycling. Other alternative mitigation measures may be implemented such that the total present flow from the wastewater treatment plant would be available for recycling. Any mitigation measures would require approval by the RWQCB.

The recycled water will be supplemented by untreated State Project Water which will be blended with the recycled water at the District's groundwater recharge facility.

8.3.5 Recycled Water Quality

Current users of potable water recognize the value of water quality; changes from potable water to recycled water are sometimes met with resistance, primarily due to the unknowns. These unknowns relate to both quality and quantity. Golf course

superintendents are concerned about the mineral water quality and its impact on very sensitive grasses. Nursery owners are concerned about the impact of the water on sensitive ornamentals. School site administrators want to know how the play areas will react to recycled water.

Water quality parameters of interest to recycled water users are typically:

- Mineral content
- Metals
- Organics and pesticides
- Microbiological content

8.3.5.1 Mineral Content

The mineral content is extremely important to landscape irrigation, nursery users, irrigators and golf course superintendents. From an irrigation standpoint the important parameters are the total dissolved solids (TDS) concentration, the concentration of specific ions such as sodium, chloride, and boron; and the impact the use of the water will have on the soil structure as measured by the Sodium Adsorption Ratio (SAR) or the Modified SAR.

The mineral content is also of importance when groundwater recharge is considered. If the recycled water has excessive mineral content, the quality of the groundwater will eventually deteriorate. In groundwater recharge projects, the quality of the recharge water must be of such quality, that it will not cause the groundwater basin water quality objectives to be exceeded. Basin water quality objectives are established by the RWQCB and are published in the Basin Plan.

Table 8-2 presents a summary of the mineral quality characteristics of the wastewater currently being discharged by the City of Beaumont's WWTP between 1995 and 2001. The quality today (2005) is anticipated to be about the same since the source water quality has not changed significantly.

**Table 8-2
Recycled Water Mineral Quality (1995-2001)**

PARAMETER	RANGE			
	UNITS	MIN	MAX	AVERAGE
Total Hardness as CaCO ₃	mg/L	150	200	177
Calcium (Ca)	mg/L	39	53	46
Magnesium (Mg)	mg/L	12	18	15
Sodium (Na)	mg/L	57	82	68
Potassium (K)	mg/L	11	14	12
Ammonium Nitrogen (NH ₄ -N)	mg/L	ND	8	0.62
Total Alkalinity as CaCO ₃	mg/L	160	250	202
Hydroxide (OH)	mg/L	ND	<3	0
Carbonate (CO ₃)	mg/L	ND	3	2
Bicarbonate (HCO ₃)	mg/L	140	310	247
Sulfate (SO ₄)	mg/L	36	67	46
Chloride (Cl)	mg/L	30	65	49
Nitrate Nitrogen (NO ₃ -N)	mg/L	<1	20	7
Fluoride (F)	mg/L	0.4	2.0	0.66
Cyanide (CN)	mg/L	ND	0.02	<0.01
Total Phosphorus	mg/L	0.1	4.6	2.21
Nitrite Nitrogen (NO ₂ -N)	mg/L	ND	0.8	0.18
Inorganic Nitrogen	mg/L	1	31	9
Total Dissolved Solids (TDS)	mg/L	360	510	428
Total Organic Carbon (TOC)	mg/L	3	24	6
Sodium Adsorption Ratio	meq/L	2.0	2.5	2.2

Overall the mineral water quality of the recycled water is excellent. The TDS ranges from 360 to 510 mg/L with an average of 428 mg/L. The TDS of the District supplied groundwater ranges from 220 to 320 mg/L and averages about 260 mg/L. The water quality varies depending on the source i.e. Edgar Canyon supply or the BSU. Water from Edgar Canyon has slightly lower mineral concentration than water pumped from the BSU. The recycled water concentration shows an increase of 168 mg/L from the supply water. This is lower than that typically experienced and is reflective of the good quality water source and the predominately residential character of the wastewater.

The concentration of sulfates, chlorides and sodium in the recycled water, of concern to irrigators, averages 46, 49 and 68 mg/L, respectively. In the District supplied groundwater these concentrations average 30, 10 and 20 mg/L, respectively. The recycled water concentrations show an increase of 16, 39, and 48 mg/L from the supply water. This is typical.

The SAR for the reclaimed water averages 2.2. SAR values less than 3 present a low risk

of decreasing soil permeability with long-term use of the water.

This water can be used for irrigation without any fear of damage to grasses or landscaping.

The recycled water contains a total phosphorus (as P) of 2.2 mg/L and total inorganic nitrogen (as N) of 9 mg/L. This translates into a fertilizer equivalent of 6 lb. of P/acre/foot of water applied and 25 lb. of N/acre/foot of water applied. On the basis that 5 feet of water will be applied per year per acre, the recycled water will supply about 30 lb. of P/acre/year and 125 lb. of N/acre/year. Use of the recycled water for irrigation will reduce the need to purchase and apply chemical fertilizers.

8.3.5.2 Metals

Table 8-3 presents the quality of the recycled water in terms of metals. Metals are present in only trace amounts and all comply with the maximum contaminant levels (MCLs) set for potable water.

The boron concentration ranges from <0.1 to 0.3 mg/L with an average of 0.22 mg/L. Boron is of concern in concentrations above about 0.75 mg/L.

8.3.5.3 Organics and Pesticides

Organics and pesticides are essentially below detection levels except for chloroform. Chloroform is a disinfection by-product formed during the disinfection process using chlorine and is a trihalomethane (THM). The WWTP uses ultraviolet disinfection so chloroform levels should be minimal. The chloroform concentration in recent samples was below 30 µg/L. The drinking water MCL for total trihalomethanes is 80 µg/L and hence the concentration in the recycled water would not appear to be of concern.

The total organic carbon (TOC) in the recycled water ranges from 3 to 24 mg/L with an average value of 6 mg/L. TOC is an important consideration in groundwater recharge involving recycled water because it is reflective of refractory organic material, which was not removed in the treatment process. This level of TOC may be an issue in groundwater recharge and some additional effluent “polishing” may be required at some point in time.

8.3.5.4 Microbiological Content

The regulations for recycled water use are based on producing virus and pathogen free water. The upgraded and expanded WWTP will provide recycled water that meets these objectives.

**Table 8-3
Recycled Water Metal Concentrations (1995-2001)**

PARAMETER	RANGE			
	UNITS	MIN	MAX	AVERAGE
Antimony (Sb)	µg/L	<1	2	<1
Arsenic (As)	µg/L	<1	5	1
Barium (Ba)	µg/L	<20	24	<20
Beryllium (Be)	µg/L	<10	<10	<10
Boron (B)	mg/L	<0.1	0.3	0.22
Cadmium (Cd)	µg/L	<1	1	<1
Total Chromium (Cr)	µg/L	<10	10	<10
Cobalt (Co)	µg/L	<10	<10	<10
Copper (Cu)	µg/L	<10	15	<10
Iron (Fe)	µg/L	<20	110	20
Lead (Pb)	µg/L	<1	13	1
Manganese (Mn)	µg/L	<10	10	<10
Mercury (Hg)	µg/L	<0.5	0.5	<0.5
Nickel (Ni)	µg/L	<20	20	<20
Selenium (Se)	µg/L	<1	7	<1
Silver (Ag)	µg/L	<10	10	<10
Thallium (Tl)	µg/L	<5	200	<5
Zinc (Zn)	µg/L	35	150	60

8.3.5.5 Projected Water Quality

When the newly upgraded WWTP is on-line, it is expected that most of the mineral water quality constituents will not vary appreciably from those in Table 8-2. However, there could be a change in some of the constituents if treated SWP water is used in the service area for potable water.

SWP water contains higher concentrations of TDS, chlorides and sulfates than does the local groundwater. Table 8-4 presents data on the variation of these constituents in the SWP water from Silverwood Reservoir, the water source for the Pass Agency.

The variations of water quality are substantial and depend on the water supply conditions in Northern California. Drought conditions result in more intrusion of poor quality water into the Sacramento-San Joaquin River Delta, the source of the SWP exports. The expected value shown in Table 8-5 is not an average but rather is reflective of conditions believed to be representative in the future.

Table 8-4
State Water Project Water Quality

Parameter	Units	Range	Expected
TDS	mg/L	100 - 400	350
Chloride	mg/L	10 - 150	120
Sulfate	mg/L	30 - 120	80

If SWP water is used in the District water supply system, the concentrations of TDS, chlorides and sulfates in the recycled water will increase slightly; the amount of increase depends on the proportion of SWP water used. Most likely the water supply for the service area in the future will consist of a blend of local groundwater and SWP water, so the anticipated concentrations of TDS, chlorides and sulfates in the recycled water will be 490, 115 and 70 mg/L, respectively versus the 428, 49, and 46 mg/l respectively, currently experienced in the City of Beaumont's WWTP effluent.

8.3.6 Potential Uses of Recycled Water

8.3.6.1 Irrigation and Other Direct Uses

At the present time the only potential recycled water uses envisioned are those related to irrigation of freeway medians, golf courses, cemeteries, parks, playgrounds and schoolyards. Recycled water used for those purposes shall be disinfected tertiary recycled water. (Strictly speaking the irrigation of freeway medians and cemeteries only needs to be disinfected secondary effluent. Treating only a portion of the effluent to meet those reduced requirements is impractical and furthermore would require a separate piping system to distribute the water to those users.)

In the future the recycled water system could be expanded to irrigate cherry and other fruit orchards. The proposed requirement for this use is disinfected tertiary recycled water also. It is anticipated that future demand for irrigation of fruit trees will diminish as the orchards are replaced with other land uses.

The City of Beaumont's WWTP already produces effluent, which meets Title 22 requirements for unrestricted use. There are, however, a number of use area requirements and facility design requirements. These requirements assume disinfected tertiary recycled water is used.

1. No irrigation shall take place within 50 feet of any domestic, including municipal, water supply well and no impoundment shall occur within 100 feet of any domestic well.
2. Any irrigation runoff shall be confined to the use area and shall not enter a dwelling, outdoor eating area or a food handling facility. Drinking water fountains shall be protected against contact with recycled water spray, mist or runoff.

Irrigation of parks, playgrounds and schoolyards usually requires irrigation during the nighttime hours.

3. Recycled water use areas shall be posted with signs.
4. There shall be no physical connection between any recycled water system and a potable water system. Only an air gap separation is permitted on back-up supplies.
5. The recycled water system shall not have any hose bibs. Only quick couplers different from those used on the potable water system are permitted.
6. A reduced pressure principle backflow prevention device shall be placed on the potable water supply connection to each reuse area.
7. A detailed recycled water use report shall be prepared. This report shall contain
 - A detailed description of the use site including the person(s) responsible for operation and maintenance of the system,
 - Piping layout including backflow prevention devices, and
 - Methods used by the recycled water supplier to ensure no cross connections.

8.3.6.2 Groundwater Recharge by Surface Spreading

The following requirements, excerpted from the "Draft, dated April 23, 2001, Groundwater Recharge Reuse Regulations," affect the design and operation of a proposed recycled water project.

1. All reclaimed water shall be from a wastewater collection system operated under a comprehensive industrial pretreatment and pollutant source control program.

The City of Beaumont will have this in place, as it is part of the overall wastewater discharge permit.

2. Requires that the recycled water be oxidized, filtered and disinfected.

Essentially this is a filtered and disinfected secondary effluent. This is basically the same quality required for direct discharge to San Timoteo Creek. The current level of treatment meets this requirement.

Some polishing supplementary refractory organics removal may be needed.

3. The average quantity of recycled water in each aquifer shall be specified by the Department of Health Services. The amount will be a function of the TOC in the recycled water.
4. Recycled water shall be retained underground a minimum of 6 months prior to being withdrawn at a domestic (municipal) water supply well.
5. The minimum horizontal separation between a surface spreading area and a domestic (municipal) water supply well shall be 500 feet.
6. A detailed engineering report shall be prepared and contain the following information as a minimum:
 - A plan of the treatment, storage, transmission, spreading and monitoring facilities,
 - A project description,

- A detailed hydrogeologic study to address the aquifer travel time, percent recycled water intercepted by domestic wells, water quality impacts, etc.,
- A description of the operation and maintenance personnel, their qualifications, experience and responsibilities,
- A description of project operation including a contingency plan to preclude the recharge of water when conditions or quality does not meet requirements,
- A determination of anticipated TOC and total nitrogen levels, and
- A detailed mound monitoring plan.

Based on the requirements established above, there does not appear to be any reason why the surface spreading of recycled water would not be permitted.

8.3.7 Potential Recycled Water Demands

Table 8-5 summarizes the potential recycled water users in 5-year increments through 2025. To serve all of these users would involve a very extensive distribution and storage network. It is envisioned that the recycled water system could serve the entire area eventually.

Table 8-5
Existing and Projected Recycled Water Demands (2005 – 2030)
Acre-ft/yr

Year	2005	2010	2015	2020	2025	2030
Existing Potable Water Users converted to recycled water	0	1700	2153	2153	2153	2153
Future Recycled Water Users	0	1107	1525	1725	1725	1725
Recycled Water Supplied to Overlying Parties	<u>0</u>	3150	3150	3150	3150	3150
Recycled Water Recharge	<u>0</u>	<u>0</u>	1328	1678	1978	2171
DEMAND TOTAL	0	5957	8156	8706	9006	9199
AVAILABLE	1471	5509	8156	8706	9006	9199

Note: in 2010 there is a shortfall in recycled water supply that will need to be made up with imported State Project Water.

Table 8-5 also summarizes the comparison of recycled water available from the City of Beaumont's WWTP and the projected recycled water demands through 2030. .

8.4 CITY OF BEAUMONT RECYCLED WATER ORDINANCES

The City of Beaumont has adopted several ordinances regulating the use of recycled water. The City of Beaumont, in conjunction with the District, has adopted policies such that when recycled water becomes available, recycled water will be used for non-potable uses such as irrigation of landscape medians, cemeteries, golf courses, and parks. The City of Beaumont also has ordinances that adopt the District's UWMP and the water conservation measures and procedures stated in the UWMP. The City of Beaumont's ordinances applicable to recycled water are attached in Appendices L, M, and N.

APPENDIX A

Established: AB 797, Klehs, 1983

Amended: AB 2661, Klehs, 1990

AB 11X, Filante, 1991

AB 1869, Speier, 1991

AB 892, Frazee, 1993

SB 1017, McCorquodale, 1994

AB 2853, Cortese, 1994

AB 1845, Cortese, 1995

SB 1011, Polanco, 1995

AB 2552, Bates, 2000

SB 553, Kelley, 2000

SB 610, Costa, 2001

AB 901, Daucher, 2001

SB 672, Machado, 2001

SB 1348, Brulte, 2002

SB 1384 Costa, 2002

SB 1518 Torlakson, 2002

AB 105, Wiggins, 2003

SB 318, Alpert, 2004

CALIFORNIA WATER CODE DIVISION 6

PART 2.6. URBAN WATER MANAGEMENT PLANNING

CHAPTER 1. GENERAL DECLARATION AND POLICY

10610. This part shall be known and may be cited as the "Urban Water Management Planning Act."

10610.2. (a) The Legislature finds and declares all of the following:

- (1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.
- (2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.
- (3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate.
- (4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years.
- (5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.
- (6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.
- (7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.
- (8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.
- (9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans to actively pursue the efficient use of available supplies.

CHAPTER 2. DEFINITIONS

10611. Unless the context otherwise requires, the definitions of this chapter govern the construction of this part.

10611.5. "Demand management" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

10612. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

10613. "Efficient use" means those management measures that result in the most effective use of water so as to prevent its waste or unreasonable use or unreasonable method of use.

10614. "Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of such an entity.

10615. "Plan" means an urban water management plan prepared pursuant to this part. A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan shall address measures for residential, commercial, governmental, and industrial water demand management as set forth in Article 2 (commencing with Section 10630) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

10616. "Public agency" means any board, commission, county, city and county, city, regional agency, district, or other public entity.

10616.5. "Recycled water" means the reclamation and reuse of wastewater for beneficial use.

10617. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

CHAPTER 3. URBAN WATER MANAGEMENT PLANS

Article 1. General Provisions

10620.

(a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d)(1) An urban water supplier may satisfy the requirements of this part by participation in area wide, regional, watershed, or basin wide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation and efficient water use.

(2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

10621.

(a) Each urban water supplier shall update its plan at least once every five years on or before December 31, in years ending in five and zero.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

Article 2. Contents of Plans

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied.

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

- (1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.
- (2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.
- (3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.
- (4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

- (1) An average water year.
- (2) A single dry water year.
- (3) Multiple dry water years.

For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e)(1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors including, but not necessarily limited to, all of the following uses:

- (A) Single-family residential.
- (B) Multifamily.
- (C) Commercial.
- (D) Industrial.
- (E) Institutional and governmental.

- (F) Landscape.
 - (G) Sales to other agencies.
 - (H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.
 - (I) Agricultural.
- (2) The water use projections shall be in the same five-year increments described in subdivision (a).
- (f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:
- (1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:
 - (A) Water survey programs for single-family residential and multifamily residential customers.
 - (B) Residential plumbing retrofit.
 - (C) System water audits, leak detection, and repair.
 - (D) Metering with commodity rates for all new connections and retrofit of existing connections.
 - (E) Large landscape conservation programs and incentives.
 - (F) High-efficiency washing machine rebate programs.
 - (G) Public information programs.
 - (H) School education programs.
 - (I) Conservation programs for commercial, industrial, and institutional accounts.
 - (J) Wholesale agency programs.
 - (K) Conservation pricing.
 - (L) Water conservation coordinator.
 - (M) Water waste prohibition.
 - (N) Residential ultra-low-flush toilet replacement programs.
 - (2) A schedule of implementation for all water demand management measures proposed or described in the plan.
 - (3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.
 - (4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.
- (g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:
- (1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.
 - (2) Include a cost-benefit analysis, identifying total benefits and total costs.
 - (3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.
 - (4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.
- (h) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (f), that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.
- (i) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.
- (j) Urban water suppliers that are members of the California Urban Water Conservation Council and submit annual reports to that council in accordance with the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated September 1991, may submit the annual reports identifying water demand

management measures currently being implemented, or scheduled for implementation, to satisfy the requirements of subdivisions (f) and (g).

(k) Urban water suppliers that rely upon a wholesale agency for a source of water, shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water -year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

10631.5. The department shall take into consideration whether the urban water supplier is implementing or scheduled for implementation, the water demand management activities that the urban water supplier identified in its urban water management plan, pursuant to Section 10631, in evaluating applications for grants and loans made available pursuant to Section 79163. The urban water supplier may submit to the department copies of its annual reports and other relevant documents to assist the department in determining whether the urban water supplier is implementing or scheduling the implementation of water demand management activities.

10632. The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

(a) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions which are applicable to each stage.

(b) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.

(c) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

(d) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.

(e) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

(f) Penalties or charges for excessive use, where applicable.

(g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

(h) A draft water shortage contingency resolution or ordinance.

(i) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(c) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(d) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(e) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

(f) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

10634. The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

Article 2.5 Water Service Reliability

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

Article 3. Adoption and Implementation of Plans

10640. Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

10641. An urban water supplier required to prepare a plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

10643. An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.

10644. (a) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(b) The department shall prepare and submit to the Legislature, on or before December 31, in the years ending in six and one, a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the outstanding elements of the individual plans. The department shall provide a copy of the report to each urban water supplier that has filed its plan with the department. The department

shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

10645. Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

CHAPTER 4. MISCELLANEOUS PROVISIONS

10650. Any actions or proceedings to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt a plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that a plan, or action taken pursuant to the plan, does not comply with this part shall be commenced within 90 days after filing of the plan or amendment thereto pursuant to Section 10644 or the taking of that action.

10651. In any action or proceeding to attack, review, set aside, void, or annul a plan, or an action taken pursuant to the plan by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

10652. The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to the preparation and adoption of plans pursuant to this part or to the implementation of actions taken pursuant to Section 10632. Nothing in this part shall be interpreted as exempting from the California Environmental Quality Act any project that would significantly affect water supplies for fish and wildlife, or any project for implementation of the plan, other than projects implementing Section 10632, or any project for expanded or additional water supplies.

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the State Water Resources Control Board and the Public Utilities Commission, for the preparation of water management plans or conservation plans; provided, that if the State Water Resources Control Board or the Public Utilities Commission requires additional information concerning water conservation to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan prepared to meet federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

10654. An urban water supplier may recover in its rates the costs incurred in preparing its plan and implementing the reasonable water conservation measures included in the plan. Any best water management practice that is included in the plan that is identified in the "Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be reasonable for the purposes of this section.

10655. If any provision of this part or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application thereof, and to this end the provisions of this part are severable.

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan to the department in accordance with this part, is ineligible to receive funding pursuant to Division 24 (commencing with Section 78500) or Division 26 (commencing with Section 79000), or receive drought assistance from the state until the urban water management plan is submitted pursuant to this article.

10657. (a) The department shall take into consideration whether the urban water supplier has submitted an updated urban water management plan that is consistent with Section 10631, as amended by the act that adds this section, in determining whether the urban water supplier is eligible for funds made available pursuant to any program administered by the department.

(b) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

APPENDIX B

RESOLUTION 2006-04

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
TO ADOPT THE 2005 URBAN WATER MANAGEMENT PLAN UPDATE**

The Board of Directors of the Beaumont Cherry Valley Water District (District) does hereby resolve as follows:

WHEREAS, the California Legislature enacted Assembly Bill 797 (Water code Section 10610 et seq., known as the Urban Water Management Planning Act) during the 1983-1984 Regular Session, and as amended subsequently, which mandates that every supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare an Urban Water Management Plan, the primary objective of which is to plan for the conservation and efficient use of water; and

WHEREAS, the District is an urban supplier of water supplying over 10,000 acre feet annually, and

WHEREAS, the Plan shall be periodically reviewed at least once every five years, and that the District shall make any amendments or changes to its plan which are indicated by the review; and

WHEREAS, the District has therefore, prepared and circulated for public review a draft Urban Management Plan, and a properly noticed public hearing regarding said Plan was held by the Board of Directors on January 28th, 2006, and

WHEREAS, the District did prepare and shall file said Plan with the California Department of Water Resources by February 28, 2006

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the District as follows:

1. The 2000 Urban Water Management Plan Update is hereby adopted and ordered filed with the Board Secretary at the District's main office;
2. The General Manager is hereby authorized and directed to file the 2005 Urban Water Management Plan Update with the California Department of Water Resources within 30 days after this date;

APPENDIX C

COOPERATIVE AGREEMENT
BETWEEN THE CITY OF BEAUMONT AND THE
BEAUMONT CHERRY VALLEY WATER DISTRICT

THIS COOPERATIVE AGREEMENT (the "Agreement") is made and entered into as of March 8, 1993, by and between the CITY OF BEAUMONT, a municipal corporation and public agency of the State of California (hereinafter the "City") and the BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code (hereinafter the "District").

RECITALS

A. The City and the District recognize the need to facilitate implementation of the City General Plan and Public Facilities Financing Program to insure logical and orderly development within the City and the service areas of the District.

B. The City and the District likewise recognize the need to cooperate in a long-term program to maintain safe groundwater management practices in the service area of the District and recognize the need to establish funding mechanisms to provide for the acquisition and development of new sources of water supply, including reclaimed water and imported water, in such a way as to protect and preserve the existing water supply.

C. To such end the City is contemplating the formation of a public financing district, and specifically proceedings for the formation of Community Facilities District No. 93-1 (hereinafter referred to as "CFD No. 93-1"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 et seq. of the California Government Code (hereinafter the "Act"), for the purpose of financing the acquisition and construction of certain public facilities to benefit an area of land proposed for development designated as the Project Area, as shown on Exhibit "A" hereto, within the boundaries of the City, which facilities include domestic and reclaimed water facilities and sewer facilities (the "Facilities"), as described in Exhibit "B" to this Agreement.

D. The proceedings to establish CFD No. 93-1 shall include a special election in which the qualified electors will be asked to authorize formation of CFD No. 93-1 and the sale of bonded indebtedness secured by a special tax therein to fund, inter alia, debt service on such bonded indebtedness. It is contemplated that bonds will be issued pursuant to a Fiscal Agent Agreement or Bond Indenture approved by CFD No. 93-1.

facilities until such time as definitive Mitigation Fees are established. The calculations for the following fees are shown on Exhibit C attached hereto.

Interim Mitigation Fees

City Sewer Fees	
Capacity Fee	\$2,772 per EDU
Trunk Main	525 per EDU
District Water Fees	
Facility Fee ¹	2,065 per EDU
Reclamation Fee	376 per EDU
New Imported Water Fee ²	386 per EDU

¹ Existing Fee

² New imported water exceeding the existing San Geronio Pass Water Agency entitlement of 17,300 acre feet of State Water Project water per year

Interim Authorized Facilities and New Sources of Water Supply

<u>Responsible Agency</u>	<u>Source of Supply</u>
District	Existing Water Reclamation
District	Imported Water
District	New Water Reclamation

3. Definitive Mitigation Fees and Phasing Schedule.

Within eighteen (18) months following the first bond sale of CFD No. 93-1 and adoption of Interim Mitigation Fees, the City and the District shall initiate detailed studies and adopt definitive mitigation fees and phasing schedule (the "Definitive Mitigation Fees and Phasing Schedule") for water importation, water distribution, wastewater treatment and water reclamation facilities as required to serve land within CFD No. 93-1. Consideration shall also be given and mitigation fees adopted throughout the City to accommodate development in accordance with the City General Plan and the District Master Facilities Plan. Mitigation Fees shall be collected in accordance with mitigation and development agreements between property owners and applicable public agencies or may be paid by public financing districts through the sale of bonds, which will be repaid by property

9. Interim Financing. The City and the District shall cooperate to obtain interim financing to purchase imported water supplies and/or facilities as required by the District to serve land within CFD No. 93-1. Such interim financing sources may include the use of bond anticipation notes ("BANs") issued by the City prior to the scheduled issuance of bonds of CFD No. 93-1. Such interim financing shall (i) result in mitigation fee credits to the properties obligated for the payment of special taxes which secure such interim financing to the same extent as are other costs funded in the bond program and (ii) be subject to repayment in full from proceeds of CFD No. 93-1 bonds.

10. Annexation to the District and Water Connection Permits. At the time of annexation to the District, participating properties in CFD No. 93-1 shall enter into an annexation agreement with the District establishing terms and conditions for service. Following the funding of the facilities identified in Section 2 and Exhibit "B" of this Agreement and/or the payment of Mitigation Fees described in Sections 2 and 3 hereof, the District will unconditionally reserve appropriate water connection permits for the sole use of properties participating in CFD No. 93-1 on a pro rata basis to the extent that participating CFD No. 93-1 property owners have funded such facilities through the sale of bonds, payment of Mitigation Fees or other source of financing, as established in the annexation agreement.

11. Issuance of "Will Serve" Letters by District. Upon execution of this Agreement by all parties, the District will issue an unconditional "will serve" letter to the City for new EDUs required to serve projects participating in CFD No. 93-1. The District "will serve" letter will only be restricted in accordance with the terms of this Agreement and applicable District policies.

12. No Challenge to CFD No. 93-1 Formation. The District agrees not to challenge in any manner the formation of CFD No. 93-1 or the imposition of the special tax established therein by the City during validation proceedings, if such proceedings are utilized, or otherwise.

13. District Costs to Prepare Agreement. The City shall reimburse the District for consultant services costs incurred in the review and approval of this Agreement in the event that CFD No. 93-1 bonds are not sold.

14. Reference to Related Agreement. The City and the District acknowledge that there are provisions which must be agreed to between the City, the District and the San Geronio Pass Water Agency (the "Agency") with regard to the completion of regional facilities, the imposition of capacity charges, as well as potential alternative financing procedures for the completion of regional facilities. These provisions are incorporated in a

19. No Third Party Beneficiaries. The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any of this Agreement be construed or make or render the City, the District or the Agency liable to any materialman, supplier, contractor, subcontractor, or purchaser, or for debts or claims accruing to any such persons. Notwithstanding anything to the contrary contained herein or in any document executed in connection with this transaction, or any conduct or course of conduct by any party hereto, before and after signing, this Agreement shall not be construed as creating any claim, right or cause or action against the City, the District, the Agency, or their respective officers, directors, agents, administrators, engineers, consultants, or employees in favor of any materialman, supplier, contractor, subcontractor or purchaser, or the like.

20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

21. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided herein.

22. Amendments. This Agreement may be amended or modified only in writing signed by the parties hereto.

23. Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

<u>Exhibit</u>	<u>Description</u>
"A"	Map of Project Area
"B"	Water, Reclaimed Water and Sewer Facilities Description and Budget

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

EXHIBIT "A"
MAP OF PROJECT AREA

EXHIBIT "A"

EXHIBIT "B"

WATER, RECLAIMED WATER AND SEWER FACILITIES
DESCRIPTION AND BUDGET

BEAUMONT CHERRY VALLEY WATER DISTRICT

1. Imported Sources of Water
2. Master-Planned Potable Water Facilities
 - a. Transmission Mains
 - b. Storage Reservoirs
 - c. Pump Stations
 - d. Reduction Stations
 - e. Production Wells
 - f. Appurtenances
 - g. Master Plans and Facility Design
 - h. Treatment Facilities
3. Master-Planned Reclaimed Water Facilities
 - a. Transmission Mains
 - b. Storage Reservoirs
 - c. Pump Stations
 - d. Injection Wells
 - e. Spreading Basins
 - f. Appurtenances
 - g. Master Plans and Facility Design

EXHIBIT "B"

APPENDIX D

**SAN GORGONIO PASS WATER AGENCY
WATER FACILITIES MASTER PLAN
COOPERATIVE AGREEMENT**

**CITY OF BEAUMONT
AND
BEAUMONT-CHERRY VALLEY WATER DISTRICT**

MARCH 15, 1993

TABLE OF CONTENTS
(continued)

	PAGE
9. Severability	10
10. No Third Party Beneficiaries	10
11. Successors and Assigns	11
12. Entire Agreement	11
13. Amendments	11
14. Exhibits	11
15. Counterparts	12

- F. City and District are processing the planning, environmental review and preliminary design and financing plans for local water and wastewater facilities and methods of financing these facilities (local facilities) as required to implement the City General Plan and the District Master Plan.
- G. City, District and the Agency recognize the need to cooperate in a long-term program to maintain safe groundwater management practices, to establish funding mechanisms to provide for the acquisition and development of new sources of water supply, including reclaimed water and imported water, in such a way as to protect and preserve the existing water supply.
- H. City is contemplating the formation of a public financing district, and specifically proceedings for the formation of Community Facilities District No. 93-1 (hereinafter referred to as "CFD No. 93-1"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 et seq. of the California Government Code (hereinafter the "Act") to finance the local facilities.
- I. The processing of necessary planning, environmental review, design and financing of facilities requires the cooperation and coordination of City, District and Agency.

In consideration of the mutual promises of the parties as hereinafter set forth, the parties agree as follow:

AGREEMENT

1. Regional and Backup Facilities.

Under its Water Importation Program, the Agency is planning the construction of facilities for the Pass Agency area described in Exhibit "A" hereto designated as Capital Facilities (the "Agency Facilities"). The Agency Facilities will be broken down into phases and will be constructed in an order as is appropriate under existing demand as determined by the Agency subject to the provisions of this Agreement. To implement such Program, the Agency is considering various methods to raise money to pay for the Agency Facilities, including, but not limited to, financing the Agency Facilities by the authorization of general obligation bonds and capacity fees as set forth in Section 4 of this Agreement. Certain elements of the Agency Facilities are needed in the absence of an Agency-wide financing as described herein as part of the City and District plans for the construction of facilities necessary to serve the City CFD No. 93-1 (the "Backup Facilities" herein) and are set out on Exhibit "B". In order to coordinate the planning, environmental review, design, and construction of Regional or Backup Facilities, cooperation is required to maximize environmental mitigation, design and operational efficiency and to minimize duplication, redundancy and delay.

**IMPLEMENTATION MEMORANDUM OF UNDERSTANDING
RELATING TO COOPERATIVE AGREEMENT
BETWEEN THE CITY OF BEAUMONT AND THE
BEAUMONT CHERRY VALLEY WATER DISTRICT**

This Implementation Memorandum of Understanding (the "MOU") is made and entered into as of March, 1998 by and between the CITY OF BEAUMONT, a municipal corporation and public agency of the State of California (the "City") and the BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code (the "District") and this MOU relates to the Cooperative Agreement made and entered into as of March 8, 1993, by and between the City and the District (the "Cooperative Agreement").

WHEREAS, the City and the District entered into the Cooperative Agreement to facilitate implementation of the City General Plan and Public Facilities Financing Program to insure logical and orderly development within the City and the service areas of the District and to cooperate in a long-term program to maintain safe groundwater management practices in the service area of the District;

WHEREAS, the City and the District recognize the need to develop new sources of water supply, including recycled or reclaimed water ("recycled water"), in such a way as to protect and preserve the existing water supply;

WHEREAS, pursuant to the Cooperative Agreement the City has adopted an ordinance which will require the use of recycled wastewater for irrigation purpose in accordance with State laws, has adopted an ordinance which requires the conservation of water in accordance with District policies, and is preparing to enter into an installment sale agreement with the Beaumont Financing Authority (the "Authority") in order to finance the construction of modifications to the wastewater treatment plant necessary to deliver recycled water;

WHEREAS, the District provides residents, businesses and industries in the City and the City Sphere of Influence with potable sources of water supply, storage and distribution for domestic and commercial use;

WHEREAS, conservation of potable water supplies is important for the future health, safety and welfare of the City of Beaumont and the City Sphere of Influence and for the preservation of groundwater resources and the use of recycled water is a cost-effective, reliable method of helping to meet the community's water supply needs;

WHEREAS, the State legislature has found and declared that the use of potable domestic water for nonpotable uses, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, school athletic fields and industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California

Constitution if recycled water is available which meets all of the conditions as determined by the State for use of recycled water;

WHEREAS, the State has provided that retail water suppliers and recycled water producers and wholesalers should promote the substitution of recycled water for potable water in order to maximize the appropriate cost-effective use of recycled water; and development of the infrastructure to distribute recycled water will provide jobs and enhance the economy and the environmental benefits of recycled water include a reduced demand for water and there is a need for a reliable source of water for uses not related to the supply of potable water;

WHEREAS, the State Department of Health Services has updated regulations for the use of recycled water;

WHEREAS, the District supports the City's program to modify the wastewater treatment plant at this time, including construction of a reservoir for recycled water, and to construct, operate and maintain a pumping and recycled water distribution system to deliver water to customers within the City, the City's sphere of influence and the District, which may utilize recycled water and thereby reduce demand on the regional groundwater basin;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained the parties agree as follows:

1. MOU to Cooperative Agreement. This MOU relates to the Cooperative Agreement and is entered into by the City and the District to provide for the construction, ownership, operation and maintenance by the City, at its sole cost and expense, of necessary modifications to the wastewater treatment plant, including construction of a reservoir for recycled water, a pumping station for pressurization of the system, and a recycled water distribution system for the City to deliver recycled water to customers and potential customers within the City, the City's sphere of influence and the District. A description of the recycled water facilities to be constructed by the City is attached hereto as Exhibit A. It is recognized that the system configuration, location and sizing shown in Exhibit A are conceptual and subject to change. The City will operate and maintain the recycled water system so as to provide recycled water at tertiary treatment levels meeting Regional Board and Department of Health Services criteria. The recycled water constitutes a viable alternate water supply and allows conservation of large quantities of higher quality potable water to be made available by the District for domestic use. Consistent with the provisions of the Cooperative Agreement, the District shall not establish a recycled water system competitive to the recycled water system constructed by the City.

The District shall have the right to review the plans for recycled water facilities prior to initiation of construction or installation by the City. The District's review of plans shall not be deemed acceptance or approval by District of the sufficiency of said plans or as any other obligation in regard to construction or operation of said facilities.

Nothing in this MOU shall be deemed as participation by the District in any activity by City regarding the recycled water facilities or as acceptance of said facilities to any degree whatsoever.

2. City Responsible for Recycled Water System. The City shall invoice those persons or entities who purchase recycled water. Potential users include, cemeteries, golf courses, parks, highway landscaped areas, school athletic fields and industrial and irrigation uses. Initially, recycled water purchasers may include the Oak Valley Golf Course, the California Department of Transportation, the City (with respect to City properties including the Sports Park), Beaumont Unified School District, and the Beaumont Cemetery District. Recycled water shall be provided by the City on a first come, first served basis, as long as recycled water is available to the extent described in Ordinance No. 775 of the City; however, agricultural use will be given priority over other non-domestic uses as described in Ordinance 775.

3. Notice. Any notice payment or instrument required or permitted by the MOU to be given or delivered to any party or other person shall be given in the manner set forth in Section 16 of the Cooperative Agreement.

4. Captions. Captions to section of this MOU are for convenience only and are not part of this MOU.

5. Severability. If any portion of this MOU is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this MOU and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this MOU.

6. No Third Party Beneficiaries. The parties do not intend the benefits of this MOU to inure to any third party, nor shall any of this MOU be construed or make or render the City or the District liable to any materialman, supplier, contractor, subcontractor, or purchaser, or for debts or claims accruing to any such persons. Notwithstanding anything to the contrary contained herein or in any document executed in connection with this transaction, or any conduct or course of conduct by any party hereto, before and after signing, this MOU shall not be construed as creating any claim, right or cause of action against the City, the District or their respective officers, directors, agents, administrators, engineers, consultants, or employees in favor of any materialman, supplier, contractor, subcontractor or purchaser, or the like.

7. Successors and Assigns. This MOU shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

8. Entire Agreement. This MOU is supplemental to the Cooperative Agreement, and this MOU and the Cooperative Agreement contain the entire agreement between the parties with respect to the matters provided herein.

9. Amendments. This MOU may be amended or modified only in writing signed by the parties hereto.

10. Exhibits. The following exhibit attached hereto is incorporated into this MOU by reference.

<u>Exhibit</u>	<u>Description</u>
"A"	Description of Recycled Water System

11. Counterparts. This MOU may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this MOU as of the day and year indicated below.

CITY OF BEAUMONT

Dated: March, 1998

By: James P. Loya
Mayor of the City of Beaumont

ATTEST:

By: [Signature] (Deputy)
City Clerk of the City of Beaumont

BEAUMONT CHERRY VALLEY WATER DISTRICT

Dated: March 24, 1998

By: Pete A. Grimes
President of the Beaumont Cherry Valley Water District

ATTEST:

By: [Signature]
Secretary

EXHIBIT A

RECYCLED WATER SYSTEM

MODIFICATIONS TO THE WASTEWATER TREATMENT PLANT

RECYCLED WATER RESERVOIR

RECYCLED WATER DISTRIBUTION SYSTEM

MEMORANDUM OF UNDERSTANDING
RECYCLED WATER SYSTEM DELIVERY PROJECT
FOR OAK VALLEY CHAMPIONS

THIS MEMORANDUM OF UNDERSTANDING, dated as of November 19, 2002, is executed by the CITY OF BEAUMONT, a municipal corporation ("CITY"), the BEAUMONT-CHERRY VALLEY WATER DISTRICT, a public agency ("DISTRICT"), and OAK VALLEY PARTNERS LP, a California Limited Partnership ("OV PARTNERS"), to set forth the parties' understandings relating to the following matters:

RECITALS

A. OV PARTNERS is the owner and the developer of a mixed-use project commonly known as "Oak Valley Champions", situated in the western sphere of influence of the CITY (the "PROJECT"). OV PARTNERS desires to annex its property to the CITY and to the DISTRICT.

B. Development of the PROJECT is governed by Specific Plan No. 318 approved by the County of Riverside in 2001 and the CITY in 2002. CHERRY VALLEY ACRES AND NEIGHBORS ("CVAN") filed a lawsuit challenging the County's approval of the Specific Plan, which lawsuit was resolved through execution of a Settlement Agreement between OV PARTNERS and CVAN effective as of January 30, 2002. Among other things, the Settlement Agreement required OV PARTNERS to advance at least \$160,000.00 to the CITY to fund extension of a recycled water system to the PROJECT (the "ADVANCE").

C. OV PARTNERS is now prepared to make the ADVANCE required by the CVAN Settlement Agreement, with clarification that the ADVANCE is a pre-payment of recycled water system fees that would otherwise be payable to either the CITY or the DISTRICT following the annexations.

POINTS OF UNDERSTANDING

1. Within 30 days of the effective date of this Memorandum of Understanding, OV PARTNERS shall deposit with the CITY the sum of \$160,000.00 to be expended for facilities and equipment needed to facilitate the delivery of recycled water to the PROJECT.

2. The DISTRICT levies and collects from all private land developers, a recycled water system fee presently in the amount of \$667.00 per equivalent dwelling unit (the "FEE"). In

recognition of the ADVANCE, the DISTRICT shall credit OV PARTNERS, or its successors or assigns, with prepayment of such FEES up to a maximum of \$160,000.00. The DISTRICT reserves the right, in its sole discretion, to change the amount of the FEE.

3. The DISTRICT shall deliver to the CITY the sum of \$340,000.00 to be expended for facilities and equipment needed to facilitate the delivery of recycled water to the PROJECT within 30 days after the CITY provides written notice to the DISTRICT that it has begun construction on the Stage II Wastewater Treatment Plant Expansion.

4. The CITY shall begin purchasing equipment and construction of the Stage II Wastewater Treatment Plant Expansion within a reasonable period of time after receiving the deposit from OV PARTNERS pursuant to paragraph 1 above.

5. The DISTRICT and the CITY hereby agree to rescind that certain Memorandum of Understanding dated March, 1998, entitled Implementation MOU Relating to Coop. Agreement between the City of, in its entirety.
Beaumont and the Beaumont Cherry Valley Water District.

6. This Memorandum of Understanding may be executed in counterparts. The individual(s) signing this Memorandum of Understanding on behalf of a party represents that he or she has full authority to execute this Memorandum of Understanding on behalf of such party.

7. This Memorandum of Understanding shall inure to the benefit of, and be binding upon, the successors in interest and assignees of the respective parties. All such successors and assignees shall be bound by the duties of the parties arising under this Memorandum of Understanding.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed effective as of the day and year first above written.

CITY OF BEAUMONT

By Brian Deforge
BRIAN DEFORGE, Mayor

BEAUMONT-CHERRY VALLEY WATER

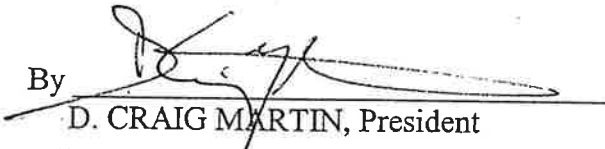
DISTRICT

By C. J. Butcher
CHARLES J. BUTCHER
General Manager

OAK VALLEY PARTNERS LP

By: OAK VALLEY-HUNT, INC.,
Its: MANAGING GENERAL PARTNER

By


D. CRAIG MARTIN, President

capacity fees for new development. The general obligation bonds will be used to construct the Agency Capital Facilities (Exhibit "A") and, as each new development occurs, capacity fees will be charged as a condition precedent to issuance of a building permit in each public agency having land use authority or water service connections in each retail water purveyors' service area within the Agency jurisdiction. The capacity fees will be used in large part to assist in planning, environmental review, design and for construction of facilities and structuring Agency bonded indebtedness in order to provide an equitable cost-sharing of the facilities between the existing property owners and new development. Agency may, in its discretion, adopt other methods of financing the Agency Facilities. The Agency agrees that within two (2) years following delivery of the full amount of funds from the sale of the Agency's general obligation bonds or other financing program to construct the facilities listed on Exhibit "B" or such facilities as are otherwise agreed to by the Agency, City and District needed to serve CFD No. 93-1.

b. City and District Financing of Backup Facilities.

City is contemplating the formation of a public financing district, and specifically proceedings for the formation of Community Facilities District No. 93-1 (hereinafter referred to as "CFD No. 93-1"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 et seq. of the California Government Code (hereinafter the "Act") for the purpose of financing the acquisition and construction of certain public facilities to benefit an area of land proposed for development. The establishment of the CFD will include a special election in which the electors decide upon the formation of the district and the sale of bonded indebtedness secured by a special tax within the CFD to fund debt service on the bonds. A copy of the CFD No. 93-1 map is attached hereto as Exhibit "C". A portion of these bond funds may be made available to the Agency for completion of Regional Facilities or Backup Facilities through a joint financing agreement as provided herein.

c. Alternative Agency Financing and Completion.

City intends to provide bond authorization and capacity to fund the Agency Facilities in the event the Agency financing is not available to timely provide the District's imported water requirement at sufficient levels to serve land within CFD No. 93-1 in accordance with District policies. The Agency shall have a reasonable time to secure an Agency-wide financing program for the Agency Facilities (Exhibit "A"). If, in the discretion of the Agency Board of Directors, it is determined it is not reasonably possible to obtain an Agency-

wide financing in time to meet the need for water for CFD No. 93-1, the Agency will accept funding for the Backup Facilities (Exhibit "B") from CFD No. 93-1. The Agency agrees that within two (2) years following the delivery of sufficient funds to the Agency from the sale of CFD No. 93-1 special tax bonds or other duly authorized sources, provided all environmental clearances have been secured and facilities, engineering and design have been completed, the Agency will construct the facilities listed on Exhibit "B", which are the minimum facilities needed to serve lands within CFD No. 93-1. Agency will exercise its best efforts to complete the engineering and design according to applicable customary standards of practice and to complete all applicable environmental processing of the facilities listed on Exhibits "B", subject to funding being available to the Agency to finance such activities prior to delivery of funds by CFD No. 93-1 to the Agency. Any Agency financing subsequently authorized shall, in the discretion of the Agency Board, be sized to construct all or a part of the Agency Capital Facilities (Exhibit "A"), including provisions to refund the funds paid to the Agency by CFD No. 93-1 in such amounts as are consistent with the terms of this Agreement.

d. Mitigation/Capacity Fees.

(1) Agency Mitigation/Capacity Fees.

The Agency has completed its participation in the construction of 350 miles of pipeline capacity from the San Joaquin Delta to the Greenspot Pump Station, and certain other facilities of the SBVMWD and the Santa Ana River-Mill Creek Cooperative Water Project. The Agency's regional facilities will complete the extension of capacity of the facilities for delivery of State Project water into the Pass area. The Agency Mitigation/Capacity Fees will be in two stages, Backup Mitigation/Capacity Fees and Definitive Mitigation/Capacity Fees. Backup Mitigation/Capacity Fees are defined as the fees that are established concurrent with execution of this Agreement. Definitive Mitigation/Capacity Fees are defined as in Section 4. d.(3).

(2) Adjustment of Mitigation/Capacity Fees.

The backup and definitive Mitigation/Capacity Fees shall be subject to adjustment from time to time to reflect changes in costs of construction or types of facilities needed or methods to fairly allocate the fees according to law.

(3) Definitive Mitigation/Capacity Fees.

No later than eighteen (18) months following the first bond sales and the imposition of backup Mitigation/Capacity Fees, City, District and Agency shall initiate detailed studies and use their best efforts to adopt definitive Mitigation/Capacity Fees and phasing schedule for water importation and water distribution as required to serve land within the Agency. Mitigation/Capacity Fees shall be collected in accordance with cooperative agreements between the Agency and applicable public agencies and retail water purveyors as set forth in Section 4.e.(2) of this Agreement or may be paid by public financing districts through the sale of bonds, which will be repaid by property owners participating in such financing districts, through the collection of special taxes or assessments. In the event Agency's or Districts imported water facilities or supplies to serve land within CFD No. 93-1 are funded in whole or in part by the City or the District with Mitigation/Capacity Fees, bonds or from other sources, as set out in Section 4.c of this Agreement, Agency Mitigation/Capacity Fees shall be reduced on those projects providing or participating in such funding to the extent of such funding. Backup Mitigation/Capacity Fees shall remain in place until such time as Agency has (1) entered into cooperative agreements with all water retail purveyors, or all public agencies having land use authority within Agency jurisdictional area that have access or use of the Facilities, including use of Agency-replenished groundwater, or (2) has implemented an Agency general obligation bond program or other Agency-wide general obligation bond program or other Agency financing scheme as set forth in Section 4.a. for Agency Facilities, the benefits or use of which is limited to boundaries within which Definitive Mitigation/Capacity Fees can be collected as set forth in Section 4.d(4).

(4) Collection of Mitigation/Capacity Fees.

City agrees, as a condition of issuing any building permits or approving any development within Agency jurisdiction, that it shall require the written consent of the Agency, which consent shall be for the purpose of verifying the collection of the Mitigation/Capacity Fee prior to issuance of building permits.

District agrees, as a condition precedent to issuing water connection permits, in the City CFD No. 93-1 or any area annexed to District after date of this Agreement, that it shall obtain the written consent of the Agency, which consent shall be for the purpose of collecting

verifying the collection of the Mitigation/Capacity Fee prior to installation of the water meter or other water service facility ("Agency Consent" herein). The Agency shall have the authority to enter into agreements with the County of Riverside or any local agency with land use planning authority and jurisdiction, as a condition precedent to issuing building permits, on lands in the District as of the date of execution of this Agreement that are not within the City, to require Agency Consent.

The calculation for Agency Backup Mitigation/Capacity Fee charges is set forth on the attached Exhibit "D".

(5) Mitigation/Capacity Fee Credits.

(a) Mitigation/Capacity Fee Credits.

Mitigation/Capacity Fees (excluding annexation fees) shall be waived, reduced and/or credited by responsible agencies for the benefit of property participating in any public financing district for facilities for which such Mitigation/Capacity Fees are collected, to the extent the property provides security for obligations (i.e., bonds, bond anticipation notes) issued by such public financing district, or as otherwise provided by Development Agreements between individual landowners and the respective water and sewer agencies.

(b) Conservation/Reclamation Credits.

Agency agrees to study and adopt, as it deems in its discretion appropriate, reductions in Agency fees to City and District for the implementation of conservation measures and programs, as well as for reclamation facilities and usage of reclaimed water.

e. Facility Utilization.

(1) Agency shall use its best efforts to complete a financing program for Agency Facilities or to impose a facilities fee on all development projects outside the boundaries of City so that such projects pay their fair share (based on a benefit analysis) of applicable costs for facilities described in Exhibit "A" hereto. Any funding of Agency Facilities by CFD No. 93-1 which exceeds the fair share of applicable costs by the properties participating in CFD No. 93-1 shall be subject to reimbursement by the Agency to CFD No. 93-1 from such

facilities fees collected or from any other financing source.

(2) Agency shall adopt a policy, as a condition precedent to delivery of Agency imported supplies, that any retailing water purveyor or public agency having land use authority within the Agency jurisdictional area, enter into a Cooperative Agreement with the Agency. The Cooperative Agreement shall include a requirement for payment of Agency Mitigation/Capacity Fees prior to issuance of building permits pursuant to a written consent of the Agency.

(3) Agency, City and District agree to exercise their best efforts to enter into a Joint Financing Agreement for the purpose of the construction of Backup Facilities (Exhibit "B"), the terms of which shall be consistent with the provision of this Agreement and which Agreement will provide for the reimbursement to the Agency for costs of administration, legal, engineering, financial, consulting and other costs related to the Backup Facilities.

(4) Agency and District agree to cooperate with City in the formation of public financing districts by entering into Utility Agreements, to the extent reasonably required, pursuant to §10110 of the Streets and Highways Code of the State of California, or as reasonably required in a Joint Financing Agreement, pursuant to §§53316.2, 53316.4 and 53316.6 of the Act, relating to facilities which will be financed by the City and transferred to the District or Agency, as appropriate, which will own, operate and maintain such facilities.

f. Water Service.

This Agreement shall be limited to water facilities related to CFD No. 93-1 with a maximum demand not to exceed 4,000 acre-feet per year. This does not preclude the ability to increase the maximum demand of 4,000 acre-feet/year provided, through the exercise of its best efforts, the Agency is able to secure additional supplies to meet the water requirements of CFD No. 93-1. The collection and payment of a Mitigation/Capacity Fee by a property owner or developer or the payment for facilities by financing provided by the City or District shall not be construed as, nor be evidence of, the allocation of any capacity in the Agency's water facilities or to the water to be distributed by the Agency within its service area. However, upon payment of the fee, and in the event of an imported water shortage or impacts identified in the Agency's environmental proceedings, or conditions of overdraft as determined by the Agency Board, in its

discretion, in any groundwater basin within the Agency's boundaries which does not allow the Agency to provide water sufficient for the needs of CFD No. 93-1, Agency shall provide water to CFD No. 93-1 and others of like class of service on a uniform basis consistent with law. The Mitigation/Capacity Fee charges is for the sole purpose of the right to service if and when any water is available for use by the Agency.

5. Condition Precedent.

Agency acknowledges that there are provisions which must be agreed to between City and District and to which Agency is not a necessary party. These provisions deal specifically with financing of projects by City and District within their own jurisdictions, as well as with facilities for water, reclaimed water and sewer facilities. The effectiveness of this Agreement is conditioned on execution of the agreement between City and District in essentially the form attached hereto as Exhibit "D" for reference. However, after execution, any failure of performance or breach of the Agreement, as set out on Exhibit "D", shall not excuse performance by the City or District to provide for collection of the Agency Mitigation/Capacity Fees as provided in Section 4 hereof, provided the conditions set forth in Paragraph 4.d.(3) have been performed.

6. Formation of Agency Improvement Districts.

It is contemplated that Agency may form improvement districts for the benefit of the Agency over the City and District for the purpose of creating different classes of service or different benefits provided to the areas overlying the City and District in order to provide the basis for varying the fees, charge and costs in such areas. City and District agree to meet and confer, exchange information with the Agency and develop applicable information on a timely basis to determine if they can support the formation of such improvement district(s).

7. Notice.

Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party or other person shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, first class, postage prepaid, addressed as follows:

City: City of Beaumont
550 East Sixth Street
P. O. Box 158
Beaumont, California 92223
ATTN: Dayle Keller, City Manager
Tel: 909-845-1171
Fax: 909-845-8483

District: Beaumont-Cherry Valley Water District
560 Magnolia Avenue
P. O. Box 2037
Beaumont, California 92223
ATTN: Chuck Butcher, General Manager
Tel: 909-845-9581
Fax: 909-845-0159

Agency: San Gorgonio Pass Water Agency
795 East Sixth Street, Suite H
P. O. Box 520
Beaumont, California 92223
ATTN: Stephen P. Stockton, General Manager
Tel: 909-845-2577
Fax: 909-845-0281

Any party may change its address for delivery of notice by delivering written notice of such change of address to the other parties.

8. Captions.

Captions to Sections of this Agreement are for convenience purposes only and are not part of this Agreement.

9. Severability.

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

10. No Third Party Beneficiaries.

The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any of this Agreement be construed or make or render the City, the District or the Agency liable to any materialman, supplier, contractor, subcontractor, or purchaser or for debts or claims accruing to any such persons. Notwithstanding anything to the contrary contained herein or in any document executed in connection with this transaction, or any conduct or course of conduct by any party hereto, before and after signing this Agreement, shall not be construed as creating any claim, right or cause of action against the City, the District, the Agency or their respective officers, directors, agents, administrators, engineers, consultants, or employees in favor of any materialman, supplier, contractor, subcontractor or purchaser, or the like.

11. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

12. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect to the matters provided herein.

13. Amendments.

This Agreement may be amended or modified only in writing signed by all parties hereto.

14. Exhibits.

The following exhibits attached hereto are incorporated into this Agreement by reference.

<u>Exhibit</u>	<u>Description</u>
"A"	Imported Water Capital ("Regional") Facilities Description and Budget
"B"	Backup Facilities
"C"	CFD No. 93-1 Map
"D"	Agency Backup Mitigation/Capacity Fee Calculation
"E"	Agreement between City of Beaumont and Beaumont-Cherry Valley Water District

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15. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year indicated below.

DATED: April 5, 1993 SAN GORGONIO PASS WATER AGENCY

APPROVED AS TO FORM

[Signature]
ATTORNEY

By [Signature]

DATED: April 20, 1993 CITY OF BEAUMONT

APPROVED AS TO FORM

[Signature]
ATTORNEY

By [Signature]
Mayor of the City of Beaumont

ATTEST:

By: [Signature]
City Clerk of the City
of Beaumont



DATED: April 1, 1993 BEAUMONT-CHERRY VALLEY WATER DISTRICT

APPROVED AS TO FORM

[Signature]
ATTORNEY

By [Signature]

EXHIBIT "A"

IMPORTED WATER CAPITAL ("REGIONAL") FACILITIES

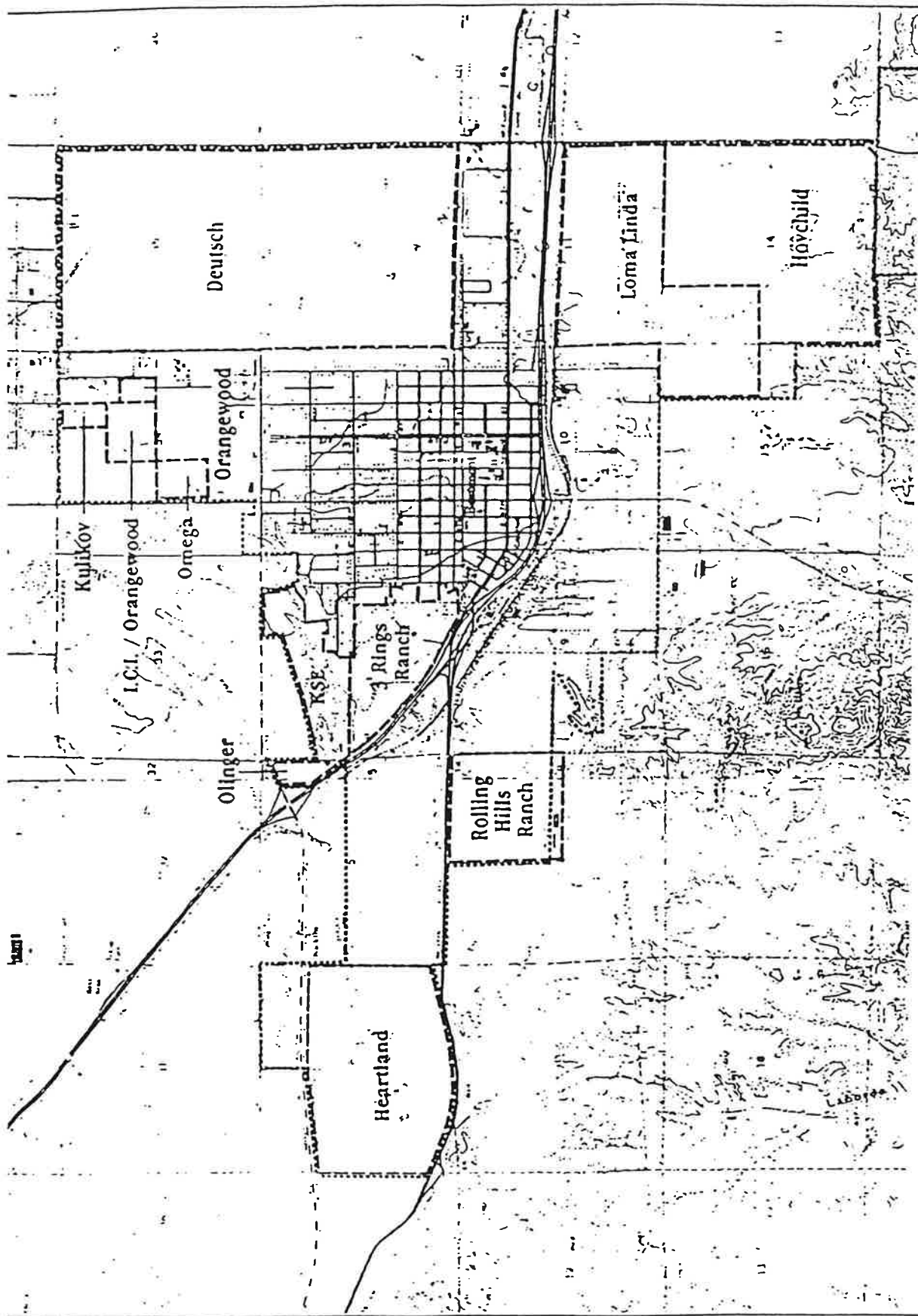
DESCRIPTION AND BUDGET		ESTIMATED
PROJECT ELEMENTS		TOTALS (X1,000)
<hr/>		
1. SBVMWD FACILITIES		
A. Foothill, Greenspot, and Zanja P.S.		\$11,620
B. Yucaipa Pumping Station		10,040
C. Yucaipa Connector		2,950
2. SAN GORGONIO PASS FEEDER		
A. Bryant/Countyline Unit		6,040
B. Singleton Unit		11,340
C. Cherry Valley P.S.		2,930
D. Noble Creek Unit		2,100
E. Smith Creek Unit		2,080
3. UPPER SINGLETON RESERVOIR		31,860
4. REGIONAL WATER TREATMENT PLANT		35,720
5. DISTRIBUTION FEEDERS		
A. Calimesa Unit		3,800
B. Beaumont-Banning Unit		5,965
6. GROUNDWATER STORAGE PROJECT		
A. Recharge Facilities		10,515
B. Recovery Wells		10,140
	TOTAL	\$147,100

EXHIBIT "B"

BACKUP FACILITIES

AGENCY FACILITIES

PROJECT ELEMENTS	ESTIMATED TOTALS (X1,000)
1. SBVMWD FACILITIES	
A. Greenspot Pumping Station (interim)	\$ 830
B. Yucaipa Pumping Station (interim)	640
C. Yucaipa Connector	1,500
2. SAN GORGONIO PASS FEEDER	
A. Bryant/Countyline Unit	6,040
B. Singleton Unit	11,340
C. Cherry Valley P.S.	2,930
D. Noble Creek Unit	2,100
3. REGIONAL WATER TREATMENT PLANT	
A. First Stage (10 mgd)	16,000
B. Beaumont Pipeline	3,500
4. GROUNDWATER STORAGE PROJECT	
A. Recharge Facilities	3,300
B. Recovery Wells (3)	2,535
TOTAL	\$50,715



City of Beaumont Public Facilities Financing Plan

EXHIBIT "C"
CFD NO. 93-1
PROPOSED BOUNDARIES

EXHIBIT "D"

AGENCY BACKUP MITIGATION/CAPACITY

FEE CALCULATION

I. AGENCY FACILITIES FEE

The following calculation assumes the construction of 23,500 new EDU's within the Agency:

Exhibit "B" Facilities:	\$50,715,000
Total Cost per EDU	\$ 2,158

EXHIBIT "E"

**AGREEMENT BETWEEN CITY OF BEAUMONT
AND
BEAUMONT-CHERRY VALLEY WATER DISTRICT**

APPENDIX E

APPENDIX F

AGREEMENT FOR JOINT USE OF PERCOLATION PONDS

THIS AGREEMENT is by and among the BEAUMONT-CHERRY VALLEY WATER DISTRICT ("DISTRICT"), SAN GORGONIO PASS WATER AGENCY ("AGENCY"), and RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ("FLOOD CONTROL"), collectively hereinafter called "PARTIES".

