



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

**NOTICE AND AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
ENGINEERING WORKSHOP**

*This meeting is hereby noticed pursuant to
California Government Code Section 54950 et. seq.*

Thursday, August 29, 2024 - 6:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223

**Teleconference Location for Director Ramirez:
The Coffee Bean & Tea Leaf: 5510 La Palma Ave., La Palma, CA 90623**

TELECONFERENCE NOTICE

The BCVWD Board of Directors will attend in person at the BCVWD Administrative Office and/or via Zoom video teleconference pursuant to Government Code 54953 et. seq.

To access the Zoom conference, use the link below:

<https://us02web.zoom.us/j/84318559070?pwd=SXlzMFZCMGh0YTFlL2tnUGlpU3h0UT09>

*To telephone in, please dial: **(669) 900-9128***

*Enter Meeting ID: **843 1855 9070***

*Enter Passcode: **113552***

*For Public Comment, use the “**Raise Hand**” feature if on the video call when prompted, if dialing in, please **dial *9 to “Raise Hand”** when prompted*

BCVWD provides remote attendance options primarily as a matter of convenience to the public. Unless a Board member is attending remotely pursuant to provisions of GC 54953 et. seq., BCVWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the Zoom teleconference or call-in line listed on the agenda. Members of the public are encouraged to attend BCVWD meetings in person at the above address, or remotely using the options listed.

**Meeting materials are available on the BCVWD’s website:
<https://bcvwd.gov/document-category/regular-board-agendas/>**

BCVWD ENGINEERING WORKSHOP – AUGUST 29, 2024

Call to Order: President Covington

Pledge of Allegiance: Director Slawson

Invocation: Director Williams

Announcement and Verification of Remote Meeting Participation (if any) Pursuant to AB 2449 or GC 54953(b)

Roll Call - Board of Directors

	President John Covington
	Vice President Daniel Slawson
	Secretary Lona Williams
	Treasurer Andy Ramirez
	Member David Hoffman

**Roll Call
and Introduction of Staff Members Present**

Public Comment

PUBLIC COMMENT: RAISE HAND OR PRESS *9 to request to speak when prompted. If you are present in the Board Room, please fill out a Request to Speak card and deliver it to the Recording Secretary.

At this time, any person may address the Board of Directors on matters within its jurisdiction. However, state law prohibits the Board from discussing or taking action on any item not listed on the agenda. Any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. **Please limit your comments to three minutes.** Sharing or passing time to another speaker is not permitted.

ACTION ITEMS

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

- 1. Adjustments to the Agenda:** In accordance with Government Code Section 54954.2, additions to the agenda require a 2/3 vote of the legislative body, or if less than 2/3 of the members are present, a unanimous vote of those members present, which makes the determination that there is a need to take action, and the need to take action arose after the posting of the agenda.
 - a. Item(s) to be removed or continued from the Agenda
 - b. Emergency Item(s) to be added to the Agenda
 - c. Changes to the order of the agenda
- 2. Consideration of Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located West of Tukwet Canyon Parkway and North of Oak Valley Parkway (pages 5 - 52)**

BCVWD ENGINEERING WORKSHOP – AUGUST 29, 2024

3. **Cooperative Agreement Between the City of Beaumont and the Beaumont-Cherry Valley Water District** (pages 53 - 83)
 - a. **Adopt Resolution 2024-__ Establishing the District’s Responsibility for Repair of Soil Subsidence over District-Owned Facilities**
 - b. **Consider a Cooperative Agreement Regarding Right-of-Way Encroachments and Pavement Restoration**

4. Reports for Discussion and Possible Action

a. Directors’ Reports

In compliance with Government Code § 53232.3(d), Water Code § 20201, and BCVWD Policies and Procedures Manual Part II Policies 4060 and 4065, directors claiming a per diem and/or expense reimbursement (regardless of preapproval status) will provide a brief report following attendance.

- State of the 5th District event on August 14, 2024 (Slawson)
- San Geronio Pass Water Agency Meeting on August 19, 2024 (Slawson)
- Building Industry Association of Orange County Conference on August 20, 2024 (Ramirez)
- Urban Water Institute Annual Water Conference on August 21-23, 2024 (Ramirez, Slawson, Williams)

b. Directors’ General Comments

c. General Manager’s Report (pages 84 - 97)

d. Legal Counsel Report

5. Topic List for Future Meetings

	Item requested	Date of request	Requester
A	Update / presentation on the AMR / AMI project	12/14/22	
B	Presentation on the San Bernardino Valley Resource Conservation District	7/13/22	
C	Presentation on solar power opportunities	12/14/22	Ramirez
D	Sites Reservoir update	2/23/23	
E	Report on water theft (October 2024)	3/13/24	Hoffman
F	Operations Center update		

6. Announcements

Check the meeting agenda for location and/or teleconference information:

- District offices will be closed Monday, Sept. 2 in observance of Labor Day
- Special Beaumont Basin Watermaster Committee: Wednesday, Sept. 4 at 11 a.m.
- Collaborative Agencies Committee meeting: Wednesday, Sept. 4 at 5 p.m.

- ~~Regular Board meeting: Wednesday, Sept. 11 at 6 p.m.~~ - Canceled
- Personnel Committee meeting: Tuesday, Sept. 17 at 5:30 p.m.
- Special Board Meeting: Wednesday, Sept. 18 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Sept. 25 at 5 p.m.
- Engineering Workshop: Thursday, Sept. 26 at 6 p.m.
- Finance & Audit Committee meeting: Thursday, Oct. 3 at 3 p.m.

7. Closed Session

- CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: APNs 408-080-009, 408-080-010, 408-080,011, 480-080-012
Agency Negotiator: Dan Jagers, General Manager
Under Negotiation: Price and terms of payment

8. Report on Action Taken During Closed Session

9. Adjournment

NOTICES

AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office") during business hours, Monday through Thursday from 7:30 a.m. to 5 p.m. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Office at the same time or within 24 hours' time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available in the Board Room at the District Office. Materials may also be available on the District's website: <https://bcvwd.gov/>.

REVISIONS TO THE AGENDA - In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 24 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 24 hours prior to the Board Meeting.

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

CERTIFICATION OF POSTING

A copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 24 hours in advance of the meeting (Government Code §54954.2(a)).



**Beaumont-Cherry Valley Water District
Special Board Meeting
August 29, 2024**

Item 2

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Consideration of Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located West of Tukwet Canyon Parkway and North of Oak Valley Parkway

Staff Recommendation

Consider the request from Meritage Homes, the developer of Fairway Canyon, to proceed with the development of a Joint Community Facilities Agreement (JCFA) with the City of Beaumont for water facilities located within Oak Valley Parkway, and within the Fairway Canyon development Phases IVB and IVC and:

- a. Approve the request from the developer to work with the General Manager and Legal Counsel to proceed with the development of a Joint Community Facilities Agreement, or
- b. Deny the request of the developer for a Joint Community Facilities Agreement

Executive Summary

Meritage Homes (Applicant) has requested that the Board of Directors of the Beaumont-Cherry Valley Water District (District) consider entering a Joint Community Facilities Agreement (JCFA), which would allow for the financing of the developer's portion of the cost of construction of supporting backbone infrastructure associated with Phase IVB and IVC of the Fairway Canyon Development. This item has been discussed at several Board meetings beginning with the October 26, 2023 Engineering Workshop. This item was last tabled at the June 12, 2024 Regular Board Meeting to allow the General Manager time to review a developer-provided sample of a JCFA that was previously executed in a nearby area.

District staff is bringing the consideration of a JCFA forward to the Board at this time for further discussion and consideration.

Background

District staff identifies that Phase IVB of the Fairway Canyon Development consists of Tracts 31462-16, -20, -23, -24, -25, and -26 which have all received *Will Serve Letters*, have approved water improvement plans, have paid capacity charges (facilities fees), and have constructed facilities. Phase IVC of the Fairway Canyon Development, located in the southwestern portion of Phase IV, is the final phase of this development consisting of Tracts 31462-17, -19, -27, -28, and -29, each of which has recently received a *Will Serve Letter* from the Board. The Project is currently within the District's Service Boundary and does not require annexation (see Attachment 1 – Project Map).

The Applicant presented the Communities Facilities District (CFD) for Phase IVB of the Project to the City of Beaumont (City) at the June 20, 2023, City Council Meeting. It is the understanding of District staff that the Applicant plans to present Phase IVC of the Project to the City at a later date.



The participation required of the District with regards to the CFD would be solely the approval of the JCFA. If approved by the Board, all CFD administration costs would be covered by Meritage Homes.

The District’s current Rules and Regulations do not address the financing of District facilities covered by developers. District staff identifies that the CFD would only collect funds for the construction of certain water facilities, and not the overall maintenance and eventual replacement of the facilities, such as presented in a previous recent CFD presentation for a separate development.

The CFD and JCFA were discussed by the Board and subsequently tabled at the following meetings:

- October 26, 2023 – Lengthy discussion – See Attachment 3 for Minutes.
- April 25, 2024 – Lengthy discussion – See Attachment 4 for Minutes.
- May 23, 2024 – No Discussion – Item Tabled
- June 12, 2024 – Lengthy discussion – See Attachment 5 for Minutes.

At the June 12, 2024 Board Meeting, the Board requested that the General Manager review an example of a developer-provided JFCA and provide a recommendation to the Board regarding further engagement related to establishment of a JCFA. Additionally, a request was made by the Board to provide District-related pros and cons associated with entering such an agreement.

Discussion

The Applicant has opined that the construction of the off-site infrastructure water improvements are costly in today’s economic environment and has requested the Board consider entering into a JCFA with the City to facilitate reimbursement for these costs via the sale of bonds.

The Applicant is not proposing to include the in-tract facility improvements as a part of the JCFA. The developer has indicated that the JCFA would only include the infrastructure, as identified in Table 1, below.

Table 1 – Proposed Phase IVB Project Summary

Phase	Improvement	Note
IVB	Oak Valley Pkwy (Potable)	4,170 LF of 18-in. Pipeline (2650 PZ) 4,150 LF of 24-in. Pipeline (2520 PZ)
	Oak Valley Pkwy (Non-Potable)	4,120 LF of 18-in. Pipeline (2600 PZ)
	Sorenstam Drive Potable Infrastructure	3,190 LF of 12-in. Pipeline (2520 PZ)
IVC	Oak Valley Pkwy (Non-Potable)	1,010 LF of 12-in. Pipeline (2400 PZ)



District staff identifies that the Developer is proposing that monies collected as a part of the JCFA will be for reimbursement of the constructed supporting backbone infrastructure that the Applicant is required to construct to service their Project.

The off-site and on-site infrastructure improvements that the Applicant has been conditioned to construct are previously identified in Table 1.

Table 2 identifies each of the infrastructure improvements that are being considered for reimbursement through the JCFA or via oversizing reimbursement.

Table 2 – Proposed Infrastructure Funding Mechanism

Street Name	Description	Length	Reimbursement Type	
			JCFA(CFD)	Oversizing
Oak Valley Parkway ⁽¹⁾⁽²⁾⁽³⁾	18" PZ2650 Potable	4,170	X	X
Oak Valley Parkway ⁽¹⁾⁽²⁾⁽³⁾	24" PZ2520 Potable	4,150	X	X
Oak Valley Parkway ⁽¹⁾⁽²⁾⁽³⁾	18" PZ2600 Non-Potable	4,120	X	X
Sorenstam Drive ⁽²⁾	12" PZ2520 Potable	3,190	X	
Farrell Street / Turner Street ⁽²⁾	12" PZ2600 Non-Potable	1,010	X	

⁽¹⁾ The District may offer the Developer a Capacity Charges credit for the Oversizing Reimbursement

⁽²⁾ Costs to be reimbursed through bonds issued through JCFA(CFD)

⁽³⁾ Costs associated with this pipeline would be the net cost of the pipeline after the oversizing reimbursement amount has been applied.

As part of Phase IVC, the Applicant will be required to construct a 12-inch non-potable ductile iron pipeline from the southwest area of Phase IVC to Oak Valley Parkway. In prior staff reports, this pipeline was identified to be approximately 6,050 LF (June 12, 2024 – Table 1) and approximately 900 LF (June 12, 2024 – Attachment 2). This discrepancy has been resolved between District staff and the Applicant. The length of this pipe is approximately 1,010 LF which was derived from the first plan check version of the Non-Potable Water Improvement Plans for Tract 31462-29.

At the June 12, 2024 Board Meeting, the Board requested that the developer identify the pros and cons associated with the District's participation in a JCFA for the proposed improvements. The developer has identified to District staff that there are no apparent cons with this action and has offered the following pros:

1. The JCFA does not change or affect any existing Water Service Agreements, Will Serve Letters or approved improvement plans, bonds related to the District infrastructure or services for the project. All service agreements, improvements, improvement plans, etc. are unaffected by the JCFA.
 - a. The JCFA is simply a financing mechanism to fund the planned infrastructure needed for the project.



2. The JCFA does not create a partnership with the City. It is an agreement between the parties simply to satisfy the requirements of the Mello-Roos Act. The Act requires that a JCFA be approved by any agency for which the CFD will fund improvements that are to be owned by such agency.
3. The CFD will be formed and administered by the City, and the District will not be part of the administration process. The City has third-party professional firms that assist them in all aspects of the CFD administration and bond issuance process.
4. The bond issuance will not be tied to the District in any way. No initial or continuing disclosure will be required from the District in connection with the issuance of CFD bonds, and the District will not be identified on the property tax bills.
5. Financing the infrastructure costs through tax-exempt bonds allows Meritage to reduce the cost of the homes, which facilitates lower down payment requirements for homebuyers. The tax-exempt bond interest rates are well below mortgage rates, so the additional property taxes of the CFD are more than offset by the reduction to the mortgage payment.
6. This low-cost financing provided by CFDs helps get infrastructure and homes built timely, assists in alleviating the housing shortage by providing more affordable housing, and brings in additional rate payers to the District.
7. Meritage will cover any administrative costs related to the District entering into the JCFA.
8. CFDs and JCFAs are extremely common throughout the State and particularly in Riverside County. Eastern Municipal Water District has formed more than 100 CFDs and entered into even more JCFAs with cities and school districts. Other Riverside County water districts, including Elsinore Valley Municipal Water District, West Valley Water District, Western Municipal Water District, and Jurupa Community Services District all actively participate in CFD financings through JCFAs.

Analysis

A copy of the sample Joint Community Facilities Agreement is attached herewith as Attachment 6. The flow of the sample agreement appears acceptable to District staff, however the details and terms specific to the sample project may not be reflective of the subject project specifics and details. Below is a summary of the sample agreement with a brief description of how the District may desire particular components specific to this project:

1. The JCFA is designed to facilitate the financing and construction of specific public facilities within a Community Facilities District. The agreement specifically focuses on facilities to be owned, operated, and/or maintained by the City of Perris or EMWD, funded by proceeds from bonds issued by the CFD and special taxes levied within the CFD.
 - a. For the purpose of the subject project, facilities would be owned, operated, and maintained by BCVWD.
2. EMWD is responsible for constructing, operating, and maintaining certain water and sewer facilities (referred to as "EMWD Facilities") and acquiring additional facilities constructed by the Property Owner ("Acquisition Facilities"). EMWD will also manage the disbursement of bond proceeds to reimburse the Property Owner for the costs of these facilities, as outlined in the agreement.



- a. For the purposes of the subject project, the Developer would be responsible for the construction of facilities which would ultimately be turned over to BCVWD upon the satisfaction of BCVWD. Additionally, BCVWD would not manage the disbursement of bond proceeds. This would be managed by the City of Beaumont and its bond team. The facilities would be water-related facilities, not sewer.
3. The agreement provides a mechanism for the Property Owner to advance funds to EMWD for the construction of EMWD Facilities in lieu of paying standard EMWD fees. These advances will be reimbursed from bond proceeds, which are treated as interest-free loans until the bond proceeds are available. If bond proceeds are insufficient, the Property Owner will receive credits against EMWD fees rather than a cash reimbursement.
 - a. District staff would propose this takeaway differently. The agreement would provide a mechanism for the developer to get reimbursed for funds expended during construction of and to construct water facilities to the satisfaction of BCVWD, then seek reimbursement through the bond proceeds. There would be not credits offered for facilities identified under the JCFA.
4. The City of Perris holds sole discretion and responsibility for forming and administering the CFD, including issuing bonds and levying special taxes. EMWD has a limited role in this process and does not have the authority to compel the issuance of bonds or disbursement of funds.
 - a. The entity in charge of the CFD would be the City of Beaumont. BCVWD would not have a role or authority in the disbursement of funds.
5. Upon receiving bond proceeds, the Property Owner may request EMWD to submit a Disbursement Request to the City or CFD for reimbursement. EMWD must review and approve all costs before submitting these requests and ensure compliance with all legal and accounting standards.
 - a. A difference for this takeaway is that the Developer would submit a request for a bond reduction (labor & performance) along with associated receipts relating to the water improvements totaling the amount sought for reimbursement through bond sales. District staff would review and approve said costs and provide a Disbursement Request to the City of Beaumont.
6. EMWD has the responsibility to inspect and approve the construction of Acquisition Facilities before they are acquired from the Property Owner. This includes reviewing engineering plans, attending bid openings, approving contractors, and ensuring that the facilities meet EMWD's standards.
 - a. All of the water facilities proposed under the JCFA would be inspected at the time of construction and approved by the District prior to the release/reduction of bonds. The water facilities will be required to meet District standards. This is standard for all projects within the District.
7. Once the Acquisition Facilities are completed and accepted by EMWD, ownership transfers to EMWD, which then assumes responsibility for their maintenance. The Property Owner is responsible for maintenance and repair until the transfer of ownership.
 - a. Once water facilities are constructed and accepted by the District, the Developer would be required to provide the District with a Dedication of Water System form



which transfers the facilities to the District. This is standard for all projects within the District.

8. The agreement includes mutual indemnification clauses. EMWD, the City of Perris, and the Property Owner each agree to indemnify the other parties for damages or claims arising from their respective actions under the agreement, with certain limitations.
 - a. Standard language that Legal Counsel would provide appropriate language for the District as it relates to indemnification and liability.
9. The agreement explicitly states that it does not confer any rights, remedies, obligations, or liabilities on third parties other than the CFD, EMWD, the City, and the Property Owner.
 - a. Standard language that Legal Counsel would provide appropriate language for the District as it relates to no third-party beneficiaries.
10. The agreement can be amended but only through a written agreement signed by all parties. Additionally, the Property Owner may assign its rights and obligations to another party with prior notification to EMWD and the City.
 - a. Standard language that Legal Counsel would provide appropriate language for the District as it relates to amendment and assignment.

Should the Board vote to proceed with the JCFA, District staff anticipates that the Developer and its legal team would prepare a draft JCFA for District staff and District Legal Counsel to review. Upon the satisfaction of District staff and Legal Counsel, the Agreement would be brought before the Board for consideration and possible approval via a Resolution.

Fiscal Impact

There is no fiscal impact to the District. All costs associated with the District's participation in and preparation of the CFD would be paid by the Applicant.

Attachments

1. Project Map
2. Fairway Canyon Phase IVB & Phase IVC Potable and Non-Potable Infrastructure
3. Minutes of Special Meeting – Tuesday, October 26, 2023
4. Minutes of Regular Meeting – Engineering Workshop – Thursday, April 25, 2024
5. Minutes of Regular Meeting – Wednesday, June 12, 2024
6. Sample Joint Community Facilities Agreement

Staff Report prepared by Mark Swanson, Director of Engineering

Attachment 1 - Project Map



Tract 31462 Phase IVC

Tract 31462 Phase IVB



Attachment 2 - Fairway Canyon Phase IVB & Phase IVC Potable and Non-Potable Infrastructure

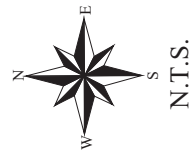


Tract 31462 Phase IVC NPW Infrastructure
Proposed 1,010 LF of 12-in. Pipeline (2400 PZ)

Sorenstam Drive Potable Infrastructure
Constructed 3,190 LF of 12-in. Pipeline (2520 PZ)

Tract 31462 Phase IVB PW Infrastructure
4,170 LF of 18-in. Pipeline (2650 PZ) (In Construction)
4,150 LF of 24-in. Pipeline (2520 PZ) (In Construction)

Tract 31462 Phase IVB NPW Infrastructure
4,120 LF of 18-in. Pipeline (2600 PZ) (In Construction)



Attachment 3



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

MINUTES OF SPECIAL MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Tuesday, October 26, 2023 at 6:00 p.m.

*Meeting held in person at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.*

Call to Order: *President Hoffman opened the meeting at 6:05 p.m.*

Pledge of Allegiance was led by President Hoffman.

Invocation was given by Director Williams.