RECITALS

- A. AGENCY has a contract with the State of California to import supplemental water from the State Water Project and other sources when available to the San Gorgonio Pass Area.
- B. AGENCY desires to recharge the Beaumont Groundwater Basin with supplemental water.
- C. AGENCY has identified existing spreading grounds in Edgar Canyon in the area of Little San Gorgonio Creek and Orchard Avenue as a possible recharge site.
- D. DISTRICT is the fee owner of the land containing said spreading grounds in the form of percolation ponds and operates extraction wells nearby said ponds.
- E. FLOOD CONTROL has an easement (recorded October 11, 1948 at Book 1018, Pages 372 through 376, inclusive, Records of Riverside County), granted by DISTRICT, to use certain lands including the area occupied by the percolation ponds for flood control and water conservation purposes.
- F. Subject to DISTRICT'S rights as the fee owner, FLOOD CONTROL operates and maintains the percolation ponds under the rights conferred by said easement for flood control and water conservation purposes including, but not limited to, retention of flood waters in the percolation ponds and the resulting groundwater recharge. Subject to FLOOD CONTROL'S rights under said easement, DISTRICT has the right to use its land pursuant to its authority as an Irrigation District duly formed and operating under the laws of the State of California for purposes including, but not limited to groundwater recharge.
- G. The proposed use of the percolation ponds for recharge of supplemental water by AGENCY is generally consistent with said existing uses.
- H. AGENCY, DISTRICT and FLOOD CONTROL desire that the percolation ponds be operated in a coordinated manner to allow recharge of supplemental water by AGENCY to maximize public benefit while preserving existing rights of DISTRICT and FLOOD CONTROL.
- I. AGENCY, DISTRICT and FLOOD CONTROL recognize and acknowledge that the capture and recharge for reasonable and beneficial use of local water should take precedence over the recharge of supplemental water at times when such

1 operations would conflict, except in extraordinary circumstances as agreed to by the
2 PARTIES.

3 NOW, THEREFORE, AGENCY, DISTRICT and FLOOD CONTROL in consideration
4 of the mutual promises as set forth herein, agree to the following:

- 5 1. **PLANS:** AGENCY will prepare plans for the modification and improvement of the
6 existing percolation ponds, to facilitate recharge of supplemental water, in
7 cooperation and consultation with DISTRICT and FLOOD CONTROL pursuant to
8 generally-accepted engineering standards and practices. AGENCY will be solely
9 responsible for all environmental and regulatory permitting, design, construction and
10 installation of any improvements to the percolation ponds required for recharge of
11 supplemental water. The location of the ponds is shown in concept in blue on Exhibit
12 "A" and more particularly described on Exhibit "B", both attached hereto.
- 13 2. **REVIEW:** The plans prepared by AGENCY shall be subject to review and approval
14 by DISTRICT and FLOOD CONTROL, which approval shall not be unreasonably
15 withheld.
- 16 3. **RECHARGE:** Subject to the rights of DISTRICT and FLOOD CONTROL as
17 provided herein, AGENCY may recharge supplemental water into the percolation
18 ponds upon mutual agreement of the PARTIES as to the timing and amounts of water
19 to be delivered. Upon initial use of percolation ponds for recharge of supplemental
20 water, AGENCY, at its sole expense shall accept responsibility for ordinary operation
21 and maintenance of percolation ponds for recharge of both local and supplemental
22 waters for the term of the Agreement. Said acceptance of the responsibility for
23 maintenance and operation for recharge of local water shall only be effective unless
24 or until DISTRICT and/or FLOOD CONTROL elect to exercise their rights to use the
25 subject land and percolation ponds for local recharge purposes. Should there be
26 extraordinary maintenance or repair costs they shall be allocated as set forth in
27 Section 6 herein. AGENCY and FLOOD CONTROL shall not claim, or otherwise be
28 entitled to, ownership of any water supply or water rights in local waters as a result of
said recharge activities. DISTRICT and FLOOD CONTROL shall not claim or
otherwise be entitled to ownership of any water supply or water rights in
supplemental water imported by AGENCY.
4. **DISCONTINUE RECHARGE, LOCAL WATER RECHARGE PURPOSE:**
AGENCY shall immediately discontinue recharge of supplemental water upon receipt
of notice by DISTRICT and FLOOD CONTROL that there is sufficient local flow in
the Little San Gorgonio Creek to warrant use of percolation ponds to recharge said
local flow; and further, AGENCY shall immediately initiate recharge of local flows
until mutually agreed by the PARTIES that supplemental water recharge should be
resumed. Said recharge of local flows shall take place unless or until DISTRICT
and/or FLOOD CONTROL elect to exercise their rights to use the subject land and
percolation ponds for local recharge and/or flood control purposes. AGENCY and
FLOOD CONTROL shall not claim, or otherwise be entitled to, ownership of any
water supply or water rights in local waters as a result of said recharge activities.

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5. **DISCONTINUE RECHARGE, FLOOD CONTROL PURPOSE:** AGENCY will discontinue recharge operations upon receipt of notice by FLOOD CONTROL that it requires use of the recharge ponds for flood control purposes. Such usage shall include, but not necessarily be limited to, storage of debris during flood fight operations, or construction of a debris basin on the site at some unknown time in the future for a construction duration not to exceed nine months.
 6. **MONITORING, MAINTENANCE, DAMAGE, COST ALLOCATION:** The General Managers of the PARTIES, or their designees, shall comprise an Executive Committee to inspect the facilities on an annual basis, or more often as required by circumstances, to determine maintenance needs and the appropriate allocation of responsibility/cost of said maintenance needs. In the event the PARTIES are unable to agree on allocation of extraordinary maintenance or damage costs, they may agree to submit any matters in dispute to non-binding arbitration as provided in Section 10 herein.
 7. **SPREADING NOT REQUIRED:** Nothing in this Agreement shall require AGENCY to deliver supplemental water to the ponds.
 8. **TERM:** The initial term for this Agreement shall be for a period of ten (10) years from the date of execution, or until January 1, 2008, whichever is later. The initial term may be extended upon the written agreement of the PARTIES prior to expiration of the then current term.

In the event AGENCY does not exercise due diligence to commence construction and/or installation of the improvements within five (5) years from the date of execution of this Agreement, DISTRICT and/or FLOOD CONTROL shall have the option to terminate this Agreement upon thirty (30) days prior written notice to AGENCY. DISTRICT and FLOOD CONTROL shall not have this option in the event AGENCY'S failure to commence construction and/or installation within said period is due to the initiation of litigation (including environmental challenges), by a party other than AGENCY, that challenges and enjoins said construction and/or installation.
 9. **MONITORING AND REPORTS:** AGENCY, at its sole expense, shall install and monitor flow meters to determine the amount of supplemental and local water delivered and recharged. AGENCY shall provide DISTRICT and FLOOD CONTROL a report on or before December 1st of each year detailing the amount of water of each class recharged during the previous water year (October 1 through September 30).
 10. **ARBITRATION:** Any controversy between the PARTIES regarding the construction of improvements, application of this Agreement, and/or any claim arising out of this Agreement, may be submitted to non-binding arbitration upon the mutual agreement of the PARTIES pursuant to the rules of the American Arbitration Association.

1 11. **ASSIGNMENT:** This Agreement shall be binding upon the transferees, assignees,
2 successors, and assigns of the parties hereto.

3 12. **INDEMNITY, HOLD HARMLESS:** AGENCY shall indemnify and hold harmless
4 DISTRICT and FLOOD CONTROL and the officers, directors, employees, and
5 authorized volunteers of DISTRICT and FLOOD CONTROL, from and against any
6 damage, liability, or cost (including attorneys' fees and costs of defense) to the extent
7 caused by AGENCY'S negligent acts, errors, or omissions in connection with
8 activities under this Agreement, including subcontractors or others for whom
9 AGENCY is legally liable. AGENCY'S obligation to indemnify and hold harmless
10 shall not be restricted to available insurance proceeds.

11 FLOOD CONTROL shall indemnify and hold harmless DISTRICT and
12 AGENCY and the officers, directors, employees, and authorized volunteers of
13 DISTRICT and AGENCY, from and against any damage, liability, or cost (including
14 attorneys' fees and costs of defense) to the extent caused by FLOOD CONTROL'S
15 negligent acts, errors, or omissions in connection with activities under this
16 Agreement. FLOOD CONTROL'S obligation to indemnify and hold harmless shall
17 not be restricted to available insurance proceeds.

18 DISTRICT shall indemnify and hold harmless FLOOD CONTROL and
19 AGENCY and the officers, directors, employees, and authorized volunteers of
20 FLOOD CONTROL and AGENCY, from and against any damage, liability, or cost
21 (including attorneys' fees and costs of defense) to the extent caused by DISTRICT'S
22 negligent acts, errors, or omissions in connection with activities under this
23 Agreement. DISTRICT'S obligation to indemnify and hold harmless shall not be
24 restricted to available insurance proceeds.

25 13. **INSURANCE:** Each party agrees to carry \$1,000,000/\$2,000,000 (occurrence/
26 general and products/completed operations aggregate) of commercial general liability
27 coverage and each party agrees to give the other, its directors, officers, employees, or
28 authorized volunteers insured status under its policy using ISO endorsement CG
29 2010, or equivalent, and to provide a certificate of insurance and additional insured
30 endorsement. FLOOD CONTROL is self insured for legal liability and it is
31 understood that said coverage will be equal to, or greater than, the amount identified
32 in this Section 13.

33 14. This Agreement may be executed in counterparts, and shall become effective upon
34 receipt by each of the PARTIES of two executed counterpart signature pages from
35 each of the other PARTIES.

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IN WITNESS WHEREOF, the parties have executed this Agreement on

JAN - 5 1999

(date to be filled in by Clerk of the Board of Supervisors of the
Riverside County Flood Control and Water Conservation District)

RECOMMENDED FOR APPROVAL:

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

David P. Zappe
DAVID P. ZAPPE
General Manager-Chief Engineer

By James A. Venable
James A. Venable
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST: JAN - 5 1999

WILLIAM C. KATZENSTEIN
County Counsel

GERALD A. MALONEY
Clerk of the Board

By Joe S. Paul
Deputy

By G. A. Maloney
Deputy

Dated: 11/18/98

(SEAL)

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Signature

Printed Name

Title
(SEAL)

SAN GORGONIO PASS WATER AGENCY

Signature

Printed Name

Title
(SEAL)

FJP:seb
PC/54441

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IN WITNESS WHEREOF, the parties have executed this Agreement on

(date to be filled in by Clerk of the Board of Supervisors of the
Riverside County Flood Control and Water Conservation District)

RECOMMENDED FOR APPROVAL: RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By _____
DAVID P. ZAPPE JIM VENABLE, Chairman
General Manager-Chief Engineer Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM: ATTEST:
WILLIAM C. KATZENSTEIN GERALD A. MALONEY
County Counsel Clerk of the Board

By _____ By _____
Deputy Deputy

Dated: _____


(SEAL)
BEAUMONT-CHERRY VALLEY WATER DISTRICT


Signature

Gary McKenzie
Printed Name

President
Title
(SEAL)

SAN GORGONIO PASS WATER AGENCY


Signature

Stephen P. Stockton
Printed Name

General Manager/Chief Engineer
Title
(SEAL)

FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

54697.1



FROM: Chief Engineer SUBMITTAL DATE: January 5, 1999

SUBJECT: Little San Gorgonio Creek Spreading Grounds Joint Use Agreement
Project No. 5-0-0040

RECOMMENDED MOTION:

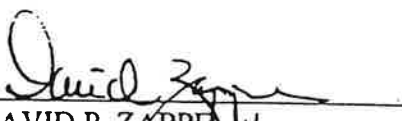
Approve the joint use agreement between the District, the Beaumont-Cherry Valley Water District (BCVWD) and the San Gorgonio Pass Water Agency (Agency) which sets forth the terms and conditions by which the Little San Gorgonio Creek Spreading Grounds will be jointly utilized for emergency debris storage, percolation and recharge purposes and authorize the Chairman to execute the agreement documents on behalf of the District.

JUSTIFICATION:

See Page 2

FINANCIAL:

Agency will fund all improvement design and construction with no additional costs to District. Upon full implementation, District should be relieved from some of the future maintenance costs of spreading local waters.


DAVID P. ZAPPE
General Manager-Chief Engineer

C.E.O. RECOMMENDATION

APPROVE

FJP:DVA:bjp

County Executive Officer Signature 

MINUTES OF THE FLOOD CONTROL & WATER CONSERVATION DISTRICT BOARD

On motion of Supervisor Buster, seconded by Supervisor Mullen and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

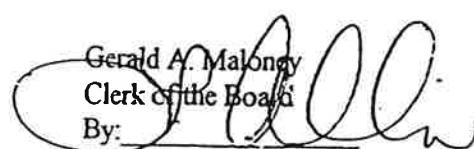
Ayes: Buster, Tavaglione, Venable, Wilson and Mullen
Noes: None
Absent: None
Date: January 5, 1999
xc: Flood

Prev. Agn. ref. ☒

Depts. Comments

3rd

Dist.

Gerald A. Maloney
Clerk of the Board
By: 

Deputy

AGENDA NO. 1

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBMITTAL DATE: January 5, 1999

SUBJECT: Little San Gorgonio Creek Spreading Grounds Joint Use Agreement
Project No. 5-0-0040

PAGE 2

JUSTIFICATION:

The District operates and maintains percolation ponds on Little San Gorgonio Creek north of Orchard Avenue in Cherry Valley under easement rights for flood control and water conservation purposes granted by the BCVWD. The District recharges local waters in the ponds under these rights, and also uses the site for temporary debris storage during flood emergencies. A debris basin is planned for this location in the future.

The Agency has a contract with the State of California to import supplemental water from the State Water Project and other sources, and desires to recharge the Beaumont Groundwater Basin with supplemental imported water and has identified the District's existing percolation ponds as a possible recharge site. The proposed use of the percolation ponds for recharge of supplemental water by Agency is generally consistent with the existing uses. The District, BCVWD and Agency desire that the percolation ponds be operated in a coordinated manner to allow recharge of both local and supplemental waters to maximize public benefit while preserving existing rights of the District and BCVWD.

The proposed agreement will accomplish these objectives while relieving the District of the costs of spreading local waters which will be assumed by Agency.

The agreement has been executed by BCVWD and Agency and has been approved as to legal form by County Counsel.

APPENDIX G



JOINT POWERS AGREEMENT CREATING THE
SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY

THIS JOINT POWERS AGREEMENT ("Agreement") is made and entered into by and between the CITY OF BEAUMONT, the BEAUMONT-CHERRY VALLEY WATER DISTRICT, the SOUTH MESA MUTUAL WATER COMPANY and the YUCAIPA VALLEY WATER DISTRICT (individually and collectively referred to herein as the "PARTY" or "PARTIES", "MEMBER" or "MEMBERS", "MEMBER AGENCY" or "MEMBER AGENCIES").

RECITALS

A. Each of the PARTIES is a public agency and each is authorized and empowered to contract with all the other PARTIES for the joint exercise of powers under Article I, Chapter 5, Division 7, Title 1 of the California Government Code, Sections 6500 et seq.

B. Each of the PARTIES is located within the San Timoteo Watershed.

C. Each of the PARTIES has the authority and power to prepare and implement a groundwater, surface water and recycled water resources management plan and program for watersheds, groundwater basins and waters tributary thereto, to rehabilitate and improve watersheds, groundwater basins and waters tributary thereto, and to create a separate public agency to carry out such power.

D. The PARTIES recognize the public necessity for jointly undertaking plans and projects to protect, manage and enhance watersheds, groundwater, surface water and recycled water resources, to protect wetlands, wildlife and environmental resources, and to enhance the agricultural and recreational resources of the San Timoteo Watershed.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, AND THE PROVISIONS, CONDITIONS AND TERMS PROVIDED FOR HEREIN, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1: CREATION AND PURPOSE

1.1 Creation of Separate Public Agency.

There is hereby created a public agency known as the "San Timoteo Watershed Management Authority" (hereinafter referred to as the "Authority"), pursuant to the provisions of the California Government Code, Sections 6500, et seq. It is the intent of the PARTIES that the Authority shall be a public agency separate from the PARTIES.

1.2 Territorial Boundaries.

The territorial boundaries of the Authority are coterminous with the boundaries of the Member Agencies as approximately depicted on the map attached hereto as Exhibit "A" and made a part hereof.

1.3 Purpose of the Authority.

The purpose of the Authority is to prepare and implement a Water Resources Management Plan for the San Timoteo Watershed and the waters tributary thereto, in order to conserve local water supplies, improve surface and subsurface water quality and quantity, protect and enhance groundwater storage and recreational resources, preserve open space, protect wildlife habitat and wetlands, protect and enhance agriculture, and develop and enhance the region's water resources for the benefit of the public.

ARTICLE 2: POWERS OF THE AUTHORITY

2.1 Powers.

The Authority shall have the power, in its own name, to do any and all of the following:

- (a) To make and enter into contracts, leases and other agreements;
- (b) To retain consultants, advisors, and independent contractors;
- (c) To incur debt, liabilities and obligations;
- (d) To acquire, hold or dispose of real or personal property;
- (e) To exercise the power of eminent domain;
- (f) To acquire, construct, manage, maintain, operate and own any buildings, works or improvements;
- (g) To sue and be sued in its own name;
- (h) To raise revenue, to levy and collect assessments, rates, fees and charges, and to issue bonds, notes, warrants and other evidences of indebtedness to finance costs and expenses incidental to the purpose of the Authority;
- (i) To apply for, receive and utilize grants and loans from any source available;

(j) To prepare and implement a comprehensive water resources management plan for the San Timoteo Watershed and waters tributary thereto by means of various programs and projects which may include, but are not limited to:

- (1) Watershed and basin monitoring;
- (2) Groundwater storage, basin banking and conjunctive use;
- (3) Stormwater capture and management;
- (4) Recycled water programs and projects;
- (5) Wetlands, wildlife and open space protection;
- (6) Water quality protection and enhancement;
- (7) Water conservation and efficiency.

(k) To contract with, and undertake collaborative efforts among federal, state and local agencies, local stakeholder groups, groundwater pumpers, landowners and environmental groups to prepare and implement a comprehensive water resources management plan for the San Timoteo Watershed.

(l) To exercise jointly the common powers of the PARTIES to protect, rehabilitate and improve watersheds;

(m) Pursuant to California Government Code, Section 6509, the Authority's power shall be exercised in a manner subject to the restrictions provided for under the law applicable to county water districts (California Water Code, Section 30000 et seq.

2.2 Liabilities.

The non-tort debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the MEMBER AGENCIES.

ARTICLE 3: EFFECTIVE DATE; NEW MEMBERS

3.1 Effective Date.

This Agreement shall become effective when the governing bodies of at least three of the PARTIES have executed this Agreement.

3.2 New Members.

In the event any entity desires to become a member of the Authority after its formation but before January 31, 2001, it may do so upon written request of the Commission, which request shall not be unreasonably denied. Thereafter, in the event any entity desires to become a member of the Authority it may do so only upon approval of four-fifths of the Commission, and upon the execution of a memorandum specifying the obligations of the prospective member for contributions toward past or present Authority expenditures.

ARTICLE 4: GOVERNING BODY

4.1 Composition.

The governing body of the Authority shall be a Commission composed of appointed representatives of the MEMBER AGENCIES. Each MEMBER AGENCY shall appoint, by resolution of its governing body, three Commissioners, two of whom shall be members of the appointing MEMBER AGENCY's governing board and the third shall be the MEMBER AGENCY's Manager (except for the CITY OF BEAUMONT, who shall appoint its Director of Community Development).

4.2 Meetings.

The Commission shall establish by resolution a regular meeting schedule. The Commission shall provide for the time and place of holding its regular meetings, which place shall be within the territorial boundaries of the Authority, and may be at a location different from that specified at Section 6.1. From time-to-time, special meetings may be called at the request of the Chair of the Commission or of a majority of the Commissioners. Notice of all meetings shall be furnished in writing to each member of the Commission and to each PARTY to this Agreement prior to the time appointed for the meeting. The meetings of the Commission shall be open to the public and shall be noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act as set forth in the California Government Code, Sections 54950, et seq.

4.3 Quorum.

A majority of the MEMBER AGENCIES represented on the Commission at any duly-noticed meeting shall constitute a quorum for the transaction of business.

4.4 Voting.

Each MEMBER AGENCY shall have one vote. Except as otherwise provided herein, all actions of the Commission shall be passed upon the affirmative vote of a majority of the Commission.

4.5 Meeting Rules.

The Commissioners may adopt, from time-to-time, such rules and regulations for the conduct of its affairs as may be required.

4.6 Powers of the Commission.

The Commissioners shall have the following express powers, duties and responsibilities:

- (a) Election of Authority officers;
- (b) Approval of the annual budget of the Authority;
- (c) Approval of amendments to this Agreement;
- (d) The exercise of powers of the Authority, including promulgation of policies, procedures and rules.

ARTICLE 5: OFFICERS AND COMMITTEES

5.1 Officers.

The officers of the Authority shall include a Chair, Vice Chair, and a Secretary-Treasurer.

5.2 Appointment of Officers by Commission.

(a) Subject to the succession provisions below, the officers shall be appointed annually in January, by a majority vote of the Commissioners. It shall be a policy of the Commission to encourage the rotation of the offices among the Commission members.

(b) Notwithstanding the foregoing provisions, in January the Vice Chair shall, by motion, be declared Chair for the following year. If the Vice Chair is unable or unwilling to serve as Chair, then the office shall be filled by appointment of the Commission.

5.3 Installation and Term.

Officers shall assume the duties of their offices immediately after their appointment and shall hold office until their successors are appointed, except in the case of their earlier removal or resignation. Vacancies shall be filled by appointment of the Commission, and such appointee shall hold office until the appointment of his/her successor.

5.4 Other Commission Officers.

The Commission may appoint such additional officers as may be appropriate and with such duties and authority as the Commission may determine.

5.5 Resignation/Removal.

Any officer may be removed, either with or without cause, by a majority vote of the Commissioners at any duly-noticed regular or special meeting. Any officer or Commissioner may resign at any time by giving written notice to the Chair or Secretary-Treasurer. Any such resignation shall be effective at the date of receipt of such notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

5.6 Chair.

The Chair shall preside at all meetings of the Commission, and shall exercise and perform such other powers and duties as may be assigned from time-to-time by the Commission.

5.7 Vice Chair.

In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair and, when so acting, shall have all the powers of and be subject to all of the restrictions on the Chair. The Vice Chair shall have such other powers and perform such other duties as the Commission may prescribe.

5.8 Secretary-Treasurer.

In the absence or disability of the Chair and Vice Chair, the Secretary-Treasurer shall perform all the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions on the Chair. The Secretary-Treasurer shall have such other powers and perform such other duties as the Commission or this Agreement may prescribe.

5.9 Committees.

(a) There is hereby created a Managers Committee, which Committee shall consist of the Managers of the MEMBER AGENCIES. Each Manager may appoint an Alternate to attend the Committee meetings in the absence of the Manager. The Committee shall meet monthly to consider and to advise the Commission on such matters as may be assigned to it from time-to-time by the Commission. The Committee shall serve at the pleasure of the Commission.

(b) The Commission or the Chairman may establish such additional Committees as from time-to-time are deemed necessary or good for the Authority.

5.10 Compensation.

Each Commissioner may be compensated for attendance at all regular and special meetings of the Commission or of any committee as a committee member.

ARTICLE 6: BUSINESS OFFICE AND STAFF

6.1 Location.

The Authority's business office shall be located at the City of Beaumont City Hall, 550 East Sixth Street, Beaumont, California. The Commissioners may, from time-to-time, change by resolution the location of the Authority's business office.

6.2 Executive Director and Other Staff.

(a) The Commission shall appoint an Executive Director (who shall be an employee of a Member Agency) who shall be responsible for the general administration of the business and activities of the Authority as directed by the Commission;

(b) The Executive Director shall appoint such other staff as may be necessary for the administration of the Authority. Staff functions may be performed by officers, directors and employees of MEMBER AGENCIES, and by agents, advisors and consultants retained under contract by the Authority;

(c) The Executive Director and other staff of the Authority shall have such powers, duties and obligations as are established by this Agreement, the policies, procedures, rules, ordinances and resolutions promulgated by the Commission, and any contractual arrangements which may exist between the Authority and a third party.

ARTICLE 7: FINANCES

7.1 Budgets.

The Authority shall exercise its powers pursuant to General Budgets and Project Budgets.

7.2 General Budget.

Annually at the June meeting of the Commission, a General Budget shall be adopted for the ensuing fiscal year for the purpose of funding general administration, and the study of matters of general benefit to the Authority.

7.3 Specific Project Budgets.

For matters not deemed to be of general benefit to the Authority, the Authority shall function through the identification and implementation of "specific projects". A specific project may involve all or less than all of the MEMBERS of the Authority, provided that no MEMBER shall be involved without its approval. Only those members of the Commission representing the MEMBER AGENCIES who are involved in the specific project shall participate in any decisions concerning the specific project.

7.4 Sources of Funds.

The sources of funds available to the Authority shall include, but are not limited to, federal, state and local grants and loans, taxes and assessments, and rates, fees and charges.

7.5 Failure to Approve a Budget.

In the event a budget is not approved by the Commission prior to the start of the fiscal year, the Authority shall continue to operate at the level of expenditure authorized by the last approved budget.

7.6 Funds and Accounts.

(a) The Authority shall cause to be established and maintained such funds and accounts as may be required by law and good accounting practices. Separate accounts shall be established and maintained for each specific project under development or adopted and implemented by the Authority. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of MEMBER AGENCIES. The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code, Section 6505.

(b) Pursuant to Government Code, Sections 6505.1 and 6505.6, the Secretary-Treasurer, Executive Director, Chief Financial Officer or Controller and such other persons as the Commission may designate shall have charge of, handle and have access to the funds and property of the Authority. A Chief Financial Officer or Controller shall be appointed by the Executive Director and shall have the powers, duties and responsibilities specified under California law including Section 6505 and following of the Government Code, and shall draw checks against authorized demands against the Authority.

(c) The Authority shall secure and pay for official bonds, in an amount or amounts and in the form specified by law, covering the Secretary-Treasurer, Executive Director, the Chief Financial Officer or Controller and such other officers and staff of the Authority who are authorized to hold or disburse funds of the Authority, and all other officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

7.7 Annual Audit.

Pursuant to Government Code, Section 6505, the Authority shall contract with an independent certified public accountant to act as the Authority's auditor and make an annual fiscal year audit of all accounts and financial statements of the Authority, conforming in all respects with the requirements of that section. A written report of the audit shall be filed as a public record with the County Auditor of the county where the office of the Authority is located, the State Controller, and with each MEMBER AGENCY within twelve months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

7.8 Fiscal Year.

The fiscal year of the Authority shall be from July 1 to June 30, following.

ARTICLE 8: INDEMNIFICATION

8.1 Absolute Indemnification.

The MEMBER AGENCIES, their employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other cost arising out of or in any way related to the Authority. Accordingly, the provisions of this indemnity are intended by the PARTIES to be interpreted and construed to provide the fullest protection possible under the law to the MEMBER AGENCIES.

Therefore, to the fullest extent permitted by law, the Authority shall defend, indemnify and hold harmless the MEMBER AGENCIES, their employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney fees incurred by MEMBER AGENCIES, court costs, interest, defense costs (including expert witness fees) and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the activities of the Authority.

ARTICLE 9: AMENDMENTS, WITHDRAWAL OR DISSOLUTION

9.1 Amendment of Agreement.

This Agreement may be amended at any time by a four-fifths vote of the Commission provided, however, that:

(a) Any meeting at which an amendment is to be acted upon shall require 30-days' prior written notice of the proposal, with the specifics of the proposed amendment to be set forth in the notice; and

(b) No Amendment which increases the liability or financial obligation of a MEMBER AGENCY shall be approved without that MEMBER AGENCY's consent.

9.2 Withdrawal.

Any MEMBER AGENCY of the Authority shall have the right to withdraw its membership upon serving written notice of its intention thereof on the Authority and all other MEMBER AGENCY at least 240 days prior to the effective date of such withdrawal; provided, however, that no such withdrawal shall relieve the withdrawing MEMBER AGENCY from financial obligations theretofore incurred by it under this Agreement. Upon withdrawal of any MEMBER AGENCY, the withdrawing MEMBER AGENCY shall receive its proportionate (based on contribution) or otherwise defined (by agreement of the PARTIES) share of the assets of the Authority (or the equivalent value thereof) within a reasonable amount of time after withdrawal and shall contribute its proportionate or otherwise defined share towards the discharge of any enforceable liabilities incurred by the Authority as the same appear on the books of the Authority.

9.3 Dissolution.

(a) The Authority may be dissolved upon a vote of not less than four-fifths of the Commission at least 240 days before the effective date of such dissolution; provided, however, that no such dissolution shall relieve the MEMBER AGENCIES from financial obligations theretofore incurred by them under this Agreement.

(b) Upon dissolution of the Authority, each MEMBER AGENCY shall receive its proportionate or otherwise defined share of the assets of the Authority within a reasonable amount of time after dissolution, and each member shall contribute its proportionate or otherwise defined share towards the discharge of any enforceable liabilities incurred by the Authority as the same appear on the books of the Authority.

(c) In the event it is impractical to distribute a proportionate or defined share of the assets to the MEMBER AGENCIES, then any property interest remaining in the Authority following a discharge of all obligations shall be disposed of pursuant to a plan adopted by four-fifths vote of the Commission.

ARTICLE 10: MISCELLANEOUS

10.1 Arbitration.

Any dispute which may arise by and between any of the MEMBER AGENCIES in connection with, or related to, this Agreement shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, in accordance with its rules that are in effect at the time of the commencement of the arbitration proceeding, and as set forth herein. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrator's decision and award are subject to judicial review only for material errors of fact or law in accordance with Section 1296 of the Code of Civil Procedure. Limited discovery may be conducted in the arbitration proceeding upon a showing of good cause and approval of the arbitrator. Unless the PARTIES stipulate to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, in accordance with its rules and procedures for such mediation.

10.2 Severability.

Should any part of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any federal or California law, or otherwise be rendered unenforceable, the validity of the remaining parts shall not be affected thereby.

10.3 Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the successors of each of the MEMBER AGENCIES. The PARTIES to this Agreement shall not assign any rights or obligations under this Agreement without first obtaining approval by a four-fifths vote of the Commission.

10.4 Notices.

Any notice authorized or required to be given pursuant to this Agreement shall be in writing and shall be given by mail, postage prepaid, or delivered during normal business hours to the addresses of the PARTIES as such addresses are communicated to the Authority from time-to-time.


10.5 Multiple Originals.

This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the PARTIES have executed this Agreement on the day and year indicated.

CITY OF BEAUMONT

Dated: _____

By 
Mayor

DISTRICT

BEAUMONT-CHERRY VALLEY WATER

Dated: _____

By _____
President, Board of Directors

SOUTH MESA MUTUAL WATER COMPANY

Dated: _____

By _____
President, Board of Directors

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By _____
President, Board of Directors

IN WITNESS WHEREOF, the PARTIES have executed this Agreement on the day and year indicated.

CITY OF BEAUMONT


Dated: _____

By _____
Mayor

DISTRICT

BEAUMONT-CHERRY VALLEY WATER

Dated: _____

By  _____
George Anhalt, Vice President of
The Board of Directors of the

SOUTH MESA MUTUAL WATER COMPANY

Dated: _____

By _____
President, Board of Directors

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By _____
President, Board of Directors

IN WITNESS WHEREOF, the PARTIES have executed this Agreement on the day and year indicated.

CITY OF BEAUMONT

Dated: _____

By _____
Mayor

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Dated: _____

By _____
President, Board of Directors

SOUTH MESA MUTUAL WATER COMPANY

Dated: 11/17/00

By *Steve Jouton*
President, Board of Directors

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By _____
President, Board of Directors

IN WITNESS WHEREOF, the PARTIES have executed this Agreement on the day and year indicated.

CITY OF BEAUMONT

Dated: _____

By _____
Mayor

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Dated: _____

By _____
President, Board of Directors

SOUTH MESA MUTUAL WATER COMPANY

Dated: _____

By _____
President, Board of Directors

YUCAIPA VALLEY WATER DISTRICT

Dated: 12/20/00

By Carl B. Nelson
President, Board of Directors

APPENDIX H

JOINT FINANCING AGREEMENT
BETWEEN CITY OF BEAUMONT COMMUNITY
FACILITIES DISTRICT NO. 93-1 AND
BEAUMONT-CHERRY VALLEY WATER DISTRICT

THIS JOINT FINANCING AGREEMENT (the "Agreement") is made and entered into as of June 29, 1993 by and between the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1, a legally constituted governmental entity organized and existing pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code (hereinafter "CFD No. 93-1") and BEAUMONT-CHERRY VALLEY WATER DISTRICT, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code (hereinafter "BCVWD").

R E C I T A L S

A. Owners of property within the proposed boundaries of CFD No. 93-1 (hereinafter the "Property Owners") initiated by written petition and thereafter the City Council (hereinafter the "City Council") of the City of Beaumont (hereinafter the "City"), by adoption of Resolution No. 1993-06 on February 22, 1993 (hereinafter the "Resolution of Intention"), initiated proceedings for the formation of CFD No. 93-1, the boundary map of which is attached hereto, marked as Exhibit "A" and incorporated herein, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 et seq. of the California Government Code (hereinafter the "Act"), to provide financing for the construction and acquisition of certain public facilities described in the Resolution of Intention (hereinafter the "Facilities"), which include the construction of certain potable and reclaimed water facilities to be owned and operated by BCVWD (the "BCVWD Facilities").

B. The facilities to be financed by the first series of special tax bonds (hereinafter the "Series 1993A Facilities") are as depicted and enumerated in Exhibit "B," which is attached hereto and incorporated herein. The balance of the Facilities are proposed to be constructed in the future and financed with subsequent series of special tax bonds of CFD No. 93-1.

C. The proceedings to establish CFD No. 93-1 include a special election wherein the qualified electors of CFD No. 93-1 are required to authorize any bonded indebtedness to be issued and to authorize the annual levy of a special tax (hereinafter the "Special Tax") within CFD No. 93-1 to fund debt service on bonded indebtedness incurred.

D. CFD No. 93-1 presently anticipates the issuance and sale of its Series 1993A Bonds in the principal amount of approximately \$20,000,000 in September of 1993 (the "Series 1993A Bonds"). The proceeds of the Series 1993A Bonds, or a subsequent series of bonds, may be used, in part, to construct a portion of the BCVWD Facilities on behalf of BCVWD, as provided in this Agreement.

E. CFD No. 93-1 and BCVWD desire to enter into this Agreement pursuant to Section 53316.2, 53316.4 and 53316.6 of the Act.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree as follows.

A G R E E M E N T

1. Sale of the Series 1993A Bonds and Use of the Proceeds. CFD No. 93-1 will proceed with the issuance and sale of the Series 1993A Bonds and any subsequent series of bonds at such time and in such amount as CFD No. 93-1, in its sole discretion, may determine is appropriate. The proceeds of the Series 1993A Bonds will be used, in part, to construct, on behalf of BCVWD, the BCVWD Facilities for the estimated dollar amounts shown in Section C of Exhibit "B" hereto. Additional BCVWD Facilities are proposed to be financed by subsequent series of bonds to be sold by CFD No. 93-1. Prior to the authorization of each subsequent series of bonds a separate exhibit and amendment to the Agreement will be entered into by the parties hereto, with respect to such additional BCVWD Facilities. CFD No. 93-1 shall make disbursements out of the proceeds of the Series 1993A Bonds to pay such costs and certain other incidental costs as hereinafter described. Such proceeds, however, may be expended by CFD No. 93-1 for any lawful purpose, including the financing of Facilities (other than the Series 1993A Facilities) required to serve land within CFD No. 93-1 and in accordance with the BCVWD Master Facility Plan. However, no such diversion shall occur with respect to the BCVWD Facilities without the consent of BCVWD. CFD No. 93-1 shall strictly account for the disbursements of the proceeds of the Series 1993A Bonds. The proceeds of any special tax levied by CFD No. 93-1 shall be utilized exclusively by CFD No. 93-1 for debt service, administration and services as provided in the proceedings establishing CFD No. 93-1 in accordance with Section 53316.6 of the Act.

2. Design and Construction of the BCVWD Facilities. Improvement Plans for the BCVWD Facilities are to be prepared by registered and licensed civil engineers retained by BCVWD or CFD No. 93-1, consistent with the procedures and policies of BCVWD and as set forth in this Agreement. The costs of the design and construction of said facilities, including the administrative and legal costs, shall be paid by CFD

No. 93-1 pursuant to a payment request from the proceeds of the sale of the special tax bonds up to the budgeted amount listed in Exhibit "B" in accordance with this Agreement. All contracts for the BCVWD Facilities shall be awarded and administered by the City in accordance with Section 8 hereto, as public works projects consistent with the applicable sections of the California Public Contract Code, Labor Code, Civil Code and Government Code. The contractor or contractors who will construct the BCVWD Facilities, or any portion thereof, shall be required to provide performance and payment bonds, each in a principal amount equal to 125% of the contract price plus 20% contingency and naming both BCVWD and CFD No. 93-1 as obligees. Said contractor or contractors shall also be required to name CFD No. 93-1 and BCVWD, and the employees, officers, directors, agents and consultants of each as additional insureds under a policy of general liability insurance in the amount of Two Million Dollars (\$2,000,000) per occurrence. The bid and contract documents shall include the bond and insurance requirements as set forth herein or as determined by mutual agreement of CFD No. 93-1 and BCVWD at the time of advertising for bids and said requirements shall not be less than those stated above. The parties acknowledge that design and engineering costs of the BCVWD Facilities may be paid by the City or BCVWD from deposits made by property owners or developers within CFD No. 93-1 in contemplation of reimbursement according to Section 4 below from the proceeds of the Series 1993A Bonds. CFD No. 93-1 agrees to reimburse the Property Owners for eligible costs from deposits made from the proceeds of the sale of the Series 1993A Bonds.

3. Design and Construction Budget of the BCVWD Facilities. Section C of Exhibit "B" sets forth the budget for the design, engineering and construction of the BCVWD Facilities. In addition to the cost of engineering and design, specification and bid preparation, and the construction of the BCVWD Facilities, such costs may include, without limitation, the estimated costs of permits, licenses, easements, land, engineering, inspection and legal fees, construction contingency and a share of the general and administrative costs of BCVWD, CFD No. 93-1 and the City reasonably devoted to the design, approval and inspection of the BCVWD Facilities.

4. Engineering and Design of the BCVWD Facilities. BCVWD, with the agreement of CFD No. 93-1, shall retain such qualified consultants, including properly qualified registered civil engineers (hereinafter these engineers may individually or collectively be referred to as the "Design Engineer") to design and prepare detailed bid documents, construction plans and specifications (hereinafter the "Bid Documents") for the BCVWD Facilities, including required system layout drawings and construction plan-profile drawings, in accordance with BCVWD's standard design criteria. The Bid Documents shall be submitted along with required plan check deposits and will be reviewed and approved (or rejected) within a reasonable period following their submission. Upon final approval of said plans by

BCVWD and the City, CFD No. 93-1 shall prepare and submit a Payment Request Form as provided by the Fiscal Agent Agreement entered into by the City and the Fiscal Agent designated for CFD No. 93-1 (hereinafter the "Fiscal Agent Agreement") for payment of all reasonable costs incurred by BCVWD or the City, including reimbursements to Property Owners, for engineering, design and plan preparation for said facilities as approved by the City. CFD No. 93-1 shall reimburse to BCVWD or the City from the proceeds of the sale of the Series 1993A Bonds such amounts as are necessary to pay the reasonable administration costs of BCVWD or the City incurred in the design and plan check process.

5. State Highway, County Road and City Street Construction. Operation and Maintenance Permits for the BCVWD Facilities. For those portions, if any, of the BCVWD Facilities which are to be constructed by CFD No. 93-1 within a County road, City street and/or state highway, at the expense of CFD No. 93-1, CFD No. 93-1 shall be responsible for obtaining a construction permit from the appropriate governmental agency covering the construction and installation of the BCVWD Facilities. At the time such construction permit is obtained by CFD No. 93-1, the appropriate governmental agency will have issued an Operate and Maintain Permit to BCVWD, which will become effective upon the completion of said BCVWD Facilities and acceptance of the ownership thereof by BCVWD.

6. Construction Responsibility. BCVWD hereby acknowledges that the City Manager of the City, or her designee, shall serve as the Contract Administrator (hereinafter the "Contract Administrator"). The Contract Administrator shall be responsible for soliciting bids and awarding contracts for the BCVWD Facilities in accordance with the terms and conditions described in this Agreement; provided, however, that such responsibility may be delegated to a consultant or consultants as deemed appropriate by the Contract Administrator. BCVWD, through its Field Inspector (hereinafter defined in Section 10), shall be responsible for inspection and approval of placement of the pipe and compaction of backfill during construction of the BCVWD Facilities. The Contract Administrator is to work with the City Department of Building and Safety, BCVWD and the Field Inspector to insure that all inspections are performed in a timely manner. The Contract Administrator may perform his/her responsibilities for coordination of construction contracts and notification of inspections through a "Resident Engineer."

7. Preliminary Coordination Meeting. The Contract Administrator, Design Engineer, Resident Engineer, and representatives from BCVWD shall meet for purposes hereinafter set forth, upon the written request of CFD No. 93-1 (hereinafter the "Preliminary Coordination Meeting"). At the Preliminary Coordination Meeting the schedule for construction of the BCVWD Facilities and inspection approvals will be mutually determined by the parties. It is the intent of the parties to mutually agree

to the sequence and timing of construction of the BCVWD Facilities in a manner calculated to not unduly delay progress in completion of the construction of the Facilities.

8. Solicitation of Bids. Prior to the offering of any BCVWD Facility for bid, the Contract Administrator shall, in consultation with representatives of BCVWD, determine whether the particular bid set will be offered by the City. The contract documents shall specify that construction must be performed in compliance with appropriate sections of the California Public Contract Code, Labor Code and Civil Code.

9. Bid Awards. On behalf of CFD No. 93-1, the Contract Administrator shall recommend to the City Council of the City that it award contracts for the BCVWD Facilities in compliance with the applicable sections of the California Public Contract Code, Labor Code and Civil Code. The BCVWD Facilities shall be constructed by a contractor or contractors licensed by the State of California (hereinafter the "Contractor"). Prior to the award of any bid for any BCVWD Facilities, CFD No. 93-1 shall determine that there are sufficient funds in the Construction Account (hereinafter the "Construction Account") established by the Fiscal Agent Agreement, or other funds of BCVWD, to cover the bid award for each Facility. No award of a contract for any BCVWD Facility shall be made unless funds, not otherwise committed, are available to cover the contract award, including a contingency amount equal to fifteen percent (15%) of the contract price and all costs of inspecting and administering said contract.

10. Construction of the Facilities.

(a) Preconstruction Meeting. Prior to the commencement of construction, the Contract Administrator shall schedule a meeting (hereinafter the "Preconstruction Meeting") among the Contractor(s), the Design Engineer, the Resident Engineer and the Field Inspector.

(b) Matters Submitted for Review and Approval. BCVWD will have final approval of all field design changes. All matters submitted to BCVWD during actual construction by the Contract Administrator, the Design Engineer, and/or the Resident Engineer for review and approval shall receive a timely response and no response shall exceed fifteen (15) working days from date of submission to BCVWD.

(c) Inspection. BCVWD will designate a field inspector (hereinafter the "Field Inspector") who will be responsible for inspecting construction of the BCVWD Facilities consistent with Section 15 of this Agreement and will be responsible for

reviewing and concurring in all Payment Request Forms with regard to the BCVWD Facilities.

(d) Payment. CFD No. 93-1 shall make payments for completed work, less retentions, in accordance with the payment schedule determined at the Preconstruction Meeting. The payment schedule shall be consistent with the Bid Documents that will have been reviewed and approved by BCVWD and the budget figures indicated in Exhibit "B" hereto. Upon concurrence and sign-off by the Field Inspector of any such Payment Request Form, CFD No. 93-1 shall cause the Fiscal Agent to make payments in the requisite amount to those entities or individuals designated on the Payment Request Form consistent with the provisions of this Agreement.

11. Change Orders. All change orders regarding the BCVWD Facilities are to be reviewed by CFD No. 93-1 and approved in writing by the Contract Administrator and the Design Engineer. Change orders necessitated by site conditions shall be financed and paid for by CFD No. 93-1 upon confirmation that funds are available for such purposes or the water facilities shall be downsized to offset the shortfall. Sources of available funds shall be (a) contingency line item for water facilities; (b) other contingency amounts for completed facilities; (c) other grant or loan funds identified by the City or (d) contribution from affected Property Owner or developer.

12. Shortfall. In the event the lowest acceptable bids would cause the total cost provided in the budget for the BCVWD Facilities to exceed the budgeted amount indicated in Exhibit "B" hereto, CFD No. 93-1 shall notify and confer with BCVWD to determine the source of payment of such excess amounts prior to the award to the acceptable bidder. Such source shall be either (i) additional funds of CFD NO. 93-1 or (ii) the Landowners or Developers benefiting from the BCVWD Facilities which caused such budget overrun.

13. Use of Funds. CFD No. 93-1 shall use the amount in the Construction Account, as indicated in Exhibit "B" hereto, for the payment of the design and construction costs of the BCVWD Facilities. CFD No. 93-1 shall strictly account for the expenditure of such proceeds according to generally accepted accounting practices. It is the intention of the parties that payments from the Construction Account shall be made only in connection with a Payment Request Form for costs and expenses paid or incurred, including, without limitation, any amounts owing under any construction contract entered into for the BCVWD Facilities. CFD No. 93-1 shall account for, deposit, invest and reinvest such funds in the manner required by the Fiscal Agent Agreement.

14. Improvement Security. Any BCVWD Facility or portion thereof for which the Series 1993A Bonds have been sold shall not be the subject of a subdivision improvement bond or other security pursuant to Government Code Section 66499.

15. Inspection. Construction of the BCVWD Facilities shall be subject at all times to inspection by the Field Inspector, or his designated representative. The Field Inspector, or his designated representative, shall inspect the furnishing, construction and installation of said BCVWD Facilities to assure compliance with BCVWD's approved construction plans and specifications. During the planning process, BCVWD shall secure all encroachment permits necessary for the construction of the BCVWD Facilities, the cost of which permits shall be borne by CFD No. 93-1. Inspection shall be the responsibility of the Field Inspector and shall be done in a timely manner consistent with the approved schedule established at the Preconstruction Meeting. The Field Inspector shall have the authority to enforce the BCVWD approved construction plans and specifications for said BCVWD Facilities, which authority shall include the authority to require that any and all unacceptable materials, workmanship and/or installation be replaced, repaired or corrected. In addition, the contractor(s) shall be required under the approved construction specifications to repair any and all installed facilities which have been damaged by any party prior to BCVWD's final acceptance of said BCVWD Facilities for ownership, operation and maintenance, which final acceptance shall follow final inspection and testing of said BCVWD Facilities after completion thereof. Contractor(s) will be required to: (i) make the corrections and/or repairs determined by the Field Inspector to be necessary and consistent with the approved construction specifications, and (ii) provide a one (1) year materials and workmanship guarantee, the precise nature of which will be agreed upon by CFD No. 93-1 and BCVWD, providing that such Contractor(s) will repair, at its (their) expense, all failures of facilities which it (they) furnished, installed and/or constructed due to faulty materials or installation, including settlement of backfill within said one-year period.

16. Field Engineering Surveys and Compaction Tests. If deemed necessary by the Contract Administrator, a qualified engineering firm (hereinafter the "Field Engineer") shall be employed by the CFD No. 93-1 as a consultant, under the direction of the Contract Administrator, to provide all field engineering surveys associated with the construction of the BCVWD Facilities which are determined to be necessary by the Contract Administrator, Design Engineer, the Contractor(s) and/or the Field Inspector. The Field Engineer shall promptly furnish to CFD No. 93-1 and BCVWD a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from Field Engineer's engineering surveys and/or proposed facility design changes and allow CFD No. 93-1 and BCVWD sufficient time to approve or make any required facility design changes resulting therefrom prior to construction.

The cost of all compaction tests and report costs associated with BCVWD Facilities furnished and constructed by contractor(s) shall be included among the costs which are to be paid from the Construction Account. The Field Engineer shall promptly furnish results of all such compaction testing to CFD No. 93-1 and BCVWD for its review, evaluation and decision as to compliance with applicable specifications.

17. Completion of BCVWD Facilities. Upon completion of construction of any of the BCVWD Facilities listed in Exhibit "B" hereto, as determined by the Field Inspector, CFD No. 93-1 shall notify BCVWD in writing of such completion and shall prepare and cause the City Council of the City to accept and file the Notice of Completion as to such Facilities, record said Notice with the Office of the Recorder of the County of Riverside, State of California, and cause the Contractor and all subcontractors to provide lien and material releases.

18. Conveyance of Title. Title to the land or rights-of-way on and over property within CFD No. 93-1 on which the BCVWD Facilities have been or will be constructed shall be free of all liens and encumbrances, except easements and other matters of record that will not interfere with construction, use and maintenance of the BCVWD Facilities. The Property Owners and CFD No. 93-1, as appropriate, shall cause transfer of title to such land or rights-of-way on such documents as BCVWD may prescribe. It is anticipated that a substantial portion of the BCVWD Facilities have been or will be constructed within public streets and rights-of-way dedicated to the City and other public entities. Any easements granted to facilitate construction prior to such dedications shall provide that the easement right conveyed will expire upon dedication and acceptance of such area as a public right-of-way. As to portions of the BCVWD Facilities that have been or will be constructed on land that would otherwise remain in private ownership, the provisions of Section 19 of this Agreement shall control. It is anticipated that, depending on decisions made by CFD No. 93-1 and BCVWD with regard to BCVWD Facilities at the Preconstruction Meeting, such conveyances of land and easements are to be made prior to commencement of construction and that upon completion of construction such land and rights-of-way associated with said BCVWD Facilities will be conveyed to BCVWD.

In addition, upon completion of the BCVWD Facilities, and written acceptance thereof by BCVWD, CFD No. 93-1 or the Property Owners, as appropriate, shall execute and deliver, without any cost or expense to BCVWD, a Bill of Sale, in form and content acceptable to BCVWD and CFD No. 93-1, conveying all right, title and interest in and to all of the BCVWD Facilities. The Bill of Sale shall include a warranty by CFD No. 93-1 or the Property Owners, that such right, title and interest is free and clear of any and all encumbrances except those encumbrances that will not interfere with use and maintenance of the BCVWD Facilities.

19. Easements Involving Private Property. For those portions, if any, of the BCVWD Facilities which are to be constructed within and across private property, CFD No. 93-1 shall, before any such construction begins, obtain easement documents, which are satisfactory to BCVWD as to location, width, content and form, which have been duly executed by the involved property owners and which assure BCVWD's unequivocal right to own, operate, maintain, replace, repair and provide service from and through the involved BCVWD Facilities.

20. Acceptance. BCVWD agrees to accept title to, and provide service through, the BCVWD Facilities, subject to certification by BCVWD that such Facilities have been completed in accordance with the plans and specifications approved by BCVWD and provided that title to the BCVWD Facilities is free of all liens and encumbrances not otherwise acceptable to BCVWD. In this regard, it is specifically understood and agreed that BCVWD shall not be obligated to accept title or to operate and provide service through the BCVWD Facilities until satisfactory final inspection and testing thereof by the BCVWD has been completed and all easement and deed documents have been received by BCVWD.

21. Use of BCVWD Facilities. Upon conveyance of title to the BCVWD Facilities and acceptance of ownership, said BCVWD Facilities shall become and remain the sole and separate property of BCVWD and shall be operated, maintained and utilized by BCVWD to serve the territory within CFD No. 93-1 and other lands pursuant to applicable BCVWD rules, regulations, policies and procedures as they may be amended from time to time by BCVWD's Board of Directors and subject to BCVWD facility capacity and water supply limitations which result from conditions that are beyond BCVWD's control, including, but not limited to, applicable regulations and/or limitations established by Federal, State, regional and local agencies.

22. Oversized Facilities and Connection Fee Credits. It is understood by all parties to this Agreement, that the issues of oversizing of facilities and connection fee credits have been addressed in other agreements between the parties and will be addressed in agreements between BCVWD and the Property Owners participating in CFD No. 93-1. If necessary, the issue of oversizing will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 to pay for the construction of additional facilities to be owned and maintained by BCVWD.

23. Cooperative Agreement. The City and BCVWD have entered into a Cooperative Agreement (the "Cooperative Agreement") which addresses, inter alia, the facilities needs of BCVWD created by the development of land within CFD No. 93-1 and the financing of such facilities. The Cooperative Agreement provides several

financing alternatives available to developers, including utilization of CFD No. 93-1 as a financing mechanism for said facilities. The Cooperative Agreement also allows for mitigation agreements between BCVWD and the developers within CFD No. 93-1 which may provide an additional funding source for the BCVWD Facilities.

It is understood by all parties to this Agreement, that the issues relating to the amount and collection of school fees are addressed in other agreements between the parties and will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 to pay for the construction of additional facilities to be owned and maintained by the BCVWD.

24. Maintenance. Prior to the transfer of ownership of the BCVWD Facilities to be constructed by CFD No. 93-1, CFD No. 93-1 shall be responsible for their maintenance. Upon acceptance of the BCVWD Facilities by BCVWD, BCVWD shall be solely responsible for the maintenance thereof and all rights, duties and obligations of CFD No. 93-1 for said maintenance under this Agreement shall terminate.

25. Administrative Costs. All administrative costs related to the design, engineering, construction and inspection of the BCVWD Facilities of CFD No. 93-1, the City and BCVWD which include but are not limited to the reasonable cost of preparing the Bid Documents, all fees and costs incurred in obtaining permits, licenses, offsite rights-of-way or easements, inspection fees and land acquisition costs are provided for in Exhibit "B". The parties recognize the amount of such costs may increase in the future. Subject to the limitations of the budget indicated in Exhibit "B" hereto, CFD No. 93-1 shall cause to be paid from the Construction Account the reasonable administrative costs actually incurred by each party to this Agreement, up to the budgeted amount indicated in Exhibit "B" hereto.

26. No CEQA Approval. CFD No. 93-1 and BCVWD agree that before the construction of any new facilities may be approved, proceedings under the California Environmental Quality Act ("CEQA") to determine the environmental impact of the BCVWD Facilities must be conducted, and, based on that impact or lack thereof, determine if the BCVWD Facilities should be constructed. In entering into this Agreement, the parties acknowledge and agree that they have not prejudged the potential outcome of the CEQA proceedings, but are reaching accord in the event the plan to construct the BCVWD Facilities and related facilities receive CEQA approval.

27. No Obligations Assumed. Nothing herein shall be construed as requiring CFD No. 93-1 to issue or sell the Series 1993A Bonds or any subsequent series of bonds pursuant to the Act or any other law or regulation requiring the construction of the BCVWD Facilities.

28. Indemnification. CFD No. 93-1 shall assume the defense of, indemnify and hold harmless, BCVWD and its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, (i) the actions of CFD No. 93-1 pursuant to this Agreement and (ii) the construction of the BCVWD Facilities by CFD No. 93-1; provided, however, that nothing in this paragraph shall limit, in any manner, BCVWD's rights against any of CFD No. 93-1's contractors. No provision of this Agreement shall in any way limit the extent of the responsibility of CFD No. 93-1 for payment of damages resulting from its own operations, including but not limited to the operations of any of its contractors, agents or employees.

CFD No. 93-1 hereby assures BCVWD that any and all contractors employed by it shall furnish to BCVWD certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming the BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

BCVWD shall assume the defense of, indemnify and hold harmless CFD No. 93-1 and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the actions of BCVWD taken in the performance of this Agreement. No provision of this Agreement shall in any way limit the extent of the responsibility of BCVWD for the payment of damages resulting from its own operations or the operations of any of its contractors, agents or employees.

BCVWD hereby assures CFD No. 93-1 that any and all contractors employed by it shall furnish to CFD No. 93-1 certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

29. Effective Date and Termination. This Agreement shall become effective and of full force and effect as of the date (the "Effective Date") on which CFD No. 93-1 sells and issues the Series 1993A Bonds. Should CFD No. 93-1 be unable to sell the Series 1993A Bonds, this Agreement shall terminate and be of no further force and effect.

30. Notice. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party or other person shall be deemed to have been received when personally delivered or upon deposit of the same in the United States Post Office, registered or certified, postage prepaid, addressed as follows:

CFD No. 93-1: City of Beaumont
 Community Facilities District No. 93-1
 550 E. Sixth Street
 P.O. Box 158
 Beaumont, California 92223
 Attn: City Manager
 TEL (909) 845-1171
 FAX (909) 845-8483

BCVWD: Beaumont Cherry Valley Water District
 560 N. Magnolia Avenue
 P.O. Box 2037
 Beaumont, California 92223
 Attn: General Manager
 TEL (909) 845-9581
 FAX (909) 845-0159

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties within twenty (20) days of such change.

31. Captions. Captions to sections of the Agreement are for convenience purposes only and are not part of this Agreement.

32. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

33. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

34. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided herein.

35. Amendments. This Agreement may be amended or modified only in writing signed by each of the parties.

36. Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

<u>Exhibit</u>	<u>Description</u>
"A"	Boundary Map of CFD No. 93-1
"B"	Series 1993A Facilities Description and Purchase Price

37. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT
NO. 93-1 OF THE CITY OF BEAUMONT

By: Jan Leys
Mayor of the City Council, Ex
Officio the Legislative Body of
City of Beaumont Community
Facilities District No. 93-1

ATTEST:

By: Julia White (deputy)
Clerk of the City Council, Ex
Officio the Legislative Body of
City of Beaumont Community
Facilities District No. 93-1



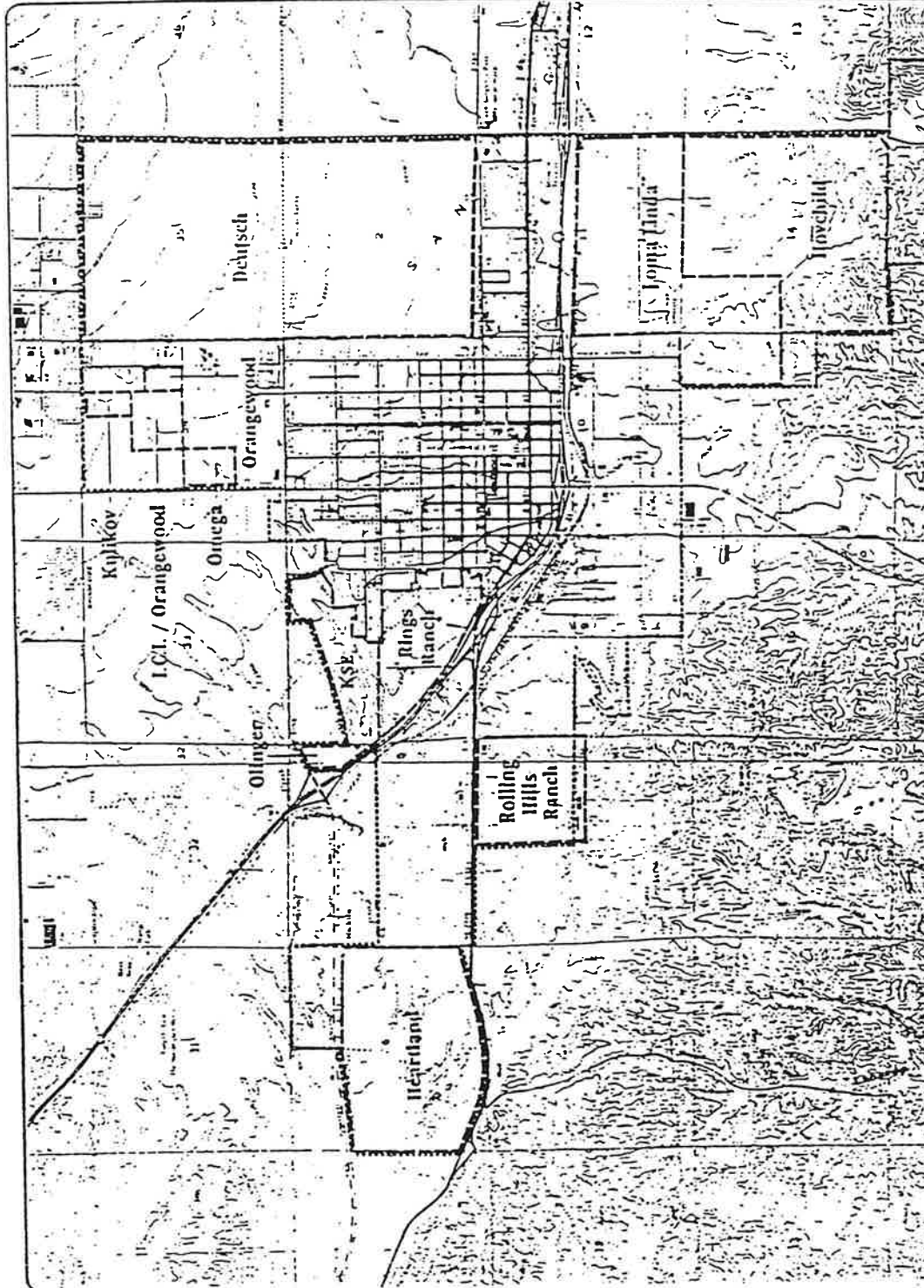
BEAUMONT CHERRY VALLEY WATER
DISTRICT

By: Blanca Russell
President

ATTEST:

By: C. J. Butcher
Secretary

EXHIBIT "A"



City of Beaumont Public Facilities Financing Plan

N
Not to Scale

Participating Projects Series "A"

----- City Boundary

This map shows proposed
city boundaries which are
subject to modification including
deletions and additions of property
by means of annexation or other
methods.



Trans-Beaumont

Exhibit No. 1

EXHIBIT "B"

COMMUNITY FACILITIES DISTRICT NO. 93-1

SERIES 1993A FACILITIES¹

A. County of Riverside

1. Intersection of Heartland Access and San Timoteo Canyon Road (Design/Permitting Only)
 - Estimated Cost: \$ 75,000
2. Grade Separation of Heartland Access and Railroad serving San Timoteo Canyon Road (Design/Permitting Only)
 - Estimated Cost: \$150,000
3. Transition to Grade Separation of Southwest Properties Access to State Highway 60 at Jack Rabbit Trail and/or 1 ± Mile east of Jack Rabbit Trail (Design/Permitting Only)
 - Estimated Cost: \$ 75,000

B. Riverside County Flood Control and Water Conservation District

1. Bridge Crossing of Heartland Access at San Timoteo Canyon Road (Design/Permitting Only)
 - Estimated Cost: \$150,000
2. Marshall Creek between Cougar Avenue and State Highway 79 (Beaumont Avenue)
 - Estimated Cost: \$1,500,000

¹ Includes all estimated costs required for facilities construction including engineering, planning, environmental, project management, plan check, inspection, contingency, surveying, geographical information system, issuance costs and certain administrative costs.

APPENDIX I

EXHIBIT B-1

COMMUNITY FACILITIES DISTRICT NO. 93-1

SERIES 1993A ~~FACILITIES~~ FACILITIES¹

A. County of Riverside

1. Intersection of Heartland Access and San Timoteo Canyon Road
(Design/Permitting Only)

Estimated Cost: \$75,000

Actual Cost: \$75,000

Status: completed

2. Grade Separation of Heartland Access and Railroad serving San Timoteo Canyon Road (Design/Permitting Only)

Estimated Cost: \$150,000

Actual Cost: \$150,000

Status: completed

3. Transition to Grade Separation of Southwest Properties Access to State Highway 60 at Jack Rabbit Trail and/or 1± Mile east of Jack Rabbit Trail
(Design/Permitting Only)

Estimated Cost: \$75,000

Actual Cost: \$75,000

Status: completed

B. Riverside County Flood Control and Water Conservation District

1. Bridge Crossing of Heartland Access at San Timoteo Canyon Road
(Design/Permitting Only)

Estimated Cost: \$150,000

Actual Cost: \$150,000

Status: completed

2. Marshall Creek between Cougar Way and State Highway 79 (Beaumont Avenue)

Estimated Cost: \$1,500,000

Actual Cost: \$228,923

Status: completed

C. Beaumont Cherry Valley Water District

¹ Includes all estimated costs required for facilities construction including engineering, planning, environmental, project management, plan check, inspection, contingency, surveying, geographical information system, issuance costs and certain administrative costs.

1. Singleton Unit Well Test Well
[Water Recognizance Report]

Estimated Cost: \$150,000
Actual Cost: included in #2 below
Status: completed
 2. Wastewater Reclamation ~~System~~ System²
[includes Aquifer Recharge and Recovery Well, percolation pond appraisal, Plan of Study, fee credits and Master Water Plan update]

Estimated Cost: \$1,500,000
Actual Cost: \$363,001
Status: 95% complete
 3. Master Water Plan Update

Estimated Cost: \$75,000
Actual Cost: \$70,000
Status: completed
 4. Master Reclamation Plan (Design/Permitting Only)

Estimated Cost: \$30,000
Actual Cost: \$30,000
Status: completed
 5. KSE Water

Estimated Cost: \$500,000
Actual Cost: \$57,294
Status: 15% complete
 6. Southwest Properties Water (Design/Permitting Only)

Estimated Cost: \$150,000
Actual Cost: \$106,028
Status: 70% complete
 7. Rolling Hills Water

Estimated Cost: \$1,000,000
Actual Cost: \$436,282
Status: completed
- D. San Gorgonio Pass Water Agency
1. No Facilities Planned in Bond Series 1993A
- E. Beaumont Unified School District
1. No Facilities Planned in Bond Series 1993A

² Includes alternate sources of new water supply

F. California Department of Transportation (CALTRANS)

1. Grade Separation, Access Ramps and Frontage Roads for Southwest Properties
Access to State Highway 60 at Jack Rabbit Trail and/or 1 ± Mile east of Jack
Rabbit Trail (Design/Permitting Only)

Estimated Cost: \$500,000

Actual Cost: \$645,488

Status: completed

EXHIBIT B-2

**ADDITIONAL BCVWD FACILITIES
(Westside Infrastructure Project)**

<u>Additional BCVWD Facilities (Westside Infrastructure Project)</u>	<u>Estimated Cost</u>	<u>AD No. 98-1 Percentage</u>	<u>CFD No. 93-1 Percentage</u>
A. Series 2000A Bonds Facilities			
1. Taylor Reservoir and Well	\$2,329,500	88 %	12 %
2. Transmission Mains	\$5,337,500	88 %	12 %
2. Water Reclamation Facilities	\$ 75,000	88 %	12 %
3. Planning & Engineering	\$1,490,029	88 %	12 %
4. Contingency	\$ 348,788	88 %	12 %
B Series "B" Facilities			
1. Mt. Davis Reservoir and Well	\$2,366,500	88 %	12 %
2. Transmission Mains	\$4,310,000	88 %	12 %
3. Water Reclamation Facilities	\$2,000,000	88 %	12 %
4. Planning & Engineering	\$1,368,684	88 %	12 %
5. Contingency	\$ 333,825	88 %	12 %
C Joint and Individual Facilities (as may be determined by AD No. 98-1 Property Owners)			

**AMENDED AND RESTATED
JOINT FINANCING AGREEMENT
BETWEEN CITY OF BEAUMONT COMMUNITY
FACILITIES DISTRICT NO. 93-1 AND
BEAUMONT-CHERRY VALLEY WATER DISTRICT**

THIS AMENDED AND RESTATED JOINT FINANCING AGREEMENT (the "Agreement") is made and entered into as of December 1, 1999 by and between the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1, a legally constituted governmental entity organized and existing pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code (hereinafter "CFD No. 93-1"), the CITY OF BEAUMONT, a municipal corporation and public agency of the State of California (hereinafter "City"), and BEAUMONT-CHERRY VALLEY WATER DISTRICT, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code (hereinafter "BCVWD").

RECITALS

A. CFD No. 93-1 and BCVWD have previously entered into the Joint Financing Agreement (the "1993 Joint Financing Agreement") made and entered into as of June 29, 1993 to set forth the terms and conditions under which CFD No. 93-1 would finance the construction of certain potable and reclaimed water facilities to be owned and operated by BCVWD (the "BCVWD Facilities") and under which the BCVWD Facilities would be designed and constructed; and

B. The facilities financed by the first series of special tax bonds (hereinafter the "Series 1993A Facilities") are as depicted and enumerated in Exhibit "B-1," which is attached hereto and incorporated herein. The balance of the Facilities are proposed to be constructed in the future and financed with subsequent series of special tax bonds of CFD No. 93-1 or another financing district established therefor.

C. CFD No. 93-1 and BCVWD entered into the 1993 Joint Financing Agreement which set forth the process whereby lands would be annexed into CFD No. 93-1 to finance and construct the BCVWD facilities and desire to enter into this Agreement pursuant to Section 53316.2, 53316.4 and 53316.6 of the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 et seq. of the California Government Code (hereinafter the "Act"), and City and BCVWD desire to enter into this Agreement pursuant to Section 10110 of the Streets and Highways Code.

E. City, BCVWD and the San Geronio Pass Water Agency have previously entered into the San Geronio Pass Water Agency Water Facilities Master Plan Cooperative Agreement dated as of March 15, 1993 whereby the City, BCVWD and the Agency recognize the need to cooperate in a long-term program to maintain safe groundwater management practices, to establish funding mechanisms to provide for the acquisition and development of new sources of water supply, including reclaimed water and imported water, in such a way as to protect and preserve the existing water supply; and

D. City and BCVWD have previously entered into the Cooperative Agreement made and entered into as of March 8, 1993 by and between the City and BCVWD to cooperate to implement mutually beneficial plans and programs to insure logical and orderly economic development in the City and the City sphere of influence and safe groundwater management practices in the service area of the BCVWD and to negotiate and prepare a Reclaimed Water

Purchase Agreement; and

F. City and BCVWD have previously entered into the Implementation Memorandum of Understanding Relating to Cooperative Agreement Between the City of Beaumont and the Beaumont Cherry Valley Water District (the "Reclaimed Water Implementation Memorandum of Understanding") made and entered into as of March 1998 to provide for the construction, ownership, operation and maintenance by the City of necessary modifications to the wastewater treatment plant and a recycled water distribution system for the City to deliver recycled water to customers and potential customers within the City, the City's sphere of influence and BCVWD; and

G. BCVWD has entered into the Water Main Extension and Facilities Construction Agreement dated as of September 1, 1989 by and between BCVWD and Westbrook Oak Valley LLC ("Westbrook," as successor in interest to Landmark Land Company of California, Inc.) regarding acquisition and construction of water main system and facilities as shown on the BCVWD approved plans entitled: Water Improvement Plans, consisting of 12 sheets as approved by BCVWD; and

H. BCVWD has entered into a Memorandum of Agreement executed as of January 4, 1989 between BCVWD and Oak Valley (as successor to Landmark Land Company of California, Inc.) by which property was annexed to BCVWD and Oak Valley constructed a well to furnish water to the golf course and is to construct on-site water lines to serve the commercial subdivision and reasonable off-site water lines and improvements to connect water systems with on-site water pipelines; and

I. BCVWD has entered into an Agreement for Annexation of Property to Beaumont-Cherry Valley Water District and Fixing Terms and Conditions thereof as of June 22, 1989 by and between BCVWD and Oak Valley (a successor to Landmark Land Company of California, Inc.) whereby property was annexed to the BCVWD and the owner was to construct and/or install the on-site and off-site water system facilities and appurtenances including a 16" water main along Fourteenth Street, rehabilitation of Well No. 55, provision of a trailer-mounted portable generator, pay the acquisition price of a reservoir site north of the property, construct an additional reach of the 16" water main and construct a 2.5 million gallon reservoir and appurtenances; and

J. Westbrook has petitioned the City to include the Westbrook property within a proposed Improvement Area No. 14 of CFD No. 93-1 as set forth in the 1993 Joint Financing Agreement and the property is also included within a proposed Assessment District No. 98-1 which the City has received petitions which will provide a financing mechanism to construct the reservoir, generator and extension of the 16" water main; and

K. The reservoir, generator and water mains may be financed in part with proceed of bonds issued by CFD No. 93-1 and in part with proceeds of bonds issued by the City with respect to Assessment District No. 98-1; and

L. CFD No. 93-1, BCVWD and the City desire to amend and restate the 1993 Joint Financing Agreement (i) to provide for the issuance of bonds by CFD No. 93-1 and by the City with respect to Assessment District No. 98-1 or another financing district and, (ii) to provide for the annexation of property to CFD No. 93-1, Assessment District No. 98-1 or the creation by the City of another financing district in the future, and (iii) to amend the BCVWD Facilities set forth

in the 1993 Joint Financing Agreement to include the reservoir, water mains and other water facilities in order to provide for their acquisition and construction and to provide for BCVWD acceptance of such facilities upon completion in accordance with the terms of the 1993 Joint Financing Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

A G R E E M E N T

1. Sale of Bonds and Use of the Proceeds. CFD No. 93-1 has issued the Series 1993A Bonds and will proceed with the issuance and sale of any subsequent series of bonds at such time and in such amount as CFD No. 93-1, in its sole discretion, may determine is appropriate. The proceeds of the Series 1993A Bonds have been or will be used, in part, to construct, on behalf of BCVWD, the BCVWD Facilities for the estimated dollar amounts shown in Section C of Exhibit "B-1" hereto. The City will proceed with the issuance and sale of its series of bonds with respect to Assessment District No. 98-1 or another financing district, at such time and in such amount as the City, in its sole discretion, may determine is appropriate. Additional BCVWD Facilities are proposed to be financed by subsequent series of bonds to be sold by CFD No. 93-1 or by the City with respect to Assessment District No. 98-1 or another financing district. Prior to the authorization of a subsequent series of bonds for additional BCVWD Facilities not set forth in Exhibit "B-1" or Exhibit "B-2" hereof, a separate exhibit and amendment to the Agreement will be entered into by the parties hereto, with respect to such additional BCVWD Facilities. CFD No. 93-1 and the City shall make disbursements out of the proceeds of their respective series of bonds to pay such costs and certain other incidental costs as hereinafter described. Such proceeds, however, may be expended by CFD No. 93-1 or the City, respectively, for any lawful purpose, including the financing of Facilities (other than the Series 1993A Facilities or the BCVWD Facilities set forth in Exhibit "B-2") required to serve land within CFD No. 93-1, Assessment District No. 98-1 or another financing district and in accordance with the BCVWD Master Facility Plan. However, no such diversion shall occur with respect to the BCVWD Facilities set forth in Exhibit "B-1" or indicated in Exhibit "B-2" as being financed with CFD No. 93-1 Series 2000A Bonds or Assessment District No. 98-1 Series 2000A Bonds without the consent of BCVWD. CFD No. 93-1 and the City shall each strictly account for the disbursements of the proceeds of their respective bonds. The proceeds of any special tax levied by CFD No. 93-1 shall be utilized exclusively by CFD No. 93-1 for debt service, administration and services as provided in the proceedings establishing CFD No. 93-1 in accordance with Section 53316.6 of the Act. The proceeds of any assessments levied by the City with respect to Assessment District No. 98-1 or another financing district shall be utilized exclusively by the City for debt service and administration as provided in the applicable proceedings.

2. Design and Construction of the BCVWD Facilities. Improvement plans for the BCVWD Facilities are to be prepared by registered and licensed civil engineers retained by BCVWD, CFD No. 93-1 or the City, consistent with the procedures and policies of the City and standards of BCVWD and as set forth in this Agreement. The costs of the design and construction of said facilities, including the administrative and legal costs, shall be paid by CFD No. 93-1 and/or the City pursuant to a payment request from the proceeds of the sale of the applicable series of bonds up to the budgeted amount listed in Exhibit "B-1" or Exhibit "B-2" in accordance with this Agreement. All contracts for the BCVWD Facilities shall be awarded and administered by the City in accordance with Section 8 hereto, as public works projects

consistent with the applicable sections of the California Public Contract Code, Labor Code, Civil Code and Government Code. The contractor or contractors who will construct the BCVWD Facilities, or any portion thereof, shall be required to provide performance and payment bonds, each in a principal amount equal to 125% of the contract price plus 20% contingency and naming BCVWD, CFD No. 93-1 and the City as obligees. Said contractor or contractors shall also be required to name CFD No. 93-1, the City and BCVWD, and the employees, officers, directors, agents and consultants of each as additional insureds under a policy of general liability insurance in the amount of Two Million Dollars (\$2,000,000) per occurrence. The bid and contract documents shall include the bond and insurance requirements as set forth herein or as determined by mutual agreement of CFD No. 93-1, the City and BCVWD at the time of advertising for bids and said requirements shall not be less than those stated above. The parties acknowledge that design and engineering costs of the BCVWD Facilities may be paid by the City or BCVWD from deposits made by property owners or developers within CFD No. 93-1, Assessment District No. 98-1 or another financing district, in contemplation of reimbursement according to Section 4 below from the proceeds of bonds issued by CFD No. 93-1 or the City with respect to Assessment District No. 98-1 or another financing district.

3. Design and Construction Budget of the BCVWD Facilities. Section C of Exhibit "B-1" and Exhibit "B-2" set forth the budgets for the design, engineering and construction of the BCVWD Facilities. In addition to the cost of engineering and design, specification and bid preparation, and the construction of the BCVWD Facilities, such costs may include, without limitation, the estimated costs of permits, licenses, easements, land, engineering, inspection and legal fees, construction contingency and a share of the general and administrative costs of BCVWD, CFD No. 93-1 and the City reasonably devoted to the design, approval and inspection of the BCVWD Facilities.

4. Engineering and Design of the BCVWD Facilities. ~~BCVWD, with the agreement of CFD No. 93-1 and the~~ The City, shall retain such qualified consultants, including properly qualified registered civil engineers (hereinafter these engineers may individually or collectively be referred to as the "Design Engineer") to design and prepare detailed bid documents, construction plans and specifications (hereinafter the "Bid Documents") for the BCVWD Facilities, including required system layout drawings, geotechnical reports and construction plan-profile drawings, in accordance with BCVWD's standard design criteria. The Bid Documents shall be submitted along with required plan check deposits and will be reviewed and approved (or rejected) within a reasonable period following their submission. Upon final approval of said plans by BCVWD, CFD No. 93-1 and the City, CFD No. 93-1 and/or the City, as applicable, shall prepare and submit a Payment Request Form as provided by the Fiscal Agent Agreement entered into by the City and the Fiscal Agent designated for CFD No. 93-1 or as provided by the Fiscal Agent Agreement entered into by the City and the Fiscal Agent designated for Assessment District No. 98-1 or for another financing district (each hereinafter a "Fiscal Agent Agreement" or together the "Fiscal Agent Agreements") for payment of all reasonable costs incurred by BCVWD, CFD No. 93-1 or the City, including reimbursements to property owners, for engineering, design and plan preparation for said facilities as approved by the City. CFD No. 93-1 and the City shall reimburse to BCVWD or the City from the proceeds of the sale of the applicable series of bonds such amounts as are necessary to pay the reasonable administration costs of BCVWD or the City incurred in the design and plan check process.

5. State Highway, County Road and City Street Construction, Operation and Maintenance Permits for the BCVWD Facilities. For those portions, if any, of the BCVWD

Facilities which are to be constructed by CFD No. 93-1 or the City within a County road, City street and/or state highway, at the expense of CFD No. 93-1 or the City with respect to Assessment District No. 98-1 or another financing district, CFD No. 93-1 or the City, as applicable, shall be responsible for obtaining a construction permit from the appropriate governmental agency covering the construction and installation of the BCVWD Facilities. At the time such construction permit is obtained by CFD No. 93-1 or the City, the appropriate governmental agency will have issued an Operate and Maintain Permit to BCVWD, which will become effective upon the completion of said BCVWD Facilities and acceptance of the ownership thereof by BCVWD.

6. Construction Responsibility. BCVWD hereby acknowledges that the City Manager of the City, or his designee, shall serve as the Contract Administrator (hereinafter the "Contract Administrator"). The Contract Administrator shall be responsible for soliciting bids and awarding and administering contracts for the BCVWD Facilities in accordance with the terms and conditions described in this Agreement; provided, however, that such responsibility may be delegated to a consultant or consultants as deemed appropriate by the Contract Administrator. BCVWD, through its Field Inspector (hereinafter defined in Section 10), shall be responsible for inspection and approval of placement of the pipe and compaction of backfill during construction of the BCVWD Facilities. The Contract Administrator is to work with the City Department of Building and Safety, BCVWD and the Field Inspector to insure that all inspections are performed in a timely manner. The Contract Administrator may perform his/her responsibilities for coordination of construction contracts and notification of inspections through a "Resident Engineer."

7. Preliminary Coordination Meeting. The Contract Administrator, Design Engineer, Resident Engineer, and representatives from BCVWD shall meet for purposes hereinafter set forth, upon the written request of CFD No. 93-1 or the City (hereinafter the "Preliminary Coordination Meeting"). At the Preliminary Coordination Meeting the schedule for construction of the BCVWD Facilities and inspection approvals will be mutually determined by the parties. It is the intent of the parties to mutually agree to the sequence and timing of construction of the BCVWD Facilities in a manner calculated to not unduly delay progress in completion of the construction of the Facilities.

8. Solicitation of Bids. Prior to the offering of any BCVWD Facility for bid, the Contract Administrator shall, in consultation with representatives of BCVWD, determine whether the particular bid set will be offered by the City. The contract documents shall specify that construction must be performed in compliance with appropriate sections of the California Public Contract Code, Labor Code and Civil Code.

9. Bid Awards. On behalf of CFD No. 93-1 and the City, the Contract Administrator shall recommend to the City Council of the City that it award contracts for the BCVWD Facilities in compliance with the applicable sections of the California Public Contract Code, Labor Code and Civil Code. The BCVWD Facilities shall be constructed by a contractor or contractors licensed by the State of California (hereinafter the "Contractor"). Prior to the award of any bid for any BCVWD Facilities, CFD No. 93-1 and the City shall determine that there are sufficient funds in the Construction Accounts (hereinafter the "Construction Accounts") established by the Fiscal Agent Agreements, or other funds of BCVWD, to cover the bid award for each Facility. No award of a contract for any BCVWD Facility shall be made unless funds, not otherwise committed, are available to cover the contract award, including a contingency amount equal to fifteen percent (15%) of the contract price and all costs of inspecting and administering said

contract.

10. Construction of the Facilities.

(a) Preconstruction Meeting. Prior to the commencement of construction, the Contract Administrator shall schedule a meeting (hereinafter the "Preconstruction Meeting") among the Contractor(s), the Design Engineer, the Resident Engineer and the Field Inspector.

(b) Matters Submitted for Review and Approval. BCVWD will have final approval of all field design changes. All matters submitted to BCVWD during actual construction by the Contract Administrator, the Design Engineer, and/or the Resident Engineer for review and approval shall receive a timely response and no response shall exceed ~~fifteen~~ ten (10) working days from date of submission to BCVWD.

(c) Inspection. BCVWD will designate a field inspector (hereinafter the "Field Inspector") who will be responsible for inspecting construction of the BCVWD Facilities consistent with Section 15 of this Agreement and will be responsible for reviewing and concurring in all Payment Request Forms with regard to the BCVWD Facilities.

(d) Payment. CFD No. 93-1 and the City, as applicable, shall make payments for completed work, less retentions, in accordance with the payment schedule determined at the Preconstruction Meeting. The payment schedule shall be consistent with the Bid Documents that will have been reviewed and approved by BCVWD and the budget figures indicated in Exhibit "B-1" and Exhibit "B-2" hereto. Upon concurrence and sign-off by the Field Inspector of any such Payment Request Form, CFD No. 93-1 and the City shall cause the Fiscal Agents to make payments in the requisite amounts to those entities or individuals designated on the Payment Request Form consistent with the provisions of this Agreement.

11. Change Orders. All change orders regarding the BCVWD Facilities are to be reviewed by CFD No. 93-1 and the City and approved in writing by the Contract Administrator and the Design Engineer. Change orders necessitated by site conditions shall be financed and paid for by CFD No. 93-1 and the City upon confirmation that funds are available for such purposes or the water facilities shall be downsized to offset the shortfall. Sources of available funds shall be (a) contingency line item for water facilities; (b) other contingency amounts for completed facilities; (c) other grant or loan funds identified by the City or (d) contribution from affected property owner or developer.

12. Shortfall. In the event the lowest acceptable bids would cause the total cost provided in the budget for the BCVWD Facilities to exceed the budgeted amount indicated in Exhibit "B-1" or Exhibit "B-2" hereto, CFD No. 93-1 and the City shall notify and confer with BCVWD to determine the source of payment of such excess amounts prior to the award to the acceptable bidder. Such source shall be either (i) additional funds of CFD No. 93-1, (ii) additional funds of the City with respect to Assessment District No. 98-1 or another financing district or (iii) the landowners or developers benefitting from the BCVWD Facilities which caused such budget overrun.

13. Use of Funds. CFD No. 93-1 and the City shall use the amounts in the Construction Accounts, as indicated in Exhibit "B-1" and Exhibit "B-2" hereto, for the payment of the design and construction costs of the BCVWD Facilities. CFD No. 93-1 and the City shall

strictly account for the expenditure of such proceeds according to generally accepted accounting practices. It is the intention of the parties that payments from the Construction Accounts shall be made only in connection with a Payment Request Form for costs and expenses paid or incurred, including, without limitation, any amounts owing under any construction contract entered into for the BCVWD Facilities. CFD No. 93-1 and the City shall account for, deposit, invest and reinvest such funds in the manner required by the Fiscal Agent Agreements.

14. Improvement Security. Any BCVWD Facility or portion thereof for which the a series of bond have been sold shall not be the subject of a subdivision improvement bond or other security pursuant to Government Code Section 66499.

15. Inspection. Construction of the BCVWD Facilities shall be subject at all times to inspection by the Field Inspector, or his designated representative. The Field Inspector, or his designated representative, shall inspect the furnishing, construction and installation of said BCVWD Facilities to assure compliance with BCVWD's approved construction plans and specifications. During the planning process, BCVWD shall secure all encroachment permits necessary for the construction of the BCVWD Facilities, the cost of which permits shall be borne by CFD No. 93-1 and the City with respect to Assessment District No. 98-1 or another financing district. Inspection shall be the responsibility of the Field Inspector and shall be done in a timely manner consistent with the approved schedule established at the Preconstruction Meeting. The Field Inspector shall have the authority to enforce the BCVWD approved construction plans and specifications for said BCVWD Facilities, which authority shall include the authority to require that any and all unacceptable materials, workmanship and/or installation be replaced, repaired or corrected. In addition, the contractor(s) shall be required under the approved construction specifications to repair any and all installed facilities which have been damaged by any party prior to BCVWD's final acceptance of said BCVWD Facilities for ownership, operation and maintenance, which final acceptance shall follow final inspection and testing of said BCVWD Facilities after completion thereof. Contractor(s) will be required to: (i) make the corrections and/or repairs determined by the Field Inspector to be necessary and consistent with the approved construction specifications, and (ii) provide a one (1) year materials and workmanship guarantee, the precise nature of which will be agreed upon by CFD No. 93-1, the City and BCVWD, providing that such Contractor(s) will repair, at its (their) expense, all failures of facilities which it (they) furnished, installed and/or constructed due to faulty materials or installation, including settlement of backfill within said one-year period.

16. Field Engineering Surveys and Compaction Tests. If deemed necessary by the Contract Administrator, a qualified engineering firm (hereinafter the "Field Engineer") shall be employed by the CFD No. 93-1 or the City as a consultant, under the direction of the Contract Administrator, to provide all field engineering surveys associated with the construction of the BCVWD Facilities which are determined to be necessary by the Contract Administrator, Design Engineer, the Contractor(s) and/or the Field Inspector. The Field Engineer shall promptly furnish to CFD No. 93-1, the City and BCVWD a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from Field Engineer's engineering surveys and/or proposed facility design changes and allow CFD No. 93-1, the City and BCVWD sufficient time to approve or make any required facility design changes resulting therefrom prior to construction.

The cost of all compaction tests and report costs associated with BCVWD Facilities furnished and constructed by contractor(s) shall be included among the costs which are to be paid from the Construction Account. The Field Engineer shall promptly furnish results of all

such compaction testing to CFD No. 93-1, the City and BCVWD for its review, evaluation and decision as to compliance with applicable specifications.

17. Completion of BCVWD Facilities. Upon completion of construction of any of the BCVWD Facilities listed in Exhibit "B-1" or Exhibit "B-2" hereto, as determined by the Field Inspector, CFD No. 93-1 or the City, as applicable, shall notify BCVWD in writing of such completion and shall prepare and cause the City Council of the City to accept and file the Notice of Completion as to such Facilities, record said Notice with the Office of the Recorder of the County of Riverside, State of California, and cause the Contractor and all subcontractors to provide lien and material releases.

18. Conveyance of Title. Title to the land or rights-of-way on and over property within CFD No. 93-1, Assessment District No. 98-1 or another financing district on which the BCVWD Facilities have been or will be constructed shall be free of all liens and encumbrances, except easements and other matters of record that will not interfere with construction, use and maintenance of the BCVWD Facilities. The property owners, CFD No. 93-1 and the City, as appropriate, shall cause transfer of title to such land or rights-of-way on such documents as BCVWD may prescribe. It is anticipated that a substantial portion of the BCVWD Facilities have been or will be constructed within public streets and rights-of-way dedicated to the City and other public entities. Any easements granted to facilitate construction prior to such dedications shall provide that the easement right conveyed will expire upon dedication and acceptance of such area as a public right-of-way. As to portions of the BCVWD Facilities that have been or will be constructed on land that would otherwise remain in private ownership, the provisions of Section 19 of this Agreement shall control. It is anticipated that, depending on decisions made by CFD No. 93-1, the City and BCVWD with regard to BCVWD Facilities at the Preconstruction Meeting, such conveyances of land and easements are to be made prior to commencement of construction and that upon completion of construction such land and rights-of-way associated with said BCVWD Facilities will be conveyed to BCVWD.

In addition, upon completion of the BCVWD Facilities, and written acceptance thereof by BCVWD, CFD No. 93-1, the City or the property owners, as appropriate, shall execute and deliver, without any cost or expense to BCVWD, a Bill of Sale, in form and content acceptable to BCVWD, the City and CFD No. 93-1, conveying all right, title and interest in and to all of the BCVWD Facilities. The Bill of Sale shall include a warranty by CFD No. 93-1, the City or the property owners, that such right, title and interest is free and clear of any and all encumbrances except those encumbrances that will not interfere with use and maintenance of the BCVWD Facilities.

19. Easements Involving Private Property. For those portions, if any, of the BCVWD Facilities which are to be constructed within and across private property, CFD No. 93-1 and the City shall, before any such construction begins, obtain easement documents, which are satisfactory to BCVWD as to location, width, content and form, which have been duly executed by the involved property owners and which assure BCVWD's unequivocal right to own, operate, maintain, replace, repair and provide service from and through the involved BCVWD Facilities.

20. Acceptance. BCVWD agrees to accept title to, and provide service through, the BCVWD Facilities, subject to certification by BCVWD that such Facilities have been completed in accordance with the plans and specifications approved by BCVWD and provided that title to the BCVWD Facilities is free of all liens and encumbrances not otherwise acceptable to BCVWD. In this regard, it is specifically understood and agreed that BCVWD shall not be

obligated to accept title or to operate and provide service through the BCVWD Facilities until satisfactory final inspection and testing thereof by the BCVWD has been completed and all easement and deed documents have been received by BCVWD.

21. Use of BCVWD Facilities. Upon conveyance of title to the BCVWD Facilities and acceptance of ownership, said BCVWD Facilities shall become and remain the sole and separate property of BCVWD and shall be operated, maintained and utilized by BCVWD to serve the territory within CFD No. 93-1, Assessment District No. 98-1 and other lands pursuant to applicable BCVWD rules, regulations, policies and procedures as they may be amended from time to time by BCVWD's Board of Directors and subject to BCVWD facility capacity and water supply limitations which result from conditions that are beyond BCVWD's control, including, but not limited to, applicable regulations and/or limitations established by Federal, State, regional and local agencies.

22. Oversized Facilities and Connection Fee Credits. It is understood by all parties to this Agreement, that the issues of oversizing of facilities and connection fee credits have been addressed in other agreements between the parties and will be addressed in agreements between BCVWD and the property owners participating in CFD No. 93-1, Assessment District No. 98-1 or other financing districts. If necessary, the issue of oversizing will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 or by the City with respect to Assessment District No. 98-1 to pay for the construction of additional facilities to be owned and maintained by BCVWD.

BCVWD fees consist of several components, a portion of which represent capital facilities charges. BCVWD fees are normally required to be paid to BCVWD by a developer upon application for service for the property proposed for development. By the funding and construction of facilities through CFD No. 93-1, Assessment District No. 98-1 or another financing district, a developer or its successors and assigns, will be deemed to have fulfilled and mitigated its obligation with respect to the component(s) of such BCVWD fees (and conditions covered by the component of such fees relating to the development of such property) due with respect to the type of facility or facilities financed as hereafter described. In the event the costs of such facility or facilities are less than the component(s) of the BCVWD fees relating thereto due with respect to the property, the property owner shall be entitled to a partial fee credit for each parcel for such component(s) and the property owner shall be obligated to pay the remaining portion of the BCVWD fees for each parcel. In the event costs of such facility or facilities are greater than the component(s) of the BCVWD fees relating thereto due with respect to the property, the property owner shall not be entitled to any additional credits or any credits for other components of the BCVWD fees. However, when costs are greater than the component(s) of the BCVWD fees relating thereto, any other property which will use such facilities which has not paid for such facilities (e.g., by participating in CFD No. 93-1, Assessment District No. 98-1 or another financing district and that financing district providing funds for such costs) shall pay to BCVWD the then current development impact fees which BCVWD will then apportion among BCVWD and CFD No. 93-1, Assessment District No. 98-1 or another financing district based on water facilities acquired or constructed by BCVWD, CFD NO. 93-1, Assessment District No. 98-1 or another financing district for such other properties and the benefit conferred by the facilities to such properties. Development impact fees apportioned to CFD No. 93-1, Assessment District No. 98-1 or another financing district shall be used in accordance with applicable financing documents of CFD No. 93-1, Assessment District No. 98-1 or such other financing district.

23. Cooperative Agreement. The City and BCVWD have entered into a Cooperative Agreement (the "Cooperative Agreement") which addresses, inter alia, the facilities needs of BCVWD created by the development of land within CFD No. 93-1 and the financing of such facilities. The Cooperative Agreement provides several financing alternatives available to developers, including utilization of CFD No. 93-1 as a financing mechanism for said facilities. The Cooperative Agreement also allows for mitigation agreements between BCVWD and the developers within ~~CFD No. 93-1~~ any financing district which may provide an additional funding source for the BCVWD Facilities.

It is understood by all parties to this Agreement, that the issues relating to the amount and collection of school fees are addressed in other agreements between the parties and will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 or the City to pay for the construction of additional facilities to be owned and maintained by the BCVWD.

24. Maintenance. Prior to the transfer of ownership of the BCVWD Facilities to be constructed by CFD No. 93-1 or the City with respect to Assessment District No. 98-1 or another financing district, CFD No. 93-1 and the City shall be responsible for their maintenance. Upon acceptance of the BCVWD Facilities by BCVWD, BCVWD shall be solely responsible for the maintenance thereof and all rights, duties and obligations of CFD No. 93-1 and the City for said maintenance under this Agreement shall terminate.

25. Administrative Costs. All administrative costs related to the design, engineering, construction and inspection of the BCVWD Facilities of CFD No. 93-1, the City and BCVWD which include but are not limited to the reasonable cost of preparing the Bid Documents, all fees and costs incurred in obtaining permits, licenses, offsite rights-of-way or easements, inspection fees and land acquisition costs are provided for in Exhibit "B-1" and Exhibit "B-2". The parties recognize the amount of such costs may increase in the future. Subject to the limitations of the budget indicated in Exhibit "B-1" or Exhibit "B-2" hereto, CFD No. 93-1 or the City, as applicable, shall cause to be paid from the applicable Construction Account the reasonable administrative costs actually incurred by each party to this Agreement, up to the budgeted amount indicated in Exhibit "B-1" or Exhibit "B-2" hereto.

26. No CEQA Approval. CFD No. 93-1, the City and BCVWD agree that before the construction of any new facilities may be approved, proceedings under the California Environmental Quality Act ("CEQA") to determine the environmental impact of the BCVWD Facilities must be conducted by the City, and, based on that impact or lack thereof, determine if the BCVWD Facilities should be constructed. In entering into this Agreement, the parties acknowledge and agree that they have not prejudged the potential outcome of the CEQA proceedings, but are reaching accord in the event the plan to construct the BCVWD Facilities and related facilities receive CEQA approval.

27. No Obligations Assumed. Nothing herein shall be construed as requiring CFD No. 93-1 or the City to issue or sell a series of bonds or any subsequent series of bonds pursuant to the State law or any other law or regulation requiring the construction of the BCVWD Facilities.

28. Indemnification. CFD No. 93-1 shall assume the defense of, indemnify and hold harmless, BCVWD and the City and their officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, (i) the

actions of CFD No. 93-1 pursuant to this Agreement and (ii) the construction of the BCVWD Facilities by CFD No. 93-1; provided, however, that nothing in this paragraph shall limit, in any manner, BCVWD's or the City's rights against any of CFD No. 93-1's contractors. No provision of this Agreement shall in any way limit the extent of the responsibility of CFD No. 93-1 for payment of damages resulting from its own operations, including but not limited to the operations of any of its contractors, agents or employees.

CFD No. 93-1 hereby assures BCVWD and the City that any and all contractors employed by it shall furnish to BCVWD and the City certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming the BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

The City with respect to Assessment District No. 98-1 or another financing district, solely from funds available from or through Assessment District No. 98-1 or such other financing district, shall assume the defense of, indemnify and hold harmless, BCVWD and CFD No. 93-1 and their officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, (i) the actions of the City pursuant to this Agreement and (ii) the construction of the BCVWD Facilities by the City; provided, however, that nothing in this paragraph shall limit, in any manner, BCVWD's or CFD No. 93-1's rights against any of the City's contractors. No provision of this Agreement shall in any way limit the extent of the responsibility of the City for payment of damages resulting from its own operations, including but not limited to the operations of any of its contractors, agents or employees.

The City hereby assures BCVWD and CFD No. 93-1 that any and all contractors employed by it shall furnish to BCVWD and CFD No. 93-1 certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming the BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

BCVWD shall assume the defense of, indemnify and hold harmless CFD No. 93-1 and the City and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the actions of BCVWD taken in the performance of this Agreement. No provision of this Agreement shall in any way limit the extent of the responsibility of BCVWD for the payment of damages resulting from its own operations or the operations of any of its contractors, agents or employees.

BCVWD hereby assures CFD No. 93-1 and the City that any and all contractors employed by it shall furnish to CFD No. 93-1 and the City certificates of insurance substantiating that they have obtained for the entire period of construction of any of the

BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

29. Reclaimed Water Facilities. Notwithstanding anything contained herein, this Agreement shall not supercede or modify the agreement between the City and BCVWD set forth in the Recycled Water Implementation Memorandum of Understanding. BCVWD Facilities constituting reclaimed water facilities, including modifications to the wastewater treatment plant, a reservoir for recycled water, a pumping station for pressurization of the system, and the recycled water distribution system for the City to deliver recycled water to customers and potential customers within the City, the City's sphere of influence and the District shall be constructed, owned, operated and maintained by the City, at its sole cost and expense, except as CFD No. 93-1 shall provide funding therefor. BCVWD shall have the right to review the plans for recycled water facilities prior to initiation of construction or installation by the City or CFD No. 93-1. BCVWD's review of plans shall not be deemed acceptance or approval by BCVWD of the sufficiency of said plans or as any other obligation in regard to construction or operation of said facilities. Nothing in this Agreement shall be deemed as participation by BCVWD in any activity by the City regarding the recycled water facilities or as acceptance of said facilities to any degree whatsoever.

30. Agreement under Section 10110 of the Streets and Highways Code. This Amendment No. 1 shall constitute the agreement among public agencies referenced in Section 10110 of the Streets and Highways Code.

31. No Joint and Several Liability. For those BCVWD Facilities financed partially by the City and partially by CFD No. 93-1, their obligation shall not be joint and several, but each shall be liable for its portion of the costs relating to such BCVWD Facility.

32. Effective Date and Termination. This Agreement shall become effective and of full force and effect as of its date of execution (the "Effective Date")

33. Notice. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party or other person shall be deemed to have been received when personally delivered or upon deposit of the same in the United States Post Office, registered or certified, postage prepaid, addressed as follows:

CFD No. 93-1:

City of Beaumont
Community Facilities District No. 93-1
550 E. Sixth Street
P.O. Box 158
Beaumont, California 92223
Attn: City Manager
TEL (909) 769-8520
FAX (909) 769-8526

City:

City of Beaumont

550 E. Sixth Street
P.O. Box 158
Beaumont, California 92223
Attn: City Manager
TEL (909) 769-8520
FAX (909) 769-8526

BCVWD: Beaumont Cherry Valley Water District
560 N. Magnolia Avenue
P.O. Box 2037
Beaumont, California 92223
Attn: General Manager
TEL (909) 845-9581
FAX (909) 845-0159

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties ~~[within twenty (20) days of such change]~~.

34. Captions. Captions to sections of the Agreement are for convenience purposes only and are not part of this Agreement.

35. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

36. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

37. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided herein.

38. Amendments. This Agreement may be amended or modified only in writing signed by each of the parties.

39. Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

Exhibit Description

"A"	Boundary Map of CFD No. 93-1 Boundary Map of Assessment District No. 98-1 (Boundaries may change as additional areas are annexed)
"B-1"	Series 1993A Facilities Description and Construction Costs
"B-2"	Additional BCVWD Facilities Description and Estimated Construction Costs

40. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

41. Termination of the 1993 Joint Financing Agreement. Upon execution hereof, this Agreement shall supersede and replace the 1993 Joint financing Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT
NO. 93-1 OF THE CITY OF BEAUMONT

By: _____
Mayor of the City Council, Ex
Officio the Legislative Body of
City of Beaumont Community
Facilities District No. 93-1

ATTEST:

By: _____
Clerk of the City Council, Ex
Officio the Legislative Body of
City of Beaumont Community
Facilities District No. 93-1

CITY OF BEAUMONT

By: _____
Mayor of the City Council

ATTEST:

By: _____
Clerk of the City Council

BEAUMONT CHERRY VALLEY WATER
DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

**BOUNDARY MAPS
OF
COMMUNITY FACILITIES DISTRICT NO. 93-1
(as of December 1, 1999)**

AND OF

**ASSESSMENT DISTRICT NO. 98-1
(as of December 1, 1999)**

APPENDIX J

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (hereinafter "the Agreement") is entered into as of the 21st day of January, 1994, by and between YUCAIPA VALLEY WATER DISTRICT (hereinafter "YVWD") and BEAUMONT-CHERRY VALLEY WATER DISTRICT (hereinafter "BCVWD").

R E C I T A L S

A. YVWD is a county water district organized and operating pursuant to California Water Code Section 30000 et seq. YVWD furnishes water service to its customers within its jurisdictional boundaries in Riverside County and San Bernardino County, State of California.

B. BCVWD is an irrigation district organized and operating pursuant to California Water Code Section 20500 et seq. BCVWD furnishes water service to its customers within its jurisdictional boundaries in Riverside County and San Bernardino County, State of California.

C. On or about November 20, 1992, BCVWD filed suit against YVWD in the Superior Court of Riverside County, Case Number 226259 (hereinafter "the Lawsuit"), alleging that BCVWD and YVWD both pump water from an underground storage unit identified as the Beaumont Storage Unit which is purportedly in a state of overdraft. The

Lawsuit seeks injunctive relief to prevent YVWD from continuing to produce groundwater from its wells allegedly located within the Beaumont Storage Unit. YVWD has denied the material allegations of the Lawsuit.

D. YVWD and BCVWD desire to enter in this Agreement for the purpose of resolving the Lawsuit without any further litigation, and developing a Basin Management Plan for the joint use and management of the Beaumont Storage Unit, and are entering into the Agreement for said purposes. This Agreement shall never be treated or otherwise construed as an admission of liability by either party for any purpose.

C O V E N A N T S

NOW THEREFORE, in consideration of the preceding Recitals and the mutual Covenants contained herein, the parties agree as follows:

1. Dismissal of Lawsuit. BCVWD shall dismiss YVWD from the Lawsuit without prejudice. BCVWD shall only be permitted to file suit against YVWD to litigate the issues addressed in the Lawsuit if authorized under this Agreement.

2. Production Limitation. YVWD shall limit its annual production of groundwater from the Beaumont Storage Unit to an amount equal to its average annual pumping from the Beaumont Storage Unit as calculated from 1986 to 1991. BCVWD shall limit its annual production of groundwater from the Beaumont Storage Unit to an amount equal to its average annual pumping from the Beaumont Storage Unit as calculated from 1986 to 1991. Said amounts shall be hereinafter referred to as the party's Production Limitation.

3. Production Inconsistent With Limitation. If a party produces groundwater from the Beaumont Storage Unit in an amount less than its respective Production Limitation, that unused amount may be banked and credited for the next year or credited towards that party's allocation under the Basin Management Plan. If a party produces groundwater from the Beaumont Storage Unit in excess of its respective Production Limitation, that party shall be required to replace its excess water use in accordance with any physical solution established in the Basin Management Plan.

4. Use of Reclaimed Water. Each party will receive credit for all reclaimed water which that party put to beneficial use in the Beaumont Storage Unit. This credit can be applied against the party's actual production in the year the reclaimed water is put to beneficial use or, at the party's option, against any obligation under Paragraph 3 above to replace water produced in excess of its Production Limit, including any such obligation which arose in a

year prior to the year the reclaimed water is put to beneficial use which has not yet been satisfied.

5. Period of Production Limitation. The Production Limitation set forth in Section 2 of this Agreement shall be for a period of two (2) years from the date of this Agreement unless otherwise specified in the Basin Management Plan.

6. Development of Basin Management Plan. During the period of the Production Limitation set forth in Section 5 of this Agreement, YVWD and BCVWD shall make a good faith effort to jointly develop and implement a Basin Management Plan for the Beaumont Storage Unit. The Basin Management Plan shall include a review of prior studies, tests, and available data regarding the hydrologic condition of the Beaumont Storage Unit to determine if that Unit is in a state of overdraft. If overdraft is found to exist, the Basin Management Plan shall quantify each party's entitlement to groundwater from the storage unit, and provide for the physical solution to said overdraft and the administration thereof.

7. Funding of Basin Management Plan. YVWD and BCVWD shall each retain their own consultant and shall be solely responsible for payment of their respective consultant fees and associated costs. Neither party shall be responsible for the payment of said fees or costs for the other party. Each of the parties agrees to furnish to the other all non-privileged materials, including but

not limited to, water extractions data from the Beaumont Storage Unit, studies concerning water conditions and quality, pump and well information, engineering reports, master plans, will-serve letters and agreements with other water producers or importer, as requested by the consultants. BCVWD will provide all non-privileged information to YVWD currently in its possession, regarding the Beaumont Storage Unit, as well as all evidence presented at trial and discovery materials in the Lawsuit.

Consultants will review all pertinent information and no later than eight (8) days months after this Agreement has been signed, jointly consult and begin preparation of the Basin Management Plan.

8. Time Limitations and Remedies.

(a) In the event that the Basin Management plan is not completed during the period of the Production Limitation as set forth in Section 5 (i.e., two [2] years), either party may, by giving written notice, extend the period of the Production Limitation by one additional year, to allow for completion of the Basin Management Plan. During the additional, third year, the conditions of this Agreement will remain in effect.

(b) Alternatively, at the end of initial two (2) year Production Limitation period, either party may file suit to litigate the issues addressed in the Lawsuit. If said suit is filed within thirty (30) day after the expiration of the two (2)

year period set forth in Section 5 of this Agreement, the parties hereby agree to abide by the production limits established pursuant to Section 5 of this Agreement for one (1) additional year from the date the suit is filed or until final judgment is entered, whichever is earlier.

9. Remedy for Violation of Production Limits During the One-Year Period. If the one (1) year period under Paragraph 8(b) is put into effect, and either of the parties produces groundwater from the Beaumont Storage Unit in an amount less than its respective Production Limitation, that unused amount may be banked and credited toward that party's allocation under any judgment that may be entered. If during said one (1) year period a party produces groundwater from the Beaumont Storage Unit in excess of its respective Production Limitation, that excess amount shall be deducted from that party's allocation under any subsequent judgment.

10. No Relinquishment or Waiver. By entering into this Agreement, neither party is relinquishing or waiving any rights to surface, reclaimed or recharged water.

11. Indemnification. Each party agrees to indemnify, hold harmless, and assume the defense of the other party, its officers, agents, employees, and elective Boards, and pay all court costs and reasonable attorneys' fees relating thereto, in any action, with

respect to a claim, loss, damage or injury, asserted by a third party against the party entitled to indemnification hereunder, and arising out of a negligent act, error or omission, or wilful misconduct, of an employee or agent of the party whose actions under this Agreement gave rise to such third-party claim.

12. Notices. Any notice, tender or delivery to be given hereunder by either party to the other shall be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of mailing or in the case of personal delivery, as of actual receipt. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this Section.

To: Yucaipa Valley Water District
12990 Second Street
P. O. Box 730
Yucaipa, CA 92399-0730
Attention: General Manager

To: Beaumont-Cherry Valley Water District
560 North Magnolia Avenue
P.O. Box 2037
Beaumont, CA 92223
Attention: General Manager

13. Attorneys' Fees. Each party hereto shall be responsible for payment of their respective attorneys fees and costs.

14. Amendments. This is an entire agreement and supersedes all prior agreements oral or written between the parties, and their agents, and cannot be amended unless in writing, with specific reference hereto by the parties authorized to be charged. Failure by either party to enforce any provisions shall not constitute a waiver of said party's rights to enforce subsequent violation of the same or any other provisions.

15. Inurement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

16. Captions. The captions of Sections and Subsections of this Agreement are for reference only and are not to be construed in any way as part of this Agreement.

17. Validity. This Agreement will be construed in accordance with the laws of the State of California.

18. Severability. If any section, clause or phrase of this Agreement is for any reason held to be unconstitutional or unlawful, such a decision shall not effect the validity of the remaining portions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers as of this date first above written.

YUCAIPA VALLEY WATER DISTRICT

By Cliff B. Wilson
Board President

ATTEST _____
Board Secretary

BEAUMONT-CHERRY VALLEY WATER DISTRICT

By Roland A. Russell
Board President

ATTEST C. J. Butcher
Board Secretary

APPENDIX K

Annual EDU wastewater generation, AFY	0.28																			
Annual EDU water demand, AFY	0.61																			
Project Name	Entitlement Status	Jurisdictional Status	Development Plan	EDUs, Residential	EDUs, Commercial & Industrial	Number of Equivalent Dwelling Units	Estimated Years to Build Out	Estimated Construction Start Date	Units Already Served 1/2005	Units Remaining 1/2005	2005	2006	2007	2008	2009	2010	2011	2012		
Pardoe - Sundance (Deutsch)	Tract Approval and Construction in Process	City	Develop Master Plan	4500	140	4640	10	2002	900	3740	374	374	374	374	374	374	374	374	374	
Noble Creek Specific Plan	Specific Plan Approved	City	Market Finished Lots / Builder	0		900	10	2006		900		90	90	90	90	90	90	90	90	
Cougar Ranch	Tentative Tract Map Amendment in Process	City	Builder	164	0	164	2	2004	80	84	42	42								
Suncal (formerly Heartland)	SP/Tentative Tract Map Approved	City	Bulk Sale of JP Offered	994	490	1484	10	2006		1484		148	148	148	148	148	148	148	148	
K-Hovnanian Four Seasons	Specific Plan Approved, Tract Maps in Process	City	Bulk Sale Offered	2217	88	2305	7	2005		2305		329	329	329	329	329	329	329	329	
Hidden Canyon (formerly Lockhead Aircraft, Beaumont Gateway)	SP Amendment in Process	City		400		400	4	2007		400			100	100	100	100				
Seneca Springs (formerly Loma Linda)	SP / Tentative Commercial PM Approved	City		950	0	950	7	2005		950		136	136	136	136	136	136	136	136	
Pardoe Tournament Hills (formerly Oak Valley Partners LP / SCPGA)	Tract Approval in Process	City Sphere	Golf Courses Completed, Tract Construction Underway	2100		2100	10	2004		2100	210	210	210	210	210	210	210	210	210	
Majestic Realty (formerly Olinger Commercial)	General Plan / Zoning in process	City	Market Commercial Parcels 53 acres	0	84	84	2	2007		84			42	42						
Cross Roads Logistics (formerly Rolling Hills Ranch)	Tentative Tract Map Approved	City	In Escrow with Builder		100	100	2	2007		100			50	50						
Pulte Oak Valley Greens	Tracts Approved, Construction underway	City	Market Finished Lots	2600	140	2740	5	2002	1500	1240	248	248	248	248	248					
Willow Springs Area	SP on Hold	Annexation in process	Market Finished Lots	2800	210	3010	15	2007		3010					201	201	201	201	201	
Shea Homes Laborde Canyon Hidden Canyon I & II (formerly Mission Viejo Co., Jack Rabbit)	SP / Tentative Tract Map on Hold	Annexation on Hold	Unknown	1200	0	1200	10	2006		1200			120	120	120	120	120	120	120	
South Street Commercial Corridor - Xenia St East	General Plan / SP in Process	City	Multiple Owner	320	958	1278	5	2005		1278	256	256	256	256	256					
Beaumont Industrial / Fourth Street Area Centerstone (formerly KSE)	General Plan UNKNOWN	City	Multiple Owner	470	1139	1139	5	2006		1139		228	228	228	228	228				
				470	2	470	2	2004		470	235	235								
Tract at 30450 (Oak Glen Road)		County	Grading Plan in Process	27		27	5	2008		27		5	5	5	5	5	5	5	5	
Sunny Cal Egg Ranch Development				900		900	8	2007		900			113	113	113	113	113	113	113	
SunCal Fairway Canyon	Grading in process	City	Grading in Process	3300		3300	8	2005		3300		413	413	413	413	413	413	413	413	
Curtis Tr 30891	Grading in process	City	Grading in process	241		241	2	2006		241		121	121							
Royal Homes Tr 30524		City		23		23	1	2006		23		23								
Pacific Scene Tr 31426/32020				170		170	2	2006		170		85	85							
Walmart/Home Depot					20	20	1	2006		20		20								
Carmel Homes Tr 29839				73		73	2	2005		73	37	37								
Corman Leigh Tr 30779 (formerly Brookfield)				194		194	2	2006		194		97	97							
						0				0										
YEARLY TOTALS (KNOWN SCHEDULED PROJECTS)				23643	3369	27912			2480	25432	1401	3096	3184	3062	2970	2466	2133	2133		
YEARLY ESTIMATED EDUs from UNKNOWN PROJECTS						1125				1125		25	25	25	25	25	50	50		
PROJECTED EDUs OF DEVELOPMENTS, ACCUMULATED						29037				26557	1401	4522	7711	10797	13792	16284	18487	20650		
Existing Water Demand, AFY						0				1513										
Water Demand 2001-thru 2004, AFY						0														
Subtotal Water Demand 2004, AFY						0														
Projected New Water Demand from Developments Accumulated, AFY											855	2758	4703	6586	8413	9933	11285	12596		
Projected Total Households (EDUs) in Cherry Valley											1700	1760	1820	1880	1940	2000	2100	2200		
Additional Households (EDUs) in Cherry Valley											0	60	60	60	60	60	100	100		
Additional Households (EDUs) in Cherry Valley Accumulated											80	120	180	240	300	400	500			
Projected New Water Demand for Cherry Valley, AFY											37	73	110	146	183	244	305			
PROJECTED TOTAL WATER DEMAND (Includes existing demands which could be served by non-potable water, AFY)											6767	10708	12689	14609	16472	18029	19421	20814		
Estimated Existing Demands which could be served non-potable water, AFY											2153	2153	2153	2153	2153	2153	2153	2153		
Net Potable Water Demand											6615	8555	10537	12456	14320	15876	17269	18662		
Recycled Water Supplied to Overlying Parties											0	800	1600	2450	3150	3150	3150	3150		
Other Recycled Water Demands											0	91	182	273	364	455	546	637		
K-Hov 4 Seasons											33	66	100	133	166	200	200			
Seneca Springs											33	66	100	133	166	200	200			
SunCal (Heartland) & Willow Springs														500	500	500	500	500		
Golf Course																				
SunCal (Heartland) & Willow Springs Parks & Schools														50	100	150	200	250		
Noble Creek Meadows														25	50	75	100	125	150	
Subtotal Non-potable Water Demand (Includes existing uses on potable water)											2153	3044	3935	5428	6269	8410	8553	8628		
Total Demand (Potable plus Non-potable)											8767	11599	14471	17884	20588	22286	23821	25289		

[illegible]

APPENDIX L

ORDINANCE NO. 772

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT REQUIRING
CONSERVATION OF WATER IN ACCORDANCE WITH THE ADOPTED BEAUMONT-
CHERRY VALLEY WATER DISTRICT URBAN WATER PLAN AND RECYCLED WATER
MASTER PLAN**

WHEREAS, the State of California has found and determined that the development of traditional water resources in California has not kept pace with the State's population, and that there is a need for a reliable source of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts, and recreation and to protect and enhance fisheries, wildlife habitat and riparian areas; and

WHEREAS, the Beaumont-Cherry Valley Water District (the "District") has adopted the Urban Water Plan which requires, among other things that, certain water conservation measures be implemented and certain water conservation procedures be followed; and

WHEREAS, the District has adopted the Recycled Water Master Plan which, among other things, provides a long range plan for the construction of reclaimed water facilities within the boundaries of the City and the City Sphere of Influence; and

WHEREAS, the District provides residents, businesses and industries in the City and the City Sphere of Influence with potable sources of water supply, storage and distribution for domestic and commercial use; and

WHEREAS, conservation of water is important for the future health, safety and welfare of the City of Beaumont and the City Sphere of Influence and for the preservation of groundwater resources;

**THE CITY COUNCIL OF THE CITY OF BEAUMONT DOES ORDAIN AS
FOLLOWS:**

Section 1. Purpose. This purpose of this Ordinance is to make provision for the conservation of water in accordance with the plans and policies adopted by the Beaumont-Cherry Valley Water District.