Announcement and Verification of Remote Meeting Participation
No Board members were attending via teleconference.

Roll Call:

Directors present:	Covington, Hoffman, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Civil Engineering Assistant Evan Ward Civil Engineering Assistant Inmar Shihab Water Utility Superintendent Julian Herrera Executive Assistant Lynda Kerney
Legal Counsel	Steve Flower

Members of the public who registered their attendance: Lance Eckhart, Kevin Walton, and Mickey Valdivia from the San Gorgonio Pass Water Agency; Dr. Blair Ball, Paul Onufer, David Hendrix, and Jim Zimmerman.

Public Comment: None.

1. Adjustments to the Agenda

At the request of staff, President Hoffman continued to a future meeting Item 6: Resolution 2023-__ - Amending the District Policies and Procedures Manual Adopting Policy 3235 Military Leave and Policy 3110 Jury and Witness Duty.

General Manager Jagers corrected the lot count for Item 2, the Fairway Canyon development.

2. Presentation, Discussion, and Consideration of Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located west of Tukwet Canyon Parkway and north of Oak Valley Parkway

General Manager Jagers introduced the request and noted that the purpose of the item is to allow the developer to present the concept of a Community Facilities Agreement. Director of Engineering Mark Swanson noted the request is for the water infrastructure facilities. He described the project location and provided background on the ongoing development.

This discussion is related to Oak Valley parkway Improvements, and the west side of Tukwet Canyon (near Sorenslam), Swanson stated, and the developer's goal is to finance the facilities into a CFD. Traditionally, the District has not participated in a CFD, but it is required of the developer by the City of Beaumont.

Swanson reminded the Board of prior discussion in January 2023. Director Covington recalled that the direction from the Board in January was to gain more information at a later date. It was on the City's agenda in June, he advised.

Mr. David Hendrix of Meritage Homes introduced Jim Zimmerman and noted that the City has approved the Tentative Map for Phase IV-C (366 homes and a 12-acre school site), the developer has met with the BCVWD Engineering Department, and grading is expected to begin in the next four months.

Mr. Hendrix enumerated the \$5.3 million in public facilities to be installed. Approved and ready for construction (out for bid) are the Oak Valley Parkway improvements, he noted.

CFD 2023-1 has been formed by the City of Beaumont, Hendrix continued. He emphasized that Meritage is the sole project in 2023-1 with funding for improvements only and the old CFD 93-1 has been canceled and has no effect on the project. All improvements will be constructed and paid for and funded by Meritage Homes prior to any of the bond sale proceeds (i.e., Meritage fronts all the costs and completes the improvements), he stated, then would be reimbursed.

Bonds will be issued in series and will have a term of 30 years, Hendrix explained. In response to President Hoffman, Hendrix confirmed the builder's responsibilities and bond obligation. He said the outlay would be a little more than \$28 million before any bonds are issued or any reimbursement to the builder. He provided additional detail on the bonds.

Director Covington asked about the typical process in the absence of a CFD. Mr. Hendrix explained that all developments within Fairway Canyon have CFDs with master infrastructure improvements included. The purpose is to have improvements completed and eligible for reimbursement, he continued.

President Hoffman noted that the developer would be extending the funding to complete the infrastructure but would not be building all of the homes that will utilize the infrastructure. It will be a series of bond issuances, Hendrix stated. There will be a number of homes within each established improvement district and the bonds would be sold for that district, then the improvements would be reimbursed. The overall benefit is the larger master improvements with an allocated portion to each district, he explained.

The Water District has no connection to the bonds, Hendrix assured. The District would sign a joint community facilities agreement and the CFD is managed by third parties, along with the funding mechanisms which are outside of the City's or developer's control. The developer pays all the costs of the improvements and pays fees to BCVWD, he noted. After full dedication, the improvements become full assets to BCVWD. Mr. Jagers noted that BCVWD had not participated in the Fairway Canyon CFDs but had done so in the past with the City and there had been issues with the management of the prior CFDs.

Director Slawson asked about BCVWD staff responsibilities; Mr. Hendrix indicated there would be no added work for District staff.

Director Covington asked about replacement of the prior CFD 93-1, and Mr. Hendrix noted it had been canceled and its obligations were canceled. He provided an overview of the current progress of the development. He confirmed in response to Director Covington that CFD 2023-1 would include only Phase IV-B, and Phase IV-C would likely have a 2025 number.

Director Williams asked for clarification on the bond sales. Mr. Hendrix said it will be explained to the purchaser about the assessment on the property tax bill at a rate lower than the mortgage rate. The residents will be the ones paying for the bonds, Williams noted, and asked about the third-party administrator. Hendrix clarified further, and Jim Zimmerman added that the administrator team is hired by the City (CFD) and consists of bond counsel, tax consultant, and trustees who make sure the funds are handled appropriately. He confirmed that the City does not have access to that money.

Director Williams asked about the need for BCVWD's participation. Mr. Hendrix said bonds would be issued because there are other eligible city improvements such as a sewage lift station and park site, but there are not sufficient improvements to fulfill the ability to satisfy the bond structure to fund more improvements. The District is needed to join in order to provide a larger group of eligible improvements, he stated.

Director Williams said it sounds like the residents would be paying for the project development. Mr. Zimmerman pointed to the boundary of the CFD and said the homeowners are paying for the house and infrastructure one way or another. The CFD provides a financing mechanism whereby they can purchase the home at a reduced price, and pay for the infrastructure part through the property taxes. Access to municipal financing and bond rates are much more beneficial than the higher mortgage rates, he posited.

BCVWD will not be involved in the bond issuance, and will not be on the tax bill line item, Zimmerman assured. It is intended to be a no cost proposition to the District; Meritage will cover costs related to the document.

Mr. Hendrix listed the benefits to BCVWD: Facilitate new development and additional customers, facilitate City providing BCVWD reclaimed water, facilitate low-cost financing of public water infrastructure, facilitate low cost housing to help solve the statewide housing crisis, and no risk or costs to BCVWD. It is invisible to the homeowner, but is all public information, he noted.

Mr. Zimmerman discussed the benefits to the homeowner. Director Williams asked if the charge was a fixed rate; Mr. Zimmerman said yes. Director Covington asked about limits on the rate, and Zimmerman acknowledged rates have been volatile. The rate is

currently about 5.25 to 5.5, he stated. Bonds are secured for a 30 year term, he responded to President Hoffman.

The bonds can be refinanced to achieve a lower rate for the benefit of the homeowner, Jagers pointed out, but the term may be extended to another 30 years. Mr. Zimmerman acknowledged that bonds are issued with the intention of refinancing for the benefit of the homeowners, but the term cannot be extended.

Mr. Zimmerman detailed the funding process.

Director Slawson asked why the District would approve the reimbursement cost. Mr. Zimmerman said the CFD, before the money is released to the developer, needs to assure the Water District did receive the improvements. Slawson asked if this would be work for the District, and Jagers indicated the inspections would have been done but there is a potential project management component. It would be expected for the administrator to reimburse the District to recover any costs of those hourly wages.

Director Slawson shared that he was paying a Mello-Roos on his home but said these Fairway Canyon homeowners would be paying for the infrastructure that was built for their home, not City-wide. Mr. Swanson added some detail on the existing CFDs.

In response to Director Williams, Mr. Hendrix described the labor and materials and construction bond, and the warranty bond which runs for one year after the improvements have been accepted. He confirmed for President Hoffman that inspections would be done as usual to assure the facilities meet District standards. President Hoffman noted the construction timeline and the one-year warranty application to the mainlines and asked Field Superintendent Julian Herrera if there was any concern. Mr. Herrera indicated there was not.

Director Covington posited that this has little or no effect on BCVWD. Mr. Hendrix explained that the developer is making this request because the facilities improvements are not eligible for reimbursement unless the District enters the CFD with the City as the lead agency.

Director Covington asked about the construction of Phase IV-C. Mr. Hendrix indicated that it is the current intention of Meritage to build all the homes, but they may bring in another guest builder who complements the product. Meritage Homes will record all the maps.

General Manager Jagers reviewed the backbone and supporting infrastructure covered by the CFD:

- Phase VI-B: in-tract work, non-potable, and potable pipelines in Oak Valley Parkway
- Phase IV-C: non-potable pipeline, and in-tract facilities

In past CFDs, the District has accepted funds for facilities such as wells and transmission pipelines, and but there has not been a case where the District has joined the City, and there has not been a CFD since he has been with the District, Jagers noted. He recalled a letter from the prior Fairway Canyon developer, Mike Turner, memorializing their conversation regarding how the infrastructure would be provided. It included an oversizing component of the line in Oak Valley Parkway which would involve contribution from the District's capacity charges (facilities fees), he continued, and the developer's responsibilities.

Mr. Swanson added that the net cost of the Oak Valley Parkway pipeline is \$5.3 million, and an oversizing contribution will be requested. Director Williams asked about the cost to the District, and Jagers clarified the oversizing component as a system-wide support.

Director Covington requested further information on the oversizing agreement. District Legal Counsel Steve Flower advised that Government Code 53316.2 provides for a mini-joint powers authority to allow multiple jurisdictions to work together for the limited purpose of financing facilities. The District will have to make a clear finding that it will benefit the residents who will ultimately be financing the facilities, he explained. The parties to the agreement would be the District and the City, he noted.

Director Williams asked about the working relationship under the agreement. Mr. Flower said he did not think it would be any different regarding the District's approval authority over the infrastructure installation, and the City's role would remain the same.

President Hoffman stated this is a big financial step, and it would take some time to digest the information. He tabled the item to a future meeting without objection.

3. Water Reuse Plans and Recycled Water Partnership with the City of Beaumont

General Manager Jagers reminded that the City and BCVWD created a 2x2 Water Reuse Committee. He noted that he had reported to the Board progress was being made. Jagers recapped recent activities and said he received a call from Beaumont City Manager Elizabeth Gibbs identifying that the City is planning to pause and take a step back regarding the recycled water agreement.

To move forward, the District needs to do work involving a significant investment, Jagers continued. To be confident in the investment in a booster station design and construction, the District needs the agreement, he stated, and the indication from Ms. Gibbs was that more may be known sometime in December.

Jagers reminded that a facilitator was hired via a three way agreement including the SGPWA for \$173,000, to get to the point where there was a recommendation by an independent third party. The consultant, Tom Holliman, identified that an adaptive management plan and a change of use permit were required to get the water out of the main tributary of Cooper's Creek, he explained, and the City let the RFP in June. The City received and filed the report from consultant Holliman which recommended the City produce the recycled water, enter an agreement with BCVWD, BCVWD build, operate, and maintain the facilities to distribute the recycled water for approved uses, and the SGPWA expand its current hydrological monitoring of groundwater recharge, make its basin available, and host meetings of the District.

The District provided a draft recycled water agreement to Ms. Gibbs on July 20, Jagers continued. The City received proposals for the adaptive management plan and on July 27 the three agencies met regarding the Holliman recommendations and how to move forward at a staff level and make presentations to the Board.

At its August 15 meeting, the City Council awarded a contract to Tom Dodson for the Adaptive Management and Mitigation Plan, Jagers stated. He noted that previous Director of Public Works Jeff Hart had left the City, but the issue may be more than lack of staff.

Attachment 4



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS**
Thursday, April 25, 2024 at 6:00 p.m.

*Meeting held at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.*

Call to Order: Vice President Slawson opened the meeting at 6:07 p.m.

Pledge of Allegiance was led by Director Hoffman.

Invocation was given by Director Williams.

Announcement and Verification of Remote Meeting Participation
No Board members were attending via teleconference.

Roll Call:

Directors present:	Hoffman, Slawson, Williams
Directors absent:	Covington, Ramirez
Staff present:	General Manager Dan Jagers Assistant Director of Finance and Administration Sylvia Molina Director of Information Technology Robert Rasha Director of Engineering Mark Swanson Civil Engineering Assistant Evan Ward Civil Engineering Assistant Khalid Sebai Development Services Technician Lilian Tienda Field Superintendent Julian Herrera Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered their attendance: David Hendryx, and Nyles O’Harra of the Yucaipa Valley Water District.

Public Comment: None.

- 1. Adjustments to the Agenda:** None.
- 2. Discussion Regarding Issuance of Grading Water for Upcoming Development Within Fairway Canyon Master Planned Community (Tract 31462 – Phase IVC)**

Director of Engineering Mark Swanson advised that this item requires no action by the Board. He reminded the Board of prior discussion of this activity since 2019 and provided some history of the development.

In 2021, Meritage Homes came in and took ownership of Phase IV-B and IV-C areas of Fairway Canyon to finish the development. These five tracts of Phase IV-C are the last large grading for this development, Swanson stated.

The developer has indicated that rough grading will take about six months and finer grading will be two months, depending on weather. The estimated quantity of water is about 250,000 gallons per day, which is not an abnormal amount. A conditional letter is provided which sets forth and identifies a few requirements such as a larger meter (the developer will provide their own certified meter), and water will be curtailed if there are issues such as a well out of service or Public Safety Power Shutoff (PSPS).

Meritage complied with all requirements during their grading last year, Swanson noted.

Meritage Homes Project Manager David Hendryx thanked staff and reiterated this will be the final phase of grading. He said he was looking forward to the work beginning in July following a preconstruction meeting which will include representatives from the District and the City.

3. Presentation, Discussion, and Possible Action Regarding Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located West of Tukwet Canyon Parkway and North of Oak Valley Parkway

Director of Engineering Mark Swanson presented a request from the developer for the Board to enter a Joint Community Facilities Agreement (JCFA) with the City of Beaumont for the financing of certain water facilities (primarily pipelines). He reminded the Board of discussion at prior meetings, and this is now back for consideration at the request of the developer.

The JCFA allows for financing for the developer's portion of their cost of the construction, putting it onto the homeowner, Swanson continued. This is not something the District has engaged in the recent past. District policies are unclear on this issue, he noted.

Swanson detailed the components to be constructed under the JCFA:

Phase	Improvement	Note
IVB	Oak Valley Pkwy (Potable)	4,170 LF of 18-in. Pipeline (2650 PZ) 4,150 LF of 24-in. Pipeline (2520 PZ)
	Oak Valley Pkwy (Non-Potable)	4,120 LF of 18-in. Pipeline (2600 PZ)
	Sorenstam Drive Potable Infrastructure	3,190 LF of 12-in. Pipeline (2520 PZ)
IVC	Oak Valley Pkwy (Non-Potable)	6,050 LF of 12-in. Pipeline (2400 PZ)

These are not in-tract facilities, these are the feeders to the development, Swanson explained. General Manager Jagers pointed out that during the last discussion, in-tract facilities were also being considered, but Meritage Homes has adjusted and would like to reinforce their ask.

Mr. Hendryx noted there are two phases of the development, one of which is complete (Sorenstam). The in-tract facilities were removed, and the 12-inch non-potable line was added to the request, he explained. He noted that within all this backbone infrastructure, there are no credits toward any of the \$8 million in facilities fees. It would be helpful to Meritage to be able to finance the construction portion through the Community Facilities District (CFD), he stated.

Once the facilities have been completed and accepted by the District, bond sale proceeds would be for reimbursement, Hendryx continued. Other City improvements are included in the CFD, and Meritage would like to have enough improvements to be completed when bond funds become available to help manage the cash flow. The Oak Valley Parkway improvements must start soon, he advised, as the Will-Serve Letters are all conditioned upon completion of Oak Valley Parkway and the 12-inch pipeline.

Any reimbursement for Oak Valley Parkway would not be expected to be reimbursable for the gross amount, it would be the net amount with District participation, Hendryx explained. He shared a PowerPoint that was similar to the previous presentation:

- 787 single family homes completed and 300 are occupied
- BCVWD Mater Plan improvements to be installed by Meritage (\$9 million)
- All master infrastructure will be advancing ahead of the in-tract
- The project de-annexed from the former CFD 93-1, and Meritage is the only developer in the new CFD 2023-1
- The City improvements include a lift station, public park, and other, and the developer would like to add the water improvements in order to have sufficient facilities to utilize for the bond proceeds
- No additional cost to the District – administrative costs are borne by the City, and the CFD is administered by the City
- Meritage will be funding all costs until there are enough homeowners paying taxes to issue the bonds

This is a much different home selling environment, Hendryx pointed out. The company is incurring significant costs with interest rate buydowns, he explained, subsidizing the first few years in anticipation of refinancing at lower interest rates. Inclusion of the improvements in the JCFA would help with the economics of the project, he stated.

Director Hoffman requested details on how the bond works and what the District is doing that assists with Meritage cash flow and does not burden the District further.

Mr. Hendryx provided details on the Mello-Roo's bond with the City as the lead agency, reimbursing costs to Meritage and allowing collection on the property tax bill. Without it, home prices would have to be higher, he noted. The District's information would not appear on the tax bill, and there will be real estate disclosures to the home buyer.

In response to Director Slawson, Mr. Hendryx indicated that multiple agencies and improvements are included in the bond, because the size of the bond will get a better premium. The City improvements alone do not provide sufficiency to utilize the full proceeds available. He complemented the work of Mr. Swanson to value-engineer the improvements to know that the system will work for pressure, long-term maintenance,

and efficiency. Director Slawson noted that he expected the use of Mello-Roo's to be more common in the future. Mr. Hendryx indicated that all competitive projects in this marketplace have CFDs.

Mr. Hendryx asked the Board to facilitate the reimbursable portions that may be eligible for reimbursement through the bond proceeds.

Due to the absence of two directors, Vice President Slawson continued the item to the next meeting on Thursday, May 16.

4. Update: Presentation on BCVWD Capital Improvement Program

Director of Engineering Mark Swanson presented a thorough second quarter report to the Board on District activities. He and Mr. Jaggars discussed recently completed projects and ongoing projects, and responded to questions from the directors. Swanson updated the Board on several projects upcoming, and several planned for the future.

Future projects include:

- Operations Center (formerly the Engineering and Operations Center)
- Non-potable Pressure Reducing Valve Station
- Orange Avenue Replacement Pipeline
- 2024 Replacement Pipeline series
- Chromium 6 compliance implementation

Mr. Jaggars provided detail on new the Chromium 6 (Cr6) maximum contaminant level of 10 parts per billion adopted by the State Water Resources Control Board on April 17, 2024. It now goes to the Office of Administrative Law to be codified. He advised the Board that it will have to be implemented within two years. BCVWD currently has three affected wells, two of which are shared with the City of Banning. Cr6 may also appear in wells 1 and 2 once they are re-drilled.

The City of Banning has done some pilot studies and has a consultant on board to update the report produced in 2022. Mr. Jaggars reported that he has spoken to an engineer who is also doing some testing on potential solutions. He estimated that treatment could add up to \$500 per acre foot to the cost of the water supply for the affected wells.

One approach may be to reconfigure the location of two affected wells and create some wells that offer an opportunity for avoidance, Jaggars suggested. He said he will also speak with Banning Director of Public Works Art Vela about solutions such as a pipeline.

Vice President Slawson asked about diversion of water exceeding the Maximum Contaminant Level (MCL) into the non-potable system as was done previously, avoiding the need for treatment. Mr. Jaggars noted that for those wells co-owned with the City of Banning it will need to be figured out how to make their investment whole, and the City's alternatives.

Jaggars discussed potential short term and long-term strategies, noting that analysis must be done, but there might be financial benefits to in-lieu activities. Good management might allow deferral of costly activity, he noted.

Attachment 5



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, June 12, 2024 at 6:00 p.m.

Meeting held in person at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.

Call to Order: President Covington opened the meeting at 6:04 p.m.

Pledge of Allegiance was led by Director Williams.

Invocation was given by Director Slawson.

Announcement and Verification of Remote Meeting Participation Pursuant to
AB 2449 or GC 54953(b)

No Board members were attending via teleconference.

Roll Call:

Table with 2 columns: Category and Name. Rows include Directors present (Covington, Hoffman, Slawson, Williams), Directors absent (Ramirez), Staff present (General Manager Dan Jagers, Director of Engineering Mark Swanson, Director of Operations James Bean, Director of Information Technology Robert Rasha, Finance Manager Bill Clayton, Civil Engineering Assistant Khalid Sebai, Development Services Technician Lilian Tienda, Administrative Assistant Cenica Smith), and Legal Counsel (James Markman).

Members of the public who registered attendance: Kevin Walton and Larry Smith of
the San Gorgonio Pass Water Agency; James McKarmen, Jim Zimmerman, and David
Hendryx

Public Comment: None.

1. Adjustments to the Agenda: None.

2. Reports / Presentations / Information Items

President Covington noted that the Grant Activity Report is helpful but does not
show activity behind the scenes. It is difficult to believe BCVWD would not be able
to apply for available federal funds. General Manager Jagers noted there has
been activity. More will be reported at a future Board meeting.