Section 2. District Policies. Copies of the plans and policies of the District are on file with the City Clerk of the City of Beaumont and with the Secretary of the District. The policies may be revised in accordance with state law.

Section 3. Notice of Adoption of Ordinance. The City Clerk of the City of Beaumont is hereby directed to publish this Ordinance once within fifteen (15) days following its adoption in *The Record Gazette*, a newspaper of general circulation published in the City of Beaumont.

Section 4. Effective Date. This Ordinance shall be in full force and effect 30 days from and after its adoption.

PASSED and APPROVED this 27 day of Oct, 1997 by the following vote:

AYES: Mayor Leja, Council Members Berg, Westcott, and Zeller

NOES: None

ABSTAIN: None

ABSENT: Council Member Parrott

MOVED, PASSED AND ADOPTED this 10th day of 11/97, by the following vote:

AYES: Mayor Leja, Council Member Westcot, Parrott, and Zeller.

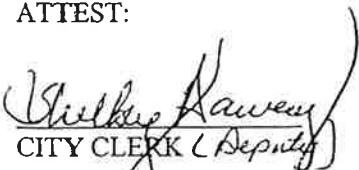
NOES: None.

ABSTAIN: None.

ABSENT: Council Member Berg.

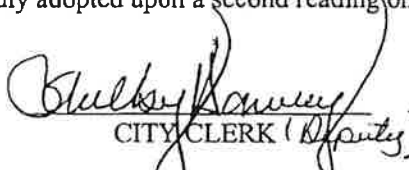

MAYOR OF THE CITY OF BEAUMONT

ATTEST:


CITY CLERK (Deputy)

CERTIFICATION

The foregoing is certified to be a true copy of Ordinance No. 772 duly introduced at a regular meeting of the City Council held on 10/27/97 and duly adopted upon a second reading on 11/10/97 the roll call votes indicated therein.


CITY CLERK (Deputy)

APPENDIX M

ORDINANCE NO. 773

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT REQUIRING USE OF RECYCLED OR RECLAIMED WATER IN ACCORDANCE WITH STATE LAW

WHEREAS, the State of California has found and determined that the development of traditional water resources in California has not kept pace with the State's population, and that there is a need for a reliable source of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts, and recreation and to protect and enhance fisheries, wildlife habitat and riparian areas; and

WHEREAS, the State legislature has found and declared that the use of potable domestic water for nonpotable uses, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, school athletic fields and industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution if recycled water is available which meets all of the conditions as determined by the State for use of recycled water; and

WHEREAS, the Beaumont Cherry Valley Water District (the "District") has adopted an Urban Water Plan and a Recycled Water Master Plan in accordance with State Law which entail the utilization of treated water from the Sewage Treatment Facilities of the City for recycling; and

WHEREAS, the State Department of Health Services has updated regulations for the use of recycled water; and

WHEREAS, the use of recycled water is a cost-effective, reliable method of helping to meet the community's water supply needs; and

WHEREAS, the State has provided that retail water suppliers and recycled water producers and wholesalers should promote the substitution of recycled water for potable water in order to maximize the appropriate cost-effective use of recycled water; and development of the infrastructure to distribute recycled water will provide jobs and enhance the economy and the environmental benefits of recycled water include a reduced demand for water and there is a need for a reliable source of water for uses not related to the supply of potable water; and

THE CITY COUNCIL OF THE CITY OF BEAUMONT DOES ORDAIN AS FOLLOWS:

Section 1. Purpose. This purpose of this Ordinance is to make provision for the use of recycled or reclaimed water in accordance with State law.

Section 2. Use of Recycled Water. The City hereby finds and declared that the use of potable domestic water for nonpotable uses, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, school athletic fields, and industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution if recycled or reclaimed water is available which meets all of the conditions as determined by the State for use of recycled and reclaimed water. In accordance with the District's Recycled Water Master Plan which entails the utilization of treated water from the Sewage Treatment Facilities of the City for recycling, and

the regulations of the State Department of Health Services, the use of recycled water is a cost-effective, reliable method of helping to meet the community's water supply needs; and the City shall require the use of recycled water for potable water in order to maximize the appropriate cost-effective use of recycled water. Each nonpotable use, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, school athletic fields, and industrial and irrigation uses, shall utilized recycled water from the City's Sewage Treatment Facility at such time as recycled water is available for such nonpotable use in accordance with State law.

Section 4. Notice of Adoption of Ordinance. The City Clerk of the City of Beaumont is hereby directed to publish this ordinance once within fifteen (15) days following its adoption in *The Record Gazette*, a newspaper of general circulation published in the City of Beaumont.

Section 5. Effective Date. This ordinance shall be in full force and effect 30 days from and after its adoption.

PASSED and APPROVED this 27 day of Oct., 1997 by the following vote:

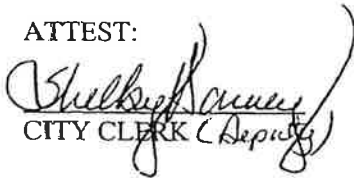
AYES: Mayor Leja, Council Members Berg, Westcott, and Zeller
NOES: None
ABSTAIN: None
ABSENT: Council Member Parrott

MOVED, PASSED AND ADOPTED this 10 day of Nov. 1997 by the following vote:

AYES: Mayor Leja, Council Member Westcot, Parrott, and Zeller.
NOES: None.
ABSTAIN: None.
ABSENT: Council Member Berg.


MAYOR OF THE CITY OF BEAUMONT

ATTEST:


CITY CLERK (Deputy)

CERTIFICATION

The foregoing is certified to be a true copy of Ordinance No. 773 duly introduced at a regular meeting of the City Council held on 10/27/97 and duly adopted upon a second reading on 11/10/97 by the roll call votes indicated therein.


CITY CLERK (Deputy)

APPENDIX N

Ordinance No. 775

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA
ESTABLISHING SERVICE CHARGES AND FEES FOR RECYCLED OR RECLAIMED
WATER IN THE CITY OF BEAUMONT AND THE CITY SPHERE OF INFLUENCE**

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
1	INTRODUCTION	1
1.1	General	1
1.2	Purpose	1
1.3	Policy	1
1.4	Intent	2
1.5	City's Goals and Objectives	2
1.6	Scope	2
1.7	Incorporated Documents	3
2	DEFINITIONS	4
3	DETERMINATION OF RECLAIMED WATER USE AREA	8
3.1	General	8
3.2	Recommended Reclaimed Water Use	8
3.3	Existing Potable Water Service	8
3.4	New Reclaimed Water Service	8
4	RECLAIMED WATER SERVICE	9
4.1	General	9
4.2	Application Procedure	9
4.3	Reclaimed Water Use for Construction	10
4.4	Reclaimed Water Use Permit	11
4.5	Reclaimed Water Agreement	2
4.6	Metering	12
4.7	Billing	13
4.8	Time and Manner of Payment	13
4.9	Notices and Disconnection of Service	13
4.10	Turn Off Procedures and Charges	13
4.11	Restoration of Service	14
5	FEES/DEPOSITS	15
5.1	General	15

Table of Contents Continued

5.2	Change of Rates/Charges	15
5.3	Financial Participation by City	15
5.4	Security Deposits	15
5.5	Establishment of Rates, Charges & Fees	15
5.6	Temporary Service	18
5.7	Service Outside City	18
6	CONDITIONS OF SERVICE	19
6.1	General	19
6.2	Service Connection	19
6.3	Responsibilities for Making Connections	20
6.4	Relocation of Reclaimed Water Service Line	20
6.5	Meter Testing	20
6.6	Scheduling Reclaimed Water Delivery	20
6.7	Emergency Connections to Reclaimed Water System	21
6.8	Other Limitations of Service	21
7	FACILITIES	22
7.1	General	22
7.2	On-Site Reclaimed Water Facilities	22
7.3	Interim Service	22
7.4	Off-Site Reclaimed Water Facilities	23
7.5	Conversion of Existing Facilities to Reclaimed Water Use	24
7.6	Conversions of Facilities from Reclaimed Water Use	24
7.7	Marking Water Facilities	24
8	OPERATION	26
8.1	On-Site Facilities	26
8.2	Off-Site Facilities	27
9	PROTECTIVE MEASURES	28
9.1	General	28
9.2	Where Protection is Required	28

Table of Contents Continued

9.3	Type of Protection	28
9.4	Inspection of Protective Devices	29
9.5	Reclaimed Water Supervisor	29
9.6	Notification by User	29
9.7	Monitoring and Inspection	29
9.8	Other Measures	29
10	ON-SITE CONTROLS	31
10.1	Implementation	31
10.2	State/Local Regulation	31
10.3	Operational Controls	31
10.4	Identification	32
10.5	Posting of On-Site Warnings	32
11	SEVERABILITY	33
12	ENFORCEMENT AND PENALTIES	34
12.1	Notice of Violation	34
12.2	Noncompliance Following Notice of Violation	34

Appendix A - Reclaimed Water Rate Schedule

Appendix B - Miscellaneous Charges

Appendix C - City Participation

Exhibit 1 - Application for Reclaimed Water Service

Exhibit 2 - Application for Waste Discharge Permit

Exhibit 3 - Application for Reclaimed Water Use

Exhibit 4 - Temporary Fire Hydrant Use Application

Exhibit 5 - Bill of Sale

Exhibit 6 - Statement of Cost Construction

ARTICLE 1

INTRODUCTION

1.1 GENERAL:

The City of Beaumont is primarily dependent on limited sources of groundwater and imported water for domestic, agricultural and industrial uses. This source of groundwater and imported water supply is considered limited and its future reliability uncertain.

The City will operate and maintain a recycled or reclaimed water distribution system which will enable it to provide reclaimed water at tertiary treatment levels. Depending upon the level of treatment supplied, uses of reclaimed water may include, but not be limited to, greenbelt irrigation, agricultural irrigation, industrial process and, commercial uses, landscape or recreational purposes, wildlife habitat, and groundwater recharge.

This reclaimed water constitutes a viable alternate water supply, and along with other non-potable sources, allows conservation of large quantities of higher quality potable water to be made available for domestic use.

1.2 PURPOSE:

The purpose of this Ordinance is to promote the conservation and reuse of water resources and provide for the maximum public benefit from the use of the City's reclaimed water. Such measures are consistent with the legal responsibilities and obligations of the City to wisely utilize the water resources of the State of California, the City and the Beaumont-Cherry Valley Water District. This Ordinance shall apply and may hereinafter be amended by a successor of the City pursuant to a Reclaimed Water Purchase Agreement .

1.3 POLICY:

1.3.1 Reclaimed Water Use:

It shall hereafter be City policy that reclaimed or other non-potable water be used for any purposes approved for non-domestic water use, to the maximum extent possible. Use of potable water for non-domestic uses shall be considered contrary to City policy, shall not be considered the most beneficial use of the natural resource and shall be avoided to the maximum extent possible.

1.3.2 Priority:

Reclaimed water shall be provided on a first come, first served basis, as long as reclaimed water is available; however, agricultural use will be given priority over other non-domestic uses.

1.3.3 Equitable Allocation of Costs:

The City is committed to expanding its reclaimed water distribution, pumping, treatment and storage facilities in order to maximize reuse and provide alternate, or new sources of water supply.

Each reclaimed water user shall be charged their fair share of all costs incurred by the City in providing that service, as determined by the City Council.

1.4 INTENT:

1.4.1 It is the City's intent to provide reclaimed water wherever its use is economically, financially and technically feasible, consistent with regulatory requirements, the preservation of public health and welfare, and the environment. This shall be accomplished through the collection and treatment of sewage, wastewater, and other non-domestic supplies, and the beneficial reuse of the resultant reclaimed water in compliance with applicable Federal, State and local regulations.

1.4.2 It is the City's intent to maintain reclaimed water quality through a stringent pre-treatment program for commercial and industrial wastes and by restricting brine discharges from water softeners, evaporative coolers, and other sources.

1.5 CITY'S GOALS AND OBJECTIVES:

The City's goals and objectives with respect to providing reclaimed water service are as follows:

1.5.1 Planning:

Provide for the orderly expansion of reclaimed water facilities to meet future demands for reclaimed water.

1.5.2 Operations:

Operate reclaimed water systems to provide dependable service at required quality for approved uses to authorized users.

Maintain quality of wastewater entering the water reclamation treatment processes by establishing maximum levels of brine or other contaminants in wastewater and by restricting discharge of excess brine or other unacceptable wastes discharged to any sewerage system tributary to an existing or planned City reclamation facility.

1.6 SCOPE:

The provision of this Ordinance shall govern the requirements for reclaimed water use, the commencement and termination of reclaimed water service, and the conditions and regulations of such service within the City's jurisdiction including the City Sphere of Influence.

Because the addition of supplemental non-domestic water to the reclaimed water system will vary from time to time and place to place, all rules and regulations therein will be enforced as if the supply is always 100% reclaimed water.

This Ordinance shall be interpreted in accordance with the purpose, policy and intent of this Ordinance and the definitions as set forth in Article 2 herein. The provisions of this Ordinance shall apply to the use of all reclaimed water delivered by the City. To comply with applicable Federal,

State and Local regulatory agency requirements, provisions are made in this Ordinance for the regulation of reclaimed water use. This Ordinance also provides for the establishment of penalties for violation of the Ordinance.

1.7 INCORPORATED DOCUMENTS:

The following documents, as they now exist and as they may be amended from time to time, are incorporated herein by this reference and made a part hereof as though fully set forth:

1. Eastern Municipal Water District (EMWD) Backflow/Cross-Connection Control Regulations
2. "Reclamation Criteria": California Administrative Code (Title 22, Division 4, Chapter 3)
3. "Manual of Cross-Connection Control/Procedures and Practices": Department of Health Services
4. "Regulations Relating to Cross-Connections": California Administrative Code (Title 17, Chapter 5, Subchapter 1)
5. "Procedural Guide and General Design Requirements for Construction of Reclaimed Water Facilities": EMWD
6. "Guidelines for Distribution of Non-potable Water": California-Nevada Section American Water Works Association
7. "Guidelines for Use of Reclaimed Water": Department of Health Services
8. All applicable Federal, State and Local Regulations.
9. All other rules and regulations, as determined by the City Council.

ARTICLE 2

DEFINITIONS

AGRICULTURAL USE: Reclaimed water used for the production of crops and/or livestock and the preparation of these products for market. (Minimum basic use of 400 gpm/24 hours per day.)

APPLICANT: Any person, group, firm, partnership, corporation, association, or agency who desires, or is required by this Ordinance, to use reclaimed water.

APPLICATION RATE: The rate at which reclaimed water is applied to a use area.

AS-BUILT DRAWINGS: Engineered drawings that depict the completed facilities as constructed or modified.

AUTOMATIC SYSTEM: Automatic controllers, timers, valves, and associated equipment used to program irrigation systems for the application of reclaimed water.

AUXILIARY WATER SUPPLY: Any water supply on or available to the premises other than the City's potable water supply.

BACKFLOW: A flow condition, caused by a differential in pressure, that causes the flow of water or other liquids, gases, mixtures or substances into the distributing pipes of a water supply from any source or sources other than an approved water supply source. Back siphoning is one cause of backflow. Back pressure is the other cause.

BRINE: A saline solution resulting from the operation of a regenerative type water softener, evaporative cooling device, or other source. The Brine, for purposes of this Ordinance, shall be defined as any wastewater with a total dissolved solids (TDS) content exceeding the limits reasonably determined to be acceptable by the City Public Works Director.

CHIEF ENGINEER: The Public Works Director of the City of Beaumont.

CITY: The City of Beaumont City Council.

CITY RECLAIMED WATER DISTRIBUTION SYSTEM: Individually or collectively, any reclaimed water facility or facilities financed, constructed and dedicated to the City by an applicant, developer, or customer or financed and constructed by the City itself.

CODE: The current California Administrative Code.

COMMODITY CHARGE: A charge imposed by the City for all reclaimed water used, whether such water use is estimated or is actually metered.

COMMERCIAL USE: Any building for office or commercial uses with water requirements which include, but are not limited to, landscape irrigation, toilets, urinals and decorative fountains.

CONSTRUCTION DEPOSIT: Deposit placed with the City to cover the estimated cost of reclaimed water

facilities to be installed by the City for a User.

CROSS-CONNECTION: Any unapproved and/or unprotected connection, or potential connection, between any part of a potable water system and any source or system containing water or other substances not approved as safe and potable for human consumption.

CUSTOMER: Any person, group, firm, partnership, corporation, association, or agency who legally receives reclaimed water service from the City. (USER)

CUSTOMER SERVICE VALVE: Valve at the terminus of the service connection, which is the point of connection with the user's on-site facilities and may be operated by user.

DIRECT BENEFICIAL USE: The use of reclaimed water which has been transported from the point of production to the point of use without an intervening discharge to waters of the State.

DISCHARGE: Any release or distribution of reclaimed water, or release of wastes to a sewerage system.

ECONOMICALLY FEASIBLE: Overall User costs of reclaimed water and reclaimed water facilities will be offset by long-term water cost savings and/or mitigation fee credits which may be issued in accordance with the Cooperative Agreement between the City and the Beaumont-Cherry Valley Water District as determined by the City to the point of economic viability, or overall User costs of reclaimed water and reclaimed water facilities as otherwise determined by the State Regional Water Quality Control Board to be reasonable.

CITY MANAGER: The City Manager of the City of Beaumont.

GREENBELT AREAS: A greenbelt area includes, but is not limited to, parkways, parks, school athletic fields and landscaping within or surrounding a particular area as determined by the Public Works Director.

INDUSTRIAL PROCESS WATER: Water for any industrial facility with requirements which include, but are not limited to, rinsing, washing, cooling, circulation, or construction.

INFILTRATION RATE: The rate at which a soil will accept water.

LANDSCAPE IMPOUNDMENT: A body of water containing (all or part) reclaimed water which is used for aesthetic or irrigation purposes and which is not intended for public contact or ingestion.

LANDSCAPE IRRIGATION SYSTEM: All equipment and materials used for applying irrigation water to the use area from the service connection, including all piping, valves, sprinkler heads, controllers and appurtenances.

LESSEE: Person leasing property from the property owner.

LESSOR: Property owner leasing property to a lessee.

NON-DOMESTIC USE: Any water use not requiring potable water.

NON-DOMESTIC WATER: Water available from the City's reclaimed water facilities, which may include, but is not limited to, a combination of treated wastewater, intercepted surface and subsurface stream flows,

and groundwater, supplemented by other waters, including domestic (potable) water.

NONPOTABLE WATER: Water that has not been treated for, or is not acceptable for, human consumption in accordance with Federal, State and local drinking water standards.

OFF-SITE FACILITIES: Existing or proposed facilities under the control of the City, or other public agency, from the source of supply to the point of connection with the customer's on-site facilities, normally up to and including City's meter and the meter box.

ON-SITE FACILITIES: Existing or proposed facilities within property under the control of the user, normally downstream of the City's meter.

ON-SITE RECLAIMED WATER SUPERVISOR: A qualified person designated by a reclaimed water user and approved by the City. This person shall be knowledgeable in the construction and operation of reclaimed water and irrigation systems and in the application of the Federal, State and local guidelines, criteria, standards, and rules and regulations governing the use of reclaimed water.

POTABLE WATER: Water which conforms to the latest Federal, State and local drinking water standards.

PROPERTY OWNER (OWNER): The holder of legal title to a property.

RECLAIMED WATER: As defined in Title 22, Division 4, Chapter 3, Environmental Health, of the California Administrative Code (Code), means water which, as a result of treatment of wastewater, is suitable for direct beneficial use or a controlled use that otherwise would not occur; such treatment of wastewater having been accomplished in accordance with the criteria, including the level of constituents in combination with the means for assurance of reliability, as set forth in the Code.

For the purposes of this Ordinance any combination of recycled or reclaimed, non-domestic or potable water shall be referred to as "reclaimed water".

RECLAIMED WATER AGREEMENT: A contract between the City and the user which must be executed as a condition for obtaining reclaimed water service.

RECLAIMED WATER FACILITIES: Facilities used in the treatment, storage, pumping and conveyance of reclaimed water.

RECLAIMED WATER USE PERMIT (USE PERMIT): The processed and approved application for, and agreement with, the City for reclaimed water service, including all applicable Regulatory Agency requirements.

RECREATIONAL IMPOUNDMENT: A body of reclaimed water used for recreational activities including, but not limited to, fishing, boating, and/or swimming. Allowable uses will depend on treatment level of the reclaimed water.

REGULATORY AGENCY: Individually, or in concert, the Federal EPA, the State Water Resources Control Board, the California Regional Water Quality Control Board, the State Department of Health, and the Riverside County Health Department, Department of Fish and Game, U.S. Army Corp of Engineers, Riverside County Flood Control, EMWD.

REIMBURSEMENT AGREEMENT: An agreement for future limited reimbursement by the City for the cost of portions of reclaimed water facilities which a developer, user, applicant, or other may be required to install which are necessary and beneficial to a subsequent development, or User.

RULES AND REGULATIONS: All applicable rules and regulations issued by appropriate regulatory agencies, as periodically amended.

SECONDARY EFFLUENT: Wastewater which has been treated by gravity sedimentation to remove settleable solids remaining after the primary biological treatment process.

SECURITY DEPOSIT: Moneys required to be deposited with the City for the purpose of guaranteeing payment of monthly bills rendered for reclaimed water service.

SERVICE: The delivery of reclaimed water to a User.

SERVICE CONNECTION: The City's facilities between the City's reclaimed water distribution system and the customer's reclaimed water service valve, including, but not limited to, the meter, meter box, valves and piping equipment.

SERVICE CONNECTION FEE: A charge imposed by and paid to the City to cover the installation costs of reclaimed water facilities to be paid for by the user/applicant as a condition prior to service.

STANDARD SPECIFICATIONS: "Standard Specifications for Construction of Water, Sewer and Reclaimed Water Facilities" of EMWD, as amended.

SURCHARGE: A charge imposed by the City for the provision of special service not normally provided by the City.

SYSTEM OPERATOR: On-site reclaimed water supervisor, or designee responsible for operation and maintenance of user's system in conformance with this Ordinance.

TECHNICALLY FEASIBLE: Off-site reclaimed water facilities are in place to supply the property or such facilities will be in place within five (5) years.

TERTIARY EFFLUENT: Secondary effluent which has been disinfected and filtered. Allowable uses include body contact and irrigation of human food crops.

UNAUTHORIZED DISCHARGE: Any release of reclaimed water that violates the provisions of this Ordinance or any applicable Federal, State, City, or local statutes, regulations, ordinances, contracts or other requirements.

USE AREA: The specific area designated to be served reclaimed water through on-site reclaimed water facilities.

USER: Any person, group, firm, partnership, corporation, association or agency accepting reclaimed water facilities for use in accordance with this Ordinance. (APPLICANT, OWNER OR CUSTOMER).

WATER CODE: State of California Water Code.

ARTICLE 3

DETERMINATION OF RECLAIMED WATER USE AREA

3.1 GENERAL:

The City may adopt plans and policies (the Master Plan) as set forth in the Beaumont-Cherry Valley Water District Recycled Water Master Plan designating current and potential areas of reclaimed water use in accordance with this Ordinance and shall encourage the development of reclaimed water use within the City and the City Sphere of Influence. The Master Plan may be reviewed and updated as needed.

3.2 RECOMMENDED RECLAIMED WATER USE:

3.2.1 The City may review the Master Plan and recommend where water service should be made with reclaimed water in lieu of potable water. Where it is determined reclaimed water is, or will be available within five (5) years, the City may request modifications to existing on-site water facilities and require construction of reclaimed water systems in new developments to handle current and/or future reclaimed water use.

3.2.2 The City may enter into agreements with other cities and/or water agencies to determine reclaimed water use areas within the service area/jurisdiction of those entities.

3.3 EXISTING POTABLE WATER SERVICE:

3.3.1 Upon adoption of this Ordinance the Master Plan, the City may make determinations of areas where existing water use should be served with reclaimed water.

3.3.2 A notice of the determination may be sent to the owner. A meeting will be scheduled with the owners specified to present the reclaimed water use options and select use areas for conversion.

3.4 NEW RECLAIMED WATER SERVICE:

3.4.1 With submittal by owner of a tentative map, subdivision map, land use permit, or request for water service, the City staff will review the Master Plan and make a preliminary determination if water use on a certain parcel should be served with reclaimed water or be designed to accommodate the use of reclaimed water in the future.

3.4.2 A notice of the preliminary determination will be sent to the owner and/or a condition of approval may be imposed on approved projects.

ARTICLE 4

RECLAIMED WATER SERVICE

4.1 GENERAL:

4.1.1 The City's reclaimed water shall be used in a manner that complies with any and all applicable Federal, State and local statutes, ordinances, regulations and other requirements for the treatment level supplied, and will achieve the following:

- a) Prevent direct human consumption of reclaimed water through:
 - 1. User/City adherence to all applicable rules and regulations.
 - 2. Posting of warning signs by user.
 - 3. City Cross-Connection/Backflow Prevention Control Program.
- b) Control runoff of reclaimed water through City monitoring of the installation and operation of reclaimed water facilities and use areas.
- c) City monitoring of reclaimed water quality.

4.1.2 Where water is used for irrigation, commercial uses, industrial process purposes, landscape impoundment, wildlife habitat, or recreational impoundment, the City may provide reclaimed water in lieu of potable water where technically and economically feasible. However, each use must be approved on a case by case basis. Determination of the specific uses to be allowed shall be in accordance with the treatment standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Administrative Code and with the intent of this Ordinance to protect the public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available as set forth herein.

4.2 APPLICATION PROCEDURE:

4.2.1 No person shall use or make connection to City reclaimed water facilities without first obtaining a City reclaimed water use permit. Such permit shall be in addition to any and all permits and conditions required by Federal, state, or local regulatory agencies.

4.2.2 Persons desiring or required to obtain reclaimed water service shall make application (Exhibit 1 and 2) through the Water Operations Branch for a use permit. The permit shall verify that the design and operational procedures for the applicant's reclaimed water facilities are in compliance with all applicable regulations. The application shall include, but not be limited to:

- a) Name, address and contact phone for:
 - 1. Applicant

2. Owner of property to be served
 3. On-site reclaimed water supervisor
 4. System operator
- b) Legal description of property to be served;
 - c) Map showing use area and location;
 - d) On-site usage plan;
 - e) Anticipated use and application rate;
 - f) Signed Application for Reclaimed Water Use Facility Permit/Waste Discharge Requirements.

4.2.3 An application for reclaimed water service must be made in writing, signed by the applicant and the owner, if they are not one and the same. The application form shall be furnished by the City.

- a) By signing the application, the owner/applicant will agree to comply with the requirements of any and all applicable Federal, State, and local statutes, ordinances, regulations, and other requirements. Current requirements are available at the City office on request. The City may, at its discretion, require specific prior approval of any City use permit by any Federal, State, or local agency having jurisdiction over, or an interest in, the City's reclaimed water or facilities operations.
- b) Upon receipt of an application, the City shall review the application and may prescribe requirements in writing to the applicant as to the facilities necessary to be constructed, the manner of connection, the financial responsibility and the use of the reclaimed water. The City will check the availability of adequate on-site reclaimed water facilities to insure initial and future continued compliance with the City's regulations and any other applicable requirements.
- c) A use permit will remain in effect unless:
 1. A change of ownership occurs;
 2. A change of User occurs;
 3. Use of reclaimed water changes; or
 4. A use violation has occurred which results in a service turn off per Article 4.10.

A new application must be submitted to reinstate a permit canceled for any of the above criteria.

4.3 RECLAIMED WATER USE FOR CONSTRUCTION:

When available from the City, disinfected reclaimed water shall be used by contractors for dust

control and soil compaction.

4.3.1 The contractor shall:

- a) Make application for reclaimed water service (Exhibits 2 and 5).
- b) Pay all fees and deposits for temporary reclaimed water service.
- c) Obtain City of Beaumont Reclaimed Water Use Permit and accept its terms and conditions.
- d) Obtain a Regional Water Quality Control Board Waste Discharge Permit. All applications must be submitted to the Regional Board by the City.
- e) Obtain a City of Beaumont Reclaimed Water Agreement.

4.3.2 The contractor should give careful consideration to the following:

- a) Equipment operators should be instructed as to the requirements contained herein and the potential health hazards involved with the use of reclaimed water.
- b) Tanks and other equipment used for reclaimed water should be thoroughly cleaned of septage or other contaminants prior to other use.
- c) Identify water trucks, hoses, drop tanks, etc., as containing reclaimed water and not suitable for human consumption. Signs are available and may be purchased from the City.
- d) Trucks and other equipment used for reclaimed water shall not be later used for purposes involving human consumption of water.
- e) Reclaimed water must not be introduced into any domestic water piping system and no connection shall be made between equipment containing reclaimed water and any part of a domestic water system.
- f) Tanks should be cleaned and disinfected after the project is completed. All wastes shall be disposed of in compliance with all applicable Federal, State, City and local regulations.

4.3.3 Reclaimed water used for construction purposes may only be used for soil compaction during grading operations, dust control, consolidation and compaction of backfill in reclaimed water, sanitary sewer, storm drain, gas and electric pipeline trenches.

RECLAIMED WATER MAY NOT BE USED FOR WATER JETTING, CONSOLIDATION OR COMPACTION OF BACKFILL IN POTABLE WATER PIPELINE TRENCHES.

4.3.4 Failure to observe all regulations governing the use of reclaimed water will result in the reclaimed water service being terminated until such time as the deficiencies are corrected to the satisfaction of the City.

4.4 RECLAIMED WATER USE PERMIT:

4.4.1 The City may issue a reclaimed water use permit upon approval by City staff of an application for reclaimed water service and issuance of applicable permits by regulatory agencies (see Article 4.4.3). The use permit shall entitle the applicant to receive reclaimed water service upon the terms and conditions of this Ordinance and the Reclaimed Water Agreement (see Article 4.5).

4.4.2 The use permit shall include the following:

- a) Name and address of applicant, owner, or User;
- b) A drawing of the proposed on-site system showing the location and size of all valves, pipes, outlets, and appurtenances;
- c) A statement that no changes in the proposed system will be undertaken without application for and approval of an amended City permit; and,
- d) A statement that the applicant recognizes potential penalties for violation of the rules and regulations of the City and any regulatory agencies.

4.4.3 The City may apply for and process all applicable regulatory agency permits. The cost and preparation of any study or report necessary to comply with California Environmental Quality Act (CEQA) or other regulatory requirements shall be the responsibility of the applicant.

4.4.4 A copy of the current permit must be available and clearly visible at the use site and be on file at the User's office.

4.5 RECLAIMED WATER AGREEMENT:

A reclaimed water agreement may be prepared following issuance of the use permit. This agreement shall specify:

1. User
2. Quantity of reclaimed water to be used.
3. Permitted Uses.
4. Rate(s) charged for use of reclaimed water.
5. Property location.
6. Expiration date of agreement.

Reclaimed Water Agreements are not transferable. A new agreement must be made if there is a change of owner, User or land use.

4.6 METERING:

For the purpose of computing charges, each reclaimed water meter will be considered separately, unless otherwise specified.

4.7 BILLING:

The City will render monthly billings for reclaimed water deliveries made during the preceding month, based on meter readings. Such bills and charges shall be deemed to have been presented upon having been deposited in the United States mail, postage pre-paid and addressed to the customer, as reflected in the records of the City.

4.8 TIME AND MANNER OF PAYMENT:

All bills and charges for reclaimed water service hereunder shall be due and payable upon presentation and shall become delinquent fifteen (15) days after presentation. Billings, in accordance with the City's prevailing Rules and Regulations, shall be paid within fifteen (15) days of the date thereof. Any late payments shall be considered delinquent and shall be subject to the City's standard penalty charges and disconnect procedures then in effect, as set forth in the City Rules and Regulations for sewer service.

4.9 NOTICES AND DISCONNECTION OF SERVICE:

4.9.1 Delinquent Notices of Nonpayment and Disconnection will be rendered for all accounts not paid within fifteen (15) days of presentation of billing.

4.9.2 Service will be disconnected without further notice thirty (30) days after presentation of billing.

4.10 TURN OFF PROCEDURES AND CHARGES:

4.10.1 By reason of circumstances beyond the control of the City and in order to protect facilities of the City, or for the protection of the public health, safety and welfare of the residents and property owners of the City and the general public, service may be terminated under the conditions set forth below, notwithstanding the existence of a valid permit for reclaimed water service.

The City may terminate reclaimed water service on a temporary basis at any time reclaimed water at the terminal point of the City's distribution system does not meet the requirements of regulatory agencies, including those prescribed by the State of California, Administrative Code, Title 22, Division 4, Chapter 3. Reclaimed water service would, in such case, be renewed at such time that reclaimed water at the terminal point of the distribution system would again meet the requirements of regulatory agencies, or at such time that the City would supplement the reclaimed water system with water from other sources.

4.10.2 Turn-off at the Customer's Request: A customer may request that service be disconnected either temporarily or permanently, but only when repairs or improvements to the customer's property temporarily necessitate turn-off or in the event reclaimed water is no longer needed to comply with Rules and Regulations. Such a request must be made by giving at least fifteen (15) working day's advance notice to the City. If such a notice is not given, the customer will be billed for service until one (1) working day after the City acquires knowledge that the customer has vacated premises or otherwise has discontinued service.

4.10.3 Turn-off by the City: The City may disconnect a customer's service for various reasons. Such disconnections are effected by turning off, locking, or sealing the meter, thereby stopping the reclaimed water service. The customer will be notified of disconnection in person, or by placing a

disconnection notice on the meter. Reasons for disconnection include, but are not limited to, the following:

- a) For Non-Payment of Bills: A service may be disconnected for nonpayment of reclaimed water bills. Before a service is disconnected, the customer will be notified by a Delinquent Notice of Nonpayment and Disconnection as delineated under Article 4.8. A service may be disconnected for nonpayment of any water charges of a customer, whether or not the payment delinquency is associated with reclaimed water service at that service connection or at any other City reclaimed or domestic water service connection of that same customer/owner.
- b) For Non-Compliance with Rules and Regulations: Reclaimed water service may be terminated on a temporary or permanent basis in the manner provided herein at any time the customer's operations do not conform to the use permit and/or applicable requirements as provided herein.

Where safety of water supply or public health is endangered, or regulations have been violated, service may be disconnected immediately without notice. The City may disconnect service to any customer for any violation of this Ordinance after it has given the customer at least five (5) days' written notice of such intention.

- c) For Waste of Water: In order to protect itself against serious and negligent waste or misuse of reclaimed water, the City may disconnect service if such wasteful practices are not remedied within five (5) days after written notice to such effect has been given to the customer.
- d) For Unsafe or Hazardous Conditions: The City may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the customer's premises. The City will notify the customer as soon as possible of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may exist due to defective appliances or equipment that may be detrimental to either the customer, the City, or to the City's other customers, or the general public.
- e) For Fraudulent Use of Service: When the City has discovered that a User has obtained service by fraudulent means, or has diverted the reclaimed water service for unauthorized use, the service to that User may be disconnected without notice. The City will not restore service to such site until an applicant has complied with all rules and regulations of the City and the City has been reimbursed for the full amount of the service has been reimbursed for the full amount of the service rendered and the actual cost to the City incurred by reason of the fraudulent use.

4.11 RESTORATION OF SERVICE:

In order to resume or continue service that has been disconnected, the customer must pay a reconnection charge as set forth under Article 5. The City shall strive to make the reconnection before the end of the next regular working day following the customer's request and payment of any applicable reconnection charges. The City will endeavor to make reconnections as soon as practical, however, reconnections shall only be made during regular office hours established by the City.

ARTICLE 5

FEES/DEPOSITS

5.1 GENERAL:

Reclaimed water rates, fees and charges are adopted as of the date of adoption of this Ordinance, and as set forth in the Appendices herein. Any changes in fee schedules shall be automatically adopted herein, and may be amended by resolution of the City.

Applicants for reclaimed water service shall pay their fair share for the construction of facilities necessary to deliver reclaimed water to the applicant's property and for distribution thereon. All fees and estimated construction costs shall be paid prior to construction; however, the City may reimburse the applicant for a portion of the cost of such facilities as set forth in Article 5.3.

5.2 CHANGE OF RATES/CHARGES:

- 5.2.1 The City Council reserves the right to change the schedule of reclaimed water rates, service charges and other charges at any time, or from time to time by resolution.

5.2.2 AUTOMATIC RATE ADJUSTMENT:

Effective July 1 of each year all reclaimed water rates and charges shall be automatically adjusted by the Consumer Price Index increase, if any, for the previous four (4) quarters ending March 31, unless the City Council elects to adopt an alternative rate schedule.

5.3 FINANCIAL PARTICIPATION BY CITY:

Under certain circumstances, the City may contribute to the cost of constructing the facilities needed to deliver reclaimed water to an applicant's property.

Subject to the availability of funds, as set forth in Appendix C:

- a) The City may reimburse an applicant for costs incurred to install oversized facilities as specified in Article 7.4 herein.
- b) The City may elect to participate in or construct trunk lines, main lines, reservoirs, pumping stations or other facilities, as it deems necessary, and/or as funds are available.

5.4 SECURITY DEPOSIT:

The City may require that an applicant, owner, or User post a security deposit. Such amount shall not be less than the estimated cost of reclaimed water service for a two-month period, or such other amount as determined by the City. Upon termination of service the security deposit will be applied to any outstanding charges on the account. Any resulting credit balance shall be refunded to the User.

5.5 ESTABLISHMENT OF RATES, CHARGES AND FEES:

- a) General Provisions: Rates and charges for reclaimed water service, as specified under various classifications of service, and other miscellaneous charges are set by the City Council from time to time. Current rates and charges are adopted by City Council Resolution and set forth in the attached appendices according to section and rate classification as set forth below.
- b) Retail Reclaimed Water Rates: Retail rates consist of a service charge, and a commodity charge. In addition to these standard charges an energy charge may be added, if applicable as determined by the Chief Engineer. The monthly service charge depends on the size of a customer's meter and is fixed irrespective of the quantity of water used. Any reclaimed water use is charged at the commodity rate as set forth in Appendix A to this Ordinance.
- c) Construction Reclaimed Water Rate: Reclaimed water for construction purposes may be obtained by licensed contractors from City facilities on a metered basis as set forth in Appendix A.
- d) Wholesale Reclaimed Water Rates: Cities and water agencies may qualify to receive wholesale reclaimed water rates. Qualification will be determined through water purchase agreements specifying minimum purchase and storage requirements and must be approved by the City Council.
- e) Capacity Charge: Where the City has constructed facilities to supply reclaimed water to a User, a Capacity Charge will be calculated and increased based on the then current construction costs (as determined by the City). This charge will be added to the monthly reclaimed water billing until the construction costs are paid in full.
- f) Meter Found Not Registering: When a reclaimed water meter is found to be out of order, at the option of the City, the charge for reclaimed water will be based on either the average monthly use for the last preceding month(s) during which the meter is known to have registered correctly, or the use as registered during the same month in previous year(s). Consideration will also be given to volume of business, seasonal demand and any other factors that may assist in determining an equitable charge. When the meter is covered by building material or otherwise is inaccessible, so that it cannot be read, an average bill or series of average bills, will be rendered, and the accumulated errors, if any, in such average bills will be adjusted when the meter is first thereafter read.
- g) Miscellaneous Charges: In order to recover costs associated with late payments, disconnections, other damages and expenses sustained by the City, the items listed below are charged to customers; the dollar amounts associated with each item being determined by the City Council and set forth in Appendix B.
 - 1. Penalty Charge: Any billings not paid within fifteen (15) days after presentation shall be considered delinquent and shall be subject to the City's penalty charges as set forth in Appendix B herein.
 - 2. Reconnection Charge: If a customer requests resumption of service after such service has been disconnected, then the customer shall pay a reconnection charge in addition to any past due balance, penalty charges, advance payments, or meeting any other conditions set forth by the City and incorporated in Appendix B herein.

3. Return Check Charge: When a customer's check in payment for reclaimed water service or other charges is returned as non-negotiable for any reason, the City shall issue a Notice of Returned Check and a 48-hour Notice to Discontinue Reclaimed Water Service. The Notice to Discontinue will become effective if the reclaimed water service charges together with the current returned check charge, as set forth in Appendix B, are not paid in cash or other certified funds on, or before, the date specified on the 48-hour Notice of Returned Check. No 48-hour notice will be given in the event a returned check was tendered as payment for reclaimed water service disconnected for nonpayment. Only cash or other certified funds will be accepted from customers who have issued a returned check within one year that paid for restoration of reclaimed water service disconnected for nonpayment. This restriction only applies to payments made to restore service disconnected again for nonpayment.

4. Meter Test Charge:

Initial Test - Prior to installation each meter will be tested by the manufacturer or by the City.

On Customer's Request - A customer may, by giving not less than one week's notice, request the City to test the meter serving his premises. As a prerequisite to making the requested test, the City will require the applicant to make a cash deposit toward the cost of such requested test, as set forth in Appendix B.

This deposit will be returned only if the meter is found to register more than 3% fast. The customer will be notified not less than two days in advance of the time and place of the test. An applicant shall have the right to require the City to conduct the test in his presence or presence of his representative. A written report, giving the results of the test will be given to the customer within fourteen days after completion of the test. When, upon testing, a meter is found to be registering more than 3% fast under conditions of normal operation, the City will, in addition to returning the deposit paid by the applicant, refund to the applicant the full amount of the overcharge based on corrected meter readings for the period, not exceeding six months, that the meter was in use (See Article 6.5.2).

5. Pulled Meter Charge: If a customer's service has been disconnected and the meter has been "pulled" or removed from the premises, the customer shall pay the City's pulled meter charge along with any other charges before the service and meter can be reconnected.
6. Property Damage: Where a reclaimed water customer is responsible for damage to City property, said customer shall reimburse the City for any such damage and shall be responsible for payment of the City's administrative overhead, as set forth in Appendix B. The customer shall be responsible for damage to City property/facilities, whether or not responsibility for the actual cause of said damage is known.
7. Unauthorized use of City facilities is a misdemeanor. Any person found taking

reclaimed water from or through any of the City's facilities, or operating City valves without authorization, will be assessed charges as set forth in Appendix B. Failure to pay assessed charges may result in prosecution.

8. City Administrative Overhead: The recipient of any services provided by the City may be assessed a charge for administrative overhead, as set forth in Appendix B, at the discretion of City Manager.
9. Connection Fees shall be set forth in Appendix B, or as otherwise determined equitable by the City Manager on a case by case basis.

5.6 TEMPORARY SERVICE:

The reclaimed water rate for all water sold through temporary meters shall be the same as the construction reclaimed water rate (see Appendix A). The charges for water sold through temporary meters shall be billed and paid on a monthly basis.

5.7 SERVICE OUTSIDE OF CITY:

- a) The rate for reclaimed water used on land or property located entirely outside of the City shall be the same rate as the rate for water sold through temporary meters unless the reclaimed water agreement approved by the City Council establishes a rate, in which case the rate set forth in the agreement shall apply (see Appendix A).
- b) The rate for water used on land or property located both inside and outside the City shall be apportioned according to the place of use insofar as the amounts used on properties within and outside of the City (see Appendix A).

ARTICLE 6

CONDITIONS OF SERVICE

6.1 GENERAL:

- 6.1.1 Service will be provided to property within the City which is contiguous to existing reclaimed water distribution lines for the uses specified herein. Service will be provided to property not contiguous to existing distribution lines if the distribution line is extended to the applicant's property as provided in Article 7.4, or if the City determines the applicant's property can be served within five (5) years as specified in Article 3.2.
- 6.1.2 Reclaimed water may be used for any purpose permitted by Federal, State and local regulations provided that all such use is in accordance with this Ordinance and provided further that:
- a) The design and construction of the reclaimed water system shall be approved by the City;
 - b) The applicant will be required to obtain a City Use Permit, a Regional Water Quality Control Board Discharge Permit (to be obtained through the City) and execute a Reclaimed Water Agreement to receive such water and use it only for approved purposes; and
 - c) Violation of permit conditions will result in reprimand, fines and/or termination of service, depending on the severity of the violation.
- 6.1.3 Any such permit may be revoked by the City and thereupon such reclaimed water service shall cease in the manner provided in Article 4.10 or 4.11 of this Ordinance.

6.2 SERVICE CONNECTION:

- 6.2.1 The City reserves the right to determine the size of the service line(s), the service connection(s), and the meter(s) and shall also have the right to determine the kind, size, location and conditions of backflow prevention device(s) for potable water service protection, in accordance herewith, and any and all other appurtenances to the service. The service line(s) shall be installed to a curb line or within a public right of way, abutting upon a public street, highway, alley, easement, lane, or road (other than a freeway) in which are installed reclaimed water mains of the City.
- 6.2.2 The City reserves the right to limit the area of land to be supplied by one service connection to one ownership or lessor. A service connection shall not be used to supply adjoining property of a different owner unless approved by the City.
- When property provided with a service connection is subdivided, such connection shall be considered as serving the lot or parcel of land that it directly fronts or first enters. Additional mains and/or reclaimed water service lines will be required for all subdivided areas in accordance with this Ordinance.
- 6.2.3 All reclaimed water use shall be metered, and all reclaimed water used on any premises where a reclaimed water meter is installed must pass through said meter. Customers shall be held responsible and charged for all reclaimed water passing through the meters, unless otherwise

specified.

6.3 RESPONSIBILITIES FOR MAKING CONNECTIONS TO CITY SERVICE CONNECTIONS AND PERMITTED OR PROHIBITED USE OF VALVES BY CUSTOMERS:

- a) Every reclaimed water service line installed by the City shall be equipped with a valve on the inlet side of the meter; such valve being intended exclusively for the use of the City in controlling the reclaimed water supply through the service line. If the valve or meter is damaged by the User to an extent requiring replacement or repair, such replacement or repair shall be at the User's expense. Unauthorized operation or use of City valves or meters will result in Unauthorized Use Penalties as specified in Article 5 herein.
- b) Each City owned reclaimed water service connection, and maintenance responsibility, terminates at the valve on the User's side of the meter. The User may operate said customer valve at the terminus of the City's service connection for his convenience. Each User shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the customer valve to the use area.

6.4 RELOCATION OF RECLAIMED WATER SERVICE LINE:

- 6.4.1 Should a service line installed according to the directions of the applicant, owner or customer (User) be of the wrong size, or installed at a wrong location or depth, the cost of relocation or removal shall be paid for by the User where the error was that of the User or the User's representative. All services provided prior to final street improvements shall be considered temporary and the costs for any repairs or changes to on-site facilities required to be performed by the City shall be paid by the User.

6.5 METER TESTING:

- 6.5.1 If the reclaimed water meter fails to register during any period or is known to register inaccurately, the User shall be charged with an average daily usage based on similar seasonal times when the meter was registering correctly, or by a means determined by the City (see Article 5.5e). Any User may demand that the meter, through which reclaimed water is being furnished, be examined and tested by the City for the purpose of ascertaining whether or not it is correctly registering the amount of reclaimed water being delivered through it. Such demand shall be in writing and shall be accompanied by a deposit equal to the charge for testing such meter as established from time to time by the City.
- 6.5.2 Upon receipt of such demand and deposit, the City will have the meter examined and tested. If upon such test the meter shall be found to register over three percent (3%) more water than actually passes through it, the meter shall be properly adjusted or an accurate meter substituted. The deposit shall be returned and the reclaimed water bill for the current month and for such previous billing periods, not exceeding six (6) months, or for a period it appears the meter was in error, as determined by the City, will be adjusted proportionately. If the meter should be found to register not more than three percent (3%) more than actually passes through it, the deposit shall be retained by the City as the expense of making the test (See Article 5.5f).

6.6 SCHEDULING RECLAIMED WATER:

6.6.1 The City reserves the right to control and schedule the use of reclaimed water if, in the opinion of the City, scheduling is necessary for purposes including, but not limited to:

- a) The maintenance of an acceptable working pressure in the reclaimed water system;
- b) Providing for reasonable safeguards of public health;
- c) Availability of reclaimed water; and
- d) Maintenance, operation or construction of reclaimed water facilities.

6.7 EMERGENCY CONNECTIONS TO RECLAIMED WATER SYSTEM:

6.7.1 If, in the opinion of the City, an emergency exists whereby reclaimed water is not available, the City may approve a temporary connection to another water source. Before such temporary connection is made, disconnection from the reclaimed water system shall be inspected and approved by the City inspector and an approved backflow prevention device, or devices, of the type determined in accordance herewith, shall be installed on the alternate water line or lines in accordance with this Ordinance and other applicable regulations. Emergency connections to the alternate source shall be removed before connection is reestablished to the reclaimed water system.

Reestablishment of reclaimed water service must be inspected and approved by the City inspector prior to resuming delivery of reclaimed water.

6.7.2 Supplemental emergency supplies will be delivered at the rate then in effect for the type of alternate water supplied.

6.8 OTHER LIMITATIONS OF SERVICE:

6.8.1 The City shall not be liable for any damage by reclaimed water, or otherwise resulting from inadequate capacity, defective plumbing, broken or faulty services, or reclaimed water mains; or any conditions beyond the control of the City. All applicants for reclaimed water service shall accept such conditions of pressure, as provided by the distribution system at the location of the service connection and to hold the City harmless from all damage arising from low pressure or high pressure conditions, or from interruptions of service.

6.8.2 The City is not responsible for any condition of the reclaimed water itself, or any substance that may be mixed with or be in reclaimed water as delivered to any User, except as required by Title 22.

6.8.3 All reclaimed water service will be on an interruptible basis, depending on the quantity and quality of the reclaimed water available, in accordance with the terms of the individual service agreement between the City and the User.

ARTICLE 7

FACILITIES

7.1 GENERAL:

All off-site reclaimed water facilities and all on-site reclaimed water facilities shall be designed and constructed according to the requirements, conditions, and standards as adopted and revised by the City from time to time, including, but not limited to, "EMWD Standard Specifications for the Construction of Reclaimed Water Facilities", which document is on file at the City office, and by reference is incorporated herein, or as otherwise approved by the Chief Engineer. The reclaimed water system including both off-site and on-site facilities, shall be separate and independent of any potable water system.

7.2 ON-SITE RECLAIMED WATER FACILITIES

7.2.1 Any on-site reclaimed water facility shall be provided by the User, at the User's expense. The User shall retain title to all such on-site facilities.

7.2.2 On-site facilities, in addition to conforming to applicable City standards, criteria, specifications, and guidelines, shall conform to local and other governing codes, rules, and regulations. When the City's Standard Specifications require a higher quality material, equipment, design or construction method than that required by any other governing codes, rules and regulations, the City specifications shall control as determined by the Chief Engineer.

7.2.3 Plans, specifications and record drawings, in accordance with City requirements, shall be prepared and submitted to the City for on-site facilities. Plans and specifications must be approved by the City prior to commencing construction.

7.2.4 Irrigation schedules and controller charts for landscape sprinkler irrigation systems must be prepared by the applicant and approved by the City in accordance with the above referenced specifications. Prior to commencement of service to any on-site system using reclaimed water, record drawings shall be provided by the User and approved by the City. The installed system shall be tested under active conditions in the presence of the City inspector to ensure that the operation is in accordance with this Ordinance.

7.3 INTERIM SERVICE:

In those areas where reclaimed water is not immediately available when the use area is ready for construction, and if the City has determined that reclaimed water will be supplied in the future, on-site facilities shall nevertheless be designed to use reclaimed water. Provisions shall be made and these regulations followed to allow for connection to the City's off-site reclaimed water facilities when available. In the interim, domestic or other suitable water may be supplied to the of-site facilities through an "interim service".

7.3.1 Conditions of this interim service are:

a) In the opinion of the Chief Engineer, reclaimed water is anticipated to be available to the

site within five (5) years of the time the interim service is initiated;

- b) The applicant must obtain a reclaimed water use permit; and
- c) The applicant must agree to perform all work necessary to make connections to the permanent reclaimed water system once installed by the City.

7.3.2 An approved backflow preventer will be required on the interim service as long as the on-site facilities are using an alternate source of water. The backflow preventer shall be at the point of connection with the interim supply system and a part of the on-site reclaimed water facilities. The City will remove the interim connection and the backflow preventer at the User's expense and will make the connection to the on-site facilities when reclaimed water becomes available.

7.3.3 Future reclaimed water customers will pay for the cost of constructing and abandoning the interim service, whatever reclaimed water fees are applicable at the time it becomes available, and applicable interim water rates for the type of water delivered through the interim service.

7.3.4 When the reclaimed water is available, an inspection of the on-site facilities will be conducted by the Chief Engineer to verify that the facilities have been maintained and are still in compliance with the reclaimed water permit. Upon verification of compliance, reclaimed water shall be supplied to the parcel for the intended use. If the facilities are not in compliance, the City shall notify the User to correct the noncompliance. Reclaimed water will not be supplied until the facilities are in compliance.

7.4 OFF-SITE RECLAIMED WATER FACILITIES:

- a) Any off-site reclaimed water facilities that are required to serve the User property, shall be provided by the User at his expense, unless the City determines it is a City benefit to construct these capital facilities.
- b) The City may require the construction of off-site facilities, including pipelines, reservoirs, pumping facilities, and treatment facilities, either within the area described in the application for service or outside of such area. If such facilities are larger than the size determined by the City to be required for providing adequate service to the property described in the application submitted to the City, the City may contract with the User for reimbursement on a pro rata basis for the difference between the cost of the oversized facilities and the facilities which otherwise would be required to provide adequate service to the property described in the application for service submitted to the City in the manner herein provided.
- c) The terms, extent, and provisions of such reimbursement agreement shall be determined from time to time by the City at its discretion. In no event shall interest be paid on any such amounts. The period of time in which reimbursement will be made will be determined by the City, dependent upon the amount necessary to be advanced by the User in addition to other normal charges, the probability of receipt of payment, and of anticipated development in the area in which the facilities are proposed to be constructed. The amount advanced for facilities available to lands outside the area described in the application for service shall be taken into account when development occurs for which such facilities are constructed; and the City reserves the right to impose and charge additional connection charges, initial

charges, and costs, if necessary, to cause equitable reimbursement in any such instances.

- d) Plans and specifications for off-site facilities shall be submitted to and approved by the City prior to construction. The City shall inspect, approve and make final acceptance of all off-site facilities.
- e) The City shall provided reclaimed water to the point of connection of the off-site facilities to the on-site facility upon transfer to the City of title to all off-site facilities in the required systems and any necessary easements therefor. All easements shall be in a form acceptable to the City and not subject to outstanding obligations to relocate such facilities or any deeds of trust, except in instances where such is recommended by the City Manager to be in the best interests of the City.

7.5 CONVERSION OF EXISTING FACILITIES TO RECLAIMED WATER USE:

Where it is planned that an existing non-reclaimed water system be converted to a reclaimed water facility, the facilities to be converted to reclaimed water shall be investigated in detail. The City shall review the record drawings, prepare required reports, and determine the measures necessary to bring the system into full compliance with this Ordinance. No existing potable water facilities shall be connected to or incorporated into the reclaimed water system without City and other regulatory agency testing and approval.

7.6 CONVERSION OF FACILITIES FROM RECLAIMED WATER USE:

If, due to on-site reclaimed water system failure or use violations, the City deems it necessary to convert on-site facilities from a reclaimed water supply to a potable, or other, water supply, it shall be the responsibility of the User, unless determined otherwise by the City, to pay all costs for such conversion, by way of, but not limited to, the following items:

- a) Isolation of the reclaimed water supply. Service shall be removed and plugged by the City at the City main or abandoned in a manner approved by the Chief Engineer.
- b) The applicant shall install approved backflow devices on any and all potable, or other, water meter connections.
- c) The removal of the special reclaimed water quick-couplers including the replacement of these with approved valves for potable water systems.
- d) Notification to all on-site personnel involved.
- e) The removal of all warning labels/signs.
- f) The installation of all potable waterlines and facilities and any capacity fees due, as provided for in the Rules and Regulations.

7.7 MARKING WATER FACILITIES:

The exposed portions of the User's reclaimed water facilities shall be painted, banded, marked, or otherwise differentiated at sufficient intervals to clearly distinguish which water is safe and which

is not safe in accordance with local and health department requirements. The same color/markings shall always be used to indicated the same type of water throughout the system. All outlets from reclaimed water systems shall be posted as being contaminated and unsafe for drinking purposes. All outlets intended for drinking purposes shall be plainly marked to indicate that fact as determined by the Rules and Regulations.

ARTICLE 8

OPERATION

8.1 ON-SITE FACILITIES:

- a) The operation, surveillance, repair and maintenance of on-site reclaimed water facilities are the responsibility of the User.
- b) The operation, surveillance and maintenance of all on-site facilities using the City's reclaimed water shall be under the management of an "On-Site Reclaimed Water Supervisor" designated by the User and approved by the City. The City may, from time to time, require that an "On-Site Reclaimed Water Supervisor" obtain instruction in the use of reclaimed water, such instruction being provided by, or approved by the City.
- c) The City shall monitor and inspect all reclaimed water systems, including on-site and off-site facilities, and for these purposes shall have the right to enter upon the User's premises. Where necessary, keys and/or combinations shall be issued to the City to provide such access upon a request therefor during normal business hours of operation.
- d) The User shall have the following responsibilities in relation to operation of on-site facilities:
 1. Ensure that all on-site operations personnel are trained and familiarized with the use of reclaimed water to the City's satisfaction.
 2. Furnish their operations personnel with maintenance instructions, irrigation schedules, controller charts, and record drawings to ensure proper operation in accordance with the on-site facilities design, the permit, the reclaimed water agreement, and this Ordinance.
 3. Prepare and submit to the City one (1) reproducible set of record drawings, as approved by the City, of all facilities constructed by the User.
 4. Notify the City of any and all updates or proposed changes, modifications, and additions to the on-site facilities. Said changes shall be approved by the City and shall be designed and constructed according to the requirements, conditions, and standards set forth in the City's Standard Specifications and set forth in this Ordinance. In accordance with the above noted requirements, conditions, and standards, changes must be submitted to the City for plan check and approval prior to construction. The construction shall be inspected by the City, and revised record drawings and controller charts shall be approved by the City. The City may, if it deems such to be in the best interest of the City, waive or modify any of the foregoing.
 5. Ensure that the design and operation of the User's reclaimed water facilities remain in compliance with this Ordinance, as determined by the Chief Engineer.