The Board received and filed the following reports:

- a. Townsend Public Affairs, Inc. Monthly Update
- b. Update: BCVWD 2025 Operational Budget Timeline
- c. Grant Activity Quarterly Update

by the following roll-call vote:

MOVED: Slawson	SECONDED: Williams	APPROVED 3-0
AYES:	Covington, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Hoffman, Ramirez	

3. Consent Calendar

President Covington pulled Item 3g for discussion and asked about the continuation of the Declared Local Emergency. Mr. Jagers recommended renewal for at least one more time as the typhoon had caused some runoff damage. Before closing it out, expenditures on emergency repairs related to runoff from the mountains (damage to access roads) should be quantified and reported back to the Board. President Covington acknowledged there still may be a threat from the Apple Fire burn scar during monsoons and atmospheric rivers.

Consent Calendar items 3a through 3g were approved with one motion by the following roll-call vote:

- a. Review of the April 2024 Budget Variance Reports
- b. Review of the April 30, 2024 Cash/Investment Balance Report
- c. Review of Check Register for the Month of May 2024
- d. Review of May 2024 Invoices Pending Approval
- e. Minutes of the Regular Meeting of April 25, 2024
- f. Minutes of the Special Meeting of May 16, 2024
- g. Status of Declared Local Emergencies Related to Fires
 - i. Impact of the Apple Fire pursuant to Resolution 2020-17
 - ii. Impact of the El Dorado Fire pursuant to Resolution 2020-20

MOVED: Williams	SECONDED: Slawson	APPROVED 3-0
AYES:	Covington, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Hoffman, Ramirez	

4. Presentation, Discussion, and Consideration of Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located West of Tukwet Canyon Parkway and North of Oak Valley Parkway

Director of Engineering Mark Swanson reminded about past discussion of this item including a presentation by the developer. At the April 25, 2024 meeting, the Board considered participation with the City in this funding mechanism to allow improvements

to be funded through property taxes, but after some discussion, the item was tabled. He listed the infrastructure to be included:

Phase	Improvement	Note
IVB	Oak Valley Pkwy (Potable)	4,170 LF of 18-in. Pipeline (2650 PZ) 4,150 LF of 24-in. Pipeline (2520 PZ)
	Oak Valley Pkwy (Non-Potable)	4,120 LF of 18-in. Pipeline (2600 PZ)
	Sorenstam Drive Potable Infrastructure	3,190 LF of 12-in. Pipeline (2520 PZ)
IVC	Oak Valley Pkwy (Non-Potable)	6,050 LF of 12-in. Pipeline (2400 PZ)

Participation in the JCFD is a policy determination for the Board, Mr. Swanson noted. Mr. Jagers noted that something similar was done 20 years ago and there are pros and cons to this. He noted that the District would enjoy having the improvements made to the system.

Director Williams asked for clarification that the District had participated 20 years ago in a CFD, and the related policy. Mr. Jagers explained the District had participated with the City in funding for master planned facilities in the early 2000s, and the City is doing the CFD funding differently than in the past, including more consistent financial control. Director Williams asked about oversight.

President Covington indicated this is not something that had been done in his tenure on the Board and he is unfamiliar with it. There is a sense of reluctance, likely due to the fact this is the first, but there were good questions and answers at the previous meetings. He noted that the Board would need to see the item from the perspective of the District and legal counsel. The Board needs to make sure they are comfortable with this and does not end up with the project falling apart as it is somewhat of a partnership with another public agency, he said.

President Covington said he wanted to understand the District's fiscal liabilities if the CFD fails, and what the benefit to the District might be. He requested staff

Meritage Homes Project Manager David Hendryx clarified that the proposal is a standalone CFD between the City of Beaumont and Meritage Homes, with the City as the lead agency. The District participates through a Joint Community Facilities Agreement (JCFA) which details the bond program and compliance that the improvements are eligible for reimbursement. There is no change to the District's procedures of installation, inspection and acceptance which will happen irrespective of the facilities becoming reimbursable through the bond process. The District has ownership of the improvements. Regarding added liability to the District: there are Meritage's bonds, which would not be released by the District until fully satisfied with the master infrastructure constructed and functioning. Full capacity charges (facilities fees) would be paid (not to be financed through the CFD), Hendryx assured.

For the infrastructure listed in the table above, total costs are between \$18 and \$19 million, Hendryx continued. The Sorenstam line has been constructed. The others are

the last of the master improvements within the pressure zones that make Fairway Canyon fully functional for all the developers, not just Meritage – it is the last section that goes in.

In response to President Covington, Mr. Hendryx assured that the District will not be signatory to any agreement with any other public agencies – once entered the JCFA, District would follow its standard practice of accepting the improvements, released the bonds, then would sign a certification that the developer has met its obligations under the Water Services Agreement and the bonds and are functioning as intended. At that point, the improvements would be eligible for reimbursement.

Hendryx explained the role of a third-party bond administrator and sale of tranches of bonds as improvements are completed and accepted by the District. There is no other risk to the District, and no additional liability, he stated. Bond counsel is directing the City in formation and bond issuance, and a compliance agent will be responsible for reimbursement requests and verifications.

Meritage did not want to be part of the City's CFD 93-1 and purposefully de-annexed areas IV-B and IV-C from it, Hendryx continued. He enumerated the other improvements that are in addition to the potable water and noted that the next component will be Oak Valley Parkway, which it is hoped can be brought back to the Board in July with the Water Services Agreement. All Will-Serve Letters and meters are subject to getting those improvements completed.

Director Williams asked for clarification of the partnership with the City as lead agency. Mr. Hendryx stated it is not a partnership; it is a specific CFD which will appear on the property tax bill, but the District is not identified. The JCFA is to form the CFD and allow the administrator to enter those improvements for reimbursement. The District will not interact with the City, the District will interact with the CFD for which the City is the lead agency. Director Williams pointed out this is indeed a joint agreement made with the City.

6:39 p.m. Director Hoffman joined the meeting.

The request is to proceed with the development of a JCFA, but there has been nothing submitted to legal counsel that is related to the actual form of activity, Jagers advised. He noted that District legal counsel has been consulted and he recalled prior discussion related to house prices and bond costs. He stated that his position is neutral on this item.

Legal Counsel Markman indicated it is clear where the savings are on the price of the house, but developers create these CFDs as a method of using public financing at interest-free loan rates to build infrastructure. It does not change much about how the infrastructure is built, but a part of every house is then financed via Mello-Roos. He reminded about prior publicity, good or bad, related to Mello-Roos, which is a property tax add-on to cover the cost of the infrastructure. All of this is completely disclosed in the papers issued by the Real Estate Commissioner, although a second- or third-time owner should read all documents. The first buyer is getting a discount based upon the interest savings on the cost of building the infrastructure. He described issues adding to the negative reputation of Mello-Roos districts, noting that some cities have avoided them.

Mr. Hendryx added that not only is there a reduction in purchase price, but there is also a reduction in down payment, broadening the number of people who can qualify. President Covington indicated understanding of the home price effects but said it had not yet been addressed as to pros and cons, risks and benefits, and how this arrangement would affect the District.

Mr. Hendryx continued the presentation with a project status update. There is approximately \$9 million in costs that would be subject to reimbursements should all of them be chosen as eligible. The first CFD for area IV-B has already been formed, replacing CFD 93-1 which had been canceled and does not appear anywhere in documentation for the homebuyer. The developer would install, pay for, and invest the cash in the improvements, and await reimbursement following completion. The City would then send a request to the District to acknowledge the improvements had been accepted. A compliance agent would do additional checking and authorize funds disbursement.

The bonds would have a 30-year term. As interest rates go down, there is ability to refinance to lower the bond rate (this is commonplace). Secondary owners would then benefit from that reduction in tax collection, Hendryx noted. President Covington asked who makes the decision about bond refinancing. Mr. Hendryx said it is an economic calculation and when certain criteria are met for significant savings would trigger that. Mr. Markman addressed some prior refinancing related problems in the City of Beaumont.

Mr. Hendryx offered assurances. President Covington asked about the City's role in any refinancing. Hendryx indicated there would be a recommendation from bond counsel, and Markman added refinance decisions would go to the City Council.

In response to Director Williams, Mr. Markman indicated that in the event of a refinance, the bonds would be substituted with other bonds that have a lower cost to carry, and that is the advantage to the homeowners, as the interest rates could be dropped, and the next purchaser gets a better deal. However, the life of the bond can be extended over a longer period of time, and some feel the tax burden would never go away, Markman said. Every time the bonds are turned over and extended, the bond counsel, disclosure counsel, and others all get paid again. City professionals should be watching and obtaining good legal advice to stay away from conflicts of interest, Markman stated.

The bond proceeds would have been disbursed to Meritage, so Meritage would have no influence in the refinance, Hendryx added.

Jim Zimmerman of Meritage Homes clarified that the Mello-Roos Act requires there to be a savings in debt service in order to refinance bonds. Bond maturity cannot be extended without a vote of the property owners. The only way it can be extended is if only a portion of the bonds have been issued and new money bonds are being issued.

Director Williams asked who chooses the facilitator or bond counsel overseeing the CFD and if the District had any ability for input. It is a City decision, Markman explained.

Mr. Hendryx continued. The JCFA would be delivered to the District's bond counsel to review and would be negotiated between the parties. The agreements are pretty

standard, he noted. Meritage is fronting all up-front costs to form the CFD including a deposit with the City. Meritage does not get reimbursed until the bonds are sold. There is a resolution of intention, followed by a resolution of formation on which the City will vote. Later, there will be an authorization to sell bonds.

Mr. Swanson noted that a deposit from the developer would be required to cover District staff time, review of agreements and other costs.

Mr. Hendryx noted that the goal was to provide decision-quality information and answer all questions to be able to make a decision and start the process of JCFA review.

Director Hoffman recapped the benefit to the homebuyer and asked about the dollar investment per house that the District would have in addition to the home price. Mr. Zimmerman said that with a \$400,000 house, the financing would represent anywhere from \$20,000 to \$25,000 per home in the bond financing, representing an adjustment in price trickling through to the down payment and monthly payments.

What benefits will the District see through pursuing this joint activity, Hoffman asked. Mr. Hendryx answered "it's not possible;" Meritage is paying the full facilities fees and not asking for any credits for the larger infrastructure it is constructing to benefit the District, so to the extent the improvements would not be financed through the JCFA, Meritage may want to open a dialogue in regard to having some type of credit offset to the facilities fees. Meritage understood that these facilities are in the master plan, and it is their responsibility to build them.

Hendryx confirmed for Director Hoffman that the District will have no financial risk for involvement in the JCFA.

Director Hoffman expressed mixed feelings based on his knowledge of past situations.

Director Slawson said that in his engineering practice, assessment districts and CFDs appear to be commonplace. It seems there is no risk to the District, but there will probably be some staff time involved and staff will have to work with developers on CFDs in future. More affordable homes mean more homebuyers and more District customers, he noted.

Director Williams said she would like to see something from staff and legal that shows risks, pros, and cons for the District in order to make an informed decision. She said she favored the lower house prices but said she is familiar with the history of past situations in Beaumont.

Mr. Hendryx assured that Meritage is prepared to work with District staff in preparing the pros and cons and bringing that back to the Board.

Mr. Jagers provided some background on past situations and noted that the District's way of doing business today is significantly different. Regardless of the City and other entities, there is a true record and accountability, he stated. He said he is not a proponent of increased taxes, but there are elements of District facilities to consider which complete facilities around the City that had been in progress for 20 years.

President Covington requested detailed review of the proposal by staff and legal counsel, and an opinion and recommendation or options.

President Covington noted this is uncharted territory for this Board. He referred to past politics and ugliness related to a CFD, noting that none want to be involved in or associated with anything like that, which is one of the biggest impediments to this process so far. He noted the Board is performing its due diligence, as it is elected to do, and advised caution in moving forward. He pointed out the need for more information and professional expertise and guidance to assist the Board in forming an opinion. The action requested at this meeting is unclear, he added.

In response to Director Williams, Mr. Jagers suggested obtaining a version of a draft agreement to review.

Mr. Jagers explained that from a facilities perspective, District staff would prefer that infrastructure of the master plan be constructed sooner rather than later. He requested the developer provide more detail on the elements of the deal, how it is structured, and how it would marry with the rest of the CFD. Mr. Hendryx indicated he would supply it tomorrow. Staff will provide the draft agreement to legal counsel to start the process.

Legal Counsel Markman noted that it is not the opinion of his firm to recommend against this methodology. He acknowledged what happened in the past and stated that many his firm has addressed in the last 20 to 30 years have not gone wrong. He will review this with a colleague to get the full answer.

President Covington continued this item to a future meeting.

5. Review Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2023 Capacity Charges

Finance Manager Bill Clayton explained the routine report for compliance in reporting of capacity charges (facilities fees) collections and expenditures. Mr. Clayton and Legal Counsel Markman responded to President Covington about reporting requirements.

In response to Director Slawson, General Manager Jagers identified funds spent in relation to the MDP Line 16 storm drain project.

The Board received and filed the annual disclosure by the following roll-call vote:

MOVED: Williams	SECONDED: Slawson	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

6. BCVWD Rate Action in Review 2019-2020

Mr. Jagers noted that the current rates do not advance after the end of this year. In consideration are impacts of regulatory burdens such as Chromium 6, Making Conservation a California Way of Life, and zero emission vehicles. These

JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Community Facilities District No. 2007-2 of the City of Perris (Pacific Heritage)

by and among

City of Perris, Eastern Municipal Water District and
Pelican Landing, LP

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “Agreement”) is entered into effective as of the ____ day of ____, 2020, by and among CITY OF PERRIS, a California general law city (the “City”), EASTERN MUNICIPAL WATER DISTRICT, a public agency organized and existing pursuant to Division 20 of the California Water Code (“EMWD”), and PELICAN LANDING, LP a California limited partnership (“Property Owner”), and relates to the community facilities district known as “Community Facilities District No. 2007-2 of the City of Perris (Pacific Heritage)” (the “CFD”) for the purpose of financing certain facilities to be owned, operated or maintained by the City or EMWD from proceeds of bonds issued by the CFD and the proceeds of special taxes levied by the CFD.

RECITALS:

A. The property (“Property”) depicted in Exhibit “A” hereto, which is located in the City, County of Riverside, State of California, constitutes the land within the boundaries of Annexation No. 1 of the CFD.

B. Property Owner owns the Property included in the CFD. Property Owner intends to develop the Property for residential purposes. The Property is described in Exhibit “B” hereto.

C. The City received a petition in accordance with the Act (defined below) to form the CFD for the purpose of financing, among other things, certain public facilities to be constructed and owned and operated by EMWD (the “EMWD Facilities”) in lieu of the payment of EMWD Fees (defined herein) and certain water and sewer facilities to be constructed by Property Owner and acquired by EMWD (the “Acquisition Facilities”).

D. In conjunction with the issuance of permits for the construction of homes on the Property and/or receipt of water meters for such homes, the Property Owner, or its successors or assigns, may elect to advance EMWD Facilities costs in lieu of payment of EMWD Fees (the “Advances”) before Bond Proceeds (defined herein) are available in sufficient amounts to pay for EMWD Facilities. In such case, the Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to EMWD, if any (the Advances being considered an interest free loan by the Property Owner with no repayment obligation except to the extent there are Bond Proceeds received by or made available to EMWD as described herein, all as further described in Section 5(a) below), and (ii) credit against EMWD Fees which would otherwise be due to EMWD equal to the amount of Bond Proceeds disbursed to EMWD or at the direction of EMWD for EMWD Facilities, all as further described herein.

E. The City will have sole discretion and responsibility for the formation and administration of the CFD.

F. The City is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the EMWD Facilities and/or the Acquisition Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among EMWD, the Property Owner and the City, pursuant to which the CFD, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD Facilities and/or the Acquisition Facilities. As authorized by Section 53316.6 of the Act, responsibility for constructing, providing for and operating the EMWD Facilities and/or the Acquisition Facilities is delegated to EMWD.

G. The Parties (defined below) hereto find and determine that the residents residing within the boundaries of EMWD, the City and the CFD will be benefited by the construction and/or acquisition of the EMWD Facilities and/or the Acquisition Facilities and that this Agreement is beneficial to the interests of such residents.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereto agree as follows:

1. **Recitals.** Each of the above recitals is incorporated herein and is true and correct.
2. **Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.
 - (a) “Acquisition Facility(ies)” means the sewer and water facilities described as such in Exhibit “C” hereto.
 - (b) “Act” means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.
 - (c) “Advance” or “Advances” means an amount advanced by Property Owner to EMWD for EMWD Facilities in lieu of payment of EMWD Fees prior to the availability of sufficient Bond Proceeds. Advances shall be deemed payment of EMWD Fees to the extent sufficient Bond Proceeds are not received by or made available to EMWD.
 - (d) “Bond Proceeds” or “Proceeds of the Bonds” shall mean those net funds generated by the sale of the Bonds and investment earnings thereon, net of costs of issuance, reserve fund, capitalized interest and administrative expenses, and may include net funds generated by the levy of Special Taxes and investment earnings thereon. Such Bond Proceeds are only up the amount allocated by the CFD for EMWD Fees or EMWD Facilities.
 - (e) “Bond Resolution” means that Resolution, Resolution Supplement, Fiscal Agent Agreement, Indenture of Trust or other equivalent document(s) providing for the issuance of the Bonds.
 - (f) “Bonds” shall mean those bonds, or other securities, issued by, or on behalf of the CFD, in one or more series, as authorized by the qualified electors within the CFD.

(g) “Disbursement Request” means a request for payment relating to EMWD Facilities in the form attached hereto as Exhibit “D.”

(h) “EMWD Engineer Representative” means an EMWD engineer duly authorized to act on behalf of EMWD or his or her designee.

(i) “EMWD Fees” means water supply development fees, water backup fees, sewer backup fees, sewer treatment capacity charges and all components thereof imposed by EMWD upon the Property to finance EMWD Facilities.

(j) “EMWD Facilities” means those sewer and water facilities listed on Exhibit “C” hereto, which are necessary for the provision of water and sewer services to the Property and paid for with Bond Proceeds in lieu of the payment of EMWD Fees.

(k) “Other Facilities Account of the Improvement Fund” means the fund, account or subaccount of the CFD (regardless of its designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance EMWD Facilities and/or the Acquisition Facilities and which may have subaccounts.

(l) “Party” or “Parties” shall mean any one or all of the parties to this Agreement.

(m) “Payment Request” means a request for payment relating to Acquisition Facilities in the form attached hereto as Exhibit “E”.

(n) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes pursuant to proceedings undertaken for the formation of the CFD pursuant to the Act.

(o) “Special Taxes” means the special taxes authorized to be levied and collected within the CFD pursuant to the Rate and Method.

(p) “State” means the State of California.

3. Formation of the CFD. The City has undertaken to analyze the appropriateness of forming the CFD to finance the EMWD Facilities, Acquisition Facilities, and other facilities. The City has and will retain, at the expense of the Property Owner, the necessary consultants to analyze the formation of the CFD.

4. Sale of Bonds and Use of Bond Proceeds. In the event that the CFD is formed and Bonds are issued, the City and the Property Owner shall determine the amount of Bond Proceeds to be deposited in the Other Facilities Account of the Improvement Fund and each subaccount thereof. As Bond Proceeds are transferred to EMWD and reserved to fund EMWD Facilities, as described in Section 5 below, the Property Owner shall receive a credit in the amount transferred against the payment of EMWD Fees with respect to the Property. Nothing herein shall supersede the obligation of an owner of the Property to make an Advance or pay EMWD Fees to EMWD when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds and levy Special Taxes to provide a source of funds to finance EMWD Facilities and Acquisition Facilities in lieu of the payment of EMWD Fees and provision of Acquisition Facilities. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy

the obligation, then the Property Owner shall remain obligated to make an Advance for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to EMWD), or pay EMWD Fees to EMWD as a condition of receiving water and sewer service to the Property.

The Bonds shall be issued only if, in its sole discretion, the City Council determines that all requirements of State and federal law and all City policies have been satisfied or have been waived by the City. Nothing in this Agreement shall confer upon EMWD or any owner of the Property, including Property Owner, a right to compel the issuance of the Bonds or the disbursement of Bond Proceeds to fund EMWD Facilities and/or Acquisition Facilities except in accordance with the terms of this Agreement.

If and when the CFD determines to issue Bonds, the CFD shall take such actions necessary in its reasonable discretion to ensure the total effective tax rate is within the City's policies and does not exceed two percent (2%) at the time of Bond sale. The total effective tax rate shall be based on a method of determination of property values reasonably acceptable to the City. CFD shall not include EMWD's name on property owners' special tax bills within the CFD.

By entering into this Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

5. Disbursements for EMWD Facilities.

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund EMWD Facilities, the Property Owner shall notify EMWD of the amount of Bond Proceeds reserved to fund EMWD Facilities and the Property Owner and EMWD may execute and submit a Disbursement Request for payment to the City or the CFD requesting disbursement of an amount equal to all or a portion of Advances from the Other Facilities Account of the Improvement Fund to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon EMWD's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from EMWD. To facilitate EMWD's bookkeeping, EMWD may direct in a Disbursement Request, that all or a portion of a payment be made directly from the Other Facilities Account to the Property Owner as reimbursement for Advances made by the Property Owner. In the event of a reimbursement to the Property Owner pursuant to the preceding sentence, EMWD shall account for an equivalent amount of Advances previously received from the Property Owner in accordance with Section 5(c) below.

To the extent that EMWD expends all or a portion of an Advance pending the deposit of Bond Proceeds in the Other Facilities Account of the Improvement Fund, for purposes of Treasury Regulations regarding investment and expenditure of Bond Proceeds and State law provisions regarding financing of public capital facilities, the Advance shall be a considered an interest free loan by the Property Owner, which EMWD only agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and EMWD's written direction as described below to pay all or a portion of such deposit to the Property Owner as repayment of an Advance.

(b) From time to time following the funding of the Other Facilities Account of the Improvement Fund, the Property Owner may notify EMWD in writing and the Property Owner

and EMWD may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund EMWD Facilities by executing and submitting a Disbursement Request. Upon receipt of such Disbursement Request completed in accordance with the terms of this Agreement, the CFD shall wire transfer or otherwise pay to EMWD (or upon EMWD's written direction pay to the Property Owner or an EMWD contractor) such requested funds to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and EMWD's receipt of such disbursement (or upon payment to the Property Owner or an EMWD contractor in accordance with directions from EMWD relating to EMWD Facilities), the Property Owner shall be deemed to have satisfied the applicable EMWD Fees with respect to the number of dwelling units or lots for which the EMWD Fees would otherwise have been required in an amount equal to such disbursement.

(c) EMWD agrees that prior to submitting a Disbursement Request requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid or incurred such costs of EMWD Facilities from its own funds (which may include Advances from the Property Owner) subsequent to the date of this Agreement, or will disburse such amounts to pay the costs of EMWD Facilities following receipt of funds from the CFD. In the event that EMWD does not disburse any Bond Proceeds (or equivalent amount of Advances repaid pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) received by it to third parties within five banking days of receipt, it will trace and report to the CFD all earnings, if any, earned by EMWD, from the date of receipt of such Bond Proceeds by EMWD (or the date of disbursement pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) to the date of expenditure by EMWD for capital costs of the EMWD Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by EMWD. EMWD agrees that in processing the above disbursements it will comply with all legal requirements for the expenditure of Bond Proceeds under the Internal Revenue Code of 1986 and any amendments thereto.

(d) EMWD agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. EMWD will, upon request, provide the City and/or the Property Owner with access to EMWD's records related to the EMWD Facilities and expenditure of Advances and will provide to the City its annual financial report certified by an independent certified public accountant for purposes of assisting the City in calculating the arbitrage rebate obligation of the CFD, if any. [Brad said this is already covered.]

(e) The City or the CFD agrees to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Other Facilities Account of the Improvement Fund and expenditure of Advances. The City or the CFD will, upon request, provide EMWD and/or Property Owner with access to the City's or the CFD's records related to the Other Facilities Account of the Improvement Fund.

(f) The City acknowledges that it is in receipt of and has reviewed the EMWD Comprehensive Debt Policy ("Debt Policy"). At the time of formation of the CFD, the City and the CFD are in conformance with Section 3.1 of the Debt Policy and it is expected that the City and CFD will remain in conformance with Section 3.1 at the time of any Bond sale. However, City and EMWD acknowledge that the City has the ultimate responsibility for issuance of the Bonds, the administration of the CFD, and the tax-exempt status of any Bonds issued by the CFD. Accordingly, the City Council shall have ultimate responsibility for making all decisions with respect to the issuance of any CFD Bonds and the levy of CFD Special Taxes.

6. Ownership of EMWD Facilities and Acquisition Facilities. The EMWD Facilities and Acquisition Facilities shall be and remain the property of EMWD.

7. Acquisition Facilities. The requirements of this Section 7 shall apply to any Acquisition Facility for which a Payment Request is submitted to EMWD pursuant to this Section 7.

(a) Design Plans and Specifications. All plans, specifications and bid documents for the Acquisition Facility (“Plans”) constructed or to be constructed by the Property Owner shall be prepared by the Property Owner at the Property Owner’s initial expense, subject to approval by EMWD. Costs for preparation of the Plans shall be included in the acquisition price. Reimbursement of costs for plan revisions will be considered on a case by case basis. The Property Owner shall not award bids for construction, or commence or cause commencement of construction, of the Acquisition Facility until the Plans and bidding documents have been approved by EMWD. The bid opening for the Acquisition Facility shall be coordinated with and take place at EMWD’s offices, with EMWD personnel in attendance.

(b) Construction of Acquisition Facilities. A qualified engineering firm (the “Field Engineer”) shall be employed by the Property Owner to provide all field engineering surveys determined to be necessary by the EMWD’s inspection personnel. Field Engineer shall promptly furnish to EMWD 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. EMWD shall have the right, but not the obligation, to review, evaluate and analyze whether such results comply with applicable specifications.

A full-time soil testing firm, approved by EMWD, shall be employed by the Property Owner to conduct soil compaction testing and certification. The Property Owner shall promptly furnish results of all such compaction testing to EMWD for its review, evaluation and decision as to compliance with applicable specifications. In the event the compaction is not in compliance with applicable specifications, the Property Owner shall be fully liable and responsible for the costs of achieving compliance. A final report certifying all required compaction in accordance with the specifications shall be a condition of final acceptance of the Acquisition Facility.

The costs of all surveying, testing and reports associated with the Acquisition Facility furnished and constructed by the Property Owner’s contractor(s) shall be included in the acquisition price.

EMWD shall not be responsible for conducting any environmental, archaeological, biological, or cultural studies or any mitigation requirements that may be requested by appropriate Federal, State, and/or local agencies with respect to the Acquisition Facility. Any such work shall be paid for and conducted by the Property Owner and included in the acquisition price of the Acquisition Facility.

(c) EMWD Public Works Requirements. In order that the Acquisition Facility may be properly and readily acquired by EMWD, the Property Owner shall comply with all of the following requirements with respect to the Acquisition Facility, and the Property Owner shall provide such proof to the EMWD as EMWD may reasonably require and at such intervals and in such form as EMWD may reasonably require, that the following requirements have been satisfied as to the Acquisition Facility:

(i) The Property Owner shall prepare a bid package for review, comment and approval by the General Manager of EMWD or his designee (the “EMWD Representative”).

(ii) The Property Owner shall, after obtaining at least three sealed bids for the construction of the Acquisition Facility in conformance with the procedures and requirements of EMWD, submit to EMWD written evidence of such competitive bidding procedure, including evidence of the means by which bids were solicited, a listing of all responsive bids and their amounts, and the name or names of the contractor or contractors to whom the Property Owner proposes to award the contracts for such construction, which shall be the lowest responsible bidder.

(iii) The EMWD Representative shall attend the bid opening. If unable to attend the bid opening, the EMWD Representative shall approve or disapprove of a contractor or contractors, in writing, within five (5) business days after receipt from the Property Owner of the name or names of such contractor or contractors recommended by the Property Owner. If the EMWD Representative disapproves of any such contractor; the Property Owner shall select the next lowest responsible bidder from the competitive bids received who is acceptable to the EMWD Representative.

(iv) The specifications and bid and contract documents shall require all such contractors to pay prevailing wages and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects and as required by the procedures and standards of EMWD with respect to the construction of its public works projects.

(v) The Property Owner shall submit faithful performance and payment bonds conforming in all respects to the requirements set forth in EMWD’s “Standard Water and/or Sewer Facilities and Service Agreement.” The following documents shall be submitted to EMWD along with the performance and payment bonds:

(1) The original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws, or other instrument entitling or authorizing the person who executed the bond to do so;

(2) A certified copy of the certificate of authority of the insurer issued by the State of California’s Insurance Commissioner; and

(3) Copies of the insurer’s most recent annual and quarterly statements filed with the Department of Insurance.

(vi) The Property Owner and its contractor and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Acquisition Facility, which they will construct in conformance with EMWD’s standard procedures and requirements. EMWD’s insurance requirements are set out in Section 7(n) herein.

(vii) The Property Owner and all such contractors shall comply with such other requirements relating to the construction of the Acquisition Facility which EMWD may impose by written notification delivered to the Property Owner and each such contractor at the time either prior to the receipt of bids by the Property Owner for the construction of such Acquisition Facility or, to the extent required as a result of changes in applicable laws, during the progress of construction

thereof. In accordance with Section 7(f), the Property Owner shall be deemed the awarding body and shall be solely responsible for compliance and enforcement of the provisions of the Labor Code, Government Code, and Public Contract Code.

(viii) A “Change Order” is an order from the Property Owner to a contractor authorizing a change in the work to be performed. The Property Owner shall receive comments from the EMWD Representative prior to the Property Owner’s approval of any Change Order. The EMWD Representative shall comment on or deny the Change Order request within five (5) business days of receipt of all necessary information. EMWD’s comments to a Change Order shall not be unreasonably delayed, conditioned or withheld. The Property Owner shall not be entitled to include in the acquisition price costs associated with a Change Order that have not been approved by the EMWD Representative.

(d) Inspection; Completion of Construction. EMWD shall have primary responsibility for inspecting the Acquisition Facility to assure that the work is being accomplished in accordance with the Plans. Such inspection does not include inspection for compliance with safety requirements by the Property Owner’s contractor(s). EMWD’s personnel shall be granted access to each construction site at all reasonable times for the purpose of accomplishing such inspection. Upon satisfaction of EMWD’s inspectors, the Property Owner shall notify EMWD in writing that an Acquisition Facility has been completed in accordance with the Plans.

Within three (3) business days of receipt of written notification from EMWD inspectors that an Acquisition Facility has been completed in accordance with the Plans, the EMWD Representative shall notify the Property Owner in writing that such Acquisition Facility has been satisfactorily completed. Upon receiving such notification, the Property Owner shall file a Notice of Completion with the County of Riverside Recorder’s Office, pursuant to the provisions of Section 3093 of the Civil Code. The Property Owner shall furnish to EMWD a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County of Riverside (the “County”). EMWD will in turn file a notice with the County for acceptance.

(e) Liens. With respect to the Acquisition Facility, upon the earlier of (i) receipt of all applicable lien releases, or (ii) expiration of the time for the recording of claim of liens as prescribed by Sections 3115 and 3116 of the Civil Code, the Property Owner shall provide to EMWD such evidence or proof as EMWD shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment for the construction of the Acquisition Facility have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

(f) Acquisition; Acquisition Price; Source of Funds. The costs eligible to be included in the acquisition price of the Acquisition Facility (the “Actual Costs”) shall include:

(i) The actual hard costs for the construction of such Acquisition Facility as established by EMWD-approved construction contracts and approved Change Orders, including costs of payment, performance and maintenance bonds and insurance costs, pursuant to this Agreement;

(ii) The design and engineering costs of such Acquisition Facility including, without limitation, the costs incurred in preparing the Plans. Costs for plan revisions will be considered on a case by case basis;

(iii) The costs of environmental evaluations and public agency permits and approvals attributable to the Acquisition Facility;

(iv) Costs incurred by the Property Owner for construction management and supervision of such Acquisition Facility, not to exceed five percent (5%) of the actual construction cost, subject to prior approval by EMWD of any construction management or supervision contract with respect to the Acquisition Facility;

(v) Professional costs associated with the Acquisition Facility such as engineering, inspection, construction staking, materials, testing and similar professional services; and

(vi) Costs approved by EMWD of acquiring from an unrelated third party any real property or interests therein required for the Acquisition Facility including, without limitation, temporary construction easements, temporary by-pass road and maintenance easements.

Provided the Property Owner has complied with the requirements of this Agreement, EMWD agrees to execute and submit to the City a Payment Request for payment of the acquisition price of the completed Acquisition Facility to the Property Owner or its designee within thirty (30) days after the Property Owner's satisfaction of the preconditions to such payment stated herein.

As a condition to EMWD's execution of the Payment Request for the acquisition price, the property ownership of the completed Acquisition Facility shall be transferred to EMWD by grant deed, bill of sale or such other documentation as EMWD may require free and clear of all taxes, liens, encumbrances, and assessments, but subject to any exceptions determined by EMWD to not interfere with the actual or intended use of the land or interest therein (including the lien of a community facilities district so long as the subject property is exempt from taxation or is otherwise not taxable by such community facilities district). Upon the transfer of property ownership of the Acquisition Facility or any portion thereof to EMWD, EMWD shall be responsible for the maintenance of such Acquisition Facility or the portion transferred. Notwithstanding the foregoing, the acquisition price of an Acquisition Facility may be paid prior to transfer of property ownership and acceptance of the Acquisition Facility if it is substantially completed at the time of payment. The Acquisition Facility shall be considered "substantially complete" when it has been reasonably determined by EMWD to be usable, subject to final completion of such items as the final lift or any other items not essential to the primary use or operation of the Acquisition Facility.

For purposes of determining the acquisition price to be paid by the CFD for the acquisition of each Acquisition Facility by EMWD, the value of such Acquisition Facility shall include the construction costs specified in EMWD-approved contracts and EMWD-approved change orders conforming to this Section 7, as hereinbefore specified. EMWD approval is a condition prior to initiation of contract work. However, if EMWD reasonably determines that the additional Actual Costs are excessive and that the value of the Acquisition Facility is less than the total amount of such Actual Costs and such construction costs, the price to be paid for the acquisition of the Acquisition Facility shall be the value thereof as determined by the EMWD Engineer Representative, subject, however, to the Property Owner's right to appeal to EMWD's Board of Directors.

Upon completion of the construction of an Acquisition Facility, the Property Owner shall deliver or cause to be delivered to EMWD a Payment Request in substantially the form of Exhibit "E," attached hereto, copies of the contract(s) with the contractor(s) who have constructed the Acquisition Facility and other relevant documentation with regard to the payments made to such

contractor(s) and each of them for the construction of the Acquisition Facility, documentation evidencing payment of prevailing wages, and shall also provide to EMWD invoices and purchase orders with respect to all equipment, materials and labor purchased for the construction of the Acquisition Facility. EMWD shall require the EMWD Engineer Representative to complete its determination of the acquisition price of the Acquisition Facility as promptly as is reasonably possible.

Notwithstanding the preceding provisions of this Section, the source of funds for the acquisition of the Acquisition Facility or any portion thereof shall be funds on deposit in the Other Facilities Account of the Improvement Fund. If no such funds are available, EMWD shall not be required to acquire the Acquisition Facility from the Property Owner. In such event, the Property Owner shall complete the design and construction and offer to EMWD property ownership of such portions of the Acquisition Facility as are required to be constructed by the Property Owner as a condition to recordation of subdivision maps for the Property, but need not construct any portion of the Acquisition Facility which it is not so required to construct. Reimbursement for these facilities would be made pursuant to the “Standard Water and/or Sewer Facilities and Service Agreement(s)” by and between EMWD and the Property Owner.

(g) Easements and/or Fee Title Property Ownership Deeds. The Property Owner shall, at the time EMWD acquires the Acquisition Facility as provided in Section 7(f) hereof, grant or cause to be granted to EMWD, by appropriate instruments prescribed by EMWD, all easements across private property and/or fee title property ownership deeds which may be reasonably necessary for the proper operation and maintenance of such Acquisition Facility, or any part thereof.

(h) Permits. The Property Owner shall be responsible for obtaining all necessary construction permits from the City covering construction and installation of the Acquisition Facility. EMWD will request the City to issue an “operate and maintain permit” to EMWD, which will become effective upon the completion of the Acquisition Facility and acceptance of property ownership therewith by EMWD.

(i) Maintenance. Prior to the transfer of property ownership of an Acquisition Facility by the Property Owner to EMWD, as provided in Section 7(f) hereof, the Property Owner shall be responsible for the maintenance thereof and shall require its contractor(s) to repair all facilities damaged by any party, prior to acceptance by EMWD and/or make corrections determined to be necessary by EMWD’s inspection personnel.

(j) Inspection of Records. EMWD shall have the right to review all books and records of the Property Owner pertaining to the costs and expenses incurred by the Property Owner for the design and construction of the Acquisition Facility during normal business hours by making arrangements with the Property Owner. The Property Owner shall have the right to review all books and records of EMWD pertaining to costs and expenses incurred by EMWD for services of the EMWD Engineer Representative by making arrangements with EMWD.

(k) Property Ownership of Improvements. Notwithstanding the fact that some or all of the Acquisition Facility may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated to EMWD, each Acquisition Facility shall be and remain the property of the Property Owner until acquired by EMWD as provided in this Agreement.

(l) Materials and Workmanship Warranty. Upon the completion of the acquisition of an Acquisition Facility by EMWD, the performance bond related to such individual Acquisition Facility provided by the Property Owner pursuant to Section 7(c)(v) hereof, shall be reduced by 90%, and the remaining 10% shall serve as a maintenance bond to guarantee that such Acquisition Facility will be free from defects due to faulty workmanship or materials for a period of one year. Release of performance and payment bonds is addressed in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

(m) Independent Contractor. In performing this Agreement with respect to the Acquisition Facilities, the Property Owner is an independent contractor and not the agent of EMWD. EMWD shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. It is not intended by the Parties that this Agreement create a partnership or joint venture among them and this Agreement shall not otherwise be construed.

(n) Insurance Requirements. Neither the Property Owner nor its contractor shall commence work on an Acquisition Facility under this Agreement prior to obtaining all insurance required hereunder with a company or companies acceptable to EMWD, nor shall the Property Owner's contractor allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained.

The Property Owner shall, during the life of this Agreement, notify EMWD in writing of any incident giving rise to any potential bodily injury or property damage claim and any resultant settlements, whether in conjunction with this or any other project which may affect the limits of the required coverage, as soon as is reasonable and practical.

Both the Property Owner and its contractor shall conform in every respect to the requirements set forth in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

8. Indemnification.

(a) Indemnification by the City. The City shall assume the defense of, indemnify and save harmless, EMWD, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the City with respect to this Agreement and the issuance of the Bonds; provided, however, that the City shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(b) Indemnification by Property Owner. Property Owner shall assume the defense of, indemnify and save harmless, the City, the CFD and EMWD, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of Property Owner with respect to this Agreement; provided, however, that Property Owner shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(c) Indemnification by EMWD. EMWD shall assume the defense of, indemnify and save harmless, the City, the CFD and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of EMWD with respect to this Agreement, and the design, engineering and construction of the EMWD Facilities and the Acquisition Facilities constructed by EMWD; provided, however, that EMWD shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

9. Allocation of Special Taxes. The entire amount of any Special Taxes levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

10. Amendment and Assignment. This Agreement may be amended at any time but only in writing signed by each Party hereto. This Agreement may be assigned, in whole or in part, by the Property Owner to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until EMWD and the City have been notified, in writing, of such assignment and the assignment specifies whether the Property Owner or such assignee is authorized to execute disbursement requests.

11. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the Parties with respect to the subject matter of this Agreement.

12. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either Party 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, registered or certified, postage prepaid, addressed as follows:

City:	City of Perris 101 N. D Street Perris, CA 92570 Attention: Director of Finance
EMWD:	Eastern Municipal Water District P.O. Box 8300 2270 Trumble Road Perris, CA 92572-8300 Attention: Special Funding Division Email: specialfundingdivision@emwd.org
Property Owner:	Pelican Landing, LP c/o Pacific Communities 1000 Dove St., Suite 300 Newport Beach, CA 92660 Attention: Nelson Chung

Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Parties hereto. Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon

delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier upon the sender's receipt of written acknowledgement from the addressee, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

13. Exhibits. All exhibits attached hereto are incorporated into this Agreement by reference.

14. Attorney's Fees. In the event of the bringing of any action or suit by any Party against any other Party arising out of this Agreement, the Party in whose favor final judgment shall be entered shall be entitled to recover from the losing Party all costs and expenses of suit, including reasonable attorney's fees.

15. Interpretation in the event of Ambiguities or Disputes. The Parties acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the drafter.

16. Severability. If any part of this Agreement is held to be illegal or unenforceable by court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

17. Governing Law. This Agreement and any dispute arising hereunder shall be governed by interpreted in accordance with the laws of the State of California.

18. Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by any other Party hereto, or the failure by a Party to exercise its rights upon the default of any other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the terms of this Agreement thereafter.