6. Operate and control the User's reclaimed water system to prevent human consumption of reclaimed water and to control and limit runoff. The User shall be responsible for any and all uses of the reclaimed water. Operation and control measures shall include, where appropriate, but not be limited to:
 - a. On-site reclaimed water facilities shall be operated to prevent discharge onto areas not under control of the customer. Part circle sprinklers shall be used adjacent to sidewalks, roadways and property lines to confine the discharge from sprinklers to the use area.
 - b. The operation of the on-site facilities shall be during the periods of minimal use of the service area. Consideration shall be given to allow a maximum dry-out time before the irrigated area will be used by the public.
 - c. Reclaimed water shall be applied at a rate that does not exceed the infiltration rate of the soil. Where varying soil types are present, the design and operation of the on-site reclaimed water facilities shall be compatible with the lowest infiltration rate present.
 - d. Prevent runoff and ponding of reclaimed water, automatic systems should be utilized and programmed. The sprinkler system shall not be allowed to operate for a time longer than the use area's water requirement as determined by the infiltration rate. If runoff occurs before the use area's water requirements are met, the automatic controls shall be re-programmed to lessen watering cycles to meet the requirements.
 - e. Immediately report to the Chief Engineer any and all failures in their system that cause an unauthorized discharge of reclaimed water.
7. Comply with any and all applicable Federal, State and local statutes, ordinances, regulations, agreements, use permits, Rules and Regulations, and all requirements prescribed by the City. In the even of violation, all applicable charges and penalties shall be applied and collected.

8.2 OFF-SITE FACILITIES:

Operation, surveillance and maintenance of all of the City's off-site reclaimed water system facilities, including, but not limited to, pipelines, reservoirs, pumping stations, fire hydrants, manholes, valves, connections, supply interties, treatment facilities, and other appurtenances and property up to, and including, the City's meter, shall be under the management and control of the Chief Engineer. Except to shut off water to prevent damage or health risks, no persons, except authorized employees of the City, shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the foregoing, or any of the City's property. Such tampering constitutes an infraction punishable by law and may result in the offender(s) being charged and prosecuted accordingly.

ARTICLE 9

PROTECTIVE MEASURES

9.1 GENERAL:

These provisions are to protect the City's potable water supplies against actual, undiscovered, unauthorized, or potential cross-connections to the User's reclaimed water system in accordance with Title 17, Chapter 5, Section 7583-7622, inclusive, of the California Administrative Code and the Rules and Regulations. These provisions shall be in addition to, and not in lieu of, the controls and requirements of other regulatory agencies, such as local regulatory agencies, State and local health departments. These regulations are intended to protect the City's potable water supplies and are not intended to provide regulatory measures for protection of Users from the hazards of cross-connections within their own property.

Approved backflow prevention devices, on the City's non-reclaimed water services to the property, as required in these provisions, shall be provided, tested, and maintained by the User at User's expense. Such devices shall be located on the property served and shall not be on the City's facilities.

9.2 WHERE PROTECTION IS REQUIRED:

Approved backflow protection for the non-reclaimed water supplies shall be provided as follows:

- a) Each water service connection for supplying other than reclaimed water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into water systems, unless the auxiliary water supply is accepted as a potable source by the City and is approved by the public agency having jurisdiction.
- b) Each water service connection for supplying other than reclaimed water to premises on which any substance is handled in such a fashion as to permit entry into the water system from the premises shall be protected against backflow of the water from the premises in the water system. This shall include, but not be limited to, the handling of process waters, waters originating from any of the water systems that have been subject to deterioration in quality, and agricultural use water.
- c) Backflow prevention devices shall be installed on the non-reclaimed water service connections to any premises that have internal cross-connections.

The on-site reclaimed water system is a separate and controlled non-potable water system. Protective backflow prevention devices are required for non-reclaimed water services, and under no circumstances shall the City tolerate an actual or potential cross-connection between non-reclaimed water supplies and the on-site reclaimed water facilities. In all cases in which reclaimed water is used, the City shall require a backflow prevention device on all non-reclaimed water facilities.

9.3 TYPE OF PROTECTION:

At the non-reclaimed water service connection on any premises on which there is an auxiliary water supply, or under any of the circumstances outlined in the preceding Paragraph 9.2, the non-reclaimed water system shall be protected by an approved reduced pressure device. The type of protection device shall be determined by the Chief Engineer in accordance with the Rules and Regulations.

9.4 INSPECTION OF PROTECTIVE DEVICES:

The User is responsible for inspection and testing of all backflow prevention devices at least once a year, or more often in those instances where successive inspections indicate repeated failure. All inspections and testing shall be performed at the User's expense by a tester certified by the State or local health department. These devices shall be repaired, overhauled, or replaced at the expense of the User whenever they are found to be defective. The User shall maintain records of all such tests, repairs, and overhauls. These records shall be made available to the State and local health departments and sent to the City.

Nothing contained herein shall relieve a water customer from the duty to install, test and maintain backflow prevention devices.

9.5 RECLAIMED WATER SUPERVISOR:

The State and local health departments and the Chief Engineer shall be kept informed by written document of the identity of the person responsible for the User's reclaimed water system on all premises concerned with these regulations. At each premise, an "On-Site Reclaimed Water Supervisor" shall be designated. This supervisor shall be responsible for the installation and use of all User reclaimed water systems, pipelines and equipment and for the prevention of cross-connections.

9.6 NOTIFICATION BY USER:

In the event of contamination or pollution of a non-reclaimed water system due to a cross-connection on the premises, the local health officer and the City shall be promptly notified by the "On-Site Reclaimed Water Supervisor", or others, so that appropriate measures may be taken to correct the problem.

9.7 MONITORING AND INSPECTION:

The City will monitor and inspect all reclaimed water systems, including both on-site and off-site facilities. The City will conduct monitoring programs, maintain a record as deemed necessary and provide reports as requested by regulatory agencies, including, but not limited to, the California Regional Water Quality Control Board. The City, in carrying out these functions, shall have the right to enter upon the User's premises for the purpose of inspecting on-site reclaimed water for the purpose of inspecting on-site reclaimed water facilities and areas of reclaimed water use and to ensure compliance with this Ordinance, including the provision that runoff be prevented and the provision that cross-connections between non-reclaimed water facilities and reclaimed water facilities do not exist.

9.8 OTHER MEASURES:

9.8.1 Whenever technically and financially feasible as determined by the Chief Engineer, the City will

operate the reclaimed water system at a lower pressure than the non-reclaimed water systems, so that the flow would be from the non-reclaimed water to the reclaimed water system in the event of a cross-connection.

- 9.8.2 Acceptable tracer dyes may periodically be introduced into the reclaimed water system by the City, where feasible, so that the existence of cross-connections or backflow in the non-reclaimed water system can be determined.
- 9.8.3 Water meters used for reclaimed water service shall be color coded or otherwise distinguished as such, and will not be interchanged or used for non-reclaimed water service after repairs or meter testing has been accomplished.

ARTICLE 10

ON-SITE CONTROLS

10.1 IMPLEMENTATION:

Guidelines and regulations have been promulgated by the County Department of Health Services (CDHS) and the California State Department of Health Services (CDOHS) to protect the health of the public and the employees of reclaimed water Users. The minimum necessary on-site controls are contained in "Guidelines for Use of Reclaimed Water", issued by the CDOHS; in the County Public Health Code; and in Title 17 of the California Administrative Code.

10.2 STATE/LOCAL REGULATION:

Reclaimed water system on-site controls shall meet all of the requirements established by the Chief Engineer and the applicable State and local regulatory agencies to protect the public health.

Plans and specifications for all proposed reclaimed water operations, distribution, and on-site systems shall be submitted to the applicable State and local health agencies, as well as the City, for review and approvals before the systems are constructed.

10.3 OPERATIONAL CONTROLS:

The use of reclaimed water shall not create odors and/or a public nuisance.

The use area shall be developed and maintained so as to prevent the breeding of flies, mosquitoes, and other vectors.

The minimum necessary operational controls include, but are not limited to:

- a) Irrigation Usage: Areas irrigated with reclaimed water must be kept completely separated from domestic water wells and reservoirs. Reclaimed water shall not be applied or allowed to migrate to within 500 feet of any well used for domestic supply or 100 feet of any irrigation well unless it can be demonstrated that special circumstances justify lesser distances to be acceptable.

Adequate measures shall be taken to provide a minimum of 40 feet between the limits of the reclaimed water use area and of the adjacent crops if secondary effluent is in use. Irrigation shall be controlled to prevent ponding of reclaimed water and runoff should be contained and properly disposed of.

- b) Additional Protection: User's employees, residents, and the public should be made aware that the reclaimed water is non-potable. All reclaimed water valves, outlets and/or sprinkler heads should be appropriately tagged to inform them that the water is non-potable.
- c) First Aid and Hygiene: Adequate first aid kits should be available on the premises and all cuts and abrasions should be treated promptly to prevent infection. A physician should be consulted where infection is likely.

At crop irrigation sites, the crops and soil should be allowed to dry before harvesting. Provisions shall be made for a supply of safe, potable drinking water for employees and others. Water used for drinking purposes shall be in contamination-proof containers and protected from contact with reclaimed water or dust. The water should be of a source approved by the local health authority. Toilet and potable washing facilities should be provided. Precautions should be taken to avoid contamination of food taken to areas irrigated with secondary effluent and food should not be taken to areas still wet. Employees and other should be instructed to wash with potable water prior to eating.

10.4 IDENTIFICATION:

All reclaimed water valves, outlets and sprinkler heads should be of a type that can only be operated by authorized personnel with special wrenches or other devices.

All reclaimed water valves and outlets should be appropriately tagged to warn the public and employees that the water is not safe for drinking.

All piping, valves and outlets should be color-coded or otherwise marked to differentiate reclaimed water from non-reclaimed water facilities.

Differential piping materials shall be used to facilitate water system identification.

Hose bibs shall not be used in the reclaimed water system; quick-couplers or comparable connection devices shall be used instead.

Size differentials shall be made between non-reclaimed water and reclaimed water connection devices.

10.5 POSTING OF ON-SITE WARNINGS:

Adequate means of notification shall be provided to inform the public, employees and others that reclaimed water is being used. Such notification shall include the posting of conspicuous warning signs with proper wording of sufficient size to be clearly read, which shall be posted at adequate intervals around the use area. In some locations, especially at crop irrigation use areas, the warning signs shall be in Spanish*, as well as English. Signs shall be at least 15 X 18 inches, and shall be in compliance with CDOHS regulations. Signs are available and may be purchased from the City.

Signs shall be placed around the perimeter of the site and at such other locations on-site as deemed appropriate by the City.

At golf courses, notices shall be printed on score cards in a different color stating that reclaimed water is used. All water hazards containing reclaimed water should be posted with warning signs. All water outlets shall be posted as "potable" or "non-potable", as applicable and appropriate.

*Spanish may be substituted with another language if appropriate for the locale. This will be determined by the City based on the prevalent non-English speaking population.

ARTICLE 11

SEVERABILITY

If any section, subsection, clause or phrase of this Ordinance is for any reason found to be invalid or unconstitutional, such decision shall not affect the remaining portions of this Ordinance. The City Council hereby declares that it would have passed said Ordinance in the absence of said article, section, subsection, sentence, clause, or phrase which has been determined invalid or unconstitutional.

ARTICLE 12

ENFORCEMENT AND PENALTIES

12.1 NOTICE OF VIOLATION:

Any person, firm, corporation, association, or agency found to be violating any provision of this ordinance, or the terms and conditions of the User's service agreement, permit or any applicable Federal, State, City or local statutes, regulations, guidelines, ordinances, or other requirements will be served by the City with written notice of non-compliance stating the nature of the violation and providing a reasonable time limit, as determined by the City, for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, cease all violations. This provision is in addition to, and not by way of derogation of, any other remedies or procedures available to the City by law, regulation, or pursuant to any of the provision of this Ordinance.

This notice of violation procedure shall be in addition to any other remedies available to the City, including the infraction provisions set forth in section 71600 of the Water Code of the State of California.

12.2 NONCOMPLIANCE FOLLOWING NOTICE OF VIOLATION:

Failure to cease all violations within the state time limit shall result in revocation of the permit by the City and termination of reclaimed water service. Violations regarding any one service may result, at the discretion of the City, in termination of reclaimed water service in the following manner:

- a) Interim Revocation: In cases where the serious nature of the violations require immediate action, the City may, at its discretion, immediately revoke the permit on an interim basis and thereupon cease reclaimed water service, subject to a timely decision on a permanent revocation of the permit, pursuant to a public hearing as provided herein.
- b) Permanent Revocation: Permanent revocation of a permit shall occur only subsequent to a public hearing held in the manner hereinafter provided. The User shall be given written notice of violation ten (10) consecutive calendar days prior to a hearing on the possible permanent revocation of a permit by the City. The notice shall specify the grounds of the proposed permanent revocation of such permit in reasonable detail and it may elect to suggest corrective actions acceptable to the City. Notice may be delivered personally to the User or it may be given by deposit in the United States mail with postage prepaid, return receipt requested, addressed to the User as reflected in the records of the City, or addressed to the owner as shown on the last equalized assessment roll of the County, as defined in the Revenue and Taxation Code of the State of California. Any such action to permanently revoke the permit shall be effective immediately after notice of the City's decision and shall be either personally delivered to the User or placed in the United States mail, postage prepaid, return receipt requested, addressed to the User in the manner herein above specified.
- c) Reestablishment of Service: Any request to reestablish service subsequent to the permanent revocation of a permit and the termination of reclaimed water service, shall be in the manner

prescribed for initially obtaining reclaimed water service from the City, which may include the collection of a security deposit. However, in addition, the City may, at its discretion, require that a service agreement and financial security conditioned upon compliance with the City's Ordinance be provided in an amount, manner and for a period of time as determined by the City Council.

The City shall have the right to refuse to reestablish service following permanent revocation of a permit for violation of these provisions.

Reestablishment of service shall only be made during regular working hours established by the City.

- d) Delinquency: Disconnection of service by reason of a delinquent bill shall not automatically constitute revocation of a permit. However, such delinquency may be considered as sufficient reason for a revocation of permit, in accordance with the provisions of this Ordinance.
 - e) Provisions: The City may, on an interim basis or otherwise, waive or modify any of the foregoing.
 - f) Objections: The User may file a notice of objection with the City Council within sixty (60) days after notice of violation is given or mailed to the owner. The objection must be in writing and specify the reasons for the objection. The preliminary determination shall be final if the User does not file a timely objection. If the objection cannot be resolved to the mutual satisfaction of the User and the City the preliminary determination shall be final, with the User able to appeal this determination in a process established by the City Council. The decision resulting from the appeal process shall be final.
 - g) Appeals of any ruling of the City concerning violations of the provisions or penalties provided for in this Ordinance shall be presented in writing within fifteen (15) days following the date of the City's notice of violation. The City Council may grant the User an opportunity to present additional oral or documentary information (in addition to that presented in connection with objections set forth in the preceding paragraph), or it may decide on the basis of information filed in connection with the objection. The City Council shall respond within fifteen (15) days of receipt of the appeal, with a decision whose findings shall be final.
- Appeals of any condition established by a regulatory agency shall be appealed to the appropriate agency via the City Council.
- h) Conflicts: If there is any conflict between the provisions of this Ordinance and the provisions of any of the documents incorporated by reference, the most restrictive requirement shall control and prevail, as determined by the City.

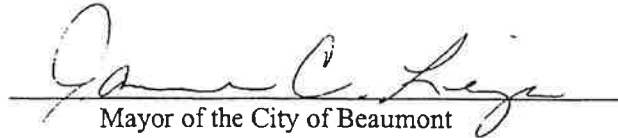
MOVED, PASSED AND ADOPTED this 10th day of November, 1997 by the following roll call vote:

AYES: Mayor Leja, Council Members Westcott, Parrott, and Zeller.

NOES: None.

ABSTAIN: None.

ABSENT: Council Member Berg.

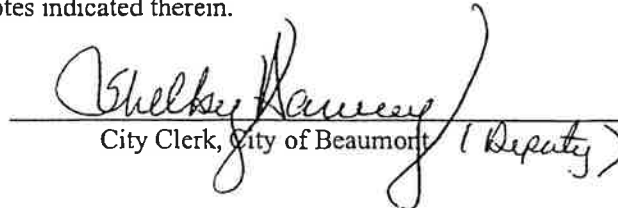

Mayor of the City of Beaumont

ATTEST:


CITY CLERK (Deputy)

CERTIFICATION

The foregoing is certified to be a true copy of Ordinance No. 775 duly introduced at a regular meeting of the City Council held on October 27, 1997, and duly adopted upon second reading on November 10, 1997, by the roll call votes indicated therein.


City Clerk, City of Beaumont (Deputy)

(SEAL)

APPENDIX A

RECLAIMED WATER RATE SCHEDULE

I Retail Rates per Article 5.5b		
A.	Service Charge by Meter Size	
	<u>Meter Size</u>	<u>Flat Rate</u> <u>Monthly Charge</u>
	4" or smaller	\$ 20.00
	6" or larger	\$ 40.00
B.	Commodity Rate: Agricultural (Minimum continuous basic flow of 400 gpm)	<u>Per Acre Foot</u>
		\$ 288.00
C.	Commodity Rate: Non-Agricultural	<u>Per Acre Foot</u>
		\$302.00
D.	Energy Charge	<u>Per Acre Foot</u>
	45 psi or less at the meter (as determined by Chief Engineer)	\$ 15.00
II	Wholesale Rates per Article 5.5c	As determined by the City Council
III	Construction Water Rates per Article 5.5d	
A.	Service Deposit (refundable)	\$500.00
B.	Meter Set Charge (non-refundable)	\$100.00
C.	Meter Move Charge (each move)	\$ 50.00
D.	Daily Service Charge	\$ 2.00
E.	Commodity Rate:	<u>Per Acre Foot</u>
		\$355.00
IV	Temporary Service Rates per Article 5.6 (Other than Construction)	Same as Construction Rates

V Service Outside City per Article 5.7

A. Entirely Outside

1. Same as Temporary Service Rates

OR

2. City Council may set rates by agreement consistent with rates for service in the City

B. Partially Outside

1. Apportioned as to place of use

APPENDIX B

MISCELLANEOUS RECLAIMED WATER CHARGES
Per Article 5.5g

1. Connection Charge

The actual cost of the meter and meter installation plus 12%
2. Security Deposit

Not less than the cost of two (2) months maximum reclaimed water demand.
3. Standard Penalty Charges

1 1/2% Per Month
30 Days Past Due
Balance of \$200.00 or more
4. Reconnection Charge \$ 50.00
5. Returned Check Charge \$ 15.00
6. Meter Test Charge \$ 20.00
7. Pulled Meter Charge \$ 50.00
8. Property Damage

Cut Lock or Seal \$ 10.00
Damaged Meter Actual Cost
Other Facilities Actual Repair Cost
9. Unauthorized Use

Self Turn On of Service \$100.00
Self Installation of Service \$500.00
Other \$200.00
10. Administrative Overhead

20% of Direct Cost of Service Rendered
11. Construction Deposits

All deposits for estimated costs to be incurred by the City for the installation of reclaimed water

facilities for a User shall be advanced to the City by the User prior to installation of said facilities.

APPENDIX C

CITY PARTICIPATION
(Subject to the Availability of City Funds)

I. City Required Oversizing of Facilities per Article 7.4

A. Material

The City may pay for the difference in cost of materials between the size required for the User and the larger size of pipe, valves, fittings, and other appurtenances determined by the City for satisfactory operation of the system. Such difference in cost will be determined by the City.

B. Labor

No City participation

II Other Facilities

A. City Projects

Up to 100% (as determined by the City)

B. Other Projects

Up to 50% (as determined by the City)

CITY OF BEAUMONT
APPLICATION
FOR RECLAIMED WATER SERVICE
AND
CONSTRUCTION OF RECLAIMED WATER FACILITIES

APPLICANTPlease Complete 1 - 16

1. Applicant _____

Attention _____

Address _____

Street, City, Zip

() _____

Phone
2. Project Name _____
3. Location _____
4. Reclaimed Water Supervisor _____

Phone _____
5. Owner (if different from above) _____ Address _____

Street, City, Zip

Phone
6. Acreage to be Served _____
7. Anticipated Crop(s) or Use _____
8. I am interest in further information on land application of sludge as a fertilizer/soil amendment.

_____ Yes

_____ No
9. Estimated Demand _____ GPM or _____ MGD

Hours/Day _____

Days/Week _____
10. Number of Services _____ Size(s) _____
11. Please Attach:
 - a) Map showing property location
 - b) Design area for irrigation system
 - c) Desired meter location(s)
 - d) On-site irrigation piping plan

- | | | |
|-----|--|--|
| 12. | Landscape Architect _____
<div style="text-align: center;">Company Name</div> Address _____
<div style="text-align: center;">Street, City, Zip</div> | <div style="text-align: center;">Attention</div>
<div style="text-align: center;">Phone</div> |
| 13. | Developer _____
<div style="text-align: center;">Company Name</div> Address _____
<div style="text-align: center;">Street, City, Zip</div> | <div style="text-align: center;">Attention</div>
<div style="text-align: center;">Phone</div> |
| 14. | Landscape Irrigation Consultant _____
<div style="text-align: center;">Company Name</div>
<div style="text-align: center;">Street, City, Zip</div> | <div style="text-align: center;">Attention</div>
<div style="text-align: center;">Phone</div> |
| 15. | Anticipated Construction Date _____
<div style="text-align: center;">Month/Year</div> | |
| 16. | Requested Service Date _____
<div style="text-align: center;">Month/Year</div> | |

FOR CITY USE ONLY

17. First Checkprints Received _____
Date _____
Second Checkprints Received _____
Date _____
Final Plans Approved _____
Date _____
18. Can the City provide reclaimed water with existing facilities? _____
Yes _____ No _____
19. Is a reclaimed water main extension required? _____
Yes _____ No _____
- Comments: _____

20. Will this system be initially connected to the potable water system?

Yes _____ No _____
- Comments: _____

If so, when will system be disconnected from the potable system and connected to the reclaimed water system?

21. Meter locations approved: _____

Yes

No

Comments: _____

22. Reclaimed Water Meters:

	Acct. No.	Size	Design PSI	Peak Flow (GPM)	Area Served (Sq. Ft.) (or Acres)	• Yearly Consump. (A-F/Yr)
A)	_____	_____	_____	_____	_____	_____
B)	_____	_____	_____	_____	_____	_____
C)	_____	_____	_____	_____	_____	_____
D)	_____	_____	_____	_____	_____	_____
E)	_____	_____	_____	_____	_____	_____
F)	_____	_____	_____	_____	_____	_____
G)	_____	_____	_____	_____	_____	_____
H)	_____	_____	_____	_____	_____	_____
TOTALS					_____	_____

23. Manner of labeling constant pressure mains: _____
(3" tape, etc.)

24. Quick-coupler valves: _____
Wye Strainer: _____

25. Any other reclaimed water discharge devices? _____
Yes No

Description: _____

26. Is a potable water system on-site? _____

Yes

No

Comments: _____

27. Has the City been provided with two (2) sets of final plans? (Office and Inspector)

Yes

No

28. Date of receipt of record drawings (reproducible): _____

Date

29. REMARKS: _____

Insert Exhibit 2 - RWQCB Application for Facility Permit/Waste Discharge

DATE: _____
DEV.: _____
W.O.: _____
AREA: _____
TRACT: _____
I.D.: _____

**RECLAIMED WATER FACILITIES
RECLAIMED WATER USE PERMIT APPLICATION
AND CONSTRUCTION AGREEMENT WITH
THE CITY OF BEAUMONT**

The undersigned (hereinafter referred to as "Applicant") hereby requests a permit for the extension of certain reclaimed water facilities of THE CITY OF BEAUMONT (hereinafter referred to as "City") in accordance with all of the terms and conditions of this Agreement, and the City's "Water Reclamation Ordinance" (hereinafter referred to as "Ordinance") as amended from time to time, which are incorporated herein by this reference and made a part hereof as though fully set forth.

Applicant hereby applies for reclaimed water service which can be provided by the facilities described below, to that certain real property located within the City of Beaumont and/or the City of Beaumont Sphere of Influence, County of Riverside, State of California, consisting of approximately _____ acres and described as follows (metes and bounds description or as acceptable to the City):

Said property is to be used for the purpose(s) of:

Applicant hereby represents that Applicant is the _____ of said real property. Applicant estimates that the total reclaimed water quantity to be required of the City upon ultimate development of said real property is as follows:

Reclaimed Water: _____ gals. per day
_____ peak gpm
_____ af/yr

Applicant and its successors may be required to use reclaimed water based upon the sole discretion of the City and shall meet all the requirements of the section, "On-site Reclaimed Water Facilities" of the Ordinance, and Applicant agrees to make its existence known to all developers and subsequent owners or lessees in subject development by recordation of this instrument or otherwise.

Upon acceptance of this application by the City together with all fees and charges, plans and specifications, bonds, conveyance of necessary easements, and other items that may be required herein, the City agrees to issue a permit in accordance with and subject to the terms and conditions herein set forth. The City shall deliver to applicant such permit, which shall be an executed copy hereof.

1. Applicant agrees to comply with the requirements of any and all applicable Federal, State and local statutes, ordinances, regulations and other requirements. The City may, at its discretion, require specific prior approval of this permit by any Federal, State or local agency having jurisdiction over, or an interest in, the operation of the City's reclaimed water facilities.
2. Applicant shall adhere to the requirements prescribed by the Ordinance, as amended from time to time by the City Council of the City, to insure compliance with such Ordinance as to reclaimed water service.
3. Applicant hereby agrees to build or cause to be built the following described reclaimed water facilities (hereinafter collectively referred to as "the Facilities") and agrees to pay all costs of installation of same, including, but not limited to, cost of labor, materials, equipment, contractor's expense and profit, environmental studies, design, engineering, surveying, inspection, testing, plan check, land and easement acquisition, condemnation, attorney's fees, insurance and bond premiums.
 - a) _____
 - b) _____
 - c) _____
4. Applicant agrees that the Facilities shall be constructed in accordance with plans and

specifications which shall comply with all applicable requirements of the City's "Standard Specifications for the Construction of Reclaimed Water Facilities", including, but not limited to, requirements as to information to be shown on the plans. Said document is on file at the office of the City and is by this reference incorporated herein. Such plans and specifications by City shall be constructed by a contractor licensed by the State of California to install said Facilities.

5. Applicant guarantees the Facilities constructed under this Agreement against defects in workmanship and materials for a period of one (1) year after the date of acceptance of the Bill of Sale for the Facilities by the City, as provided in Section 8 herein. It is further agreed that the Facilities shall be restored to full compliance with the requirements of the plans and specifications described in Section 4 herein, including any test requirements, if during said one (1) year period the Facilities, or any portion thereof, are found not to be in conformance with any provision of said plans and specifications. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities.
6. Applicant agrees to grant, or cause to be granted to the City, all necessary easements for construction, installation, maintenance and access to the Facilities, across all privately-owned lands to be traversed by the Facilities, which easements shall be executed by all necessary parties having an interest in said lands. All easements shall be duly recorded.
7. Applicant agreed to provide to the City, prior to acceptance of the Facilities as set forth in Section 8 herein, a complete set of reproducible mylars of the approved final plans and specifications for the Facilities.
8. Upon completion of the Facilities, applicant agrees to execute and deliver to the City a proper Bill of Sale, including a report of the actual costs of the Facilities on the standard form of the City which form is on file at the office of the City and is by this reference incorporated herein, and to substantiate such report with invoices and receipts acceptable to the City. Applicant further agrees that such Facilities will become the property of the City when said Bill of Sale is accepted by its City Council or its duly authorized employee, evidencing acceptance of the Facilities. However, applicant hereby disclaims in favor of the City all right, title and interest in and to said systems, appurtenances and easements; and Applicant hereby covenants and agrees to execute and deliver to the City any documents required to complete the transfer of the Facilities concurrently with the acceptance thereof by the City; and Applicant hereby agrees that Applicant is holding any title to said Facilities, pending acceptance thereof by the City, as trustee, acknowledging Applicant's obligation to complete said Facilities and transfer the same debt-free to the City.
9. It is agreed that the above provisions shall not preclude the use of the Facilities by property owners within the use area prior to such delivery of Bill of Sale to the City, as long as the Facilities are acceptable to the City under its Rules and Regulations and written permission has been obtained from the City by such property owners to connect to the Facilities or to

existing Facilities. Applicant agrees that the use of the Facilities by the Applicant, transferee or assignee of the Applicant, or other within the City will not constitute acceptance, liability, operation or maintenance responsibility of the Facilities by the City.

10. Applicant agrees to hold the City harmless from any expense or liability resulting from the construction of the Facilities, and further agrees that Applicant will indemnify and hold the City, its agents, employees, officers and representative, free and harmless from and against any and all liabilities for death, injury, loss, damage or expense (including reasonable attorneys' fees) to person or property which may arise, or is claimed to have arisen, as a result of any work or action performed by Applicant, or on behalf of Applicant, with respect to the construction and in the installation or repair of the Facilities.
11. Applicant shall submit, concurrently with this Application, payment and performance bonds on the standard forms of the City, which forms are on file at the office of the City and are by this reference incorporated herein, or as acceptable to the City, in connection with the Facilities to be constructed, and for an amount to be determined by the City.
12. Applicant hereby agrees to pay all administration and engineering fees (including inspection, testing and plan check costs) calculated as a percentage of the total costs, as estimated by the City, as well as any other charges of the City, as provided for in the Rules and Regulations of the City. The amount of such fees and charges shall be based on the applicable schedules of the Rules and Regulations in effect on the date when applicant has submitted to City its completed Application, payment of all fees and charges, plans and specifications, bonds, conveyance of necessary easements and other items which may be required herein prior to issuance of the permit. Such fees and charges shall be set forth on Exhibit "3.A" hereto by the City, which Exhibit is by this reference incorporated herein, and is subject to revision pursuant to any changes in the applicable schedules prior to the date the application and all accompanying materials and payment are completed and submitted to the City. Other than as provided herein, fees and charges are not subject to adjustment or refund.
13. Applicant agrees to accept such conditions of pressure, quality and service as are provided for by City's reclaimed water system at the location of all proposed connections thereto and to hold City harmless from and against any and all damages, liability and expense arising out of high or low pressure conditions, or quality with respect thereto or from interruptions of service.
14. Applicant agrees, if said City employs an attorney to enforce this Agreement, to pay said City for all attorney's fees incurred.
15. Applicant agrees that the City Manager of the City, or the authorized representative, may enter upon the herein above described property for the purpose of ascertaining whether the provisions of this Agreement are being performed. Applicant shall not be responsible in any way for the failure of its successors or assigns to comply with any of the provisions of this

Agreement.

16. Applicant agrees that service shall be commenced only after the Facilities have been completed and transferred to the City, as provided in Section 8 herein, and all required testing and inspection has been accomplished.

Applicant is aware that contracts may not have been let for all necessary reclaimed water facilities of the City in order that Applicant can actually receive reclaimed water service. Applicant further agrees that City shall not be obligated to Applicant or the successors of Applicant for reclaimed water service until such time as the actual completion of said necessary City reclaimed water facilities.

17. Special conditions for service, if any:

IN WITNESS WHEREOF, the parties have duly caused their authorized signatures to be affixed hereto. SIGNATURES MUST BE PROPERLY NOTARIZED AND ACKNOWLEDGED.

APPLICANT:

PROPERTY OWNER:

By: _____

By: _____

By: _____

By: _____

Date: _____

Date: _____

(SEAL)

CITY OF BEAUMONT

APPROVED AS TO FORM:

By: _____

By: _____

By: _____

Date: _____

STATE OF CALIFORNIA)
County of _____)SS.

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as _____ and Secretary, on behalf of _____, the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its City Council.

WITNESS my hand and official seal.

Signature _____

(NOTARY SEAL)

DATE: _____
DEV.: _____
W.O.: _____
AREA: _____
TRACT: _____
I.D.: _____

**CONSTRUCTION AGREEMENT WITH
CITY OF BEAUMONT FOR
RECLAIMED WATER SERVICE (PERMIT)**

Reclaimed Water Fees and Charges:

Administrative and Engineering

Bondable Cost \$ _____ at _____ % \$ _____

TOTAL RECLAIMED WATER SERVICE FEES AND CHARGES: \$ _____

TOTAL FEES AND CHARGES SUBMITTED HEREWITH: \$ _____

Less Prepaid Plan Check Fees: \$ _____

TOTAL \$ _____

Date of Preparation of this
Document: _____

The amount set forth is based on the City's schedules of fees and charges in effect on _____
_____ and the plans and specifications for the Facilities which have been submitted
by Applicant, and such amount is subject to revision pursuant to any changes made in said schedules
or in said plans prior to completion of this Application and all accompanying items required therein.

CITY OF BEAUMONT
TEMPORARY FIRE HYDRANT WATER USE APPLICATION AND PERMIT

Name _____ S.O. No. _____

Mailing Address _____ I.D. No. _____

_____ Mtr. Deposit _____

Location of Hydrant _____

Location and Purpose of Water Use _____

WATER SERVICE UNDER THIS PERMIT IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. Application and payment of a standard initial charge of \$500 with the understanding that, following the return of the meter, by customer request to the City, payment by the applicant of all outstanding water bills owed the City by the applicant and completion of any required rehabilitation of the meter by the City, the City will refund to the applicant the sum of \$400 minus the cost, if any, incurred by the City to rehabilitate and restore the meter to a condition which meets the City's applicable standards;
2. Applicant's payment of a \$2 per day rental charge for the use of the meter, which shall continue to be charged until applicant requests that the involved meter be picked up by the City;
3. Applicant establishes credit with the City pursuant to Rules and Regulations;
4. Applicant's payment for all water delivered through the subject fire hydrant meter at the commodity water rate applicable for the improvement district or service area where water service through said meter is served;
5. Applicant's compliance with all applicable City rules and regulations, including the installation of an approved backflow prevention device and following backflow prevention procedures and restrictions, as noted below:

6. All temporary fire hydrant service connection installations and the use thereof shall be subject to inspection and approval by City personnel prior to and during use: Unsatisfactory temporary fire hydrant installation or the use thereof shall result in the discontinuance of water service there through the City until appropriate remedial actions have been taken by the applicant, all as determined by the City.

7. The City shall be responsible for installing and securing the involved temporary fire hydrant meter with a chain and lock to a City approved hydrant. Applicant hereby agrees to forfeit deposit if said chain and/or lock is damaged in any way for any reason. If this occurs, the City will, at that time, remove the temporary fire hydrant meter from the applicant. Any theft of water from a City hydrant will result in legal action per penal code #498.
8. Applicant shall be solely responsible for utilizing the subject temporary fire hydrant meter in a manner which will not create a threat to the safety of the public and property of others and will protect the meter and fire hydrant assembly to which it is attached, from damage;
9. Applicant shall be responsible and pay for any and all damages to or loss of City facilities, (including the involved fire hydrant assembly and/or meter) which may occur or result from applicant's activities in connecting to, using and disconnecting from such City facilities; and
10. Applicant hereby agrees to indemnify and hold City free and harmless from any and all responsibility for any public liability and/or property damage and personal injuries which may in any way result from the applicant's use of the subject temporary fire hydrant meter and the fire hydrant assembly to which it is attached. Such indemnification shall include legal costs incurred by the City.
11. Customer acknowledges that their demands are secondary to that of the fire department and/or City operation.

APPROVAL BY CITY OF BEAUMONT

I HEREBY AGREE TO COMPLY
WITH THE FOREGOING TERMS
AND CONDITIONS

Signature	Firm Name
Title	Signature of Applicant
Date	Date
Acct. # _____	Receipt # _____
Meter # _____	Date _____
Read _____	Phone _____

ONE COPY OF THIS PERMIT MUST BE KEPT AT JOB SITE FOR VERIFICATION BY CITY UPON REQUEST

THE METER SHALL NOT LEAVE THE CITY'S BOUNDARIES

Approved by the City Council: CITY OF BEAUMONT, CALIFORNIA

BILL OF SALE

RECLAIMED WATER SYSTEM FACILITIES

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned does hereby transfer and convey to the City of Beaumont and its successors and assigns, all right, title, and interest in and to the reclaimed water system facilities, including pipelines, valves, service connections, meters, other appurtenances, easements and property to said reclaimed water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any incumbrance.

Said property is described as follows:

Executed this _____ day of _____, 19 _____

Company or Corporation Name:

By: _____

President

By: _____

Secretary

CERTIFICATE OF ACCEPTANCE:

As per Resolution No. _____ as set forth in the minutes of a meeting of the City Council of the City of Beaumont held on the above Bill of Sale of Reclaimed Water System Facilities, dated _____, is hereby accepted by order of the City Council of the City of Beaumont.

CITY OF BEAUMONT

Date of Acceptance: _____

By: _____

Approved by the City Council: CITY OF BEAUMONT, CALIFORNIA

**STATEMENT OF
RECLAIMED WATER FACILITIES
COST OF CONSTRUCTION**

Developer's Name: _____

Tract No.: _____ Date Prepared: _____

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total Cost</u>
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
		Subtotal	\$ _____

Design Engineering Cost (Proportioned to
Reclaimed Water System Design)

L.S.

Survey-Staking Costs

L.S.

Bonding Cost (Reclaimed Water Only)
Estimate

L.S.

Developer's Overhead Costs (Not to
Exceed 10%)

GRAND TOTAL CONSTRUCTION COST* \$ _____

*Excludes fees paid directly to the City of Beaumont.

Prepared by: _____

My signature as witnessed here below attest that under penalty of perjury, the above statement is true and correct to the best of my knowledge.

Date: _____

Developer: _____ Witness: _____

Official Title: _____

Title: _____

APPENDIX O



RECEIVED
12-28-05

Cherry Valley Pass Acres & Neighbors
P.O. Box 3257
Beaumont, California 92223

December 28, 2005

Mr. Chuck Butcher
560 Magnolia
Beaumont, CA 92223

Re: Draft 2005 Urban Water Management Plan Update

Dear Mr. Butcher:

I am providing comments of Cherry Valley Pass Acres & Neighbors ("CVAN") on the Beaumont Cherry Valley Water District's ("the District") draft 2005 Urban Water Management Plan Update ("Draft Update").

As a preliminary matter we believe that the District has failed to comply with the requirements of Section 10642 of the California Water Code because it has not adequately included members of the public in the process of updating the Urban Water Management Plan. While the Draft Update notes that the District has consulted with "developers" it has clearly not involved other interested parties. The District is well aware the CVAN has been deeply involved in water supply issues in the Pass, yet CVAN was not provided with a copy of the Draft Update until December 14, 2005, just 14 days before the hearing. As a consequence, CVAN has not been afforded a meaningful opportunity to review and provide detailed technical comments on the Draft Update. CVAN requests that the District provide the public with at least an additional sixty (60) days in which to comment on the Draft Update.¹

¹ We note that the District's 2000 Update was not approved until 2002. We fail to understand how the District could have waited until the very last minute to circulate the Draft 2005 Update.

2 While CVAN has not had an adequate opportunity to obtain a thorough technical review of the Draft Update, CVAN has in the past retained a consultant to review water issues relating to the Beaumont Basin and the District's ability to meet projected demand. A copy of those comments, prepared by PES Environmental, is attached. These comments are relevant to the Draft Update and should be addressed by the District.

3 We also believe that the Draft Update is technically premature in light of the report on the Beaumont Basin that the United States Geological Survey ("USGS") is expected to issue in January 2006. This report will provide much needed information on the Beaumont Basin and we believe that the District should not approve a Draft Update until it has had an opportunity to review and incorporate these important technical findings.

We make the following additional and preliminary comments on the Draft Update:

4 Table 1-2. We believe that the District has understated the likely population growth in the City of Beaumont. The City has approved and/or is considering more than 27,000 additional dwelling units – and this is in addition to the roughly 6000 dwelling units that currently exist. Assuming 3.08 persons per dwelling unit, the projected population will exceed the estimated 90,290. Moreover, the Draft Update does not include any analysis or justification for its assumptions concerning the pace of the projected build out. This should be included. The Draft Update does not consider demands to the Beaumont Basin made by increases in growth in neighboring communities, namely Banning, which is in the process of approving a number of large projects. Finally, the Draft Update also makes projections concerning growth in Cherry Valley (a doubling of the population over the next 25 years) although there is no discussion of the basis of this assumption, or of the assumptions concerning rate of growth.

7 The Draft Update's discussion of Water Sources is woefully inadequate and does not provide adequate substantiation of the alleged "water sources." For instance, the Draft Update relies heavily on recycled water as a water source, but does not provide any detail on when recycled water will be available or used. Instead, the Draft Update states that the District "expects" to be distributing recycled water. When? Similarly, the District states that construction "is about to start" on a groundwater recharge project. When? When will it be finished? What tests have demonstrated the efficacy of the project? How long will it take for the groundwater basin to be recharged. These are all critical – and unanswered – questions. The failure to address these questions renders the Draft Update incomplete.

9 The Draft Update also states at page 2-2 that a “pipeline has been designed to convey State Water Project Water” to an as now un-built recharge area. Presumably the District intends to purchase such State Water Project Water from the San Geronio Pass Water Agency (“Pass Agency”) to meet increasing demand. Yet the Draft Update does not describe how the Pass Agency can sell water to the District to meet increasing demand, given the Pass Agency’s legal mandate to utilize State Water Project water to first address and correct the historic overdraft of the Beaumont Basin. Moreover, the Draft Update does not discuss the reliability of State Water Project Water in general.

10 The Draft Update does not adequately and clearly discuss the extent to which the Beaumont Basin is in overdraft, although it certainly recognizes that the groundwater levels are substantially below the 1920 levels (p. 2-7). The Draft Update should discuss the impacts of such overdraft, and what steps are required to correct it, before it focuses on delivering water to projects that have not yet been constructed.

11 The Draft Update’s reliance on a stipulated adjudication of the groundwater basin – to which it was a party – is not appropriate, because this adjudication underwent no independent technical or environmental review. This is particularly the case with the “stipulated” “safe yield” and the decision by the parties to the adjudication that they would intentionally worsen the overdraft of the Beaumont Basin (which they pretend is a “surplus”) to meet projected demand from unbuilt but planned development. Table 2-8 demonstrates that the only way that the District can meet projected demand is through further degradation of the Beaumont Basin – by increasing the overdraft – to create the make believe “surplus.” Until 2014 the District plans to worsen the overdraft of the Beaumont Basin each and every year. Yet there is no analysis of the impacts of this action – or even whether it is legal. The Draft Update must address this uncertainty. Without these additional extractions through increasing the overdraft, Table 2-8 demonstrates that there is insufficient potable water to meet demand for every single year between now and 2030. Ultimately the District’s claim that water supply will satisfy demand for water is by playing an elaborate shell game that relies on the fictitious “temporary surplus” (i.e., exacerbated overdraft), combined with “banking” of unused portions of the make believe/temporary surplus, followed by some unarticulated “conversion” of users of potable water to users of non-potable water (i.e., treated sewage).² Moreover, a significant portion of the water is supposed to be State Water from the Pass Agency – which as noted above – is to be used first to address the overdraft. This does not look reliable to us.

² As the Draft Update concedes, there is no indication that the District’s customers will elect to use treated sewage (i.e., “non potable water”) rather than treated water, and should there be such resistance the projected demands for potable water are completely undermined. The Draft Update fails to address this uncertainty.

12 The Draft Update's discussion of recycled water as a meaningful source of water is particularly inadequate.³ As we previously have indicated, this source of water is "paper water" relying on "paper projects." The District provides no meaningful analysis of the actual amount of water that will be supplied and on what schedule. There is no proof that the proposed projects have the necessary permits or financing and, even if they did, what the schedule of implementation would be.⁴ For instance, the Draft Update suggests that the sewer plant in Beaumont will ultimately supply 8 million gallons per day of treated sewage that can be used as "non potable" water, or be recharged into the aquifer (and then consumed by the District's customers as "potable water"). However, the plant is currently close to its 2 million gallons per day of capacity, and there is no indication in the Draft Update when and how the plant's capacity will be increased.

13 The Draft Update's analysis of projected water usage is also inadequate. There is no clear rationale for the rate at which demand will increase, nor is there any realistic analysis of the difference between potable and non-potable demand – and whether that means anything.

14 The Draft Update's analysis of reliability is inadequate. First, it is based on two significant assumptions that are not supported in the Draft Update: the availability of "non potable water" and the ability to "convert" users to this water, and the ability to use this water to "recharge" the groundwater basin, resulting in an immediate 1:1 availability of additional water. The District should provide more substantiation of these assumptions.⁵

³ We are unaware of the District, or the City of Beaumont, having received the necessary permits to use recycled water. There is no discussion of this significant uncertainty.

⁴ The discussion in Section 2.2 demonstrates that the District's reliance on recycled water rests upon a very shaky foundation. The various bullet points reflect that there is no assurance that the recycled water will ever materialize, and rest on little more than a hope and a prayer. We note that the USGS has indicated that the proposed recharge ponds ~~will actually be diverted by the Cherry Valley fault and not reach the Beaumont Storage Unit.~~

⁵ The recent USGS study of the Beaumont Storage Unit has raised a number of questions about the Draft Update's discussion of the Beaumont Storage Unit in Section 2.2.1.2. Among other things, the USGS study indicates that it will take 50 years for surface placement of water to result in any groundwater recharge.

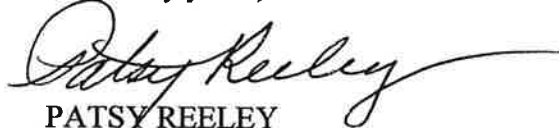
Page 5

15

In sum, the Draft Update appears to have been hastily compiled and fails to comply with the law in a number of ways.⁶ The District has not provided the public with sufficient time to review and comment on it. And the District has not backed up its key assumptions with facts. We urge the District not to approve the Draft Update in its current form and that it instead provide a neutral analysis of water demand and supply that serves the interests of all residents of the Beaumont Cherry Valley Area.

Thank you.

Very truly yours,


PATSY REELEY
President

Enclosure

cc: Robert C. Goodman, Esq.

⁶ See *Friends of the Santa Clara River v. Castaic Lake Water Agency* (2004) 123 Cal.App. 4th 1.

CHERRY VALLEY PASS ACRES AND NEIGHBORS
P.O. Box 3257
Beaumont, California 92223

August 6, 2004

VIA HAND DELIVERY

Mr. Ernest Egger, AICP, REA
City of Beaumont
Director of Planning
550 East Sixth Street
Beaumont, CA 92223

RECEIVED
AUG 06 2004

CITY OF BEAUMONT
ENGINEERING DEPT

Re: Noble Creek Vistas Specific Plan Consolidated Environmental Impact
Report - May 2004

Dear Mr. Egger:

Enclosed please find a letter report from PES Environmental, Inc. dated August 4, 2004, setting forth its Review of the Water Supply Assessment Component of the Noble Creek Vistas Specific Plan Consolidated Environmental Impact Report May 2004. We are submitting these additional comments on behalf of Cherry Valley Pass Acres and Neighbors ("CVAN"), and incorporate them herein by this reference. These comments are in addition to, and supplement, the comments that CVAN submitted to you July 8, 2004.

We reserve our right to provide additional comments on the DEIR in writing and in testimony at public hearings, prior to final certification.

We appreciate your attention to these comments. Should you have any questions or need any additional information you should feel free to contact us.

Very truly yours,


PATSY REELEY
President

Enclosure (as stated)

cc: Robert C. Goodman, Esq.

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APPLIED PLANNING



PES Environmental, Inc.
Engineering & Environmental Services

August 4, 2004

986.001.01.001

Ms. Patsy Reeley
President
Cherry Valley Pass Acres & Neighbors
P.O. Box 3257
Beaumont, California 92223

**Re: Review of Water Supply Assessment Component
Noble Creek Vistas Specific Plan
Consolidated Environmental Impact Report-May 2004**

Dear Ms. Reeley:

In response to your request, this letter has been prepared by PES Environmental, Inc. (PES) to summarize the results of our review of documents provided to or obtained by PES related to the Water Supply Assessment (Section 4.4) of the *Noble Creek Vistas Specific Plan, Consolidated Environmental Impact Report-May 2004* (EIR) and the *Plan of Services for Noble Creek Vistas* dated December 2003.

GENERAL COMMENTS

1. The following background information regarding pre-existing overdraft conditions and the current demand upon groundwater resources of the Beaumont Storage Unit (BSU) and Edgar Canyon Basin is not addressed in the EIR. The Beaumont-Cherry Valley Water District (BCVWD) states that it relies primarily on groundwater resources pumped from the BSU and Edgar Canyon Basin, which are in overdraft, to meet water demand (BCVWD, 2002). Based on information presented in the *San Geronio Pass Water Agency, Engineer's Report on Water Conditions, Reporting Period 2000-2001* (SGPWA, 2002), estimates of groundwater overdraft within the BSU during water years 1999, 2000, and 2001 were 3,827 acre-feet (af), 6,384 af, and 6,482 af, respectively. Groundwater overdraft within the Edgar Canyon Basin during water years 1999, 2000, and 2001 were estimated at approximately 2,680 af, 2,179 af, and 1,126 af, respectively (based on a safe yield of 1,800 acre-feet per year [af/y] as reported in the EIR and available groundwater production data [SGPWA, 2002]). Total groundwater extractions from both the BSU and Edgar Canyon Basin are reported to increase to approximately 27,700 af/y by the year 2025 (comprising approximately 15,000 af/y of groundwater required by the BCVWD to meet the projected demand

August 4, 2004

Page 2 of 9

- component specified in the EIR and 12,700 af/y of current demand from other groundwater users (e.g., Cities of Banning and Yucaipa [SGPWA, 2002]). The EIR fails to address the nature of impacts that will occur due to further exacerbation of pre-existing overdraft conditions in the BSU and Edgar Canyon Basin.
2. Although it is speculated in the EIR that proposed future water recycling and proposed reclamation plans together with the import of State Water Project (SWP) water are anticipated to reduce the dependence on the groundwater resources of the BSU and Edgar Canyon Basin, the EIR does not address impacts (i.e., does not provide a comprehensive technical water budget) related to the reported increases in groundwater demand from the BSU and Edgar Canyon Basin (i.e., as reported by the SGPWA, 2002, cited above). Calculation of a water budget, which inventories and quantifies all sources of water supply and recharge (i.e., inflows) in comparison with all known discharges or extractions (i.e., outflows) to a specific groundwater basin, is typically performed to estimate the availability of water supplies for future development and to identify potential negative impacts upon groundwater resources. Contrary to assertions in the EIR, groundwater production from the BSU and Edgar Canyon Basin will continue to exceed the safe yield during both average and dry water years. As documented in the *Safe Yield Study, Beaumont Storage Unit* (Boyle, 1995) prepared for the SGPWA, annual groundwater extractions from the BSU of approximately 10,400 af/y (roughly equal to the average rate of pumping during the period 1989-1991) are predicted to cause widespread significant declines in groundwater levels at a magnitude that would continue to exacerbate current overdraft conditions. Moreover, many of the proposed sources of water to offset groundwater demand are from proposed projects that may, or may not be fully realized (i.e., represent paper projects). For example, at present there is no significant reuse of water within the San Geronio Pass Water Agency [SGPWA] service area and reclamation facilities have not been constructed.
 3. The proposed water supply for the project as described in the EIR relies almost exclusively on future "entitlements" of SWP water from Northern California. Hence, the EIR should recognize that a significant difference exists between "entitlements" of water available to SWP contractors and the actual quantity of water delivered to SWP contractors, and discuss the impacts of that difference. According to *The State Water Project Delivery Reliability Report* prepared by the Department of Water Resources, the average "delivery value" to SWP contractors through 2021 is projected to be 75 percent (DWR, 2002). The variable factors that influence water delivery reliability include: (1) availability of water from the source (i.e., how much rain and snow there will be in any given year), (2) the ability to convey water from the source to its point of delivery, and (3) the level and pattern of water demand throughout the SWP. The difference between "entitlements" of water to SWP contractors and the actual amount of water delivered to SWP contractors is often referred to as "paper water". For example, during the year 2004, the SGPWA has an "entitlement" to 6,000 af of SWP water; however, based on recent Northern California hydrologic and water conditions, the

August 4, 2004

Page 3 of 9

DWR has stated that SWP water supplies are projected to meet only 65 percent of most SWP contractors "entitlements" and only 3,900 af of SWP water can be delivered to the SGPWA during 2004 (refer to *Notice to State Water Project Contractors* provided as an Attachment [DWR, 2004]), although the actual amounts available are apparently further limited by financial considerations. Further, the DWR has estimated that SWP water deliveries during future drought years (single dry year to 6-year drought) will range from only 19 percent (during a single dry year) to 47 percent of SWP contractor "entitlements" (DWR, 2002). The EIR's analysis of the proposed water supply for the project relies on inflated estimates of water supply from the SWP to serve as a basis for the water supply component of the project because it fails to account for these variables. As presented in Comments to the *Monterey Amendment Environmental Impact Report*, local planners and public officials often mistakenly rely on inflated estimates of water supply from the SWP when considering the approval of new development.

4. The EIR contemplates that increases in groundwater production will be partially offset by a variety of proposed groundwater recharge projects, these projects represent proposed and/or planned projects (i.e., proposed paper projects). However, the actual project approval, construction, and amount of any resultant future water supplies available from these proposed recharge projects are uncertain and/or unknown. Hence, the actual amount of water to be made available to the project from such proposed plans is speculative at present, and should be treated as a variable in the water supply component of the EIR.

Specific Comments

1. Page 4.4-2, Paragraph 1: *The Beaumont Basin is a very large groundwater source that, based on a 1961 estimate, contains 1.1 million acre-feet of groundwater in storage at the 1000 foot Below Ground Surface (BGS) level.*

As identified in the EIR and other applicable documents, the Beaumont Basin (i.e., BSU) is presently in a state of overdraft (refer to General Comment No. 1, above) and the current amount of groundwater in storage is significantly lower than the 1961 estimate. Baseline data regarding the Beaumont Basin should be updated in the EIR to reflect current conditions.

2. The EIR relies on proposed and/or planned projects in calculating "available water supplies" presented on Page 4.4-6, *Table 4.4.3 BCVWD Current and Projected Available Water Supplies*

The majority of water sources identified in Table 4.4.3 come from proposed and/or planned projects for which the actual project construction and amount of any resultant future water supplies are uncertain and/or unknown (i.e., "SWP Water via Pass Agency", "Urban Runoff/Recharge", "Captured Infiltration", "Stormwater Capture/Recharge", "Recycled

August 4, 2004

Page 4 of 9

Water User Transfers", and "Recycled Water Supply/Use"). Limitations and uncertainties regarding each of these water supply sources are summarized below.

SWP Water via Pass Agency: While the EIR contemplates the availability of 5,000 af/y of SWP water, the EIR notes that the SGPWA lacks funding to purchase more than 2,000 af/y of SWP water. Thus, it is not accurate to state that 5,000 af/y in SWP water is available. Section 4.4.3.2 of the EIR discusses a Water Supply Agreement between the City of Beaumont and the SGPWA which would require that the proposed project contribute funds for the purchase of an additional 772 af/y of SWP water (i.e., reported project demand of 617.6 af/y plus additional 154.4 af/y to replace a portion of the pre-existing overdraft), which is the subject of pending litigation. However, in the event that the Water Supply Agreement is not validated by the courts, funding for the purchase of this additional 772 af/y of SWP water will not be available. In addition to the variables described in General Comment No. 3 above, the reliability and availability of imported SWP water is further limited by the following:

- The delivery amounts of SWP water available to SWP contractors (including the SGPWA) are not guaranteed every year and are subject to seasonal hydrologic factors and environmental and infrastructure constraints. As stated in Section 2.2.6.1 of the *Final 2000 Urban Water Management Plan Update (UWMP)* prepared by the BCVWD (2002), "The inability to construct all of the SWP facilities, environmental concerns, and the need to provide more water through the Delta to maintain water quality for fish and wildlife, have all contributed to decreasing the long-term yield from the SWP". For example, during 2004, the DWR has indicated that the SGPWA will receive only 65 percent (3,900 af) of the 6,000 af of "entitlement" SWP water (DWR, 2004). Using the methodology presented in the UWMP, only 37.8% (i.e., approximately 1,475 af) of this SWP water could be available to the BCVWD during 2004, which is significantly less than the 5,000 af contemplated in the EIR;
- Based on the pre-existing overdraft conditions of the BSU and in consideration of SGPWA Law (which states the "highest priority shall be given to eliminating groundwater overdraft conditions within any agency or district receiving the water"), the BCVWD would be required to use any SWP water made available to it to offset overdraft conditions within the BSU. Hence, the proposed water supply for the project as described in the EIR does not represent an available water supply that is intended to directly meet water demands, but rather represents a planned water supply project that may be available for use as recharge to the BSU; and
- Notwithstanding the aforementioned limitations on uses of the SWP water, BCVWD does not have a Water Treatment Facility to allow for direct delivery of SWP water to consumers (BCVWD, 2004).

August 4, 2004

Page 5 of 9

Urban/Runoff Recharge: The EIR assumes that between 400 af/y to 1,300 af/y of water will be available through the capture of urban runoff and the recharge of an unspecified aquifer. This "new" source of water is not clearly identified in either the UWMP or the *Plan of Services for Noble Creek Vistas* (Parsons, 2003). The rationale for including this as a "new" water source apparently relies on an assumption that developed properties will yield an increase in groundwater recharge relative to undeveloped properties (which is reportedly the focus of a current study by the San Timoteo Watershed Management Association). The UWMP further indicates that the availability of urban runoff will depend heavily on what runoff controls (e.g., capture ponds for recharge) are implemented for future developments. Hence, the feasibility of this water source relies on the uncertain results of a scientific study, which has not been completed to date, and the engineering designs of future private developments. Hence, the actual amount of water to be made available to the project through any Urban/Runoff Recharge programs is speculative at present, and should be treated as a variable in the water supply component of the EIR. Further, the proposed recharge project, which is currently in a planning stage, does not represent an available water supply that is intended to directly meet water demands, but rather represents a planned water supply project for recharge of the BSU and Edgar Canyon Basin. As described below, all water that is available for recharge is not necessarily available to directly meet water demands.

Captured Infiltration: The UWMP indicates that an existing BCVWD well captures underflow of "unknown origin" from the lower Edgar Canyon Basin and estimates that an additional 300 af/y will be available from this source. The UWMP identifies this "underflow of unknown origin" as a new water source (i.e., it has not been included the historical yield from the lower Edgar Canyon Basin based on historical pumping records maintained by the BCVWD). Given that the reported underflow is characterized as groundwater from the Edgar Canyon Basin and assuming that the BCVWD has plans to construct additional wells to capture this underflow, it appears more reasonable to add this amount to the projected groundwater production from the Edgar Canyon Basin rather than describe it as a "new water source".

Stormwater Capture/Recharge: The EIR assumes that 4,100 af/y of stormwater will be available for capture and subsequent groundwater recharge. However, this estimate, which comes from the UWMP, includes 800 af/y of water that is presently recovered as extracted groundwater from the Edgar Canyon Basin and utilized to meet current water demands, as identified in the UWMP. Thus, the 800 af/y of recovered water is accounted for twice in Table 4.4-4 and should be removed from either the Edgar Canyon Source or the Stormwater Capture/Recharge Source. Moreover, the proposed recharge project, which is currently in a planning stage, does not represent an available water supply that is intended to directly meet water demands, but rather represents a planned water supply project for recharge of the BSU and the Edgar Canyon Basin. Finally, as discussed below, all water that is available for recharge is not necessarily available to directly meet water demands.

Recycled Water Use (Transfers and Direct Use): The EIR assumes that between 1,000 af/y and 5,100 af/y of the available water supply will come from the delivery and direct use of

August 4, 2004

Page 6 of 9

planned recycled water supplies. For example, the Year 2025 projection assumes that approximately 25 percent (5,100 af/y) of the total water demand (20,400 af/y) will be met by future recycled water programs, which appears unrealistic. For comparison, in a recent planning document prepared on behalf of the SGPWA entitled *Technical Memorandum, Supply and Demand Forecast Summary, 2003 Update*, it is estimated that a maximum of 4 percent of the water demand (which would correspond to approximately 816 af/y) will be met through recycled water programs (Boyle, 2003). The ability for BCVWD to increase the amount of recycled water available is contingent on the implementation of numerous planned infrastructure improvements (i.e., construction of additional wastewater treatment facilities and transmission pipelines). In addition to the 5,100 af/y of recycled water identified as an available supply in the EIR, approximately 4,500 af/y of groundwater transfers (which represent approximately 88 percent of the recycled water supply) are also identified as an available water supply. In theory, the 4,500 af/y of groundwater transfers should represent an exchange of recycled water to offset the use of potable water in the BSU. However, the EIR also indicates that 4,500 af/y of water (from the groundwater transfers) will be available to meet future potable demands of the project. Hence, the quantity of groundwater produced from the BSU (necessary to meet the potable demand for the project) would continue at nearly the same rate, and would continue to contribute to the overdraft conditions of the BSU.

3. The EIR includes proposed and/or planned water supply projects that are intended to serve as sources of recharge to the currently overdrafted groundwater basins in calculating "available water supplies" presented on Page 4.4-6, Table 4.4.3 BCVWD Current and Projected Available Water Supplies

Table 4.4.3 indicates that from 2005 through 2025 (the "planning period") 15,380 af/y to 26,120 af/y of water will be available. However, the majority of the water sources identified in Table 4.4.3 do not represent an "available water supply" that is intended to directly meet project water demands, but rather represent proposed and/or planned water supply projects that may result in increasing available water for use as recharge to the BSU and/or the Edgar Canyon basin (i.e., "SWP Water via SGPWA [which is required to offset pre-existing groundwater overdraft conditions as described above in Specific Comment No. 2], Return Flows from Septic Systems, Urban Runoff/Recharge, and Stormwater Capture/Recharge"). These four sources of water constitute between 8,280 af/y to 11,220 af/y that are incorrectly categorized as an "available water supply" in the EIR. Hence, these values should be removed from the Total Available Water Supplies in Table 4.4.3. When they are removed, it is apparent that during the planning period (2005 through 2025) only 7,100 af/y to 14,900 af/y of the Total Water Supplies estimated in Table 4.4.3 represent an available water supply (i.e., potable water for "on demand" direct use and recycled water [assuming that production and utilization of the planned recycled water program will occur at 100 percent of the estimated values]). Comparison of this available water supply with the projected total demand estimated in Table 4.4-4 (assuming that the projected total demand estimates, which range from 9,800 af/y to 20,400 af/y throughout the planning period, are accurate) demonstrates that there is insufficient water available to meet demand. The only water source currently available to meet

August 4, 2004

Page 7 of 9

this demand would be through additional groundwater production from the Edgar Canyon Basin and/or the BSU. Hence, the BCVWD's demands for groundwater from the Edgar Canyon Basin and BSU will likely range from 8,800 af/y to 15,000 af/y throughout the planning period. Including groundwater production from other users within the BSU and Edgar Canyon Basin (estimated at approximately 12,700 af/y in 2001 [SGPWA, 2002]), total groundwater withdrawals from the two basins would range from approximately 21,500 af/y to 27,700 af/y (throughout the planning period). These values significantly exceed the cumulative safe yields for the Edgar Canyon Basin and BSU of 10,450 af/y (reported in the EIR as 1,800 af/y for the Edgar Canyon Basin and 8,650 af/y for the BSU).

The ability of the proposed and/or planned recharge projects to partially offset the increased groundwater withdrawals is contingent on a number of factors in addition to the inherent uncertainties described above. The potential for the effective recharge of 100 percent of the projected water available to the project does not consider factors that may reduce the actual amount of recharge to the basin (i.e., losses due to evaporation and subsurface barriers associated with the complex geology within the area such as the presence of perched aquifers, low permeability strata, and numerous fault zones).

For example, the BCVWD reports that of 2,600 af/y of captured stormwater, which is recharged into the Edgar Canyon Basin, only an estimated 800 af/y (i.e., 31 percent) is actually realized as well production (BCVWD, 2002). Consistent with the scientific principles of recharge, this information indicates that only a portion of water available for recharge from future planned projects would actually be realized to supplement the water supply component for new development (i.e., the amount of recharge does not equal water available from an aquifer [Fetter, Jr., C.W., 1980. *Applied Hydrogeology* (Section 11.3 Groundwater Budgets)]).

4. Page 4.4-6, Table 4.4.4 Supply/Demand Comparison

Due to the inaccuracies and uncertainties identified above, the Supply/Demand Comparison presented in Table 4.4-4 of the EIR overestimates the Total Supply and resultant claimed Surplus. A technical analysis of the potential impacts to the water budget of the BSU and the Edgar Canyon Basin would be a more appropriate method for assessing the available water supply for the project. As identified above, ongoing groundwater production from other users and future groundwater extractions from the BSU and Edgar Canyon Basin (by the BCVWD) required to meet the demands specified in the EIR will continue to exceed the cumulative safe yield of the two groundwater basins.

5. Plan of Service, Page 12-13, Supply Reliability and Demand Comparison

The Table on page 12 of the Plan of Service overstates the available supply of water for the reasons discussed in Specific Comments 2 and 3 above. In addition, the analysis of 2010 as a single dry year and 2001-2003 as the "the most critical three year period" underestimates potential water supply deficits during below normal water years. Analysis of 2023-2025 (i.e., time period when demands are projected to be more than double current demands) would be

August 4, 2004

Page 8 of 9

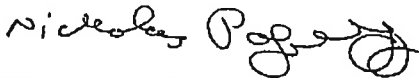
more representative of "the most critical three-year period" and indicate an annual deficit of approximately 5,000 af/y with a cumulative deficit of approximately 15,000 af (compared with annual deficits ranging from 1,190 af to 1,790 af and a cumulative deficit of approximately 4,340 af, as estimated in the UWMP). Analysis of 2025 as a single dry year (rather than 2010) indicates a deficit of approximately 5,000 af (in comparison to the 3,641 for 2010). Hence, the EIR underestimates the potential impact of dry water years to the available water supply. Moreover, if the recharge water is removed from the analysis (due to the aforementioned uncertainties), the deficit would be substantially higher, in the range of 13,280 af/y to 16,220 af/y.

Very truly yours,

PES ENVIRONMENTAL, INC.



Marcus A. Trotta, C.H.G.
Associate Hydrogeologist



Nicholas C. Pogoncheff
Principal Hydrogeologist

Attachments: Notice to State Water Project Contractors (DWR, 2004)
Curriculum Vitae for Authors

August 4, 2004

Page 9 of 9

REFERENCES

- Applied Planning, Inc., 2004. *Noble Creek Vistas Specific Plan, Consolidated Environmental Impact Report-May 2004.*
- Beaumont Cherry Valley Water District, 2002. *Final 2000 Urban Water Management Plan Update.* August.
- Boyle Engineering Corporation, 1995. *Safe Yield Study, Beaumont Storage Unit.* October 31.
- Boyle Engineering Corporation, 2003. *Technical Memorandum, Supply and Demand Forecast Summary, 2003 Update.*
- California Department of Water Resources, 2002. *The State Water Project Delivery Reliability Report.*
- California Department of Water Resources, 2004. *Notice to State Water Project Contractors, Number 04-04.* March 1.
- Fetter, Jr., C.W., 1980. *Applied Hydrogeology* (Section 11.3 Groundwater Budgets).
- Parsons Corporation, 2003. *Plan of Services for Noble Creek Vistas.*
- San Geronio Pass Water Agency, 2002. *Engineer's Report on Water Conditions, Reporting Period 2000-2001.*

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Beaumont Cherry Valley Water District

Fax

To: Joe Reichenberger/Parsons	From: Julie Salinas
Fax: 626.440.6337	Pages: 13
Phone: 626.440.6071	Date: 8/23/2004
Re: Noble Creek Vistas	CC:

☐ Urgent ☒ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

◆ **Comments:**

Second half to follow.

Urban Water Management Plan 2005 Update

Presentation

**Beaumont Cherry
Valley
Water District
December 28,
2005**



Presentation Overview

- ☐ Review of the UWMP Act
- ☐ Presentation of Urban Water Management Plan 2005 Update
- ☐ Summary
- ☐ Take Questions & comments from Board and Public

Urban Water Management Plan

- ☐ Required by Law* to be Updated every 5 years ending a "5" or "0"; Plan can be updated any time during the 5 year period
- ☐ Project Water Needs with Available Water Supply for next 20 years
- ☐ Look at drought periods as well
- ☐ Requires public review and comment prior to Board adoption
- ☐ Intended to be a dynamic document

*Calif. Water Code Sections 10610 - 10657

Recent Legislative Mandates

SB 610 (Costa) & SB 221 (Kuehl) became effective Jan. 1, 2002 to provide a link between water supply availability and certain land use decisions and are incorporated into the Water Code (Costa) and the Government Code (Kuehl)



Address Water Supply 20 years into the future

Intent of UWMP

Answer Basic Questions:

- ☐ Will there be enough, reliable water supply to meet the needs of our community, including projected growth for the next 20 years or more?
- ☐ Have drought periods been considered in your plan?

Planning Principles

Maximize the use of local water resources

Minimize the dependence on imported water

Planning Basis

- ❑ City of Beaumont General Plan-- Draft Jan 2005
- ❑ County of Riverside/Cherry Valley Community Plan
- ❑ Southern California Association of Governments (SCAG) forecast obtained from Western Riverside County of Governments (WRCOG)
- ❑ Developer requests for service and District estimated build-out rates

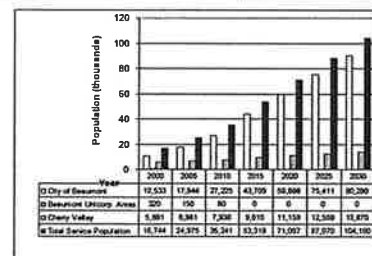
Planning Basis Cont'd

- ❑ The Beaumont Basin Adjudication RIC 389197
- ❑ STWMA data
- ❑ District records

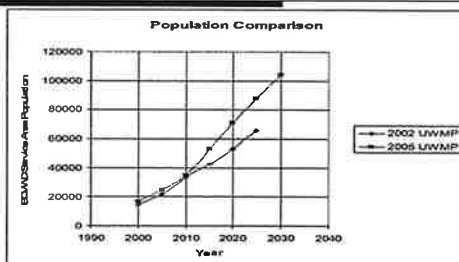
Planning Criteria

- ❑ Most of the growth will be in Beaumont
- ❑ Over the next 25 years population in Cherry Valley will double
- ❑ Sewering of Cherry Valley will begin in 2010
- ❑ Water demand is 0.61 acre-ft/yr/EDU
- ❑ Wastewater generated at 0.28 acre-ft/yr/EDU (250 gal/day/EDU)

Population Projections



Population Projection Comparison

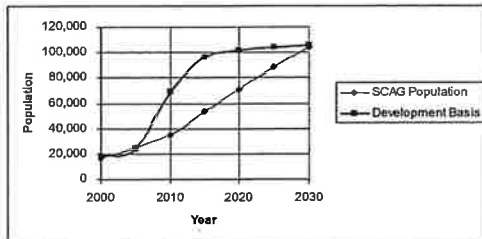


SCAG & WRCOG Data

Developer Build-out

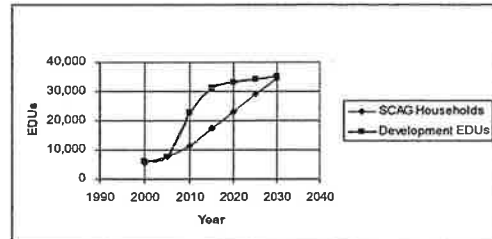
- ❑ Total EDUs provided by developers from service requests
- ❑ District included growth for Cherry Valley and provided additional units for unknown projects
- ❑ District spread the EDUs out over an estimated build-out period
- ❑ Based on the people/EDU a population estimate was made

Population Growth – Development Build-out Projections



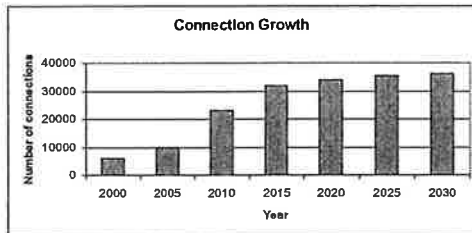
Growth rate much higher than SCAG initially

EDU Growth



Similar to Population Growth

Growth in Connections



Projected Water Demand by Use Sector

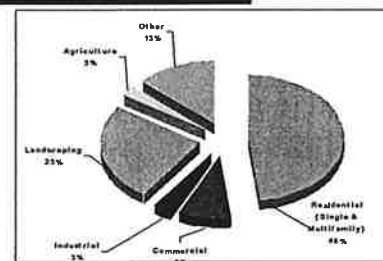
Water Use Sectors	1995	2000	2005	2010	2015	2020	2025	2030
Single & Multi-family residential	2,808	3,297	4,230	10,658	14,873	15,015	16,805	17,400
Commercial	503	630	797	2,515	3,473	3,689	3,809	3,905
Industrial	169	212	242	303	363	424	485	545
Landscape / Recycled Water Users	900	1,100	2,153	8,410	6,828	7,028	7,028	7,028
Agriculture	201	252	225	171	120	85	89	51
Other	652	817	1,140	2,229	2,231	2,050	1,800	1,523
Total	5,033	6,308	8,787	22,286	27,888	29,292	29,994	30,452

In 2002 update, 2025 demand = 20,400 AFY

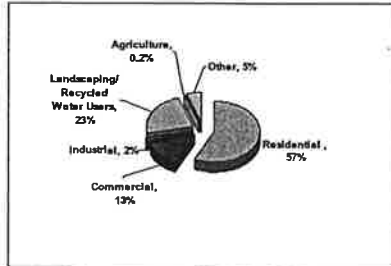
Projected Potable & Non-potable Water Demands

Water Use s	1995	2000	2005	2010	2015	2020	2025	2030
Potable, AFY			8,315	15,876	21,060	22,264	22,966	23,424
Non-Potable AFY ¹			2,153	6,410	6,828	7,028	7,028	7,028
Total, AFY	5,033	6,308	8,787	22,286	27,888	29,292	29,994	30,452
Potable, mgd			5.90	14.17	18.80	19.88	20.50	20.91
Non-Potable, mgd			1.92	5.72	6.10	6.27	6.27	6.27
Total, mgd		5.83	7.83	19.89	24.90	26.15	26.78	27.19

2005 Water Use



2030 Water Use



Water Sources Available

- ☐ Groundwater
 - Beaumont Storage Unit
 - Edgar Canyon
- ☐ Stormwater Capture & Groundwater Recharge Project
- ☐ Recycled Water
- ☐ Urban Runoff Retention/Percolation Projects
- ☐ Imported Water
- ☐ Captured Infiltration

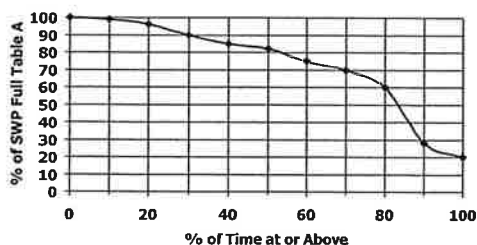
Water Sources & Timing

	2005	2010	2015	2020	2025	2030
Groundwater, Edgar Canyon	✓	✓	✓	✓	✓	✓
Groundwater, BSU	✓	✓	✓	✓	✓	✓
Storm Water Capture and Recharge		✓	✓	✓	✓	✓
Urban Runoff & Groundwater Recharge	✓	✓	✓	✓	✓	✓
Captured Infiltration from Edgar Canyons		✓	✓	✓	✓	✓
Recycled Water to Offset Existing Uses Currently as well		✓	✓	✓	✓	✓
Conservation of Existing Potable Water Uses to Recycled Water and Replenishment of Groundwater Using Recycled Water		✓	✓	✓	✓	✓
Imported Water purchased through SGPWA		✓	✓	✓	✓	✓

Water Sources

- ☐ State Project Water
 - Direct to supplement recycled water
 - Recharge
 - Pipeline to BCVWD recharge area ready to bid
 - DWR/Pass Agency initiated design of EBX turnout at Noble Creek
 - Amount varies from 3950 AFY in 2005 to 6872 AFY in 2030
 - BCVWD to purchase more Table A water than shown to account for SWP reliability

State Water Project Delivery Probability



Source: DWR Delivery Reliability Report, 2002

State Water Project Sources

- ☐ Existing SGPWA Table A
- ☐ Additional Table A purchased by SGPWA on behalf of BCVWD
- ☐ Turnback Pool Water – usually available
- ☐ Section 21 Water – available on short notice during wetter years

Water Sources Cont'd

- ☐ Recycled Water
 - Includes an allowance for environmental mitigation
 - Assumes Cherry Valley starts being sewered in 2010
 - Assumes BCVWD can capture 95% of the recycled water on an annual basis
 - Already have 20 miles of recycled water mains in the ground (2005)
 - 2 MG storage tank to bid in 2006
 - Total available 1471 AFY in 2005 to 9199 AFY in 2030

Water Sources Cont'd

- ☐ Urban Runoff/Groundwater Recharge
 - Increases with urbanization
 - Retention/detention facilities at major developments
 - Varies from 379 AFY in 2005 to 1129 AFY in 2030
- ☐ Captured infiltration
 - Shallow groundwater from Edgar Canyon that passes Well 4A can be recovered
 - Estimated to be 300 AFY

Water Sources Cont'd

- ☐ Stormwater Capture and Recharge Project
 - Phase I construction has been awarded
 - Phase II recharge facilities will bid in spring 2006
 - 2600 AFY from Edgar Canyon
 - 1400 AFY from Noble Canyon

Groundwater Water Sources

- ☐ Edgar Canyon
 - ☐ Extractions reduced when Stormwater Capture Project comes on line
 - ☐ Varies from 2600 AFY in 2005 to 1800 AFY after 2008
 - ☐ STWMA estimated safe yield at 2600 AFY
 - ☐ BCVWD extractions 1983- 2004 averaged 2280 AFY with a maximum of 3738 AFY

Groundwater Sources Cont'd

- Beaumont Basin
 - ☐ Extractions limited by Adjudication to 6802 AFY to year 2014
 - ☐ Thereafter based on unused overlier rights distributed back to BCVWD
 - ☐ Production can be increased by supplying overlies with recycled water
 - ☐ Overlier rights transferred to BCVWD for potable water service (Sunny Cal Egg Ranch)

BSU Allowable Extractions are the Sum of the Following

- ☐ State Water Recharged
- ☐ Groundwater produced from Temporary Surplus (to 2014)
- ☐ Overlier rights distributed to BCVWD
- ☐ Potable water supplied to overlies
- ☐ Recycled water supplied to overlies
- ☐ Urban runoff/Groundwater recharge
- ☐ Captured infiltration from Edgar Canyon
- ☐ Stormwater captured and recharged

Groundwater in Storage

- ☐ Permitted by Adjudication
- ☐ If sum of the "Allowable Extractions" is greater than that actually pumped, then difference can be stored
- ☐ Basin storage account increases to 62,660 AF in 2013 then is gradually reduced to 31,655 AF in 2030
- ☐ Purpose is to maintain some water in storage for dry years

Refer to "Water Balance" Spreadsheet

Water Supply Reliability

- ☐ Critical single dry year
 - No State Project Water
 - Edgar Canyon reduced to 600 AFY – this is the minimum pumped 1983-2004. Statistically we pumped 900 AFY or more in 90% of those years.
 - Urban runoff reduced to 100 AFY
 - Captured infiltration reduced to 100 AFY
 - Stormwater Capture reduced to 500 AFY
 - Total supply = 7398 AFY (2015)
 - Total supply = 8219 AFY (2030)

Water Supply Reliability

- ☐ 3-year period of below average supply
 - State Project Water at 1000 AFY
 - Edgar Canyon reduced to 800 AFY –Statistically we pumped 900 AFY or more in 90% of years from 1983 -2004
 - Urban runoff reduced to 150 AFY
 - Captured infiltration reduced to 150 AFY
 - Stormwater Capture reduced to 750 AFY
 - Total supply = 8948 AFY (2015)
 - Total supply = 9769 AFY (2030)

Results of Critical Dry Year in 2030

- ☐ Potable water demand = 23,424 AFY
- ☐ Available potable water supply = 8,219 AFY
- ☐ Total volume in storage = 31,655 AF
- ☐ Take from storage = 15,205 AF
- ☐ Remaining in storage = 16,450 AF

Results of Multiple Dry Years 2028 - 2030

- ☐ Potable water demand.
 - 23,332 AFY average
 - Assume 10% reduction due to conservation = 21,000 AFY
- ☐ Available potable water supply = 9769 AFY
- ☐ Total volume in storage = 36,299 AF
 - Take from storage each year = 11,231 AF
 - Total taken from storage = 33,693 AF
- ☐ Remaining in storage = 2,536 AF
- ☐ Water in storage reflects average years; wet years will put more water in storage

Catastrophic Water Supply Interruptions

- State Water Project may be out of service due to earthquake
 - BCVWD to rely on banked water and groundwater during repair
- BCVWD facilities damaged by earthquake
 - Storage tanks have flexible connectors
 - Steel and concrete tanks are very reliable
 - Interties with City of Banning

Catastrophic Water Supply Interruptions Cont'd

- Storage
 - More is planned for the future
 - 24.25 MG (73.6 AF) of storage by end of 2006 (about 3 days of storage)
- Wells
 - Wells with standby power can supply 13,350 gpm (59.1 AF/day)
 - Does not include 2 wells under construction and 2 in design

Contamination

- BCVWD is seeing a gradual increase in nitrate concentrations in some critical wells
- Nitrate is very expensive to remove
- Very likely due to septic tanks

Water Shortage Stages of Action

- Stage 1 – 10% Reduction in Supply
 - Voluntary water conservation
 - Increased awareness and education
- Stage 2 – 10% Mandatory/20% voluntary
 - Water conservation awareness committee
- Stage 3 – 20% Mandatory/30% voluntary
 - 4 consecutive dry years
 - Specific prohibitions
 - Rate adjustment with financial incentives
- Stage 4 -- 20% Mandatory/30% voluntary
 - Stiff penalties for improper use
 - Flow restrictors

Demand Management Measures

Measure	BMP	Description	Status
A	Water Survey Audits for Single-Family and Multi-Family Residential Customers	Survey residential customers in person to check for leaks, ULFT use, irrigation schedule etc.	N
B	Residential Plumbing Retrofits	Retrofit residential units constructed prior to 1992 with low flow shower heads, toilet displacement devices, etc.	N
C	Distribution System Water Audits	Audit water distribution system on a regular basis and repair identified leaks	Y
D	Metering with Commodity Rates	Install meters, bill by commodity rates, assess feasibility of installing dedicated landscape meters	Y

Demand Management Measures Cont'd

E	Large Landscapes Conservation Programs and Incentives	Prepare water budgets for commercial, institutional & industrial accounts with dedicated landscape meters; provide survey forms to mixed metered customers	N
F	High-Efficiency Washing Machine Rebates	Provide cost incentives (rebates) to encourage purchase of washing machines that use 40% less water per load	N
G	Public Information Programs	Provide active public information programs to educate customers about water conservation program	Y
H	School Education Programs	Provide active school education programs to educate students about water conservation program	Y
I	Conservation Programs for Commercial, Institutional and Industrial Users	Provide an in-person survey of facilities and identify retrofit and conservation opportunities	N

Demand Management Measures Cont'd

J	Wholesale Agency Assistance	Provide financial incentives to water agencies and cities to implement conservation programs	NA
K	Conservation Pricing	Adopt pricing structure e.g., uniform rates, incising block rates and other financial incentives to reduce water use	Y
L	Conservation Coordinator	Designate a staff member as water conservation coordinator to manage the water conservation programs	H
M	Water Waste Prohibitions	Adopt water waste ordinances to prohibit gutter flooding, single pass cooling systems, non-recirculating systems in car washes, commercial laundries & fountains	Y
N	Residential Ultra-Low-Flush Toilet Replacement Program	Replace older toilets for residential customers	H

Demand Management Recommendations

- ☐ Single/multi-family water surveys – recommend in future
- ☐ Residential plumbing retrofits – consider
- ☐ High Efficiency Wash Machine Rebates – not recommended
- ☐ Public Information Program – on-going but expand

Demand Management Recommendations Cont'd

- ☐ School Education Programs – On-going but expand particularly with recycled water systems
- ☐ CII Conservation Programs – Consider a pilot program
- ☐ Conservation pricing – not recommended at this time

Demand Management Recommendations Cont'd

- ☐ Conservation Coordinator – not recommended at this time; possible sharing with other agencies
- ☐ Residential ULFT Program – consider implementing a pilot program

Desalination Potential

- ☐ Required by the statute to discuss desalination potential
- ☐ Unlikely to ever need to do this in Beaumont Basin in the near future
- ☐ Beaumont will need to provide desalination as part of "maximum benefit water quality objectives" if salt concentration increases
- ☐ BCVWD may want to consider participating in a desalination project (groundwater or sea water) with another agency in exchange for State Project Water

The Next Steps

- ☐ Take and respond to comments on the UWMP
- ☐ Modify the UWMP as needed
- ☐ Board to Adopt a Resolution accepting the UWMP
- ☐ Send UWMP with adoption resolution and Appendices to Department of Water Resources within 30 days



Questions?

Comments

SUMMARY OF COMMENTS RECEIVED
BEAUMONTCHERRY VALLEY WATER DISTRICT
BOARD OF DIRECTORS MEETING
DECEMBER 28, 2005

Summary and Response to Comments Provided by:

Ms. Patsy Reeley, President, Cherry Valley Acres and Neighbors (CVAN) December 28, 2005

Ms. Reeley provided a letter of comments on the Draft UWMP. The letter of comments is included in this Appendix; the numbers below reference specific items noted in the margins of the letter.

1. The District recognizes that the meeting for adoption was not properly noticed due to a clerical error. Nevertheless, the meeting was a regular Board Meeting of the District. At the prior Board Meeting (December 14, 2005) the draft UWMP was handed out to the Board and the public. CVAN had representatives at the meeting and obtained a copy. In deference to CVAN, the District will hold the draft document open for comments until January 28, 2006 at which time it will be considered for adoption. This provides for 6 weeks of review time. The District considers 6 weeks ample time.

Section 10642 of the Water Code only states that the "urban water supplier shall encourage the involvement of ... the population within the service prior to and during the preparation of the plan." CVAN has been present at a number of workshops and meetings where the concepts and principles of the District's UWMP were presented. In late 2003, the District held a workshop on water management in Pass Area which included the District Engineer, STWMA and Watermaster representatives. In late 2004, the District General Manager and District Engineer and the District's Hydrogeologic consultant made a formal presentation to the City of Beaumont Planning Commission on the 2002 Urban Water Management Plan and water management planning in the City. CVAN was present. On February 15, 2005, the same presentation was given to the City of Beaumont City Council. A court recorder transcribed the presentation; it has since been entered into evidence in court case. CVAN was present. The District believes that the public has had ample opportunity to understand the UWMP. The principles and philosophy from the 2002 Update have not changed; only the projections.

2. The comments referred to are in a letter dated August 6, 2004 and specifically addressed the Noble Creek Vistas Specific Plan Environmental Impact Report. These comments are not specific to the UWMP and so will not be addressed.
3. The UWMP Update is a water management planning study, not a compendium of hydrologic and geologic information. The USGS Report referenced relates to modeling studies the USGS has been doing on the Beaumont Basin. The study relates to operating scenarios for the basin, not urban water management. The District is not sure how much new information, if any, will be provided by the USGS report.

4. The District used the population projections provided by SCAG and the buildout rates anticipated by developers. The buildout rate caused a more rapid population increase in the early and middle years of the planning period (next 25 to 30 years), but at 2030, the developer buildout equivalent population closely matched the population provided by SCAG. (See Section of the UWMP Update.) The District is reluctant to use a population that is not generally in agreement with SCAG for fear the District's plan might be considered growth inducing.

The pace of buildout was developed by the District Engineer and the General Manager based on the development plans and meetings with developers leading up to the preparation of the UWMP Update. Data on each known development, i.e., number of units, start date, years to buildout, etc. are contained in Table 1-4 of the UWMP Update.

5. The District's UWMP Update is only required to address the District's needs; it is not a regional plan. The City of Banning is preparing its own UWMP Update.
6. The growth in the Cherry Valley population was based on the SCAG projections for the unincorporated areas of West Riverside County. In other words, Cherry Valley was assumed to have the same growth rate as other unincorporated areas of West Riverside County. This is stated in the UWMP Update, page 1-11. Since Cherry Valley is not incorporated, there are no population projections specifically for the area available.
7. The District has installed 18 to 20 miles of recycled water transmission main over the last year or so. This does not include the miles of distribution pipelines that the individual developers have installed. The new high school, for example, has already been plumbed for recycled water. Recycled water lines have been installed through the Sundance Project, Seneca Springs, K-Hov, Tournament Hills, Fairway Canyon, Three Rings Ranch, and Oak Valley Greens just to name a few projects. Recycled water will be distributed to customers in late 2006 or early 2007.

The bids for the Groundwater Recharge Project were opened in the 4th quarter of 2005 and notice to proceed was given to the contractor in December 2005.

8. The District spent well over a million dollars on a hydrogeologic investigation which included 5 bore holes, 1 piezometer, 5 single ring infiltrometers, 3 monitoring wells and a deep well that is now District Well No. 23, pumping 3000 gallons per minute. The study work included constructing a pilot percolation basin and the installation of soil moisture sensors in monitoring wells to detect the movement of the "wetting front" as it progressed downward. The pilot program ran for 2 summers. The study has documented the feasibility of recharging on the site the District owns. Travel time to reach the water table is the range of 9 months or so based on the moisture probes.

As stated above in the response to comment 3, this is an Urban Water Management Plan. It has referenced the work of the District's hydrogeologic consultants. This is sufficient. It is not necessary to include that work as an appendix.

9. The District has an approved order to purchase 3950 acre-ft of State Project Water from the San Geronio Pass Water Agency to offset overdraft as written

on the authorization. A paragraph on the reliability of the State Project Water has been added to Section 6.

10. The fact the basin water levels are below 1920 levels does not mean it is in overdraft; it is just being managed at a lower operating level to maximize opportunities for conjunctive use. The basin water levels have not changed much in recent years. The Basin is now adjudicated so it will operate on a regulated “fill and draw” basis. During wet years it will begin to fill; dry years it will draw down similar to a surface water reservoir.
11. The Urban Water Management Planning Act allows a water purveyor to rely on an adjudication in preparing the UWMP. See §10631(b)(2). It is not necessary for an adjudication to go through an environmental review process. A decision was made in the adjudication to lower the operating level in the basin as a groundwater basin management decision to provide more opportunities for conjunctive use and avoid the loss of stored water into San Timoteo Creek. In order to accomplish this management decision, 160,000 acre-ft will be extracted out of the basin over a 10 year period (ending in 2014). This is termed the “temporary surplus.” After 2014, the Watermaster will manage the basin on a “put and take” basis, i.e, it will be in balance.

The adjudication allows for the banking of recharged water and any unused extraction rights.

The District has made a management decision to build up the storage account during the first 10 years or so, then to gradually reduce the storage account. This decision is made to keep costs to the rate payers to a minimum. This is the reason the “supply” does not equal the “demand” in all years.

If an overlier uses recycled water, the adjudication allows the water supplier to pump an equivalent amount of potable water in exchange. In addition there are a number of District customers (schools, Caltrans, parks, cemeteries, landscaping etc) that are currently on potable water. These will be converted over which will free up an equivalent amount of water.

The issue of State Project Water reliability was addressed in a previous comment (response 10)

12. The permits for the use of recycled water on parks, playgrounds and schoolyards is in process. The effluent from the City of Beaumont’s treatment plant already meets the requirements for unrestricted use. Getting the permit is a mere formality. The City of Beaumont has an Ordinance requiring the use of recycled water if available and if it meets the state requirement (Appendix M). The state has a law that requires the use of recycled water if available and if economically feasible. The District will ensure that it is economically feasible. The District already had 18 to 20 miles of recycled water transmission mains in the ground. This does not include the distribution pipelines that developers have installed as a condition of water service. New projects are plumbed to receive recycled water. See the purple backflow preventor installation on the cover of this UWMP Update.

The City has recently expanded the treatment plant to 4 mgd and it is on line. The plant capacity will be increased as necessary to keep pace with development. The Regional Water Quality Control Board typically requires a discharger to file a

report on how the plant capacity will be increased whenever the daily flow rate reaches 75% of the rated capacity of the plant. Failure to do this will result in a moratorium for new connections. Of course, should a moratorium exist, that will mean no new connections and no need for water supply either.

It is true the City's treatment will need to be expanded to well over 8 mgd to meet the capacity needs of service area.

13. The projected water use is based on the water use of an "equivalent residential unit", EDU. The developer buildout rate, in terms of EDUs, is the basis for the projections to the year 2030. The projections, when indexed to population, match closely to the SCAG population projections.

The non-potable water demands were based on the available landscaped areas and golf courses and the water use by grass. Currently there are about 2150 acre-ft of potable water used by the District to irrigate landscaping. This will be converted over to recycled water.

14. Recycled water will be available. It is one of the most reliable supplies. The District has the financing in place and is collecting fees from all new developments to purchase additional Table A water to supplement it as needed since the demand for non-potable water actually exceeds the supply in some years and some seasons. In the process of purchasing Table A water, the District is purchasing more than theoretically needed to offset any reliability concerns relative to the State Project Water.

The requirement for landscape and other potable water users to switch to recycled water was discussed in comment 12.

In a footnote reference is made to the USGS report indicating that it will take "50 years for the surface placement of water to result in any groundwater recharge." This is blatantly in error. First the District installed sensors beneath the pilot recharge area to monitor the movement of water from the surface to the water table. The measurements showed the time was more like 9 months or so. The District has actual data to validate the movement. If it were really true that it takes 50 years for the water to reach the groundwater table, then water level fluctuations we see today from wet to dry years are the result of wet and dry cycles 50 years ago. This is not logical.

15. The District does not agree with the comment that the UWMP fails to comply with the law. First this UWMP is a mere update of the 2002 Update which met all of the requirements per the Department of Water Resources. The District has a letter on file indicated that it met the requirements. Secondly the case referenced in the footnotes refers to the fact that Castaic Lake Water Agency's UWMP Update was invalid due to the presence of perchlorate contamination of the groundwater. The Court stated that although there was a plan to provide treatment, there was no plan to provide water while the treatment process was being implemented. This case is not relevant to BCVWD. The District's water supply is not contaminated. Granted the District is seeing increases in nitrate concentration and is taking steps to mitigate this before it becomes a contamination problem, i.e., sewerage of Cherry Valley. This is part of the UWMP Update.

In terms of “facts,” the UWMP Update stands on its own merit. The assumptions and data have been clearly laid out in the report. The assumptions, when needed, are based on sound engineering judgment.

**RECORD OF THE MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT**

December 14, 2005

1. Call to Order, Pledge of Allegiance and Roll Call – President Brey

President Brey called the meeting to order at 7:00 pm and proceeded with the *Pledge of Allegiance*. All Directors were present.

2. Adoption and Adjustment of Agenda (additions and/or deletions)

General Manager, Chuck Butcher, reported that item number 8 and 11 were related and suggested moving current item number 11 to item number 9, changing the current item numbers 9 and 10 to item numbers 10 and 11.

Motion by Vice President Lash, second by Director Ball, and by unanimous vote:

Moved to approve the agenda with changes.

3. Public Input

No public input was received.

4. Adoption of Minutes of November 9, 2005

President Brey opened the floor for comments and corrections. No corrections were made to the Minutes of November 9, 2005.

Motion by Director Parks, second by Director Chatigny, and by unanimous vote:

Moved to approve the Minutes as presented.

5. Finance and Audit Committee Report

Committee Chairperson Parks reported the committee met on December 7th to review invoices for the month of November. All questions were addressed at the time of the meeting and all invoices were found to be in order.

a. Approval and payment of invoices for the month of November 2005

Motion by Director Parks, second by Vice President Lash, and by unanimous vote:

Moved to approve payment of vendor invoices for the month of November 2005

b. Acceptance of November 2005 Financial Statement

General Manager Butcher requested that the item be tabled to the January Board meeting as the statement submitted in the agenda was incorrect and in need of revision. Revisions were made but staff was unable to print and distribute a revised statement in time for review and approval.

6. Discussion and Possible Action Regarding Request for Service Received by Cherry Valley Mutual Water Company (A California Non-Profit Corporation) Received 12/08/05.

General Manager Butcher reported that he had met with representatives from the Cherry Valley Mutual Water Company ("CVMWC") last week. CVMWC has a similar situation to that of Bonita Vista Mutual Water Company, high nitrate levels. The EPA maximum contaminant level is 45, and the CVMWC nitrate level is 40.

CVMWC does not wish to annex into the District, however, Mr. Butcher suggested that an extra-territorial agreement with LAFCO, for a period of five years, be entered into by both agencies. The five year period would allow CVMWC the time to explore financial options to either annex into the District (finance water system installation) or purchase a nitrate filtration system.

The District would install a 2" connection off of the Mountain View Avenue pipeline and run it to the CVMWC well located generally on Mountain View Avenue. Mr. Butcher went on to review the specifics of the temporary connection. Mr. Butcher further suggested that CVMWC purchase State Project water from SGPWA through the Beaumont Basin Watermaster and pay BCVWD the power cost, in which case CVMWC would be replacing the water extracted for the Beaumont Basin.

The Board of Directors briefly discussed the situation and the options presented by Mr. Butcher. It was the consensus of the Board to direct the General Manager to open up discussions with LAFCO in regards to an extra-territorial service agreement and put together cost estimate to install 2" service.

Cherry Valley resident, Luwana Ryan, inquired if the turning on and off of the 2" system would affect the pressure of the Mountain View Avenue services, to which Mr. Butcher replied the pipeline is adequately sized (8").

7. Discussion and Possible Action Regarding Annexation Request Received of Desert Lawn Funeral Home and Memorial Park.

Mr. Butcher explained that the District is set to start a new pipeline project in Desert Lawn Drive that includes two 24" transmission mains (recycled and potable). The pipeline project will loop the system in the SunCal development and will cross the front of the cemetery property.

Desert Lawn Funeral Home and Memorial Park will take one meter, one recycled service and one fire hydrant. They will pay all standard fees. By taking recycled water,

the overdraft of the Beaumont Basin would be reduced. Mr. Butcher also mentioned that Desert Lawn Funeral Home and Memorial Park is part of the adjudication.

Motion by Director Chatigny, second by Vice President Lash, and by unanimous vote:

Move to approve annexation request.

8. Discussion and Possible Action Regarding Architectural and Engineering Consultants Services' Proposal for the Renovation and Additions to Administration Facilities located at 560 Magnolia Avenue, Beaumont, CA.

Mr. Butcher introduced architect Ray Martinez. President Brey opened the floor for questions and comments. Directors asked questions ranging from the private bathroom in the Manager's office (relocation of door) to the landscaping and safety features of the parking lot. The employee and visitor parking lots as well as storage space were topics also discussed.

Mr. Butcher stated that with the remodel there will be at least twelve workstations in the front office (excluding professional offices) and that the remodel and addition should be adequate for at least 20 years of service.

The relocation of all utilities is included in the cost estimate; the construction of the warehouse is not. The Board briefly discussed the cost estimate presented by Ray Martinez and Associates.

Motion by Director Parks, second by Vice President Lash, and by unanimous vote:

Moved to approve Phase I and Phase II retainer (\$37,500) to commence work.

9. Relocation Plan for the Beaumont Cherry Valley Water District Headquarters Expansion Project (Discussion only – Public Hearing to be set for January 28th meeting).

Mr. Butcher reported that the building being acquired by the District is occupied by a renter. The District is responsible for relocating the renters. There are laws that the District must abide by. Mr. Butcher reported that the first draft of the relocation plan was in need of some revision and while some were made, Mr. Butcher remained unsatisfied with the Relocation Plan.

Director Ball announced that after placing an advertisement in the newspaper, he had been contacted by the renters. Mr. Butcher announced to the Board that he had spoken with Legal Counsel in regards to this matter and that the Legal Counsel had stated there was no conflict of interest, however, it was suggested that Director Ball make a public announcement and abstain from voting.

10. Discussion and Possible Action Regarding Resolution 2005-11, Certificate of Corporate Resolution, re Beaumont Cherry Valley Water District Money Purchase Pension Plan Compliance with New Rules Regarding Mandatory Distributions.

Following a brief discussion, motion was made by Vice President Lash, second by Director Chatigny and by unanimous vote:

Moved to adopt Resolution 2005-11.

11. Discussion and Possible Action Regarding Resolution 2005-12, Resolution Authorizing an Amendment to the Contract (PERS).

Adoption of Resolution 2005-12 will amend the current contract to reflect the current MOU recently adopted by the Board of Directors.

Motion by Director Parks, second by Director Ball, and by unanimous vote:

Moved to adopt Resolution 2005-12.


12. Discussion and Possible Action Regarding Draft Water Rate Study, Setting Special Board Meeting on January 28th at 9am for Public Hearing and Adoption.

An announcement was made that the Draft Water Rate Study was available for review and would be reviewed and adopted at the January 28th, 2006 meeting of the Board of Directors.

13. General Manager's Report

General Manager Butcher gave a brief summary of the on-going capital improvement project.

14. Announcements

- Special Meeting to be held on December 28th at 7:00 p.m. at the District Headquarters, Public Hearing and Adoption of Urban Water Management Plan.
 - Postponement of Regular January Board Meeting (01/11/06) to Saturday, January 28th, 2006 at 9 a.m. (to include Budget Workshop and Public Hearing and Adoption of Water Rate Study).
- 

15. Executive Session Pursuant to Government Code Section 54957

Motion by Director Parks, second by Director Chatigny, and by unanimous vote:

Moved to approve a 2.5% merit increase for Mike Morales, Jason Craghead, Aaron Couch, Joseph Haggin, Dwan Lee and James Bean.

Motion by Director Parks, second by Director Chatigny, and by unanimous vote:

Moved to approve salary increases for Anthony Lara, Knute Dahlstrom and Julie Salinas. Increase to be given in three increments, beginning with January 1, 2006, followed by July 1, 2006 and January 1, 2007.

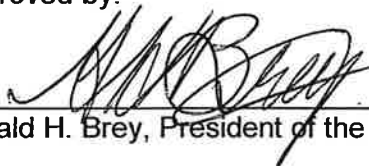
Motion by Director Parks, second by Director Chatigny, and by unanimous vote:

Moved to approve 10% salary increase for the General Manager.

16. Adjournment

President Brey adjourned the meeting at 8:46 p.m.

Approved by:



Gerald H. Brey, President of the Board of Directors

Attested by:



C.J. Butcher, Secretary to the Board of Directors

**RECORD OF THE MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT**

DECEMBER 28, 2005

1. Call to Order, Pledge of Allegiance and Roll Call – President Brey

President Brey called the meeting to order at 7:00 pm and proceeded with the *Pledge of Allegiance*.

All Directors were present

2. Adoption and Adjustment of Agenda (additions and/or deletions)

President Brey asked if there were any additions or deletions. Mr. Butcher asked to have items 5 and 6, both Public Hearings regarding acceptance and adoption of the 2005 Urban Water Management Plan Update, removed from the agenda and placed on the January 28, 2006 Special Meeting. Mr. Butcher asked that a new item 5 be added to the agenda with a presentation by J.C. Reichenberger, District Engineer, of the Urban Water Management Plan Draft for review and consideration.

Motion to remove items 5 and 6 from the agenda by Vice President Lash, second by Director Ball, and by unanimous vote:

Moved to delete items 5, and 6 from the agenda.

Motion to add a new item 5, with Mr. Reichenberger's presentation by Vice President Lash, second by Director Ball and by unanimous vote:

Moved to add a new item 5 with presentation.

Motion to adopt the agenda as amended by Director Parks, second by Director Chatigny and by unanimous vote:

Moved to adopt the agenda with changes.

3. Public Input

None was received

4. Finance and Audit Committee Report

a. Approval and payment of vendor invoices for the month of November 2005.

No action required on the vendor invoices.

b. Acceptance of November 2005 Financial Statement.

Mr. Butcher explained this was merely a revised Month End Financial Statement from the previous statement in the December 14, 2005 agendas.

Motion to accept the revised November 2005 Financial Statement by Director parks, second by Vice President Lash and by unanimous vote:

Moved to accept the Revised November 2005 Financial Statement.

5. Power Point Presentation of the 2005 Urban Water Management Plan Update by District Engineer, J.C. Reichenberger of Parsons Corporation.

Mr. Reichenberger began the presentation by telling the Board and audience that the last update to the Urban Water Management Plan was in 2002 for the year 2000 and the last covered projection was until 2025 as a 20 year projection is required. The Plan also requires a drought period review, and public review and comment prior to Board adoption. Mr. Reichenberger further stated that the Urban Water Management Plan is intended to be a "Dynamic" document.

Mr. Reichenberger's presentation included projections including; the Cherry Valley population doubling in the next 25 years, proposed sewerage in Cherry Valley to begin in 2010, water and waste water demand increasing significantly. Other areas presented were; available water sources, contamination in the water due to gradual increases in nitrate levels, industrial and commercial water customers and their consumptions.

Director Ball asked a question concerning the possible damage to the Beaumont Basin because the adjudication allows water levels to be drawn down until 2014. Mr. Reichenberger explained that the extensive review, currently ongoing by USGS, STWMA, and the Water Master will monitor the effects of continued draw down. Mr. Butcher commented that the District has also contacted WEI (Wildermuth Environmental Inc.) to develop a computer model of the Beaumont Storage Unit to give the District the tools it needs to project impacts and benefits from the upcoming recharge project. Mr. Butcher also indicated WEI is preparing applications for the recycled water system permits and the recharge permits to coincide with the 2006 construction of the recharge facility.

Mr. Reichenberger then addressed a letter received on December 28, 2005 by Patsy Reeley, President of the Cherry Valley Pass Acres & Neighbors. Mrs. Reeley mentioned a number of concerns to the Urban Water Management Plan Draft Update, and their perception of the failure to comply with certain requirements, codes and adequate review time for the document. Mr. Reichenberger addressed each written issue separately, reminding the Board and audience this Update is a draft copy and will be presented for adoption, following a public noticed hearing at the January 28, 2006 Special Meeting of the Board of Directors.

Open to public comment: 9:34 p.m.

President Brey asked if there were any questions.

Walt Beckman said he was confused on the Aquifers, and asked if we're losing water if it's leaking at both ends. Mr. Butcher replied yes. Mr. Beckman asked if that was the reason we're going to overdraft, so that we could limit losing that water out both ends by lowering the Aquifer. Again, Mr. Butcher replied yes. Mr. Beckman then wondered, if we decided to store water for the others, are we going to be losing money out of the aquifer again? Mr. Butcher implied, not necessarily, if there are recovery wells located at the proper point in the basin, you run those

wells first. Mr. Beckman asked whose water would be leaking out when we water, would it technically be ours or theirs? Mr. Butcher responded, "if you did a conjunctive use program, it would be theirs. Mr. Reichenberger stated the Water Master has rules on such matters.

Dick Reeley, a consumer asked if any other member of the public had asked any other questions on this issue? President Brey asked Mr. Butcher if any other questions had been received. Mr. Butcher indicated a letter had been received on December 28th from CVAN.

Mrs. Riddell asked if State Water is brought into the Oda property does it become the District's, and shouldn't Banning and Cabazon maybe bring in theirs too, and how do they get their share? Mr. Butcher informed her that the District is buying what we can buy and if they want water, they need to determine how they can best take delivery, we can do it by construction of the Recharge Facility. Banning hasn't planned that far ahead and hasn't chosen to do anything to date. Banning has asked us to recharge their water and the pumping to jointly owned wells we construct and then deliver to Banning through the inter-tie.

The question was asked if the District is looking favorably on this idea.

Mr. Butcher informed the audience that Banning is putting water into the Basin and is an Agency included in the adjudication, they have storage rights. The District currently has an agreement with the City of Banning on 3 wells with 50/50 ownership in water maintenance costs. The Water Master has approached the Board and requested the BCVWD to recharge any water the Water master may purchase into Beaumont Basin, the Board has looked with favor and Staff is developing such an agreement now.

Stan Riddell asked if there had been any thought at this time about a Water Treatment Plant and a well injection project? Mr. Butcher indicated no to the well injection but yes to the Water Treatment Plant. Mr. Butcher further indicated that the District has purchased 26.5 acres near the State Water Pipeline Project, on the upstream side of the Cherry Valley Booster Station.

Another concern coming from the audience was that with all the allocations per entity, what happens if the State decides to cut down, who gets the water, since every year is different? Mr. Reichenberger stated that the Pass Agency makes the decision at that point. The question following indicated that our graph indicated the purchase of 3,000 acre foot of water per year, what if we can't buy that amount each year? Mr. Butcher said that the intent is to build up the water in the basin to avoid that situation from arising, creating an overdraft offset. Another question was when Banning and Cabazon get their allocations what happens with them being at the end of the line?

Mr. Butcher stated that along with the current entitlement, the District will buy water rights to move additional water through the State Project Water System. Then the question asked was if Title 21 water comes through there too? Mr. Butcher said yes.

Luwana Ryan said she had about 3 questions, mostly on recycled. Ms. Ryan began by asking if the availability of recycled water depends on the City of Beaumont plans and expansion to give all the district needs, what guarantee is there that they're ability to make sure the urban Water Management Plan projection? Mr. Butcher said the Santa Ana Water Quality Control Board has the responsibility to watch Beaumont and make sure their effluent is full Title 22 standard. Mr. Butcher and Mr. Reichenberger both related the repercussions of failure to comply with mandatory reports and future plans upon exceeding permitted limits.

Ms. Ryan said the District's figures indicate the City is delivering water to the District. Mr. Reichenberger said that's true, if they don't have sewage capacity, they won't be building houses. Ms. Ryan asked is there is any cost on the water that comes from the City to the District. Mr. Butcher told her no. Ms. Ryan asked if the District gets 100% of the City's water.

Mr. Butcher told her yes, 100% of available supply. Ms. Ryan asked if it would then be put into the Basin or wherever the District is going to put it, because of the Water Master and the adjudication, the water coming from Beaumont that might be distributed into the Basin, is that all the District's water? Mr. Butcher asked Ms. Ryan what she meant by "Might be"? Ms. Ryan said, after the water is used on the golf courses before getting to the Basin, anything unused, would it go into the Basin and would it be 100% the District's. Mr. Butcher said that according to a City Ordinance, they "have to" use it, using the golf courses as an example. Ms. Ryan replied, "they have their own wells!". Mr. Butcher reminded Ms. Ryan that when recycled water is available, they have to use it, that's City ordinance. Ms. Ryan replied, "they're overlyers!" Mr. Butcher said again, the city Ordinance says they *must* take it, even State law says if it's economically feasible, they have to take it. When recycled water goes on the grass, the user stops pumping. As long as it's less expensive to buy recycled water than to pump groundwater, it's economically feasible. When water is no longer being pumped from the basin, the District can use it. Mr. Butcher stated that there are about 2,000 acre feet now of irrigation demands for schools, greenbelt areas, parks, cemeteries, library's and the city hall, all large greenbelt areas are plumbed for recycled water, and should be ready for State Project water at the completion of phase one in the summer. When this happens, the offset will occur and overflow will go to the ponds, at the Recharge Facility.

Ms. Ryan asked if this would become the District's water. Mr. Butcher said yes. Ms. Ryan asked if the District pays anything to get that water. Mr. Butcher said no, not the reclaimed water, just for the cost of moving it. A question came from the audience if the District could charge them anymore than they're paying now. Mr. Butcher again stated "Only when it's economically feasible, whatever the pumping costs are. Another question asked was at the cost of \$100 per acre foot, for example, who do they pay. Mr. Butcher replied the District.

Another question was how to track the progress of the Treatment Plant. Mr. Reichenberger said all information is available on line, through the Regional Water Quality Control Board site or by visiting the building in Riverside.

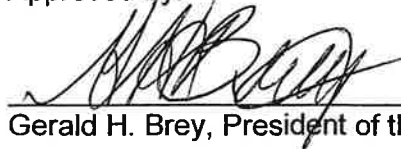
President Brey asked if there were anymore questions, and with none asked, closed the public comment portion of the meeting.

Closed public comment period: 9:55 p.m.

6. Adjournment

President Brey adjourned the meeting at 9:56 p.m.

Approved by:



Gerald H. Brey, President of the Board of Directors

Attested by:



C.J. Butcher, Secretary to the Board of Directors

THE PRESS- ENTERPRISE

CLASSIFIED ADVERTISING RECEIPT

Printed by: Wilkins, Kim
at: 12:44 pm
on: Wednesday, Feb 15, 2006

Ad #: 7362382

3512 Fourteenth St.
Riverside, CA 92501-3878
1-800-514-7253
951-684-1200
951-368-9006 Fax

Payment Information

Date	Payment #	Type	Card Holder	Exp.	Approval	Amount
Total payments:						\$ 0.00

Note: Advertising may be subject to credit approval.

Gross price: \$ 390.00
Net price: \$ 390.00
Total payments: \$ 0.00

Amount Due: \$ 390.00

Account Information:

Phone #: (951) 845-9581
Name: BEAUMONT-CHERRY VALLEY WA-
TER DIS
Address: P O BOX 2037
ATTN: JULIE AUDET
BEAUMONT, CA 92223
Acct #: 059466
Client:
Placed by: Desiree Espinoza
Fax #: (951) 845-0159

Ad Copy:

Notice of Availability, Public
Hearing, and Approval
Urban Water
Management Plan
In accordance with Division
6, Part 2.6 Chapter 3, Article 3,
Section 10642 of the Water
Code, the Beaumont Cherry
Valley Water District (District)
has prepared an Urban Water
Management Plan that will be
available for public inspection.
The Plan identifies projects
and programs that may be un-
dertaken to meet total pro-
jected water use in the District
service area and sphere of in-
fluence. To review findings of
the Urban Water Manage-
ment Plan, the District will be
holding a Public Hearing of a
Special Meeting on:
Saturday, January 28th, 2006
@ 9:00 a.m.
Beaumont Cherry Valley
Water District
560 Magnolia Avenue
Beaumont, CA 92223

The Plan will be available of
the District office (see above
address) after 12/31/05. If you
are unable to attend the Public
Hearing and/or wish to submit
written comments, please
send them to Mr. C.J. Burcher
at the above address or via fax
at (951) 845-0159. Please sub-
mit comments by 4p.m. Thurs-
day, January 26, 2006. For
questions please call the Dis-
trict office at (951) 845-9581.
12/31, 1/4, 14, 19, 24

Ad Information:

Classification: Legals
Publications: Press-Enterprise

Start date: 12-31-05
Stop date: 01-24-06
Insertions: 6

Rate code: LE-Open
Ad type: Ad Liner
Taken by: Wilkins, Kim

Size: 1x50.000
Bill size: 50.00x 5.14 agate lines

**RECORD OF THE MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT**

JANUARY 28, 2006

1. Call to Order, Pledge of Allegiance and Roll Call – President Brey

President Brey called the meeting to order at 9:00 am and proceeded with the Pledge of Allegiance. All Directors were present.

2. Adoption and Adjustment of Agenda (additions and/or deletions)

No additions and/or deletions made to the Agenda.

Motion by Director Ball, seconded by Vice President Lash, and by unanimous vote:

Moved to adopt the Agenda

3. Public Input

Mr. Butcher and the Board of Directors agreed to incorporate this section with the Public Hearing in item #5.

4. Discussion and Possible Action Regarding Resolution 2006-01, Resolution of the Board of Directors of The Beaumont Cherry Valley Water District Authorizing Investment of Monies in the Local Agency Investment Fund.

Mr. Butcher explained that this Resolution is required for the LAIF account. General Manager, Chuck Butcher, explained the benefits of the agency, stating the District has been depositing money into the Agency since the 1980's, LAIF yields a higher interest rate than a bank, and a 24 hours recall on the money without penalty. Mr. Butcher recommended the adoption of Resolution 2006-01.

Motion by Director Parks, seconded by Director Chatigny, and by unanimous vote:

Moved to adopt Resolution 2006-01

5. PUBLIC HEARING: Public Hearing for the Purpose of Taking Public Input Concerning the November 2005 Water Rate Study by Raftelis Financial Consultants, Inc.

The Board of Directors elected to have the Presentation of November 2005, Water Rate Study by Sudhir Pardiwala, Project Manager of Raftelis Financial Consultants, Inc. before opening up the floor to public input/questions.

Mr. Pardiwala began his presentation by announcing that the last rate increase was in 2003. This rate study has been requested due to growth and purchase of State water. The recommended rates prove to be fair and equitable to all existing customer and charges to new customers to help maintain added water demand and quality.

OPEN PUBLIC HEARING: 9:56 a.m.

Pressure Reducing Stations	\$ 71
Miscellaneous Projects	\$ 60

Total:	\$8,675
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Financing Costs	\$ 269
-----------------	--------

Total with financing costs	\$8,944
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OPEN: 10:23 am

No public input/questions.

CLOSE: 10:25 am

8. Discussion and Possible Action Regarding Resolution 2006-03, Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Financing the Upgrade of the Existing Source of Supply to Meet Future Growth Demand.

Motion by Director Chatigny, seconded by Director Parks, and by unanimous vote:

Moved to adopt Resolution 2006-03

9. PUBLIC HEARING: Public Hearing for the Purpose of Taking Public Input Concerning the 2005 Urban Water Management Plan Update.

District Engineer, Joseph Reichenberger, reported that a draft copy of the 2005 Urban Water Management Plan Update was made available at the December 14th Regular Meeting of the Board of Directors. A workshop was held on December 28th where both oral and written comments were received. Comments have been incorporated into the appendices of the current draft and with the adoption of Resolution 2006-04 to be included in appendix B, the 2005 Urban Water Management Plan Update would be ready to send to the State. No CEQA is required as the UWMP is statutorily exempt.

OPEN: 10:32 a.m.

Luwana Ryan: In the Draft, section 8-2, at the bottom of the page, in Appendix, it states the City is responsible for water usage and invoicing for recycled water, is that true?

Mr. Butcher: Good catch Luwana, the City is *not* responsible, it will be the District's responsibility. We need to include in the MOU with the City, that the City will be giving the system back to the District.

Mr. Reichenberger: Leave the MOU from 1993 to newest addendum, making new UWMP the final draft and approve with changes.

President Brey asked if there were any further questions, and with none, closed the Public Hearing.

CLOSE: 10:39 am

Dick Reeley: If the comparison is being made to the City of Beaumont's low base consumption, why isn't Cherry Valley's made with consideration to acreage and orchard's and so on?

Mr. Butcher: Not all acres use more water for more land, if it's not irrigated. Of course, some people have gardens and a lot of grass to keep green. Average is typically still the same.

Patsy Reeley: I've never objected to my water bill, I view it as a necessity.

Director Ball: On the State Water charge, will it be passed through to the commercial users as well as private users and irrigators?

Mr. Butcher: Yes. There are approximately 1,700 acre feet of irrigation demand, including the greenbelt areas.

Luwana Ryan: Will the cost of the State Water Project water be for the water actually delivered to the Basin?

Mr. Butcher: Yes.

President Brey asked if there were any more questions. With no questions asked, the public hearing was closed.

CLOSE: 10:00 am

6. Discussion and Possible Action Regarding Resolution 2006-02, Resolution of the Board of Directors of the Beaumont Cherry Valley Water District Setting Service Charges and Water Commodity Charges for Service in the Beaumont Cherry Valley Water District.

Motion by Director Parks, seconded by Director Chatigny, and by unanimous vote:

Moved to adopt Resolution 2006-02

President Brey adjourned to a mid-morning break at 10:06 am

President Brey resumed the meeting at 10:18 am

7. PUBLIC HEARING: Public Hearing for the Purpose of Taking Public Input Concerning the November 2005 Update of System Development Fees Report by Raffelis Financial Consultants, Inc.

District Consultant Pardiwala reported that a lengthy study was conducted in July 2004. Some of the changes to have taken place since July 2004 include the increase in the cost of steel, concrete and construction. District users are consuming more water, for example the average single family use has increased from 0.61 ac-ft/yr to 0.66 ac-ft/yr. The one time cost of acquiring State Water Project water rights have also increased. The current fee is \$7,059. The proposed upgraded fee is \$8,944.