19. No Third Party Beneficiaries. No person or entity other than the CFD, when and if formed, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than EMWD, the City, the CFD and Property Owner (and their respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

20. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

CITY OF PERRIS

Director of Finance

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CITY ATTORNEY OF THE CITY OF PERRIS

By: _____

[SIGNATURES CONTINUED ON NEXT PAGE.]

SAMPLE

EASTERN MUNICIPAL WATER DISTRICT

Paul D. Jones II, General Manager

ATTEST:

By: _____
Sheila Zelaya, Board Secretary

PROPERTY OWNER

PELICAN LANDING, LP,
a California limited partnership

By: PAC HOMES, LLC,
a California limited liability company
Its: General Partner

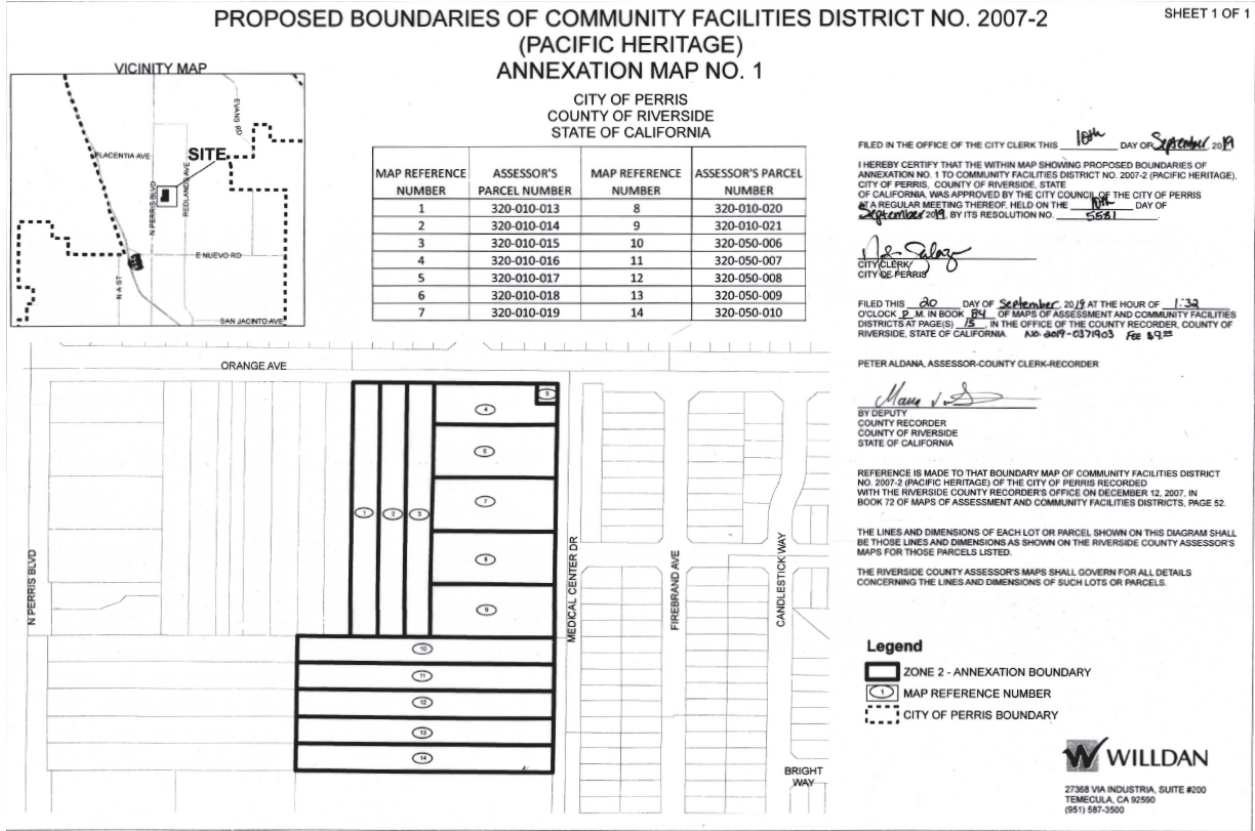
By: _____
Nelson Chung, Manager

SAMPLE

EXHIBIT "A"

**COMMUNITY FACILITIES DISTRICT NO. 2007-2 OF THE
CITY OF PERRIS (PACIFIC HERITAGE)**

DEPICTION OF PROPERTY



SA

EXHIBIT "B"

**COMMUNITY FACILITIES DISTRICT NO. 2007-2 OF THE
CITY OF PERRIS (PACIFIC HERITAGE)**

DESCRIPTION OF PROPERTY

Riverside County Assessor Parcel Number(s):

320-010-013
320-010-014
320-010-015
320-010-016
320-010-017
320-010-018
320-010-019
320-010-020
320-010-021
320-050-006
320-050-007
320-050-008
320-050-009
320-050-010

SAMPLE

EXHIBIT “C”

**COMMUNITY FACILITIES DISTRICT NO. 2007-2 OF THE
CITY OF PERRIS (PACIFIC HERITAGE)**

FACILITIES DESCRIPTION

1. EMWD Facilities. The type of EMWD Facilities eligible to be financed by the CFD under the Act are as follows:

Those water and sewer facilities included in EMWD’s water and sewer capacity and connection fee programs used to finance expansion projects, exclusive of in-tract facilities contributed by Property Owner. EMWD Facilities include, but are not limited to the following: water and sewer transmission pipelines, sewer treatment plants, disposal ponds, pumping plants, lift stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction, inspection and any and all appurtenant facilities and appurtenant work relating to the foregoing.

2. Acquisition Facilities. The types of Acquisition Facilities eligible to be financed by the CFD under the Act shall consist of sewer and water transmission lines, sewer and water pump stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction inspection and any and all appurtenant facilities to the foregoing required to serve the Property. The facilities listed above are representative of the types of facilities eligible to be financed by the CFD as Acquisition Facilities. Detailed scope and limits of specific projects will be determined by EMWD as appropriate, consistent with the standards of the EMWD.

EXHIBIT “D”

**COMMUNITY FACILITIES DISTRICT NO. 2007-2 OF THE
CITY OF PERRIS (PACIFIC HERITAGE)**

**DISBURSEMENT REQUEST FORM
(EMWD Facilities)**

1. City of Perris Community Facilities District No. 2007-2 of the City of Perris (Pacific Heritage) (“CFD”) is hereby requested to pay from the CFD bond proceeds (“Bond Proceeds”) to Eastern Municipal Water District (“EMWD”), as Payee, or to EMWD’s designee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for EMWD Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the connection of the property described below to the EMWD system.

3. Amount requested: \$ _____
For Tract/Lot Nos: _____

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement, by and among the City of Perris, EMWD and Pelican Landing, LP, dated _____, 2020 (the “Agreement”). Capitalized terms not defined herein shall have the meaning set forth in the Agreement. EMWD shall spend the Bond Proceeds allocated hereby in accordance with the requirements set forth in Section 5 of the Agreement.

5. By entering into the Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

PROPERTY OWNER

PELICAN LANDING, LP,
a California limited partnership

By: PAC HOMES, LLC,
a California limited liability company
Its: General Partner

By: _____
Nelson Chung, Manager

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

cc: EMWD Special Funding District

EXHIBIT “E”

**CITY OF PERRIS
COMMUNITY FACILITIES DISTRICT NO. 2007-2**

**PAYMENT REQUEST FORM
CITY OF PERRIS CFD NO. 2007-2 – OTHER FACILITIES ACCOUNT
OF THE IMPROVEMENT FUND**

City of Perris (“City”), Eastern Municipal Water District (“EMWD”) and _____ (“Property Owner”) are parties to the Joint Community Facilities Agreement, dated as of _____ (the “EMWD JCFA”). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the EMWD JCFA. Pursuant to the EMWD JCFA, Property Owner hereby requests approval of the acquisition price of the Acquisition Facility(ies) described in Attachment A attached hereto. In connection with this Payment Request, Property Owner hereby represents and warrants to the EMWD as follows:

(a) The person executing this Payment Request is qualified to execute this Payment Request on behalf of Property Owner and knowledgeable as to the matters set forth herein.

(b) The Acquisition Facility(ies) have been constructed in accordance with the Plans therefor, and in accordance with all applicable EMWD standards and the requirements of the EMWD JCFA.

(c) The true and correct Actual Cost of the Acquisition Facility(ies) is set forth in Attachment A.

(d) Property Owner has submitted or submits herewith to EMWD the contracts, invoices, receipts, worksheets and other evidence of Actual Costs which are in sufficient detail to allow the EMWD Representative to verify the Actual Cost of the Acquisition Facility(ies) for which payment is requested.

(e) There are no liens, rights to lien or attachment upon, or claims affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

Property Owner hereby declares under penalty of perjury that the above representations and warranties are true and correct.

[Remainder of page intentionally left blank]

Property Owner hereby requests that the acquisition price be paid to the person or persons, in the amount set forth in Attachment B hereto.

PROPERTY OWNER

PELICAN LANDING, LP,
a California limited partnership

By: PAC HOMES, LLC,
a California limited liability company
Its: General Partner

By: _____
Nelson Chung, Manager

SAMPLE

CONFIRMATION AND APPROVAL BY EMWD

EMWD has (a) confirmed that the Acquisition Facility(ies) described in Attachment A is complete and was constructed in accordance with the Plans therefor, and (b) reviewed, verified and approved the acquisition price of such Acquisition Facility(ies). Such Acquisition Facility(ies) is/are complete and the acquisition price therefor eligible for payment is \$ _____. The amount to be paid and the payee(s) are described in Attachment B.

Date: _____

AUTHORIZED REPRESENTATIVE OF EMWD

By: _____

SAMPLE

ATTACHMENT B

ACQUISITION PRICE PAYMENT INSTRUCTIONS

[Include name and address of payee and wire transfer instructions]

SAMPLE

Attachment B to Exhibit “E”



**Beaumont-Cherry Valley Water District
Special Board Meeting
August 29, 2024**

Item 3

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Cooperative Agreement Between the City of Beaumont and the Beaumont-Cherry Valley Water District

- a. **Adopt Resolution 2024-__ Establishing the District's Responsibility for Repair of Soil Subsidence over District-Owned Facilities**
- b. **Consider a Cooperative Agreement Regarding Right-of-Way Encroachments and Pavement Restoration**

Staff Recommendation

1. Adopt Resolution 2024-__ Establishing the District's Responsibility for Repair of Soil Subsidence over District-Owned Facilities
2. Approve the Cooperative Agreement between the City of Beaumont and the Beaumont-Cherry Valley Water District, and authorize the General Manager to finalize negotiations with the City and to execute the Agreement including any de minimis or non-substantive changes on behalf of the District

Executive Summary

The proposed Cooperative Agreement between the City of Beaumont (City) and the Beaumont-Cherry Valley Water District (District) is designed to establish clear procedures and obligations related to the District's right-of-way encroachments and pavement restoration within the City's public streets. Resolution 2024-__ is an integral part of the proposed Agreement, and staff recommends adoption in order for the Agreement to move forward.

The Agreement aims to streamline the process of obtaining encroachment permits for routine maintenance, repairs, and minor water facility installations (e.g., water services for new or existing dwelling units) while ensuring that public streets are restored to an acceptable standard after such work is completed. The Agreement will be in effect for an initial one-year term, serving as a proving period to assess its effectiveness and may be extended based on mutual satisfaction.

Background

The District frequently undertakes excavation and encroachment work within the streets to maintain and expand its water infrastructure. Since 2020, such activities have required individual permits for each project, leading to administrative delays and inconsistencies in pavement restoration requirements. To address these issues, the District has negotiated a Cooperative Agreement with the City to streamline the permitting process through an Annual Permit. This Agreement also sets forth specific standards for trench repair and pavement restoration to protect the integrity of the City's streets.

The Agreement is grounded in the District's statutory rights under the California Water Code and the City's regulatory authority over public streets, as codified in the Beaumont Municipal Code. It



balances the need for efficient infrastructure maintenance with the City's responsibility to maintain safe and durable roadways.

Discussion

Key Provisions of the Agreement:

1. **Term and Renewal:** The Agreement will commence upon execution and remain in effect for one year. This initial term will serve as a proving period to evaluate the Agreement's effectiveness in meeting both parties' needs. The Agreement may be renewed annually upon mutual consent.
2. **Scope of Work:** The Agreement covers all routine maintenance, minor repairs, and emergency work related to the District's water facilities within the City's streets. It establishes a framework for an Annual Permit that will simplify the permitting process for these activities.
3. **Pavement Restoration Standards:** The Agreement incorporates specific trench repair and pavement restoration standards that the District must adhere to when performing work within the City's streets. These standards are designed to minimize street degradation, ensure long-term durability, and minimize large and excessive pavement repairs in certain streets recently rehabilitated by the City.
4. **City Oversight and Enforcement:** The City retains the right to inspect all work performed under the Agreement to ensure compliance with the specified standards. The City may enforce corrective measures if the work does not meet the agreed-upon standards.
5. **Financial Considerations:** The District will pay an annual permit fee to the City, which covers the costs of administration and inspection associated with the Agreement. The fee will be adjusted annually based on the Consumer Price Index (CPI) for the Riverside-San Bernardino-Ontario region.
6. **Insurance and Liability:** The District is required to maintain comprehensive insurance coverage and indemnify the City against any claims arising from its work under the Agreement.

Implications

The Agreement is expected to enhance operational efficiency for the District while ensuring that the City's public streets are maintained in a safe and functional condition. By adopting this Agreement, the District will benefit from a streamlined permitting process, reducing delays and administrative burdens associated with individual project permits. Simultaneously, the City will benefit from clearly defined restoration standards that protect its infrastructure investments.

The Cooperative Agreement between the City of Beaumont and the Beaumont-Cherry Valley Water District represents a significant step forward in managing the District's infrastructure projects within the City's public streets. It provides a balanced approach to maintaining public safety, protecting infrastructure investments, and facilitating the efficient operation of the District's water facilities. Staff recommends that the Board approve the Agreement and authorize the General Manager to execute it on behalf of the District.



Fiscal Impact

The fiscal impact to the District is limited to the payment of the annual permit fee, which covers the City's costs for administering and inspecting the work performed under the Agreement and repairs to the pavement penetration that is more in line with typical repairs in other jurisdictions.

This fee will be subject to annual adjustment based on the Consumer Price Index. There are no additional direct costs to the District in association with this Agreement.

The Agreement stipulates that any further charges for necessary repairs or inspections will be consistent with the City's existing fee schedule and payable by the District.

Attachments

- A. Draft Cooperative Agreement Between the City of Beaumont and the Beaumont-Cherry Valley Water District
 - 1. City of Beaumont Paving Restoration & Trench Repair Standard – Aug. 11, 2021
 - 2. Proposed BCVWD Resolution 2024-__ (draft attached)
 - 3. BCVWD Paving Restoration and Trench Repair Standard – Aug. 22, 2024
 - 4. BCVWD Site Specific Annual Encroachment Permit Notification Letter and Encroachment Permit Notification and Supplemental Information Form

Staff Report prepared by Dan Jagers, General Manager

CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION

This **COOPERATIVE AGREEMENT**, (the “Agreement”), is made and entered into as of _____, 2024, by and between the City of Beaumont, a municipal corporation and general law city of the State of California, (the “City”), and the Beaumont Cherry Valley Water District, (the “District”), a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code. The City and District are sometimes respectively referred to as “Party” and collectively as the “Parties.”

I. Recitals

- A. The City is invested through Section 7 of Article XI of the California Constitution to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. It is through the City’s police powers that it is constitutionally authorized to regulate and protect the public health, safety, and welfare within its corporate boundaries.
- B. In furtherance of its constitutional police powers, the City has enacted its Municipal Code inclusive of Title 12 “Streets, Sidewalks and Public Places.”
- C. To ensure for the public health, safety and welfare, the City adopted Chapter 12.12 “Excavations” through Ordinance No. 544 adopted in 1982 to regulate the use of City streets for excavations and encroachments, the maintenance, planting and removal of trees, and the issuance, modification and revocation of permits for such uses.
- D. The City’s regulatory authority over the use of public streets includes Municipal Code section 12.12.040 “Permit – Required for encroachments and excavations” that states: *“No person, including firm, corporation, public district, public agency or political subdivision, shall make any excavation in, or construct, install or maintain any improvement, structure or encroachment in, on, over or under, any City street or the right-of-way thereof without first obtaining from the City Engineer a permit therefor, or maintain the same without such permit or in violation of the terms or conditions thereof.”*
- E. The City, through its Public Works Department, has adopted a Paving Restoration and Trench Repair standard (the “Trench Repair Standard”) applicable to all applicants requesting to excavate the City’s public streets for installation of utility lines and other similar purposes. Among the requirements of the Trench Repair Standard is a trench repair area extending a minimum of one (1) foot beyond the trench width and a two-inch (2”) mill and grind of existing asphalt concrete pavement with construction of new two-inch (2”) asphalt concrete paving extending a minimum of two (2) feet beyond the trench repair area and as otherwise required pursuant to the Trench Repair Standard. The Trench Repair Standard is typical of similar standards adopted by other cities and counties and is incorporated herein as Attachment 1.
- F. The City routinely invests its public funds into the preservation, restoration and maintenance of its public streets that are often degraded over time due to the periodic

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

installation of various encroachments for public utilities and other improvements, including domestic water or recycled water transmission pipelines and appurtenances installed for the benefit of the District.

- G. To safeguard and protect the City's investment of its public funds into its public streets, the City adopted Ordinance No. 1113 on November 19, 2019, enacting Chapter 12.31 "Street Cut Moratorium" to its Municipal Code with the stated purpose *"...to minimize pavement degradation, maintain structural integrity of streets, maintain a smooth surface for all modes of transportation, and reduce negative visual impacts. By having a street cut moratorium, contractors or utilities companies with proposed projects that require excavation of roadways can more effectively plan and review conflicts that may be encountered."*
- H. The City's regulatory authority over the use of public streets includes Municipal Code section 12.31.010 "Moratorium on trenching or excavation of streets" that states: *"No trenching or excavation shall be permitted in any street that has been constructed, or reconstructed, the pavement surface shall not be cut or opened for a period of five years after completion of, or from recordation of a notice of completion. On a slurry sealed street, the pavement surface shall not be cut or opened for a period of three years from completion."*
- I. District, has secondary rights to the use of public streets within the City for the purposes of and in furtherance of the statutory rights the District enjoys pursuant to the California Water Code.
- J. The City's police powers prevail over the regulation of encroachments into and within its public streets, pursuant to case law inclusive of *Montgomery v. Railway Company* 104 Cal. 186, 189 (1894) holding that cities were best positioned to resolve conflicting demands between uses of their own streets: *"when a public street in a city is dedicated to the general use of the public, it involves its use subject to municipal control and limitations for all the uses and purposes of the public as a street."*
- K. District is granted a statutory franchise (as opposed to a private franchise) to build waterworks across public streets, subject to the provisions of California Water Code section 22431: *"A district may construct any works across any watercourse, road, railway, conduit, or other property subject or devoted to public use in a manner that will afford security to life and property. The district shall restore the property crossed as near as may be to its former state or as not to have impaired unnecessarily its usefulness."*
- L. The California Legislature, in enacting the Public Utilities Code (commencing with Section 10001) explicitly authorized the City to require encroachment permits to regulate the terms and conditions of street excavation by utilities owned by "municipal corporations" as that term is broadly defined to include cities, counties, water districts and irrigation districts like the District. Further, the California Legislature enacted Streets & Highways Code section 1921 providing cities authority over maintenance of city streets: *"The governing body of any city shall have jurisdiction to prescribe the requirements for*

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

maintenance, including the maintenance of drainage, of all streets within the limits of the city.”