Proposed Updated Development Fee (Facility Fee)

Supply	\$5,305
Transmission	\$1,364
Storage	\$1,737
Booster	\$ 139

10. Discussion and Possible Action Regarding Resolution 2006-04, Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District to Adopt the 2005 Urban Water Management Plan Update.

Motion by Director Parks, seconded by Vice President Lash, and by unanimous vote:

Moved to adopt Resolution 2006-04 with changes to Final Draft.

11. Discussion and Possible Action Regarding 2650 Pressure Zone Tank Bid Recommendation (Parsons Engineering Science).

Bids were opened on December 22, 2005. Pacific Hydrotech was the apparent low bidder at \$6,146,333. Pacific Hydrotech has been awarded a project with Yucaipa Valley Water District. District Engineer Reichenberger recommended the award of the project to the low bidder, Pacific Hydrotech.

Motion by Director Chatigny, seconded by Vice President Lash, and by unanimous vote:

Moved to accept the Engineer's Recommendation.

12. Discussion and Possible Action Regarding Cherry Tank No. 3 Bid Recommendation (Parsons Engineering Science).

General Manager Butcher reported that a notice to proceed has been given to begin the project (apparent low bidder was Superior Tank Co. at \$1,291,000) as the two existing tanks (2) must be retrofitted and will be out of service (along with well 22 and booster stations). This will ensure that all facilities are up and running by the high pumping season (summer). Materials have already been ordered and delivered to a bullpen located across from the project.

District Engineer Reichenberger noted that the price per gallon is \$.65/.66 (lower than the concrete tank) and recommended the award of the project to the low bidder, Superior Tank.

Motion by Vice President Lash, seconded by Director Ball, and by unanimous vote:

Moved to accept the Engineer's Recommendation.

13. Discussion and Possible Action Regarding the 2005 Year-End Report, Five Year Comparison and Projected 2006 Budget.

Operating and Capital Expense – General Manager gave an overview related to the Operating and Capital Expenses for calendar year 2005, including potable, non potable, storm capture and recycled water.

Non-Operating Income - General Manager Butcher reported that the Front Footage Fees are currently being reviewed by Staff to determine if the fee should be upgraded and how much.

Source of Supply - Power costs have increased in larger increments than the actual water being pumped, reinforcing the need for the pass through charges (SCE power charge and State Project Water Overdraft Offset Charge).

Maintenance of Equipment - With the age of the equipment and the increase in system demands, the cost of Maintenance of Equipment has gone up considerably (rehabilitation of wells).

Mr. Butcher reviewed the 2005 Year End Report and 2006 Projected Budget line by line.

President Brey adjourned the meeting for lunch break at 12:00 pm.

President Brey called the meeting back to order at 12:40 pm

Motion by Director Parks, seconded by Director Chatigny, and by unanimous vote:

Moved to approve the Operations and Maintenance Budget as presented.

14. Discussion and Possible Action Regarding the 2005 Capital Improvement Expense Report and 2006 Capital Improvement Budget.

Mr. Butcher briefly reviewed the 2005 Capital Improvement Expense Report and presented project by project, the 2006 Capital Improvement Budget. It was noted that several of the projects were carry overs from 2004 and 2005.

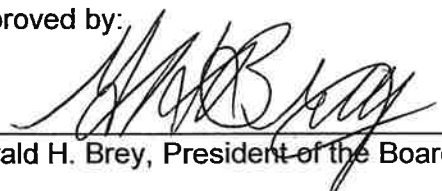
Motion by Director Parks, seconded by Vice President Lash, and by unanimous vote:

Moved to Approve the 2005 Capital Improvement Expense Report and 2006 Capital Improvement Budget.

15. Adjournment

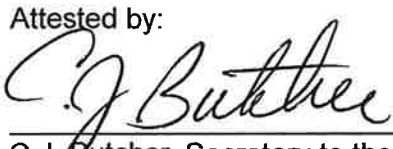
President Brey adjourned the meeting at 1:25 p.m.

Approved by:



Gerald H. Brey, President of the Board of Directors

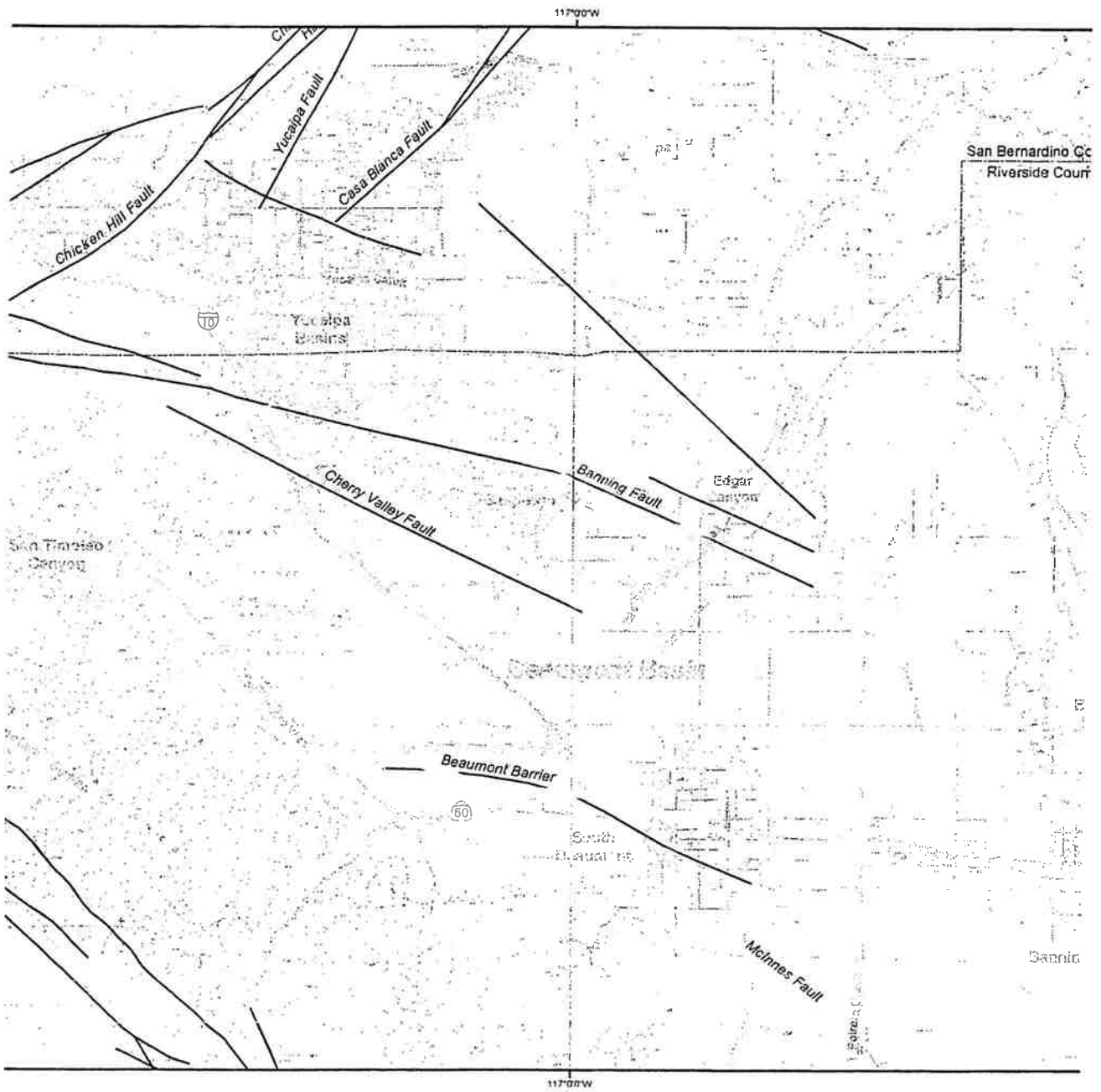
Attested by:



C.J. Butcher, Secretary to the Board of Directors

APPENDIX P

Beaumont Basin Watermaster



Stipulation

1. ()

2. ()

3. ()

COPY
ORIGINAL

1 JOSEPH S. AKLUFI (Bar No. 68619)
2 AKLUFI AND WYSOCKI
3 3403 Tenth Street, Suite 610
4 Riverside, California 92501
5 (909)682-5480 Office
6 (909)682-2619 Fax

NO FILING FEE REQUIRED PER
GOVERNMENT CODE, SEC. 6103

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

FEB - 4 2004

5 Attorneys for Plaintiff, SAN TIMOTEO
6 WATERSHED MANAGEMENT AUTHORITY

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT
10

11 SAN TIMOTEO WATERSHED
12 MANAGEMENT AUTHORITY, a public
13 agency,

CASE NO. RIC 389197

14 Plaintiff,

STIPULATION FOR ENTRY OF
JUDGMENT ADJUDICATING
GROUNDWATER RIGHTS IN THE
BEAUMONT BASIN

15 vs.

16 CITY OF BANNING, a municipal
17 corporation; BEAUMONT-CHERRY VALLEY
18 WATER DISTRICT, an irrigation
19 district; YUCAIPA VALLEY WATER
20 DISTRICT, a county water district;
21 PLANTATION ON THE LAKE LLC, a
22 California limited liability
23 company; SHARONDALE MESA OWNERS
24 ASSOCIATION, an unincorporated
25 association; SOUTH MESA MUTUAL
26 WATER COMPANY, a mutual water
27 company; CALIFORNIA OAK VALLEY
28 GOLF AND RESORT LLC, a California
limited liability company; OAK
VALLEY PARTNERS LP, a Texas limited
partnership; SOUTHERN CALIFORNIA
SECTION OF THE PROFESSIONAL GOLFERS
ASSOCIATION OF AMERICA, a
California corporation; SUNNY-CAL
EGG AND POULTRY COMPANY, a
California corporation; MANHEIM,
MANHEIM & BERMAN, a California
General Partnership; WALTER M.
BECKMAN, individually and as
Trustee of the BECKMAN FAMILY TRUST
dated December 11, 1990; THE ROMAN
CATHOLIC BISHOP of San Bernardino,

AKLUFI, WYSOCKI
3403 TENTH ST., SUITE 610
RIVERSIDE, CA 92501
(909) 682-5480

1 a California corporation; MERLIN)
2 PROPERTIES, LLC; LEONARD M.)
3 STEARNS and DOROTHY D. STEARNS,)
4 individually and as Trustees of the)
5 LEONARD M. STEARNS FAMILY TRUST OF)
6 1991; and DOES 1 through 500,)
7 inclusive,)
8 Defendants.)

9
10
11
12 I. STIPULATING PARTIES IDENTIFIED

13 The following parties, and each of them, agree to the terms
14 of this Stipulation:

15 Plaintiff:

16 SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY

17 Overlying Defendants:

- 18 1. SHARONDALE MESA OWNERS ASSOCIATION, an unincorporated
19 association
- 20 2. CALIFORNIA OAK VALLEY GOLF AND RESORT LLC, a California
21 limited liability company
- 22 3. OAK VALLEY PARTNERS LP, a Texas limited partnership
- 23 4. SOUTHERN CALIFORNIA SECTION OF THE PROFESSIONAL GOLFERS
24 ASSOCIATION OF AMERICA, a California corporation
- 25 5. SUNNY-CAL EGG AND POULTRY COMPANY, a California
26 corporation
- 27 6. MANHEIM, MANHEIM & BERMAN, a California general
28 partnership
- 1 7. WALTER M. BECKMAN, individually, and as Trustee of the
2 BECKMAN FAMILY TRUST dated December 11, 1990
- 3 8. THE ROMAN CATHOLIC BISHOP of San Bernardino, a
4 California corporation
- 5 9. MERLIN PROPERTIES, LLC
- 6 10. LEONARD M. STEARNS and DOROTHY D. STEARNS, individually
7 and as Trustees of the LEONARD M. STEARNS FAMILY TRUST
8 OF 1991
- 9 11. PLANTATION ON THE LAKE LLC, a California limited
10 liability company

11 Appropriating Defendants:

- 12 1. CITY OF BANNING, a municipal corporation
- 13 2. BEAUMONT-CHERRY VALLEY WATER DISTRICT, an irrigation
14 district
- 15 3. SOUTH MESA MUTUAL WATER COMPANY, a mutual water company
- 16 4. YUCAIPA VALLEY WATER DISTRICT, a county water district

17 ///

1 II. RECITALS

2 WHEREAS, plaintiff is a joint powers public agency, formed
3 in 2001 for the purpose, among others, of preparing and
4 implementing a Water Resources Management Plan for the San
5 Timoteo Watershed and the waters tributary thereto, including the
6 Beaumont Basin, in order to conserve local water supplies,
7 improve surface and subsurface water quality and quantity, and to
8 protect and enhance groundwater storage, for the benefit of the
9 public;

10 WHEREAS, the Beaumont Basin, also known as the Beaumont
11 Storage Unit, is the common source of water supply for
12 appropriative water uses within the communities of Banning,
13 Beaumont, Cherry Valley and Calimesa, and for various overlying
14 uses including, but not limited to, golf courses and related
15 facilities and agricultural production, including egg production
16 and related agricultural irrigation uses;

17 WHEREAS, the maximum quantity of water which can be produced
18 from the Beaumont Basin, at safe yield, is currently estimated to
19 be 8650 acre feet per year, and the total groundwater production
20 from the Beaumont Basin has exceeded and continues to exceed its
21 safe yield;

22 WHEREAS, much of the land area within and adjacent to the
23 Beaumont Basin is proposed to be intensively developed with
24 residential, commercial and industrial uses, which will place
25 additional demands on local water resources;

26 WHEREAS, it is estimated that the Beaumont Basin has the
27 capability of storing more than 200,000 acre feet of water for
28 overlying and appropriative use by water users within and

1 adjacent to the Beaumont Basin;

2 WHEREAS, the plaintiff proposes to invest substantial public
3 funds to construct facilities that will enable the storage of
4 water within the Beaumont Basin, in addition to the storage that
5 occurs naturally;

6 WHEREAS, the Overlying and Appropriating Defendants wish to
7 secure the provision and availability of a reliable, affordable,
8 long-term water supply for the area within plaintiff's
9 jurisdiction, making reasonable and beneficial use of the native
10 groundwater in the Beaumont Basin, and other local water
11 resources, promoting the importation of water into the area, and
12 storage of such water, and local surface waters, in the Beaumont
13 Basin;

14 WHEREAS, the Overlying Defendants believe that it is in
15 their best interest to enter into this Stipulation and be subject
16 to the attached Judgment, rather than continue to litigate the
17 safe yield of the Beaumont Basin, the quantity of their overlying
18 rights, both historical and unexercised, the rights they may have
19 to use the storage volume existing beneath their respective
20 lands, and other issues;

21 WHEREAS, in order to protect existing overlying and
22 appropriative uses and to justify and protect the public
23 investment necessary to utilize the available groundwater storage
24 capacity in the Beaumont Basin, it is necessary to adjudicate the
25 Beaumont Basin and to define the respective water rights of the
26 overlying and appropriative producers of groundwater.

27 NOW, THEREFORE, the undersigned parties, and each of them,
28 hereby agree to the following Stipulated Terms.

III. STIPULATED TERMS

1. Form of Judgment: Judgment may be filed and entered in the form attached hereto as Exhibit "1" and made a part hereof.

2. Fees and Costs: Each party shall bear its own costs, attorneys fees and litigation expenses arising out of this adjudication.

3. Waiver: Notice of entry of judgment, the right to trial, stay of execution and appeal, is hereby waived, except as expressly set forth in the Judgment.

4. Binding Effect: This Stipulation and all obligations herein, shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

5. Construction and Interpretation: No adverse construction or interpretation of this Stipulation shall be made under the Civil Code simply because the parties drafted or participated in the drafting of this Stipulation. The terms of the Judgment shall be interpreted to further the purposes of this Stipulation.

6. Jurisdiction and Venue: The Superior Court of California in and for the County of Riverside shall have jurisdiction of this matter. In the event of any litigation arising out of this Stipulation, venue shall conclusively be deemed to lie in the County of Riverside.

7. Advice of Counsel: The undersigned each have had the opportunity to consult with or have consulted with their own legal counsel regarding this Stipulation and all matters set forth herein, or have knowingly waived the right to do so.

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: 1/6/04

By [Signature]

President, Board of Directors

10 CITY OF BANNING

11 Dated: 12/23/03

By [Signature]

Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____

By _____

President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____

By _____

President, Board of Directors

21 PLANTATION ON THE LAKE LLC

22 Dated: _____

By _____

President, Board of Directors

24 SHARONDALE MESA OWNERS
25 ASSOCIATION

26 Dated: _____

By _____

President, Board of Directors

WYSOCKI
27, SUITE 610
3403 TENN.
RIVERSIDE, CALIFORNIA 92501
(951) 982-5480

8. Authority: Each person executing this Stipulation on behalf of any of the undersigned has been fully empowered to execute this Stipulation and that all necessary action for the execution of this Stipulation has been taken.

IT IS SO STIPULATED:

SAN TIMOTEO WATERSHED MANAGEMENT
AUTHORITY

Dated: _____ By _____
President, Board of Directors

CITY OF BANNING

Dated: _____ By _____
Mayor

BEAUMONT-CHERRY VALLEY WATER
DISTRICT

Dated: July 3, 2003 By [Signature]
President, Board of Directors

YUCAIPA VALLEY WATER DISTRICT

Dated: _____ By _____
President, Board of Directors

PLANTATION ON THE LAKE LLC

Dated: _____ By _____
President, Board of Directors

SHARONDALE MESA OWNERS
ASSOCIATION

Dated: _____ By _____
President, Board of Directors

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: 10/1/03 By 
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: _____ By _____
26 President, Board of Directors

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18
19 Dated: _____ By _____
20 President, Board of Directors

21 PLANTATION ON THE LAKE LLC

22 Dated: 7/30/03 By Jamie Kanyak
23 President, Board of Directors
24 Manager of Meadows Management
25 Company LLC, Manager
26 SHARONDALE MESA OWNERS
27 ASSOCIATION

28 Dated: _____ By _____
President, Board of Directors

RIVERSIDE, C. ORNIA 92301
(909) 682-5480

1 8. Authority: Each person executing this Stipulation on
2 behalf of any of the undersigned has been fully empowered to
3 execute this Stipulation and that all necessary action for the
4 execution of this Stipulation has been taken.

5 IT IS SO STIPULATED:

6 SAN TIMOTEO WATERSHED MANAGEMENT
7 AUTHORITY

8 Dated: _____ By _____
9 President, Board of Directors

10 CITY OF BANNING

11 Dated: _____ By _____
12 Mayor

13 BEAUMONT-CHERRY VALLEY WATER
14 DISTRICT

15 Dated: _____ By _____
16 President, Board of Directors

17 YUCAIPA VALLEY WATER DISTRICT

18 Dated: _____ By _____
19 President, Board of Directors

20 PLANTATION ON THE LAKE LLC

21 Dated: _____ By _____
22 President, Board of Directors

23 SHARONDALE MESA OWNERS
24 ASSOCIATION

25 Dated: June 27, 2003 By Lena Jo Alexander
26 President, Board of Directors
27
28

AKLUF1
2403 TENTH
RIVERSIDE, CA
92501 952-3480
NYSOCKI
FT. SUITE 810
CHICAGO, ILL 60611 312-3301

Dated:

6-27-03

SOUTH MESA MUTUAL WATER COMPANY

By

Steve J. Martin
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated:

By

President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated:

By

D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated:

By

President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated:

By

President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated:

By

1 SOUTH MESA MUTUAL WATER COMPANY

2 Dated: _____ By _____
3 President, Board of Directors

4 CALIFORNIA OAK VALLEY GOLF AND
5 RESORT LLC

6 Dated: 7-31-2003 By [Signature]
7 President, Board of Directors

8 OAK VALLEY PARTNERS LP,
9 A Texas Limited Partnership

10 By: Oak Valley-Hunt, Inc.
11 a Texas Corporation
Managing General Partner

12 Dated: _____ By _____
13 D. CRAIG MARTIN

14 Its: President

15
16 SOUTHERN CALIFORNIA SECTION OF THE
17 PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

18 Dated: _____ By _____
19 President, Board of Directors

20 SUNNY-CAL EGG AND POULTRY COMPANY

21
22 Dated: _____ By _____
23 President, Board of Directors

24 MANHEIM, MANHEIM & BERMAN

25 Dated: _____ By _____
26

WYBOSKI
427, SUITE 810
3403 TENTH AVENUE
DENVER, CO 80202
(303) 822-8480

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SOUTH MESA MUTUAL WATER COMPANY


Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By 
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: _____ By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By _____

FILED IN 100-2-5480

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SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: July 8, 2003 By Thomas L. Gustafson
~~President, Board of Directors~~
CHIEF Executive Officer

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By _____
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By _____

3403 TENTH
RIVERSIDE,
CALIF. 92501
(609)

SOUTH MESA MUTUAL WATER COMPANY

Dated: _____ By _____
President, Board of Directors

CALIFORNIA OAK VALLEY GOLF AND
RESORT LLC

Dated: _____ By _____
President, Board of Directors

OAK VALLEY PARTNERS LP,
A Texas Limited Partnership

By: Oak Valley-Hunt, Inc.
a Texas Corporation
Managing General Partner

Dated: _____ By _____
D. CRAIG MARTIN

Its: President

SOUTHERN CALIFORNIA SECTION OF THE
PROFESSIONAL GOLFERS ASSOCIATION
OF AMERICA

Dated: _____ By _____
President, Board of Directors

SUNNY-CAL EGG AND POULTRY COMPANY

Dated: _____ By Michael Mannheim
President, Board of Directors

MANHEIM, MANHEIM & BERMAN

Dated: _____ By Barth Berman

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Dated: 7-23-03 Walter M. Beckman
WALTER M. BECKMAN

Dated: 7-23-03 Walter M. Beckman
WALTER M. BECKMAN, Trustee of the
BECKMAN FAMILY TRUST dated
December 11, 1990

Dated: _____
CECIL MERLE MURRAY

MERLIN PROPERTIES, LLC

Dated: _____ By _____

Dated: _____
LEONARD M. STEARNS, individually
and as Trustee of the LEONARD M.
STEARNS FAMILY TRUST OF 1991

Dated: _____
DOROTHY D. STEARNS, individually
and as Trustee of the LEONARD M.
STEARNS FAMILY TRUST OF 1991

APPROVAL AND ORDER

The foregoing Stipulation is hereby approved and is so
ordered.

Dated: _____

JUDGE OF THE SUPERIOR COURT

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

7 THE ROMAN CATHOLIC BISHOP of
8 San Bernardino, a California
9 corporation

10 Dated: 9/18/03 By Mag. S. M. Lyy

11 MERLIN PROPERTIES, LLC

12 Dated: _____ By _____

13
14 Dated: _____
15 LEONARD M. STEARNS, individually
16 and as Trustee of the LEONARD M.
17 STEARNS FAMILY TRUST OF 1991

18 Dated: _____
19 DOROTHY D. STEARNS, individually
20 and as Trustee of the LEONARD M.
21 STEARNS FAMILY TRUST OF 1991

22 APPROVAL AND ORDER

23 The foregoing Stipulation is hereby approved and is so
24 ordered.

25 Dated: _____

26 _____
27 JUDGE OF THE SUPERIOR COURT
28

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

7 THE ROMAN CATHOLIC BISHOP of
8 San Bernardino, a California
9 corporation

10 Dated: _____ By _____

11 MERLIN PROPERTIES, LLC

12 Dated: July 31, 2003 By Paul L. Beckman

13
14 Dated: _____
15 LEONARD M. STEARNS, individually
16 and as Trustee of the LEONARD M.
17 STEARNS FAMILY TRUST OF 1991

18 Dated: _____
19 DOROTHY D. STEARNS, individually
20 and as Trustee of the LEONARD M.
21 STEARNS FAMILY TRUST OF 1991

22 APPROVAL AND ORDER

23 The foregoing Stipulation is hereby approved and is so
24 ordered.

25 Dated: _____

26 JUDGE OF THE SUPERIOR COURT

WYOMING
COUNTY
CLERK
2403 TOWN
RIVERVIEW
(307) 642-3480

1 Dated: _____
2 WALTER M. BECKMAN

3 Dated: _____
4 WALTER M. BECKMAN, Trustee of the
5 BECKMAN FAMILY TRUST dated
6 December 11, 1990

7 Dated: _____
8 CECIL MERLE MURRAY

9 MERLIN PROPERTIES, LLC

10 Dated: _____ By _____

11
12 Dated: 7-23-03 Leonard M. Stearns
13 LEONARD M. STEARNS, individually
14 and as Trustee of the LEONARD M.
15 STEARNS FAMILY TRUST OF 1991

16 Dated: 7-23-03 Dorothy D. Stearns
17 DOROTHY D. STEARNS, individually
18 and as Trustee of the LEONARD M.
19 STEARNS FAMILY TRUST OF 1991

20 APPROVAL AND ORDER

21 The foregoing Stipulation is hereby approved and is so
22 ordered. FEB - 4 2004

23 Dated: _____

24 GARY TRAMBARGER

25 JUDGE OF THE SUPERIOR COURT

Judgment

ORIGINAL COPY

JOSEPH S. AKLUFI (Bar No. 68619)
AKLUFI AND WYSOCKI
3403 Tenth Street, Suite 610
Riverside, California 92501
(909) 682-5480 Office
(909) 682-2619 Fax

NO FILING FEE REQUIRED PER
GOVERNMENT CODE, SEC. 6103

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

FEB - 4 2004

Attorneys for Plaintiff, SAN TIMOTEO
WATERSHED MANAGEMENT AUTHORITY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT

SAN TIMOTEO WATERSHED
MANAGEMENT AUTHORITY, a public
agency,

CASE NO. RIC 389197

Plaintiff,

JUDGMENT PURSUANT TO
STIPULATION ADJUDICATING
GROUNDWATER RIGHTS IN THE
BEAUMONT BASIN

vs.

CITY OF BANNING, a municipal
corporation; BEAUMONT-CHERRY VALLEY
WATER DISTRICT, an irrigation
district; YUCAIPA VALLEY WATER
DISTRICT, a county water district;
PLANTATION ON THE LAKE LLC, a
California limited liability
company; SHARONDALE MESA OWNERS
ASSOCIATION, an unincorporated
association; SOUTH MESA MUTUAL
WATER COMPANY, a mutual water
company; CALIFORNIA OAK VALLEY
GOLF AND RESORT LLC, a California
limited liability company; OAK
VALLEY PARTNERS LP, a Texas limited
partnership; SOUTHERN CALIFORNIA
SECTION OF THE PROFESSIONAL GOLFERS
ASSOCIATION OF AMERICA, a
California corporation; SUNNY-CAL
EGG AND POULTRY COMPANY, a
California corporation; MANHEIM,
MANHEIM & BERMAN, a California
General Partnership; WALTER M.
BECKMAN, individually and as
Trustee of the BECKMAN FAMILY TRUST
dated December 11, 1990; THE ROMAN
CATHOLIC BISHOP of San Bernardino,

ICES
WYSOCKI
AKLUFI
3403 TENTH
RIVERSIDE, CALIFORNIA 92501
(909) 682-5480

1 a California corporation; MERLIN)
2 PROPERTIES, LLC; LEONARD M.)
3 STEARNS and DOROTHY D. STEARNS,)
4 individually and as Trustees of the)
5 LEONARD M. STEARNS FAMILY TRUST OF)
6 1991; and DOES 1 through 500,)
7 inclusive,)
8 Defendants.)

9 I. INTRODUCTION

10 1. Pleadings, Parties and Jurisdiction

11 The complaint herein was filed on February 20, 2003, seeking
12 an adjudication of water rights, injunctive relief and the
13 imposition of a physical solution. The defaults of certain
14 defendants have been entered, and certain other defendants
15 dismissed. Other than defendants who have been dismissed or
16 whose defaults have been entered, all defendants have appeared
17 herein. This Court has jurisdiction of the subject matter of
18 this action and of the parties herein.

19 2. Stipulation for Judgment

20 Stipulation for Entry of Judgment has been filed by and on
21 behalf of all defendants who have appeared herein.

22 3. Definitions

23 As used in this Judgment, these terms shall have the
24 following meanings:

25 A. Appropriator or Appropriator Parties: the pumpers
26 identified in Exhibit "C" attached hereto.

27 B. Appropriator's Production Right: consists of an
28 Appropriator's share of Operating Yield, plus (1) any water
acquired by an Appropriator from an Overlying Producer or
other Appropriator pursuant to this Judgment, (2) any water

1 withdrawn from the Appropriator's storage account, (3) and
2 New Yield created by the Appropriator.

3 C. Appropriative Water: the amount of Safe Yield
4 remaining after satisfaction of Overlying Water Rights.

5 D. Appropriative Water Right: each Appropriator's
6 share of Appropriative Water, such share expressed as a
7 percentage as shown on Exhibit "C".

8 E. Beaumont Basin or Beaumont Storage Unit: the area
9 situated within the boundaries shown on Exhibit "A" attached
10 hereto.

11 F. Conjunctive Use: the storage of water in a
12 Groundwater Basin for use at a later time.

13 G. Groundwater: water beneath the surface of the
14 ground within the zone below the water table in which soil
15 is saturated with water.

16 H. Groundwater Basin: an area underlain by one or
17 more permeable formations capable of furnishing a
18 substantial water supply.

19 I. Groundwater Storage Agreement: a standard form of
20 written agreement between the Watermaster and any Person
21 requesting the storage of Supplemental Water.

22 J. Groundwater Storage Capacity: the space available
23 in a Groundwater Basin that is not utilized for storage or
24 regulation of Safe Yield and is reasonably available for
25 Stored Water and Conjunctive Use.

26 K. Minimal Producer: any Producer who pumps 10 or
27 fewer acre feet of Groundwater from the Beaumont Basin per
28 year.

1 L. New Yield: increases in yield in quantities
2 greater than historical amounts from sources of supply
3 including, but not limited to, capture of available storm
4 flow, by means of projects constructed after February 20,
5 2003, as determined by the Watermaster.

6 M. Operating Yield: the maximum quantity of water
7 which can be produced annually by the Appropriators from the
8 Beaumont Basin, which quantity consists of Appropriative
9 Water plus Temporary Surplus.

10 N. Overdraft: a condition wherein the total annual
11 production from a Groundwater Basin exceeds the Safe Yield
12 thereof.

13 O. Overlying Parties: the Persons listed on Exhibit
14 "B", who are owners of land which overlies the Beaumont
15 Basin and have exercised Overlying Water Rights to pump
16 therefrom. Overlying Parties include successors in interest
17 and assignees.

18 P. Overlying Water Rights: the quantities decreed to
19 Overlying Parties in Column 4 of Exhibit "B" to this
20 Judgment.

21 Q. Overproduction: by an Appropriator, measured by
22 an amount equal to the Appropriator's actual annual
23 production minus the Appropriator's Production Right. By a
24 new overlying producer, an amount equal to what the
25 overlying producer pumped during the year.

26 R. Party (Parties): any Person(s) named in this
27 action, or who has intervened, or has become subject to this
28 Judgment either through stipulation, trial or otherwise

1 S. Person: any individual, partnership, association,
2 corporation, governmental entity or agency, or other
3 organization.

4 T. Physical Solution: the physical solution set
5 forth in Part V of this Judgment.

6 U. Produce, Producing, Production, Pump or Pumping:
7 the extraction of groundwater.

8 V. Producer or Pumper: any Person who extracts
9 groundwater.

10 W. Recycled Water: has the meaning provided in Water
11 Code Section 13050(n) and includes other nonpotable water
12 for purposes of this Judgment.

13 X. Safe Yield: the maximum quantity of water which
14 can be produced annually from a Groundwater Basin under a
15 given set of conditions without causing a gradual lowering
16 of the groundwater level leading eventually to depletion of
17 the supply in storage. The Safe Yield of the Beaumont Basin
18 is 8650 acre feet per year in each of the ten (10) years
19 following entry of this Judgment.

20 Y. San Timoteo Watershed Management Authority: a
21 joint powers public agency whose members are the Beaumont-
22 Cherry Valley Water District, the City of Beaumont, the
23 South Mesa Mutual Water Company and the Yucaipa Valley Water
24 District.

25 Z. Stored Water: Supplemental Water stored in the
26 Beaumont Basin pursuant to a Groundwater Storage Agreement
27 with the Watermaster.

28 AA. Supplemental Water: water imported into the

1 Beaumont Basin from outside the Beaumont Basin including,
2 without limitation, water diverted from creeks upstream and
3 tributary to Beaumont Basin and water which is recycled and
4 useable within the Beaumont Basin.

5 BB. Temporary Surplus: the amount of groundwater that
6 can be pumped annually in excess of Safe Yield from a
7 Groundwater Basin necessary to create enough additional
8 storage capacity to prevent the waste of water.

9 CC. Watermaster: the Person appointed by the Court to
10 administer and enforce the Physical Solution.

11 4. List of Exhibits

12 The following exhibits are attached to this Judgment and
13 made a part hereof:

- 14 Exhibit "A" -- "Location Map of Beaumont Basin"
15 Exhibit "B" -- "Overlying Owners and Their Water
Rights"
16 Exhibit "C" -- "Appropriators and Their Water Rights"
17 Exhibit "D" -- "Legal Description of Lands of the
Overlying Parties"
18 Exhibit "E" -- "Location of Overlying Producer Parcels
and Boundary of the Beaumont Basin"

19 II. INJUNCTIONS

20 1. Injunction Against Unauthorized Production of
21 Beaumont Basin Water

22 Each party herein is enjoined, as follows:

23 A. Overlying Parties: Each defendant who is an
24 Overlying Party, and its officers, agents, employees,
25 successors and assigns, is hereby enjoined and restrained
26 from producing groundwater from the Beaumont Basin in any
27 five-year period hereafter in excess of five times the share
28 of the Safe Yield assigned to the Overlying Parties as set

1 forth in Column 4 of Exhibit "B", as more fully described in
2 the Physical Solution.

3 B. Appropriator Parties: Each defendant who is an
4 Appropriator Party, and its officers, agents, employees,
5 successors and assigns, is hereby enjoined and restrained
6 from producing groundwater from the Beaumont Basin in any
7 year hereafter in excess of such party's Appropriator's
8 Production Right, except as additional annual Production may
9 be authorized by the provisions of the Physical Solution.

10 2. Injunction Against Unauthorized Storage or Withdrawal of
11 Stored Water

12 Each and every Party, and its officers, agents, employees,
13 successors and assigns, is hereby enjoined and restrained from
14 storing Supplemental Water in the Beaumont Basin for withdrawal,
15 or causing withdrawal of water stored by that Party, except
16 pursuant to the terms of a written Groundwater Storage Agreement
17 with the Watermaster and in accordance with Watermaster Rules and
18 Regulations. Any Supplemental Water stored in the Beaumont
19 Basin, except pursuant to a Groundwater Storage Agreement, shall
20 be deemed abandoned and not classified as Stored Water.

21 III. DECLARATION AND ADJUSTMENT OF RIGHTS

22 1. Overlying Rights

23 The Overlying Parties are currently exercising Overlying
24 Water Rights in the Beaumont Basin. As shown on Exhibit "B", the
25 aggregate Projected Maximum Production of water from the Beaumont
26 Basin pursuant to Overlying Water Rights is 8610 acre feet and
27 the Overlying Water Rights are individually decreed, in Column 4
28 of Exhibit "B", for each Overlying Party. The Overlying Parties

1 shall continue to have the right to exercise their respective
2 Overlying Water Right as set forth in Column 4 of Exhibit "B"
3 except to the extent their respective properties receive water
4 service from an Appropriator Party, as contemplated by Paragraph
5 III.3 of this Judgment.

6 2. Appropriator's Share of Operating Yield

7 Each Appropriator Party's share of Operating Yield is shown
8 on Exhibit "C". Notwithstanding any other provision of this
9 Judgment, each Appropriator Party may use its Appropriator's
10 Production Right anywhere within its service area.

11 3. Adjustment of Rights

12 A. The Overlying Parties shall have the right to
13 exercise their respective Overlying Water Rights except as
14 provided in this Paragraph 3.

15 B. To the extent any Overlying Party requests, and
16 uses its Exhibit "B", Column 4 water to obtain water service
17 from an Appropriator Party, an equivalent volume of potable
18 groundwater shall be earmarked by the Appropriator Party
19 which will serve the Overlying Party, up to the volume of
20 the Overlying Water Right as reflected in Column 4 of
21 Exhibit "B" attached hereto, for the purpose of serving the
22 Overlying Party. The intent of this provision is to ensure
23 that the Overlying Party is given credit towards satisfying
24 the water availability assessment provisions of Government
25 Code, Section 66473.7 et seq. and Water Code, Section 10910
26 et seq. or other similar provisions of law, equal to the
27 amount of groundwater earmarked hereunder.

28 C. When an Overlying Party receives water service as

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WYsocki
3403 TENTH
RIVERSIDE, CA 92501
(909) 982-2480

1 provided for in subparagraph III.3.B the Overlying Party
2 shall forebear the use of that volume of the Overlying Water
3 Right earmarked by the Appropriator Party. The Appropriator
4 Party providing such service shall have the right to produce
5 the volume of water foregone by the Overlying Party, in
6 addition to other rights otherwise allocated to the
7 Appropriator Party.

8 D. Should the volume of the Overlying Water Right
9 equal or exceed the volume of potable groundwater earmarked
10 as provided in subparagraph 3.B, the Appropriator Party
11 which will serve the Overlying Party shall (i) impose
12 potable water charges and assessments upon the Overlying
13 Party and its successors in interest at the rates charged to
14 the then-existing regular customers of the Appropriator
15 Party, and (ii) not collect from such Overlying Party any
16 development charge that may be related to the importation of
17 water into the Beaumont Basin. The Appropriator Party which
18 will serve the Overlying Party pursuant to Subparagraph
19 III.3.B shall also consider, and negotiate in good faith
20 regarding, the provision of a meaningful credit for any
21 pipelines, pump stations, wells or other facilities that may
22 exist on the property to be served.

23 E. In the event an Overlying Party receives Recycled
24 Water from an Appropriator Party to serve an overlying use
25 served with groundwater, the Overlying Water Right of the
26 Overlying Party shall not be diminished by the receipt and
27 use of such Recycled Water. Recycled Water provided by an
28 Appropriator Party to an Overlying Party shall satisfy the

1 criteria set forth in the California Water Code including,
2 without limitation, the criteria set forth in Water Code
3 Sections 13550 and 13551. The Appropriator Party which will
4 serve the Recycled Water shall have the right to use that
5 portion of the Overlying Water Right of the Overlying Party
6 offset by the provision of Recycled Water service pursuant
7 to the terms of this subparagraph; provided, however, that
8 such right of use by the Appropriator Party shall no longer
9 be valid if the Recycled Water, provided by the Appropriator
10 Party to the Overlying Party, does not satisfy the
11 requirements of Sections 13550 and 13551 and the Overlying
12 Party ceases taking delivery of such Recycled Water.

13 F. Nothing in this Judgment is intended to impair or
14 adversely affect the ability of an Overlying Party to enter
15 into annexation or development agreements with any
16 Appropriator Party.

17 G. Oak Valley Partners LP ("Oak Valley") is developing
18 its property pursuant to Specific Plans 216 and 216A adopted
19 by the County of Riverside ("County") in May 1990, and
20 Specific Plan 318 adopted by the County in August, 2001,
21 (Specific Plans 216, 216A and 318 are collectively referred
22 to as the "Specific Plans"). The future water supply needs
23 at build-out of the Specific Plans will greatly exceed Oak
24 Valley's Projected Maximum Production, as reflected in
25 Exhibit "B" to the Judgment, and may be as much as 12,811
26 acre feet per year. Oak Valley has annexed the portion of
27 its property now within the City of Beaumont into the
28 Beaumont-Cherry Valley Water District ("BCVWD"), and is in

1 the process of annexing the remainder portion of its property
2 into the Yucaipa Valley Water District ("YVWD"), in order to
3 obtain retail water service for the development of the Oak
4 Valley property pursuant to the Specific Plans (for purposes
5 of this subparagraph BCVWD and YVWD are collectively referred
6 to as the "Water Districts", and individually as a "Water
7 District"). YVWD covenants to use its best efforts to
8 finalize the annexation of the Oak Valley property within the
9 Calimesa City limits. Oak Valley, for itself and its
10 successors and assigns, hereby agrees, by this stipulation
11 and upon final annexation of its property by YVWD, to forbear
12 from claiming any future, unexercised, overlying rights in
13 excess of the Projected Maximum Production of Exhibit "B" of
14 1806 acre feet per year. As consideration for the
15 forbearance, the Water Districts agree to amend their
16 respective Urban Water Management Plans ("UWMP") in 2005 as
17 follows: BCVWD agrees that 2,400 acre feet per year of
18 projected water demand shall be included for the portion of
19 Oak Valley to be served by BCVWD in its UWMP, and YVWD agrees
20 to include 8,000 acre feet per year of projected water demand
21 as a projected demand for the portion of Oak Valley to be
22 served by YVWD in its UWMP by 2025. The Water Districts
23 agree to use their best judgment to accurately revise this
24 estimate to reflect the projected water demands for the UWMP
25 prepared in 2010. Furthermore, the Water Districts further
26 agree that, in providing water availability assessments prior
27 to 2010, as required by Water Code §10910 and water supply
28 verifications as required by Government Code §§66455.3 and

66473.7, or any similar statute, and in maintaining their respective UWMP, each shall consider the foregoing respective projected water demand figures for Oak Valley as proposed water demands. The intent of the foregoing requirements is to ensure that Oak Valley is credited for the forbearance of its overlying water rights and is fully accounted for in each Water District's UWMP and overall water planning. The Water Districts' actions in performance of the foregoing planning obligations shall not create any right or entitlement to, or priority or allocation in, any particular water supply source, capacity or facility, or any right to receive water service other than by satisfying the applicable Water District's reasonable requirements relating to application for service. Nothing in this subparagraph G is intended to affect or impair the provision of earmarked water to Overlying Parties who request and obtain water service from Appropriator Parties, as set forth in subparagraph III.3.B, above.

H. Persons who would otherwise qualify as Overlying Producers based on an interest in land lying within the City of Banning's service area shall not have the rights described in this Paragraph III.3.

4. Exemption for Minimal Producers

Unless otherwise ordered by the Court, Minimal Producers are exempt from the provisions of this Judgment.

IV. CONTINUING JURISDICTION

Full jurisdiction, power and authority is retained and reserved to the Court for purposes of enabling the Court, upon

1 application of any Party, by a motion noticed for at least a 30-
2 day period (or consistent with the review procedures of Paragraph
3 VII.6 herein, if applicable), to make such further or
4 supplemental order or directions as may be necessary or
5 appropriate for interim operation of the Beaumont Basin before
6 the Physical Solution is fully operative, or for interpretation,
7 or enforcement or carrying out of this Judgment, and to modify,
8 amend or amplify any of the provisions of this Judgment or to add
9 to the provisions hereof consistent with the rights herein
10 decreed; except that the Court's jurisdiction does not extend to
11 the redetermination of (a) Safe Yield during the first ten years
12 of operation of the Physical Solution, and (b) the fraction of
13 the share of Appropriative Water of each Appropriator.

14 V. THE PHYSICAL SOLUTION

15 1. Purpose and Objective

16 In accordance with the mandate of Section 2 of Article X of
17 the California Constitution, the Court hereby adopts, and orders
18 the parties to comply with, a Physical Solution. The purpose of
19 the Physical Solution is to establish a legal and practical means
20 for making the maximum reasonable beneficial use of the waters of
21 Beaumont Basin, to facilitate conjunctive utilization of surface,
22 ground and Supplemental Waters, and to satisfy the requirements
23 of water users having rights in, or who are dependent upon, the
24 Beaumont Basin. Such Physical Solution requires the definition
25 of the individual rights of all Parties within the Beaumont Basin
26 in a manner which will fairly allocate the native water supplies
27 and which will provide for equitable sharing of costs of
28 Supplemental Water.

1 2. Need for Flexibility

2 The Physical Solution must provide maximum flexibility and
3 adaptability in order that the Watermaster and the Court may be
4 free to use existing and future technological, social,
5 institutional and economic options. To that end, the Court's
6 retained jurisdiction shall be utilized, where appropriate, to
7 supplement the discretion granted herein to the Watermaster.

8 3. Production and Storage in Accordance With Judgment

9 This Judgment, and the Physical Solution decreed herein,
10 address all Production and Storage within the Beaumont Basin.
11 Because the Beaumont Basin is at or near a condition of
12 Overdraft, any Production outside the framework of this Judgment
13 and Physical Solution will potentially damage the Beaumont Basin,
14 injure the rights of all Parties, result in the waste of water
15 and interfere with the Physical Solution. The Watermaster shall
16 bring an action or a motion to enjoin any Production that is not
17 in accordance with the terms of this Judgment.

18 4. General Pattern of Operation

19 One fundamental premise of the adjudication is that all
20 Producers shall be allowed to pump sufficient water from the
21 Beaumont Basin to meet their respective requirements. Another
22 fundamental premise of the adjudication is that Overlying Parties
23 who pump no more than the amount of their Overlying Water Right
24 as shown on Column 4 of Exhibit "B" hereto, shall not be charged
25 for the replenishment of the Beaumont Basin. To the extent that
26 pumping exceeds five (5) times the share of the Safe Yield
27 assigned to an Overlying Party (Column 4 of Exhibit "B") in any
28 five (5) consecutive years, or the share of Operating Yield

1 Right of each Appropriator Party, each such Party shall provide
2 funds to enable the Watermaster to replace such Overproduction.

3 5. Use of Available Groundwater Storage Capacity

4 A. There exists in the Beaumont Basin a substantial
5 amount of available Groundwater Storage Capacity. Such
6 Capacity can be reasonably used for Stored Water and
7 Conjunctive Use and may be used subject to Watermaster
8 regulation to prevent injury to existing Overlying and
9 Appropriative water rights, to prevent the waste of water,
10 and to protect the right to the use of Supplemental Water in
11 storage and Safe Yield of the Beaumont Basin.

12 B. There shall be reserved for Conjunctive Use a
13 minimum of 200,000 acre feet of Groundwater Storage Capacity
14 in the Beaumont Basin provided that such amount may be
15 reduced as necessary to prevent injury to existing water
16 rights or existing uses of water within the Basin, and to
17 prevent the waste of water. Any Person may make reasonable
18 beneficial use of the Groundwater Storage Capacity for
19 storage of Supplemental Water; provided, however, that no
20 such use shall be made except pursuant to a written
21 Groundwater Storage Agreement with the Watermaster. The
22 allocation and use of Groundwater Storage Capacity shall
23 have priority and preference for Producers within the
24 Beaumont Basin over storage for export. The Watermaster
25 may, from time-to-time, redetermine the available
26 Groundwater Storage Capacity.

27 ///

28 ///

VI. ADMINISTRATION

1. Administration and Enforcement by Watermaster

The Watermaster shall administer and enforce the provisions of this Judgment and any subsequent order or instructions of the Court.

2. Watermaster Control

The Watermaster is hereby granted discretionary powers to develop and implement a groundwater management plan and program for the Beaumont Basin, which plan shall be filed with and shall be subject to review and approval by, the Court, and which may include water quantity and quality considerations and shall reflect the provisions of this Judgment. Except for the exercise by Overlying Parties of their respective Rights described in Column 4 of Exhibit "B" hereto in accordance with the provisions of the Physical Solution, groundwater extractions and the replenishment thereof, and the storage of Supplemental Water, shall be subject to procedures established and administered by the Watermaster. Such procedures shall be subject to review by the Court upon motion by any Party.

3. Watermaster Standard of Performance

The Watermaster shall, in carrying out its duties and responsibilities herein, act in an impartial manner without favor or prejudice to any Party or purpose of use.

4. Watermaster Appointment

The Watermaster shall consist of a committee composed of persons nominated by the City of Banning, the City of Beaumont, the Beaumont-Cherry Valley Water District, the South Mesa Mutual Water Company and the Yucaipa Valley Water District, each of

1 which shall have the right to nominate one representative to the
2 Watermaster committee who shall be an employee of or consultant
3 to the nominating agency. Each such nomination shall be made in
4 writing, served upon the other parties to this Judgment and filed
5 with the Court, which shall approve or reject such nomination.
6 Each Watermaster representative shall serve until a replacement
7 nominee is approved by the Court. The nominating agency shall
8 have the right to nominate that representative's successor.

9 5. Powers and Duties of the Watermaster

10 Subject to the continuing supervision and control of the
11 Court, the Watermaster shall have and may exercise the following
12 express powers, and shall perform the following duties, together
13 with any specific powers, authority, and duties granted or
14 imposed elsewhere in this Judgment or hereafter ordered or
15 authorized by the Court in the exercise of its continuing
16 jurisdiction:

17 A. Rules and Regulations: The adoption of
18 appropriate rules and regulations for the conduct of
19 Watermaster affairs, copies of which shall be provided to
20 all interested parties.

21 B. Wellhead Protection and Recharge: The
22 identification and management of wellhead protection areas
23 and recharge areas.

24 C. Well Abandonment: The administration of a well
25 abandonment and well destruction program.

26 D. Well Construction: The development of minimum
27 well construction specifications and the permitting of new
28 wells.

1 E. Mitigation of Overdraft: The mitigation of
2 conditions of uncontrolled overdraft.

3 F. Replenishment: The acquisition and recharge of
4 Supplemental Water.

5 G. Monitoring: The monitoring of groundwater levels,
6 ground levels, storage, and water quality.

7 H. Conjunctive Use: The development and management
8 of conjunctive-use programs.

9 I. Local Projects: The coordination of construction
10 and operation, by local agencies, of recharge, storage,
11 conservation, water recycling, extraction projects and any
12 water resource management activity within or impacting the
13 Beaumont Basin.

14 J. Land Use Plans: The review of land use plans and
15 coordination with land use planning agencies to mitigate or
16 eliminate activities that create a reasonable risk of
17 groundwater contamination.

18 K. Acquisition of Facilities: The purchase, lease
19 and acquisition of all necessary real and personal property,
20 including facilities and equipment.

21 L. Employment of Experts and Agents: The employment
22 or retention of such technical, clerical, administrative,
23 engineering, accounting, legal or other specialized
24 personnel and consultants as may be deemed appropriate. The
25 Watermaster shall maintain records allocating the cost of
26 such services as well as all other expenses of Watermaster
27 administration.

28 M. Measuring Devices: Except as otherwise provided

1 by agreement the Watermaster shall install and maintain in
2 good operating condition, at the cost of the Watermaster,
3 such necessary measuring devices or meters as Watermaster
4 may deem appropriate. Such devices shall be inspected and
5 tested as deemed necessary by the Watermaster and the cost
6 thereof borne by the Watermaster. Meter repair and
7 retesting will be a Producer expense.

8 N. Assessments: The Watermaster is empowered to levy
9 and collect the following assessments:

10 (1) Annual Replenishment Assessments

11 The Watermaster shall levy and collect
12 assessments in each year, in amounts sufficient to
13 purchase replenishment water to replace Overproduction
14 by any Party.

15 (2) Annual Administrative Assessments

16 a. Watermaster Expenses: The expenses of
17 administration of the Physical Solution shall be
18 categorized as either "General Watermaster
19 Administration Expenses", or "Special Project
20 Expenses".

21 i. General Watermaster Administration
22 Expenses: shall include office rent, labor,
23 supplies, office equipment, incidental expenses
24 and general overhead. General Watermaster
25 Administration Expenses shall be assessed by the
26 Watermaster equally against the Appropriators who
27 have appointed representatives to the Watermaster.
28

1 ii. Special Project Expenses: shall
2 include special engineering, economic or other
3 studies, litigation expenses, meter testing or
4 other major operating expenses. Each such project
5 shall be assigned a task order number and shall be
6 separately budgeted and accounted for. Special
7 Project Expenses shall be allocated to the
8 Appropriators, or portion thereof, on the basis of
9 benefit.

10 O. Investment of Funds; Borrowing: The Watermaster
11 may hold and invest Watermaster funds as authorized by law,
12 and may borrow, from time-to-time, amounts not exceeding
13 annual receipts.

14 P. Contracts: The Watermaster may enter into
15 contracts for the performance of any of its powers.

16 Q. Cooperation With Other Agencies: The Watermaster
17 may act jointly or cooperate with other local, state and
18 federal agencies.

19 R. Studies: The Watermaster may undertake relevant
20 studies of hydrologic conditions and operating aspects of
21 the management program for the Beaumont Basin.

22 S. Groundwater Storage Agreements: The Watermaster
23 shall adopt uniform rules and a standard form of agreement
24 for the storage of Supplemental Water, provided that the
25 activities undertaken pursuant to such agreements do not
26 injure any Party.

27 T. Administration of Groundwater Storage Capacity:
28 Except for the exercise by the Overlying Parties of their

respective Overlying Water Rights described in Part III, above, in accordance with the provisions of the Physical Solution, all Groundwater Storage Capacity in the Beaumont Basin shall be subject to the Watermaster's rules and regulations, which regulations shall ensure that sufficient storage capacity shall be reserved for local projects. Any Person or entity may apply to the Watermaster to store water in the Beaumont Basin.

1 prior to adoption. The budget shall be prepared in
2 sufficient detail so as to make a proper allocation of the
3 expenses and receipts. Expenditures within budgeted items
4 may thereafter be made by the Watermaster as a matter of
5 course.

6 Y. Redetermining the Safe Yield: The Safe Yield of
7 the Beaumont Basin shall be redetermined at least every 10
8 years beginning 10 years after the date of entry of this
9 Judgment.

10 6. Reports and Accounting

11 (a) Production Reports: Each Pumper shall
12 periodically file, pursuant to Watermaster rules and
13 regulations, a report showing the total production of such
14 Pumper from each well during the preceding report period,
15 and such additional information as the Watermaster may
16 reasonably require.

17 (b) Watermaster Report and Accounting: The
18 Watermaster shall prepare an annual report of the preceding
19 year's operations, which shall include an audit of all
20 assessments and Watermaster expenditures.

21 7. Replenishment

22 Supplemental Water may be obtained by the Watermaster from
23 any source. The Watermaster shall seek the best available
24 quality of Supplemental Water at the most reasonable cost for
25 recharge in the Basin. Sources may include, but are not limited
26 to:

27 (a) Recycled Water;

28 (b) State Water Project Water;

(c) Other imported water.

Replenishment may be accomplished by any reasonable method including:

(a) Spreading and percolation, or injection of water in existing or new facilities; and/or

(b) In-lieu deliveries for direct surface use, in lieu of groundwater extraction.

VII. MISCELLANEOUS PROVISIONS

1. Designation of Address for Notice and Service

Each Party shall designate, in writing to the plaintiff, the name and address to be used for purposes of all subsequent notices and service herein, such designation to be delivered to the plaintiff within 30 days after the Judgment has been entered. The plaintiff shall, within 45 days after judgment has been entered, file the list of designees with the Court and serve the same on the Watermaster and all Parties. Such designation may be changed from time-to-time by filing a written notice of such change with the Watermaster. Any Party desiring to be relieved of receiving notices of Watermaster activity may file a waiver of notice on a form to be provided by the Watermaster. The Watermaster shall maintain, at all times, a current list of Parties to whom notices are to be sent and their addresses for purposes of service. The Watermaster shall also maintain a full current list of names and addresses of all Parties or their successors, as filed herein. Copies of such lists shall be available to any Person. If no designation is made, a Party's designee shall be deemed to be, in order of priority: (i) the Party's attorney of record; or (ii) if the Party does not have an

1 attorney of record, the Party itself at the address on the
2 Watermaster list.

3 2. Intervention After Judgment

4 Any Person who is neither a Party to this Judgment nor a
5 successor or assignee of a Party to this Judgment may seek to
6 become a party to this Judgment by filing a petition in
7 intervention.

8 3. Interference with Pumping

9 Nothing in this judgment shall be deemed to prevent any
10 party from seeking judicial relief against any other party whose
11 pumping activities constitute an unreasonable interference with
12 the complaining party's ability to extract groundwater.

13 4. Successors and Assigns

14 This Judgment and all provisions herein shall be binding on
15 and shall inure to the benefit of the heirs, executors,
16 administrators, successors and assigns of the parties hereto.

17 5. Severability

18 The provisions of this Judgment are severable. If any
19 provision of this Judgment is held by the Court to be illegal,
20 invalid or unenforceable, that provision shall be excised from
21 the Judgment. The remainder of the terms of the Judgment shall
22 remain in full force and effect and shall in no way be affected,
23 impaired or invalidated by such excision. This Judgment shall be
24 reformed to add, in lieu of the excised provision, a provision as
25 similar in terms to the excised provision as may be possible and
26 be legal, valid and enforceable.

27 6. Review Procedures

28 Any action, decision, rule or procedure of the Watermaster

AKLUF 1 WYSOCKI
3403 TENTH ST. SUITE 810
RIVERSIDE, CALIFORNIA 92501
(909) 482-3480

1 pursuant to this Judgment shall be subject to review by the Court
2 on its own motion or on timely motion by any Party, as follows:

3 A. Effective Date of Watermaster Action: Any order,
4 decision or action of the Watermaster pursuant to this
5 Judgment on noticed specific agenda items shall be deemed to
6 have occurred on the date of the order, decision or action.

7 B. Notice of Motion: Any Party may, by a regularly-
8 noticed motion, petition the Court for review of the
9 Watermaster's action or decision pursuant to this Judgment.
10 The motion shall be deemed to be filed when a copy,
11 conformed as filed with the Court, has been delivered to the
12 Watermaster, together with the service fee established by
13 the Watermaster sufficient to cover the cost to photocopy
14 and mail the motion to each Party. The Watermaster shall
15 prepare copies and mail a copy of the motion to each Party
16 or its designee according to the official service list which
17 shall be maintained by the Watermaster according to Part
18 VII, paragraph 1, above. A Party's obligation to serve the
19 notice of a motion upon the Parties is deemed to be
20 satisfied by filing the motion as provided herein. Unless
21 ordered by the Court, any petition shall not operate to stay
22 the effect of any Watermaster action or decision which is
23 challenged.

24 C. Time for Motion: A motion to review any
25 Watermaster action or decision shall be filed within 90 days
26 after such Watermaster action or decision, except that
27 motions to review Watermaster assessments hereunder shall be
28 filed within 30 days of mailing of notice of the assessment.

1 D. De Novo Nature of Proceeding: Upon filing of a
2 petition to review a Watermaster action, the Watermaster
3 shall notify the Parties of a date when the Court will take
4 evidence and hear argument. The Court's review shall be de
5 novo and the Watermaster decision or action shall have no
6 evidentiary weight in such proceeding.