- M. District has applied for and received encroachment permits from the City in accordance with Beaumont Municipal Code section 12.12.040 authorizing the District and its assignees the ability to excavate within and along the City’s public streets to install (or remove) domestic water transmission and distribution lines, non-potable water lines, services, and appurtenances, (the “District Facilities”), subject to the Trench Repair Standard equally applied by the City on its various other encroachment permittees.
- N. District has requested the City to consider entering into a Cooperative Agreement facilitating an annual encroachment permit for the purposes of performing work within the City’s public streets related to the District Facilities, (the “Annual Permit”).
- O. District has also requested the City to consider implementing a modified trench repair, backfill and pavement restoration standard in the Annual Permit.
- P. Under the provisions of this Cooperation Agreement by and between the City of Beaumont and Beaumont-Cherry Valley Water District, BCVWD shall incorporate by Resolution (BCVWD Resolution 2024-xx, Attachment 2) requiring an express liability for and warranty against trench and pavement failures as a condition precedent to the City of Beaumont’s acceptance of the modified trench repair, backfill and pavement restoration standard.
- Q. It is understood by the Parties that BCVWD’s Board policy adopted by Resolution 2024-xx reflects its statutory obligations set forth in California Water Code section 22431 and does not otherwise invalidate or supersede such legal obligations applicable to water and irrigation districts.
- R. The Parties acknowledge that the District has not heretofore adopted a formal policy providing an express liability for and warranty against trench and pavement failures in its work to excavate public streets related to the District Facilities. The Parties further acknowledge and agree that the District is statutorily required to restore the City’s public streets “as near as may be to its former state or as not to have impaired unnecessarily its usefulness” pursuant to California Water Code section 22431.
- S. The District agrees to comply with the provisions of California Water Code section 22431 and to incorporate a formal warranty policy into this Agreement as a condition precedent to City’s approval to enter into this Agreement and to consider a modified trench repair, backfill and pavement restoration standard specific to the District. See Attachment 3 for BCVWD Paving Restoration and Trench Repair Standard.
- T. It is the intent of the Parties to enter into this Agreement for an initial one (1) year term to determine: (1) the effectiveness of the Annual Permit in protecting the public health, safety and welfare, as well as preserving the overall maintenance of the City’s public streets, and (2) the effectiveness of the BCVWD Paving Restoration and Trench Repair

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

standard implemented by the District to prevent further pavement degradation of the City's public streets as listed under Item 1., S.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and District agree as follows:

Section 1: Incorporation of Recitals

1.1 The Recitals set forth above are incorporated into and made a part of this Agreement as fully as if set forth verbatim herein and shall constitute a substantive part of this Agreement. These Recitals are true and correct and the Parties are bound thereby. By signing this Agreement, City and District acknowledge reading, understanding, and agreement to all the Recitals.

Section 2: Term of Agreement

2.1 Effective Date. This Agreement shall become effective on the date first written above.

2.2 Term of Agreement. The term of this Agreement shall commence upon the Effective Date and shall remain in effect for one (1) year ("Initial Term"). The Initial Term shall be considered a "proving period" to consider the effectiveness of the Agreement in accordance with Recital T and is subject to termination by either Party pursuant to the provisions herein. The term of this Agreement may be extended as the discretion of the Parties in accordance with Section 2.3 herein. Accordingly, this agreement shall serve as the Annual Permit for the Initial Term.

2.3 Consideration of Extension of Agreement. During the proving period throughout the Initial Term, the Parties shall periodically meet and confer on the effectiveness of the Agreement as meeting the requirements and obligations of both Parties, and specifically as to the City's satisfaction that District has complied with its obligations otherwise required pursuant to California Water Code section 22431 requiring restoration of the City's public streets in accordance with the provisions herein. Subject to formal consideration by the City's City Council upon the conclusion of the Initial Term, the City in its sole discretion may extend the Agreement for a Renewal Term as set forth in Section 2.4 herein. For the purposes of the City's consideration of an extension of the Agreement, the District has discretion to provide notice to City to terminate the Agreement during the Initial Term pursuant to the provisions herein and forego City's consideration of an extension, and to return to the City's procedures for issuance of encroachment permits to the District in accordance with Beaumont Municipal Code section 12.12.040 inclusive of its adopted Trench Repair Standards.

2.4 First Extension of Agreement. Provided this Agreement has not been terminated by either Party during the Initial Term thereof and subject the City's formal consideration of an extension of this Agreement pursuant to Section 2.3 herein and an affirmative direction given by the City Council to grant the extension, this Agreement may be extended by the City Manager for a one (1) year term ("Renewal Term"). Accordingly, this agreement shall

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

continue to serve as the Annual Permit for the Renewal Term.

- 2.5 Automatic Extension of Agreement. Provided the Parties agree on the effectiveness of the Agreement as meeting the requirements and obligations of both Parties, and specifically as to the City's satisfaction that District has complied with its obligations otherwise required pursuant to California Water Code section 22431. requiring restoration of the City's public streets in accordance with the provisions herein, following the First Extension provided by Section 2.4 herein, the term of this Agreement may be automatically extended by the City Manager for subsequent one (1) year Renewal Terms. Accordingly, this agreement shall continue to serve as the Annual Permit for the subsequent Renewal Term(s).

Section 3: District Encroachment Work to be Performed

- 3.1 Scope of Work. This Agreement provides for the City's issuance of an Annual Permit in accordance with Beaumont Municipal Code section 12.12.040 providing District, its agents, contractors, employees, representatives, and consultants the right to perform work related to the District Facilities including routine maintenance, minor repairs, emergency repairs, installation of services, or removal of District Facilities within the City's public streets (the "Encroachment Work"). Accordingly, upon issuance of an Annual Permit the District is hereby authorized to perform the Encroachment Work within and along the City's public streets pursuant to the terms and conditions of this Agreement.
- 3.2 Traffic Control Plans. District shall be solely responsible for ensuring the Encroachment Work is performed at all times (either directly by District or on behalf of District by its contractors or other assignees) in a manner safeguarding and protecting the public health, safety and welfare. Accordingly, District shall be responsible for incorporating such traffic control, traffic detour, and related traffic plans meeting the standards set forth by the latest edition of the California Manual on Uniform Traffic Control Devices ("MUTCD"), the Watch Area Traffic Control Handbook ("WATCH"), and similar standards as are necessary to provide traffic safety for vehicles, bicyclists, pedestrians, and the like, ("Traffic Control Plans"). The District's sole responsibility and liability for protecting the public during all of its Encroachment Work in accordance with District's Traffic Control Plans is a condition precedent to the City's issuance of an Annual Permit. The absence of the City's approval of District's Traffic Control Plans shall in no way relieve District of its sole legal responsibility to provide for and protect the public during its Encroachment Work as provided herein, and as otherwise statutorily required pursuant to California Water Code section 22431.
- 3.3 City Notification of Deficient Traffic Control. Notwithstanding the provisions of Section 3.2 herein, the City reserves the right to provide notice to District at any time City observes that District's Encroachment Work is proceeding with Traffic Control Plans that do not adequately safeguard the public health and safety. Notice shall be provided to District by any means practical and in a manner that gives details as to the location of the Encroachment Work and elements of the Traffic Control Plans that are, in the City's opinion, deficient to safeguarding the public health and safety. District shall promptly evaluate and implement such revisions to its Traffic Control Plan as are reasonably necessary to improve traffic safety related to its Encroachment Work.

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

3.4 District Warranty for Trench Repairs and Pavement Restoration. District hereby expressly acknowledges and agrees that pursuant to California Water Code section 22431 that the District shall perform its Encroachment Work within and along the City’s public streets in a manner that will afford security to life and property. Further, District hereby expressly acknowledges and agrees that the District has a statutory obligation to restore the City’s public streets as near as may be to its former state or as not to have impaired its usefulness. District’s statutory obligations herein shall be considered the “District Warranty” subject only to the following two exceptions:

- a) The District Warranty shall not apply to its Encroachment Work to the extent the City issues an encroachment permit to a separate permittee allowing for excavation within the City’s public street at a location parallel to and within six (6) feet (as measured from centerline to centerline) to District’s Encroachment Work. The District Warranty shall apply from the date District completes restoration of the City’s public street up to the date the City’s permittee excavates in proximity to District’s Encroachment Work as set forth herein.
- b) The District Warranty shall not apply to its Encroachment Work to the extent the City issues an encroachment permit to a separate permittee allowing for excavation within the City’s public street at a location perpendicular to and within ten (10) feet (as measured from centerline of crossing encroachment) to District’s Encroachment Work. The District Warranty shall apply from the date District completes restoration of the City’s public street up to the date the City’s permittee excavates in proximity to District’s Encroachment Work as set forth herein.
- c) Upon notification by City that District’s Encroachment Work has resulted in failure of trench backfill or associated pavement restoration, and provided the exceptions as noted in the preceding two paragraphs do not apply, District shall be responsible for performing additional trench repair and pavement restoration to the defective Encroachment Work subject to the BCVWD Paving Restoration and Trench Repair Standard as identified in Attachment 3, (the “Trench Repair Work”). The Trench Repair Work shall be completed within sixty (60) days of City’s notification. District’s failure to promptly perform the Trench Repair Work may be considered a finding of default of District’s obligations herein, and grounds for City’s termination of this Agreement pursuant to the provisions herein.

3.5 BCVWD Paving and Trench Repair Standard. City hereby agrees to permit BCVWD to perform trench repairs in accordance with the BCVWD Modified Restoration & Trench Repair, hereby incorporated herein as Attachment 3, on the condition that the District satisfies the District Warranty pursuant to Section 3.4 herein. District shall ensure that it provides for inspection and materials testing to ensure the District Trench Repair Standard is completed to required standards as follows:

- a) Trench backfill compaction (extending from pipe zone up to the pavement base material (aggregate base material)) meets or exceeds 90% relative compaction;

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

- b) Unsuitable backfill material shall be replaced, when necessary, with suitable material and compacted as identified under Item 3.5, a) above.
 - c) Crushed Aggregate Base (pavement base material) shall be utilized pursuant to the latest edition of the “Greenbook” Standard Specifications for Public Works Construction (depth matching existing structural section, or 8” minimum) which meets or exceeds 95% relative compaction;
 - d) Asphalt concrete pavement shall meet Greenbook Standards or as directed by the City Engineer.
- 3.6 Moratorium Streets. District acknowledges and agrees that the provisions of Beaumont Municipal Code Chapter 12.31 are applicable to this Agreement. To the extent that District’s Encroachment Work is necessary within the City’s public streets subject to the provisions of Beaumont Municipal Code Chapter 12.31, with the following modifications:
- a) 12.31.030. - [Information required when requesting moratorium exception.]- Site Specific Annual Encroachment Permit Notification Letter and Encroachment Permit Notification and Supplemental Information Form shall be used by BCVWD to request exceptions. See Template of Notification Letter and Encroachment Permit Notification and Supplemental Information Form included under Attachment 4.
 - b) 12.31.040. - [Street paving/restoration if exception is approved.] –the BCVWD Paving Restoration and Trench Repair (Attachment 3) Standard is permitted as an alternative to the requirements in section 12.31.040.
 - c) 12.31.050. - [Permit and fees.] – BCVWD’s executed annual permit satisfies the requirements of this section subject to the requirements of this Agreement.
- 3.7 City Inspection. The City may, at its sole discretion, perform backfill compaction testing of District’s Encroachment Work to ensure the District Trench Repair Standard requirements are being satisfied by District, and District shall provide City reasonable access to perform such inspections as it deems necessary.
- 3.8 Schedule for Pavement Restoration Work. District shall promptly perform all such required trench backfill and compaction repairs, with suitable temporary asphalt concrete pavement, as is necessary to reopen the public street as soon as practicable following completion of the Encroachment Work. District shall complete removal of temporary asphalt concrete pavement, and construction of permanent pavement structural repairs and asphalt concrete paving pursuant to the BCVWD Paving Restoration and Trench Repair Standard (the “Permanent Repairs”) no later than sixty (60) days following completion of the related Encroachment Work. District’s failure to timely complete the Permanent Repairs may be considered a finding of default of District’s obligations herein, and grounds for City’s termination of this Agreement pursuant to the provisions herein.

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
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- 3.9 Government Code section 4216 Regional Notification – Dig Alert. District acknowledges and agrees that it is subject to the provisions of California Government Code Section 4216 as the “Operator” of the District Facilities. Accordingly, this Agreement in no way relieves District of its legal obligations pursuant to the provisions commencing with Government Code section 4216 applicable to regional notification of excavations within the City’s public streets.
- 3.10 District Notification of Encroachment Work. District shall provide the City through its Public Works Department prompt notification of its exercise of the Annual Permit with submittal of a Site-Specific Annual Encroachment Permit Notification Letter and Encroachment Permit Notification and Supplemental Information Form (see Attachment 4 for sample letter and form) and to perform Encroachment Work within the City’s public streets. Notification shall be provided to the City weekly and not later than Friday with a complete listing of location(s) and description of the Encroachment Work scheduled for the subsequent week, if any. District shall also provide advance notification (unless an emergency repair is required that provides imminent danger to the public) to the Beaumont Unified School District (“BUSD”) for any Encroachment Work occurring on the City’s public streets within any designated School Zone and within one (1) mile to any school site. District shall schedule Encroachment Work within School Zones or near school sites at times not interfering with student access and typically after school hours or on weekends as may be necessary. In certain circumstances when District’s Encroachment Work within School Zones or near school sites must be performed during school hours, District shall provide written advance notice at least fifteen (15) days prior to commencing with such Encroachment Work to both the City and BUSD.

Section 4: Payment and Compensation

- 4.1 In consideration of the City’s issuance of an Annual Permit and monitoring for District’s compliance with the terms and conditions of this Agreement, District shall pay to the City the sum of three thousand six hundred and sixty dollars (\$3,660) due and payable in advance upon the Effective Date of this Agreement, (the “Permit Fee”). The Permit Fee shall cover all fees and costs, including City administration and inspection fees, applicable to the Encroachment Work authorized pursuant to the Annual Permit. The Permit Fee is subject to adjustment annually pursuant to the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario region, (the “CPI”). The Permit Fee shall be payable with each successive Annual Permit issued by the City (if any).
- 4.2 The City reserves the right to assess District such additional charges to the extent that District’s Encroachment Work has resulted in failure of trench backfill or associated pavement restoration, and Trench Repair Work is deemed necessary by the City in accordance with Section 3.4(c) herein. Additional charges shall be consistent with the City’s schedule of fees for inspection services generally applicable to permittees performing work pursuant to encroachment permits, and shall be payable by District within thirty (30) days notice thereof.

Section 5: Insurance and Liability

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

5.1 Insurance. District hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Encroachment Work authorized under this Agreement pursuant to an Annual Permit issued by the City, and District hereby agrees to comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, District hereby covenants and agrees and to require its Assignees, as defined below to maintain insurance in conformance with the requirements set forth below:

- a) Commercial general liability insurance in an amount of not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate; District agrees to have its insurer, or to require its agents, contractors, subcontractors employees, representatives, and consultants (the "Assignees") insurer to endorse the general liability coverage required herein to include as additional insured's the City, its officials, employees and agents. District also agrees to require all its contractors and subcontractors to provide the same coverage required hereunder.
- b) Business Auto Coverage in an amount no less than \$1,000,000 per accident. If District's Assignees' employees will use personal autos in performance of the Encroachment Work hereunder, District shall provide evidence of personal auto liability coverage for each such employee of the Assignees.
- c) Workers' Compensation coverage for any of District's and Assignees' employees that will be performing Encroachment Work hereunder. District shall ensure its Assignees will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of District or its Assignees under this Agreement. District expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

5.2 General Conditions pertaining to Insurance Coverage. District shall ensure that it and its Assignees comply with the following requirements relating to Insurance Coverage:

- a) No liability insurance coverage provided shall prohibit District or its Assignees from waiving the right of subrogation prior to a loss. District and its Assignees waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.
- b) Prior to commencing any Encroachment Work under this Agreement, District shall furnish City with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.
- c) All required policies shall be issued by a highly rated insurer with a minimum A.M. Best

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
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REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to City.

- d) Self-insurance does not comply with these insurance specifications. District acknowledges and agrees that that all insurance coverage required to be provided by District and its Assignees, shall apply first and on a primary, non- contributing basis in relation to any other insurance, indemnity or self-insurance available to City.
- e) All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. District nor its Assignees shall not make any reductions in scope of coverage (e.g., elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
- f) District agrees to provide immediate notice to City of any claim or loss against District or its Assignees arising out of the Encroachment Work performed under this Agreement. City assumes no obligation or liability by such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

Section 6: Indemnification

- 6.1 District and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to District's Encroachment Work whether self-performed by the District or through any Assignee. 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 City. District acknowledges that City would not enter into this Agreement in the absence of the commitment of District and its Assignees to indemnify and protect City as set forth herein.
- 6.2 To the fullest extent permitted by law, District shall defend, indemnify and hold harmless City, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, 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 District's Encroachment Work whether self-performed by the District or through any Assignee. District's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which District (and/or District's Assignees and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by District as they are incurred by City.

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

6.3 Without affecting the rights of City under any provision of this Agreement or this Section 6, District shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the Parties or the findings of a court of competent jurisdiction.

Section 7: Termination

7.1 Either Party may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice to the other Party.

Section 8: Miscellaneous Provisions

8.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiation, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors or assigns.

8.2 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

8.3 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successor and assignees.

8.4 Third Party Beneficiary. Except as may be expressly provided for herein, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

8.5 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by pre-paid First Class U.S. Mail, registered or certified mail, postage prepaid, return receipt requested, delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post office if by mail; (iii) when sent if given by facsimile. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed

**CITY OF BEAUMONT & BEAUMONT CHERRY VALLEY WATER DISTRICT
COOPERATIVE AGREEMENT
REGARDING RIGHT-OF-WAY ENCROACHMENTS & PAVEMENT RESTORATION**

as follows:

City of Beaumont
560 E. Sixth Street
Beaumont, CA 92223
Attn: City Manager

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

8.6 Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he or she is executing this Agreement is duly authorized and existing, (ii) he or she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing, (iii) by so executing this Agreement, the Party for which he or she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he or she is signing is bound.

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

CITY:

City of Beaumont, a municipal corporation and general law city of the State of California

DISTRICT:

Beaumont Cherry Valley Water District, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code

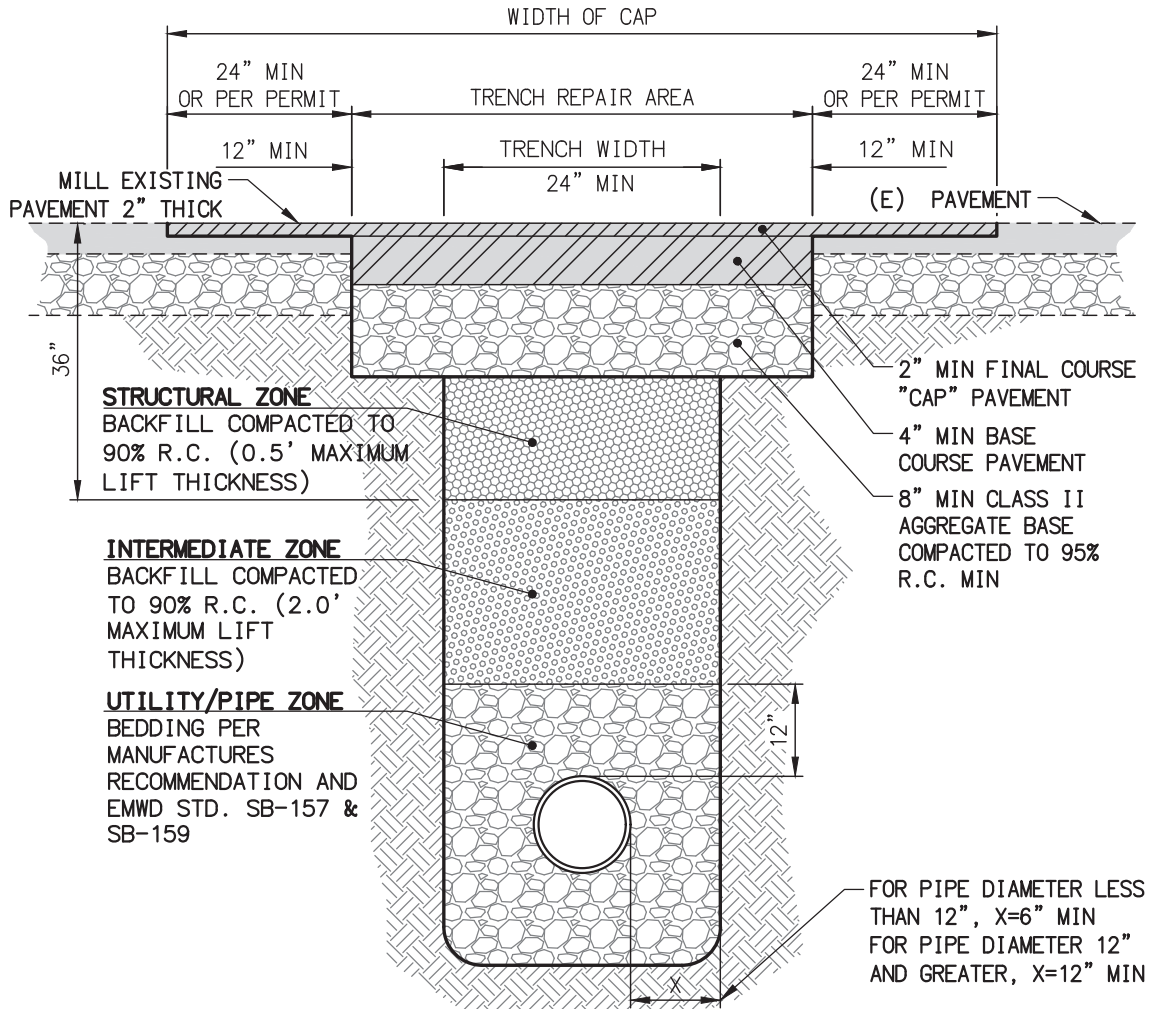
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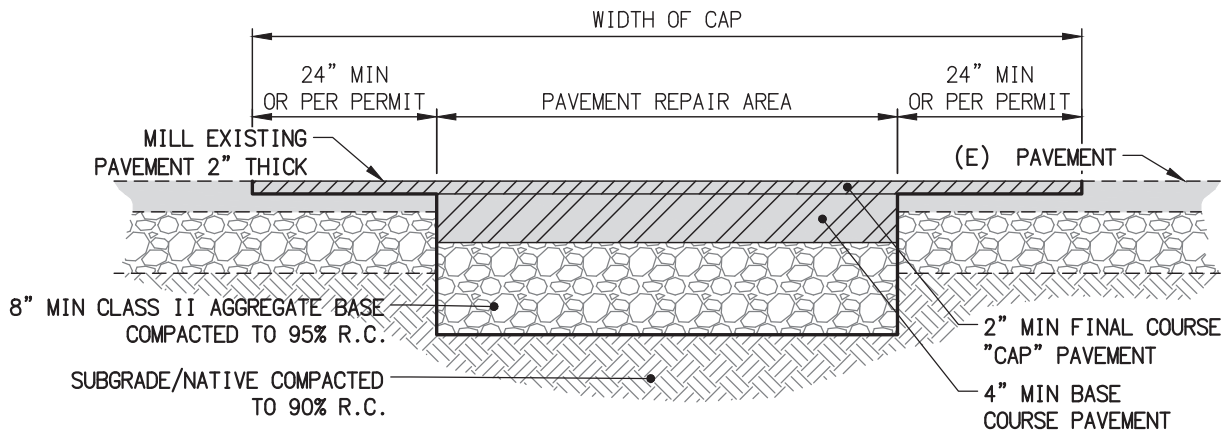
ATTACHMENT 1

Paving Restoration & Trench Repair Standard
August 2021
Follows this page.