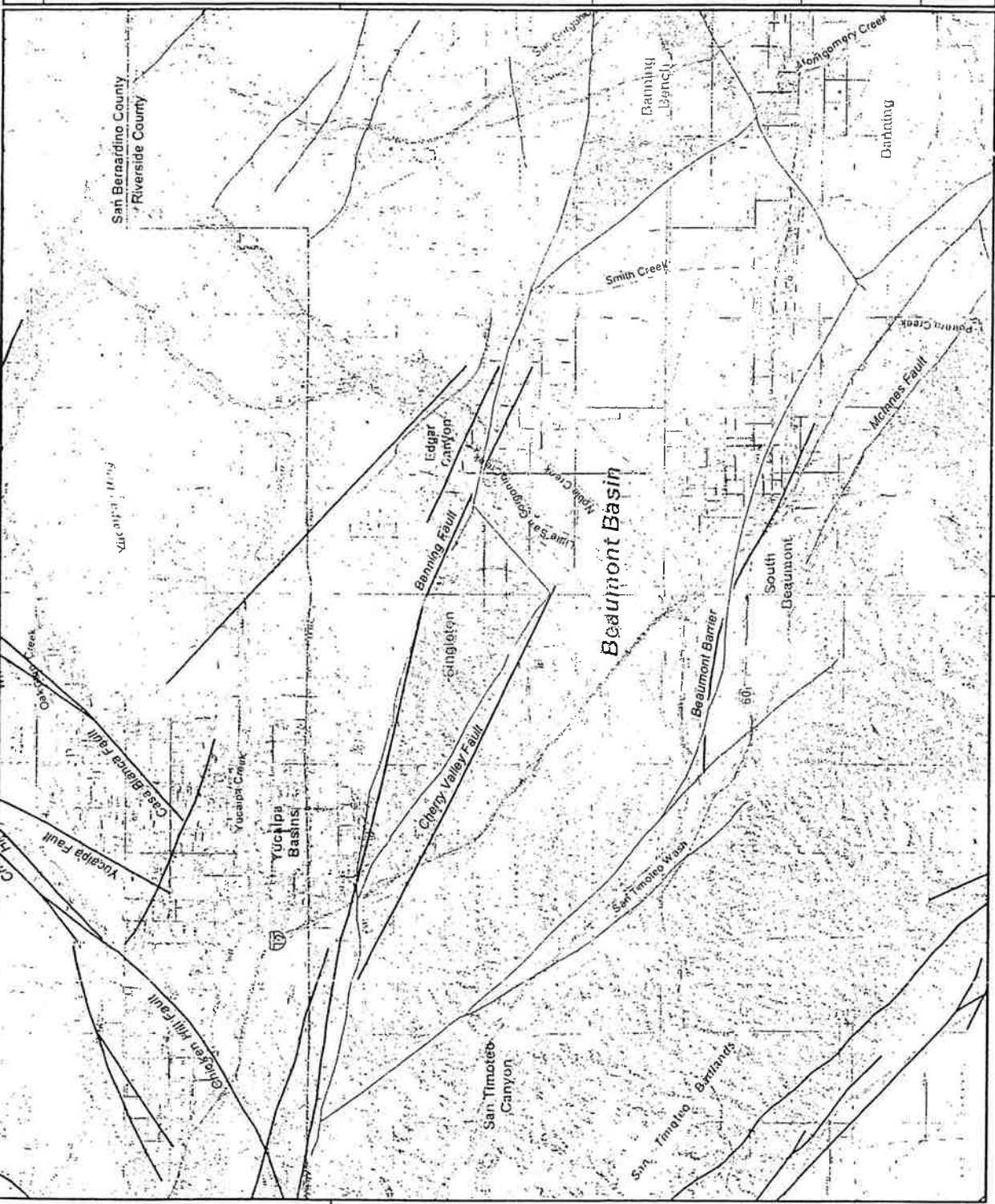
7 E. Decision: The decision of the Court in such
8 proceedings shall be an appealable Supplemental Order in
9 this case. When the same is final, it shall be binding upon
10 the Watermaster and the Parties.
11

12
13 Dated: FEB 4 2004

14 GARY TRAMBARGER

15 JUDGE OF THE SUPERIOR COURT
16
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Exhibits



San Timoteo Watershed Management Authority	
<ul style="list-style-type: none"> Beaumont Basin Boundary (based on faults of Bloyd (1970)) Fault by Burnham and Dutcher (1960) Fault by Bloyd (1971) 	<p>Generalized Geology</p> <ul style="list-style-type: none"> Unconsolidated Sediments Consolidated Bedrock Semi-Consolidated Sediments <p>Streams</p>
<p>Scale: 0 to 2 Miles</p> <p>North Arrow</p> <p>Inset Map of California showing the location of the study area.</p>	
<p>Exhibit A</p> <p>Boundary Map and Features of the Beaumont Basin Area</p>	
<p>Map prepared by: WE Wildermuth Environmental</p>	<p>File: Exhibit_A.mxd Author: AEM Date: 9/2/2002</p>

Exhibit B
Overlying Producers and Their Rights

(1) Producer	(2) Average Production during 1997- 2001 (acre-ft/yr)	(3) Exercised Rights ¹ (acre-ft/yr)	(4) Projected Maximum Production (acre-ft/yr)
Beckman, Walt	0	0	75
Roman Catholic Bishop of San Bernardino	104	114	154
Rancho Calimesa Mobile Home Park	60	150	150
Merlin Properties, LLC.	540	550	550
Sunny-Cal Egg and Poultry Company ²	1,340	1,340	1,784
California Oak Valley Golf and Resort LLC	692	950	950
Leonard Stearn	0	0	200
Oak Valley Partners	510	553	1,806
So. California Professional Golf Association	680	1,688	2,200
Sharondale Mesa Owners Association	184	200	200
Plantation on the Lake	271	300	581
Totals	4,381	5,845	8,650

Note 1 - Maximum Reported Production during 1997-2001

Note 2 - The Exercised Right and Project Maximum Production are an aggregate right for defendants Sunny-Cal Egg and Poultry, and Manheim, Manheim and Berman

Exhibit C
Appropriators and Their Rights and Shares of Safe Yield and Operating Yield

(1) Producer	(2) Average Production during 1997-2001 (acre-ft/yr)	(3) Share of Safe Yield Allocated to Appropriators	(4) Initial Estimate of Appropriate Rights ¹ (acre-ft/yr)	(5) Controlled Overdraft and Supplemental Water Recharge Allocation ² (acre-ft/yr)	(6) Operating Yield (acre-ft/yr)
Banning, City of	2,170	31.43%	882	5,029	5,910
City of Beaumont	0	0.00%	0	0	0
Beaumont Cherry Valley Water District	2,936	42.51%	1,193	6,802	7,995
South Mesa Water Company	862	12.48%	350	1,996	2,346
Yucaipa Valley Water District	938	13.58%	381	2,173	2,554
Totals	6,906	100.00%	2,805	16,000	18,805

Note 1 - Based on a 8,650 acre-ft/yr safe yield

Note 2 - Controlled overdraft will not exceed 160,000 acre-ft during for first ten years of operation under the physical solution

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
Beckman, Walt	405250004	19.04
Total Area	405250005	19.00
		<u>38.04</u>
California Oak Valley Golf and Resort	406070041	209.71
Total Area		<u>209.71</u>
Manheim, Manheim & Berman ²	407200009	20.35
	407200011	20.00
	407200012	20.04
	407210001	45.41
	407210002	12.04
Total Area	407210004	4.16
		<u>122.00</u>
Roman Catholic Bishop of San Bernardino	413280016	16.78
	413280030	2.06
Total Area	413280036	12.42
		<u>31.26</u>
Oak Valley Partners	406060010	115.82
	406060015	4.00
	406060017	19.03
	406230020	4.26
	411210003	2.40
	411210005	105.41
	411210010	15.14
	411210016	9.77
	411210017	8.94
	413030011	315.30
	413040001	493.40
	413040002	137.00
	413040003	74.48

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413040004	6.50
	413040005	80.02
	413040006	75.54
	413040007	76.22
	413040008	144.48
	413040009	10.00
	413040010	78.22
	413060003	1.70
	413160003	80.00
	413160004	106.92
	413160005	53.08
	413160006	64.47
	413160007	15.53
	413170020	40.26
	413170021	27.62
	413170023	12.38
	413170027	14.19
	413170028	4.11
	413170029	2.35
	413170030	20.28
	413170031	66.63
	413170033	2.79
	413170035	11.74
	413180017	556.91
	413180019	9.77
	413190001	111.31
	413190003	5.64
	413190005	10.35
	413190008	12.40
	413190011	138.92
	413200002	0.23
	413200003	0.15
	413200010	5.94
	413200014	10.61
	413200015	11.36
	413200020	5.00
	413200023	14.47

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413200024	5.00
	413200026	32.86
	413200027	42.90
	413200028	116.62
	413200029	6.39
	413200030	19.01
	413200034	2.18
	413200035	10.99
	413200036	10.42
	413200037	4.95
	413270021	0.31
	413280034	2.37
	413280039	13.61
	413280040	1.91
	413280041	2.24
	413280042	6.86
	413290003	510.57
	413290004	16.08
	413290006	8.40
	413290007	103.68
	413450019	74.85
	413450020	169.96
	413450021	146.99
	413450024	48.25
	413450025	50.83
	413450026	122.59
	413450029	108.92
	413460036	199.12
	413460037	23.51
	413460038	19.58
	413460039	45.23
	413460039	45.23
	414090005	1.59
	414090007	1.38
	414090013	31.60
	414090017	20.00
	414090018	4.50
	414100002	42.13
	414100003	65.00
Total Area		<u>5,331.65</u>

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
Plantation on the Lake	407230031	12.36
	407230010	1.25
	406050018	156.85
	406050002	5.12
	406050003	1.81
Total Area		<u>177.39</u>
Rancho Calimesa Mobile Home Park	413270001	29.66
Total Area		<u>29.66</u>
Merlin Properties, LLC.	407230014	48.52
Total Area		<u>48.52</u>
Sharondale Mesa Owners Association	413330014	1.55
	413330015	2.14
	413331022	0.48
	413331035	0.22
	413340021	0.04
	413340022	0.04
	413340023	1.53
	413340024	2.52
	413341033	0.29
	413341034	0.81
	413341036	0.35
	413342004	0.35
	413350011	1.04
	413350012	1.44
	413351018	17.08
	413351019	0.16
	413360032	1.92
	413360033	2.30
	413360035	0.90
	413361001	0.14
	413361008	0.12
	413361010	0.18
	413370027	0.39
	413370028	5.34
	413370030	0.69

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	413371018	2.07
	413372019	1.39
Total Area		<u>45.48</u>
So. California Professional Golf Association	406060011	146.59
	406060013	2.83
	406060014	4.58
	406060016	10.35
	413450016	99.66
	413450022	95.15
	413450023	2.89
Total Area	413450027	91.53
		<u>453.58</u>
Stearns, Leonard	413221001	0.25
	413221002	0.34
	413260018	49.33
	413260025	0.37
	413270007	10.58
	413280010	1.27
	413280018	9.37
	413280021	4.26
	413280027	3.80
	413280037	14.32
Total Area		<u>93.89</u>
Sunny-Cal Egg and Poultry Company²	406080013	0.07
	407180004	9.35
	407190013	2.01
	407190014	0.50
	407190015	1.35
	407190016	4.95
	407190017	31.32
	407190018	0.93
	407230022	20.03
	407230023	20.03
	407230024	20.03
	407230025	21.99
	407230026	25.94

Exhibit D
Overlying Producers and the Parcels Upon Which Their Overlying Rights
are Exercised¹

(1) Overlying Producer	(3) Assessors Parcel Number(s)	(4) Area (Acres)
	407230027	21.63
	407230028	21.56
Total Area		201.69
Total Area for All Overlying Producers ²		6,782.87

Note 1 -- Parcels as of June 1, 2003

Note 2 -- Parcels owned by Sunny-Cal Egg & Poultry Company include the overlying water rights of Manheim, Manheim and Berman and is aggregated as shown in Column 4 of Exhibit B as attributable to Sunny-Cal Egg & Poultry Company

Note 3 -- The Watermaster shall recognize adjustments in parcel boundaries that result in de minimus changes in water use

LOCATION OF OVERLYING PRODUCER PARCELS AND BOUNDARY OF BEAUMONT BASIN

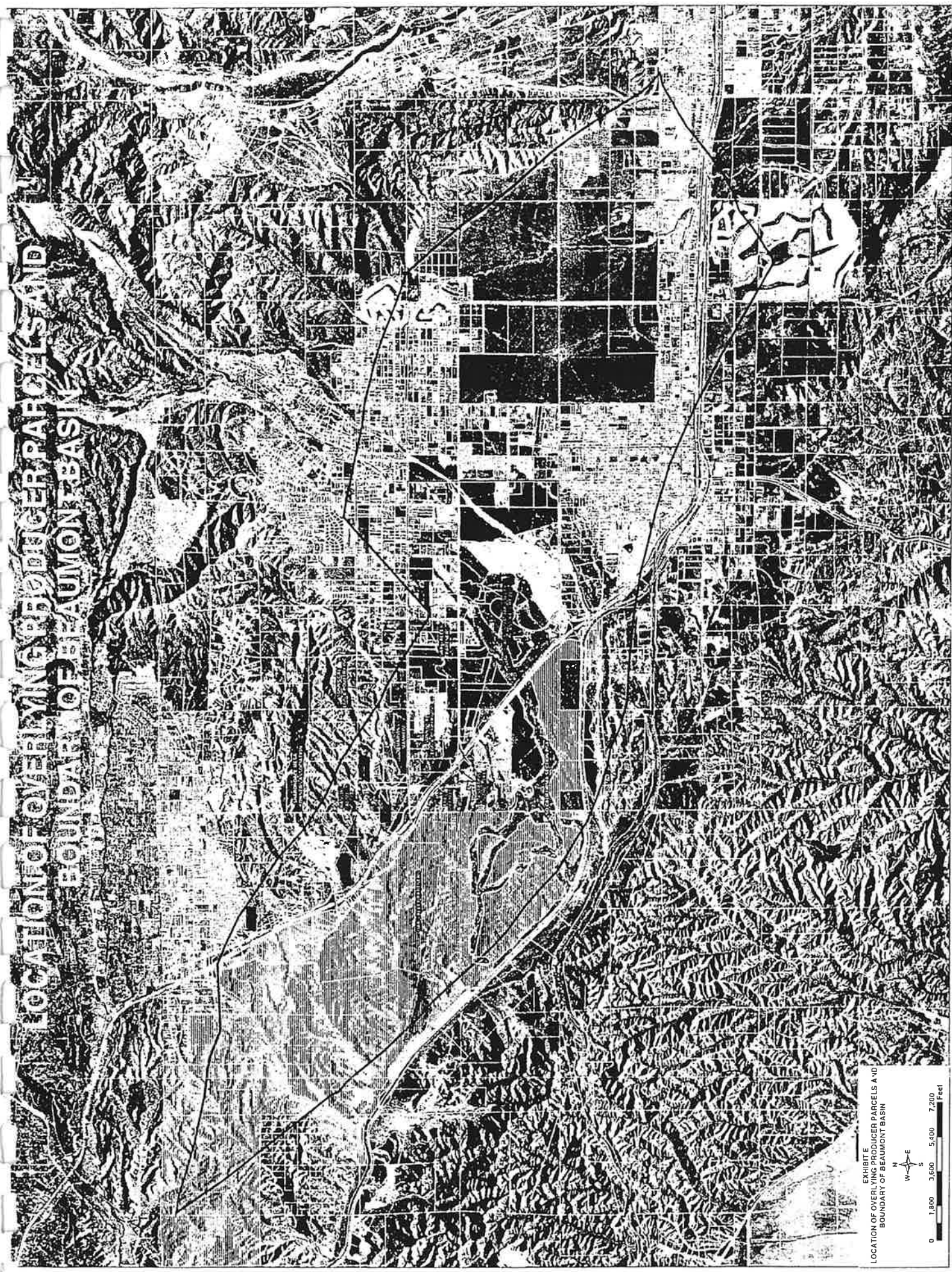


EXHIBIT E
LOCATION OF OVERLYING PRODUCER PARCELS AND
BOUNDARY OF BEAUMONT BASIN



0 1,800 3,600 5,000 7,200 Feet

**Nomination of
Representatives**

1 JOSEPH S. AKLUF (Bar No. 68619)
2 AKLUF AND WYSOCKI
3 3403 Tenth Street, Suite 610
4 Riverside, California 92501
5 (909)682-5480 Office
6 (909)682-2619 Fax

NO FILING FEE REQUIRED PER
GOVERNMENT CODE, SEC. 6103

Attorneys for Plaintiff, SAN TIMOTEO
WATERSHED MANAGEMENT AUTHORITY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE, RIVERSIDE COURT

SAN TIMOTEO WATERSHED
MANAGEMENT AUTHORITY, a public
agency,

Plaintiff,

vs.

CITY OF BANNING, a municipal
corporation; BEAUMONT-CHERRY
VALLEY WATER DISTRICT, an irrigation
district; YUCAIPA VALLEY WATER
DISTRICT, a county water district;
PLANTATION ON THE LAKE LLC, a
California limited liability company;
SHARONDALE MESA OWNERS
ASSOCIATION, an unincorporated
association; SOUTH MESA MUTUAL
WATER COMPANY, a mutual water
company; CALIFORNIA OAK VALLEY
GOLF AND RESORT LLC, a California
limited liability company; OAK VALLEY
PARTNERS LP, a Texas limited
partnership; SOUTHERN CALIFORNIA
SECTION OF THE PROFESSIONAL
GOLFERS ASSOCIATION OF AMERICA,
a California corporation; SUNNY-CAL
EGG AND POULTRY COMPANY, a
California corporation; MANHEIM,
MANHEIM & BERMAN, a California
General Partnership; WALTER M.
BECKMAN, individually and as Trustee of
the BECKMAN FAMILY TRUST dated
December 11, 1990; THE ROMAN
CATHOLIC BISHOP of San Bernardino,

CASE NO. RIC 389197

NOMINATION OF REPRESENTATIVES
TO THE BEAUMONT BASIN
WATERMASTER COMMITTEE

1 a California corporation; MERLIN)
2 PROPERTIES, LLC; LEONARD M.)
3 STEARNS and DOROTHY D. STEARNS,)
4 individually and as Trustees of the)
5 LEONARD M. STEARNS FAMILY)
6 TRUST OF 1991; and DOES 1 through 500,)
7 inclusive,)

8 Defendants.)

9 Pursuant to, and in accordance with, the provisions of Part VI, paragraph 4, of the)
10 Judgment entered in the above-captioned proceeding, the following representatives are hereby)
11 nominated to the Watermaster Committee, each of whom is a employee or consultant to the)
12 nominating agency:)

13 Nominating Agency

14 Nominee

15 City of Banning

Paul Toor, Director of Public Works

16 City of Beaumont

Deepak Moorjani, Director of Public Work

17 Beaumont-Cherry Valley Water District

Charles Butcher, General Manager

18 South Mesa Mutual Water Company

George Jorritsma, General Manager

19 Yucaipa Valley Water District

Joseph B. Zoba, General Manager

20 Plaintiff San Timoteo Watershed Management Authority respectfully requests that the)
21 Court approve the foregoing nominations.)

22 Dated: February 11, 2004

Respectfully submitted,

SAN TIMOTEO WATERSHED MANAGEMEN
AUTHORITY

23 By )
24 JOSEPH S. AKLUFT, Attorney for Plaintiff)
25 SAN TIMOTEO WATERSHED)
26 MANAGEMENT AUTHORITY)

27 IT IS SO ORDERED.

28 Dated: _____

JUDGE OF THE SUPERIOR COURT

1 PROOF OF SERVICE

2
3 STATE OF CALIFORNIA, COUNTY OF RIVERSIDE.

4 I am employed in the County of Riverside, State of California. I am over the age of 18
5 and not a party to the within action; my business address is: 3403 Tenth Street, Suite 610,
6 Riverside, California 92501.

7 On February 11, 2004, I served the foregoing document described as: NOMINATION
8 OF REPRESENTATIVES TO THE BEAUMONT BASIN WATERMASTER COMMITTEE on
9 interested parties in this action by placing the original or true copy thereof enclosed in sealed
10 envelopes, except as otherwise indicated below, addressed as follows:

11 Paul Toor, Director of Public Works
12 City of Banning
13 Post Office Box 998
14 Banning, California 92220

15 Chuck Butcher, General Manager
16 Beaumont-Cherry Valley Water District
17 560 Magnolia Avenue
18 Beaumont, California 92223

19 Mr. Joe Zoba, General Manager
20 Yucaipa Valley Water District
21 Post Office Box 730
22 Yucaipa, California 92399

23 George Jorritsma, General Manager
24 South Mesa Mutual Water Company
25 Post Office Box 458
26 Calimesa, California 92320

27 J. Andrew Schlange, General Manager
28 San Timoteo Watershed Management
29 Authority
30 4 Crown Court
31 Rancho Mirage, California 92270

32 Mr. David Dillon
33 Mr. Dee Moorjani
34 Urban Logic Consultants
35 43517 Ridge Park Drive, Suite 200
36 Temecula, California 92590

37 John Wilson, Esquire
38 City of Banning
39 Post Office Box 998
40 Banning, California 92220

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- 1 Joel S. Moskowitz, Esquire
Moskowitz, Brestoff, Winston
2 & Blinderman LLP
1880 Century Park East, Suite 350
3 Los Angeles, California 90067-1603
- 4 Gerry Shoaf, Esquire
Redwine and Sherrill
5 1950 Market Street
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- 6 Mr. Dennis Wagner
7 Plantation on the Lake
10961 Desert Lawn Drive
8 Calimesa, California 92320
- 9 Robert Hawkins, Esquire
110 Newport Center Drive, Suite 200
10 Newport Beach, California 92660
- 11 Sharondale Mesa Owners Association
9525 Sharon Way
12 Calimesa, California 92320
- 13 Mr. Ron Sullivan
California Oak Valley Golf and Resort LLC
14 27710 Jefferson Avenue, #301
Temecula, California 92590
- 15 Mr. Mark Knorrninga
16 Oak Valley Partners LP
Post Office Box 645
17 Calimesa, California 92320
- 18 Paul Singarella, Esquire
Latham & Watkins
19 650 Town Center Drive, 20th Floor
Costa Mesa, California 92626-1925
- 20 Southern California Section of the
21 Professional Golfers Association of America
Attention: Mr. Roger Billings
22 36211 Champions Drive
Calimesa, California 92320
- 23 Best, Best & Krieger
24 Attention: Greg Wilkinson, Esquire
3750 University Avenue, Suite 400
25 Riverside, California 92501
- 26 Manheim, Manheim & Berman and
Sunny Cal Egg and Poultry Company
27 Best, Best & Krieger
Attention: Steve Anderson, Esquire
28 3750 University Avenue, Suite 400
Riverside, California 92501

NOMINATION OF REPRESENTATIVES TO THE
BEALMONT BASIN WATERMASTER COMMITTEE

1 Mr. Walter M. Beckman
2 38201 Cherry Valley Boulevard
3 Cherry Valley, California 92223

4 Mr. Fred Reidman and Mr. Richard Reidman
5 Merlin Properties, LLC
6 6475 East Pacific Coast Highway, No. 399
7 Long Beach, California 90803

8 Mr. Leonard Stearns
9 Post Office Box 141
10 Calimesa, California 92320

11 ☒ (BY MAIL) I deposited such envelope in the mail at Riverside, California. The envelope
12 was mailed with first class postage thereon fully prepaid.

13 ☐ (BY PERSONAL SERVICE) I delivered such envelope(s) by hand to the offices of the
14 addressee.

15 ☐ (BY FACSIMILE) I caused the above-referenced document(s) to be delivered by
16 telecopier to the addressee(s) at their respective facsimile numbers.

17 ☐ (BY OVERNIGHT MAIL) I caused such envelope(s) to be delivered to an overnight
18 delivery service for next day delivery to the addressee(s).

19 Executed on February 11, 2004, at Riverside, California.

20 I declare under penalty of perjury under the laws of the State of California that the above
21 is true and correct.

22 
23 JOSEPH S. AKLUFT

APPENDIX Q

BMP A
Single Family Multi Family Residential Water Surveys

USER DEFINED SCENARIOS

Scenario Name: blank BCVWD2

STEP 1 Annual Costs Variable Values

Staff hours to administer the survey program	200.00
Staff hourly rate, including overhead	35.00
Field labor hours - SF Surveys	1,000.00
Field labor hours - MF Surveys	200.00
Field labor hourly rate, including overhead - SF Surveys	45.00
Field labor hourly rate, including overhead - MF Surveys	45.00
Unit cost of materials - SF Surveys	10.00
Unit cost of materials - MF Surveys	10.00
Number of Surveys - SF	500.00
Number of Surveys - MF	100.00
Program Marketing Cost	500.00
Program Advertising Cost	300.00
Program Evaluation Cost	2,000.00
Cost Share From Others	0.00

STEP 2 Customer Water Savings

Reduction in Avg. Use - SF Surveys (gpd)	25.00
Reduction in Avg. Use - MF Surveys (gpd)	20.00
Savings Decay - SF Surveys (%/Yr)	20.00
Savings Decay - MF Surveys (%/Yr)	20.00

STEP 3 Agency Benefits

Avoidable Supply Acquisition Cost	600.00
Avoided supply capacity expansion costs	696.00
Avoided wastewater capacity expansion costs	0.00
Total annual chemical costs	65,000.00
Annual fixed costs for chemicals	0.00
Annual unrelated chemical costs	0.00
Average annual treated water use	8,053.00
Annual energy costs	747,000.00
Annual fixed costs for energy	11,500.00
Annual unrelated energy costs	16,300.00
Environmental benefit per AF saved	0.00

STEP 4 Other Benefits and Costs

Hot water use as a percent of total survey water savings - SF Surveys	15.00
Hot water use as a percent of total survey water savings - MF Surveys	20.00
Percent of residential hot water heated with gas - SF	92.00
Percent of residential hot water heated with gas - MF	92.00
Marginal cost per therm	1.30
Marginal cost per KWh	0.12
Avoided energy & chemical costs - other utility	125.00
Avoided wastewater capacity expansion - other utility	900.00
Average customer expenditures per survey - SF Surveys	25.00
Average customer expenditures per survey - MF Surveys	25.00

STEP 5 Discounting Information

Agency Discount Rate (%/Yr)	2.50
Social Discount Rate (%/Yr)	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00
Environmental benefits - escalation rate (%/Yr)	0.00
Energy cost - escalation rate (%/Yr)	3.00

STEP 6 Review Results

Net Present Value - Agency Perspective	36,804.06
Benefit-Cost Ratio - Agency Perspective	1.53
Net Present Value - Society Perspective	126,719.14
Benefit-Cost Ratio - Society Perspective	2.49

BMP 01 Residential Surveys - Summary of Costs & Benefits

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total surveys	600	600
2. Total water savings	80.9 AF	80.9 AF
3. Agency program costs	\$69,800	\$69,800
4. Customer program costs	NA	\$15,000
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$69,800</u>	<u>\$84,800</u>
 <u>Program Present Value Benefits</u>		
7. Agency supply & wastewater benefits	\$106,604	\$106,604
8. Environmental benefits	\$0	\$0
9. Customer program benefits	NA	\$26,495
10. Other utility benefits	NA	\$78,420
11. Total benefits	<u>\$106,604</u>	<u>\$211,519</u>
12. Net Present Value (Line 11 - Line 6)	\$36,804	\$126,719
 13. Benefit-Cost Ratio (Line 11 ÷ Line 6)	 1.53	 2.49
 14. Simple Unit Supply Cost (Line 6 ÷ Line 2)	 \$863 /AF	 \$1,048 /AF
 15. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	 \$945 /AF	 \$1,149 /AF

This BMP is cost-effective to implement from the Agency Perspective

This BMP is cost-effective to implement from the Society Perspective

BMP B
Residential Retrofits

USER DEFINED SCENARIOS

Scenario Name:	blank	BCVWD Baseline	BCVWD Reduced Cost
STEP 1 Annual Costs Variable Values			
Staff hours to administer the retrofit program		100	100
Staff hourly rate, including overhead		35	35
Field labor hours (e.g. kit distribution, direct installation) - SF Distribution		-	-
Field labor hours (e.g. kit distribution, direct installation) - MF Distribution		-	-
Field labor hourly rate, including overhead - SF Distribution		45	45
Field labor hourly rate, including overhead - MF Distribution		45	45
Unit cost of materials - SF Kits		40	20
Unit cost of materials - MF Kits		25	20
Number of Kits - SF		250	250
Number of Kits - MF		50	50
Program Marketing Cost		500	500
Program Advertising Cost		100	100
Program Evaluation Cost		2,000	2,000
Cost Share From Others		-	-
STEP 2 Customer Water Savings			
Reduction in Avg. Use - SF Retrofit (gpd)		12	12
Reduction in Avg. Use - MF Retrofit (gpd)		10	10
Savings Decay - SF Retrofit (%/Yr)		40	40
Savings Decay - MF Retrofit (%/Yr)		40	40
Installation Probability - SF Retrofit (%)		55	55
Installation Probability - MF Retrofit (%)		55	55
STEP 3 Agency Benefits			
Avoidable Supply Acquisition Cost		600	600
Avoided supply capacity expansion costs		696	696
Avoided wastewater capacity expansion costs		-	-
Total annual chemical costs		65,000	65,000
Annual fixed costs for chemicals		-	-
Annual unrelated chemical costs		-	-
Average annual treated water use		8,053	8,053
Annual energy costs		747,000	747,000
Annual fixed costs for energy		11,500	11,500
Annual unrelated energy costs		16,300	16,300
Environmental benefit per AF saved		-	-
STEP 4 Other Benefits and Costs			
Hot water use as a percent of total water savings - SF Retrofits		15	15
Hot water use as a percent of total water savings - MF Retrofits		20	20
Percent of residential hot water heated with gas - SF		92	92
Percent of residential hot water heated with gas - MF		92	92
Marginal cost per therm		1	1
Marginal cost per KWh		0	0
Avoided energy & chemical costs - other utility		125	125
Avoided wastewater capacity expansion - other utility		900	900
Average customer expenditures per retrofit - SF		5	5
Average customer expenditures per retrofit - MF		5	5
STEP 5 Discounting Information			
Agency Discount Rate (%/Yr)		2.50	2.50
Social Discount Rate (%/Yr)		2.50	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)		1.00	1.00
Environmental benefits - escalation rate (%/Yr)		-	-
Energy cost - escalation rate (%/Yr)		3.00	3.00
STEP 6 Review Results			
Net Present Value - Agency Perspective		(10,001)	(4,751)
Benefit-Cost Ratio - Agency Perspective		0.42	0.61
Net Present Value - Society Perspective		(3,673)	1,577
Benefit-Cost Ratio - Society Perspective		0.80	1.12

BMP 02 Residential Plumbing Retrofit - Summary of Costs & Benefits

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total devices distributed	300	300
2. Total water savings	5.4 AF	5.4 AF
3. Agency program costs	\$12,100	\$12,100
4. Customer program costs	NA	\$825
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$12,100</u>	<u>\$12,925</u>
 <u>Program Present Value Benefits</u>		
7. Agency supply & wastewater benefits	\$7,349	\$7,349
8. Environmental benefits	\$0	\$0
9. Customer program benefits	NA	\$1,747
10. Other utility benefits	NA	\$5,406
11. Total benefits	<u>\$7,349</u>	<u>\$14,502</u>
12. Net Present Value (Line 11 - Line 6)	(\$4,751)	\$1,577
 13. Benefit-Cost Ratio (Line 11 ÷ Line 6)	 0.61	 1.12
 14. Simple Unit Supply Cost (Line 6 ÷ Line 2)	 \$2,245 /AF	 \$2,398 /AF
 15. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	 \$2,327 /AF	 \$2,486 /AF

This BMP is not cost-effective to implement from the Agency Perspective

This BMP is cost-effective to implement from the Society Perspective

BMP C
System Water Audits, Leak Detection and Repair

USER DEFINED SCENARIO

Scenario Name:	blank	BCVWD Baseline
STEP 1 Leak Repair History		
Year system constructed		1900
Average rate of system expansion		1.00
1995 - Miles of Pipe		100
1996 - Miles of Pipe		100
1997 - Miles of Pipe		100
1998 - Miles of Pipe		100
1999 - Miles of Pipe		100
2000 - Miles of Pipe		100
2001 - Miles of Pipe		120
2002 - Miles of Pipe		140
2003 - Miles of Pipe		160
2004 - Miles of Pipe		200
1995 - No. of Leak Repairs		100
1996 - No. of Leak Repairs		110
1997 - No. of Leak Repairs		120
1998 - No. of Leak Repairs		130
1999 - No. of Leak Repairs		140
2000 - No. of Leak Repairs		130
2001 - No. of Leak Repairs		120
2002 - No. of Leak Repairs		110
2003 - No. of Leak Repairs		100
2004 - No. of Leak Repairs		100
1995 - Leak Repair Expenditures		100,000
1996 - Leak Repair Expenditures		100,000
1997 - Leak Repair Expenditures		100,000
1998 - Leak Repair Expenditures		100,000
1999 - Leak Repair Expenditures		100,000
2000 - Leak Repair Expenditures		100,000
2001 - Leak Repair Expenditures		100,000
2002 - Leak Repair Expenditures		100,000
2003 - Leak Repair Expenditures		100,000
2004 - Leak Repair Expenditures		100,000
STEP 2 Water Losses from Leaks		
Avg. water loss from unrepaired system leak		500
Average life of a leak <u>without</u> leak detection program		0.5
Average life of a leak <u>with</u> leak detection program		0.3
System unaccounted water (UW) in 2004		560
Percent UW due to system leaks		30
STEP 3 Cost of Water Losses		
Name of marginal source of supply	Pass Water /	
Avoidable Supply Acquisition Cost		600
Avoided supply capacity expansion costs		696
Total annual chemical costs		65,000
Annual fixed costs for chemicals		
Annual unrelated chemical costs		
Average annual treated water use		8,053
Annual energy costs		747,000
Annual fixed costs for energy		11,500
Annual unrelated energy costs		16,300
Environmental benefit per AF saved		
STEP 4 Cost of Leak Detection		
Cost of leak detection per mile of pipe		750
Agency discount rate		3
STEP 5 Analysis Results		
Annual Cost of Accidental Repair Program in 2005		(1.66)
Annual Cost of Leak Detection & Repair Program in 2005		0.30
Net annual benefit of Leak Detection & Repair Program in 2005		(1.96)

BMP #Ea
Large Landscape Water Budgets
Establishment Monitoring

USER DEFINED SCENARIO

Scenario Name: blank BCVWD
Baseline

STEP 1 Coverage Requirement

Year Agency Signed MOU	0
Number of CII Sites with Dedicated Irrigation Meters in 1997	78.00
Number of ETo-Based Water Budgets Already Implemented	-
Number of ETo-Based Water Budgets to Develop	-
Budgets Year 1	20.00
Budgets Year 2	20.00
Budgets Year 3	20.00
Budgets Year 4	18.00

STEP 2 Program Costs

Method of Landscape Measurement (Index Value)	3.00
Average No. of Sites Measured Per Year (Index Value)	1.00
Measurement Cost Per Site	175.00
Meas. Cost Radio Button Choice (Index Value)	1.00
Cost to Link budgets to billing or customer notice system	5,000.00
Staff hours to manage budget development tasks	160.00
Staff hourly rate, including overhead (budget development)	35.00
Staff hours to manage budget program	100.00
Staff hourly rate, including overhead (program mgt)	35.00
Percent of Budgeted Sites Receiving Followup Assistance	80.00
Per site followup cost	150.00
Cost Share from Others for Budget Development	
Cost Share for Program Operation	

STEP 3 Budget Water Savings

Avg. Annual Use by CII Sites with Dedicated Irrigation Meters	225.00
Avg. Annual Use Per Site (AF)	2.88
Percentage Reduction in Annual Use (%)	15.00
Annual Water Savings Per Site (AF)	0.43

STEP 4 Agency Benefits

Avoidable Supply Acquisition Cost	600.00
Avoided supply capacity expansion costs	696.00
Avoided wastewater capacity expansion costs	-
Total annual chemical costs	65,000.00
Annual fixed costs for chemicals	-
Annual unrelated chemical costs	-
Average annual treated water use	8,053.00
Annual energy costs	747,000.00
Annual fixed costs for energy	11,500.00
Annual unrelated energy costs	16,300.00
Environmental benefit per AF saved	-

STEP 5 Other Benefits and Costs

Average customer expenditure per budget	3,000.00
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STEP 6 Discounting Information

Agency Discount Rate (%/Yr)	2.50
Social Discount Rate (%/Yr)	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00
Environmental benefits - escalation rate (%/Yr)	-

STEP 7 Review Results

Net Present Value - Agency Perspective	619,874.30
Benefit-Cost Ratio - Agency Perspective	3.42
Net Present Value - Society Perspective	394,084.49
Benefit-Cost Ratio - Society Perspective	1.82

BMP 05 ETo-Landscape Water Budget Component - Summary of Costs

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total budgets	78	78
2. Total water savings	761 AF	761 AF
3. Agency program costs	\$256,629	\$256,629
4. Customer program costs	NA	\$225,790
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$256,629</u>	<u>\$482,419</u>
<u>Program Present Value Benefits</u>		
7. Agency supply & wastewater benefits	\$876,504	\$876,504
8. Environmental benefits	\$0	\$0
11. Total benefits	<u>\$876,504</u>	<u>\$876,504</u>
12. Net Present Value (Line 11 - Line 6)	\$619,874	\$394,084
13. Benefit-Cost Ratio (Line 11 ÷ Line 6)	3.42	1.82
14. Simple Unit Supply Cost (Line 6 ÷ Line 2)	\$337 /AF	\$634 /AF
15. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	\$461 /AF	\$867 /AF
<p><i>This BMP is cost-effective to implement from the Agency Perspective</i> <i>This BMP is cost-effective to implement from the Society Perspective</i></p>		

USER DEFINED SCENAI

Scenario Name:	blank	BCVWD Baseline
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STEP 1 Annual Costs Variable Values

Staff hours to administer the survey program	100.00
Staff hourly rate, including overhead	35.00
Field labor hours	4.00
Field labor hourly rate, including overhead	45.00
Number of surveys	20.00
Unit cost of materials	25.00
Marketing collateral cost	300.00
Advertising cost	100.00
Program evaluation - Labor & Consultant costs	1,000.00
Cost Share from Others	0.00

STEP 2 Customer Water Savings

Avg. Acres Per Survey	20.00
Avg. Water Use Per Acre	4.00
Reduction in Avg. Use (%)	10.00
Savings Decay (%/yr)	25.00

STEP 3 Agency Benefits

Avoidable Supply Acquisition Cost	Pass Water
Avoided supply capacity expansion costs	600.00
Avoided wastewater capacity expansion costs	696.00
Total annual chemical costs	
Annual fixed costs for chemicals	65,000.00
Annual unrelated chemical costs	
Average annual treated water use	
Annual energy costs	8,053.00
Annual fixed costs for energy	747,000.00
Annual unrelated energy costs	11,500.00
Environmental benefit per AF saved	16,300.00

STEP 4 Other Benefits and Costs

Average customer expenditures per survey	100.00
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STEP 5 Discounting Information

Agency Discount Rate (%/Yr)	2.50
Social Discount Rate (%/Yr)	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00
Environmental benefits - escalation rate (%/Yr)	0.00
Energy cost - escalation rate (%/Yr)	3.00

STEP 6 Review Results

Net Present Value - Agency Perspective	844,814.36
Benefit-Cost Ratio - Agency Perspective	94.87
Net Present Value - Society Perspective	907,456.17
Benefit-Cost Ratio - Society Perspective	83.50

BMP 05 Large Landscape Surveys - Summary of Costs & Benefits

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total surveys	20	20
2. Total water savings	639.5 AF	639.5 AF
3. Agency program costs	\$9,000	\$9,000
4. Customer program costs	NA	2,000.00
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$9,000</u>	<u>\$11,000</u>

Program Present Value Benefits

7. Agency supply & wastewater benefits	\$853,814	\$918,456
8. Environmental benefits	\$0	\$0
9. Total benefits	<u>\$853,814</u>	<u>\$918,456</u>
10. Net Present Value (Line 9 - Line 6)	\$844,814	\$907,456
11. Benefit-Cost Ratio (Line 9 ÷ Line 6)	94.87	83.50
12. Simple Unit Supply Cost (Line 6 ÷ Line 2)	\$14 /AF	\$17 /AF
13. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	\$15 /AF	\$18 /AF

This BMP is cost-effective to implement from the Agency Perspective

This BMP is cost-effective to implement from the Society Perspective

BMP #F
High Efficiency Washing Machines

USER DEFINED SCENARIO

	BCVWD	BCVWD
	\$300 Rebate	\$100 Rebate

STEP 1 Annual Costs Variable Values

Staff hours to administer the rebate program	100	100
Staff hourly rate, including overhead	35	35
Rebate (or utility incentive cost)	300	100
Number of rebates distributed	50	50
Average rebate processing cost (if not included in Admin. Cost)	50	50
Marketing collateral cost	500	500
Advertising cost	300	300
Labor & Consultant costs	1,000	1,000
Cost Share from Others	-	-

STEP 2 Customer Water Savings

Savings per machine	5,250	5,250
Use CUWCC savings estimate	1	1
Useful Life	10	10
Percent Free-riders	10	10

STEP 3 Agency Benefits

Name of marginal source of supply	Pass Water /	Pass Water
Avoidable Supply Acquisition Cost	600	600
Avoided supply capacity expansion costs	696	696
Avoided wastewater capacity expansion costs		
Total annual chemical costs	65,000	65,000
Annual fixed costs for chemicals		
Annual unrelated chemical costs		
Average annual treated water use	8,053	8,053
Annual energy costs	747,000	747,000
Annual fixed costs for energy	11,500	11,500
Annual unrelated energy costs	16,300	16,300
Environmental benefit per AF saved		

STEP 4 Other Benefits and Costs

Percent of residential hot water heated with gas	92	92
Percent of residential dryers using gas	78	78
Marginal cost per therm of gas	1	1
Marginal cost per KWh of electricity	0	0
Avoided energy & chemical costs	125	125
Avoided wastewater capacity expansion	900	900

STEP 5 Discounting Information

Agency Discount Rate (%/Yr)	2.50	2.50
Social Discount Rate (%/Yr)	2.50	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00	1.00
Environmental benefits - escalation rate (%/Yr)	-	-
Energy cost - escalation rate (%/Yr)	3.00	3.00

STEP 6 Review Results

Net Present Value - Agency Perspective	(13,477)	(3,477)
Benefit-Cost Ratio - Agency Perspective	0.41	0.73
Net Present Value - Society Perspective	14,025	24,025
Benefit-Cost Ratio - Society Perspective	1.62	2.88

BMP 06 High Efficiency Washing Machine Rebate Programs - Summary of Costs & Benefits \$100 Rebate

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total rebates distributed	50	50
2. Total water savings	7.2 AF	7.2 AF
3. Agency program costs	\$12,800	\$12,800
4. Customer program costs	NA	NA
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$12,800</u>	<u>\$12,800</u>
<u>Program Present Value Benefits</u>		
7. Agency supply & wastewater benefits	\$9,323	\$9,323
8. Environmental benefits	\$0	\$0
9. Customer program benefits	NA	\$20,645
10. Other utility benefits	NA	\$6,858
11. Total benefits	<u>\$9,323</u>	<u>\$36,825</u>
12. Net Present Value (Line 11 - Line 6)	<u>(\$3,477)</u>	<u>\$24,025</u>
13. Benefit-Cost Ratio (Line 11 ÷ Line 6)	0.73	2.88
14. Simple Unit Supply Cost (Line 6 ÷ Line 2)	\$1,766 /AF	\$1,766 /AF
15. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	\$2,017 /AF	\$2,017 /AF
<i>This BMP is not cost-effective to implement from the Agency Perspective</i>		
<i>This BMP is cost-effective to implement from the Society Perspective</i>		

USER DEFINED SCENA

Scenario Name: BCVWD
Baseline

STEP 1 Annual Costs Variable Values

Staff hours to administer the survey program	32.00
Staff hourly rate, including overhead	35.00
Field labor hours	4.00
Field labor hourly rate, including overhead	45.00
Number of surveys	4.00
Unit cost of materials	45.00
Consulting Services Cost	1,000.00
Marketing collateral cost	200.00
Advertising cost	25.00
Program evaluation - Labor & Consultant costs	1,000.00
Cost Share from Others	0.00

STEP 2 Customer Water Savings

Avg. Water Savings Per Survey	2,500.00
Savings Decay	15.00

STEP 3 Agency Benefits

Marginal supply source name	Pass Agency
Avoidable Supply Acquisition Cost	600.00
Avoided supply capacity expansion costs	696.00
Avoided wastewater capacity expansion costs	
Total annual chemical costs	65,000.00
Annual fixed costs for chemicals	
Annual unrelated chemical costs	
Average annual treated water use	8,053.00
Annual energy costs	747,000.00
Annual fixed costs for energy	11,500.00
Annual unrelated energy costs	16,300.00
Environmental benefit per AF saved	

STEP 4 Other Benefits and Costs

Other Utility - Wastewater operating costs	125.00
Other Utility - Wastewater capacity costs	900.00
Customer Energy Benefits	10.00
Customer Survey Costs	250.00

STEP 5 Discounting Information

Agency Discount Rate (%/Yr)	2.50
Social Discount Rate (%/Yr)	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00
Environmental benefits - escalation rate (%/Yr)	0.00
Energy cost - escalation rate (%/Yr)	3.00

STEP 6 Review Results

Net Present Value - Agency Perspective	87,682.10
Benefit-Cost Ratio - Agency Perspective	13.10
Net Present Value - Society Perspective	175,016.96
Benefit-Cost Ratio - Society Perspective	22.23

BMP 09 CII Surveys - Summary of Costs & Benefits

<u>Program Present Value Costs</u>	<u>Agency Perspective</u>	<u>Society Perspective</u>
1. Total surveys	4	4
2. Total water savings	73.4 AF	73.4 AF
3. Agency program costs	\$7,245	\$7,245
4. Customer program costs	NA	1,000
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$7,245</u>	<u>\$8,245</u>

Program Present Value Benefits

7. Agency supply & wastewater benefits	\$94,927	\$107,854
8. Environmental benefits	\$0	\$0
9. Customer energy benefits	NA	\$8,793
10. Other utility benefits	NA	\$66,615
11. Total benefits	<u>\$94,927</u>	<u>\$183,262</u>
12. Net Present Value (Line 9 - Line 6)	\$87,682	\$175,017
13. Benefit-Cost Ratio (Line 9 ÷ Line 6)	13.10	22.23
14. Simple Unit Supply Cost (Line 6 ÷ Line 2)	\$99 /AF	\$112 /AF
15. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	\$111 /AF	\$127 /AF

This BMP is cost-effective to implement from the Agency Perspective

This BMP is cost-effective to implement from the Society Perspective

BMP N
Residential ULFT Replacement Program

USER DEFINED SCENAI

Scenario Name: BCVWD
Baseline

STEP 1 Annual Costs Variable Values

Staff hours to administer the rebate program	100
Staff hourly rate, including overhead	35
ULFT Cost (or incentive cost) - SF	125
ULFT Cost (or incentive cost) - MF	125
Number of ULFTs (or incentives) distributed - SF	100
Number of ULFTs (or incentives) distributed - MF	25
Average rebate processing cost (if not included in Admin. Cost	50
Marketing collateral cost	500
Advertising cost	100
Labor & Consultant costs	1,000
Cost Share from Others	-

STEP 2 Customer Water Savings

Avg. Persons Per Household - SF	3
Avg. Persons Per Household - MF	3
Use CUWCC savings estimate	1
Avg. Savings per ULFT - SF	23
Avg. Savings per ULFT - MF	47
Toilet Natural Replacement Rate - SF	4
Toilet Natural Replacement Rate - MF	4
Percent Free-riders - SF	5
Percent Free-riders - MF	5

STEP 3 Agency Benefits

Name of marginal source of supply	Pass Water Agency
Avoidable Supply Acquisition Cost	600
Avoided supply capacity expansion costs	696
Avoided wastewater capacity expansion costs	
Total annual chemical costs	65,000
Annual fixed costs for chemicals	
Annual unrelated chemical costs	
Average annual treated water use	8,053
Annual energy costs	747,000
Annual fixed costs for energy	11,500
Annual unrelated energy costs	16,300
Environmental benefit per AF saved	

STEP 4 Other Benefits and Costs

Avoided energy & chemical costs	125
Avoided wastewater capacity expansion	900
Average customer expenditures per ULFT - SF	100
Average customer expenditures per ULFT - MF	100

STEP 5 Discounting Information

Agency Discount Rate (%/Yr)	2.50
Social Discount Rate (%/Yr)	2.50
Avoided cost of water and wastewater - escalation rate (%/Yr)	1.00
Environmental benefits - escalation rate (%/Yr)	-
Energy cost - escalation rate (%/Yr)	3.00

STEP 6 Review Results

Net Present Value - Agency Perspective	44,521
Benefit-Cost Ratio - Agency Perspective	2.65
Net Present Value - Society Perspective	85,240
Benefit-Cost Ratio - Society Perspective	3.19

BMP 14 ULFT Replacement Programs - Summary of Costs & Benefits

	Agency Perspective	Society Perspective
<u>Program Present Value Costs</u>		
1. Total ULFTs distributed	125	125
2. Total water savings	59.9 AF	59.9 AF
3. Agency program costs	\$26,975	\$26,975
4. Customer program costs	NA	\$11,875
5. Cost share	\$0	NA
6. Net Program Cost	<u>\$26,975</u>	<u>\$38,850</u>
<u>Program Present Value Benefits</u>		
7. Agency supply & wastewater benefits	\$71,496	\$71,496
8. Environmental benefits	\$0	\$0
9. Other utility benefits	NA	\$52,594
10. Total benefits	<u>\$71,496</u>	<u>\$124,090</u>
11. Net Present Value (Line 10 - Line 6)	\$44,521	\$85,240
12. Benefit-Cost Ratio (Line 10 ÷ Line 6)	2.65	3.19
13. Simple Unit Supply Cost (Line 6 ÷ Line 2)	\$450 /AF	\$648 /AF
14. Discounted Unit Supply Cost (Line 6 ÷ discounted water savings)	\$581 /AF	\$836 /AF
<p><i>This BMP is cost-effective to implement from the Agency Perspective</i> <i>This BMP is cost-effective to implement from the Society Perspective</i></p>		

14-2.1 WRITTEN NOTICE – Any person found to be violating any provision of these Regulations will be notified as provided for in Subsection 7-1 excepting when immediate discontinuance of service is required as provided for in said subsection.

14-2.2 CORRECTIVE ACTION – Upon being notified by the District of any defect arising in any connection to a service connection or of any violation of these Regulations, the person shall immediately take whatever corrective action may be necessary.

14-3 PUBLIC NUISANCE – Continued habitation of any building or continued operation of any industrial facility in violation of the provisions of these Regulations is hereby declared to be a public nuisance. The District may cause proceedings to be brought for the abatement of the occupancy of the building or industrial facility during the period of such violation.

14-4 Discontinuance of Service – The District may discontinue service as provided for in Section 7-1.

PART 15 – WATER CONSERVATION RULES AND REGULATIONS

15-1 PROHIBITION OF WATER WASTER – No person, firm, or corporation shall use, deliver, or apply waters received from this District in any manner that causes the loss, waste, or the applications of water for unbeneficial purposes. Within the meaning of this Regulation, any waters that are allowed to escape, flow, and run into areas which do not make reasonable beneficial use of such water, including but not limited to streets, gutters, drains, channels, and uncultivated lands, shall be presumed to be wasted contrary to the prohibitions of these Rules and Regulations.

1) Upon the first failure of any person, firm, or corporation to comply, this District shall serve or mail a warning notice upon any person determined to be in violation of these Rules and Regulations.

2) Upon the second failure of any person, firm or corporation to so comply, the water charges of any such consumer shall be doubled until full compliance with these Rules or Regulations has been established to the satisfaction of the Board of Directors of the District.

3) Upon the third failure of any person, firm, or corporation to so comply, the District shall terminate water service to any connection through which waters delivered by the District are wasted in violation of these Rules and Regulations.

15-2 Where feasible, as determined by the District Engineer, commercial/industrial developments shall be required to implement an on site recycling/reclamation system.

15-2.1 Costs associated with engineering, construction, etc... shall be borne by the developer.

15-3 ENFORCEMENT – It shall be the duty of the Board of Directors and all employees to enforce these rules and Regulations, and for such purpose and shall be

permitted to inspect any premises receiving water from the District at any reasonable hour.

15-4 VARIANCES – in order to prevent or lessen unnecessary hardship or practical difficulties in exceptional cases, aggrieved persons may file a written application for a variance with the Board.

The Board may grant such variance only when unusual hardship will result from the strict application of this ordinance.

PART 16 – VALIDITY

If any portion of these Regulations or the application thereof to any person or circumstance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of these Regulations or the application of such provision to other persons or circumstances.

The Board hereby declares it would have passed these Regulations, and portions thereof, irrespective of the fact that any one or more portions be declared unconstitutional.

APPENDIX R

ORIGINAL

AGREEMENT

THIS AGREEMENT is by and between the City of Banning ("City") and the Beaumont-Cherry Valley Water District ("District"), sometimes jointly referred to as the "Parties."

RECITALS

WHEREAS, the Parties are the agencies serving the largest number of domestic water users in the San Geronio Pass area and collectively rely in substantial part on the Beaumont Basin ("Basin") as a source of water; and

WHEREAS, the Parties desire to promote conjunctive use of the Basin and desire to jointly address issues concerning the long-term reliability of the Basin as a source of potable water, including the use of water recycling and the treatment and use of imported water.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

I. PRODUCTION FACILITIES.

The Parties shall share the cost of constructing and operating three new production wells as follows:

A. Description.

The production wells shall be located west of Highland Springs Road at mutually agreed locations; shall be at least 1,500 feet deep; shall have minimum diameters of 18"; and each shall be capable of producing a minimum of 2,000 gallons per minute ("gpm").

B. Construction Costs.

The costs of constructing the production wells shall be shared equally between the Parties. The costs of constructing facilities to connect a Party's distribution system to any or all of said wells shall be borne by that Party.

C. Ownership.

The District and the City shall own and operate the wells jointly, on a 50-50 basis. District shall function as the lead operating agency with primary responsibility for the operation and maintenance of the joint facilities.

D. Operation, Maintenance, Repair and Replacement Costs.

(1). Operating and maintenance costs for each well shall be assessed to each Party on a per well basis. "Operating and maintenance costs" are defined as direct labor costs, electric costs, and costs of routine maintenance of the pumping facilities. "Repair and Replacement Cost: are defined as necessary costs of required repair or replacement of equipment and facilities. The District shall deliver the water to a tie-in point with City's water system at Highland Springs Avenue from the joint facilities at the Operating and maintenance costs of the water and without any wheeling cost.

(2). The cost shall be assessed based on the ratio of water supplied to that Party from a well/wells to the total water produced from that source.

(3). Each Party shall bear as its separate obligation those costs related to operation of facilities that it owns and that are used to deliver water to its distribution system.

(4). The District will submit the actual operation costs to operate the joint well/wells along with the necessary back up information on quarterly basis to the City. City will reimburse the District the said operation costs on quarterly basis subject to verification of such actual costs.

E. Production & Supply Pending Construction of Wells.

With respect to each production well, commencing on the date hereof and pending construction and development of the well to the point where total production from the well reaches 2,000 gpm, the District shall supply up to 1,000 gpm during Southern California Edison ("SCE") off peak hours to the City on an as-needed basis, at the District's cost of production. "Costs of production" are hereby defined as costs of electricity and direct labor costs required to bring the water to the surface and make it available to the City at the tie-in point.

F. Production & Supply Following Construction of Wells

(1). When the combined, total production from the three production wells reaches 6,000 gpm on a continuous basis, City shall be entitled to receive the greater of 3,000 gpm or 50% of the production at the District's Operating and Maintenance costs as defined above.

(2). The quantity of water delivered to City from the wells shall be charged to the City's total entitlement water from the Beaumont Basin set forth on Exhibit "Appropriators and Their Rights and Shares of Safe Yield and Operating Yield" of (Column number 6, "Operating Yield") the Stipulated Judgment in the Riverside County Superior Court case, San Timoteo Watershed Management Authority, etc. v. City of Banning, et al., Riverside County Superior Court case No. RIC 389197.

II. WATER TREATMENT PLANT.

A. Development of Joint Water Treatment Facilities.

The District has plans to build a water treatment facility for the treatment of state water project water on the District property located in Cherry Valley adjacent to District's Taylor reservoir. The Parties hereby express their intent to share the cost for design and construction of proposed treatment facilities. However, such agreement shall not prevent any party from unilaterally commencing the construction of the treatment plant. Should a Party elect to proceed with the design and construction of the treatment plant, it will not preclude the second party from constructing additions to the plant at a later date at the discretion of that Party. If construction on such water treatment plant has not commenced within 10 years of date hereof, Section II of this agreement "Water Treatment Plant" shall become void and of no further effect, unless otherwise mutually agreed by the Parties.

3
HAB

(1) Construction Costs.

Costs shall be shared based on percentage of participation in the total capacity of the plant: the City's percentage participation shall be determined by City, but shall not exceed 50% of rated plant capacity.

(2) Operation and Maintenance, Repair and Replacement Costs.

Operations and Maintenance shall be assessed on each Party according to its percentage of participation in the cost of operating and maintaining said water treatment facilities. "Repair and Replacement Cost" repair and replacement costs shall be assessed on each party according to its percentage of participation in the operation of the plant.

B. Treated Water Allocation.

Each party will be entitled to its prorata share of State Water Project water treated by the water treatment plant, based on its percentage of financial participation in the construction of the plant.

III. INTERCONNECTION OF SYSTEMS.

A. Connections.

City's and District's existing potable water distribution systems and recycled water systems (as the same are developed) shall be interconnected in order that each system will serve as a backup to the other. Connections will be at mutually agreed upon points between compatible pressure zones. Each connection shall be metered. Interconnection shall be established at such times and such places as are mutually agreed by the Parties in writing.

B. Cost Sharing.

(1) Construction Costs.

The costs of constructing/installing connections, meters and related facilities shall be borne equally by the Parties unless otherwise agreed in writing.

(2) Operation, Maintenance, Repair and Replacement

Each Party shall be responsible for operation, maintenance, repair and replacement of connections, meters, and related interconnection facilities assigned to it, as shown on Exhibit "A," attached hereto. Said exhibit may be amended from time to time. Each agency shall annually invoice the other for one-half of the total costs incurred for the operation and maintenance of said connections, etc.

C. Excess Deliveries Charges.

Water delivered to City by District shall be charged to City's entitlement to production from the wells as set forth in Paragraph 1(E) and 1(F) above. Deliveries by District to City in excess of said quantities shall be charged to City at District's lowest domestic water rate. Conversely, deliveries

by City to District shall be charged to District at City's lowest domestic water rate.

IV. RECYCLED WATER AND IN-LIEU WATER.

The District shall give the City first-take on any excess recycled water of the District. The decision to accept the water made available under this section shall be at the sole discretion of the City. The District and the City will work together to develop a system for deliveries to be made to the City under this subsection.

V. 1960, 1966 MEMORANDA OF UNDERSTANDING.

The 1960 and 1966 Memoranda of Understanding between the Parties are hereby modified to the extent necessary to allow for the construction and operation of the wells described in Paragraph 1 above, for the benefit of both parties. Consistent with those Memoranda of Understanding, either Party may, without consulting the other, develop additional water supplies within its boundaries, provided that it observes the one-half mile setback or buffer zone on each side of Highland Springs Road as created by said MOU's.

VI. Effective Date.

This MOU shall become effective when both Parties have executed this MOU and have executed the Stipulation for Judgment in the adjudication action, San Timoteo Watershed Management Authority v. City of Banning, et al., Riverside County Superior Court, Case No. RIC 389197.

VII. TERMINATION.

This Agreement may be terminated by written consent of both parties.

VIII. JOINT FUNDING EFFORT.

The Parties agree to work together to obtain Federal and State funding for projects that will jointly benefit both Parties, including the development of Supplemental Water Master Plans to include importation of State Water Project water, the capture and recharge of urban and storm runoff, recycled water systems, interconnection of domestic water systems, and State Water Project water treatment facilities. In addition, the Parties hereby agree to work with the California Department of Water Resources, the San Geronio Pass Water Agency ("Pass") and others, to develop supplemental water and recycled water supplies and will work closely with Pass to obtain access to and storage and distribution of State Water Project water.

IX. AMENDMENT.

This Agreement may be amended only by written amendment signed by the Parties.

X. SEVERABILITY.

In the event a portion of this Agreement is illegal or unenforceable, the remaining provisions will be given effect in order to preserve the original intent of the Parties.

XI. NOTICES.

Notices shall be sent as follows:

City of Banning:

Beaumont-Cherry Valley Water District:


DATED, 12/23/ 2003 CITY OF BANNING

By


Arthur L. Welch, Mayor

DATED, 2003 BEAUMONT-CHERRY VALLEY WATER DISTRICT

By


Gerald H. Brey, President



Prepared By



PARSONS

100 W. WALNUT STREET, PASADENA, CA 91124