ATTACHMENT 1 OF ATTACHMENT A



TRENCH AND PAVEMENT RESTORATION



PAVEMENT RESTORATION

REFER TO SHEET 2 FOR NOTES AND ADDITIONAL REQUIREMENTS



Public Works Department

550 E. 6th Street
Beaumont, CA 92223
(951) 769-8522

www.beaumontca.gov

**PAVING RESTORATION
AND TRENCH REPAIR**

APPROVED BY:

Jeff Hart
JEFF HART, P.E., CITY ENGINEER

08/11/2021

DATE

SHEET

1

OF 2 SHEETS

ATTACHMENT 1 OF ATTACHMENT A

GENERAL

1. ALL TRENCHING, EXCAVATION, POTHOLING, AND BACKFILLING OPERATIONS SHALL FOLLOW THE CITY OF BEAUMONT STANDARDS AND/OR PER THE DIRECTIONS OF THE PUBLIC WORKS INSPECTOR.
2. ALL IMPROVEMENTS SHALL BE INSPECTED BY THE PUBLIC WORKS INSPECTOR. ANY DEFICIENT WORK IDENTIFIED BY THE PUBLIC WORKS INSPECTOR SHALL BE CORRECTED BY THE CONTRACTOR AT CONTRACTOR'S OWN EXPENSE PRIOR TO BEING ACCEPTED.
3. A COMPACTION REPORT SHALL BE REQUIRED FOR THE TRENCH RESTORATION OR THE PUBLIC WORKS INSPECTOR CAN PERFORM A COMPACTION TEST TO BE BILLED HOURLY, AT THE STANDARD INSPECTION RATE.
4. NO WORK IS PERMITTED WITHIN STREETS THAT HAVE RECENTLY BEEN CONSTRUCTED, RECONSTRUCTED, RESURFACED, OR SLURRIED PER THE STREET CUT MORATORIUM.
5. WHERE AN EXCEPTION IS GRANTED BY THE DIRECTOR OF PUBLIC WORKS, THE PAVEMENT CAP AREA SHALL EXTEND, IN WIDTH, FROM GUTTER LIP TO CENTERLINE AND SHALL EXTEND, IN LENGTH, A MINIMUM OF 25' LONG IN BOTH DIRECTIONS AS MEASURED FROM THE EDGE OF THE EXCAVATION.

SUBGRADE AND NATIVE

6. SUBGRADE AND NATIVE SHALL BE REMOVED AS NECESSARY AND STOCKPILED. IF SOFT, SPONGY, OR OTHER UNSUITABLE MATERIAL IS ENCOUNTERED, THE UNSUITABLE MATERIAL SHALL BE REMOVED AND REPLACE WITH CLASS II AGGREGATE BASE. ALTERNATIVELY, THE CONTRACTOR MAY DISCARD THE SUBGRADE AND NATIVE AND BACKFILL WITH PIPE BEDDING OR CLASS II AGGREGATE BASE.
7. SUBGRADE AND NATIVE SHALL BE COMPACTED TO A RELATIVE COMPACTION PER THE ZONE SHOWN ON SHEET 1.

AGGREGATE BASE

8. EXISTING BASE SHALL BE REMOVED TO SUBGRADE AND DISCARDED.
9. CLASS II AGGREGATE BASE SHALL BE PLACED TO A MINIMUM DEPTH AS SHOWN ON SHEET 1 OR MATCH EXISTING, WHATEVER IS GREATER. COMPACTION OF BASE SHALL BE A MINIMUM OF 95% RELATIVE COMPACTION.
10. AGGREGATE MATERIAL SHALL BE PER CURRENT GREEN BOOK STANDARD, AGGREGATE SHALL BE PLACED BE PER CURRENT GREEN BOOK STANDARD

AC PAVING

11. EXISTING AC SHALL BE SAWCUT AND REMOVED TO THE TRENCH REPAIR AREA BOUNDARY.
12. THE PAVEMENT CAP LENGTH AND WIDTH SHALL BE PER THE REQUIREMENTS OF THE PERMIT OR AS DIRECTED BY THE CITY ENGINEER.
13. PRIOR TO PLACEMENT OF PERMANENT PAVING, EXISTING PAVEMENT SHALL BE CUT TO A NEAT STRAIGHT EDGE. CRACKED PAVEMENT ADJACENT TO THE TRENCH SHALL BE REMOVED.
14. A PRIME COAT SHALL BE APPLIED TO THE BASE PER CURRENT GREENBOOK STANDARDS.
15. ASPHALT RESTORATION BASE COURSE SHALL CONSIST OF A MINIMUM OF 4" THICK OF C2-PG 64-10-R0 HOT MIX ASPHALT (NO RAP) PER GREENBOOK SPECS OR MATCH EXISTING THICKNESS, WHATEVER IS GREATER. THE BASE COURSE MAY BE INCREASED TO ACT AS A TEMPORARY PATCH; HOWEVER, WHEN THE SURFACE IS MILLED THE MINIMUM REMAINING BASE COURSE SHALL BE NO LESS THAN THE REQUIRED 4".
16. A TACK COAT SHALL BE APPLIED TO EXISTING ASPHALT SURFACES AND BASE COARSE SURFACE PRIOR TO FINAL COURSE PER CURRENT GREENBOOK STANDARDS.
17. EXISTING AC AND TRENCH REPAIR AREA SHALL BE MILLED A MINIMUM OF 2" TO THE PAVEMENT CAP LIMITS AS DEFINED ABOVE.
18. ASPHALT RESTORATION FINAL (CAP) COURSE SHALL CONSIST OF A MINIMUM OF 2" THICK OF C2-PG 64-10-R0 HOT MIX ASPHALT (NO RAP) PER CURRENT GREENBOOK STANDARDS OR AS DIRECTED BY THE CITY ENGINEER
19. ASPHALT RESTORATION FINAL (CAP) COURSE SHALL HAVE A FINAL PROFILE CONSISTENT WITH THE EXISTING PROFILE. NO LIPS, BUMPS OR DEPRESSIONS WILL BE ACCEPTED.
20. A TYPE II SLURRY SEAL SHALL BE PLACED ALONG THE ENTIRE FRONTAGE OF THE PROPERTY(S) WHERE THE REPAIR OCCURRED, FROM EDGE OF PAVEMENT TO CENTERLINE PER GREENBOOK SPECS.

STRIPING

21. CONTRACTOR SHALL RESTORE ALL REMOVED AND DAMAGED STRIPING TO THE PRE-CONSTRUCTION CONDITION OR PER CURRENT MUTCD / CALTRANS REQUIREMENTS.
22. ALL STREET STRIPING SHALL BE OF THERMOPLASTIC MATERIAL.



Public Works Department

550 E. 6th Street
Beaumont, CA 92223
(951) 769-8522

www.beaumontca.gov

**PAVING RESTORATION
AND TRENCH REPAIR**

APPROVED BY:

Jeffrey D. Hart
JEFF HART, P.E., CITY ENGINEER

08/11/2021

DATE

SHEET

2

OF 2 SHEETS

ATTACHMENT 2

BCVWD Resolution 2024-XX
Follows this page.

ATTACHMENT 2 OF ATTACHMENT A

RESOLUTION 2024-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT ESTABLISHING THE DISTRICT'S RESPONSIBILITY FOR REPAIR OF SOIL SUBSIDENCE OVER DISTRICT-OWNED FACILITIES WHERE THE DISTRICT HAS FULL CONTROL OVER CONSTRUCTION STANDARDS AND COMPACTION

WHEREAS, the Beaumont-Cherry Valley Water District ("District") is committed to maintaining the integrity and reliability of its water distribution infrastructure, which includes pipelines, reservoirs, and other facilities (collectively referred to as "District facilities"); and

WHEREAS, soil subsidence, defined as the gradual sinking or settlement of the ground's surface, can adversely affect the District Facilities, potentially leading to infrastructure damage, safety hazards, and service disruptions; and

WHEREAS, the responsibility for correcting trench subsidence over water lines, reclaimed water lines, and other facilities owned and operated by the District is an issue of concern between the District, the County of Riverside, the cities within and outside District boundaries ("local agencies") as well as developers; and

WHEREAS, the District has received claims and even lawsuits for trench subsidence where the District had no control over trench compaction above the facilities zone, even though the District controlled zone was not found to be part of the problem; and

WHEREAS, the District has discussed the proposed policy regarding control of trench compaction and commensurate warranties of same with local agencies and developers; and

WHEREAS, it is in the best interest of the District and its ratepayers to establish clear guidelines for addressing and repairing soil subsidence over or near District facilities to ensure public safety and the continued reliable operation of its water distribution system and to help alleviate disputes with local agencies and developers; and

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

1. District Responsibility:

- a. The District shall be responsible for the investigation, assessment, and repair of any soil subsidence that occurs directly over or in close proximity to District-owned facilities, where such subsidence may affect the integrity, safety, or operation of those facilities.
- b. The District assumes responsibility for compaction and proper installation of its facilities including, but not limited to, Pipelines, Trench Backfill, Subgrade, Base, and Pavement, provided District had full control and supervision of the entire compaction and construction process.
- c. The District assumes responsibility for compaction and proper installation of its facilities, including Pipelines and Trench Backfill, where pavement construction is provided by others, provided District had full control and supervision of the entire compaction and construction process within the trench. The District will not

ATTACHMENT 2 OF ATTACHMENT A

assume any liability or warrant Subgrade, Base, and Paving Work over District facilities performed by other parties who are not subject to District inspection and construction requirements.

- d. The District will not assume continuing responsibility for trench subsidence if any entity or party disturbs the trench compaction, for whatever reason, after initial District inspection and acceptance.
 - e. In those cases where a local agency or other controlling party decides that compaction above the pipe zone on a pipeline project remains under its jurisdiction, District will not accept any responsibility for future remediation of any trench subsidence.
2. Financial Responsibility:
 - a. The District may seek to recover costs associated with subsidence repairs from responsible parties where the subsidence is determined to be caused by external factors, such as third-party activities or natural phenomena beyond the District's control.
 - b. The District will charge a fee to cover the expense of providing services when District assumes responsibility for the construction and compaction standards of its pipeline facilities.
 3. Repair Protocol: Upon identification of soil subsidence over or near District facilities, the District shall:
 - a. Conduct an immediate investigation to assess the extent of the subsidence and its potential impact on the facilities
 - b. Develop and implement a repair plan that addresses the subsidence and ensures the long-term stability and safety of the affected area
 - c. Monitor the repaired area as necessary to ensure that the subsidence issue has been adequately resolved and does not recur
 4. Coordination with Other Agencies: The District shall coordinate with local, state, and federal agencies as needed when subsidence may affect public safety, adjacent properties, or infrastructure not owned by the District.
 5. Public Communication: The District shall keep affected customers and the general public informed about the nature and status of subsidence repair activities, ensuring transparency and addressing any concerns that may arise.
 6. Insurance and Liability: The District shall maintain adequate and appropriate insurance coverage to address any potential liabilities arising from subsidence repairs, including coverage for any third-party claims.
 7. Severability: If any provision of this Resolution is held invalid, the remainder of this Resolution shall remain in full force and effect.

ATTACHMENT 2 OF ATTACHMENT A

- 8. Supersession: To the extent that the terms and provisions of this Resolution may be inconsistent or in conflict with the terms and conditions of any prior resolution, the terms of this Resolution shall prevail, and such prior resolutions are hereby superseded.

ADOPTED this _____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

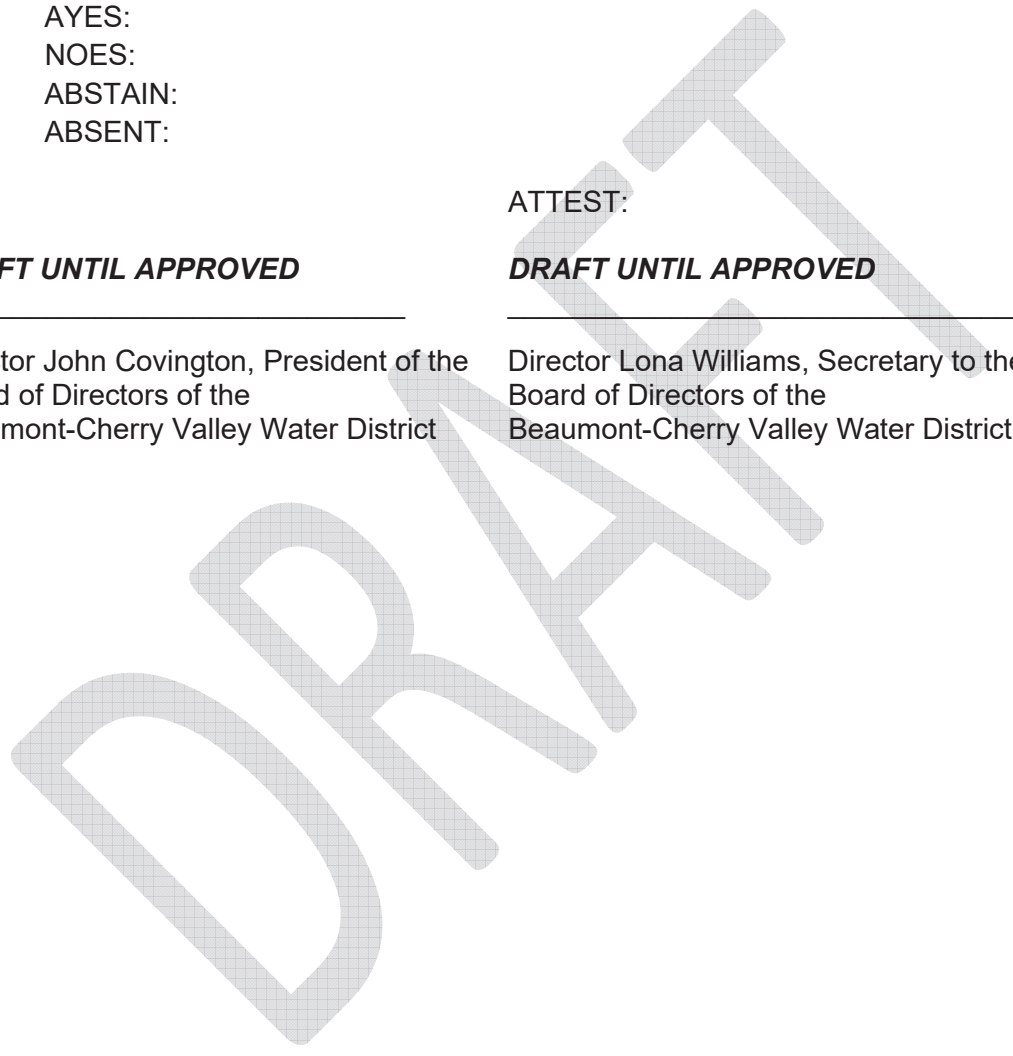
ATTEST:

DRAFT UNTIL APPROVED

DRAFT UNTIL APPROVED

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

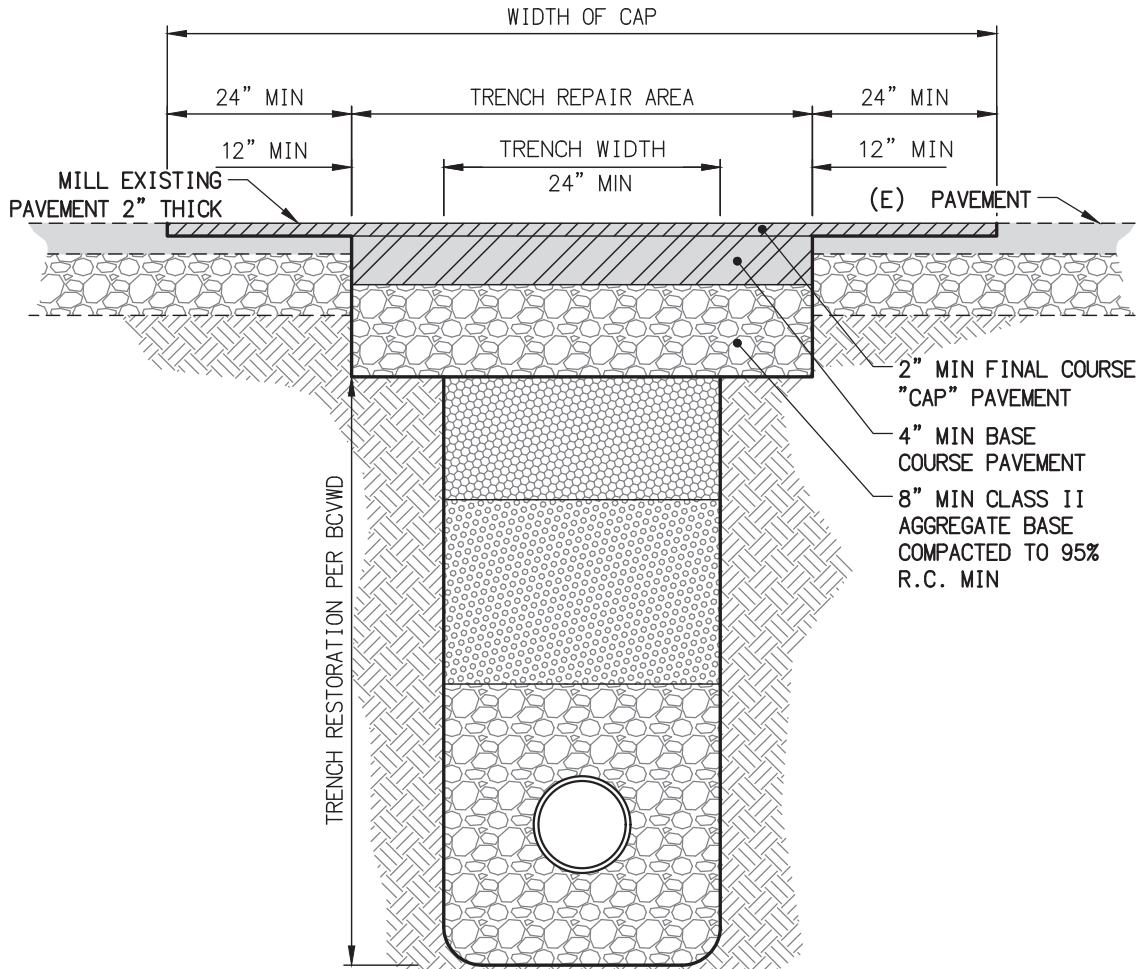
Director Lona Williams, Secretary to the
Board of Directors of the
Beaumont-Cherry Valley Water District



ATTACHMENT 3

BCVWD Modified Pavement Restoration and Trench Repair
Follows this page.


ATTACHMENT 3 OF ATTACHMENT A



TRENCH AND PAVEMENT RESTORATION

Attachment 3 -
BCVWD
Modified Pavement Restoration and Trench
Repair Standard

REFER TO SHEET 2 FOR NOTES AND ADDITIONAL REQUIREMENTS

 <p>Public Works Department 550 E. 6th Street Beaumont, CA 92223 (951) 769-8522 www.beaumontca.gov</p>	<p>BCVWD PAVING RESTORATION</p>	SHEET
	<p>APPROVED BY: <i>[Signature]</i> ROBERT VESTAL, P.E., CITY ENGINEER</p>	<p>08/22/2024 DATE</p>

ATTACHMENT 3 OF ATTACHMENT A

GENERAL

- 1. ALL TRENCHING, EXCAVATION, POTHOLING, AND BACKFILLING OPERATIONS SHALL BE THE RESPONSIBILITY OF BCVWD.
- 2. ALL IMPROVEMENTS SHALL BE INSPECTED BY BCVWD INSPECTORS. ANY DEFICIENT WORK IDENTIFIED BY THE CITY OF BEAUMONT SHALL BE CORRECTED BY BCVWD AT BCVWD'S OWN EXPENSE PRIOR TO BEING ACCEPTED.

SUBGRADE AND NATIVE

- 3. SUBGRADE AND NATIVE SHALL BE PER BCVWD'S STANDARDS

AGGREGATE BASE



- 4. EXISTING BASE SHALL BE REMOVED TO SUBGRADE AND DISCARDED.
- 5. CLASS II AGGREGATE BASE SHALL BE PLACED TO A MINIMUM COMPACTED THICKNESS OF EIGHT INCHES (8"), OR PER EXISTING SECTION, OR PER CITY APPROVED GEOTECHNICAL RECOMMENDATION; WHATEVER IS GREATER.
- 6. BASE SHALL BE A MINIMUM OF 95% RELATIVE COMPACTION.
- 7. AGGREGATE MATERIAL SHALL BE PER CURRENT GREEN BOOK STANDARD, AGGREGATE SHALL BE PLACED BE PER CURRENT GREEN BOOK STANDARD

AC PAVING

- 8. EXISTING AC SHALL BE SAWCUT AND REMOVED TO THE TRENCH REPAIR AREA BOUNDARY.
- 9. PRIOR TO PLACEMENT OF PERMANENT PAVING, EXISTING PAVEMENT SHALL BE CUT TO A NEAT STRAIGHT EDGE. DAMAGED PAVEMENT, AS A RESULT OF PERMIT WORK, SHALL BE REMOVED AND REPLACED IN ACCORDANCE WITH THE SAME STANDARDS AND THICKNESS USED FOR THE TRENCH REPAIR AREA.
- 10. A PRIME COAT SHALL BE APPLIED TO THE BASE PER CURRENT GREENBOOK STANDARDS.
- 11. ASPHALT RESTORATION BASE COURSE SHALL CONSIST OF C2-PG 70-10-R0 HOT MIX ASPHALT (NO RAP) PER GREENBROOK SPECS MINIMUM COMPACTED THICKNESS OF FOUR INCHES (4"), OR PER EXISTING SECTION, OR PER CITY APPROVED GEOTECHNICAL RECOMMENDATION; WHATEVER IS GREATER.
- 12. THE BASE COURSE MAY BE INCREASED TO ACT AS A TEMPORARY PATCH; HOWEVER, WHEN THE SURFACE IS MILLED THE MINIMUM REMAINING BASE COUSRE SHALL BE NO LESS THAN THE REQUIRED 4".
- 13. A TACK COAT SHALL BE APPLIED TO EXISTING ASPHALT SURFACES AND BASE COARSE SURFACE PRIOR TO FINAL COURSE PER CURRENT GREENBOOK STANDARDS.
- 14. EXISTING AC AND TRENCH REPAIR AREA SHALL BE MILLED A MINIMUM OF 2" TO THE PAVEMENT CAP LIMITS AS DEFINED ABOVE.
- 15. ASPHALT RESTORATION FINAL (CAP) COURSE SHALL CONSIST OF A MINIMUM OF 2" THICK OF C2-PG 70-10-R0 HOT MIX ASPHALT (NO RAP) PER CURRENT GREENBROOK STANDARDS OR AS DIRECTED BY THE CITY ENGINEER
- 16. ASPHALT RESTORATION FINAL (CAP) COURSE SHALL HAVE A FINAL PROFILE CONSISTENT WITH THE EXISTING PROFILE. NO LIPS, BUMPS OR DEPRESSIONS WILL BE ACCEPTED.

STRIPING

- 17. BCVWD SHALL RESTORE ALL REMOVED AND DAMAGED STRIPING TO THE PRE-CONSTRUCTION CONDITION OR PER CURRENT MUTCD / CALTRANS REQUIREMENTS.
- 18. ALL STREET STRIPING SHALL BE OF THERMOPLASTIC MATERIAL.

 <p>Public Works Department 550 E. 6th Street Beaumont, CA 92223 (951) 769-8522 www.beaumontca.gov</p>	<p>PAVING RESTORATION AND TRENCH REPAIR</p>	SHEET
	<p>APPROVED BY: </p> <p>ROBERT VESTAL, P.E., CITY ENGINEER 08/22/2024 DATE</p>	<p style="font-size: 2em;">2</p> <p>OF 2 SHEETS</p>

ATTACHMENT 4

BCVWD Site Specific Annual Encroachment Permit Notification
Letter and Encroachment Permit Notification and
Supplemental Information Form
Follows this page.



ATTACHMENT 4 OF ATTACHMENT A
Beaumont-Cherry Valley Water District

Phone: (951) 845-9581 Fax: (951) 845-0159

Email: info@bcvwd.org

<http://www.bcvwd.org>

Month Date, 2024

Robert Vestal
Public Works Director
City of Beaumont
550 E. 6th St.
Beaumont, CA 92223

Re: **Annual Encroachment Permit Notification Letter**

Address

BCVWD Annual Encroachment Permit Tracking No.: (Number) 24-00X

Dear Mr. Vestal:

The Beaumont Cherry Valley Water District is providing this notification in accordance with requirements set forth in the City's Annual Encroachment Permit procedures.

This notification is to identify that the District is performing either a maintenance activity or is experiencing a leak at this location and needs to perform this maintenance work or repair this leak.

Sincerely,

Mark Swanson or James Bean
Director of Engineering / Director of Operations
BEAUMONT-CHERRY VALLEY WATER DISTRICT

Attachments:

1. Photos of leak activity
2. Encroachment Permit Application

Board of Directors

David Hoffman
Division 5

John Covington
Division 4

Daniel Slawson
Division 3

Lona Williams
Division 2

Andy Ramirez
Division 1

560 Magnolia Avenue Beaumont CA 92223



City of Beaumont Annual Encroachment Permit Notification and Supplemental Information

Moratorium Area Excavation
 Yes No

A Leak Information

A.1. Location

Nearest Address _____

Nearest Cross Street _____

A. 2. Date

Date Leak First Reported _____

Reported by: Customer Employee

A.3. Excavation

Excavation within Street required: Yes No

A.3.1. Estimated Excavation/Pavement Cut

A.3.1.1 Cut Width (Transverse to Pipe)

2 FT 3 FT 4 Ft 5 FT
 6 Ft 7 FT 8 FT Other _____

A.3.1.2 Cut Length (Longitudinal to Pipe)

2 FT 3 FT 4 Ft 5 FT
 6 Ft 7 FT 8 FT Other _____

A.4. Anticipated Backfill within Excavated Area

Sand within Pipe Zone (to 12" Above Existing Pipeline)
 Class II Aggregate Base Between Top of Pipe Zone and Bottom of A.C. Pavement

A.5. Anticipated Concrete Restoration Required

Yes No
If Yes: 560-C-3250 Concrete Other Concrete _____

B. Location Description

B.1 Mid-Block Cul de Sac Corner Other: _____

B.2. Apparent Physical Leak Location:

Under Street Under Curb & Gutter Under Sidewalk
 Behind Sidewalk/Curb Other _____

B.3. Attachment 1 Photos and Proposed Repair Attached

Yes No

C. Pavement Condition/Status

C.1. Old Pavement

C.2. Street Construction or Reconstruction (within last 5 years) Street Grind & Overlay (within last 5 years) Slurry Street Seal (within 3 years)

C.3. Other: _____

D. Description of Anticipated Work

D.1. Water Main Repair

Leak on Water Main Existing Valve Replacement/Maintenance
 Connection to Existing Water Main Other: _____

Comments/Notes:

D.2. Water Main Lateral Repair

Fire Hydrant Lateral New Water Service Installation Sample Site Lateral
 Fire Service Lateral Air Valve Lateral
 Existing Water Service Leak Blow Off Lateral Other: _____

D.2.1. Complete Retrofit required Necessitating Street Excavation and Complete Service Replacement

Yes No
 Polyethylene Water Service
 Galvanized Water Service
 Copper Water Service

Comments/Notes:

E. Moratorium Pavement Cut

Does Proposed Encroachment fall within City of Beaumont Streets Covered by City Street Cut Moratorium (Ord. 12.31.01)?

Yes No

F. Reason for Work

F-1 Emergency Work	F-2 Mandated Work	F-3 Building Service
<input type="checkbox"/> Endanger Life	<input type="checkbox"/> Work Mandated: City	<input type="checkbox"/> Service to Building/Property with no other access
<input type="checkbox"/> Endanger Public Health	<input type="checkbox"/> Work Mandated: State	<input type="checkbox"/> Other _____
<input type="checkbox"/> Endanger Public Safety	<input type="checkbox"/> Work Mandated: Federal	

Provide reason for if for Emergency Work (describe dangers) e.g. School Area done without Notification:

Notes:

BCVWD EMPLOYEE SIGNATURE

DATE

FIELD SUPERINTENDENT REVIEW

APPROVED

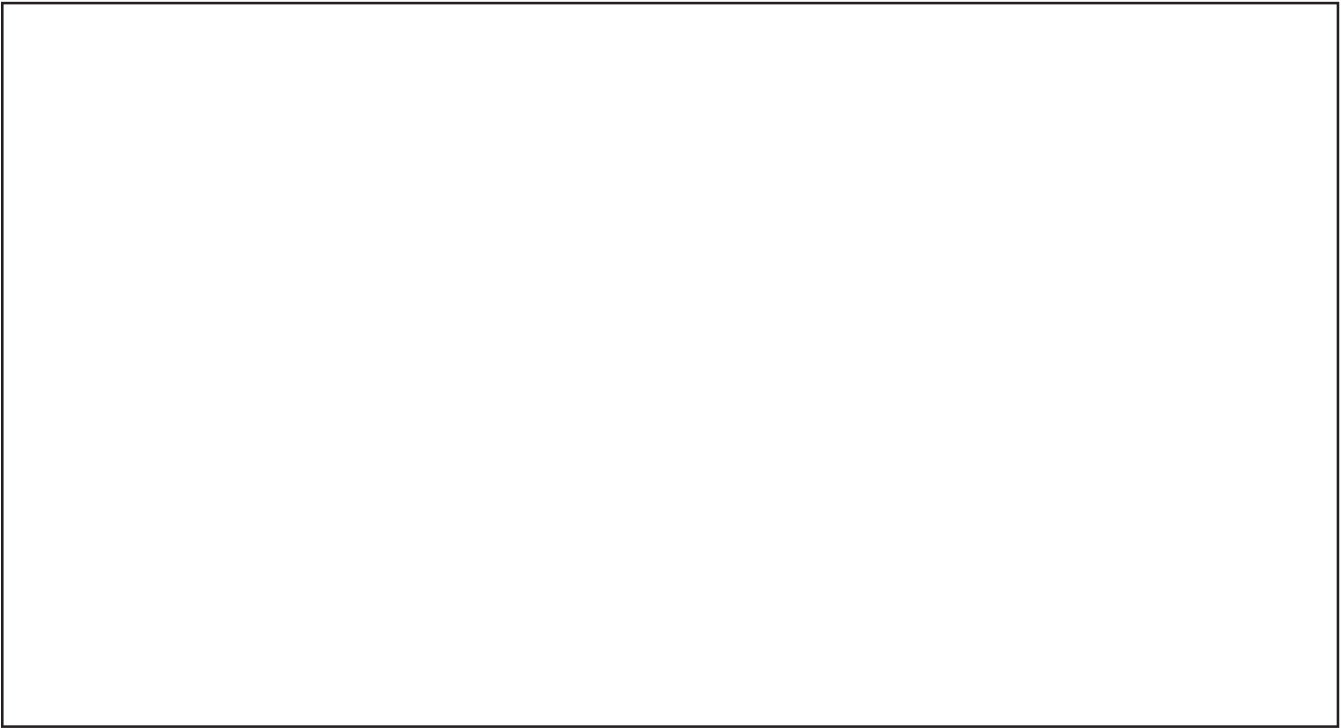
REJECTED

Comments:

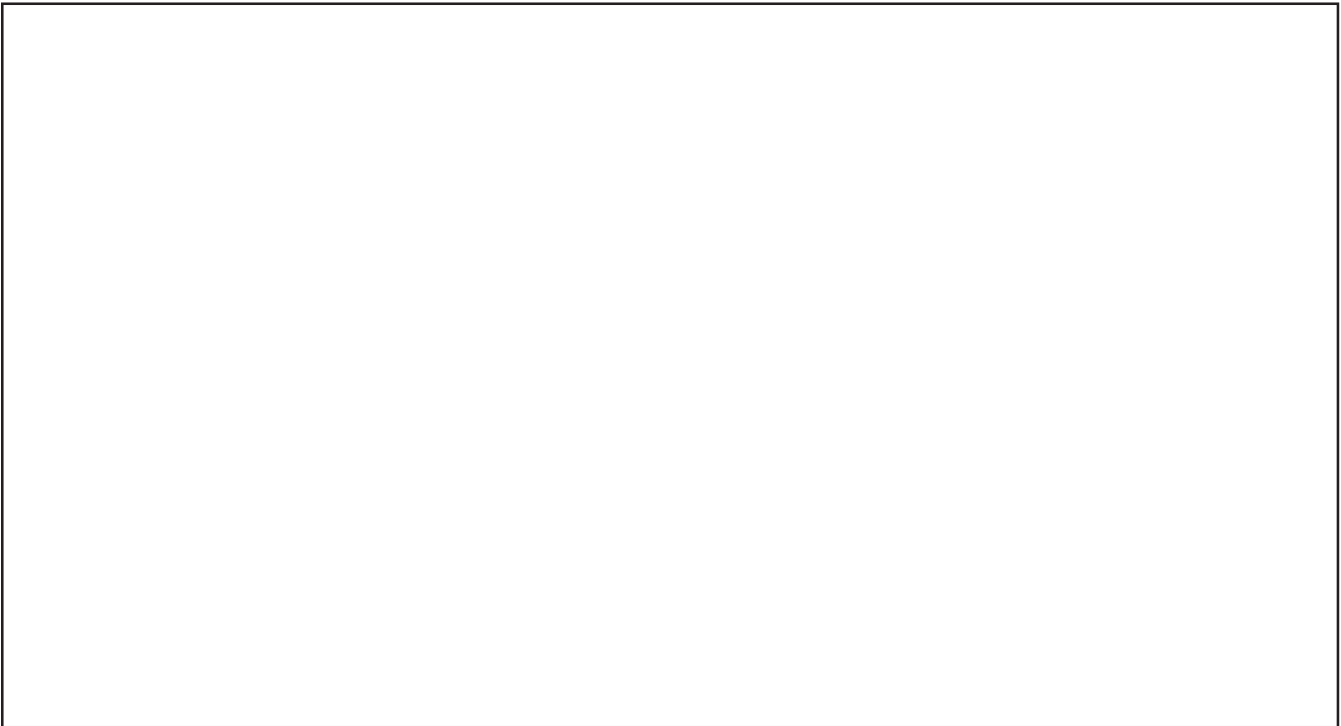
FIELD SUPERINTENDENT SIGNATURE

DATE

Attachment 1



Comments:



Comments:



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
GENERAL MANAGER’S REPORT**

DATE: August 2024
TO: Board of Directors
FROM: Dan Jagers, General Manager

TABLE A - REPORT HIGHLIGHTS	REPORT PAGE #
Communications and Public Outreach	2
AMR / AMI project update	3
Production and Imported Water	5

FINANCE AND ADMINISTRATION

Operating Budget

Finance staff is currently reviewing the budget document to identify opportunities for updating both its content and format. The calculations for analysis of revenues and expenses, which include historical data from the previous five years, have been distributed to all departments. We are also preparing the necessary information regarding personnel requests, which will be considered in the upcoming budget cycle.

Cost of Service Study

In collaboration with Water Resources Economics, LLC (WRE), we have made significant progress on the data collection for the Cost of Service Study. Based on the recommendations, and approval from the Board of Directors, the project has been divided into two phases. The first phase will be to develop a financial plan that provides short-term stability by addressing immediate financial needs through an across-the-board rate increase. The second phase will address the cost-of-service analysis, addressing non-funded State mandates, as well as other financial challenges. A presentation on the financial plan is pending additional information from staff.

Banking Services

Guided by the best practice recommendation for banking services from the California Society of Municipal Finance Officers (CSMFO), staff issued a Request for Proposals (RFPs) for banking services in April 2024. Three institutions submitted proposals for consideration, which included technical support, sample documentation, their customer service approach, and costs for services. Following an evaluation of proposals, staff presented a recommendation to the Board of Directors on August 14, 2024, who approved the General Manager to begin the negotiation process on behalf of the District. Staff will continue working on the final contract, which will be presented for approval within the next few months.

CUSTOMER SERVICE

Customer Assistance

Customer Service continues to support customers facing difficulties in paying their bills by offering payment plans. These plans allow customers to spread their balance over time, helping them avoid service disconnections. The payment plan option is available for one bill at a time, providing flexibility and relief to those in need. Customer Service staff has assisted 69 customers with payments plans in 2024. Payment plans offer those with large or past due bills to maintain service while still fulfilling their payment obligations. The District has collected \$48,458.53, or 69.61%, of the \$69,612.47 in payment plans in the current year.

In addition to payment plan offerings, Customer Service has been working with local agencies to assist customers with their outstanding balances. Staff has been working with the County of Riverside on their Low-Income Housing Water Assistance Program (LIHWAP), which was a limited-term federally funded program that offered assistance to help low-income households pay residential water bills. Since its implementation in July 2022, the program, which ended in March of 2024 has submitted to the District \$46,698.48 towards the balances of 150 account holders, helping them avoid disconnection of service for non-payment. In addition to this local program, Staff submitted an application for the California Extended Arrearage Program, which allowed for the request of outstanding balances from June 16, 2021 to December 31, 2022, that met specific criteria related to COVID relief. The District was awarded \$1,547.74 in funds, which assisted with uncollected balances on 10 accounts, avoiding additional pursuits through the lien process. The County of Riverside is working with legislators for funding on water utilities on a continued basis and Staff will continue to support and monitor these pursuits.

Communications and Public Outreach

We have two remaining interviews to be scheduled for the District introduction video, and staff has already reached out to CV Strategies to coordinate these. Additionally, staff has taken the initiative to prepare most of the postings for the month of August, a task previously handled entirely by CV Strategies. This shift not only allows staff to be more creatively involved in public notifications but also aligns with our goal of redirecting CV Strategies' efforts toward communication related to the Cost of Service Study, rather than routine online posts.

HUMAN RESOURCES

Policies and Procedures: To date, our Personnel policies are at 87% completion with a 47% increase in productivity in policy revision turnaround over the past seven (7) months, ensuring District policies remain up-to-date and in line with industry standards. Staff continues to optimize collaboration and streamlining processes while upholding quality standards. Furthermore, the positive reception from District personnel underscores their appreciation for the clarity, relevance, and accessibility of the revised policies. Employees' satisfaction with the improved clarity and consistency has enhanced operational smoothness and adherence to company protocols.

Recruitment Success Across Departments. The District has successfully filled a position within the Department of Operations, pivotal to organizational goals and contributing significantly to the District's overall water distribution throughout the communities we serve. The average time to fill this position was 22 days, demonstrating staff's commitment to swift and efficient recruitment processes, ensuring minimal disruption to departmental operations. The District's ongoing partnership with the HR team has proven highly effective in sourcing, screening, and selecting top talent, resulting in high-quality hires aligned with our organizational values and objectives.

Workers Compensation and Safety Focus: For the month of July, there have not been any workers' compensation claims, indicating a strong commitment to safety and wellbeing among the District's workforce. Internal HR safety audits have yielded promising results, with a score of 91% compared to last month's 87%, reflecting the diligent efforts of field personnel in utilizing personal protective equipment (PPE), maintaining proper field ergonomics, ensuring correct storage of equipment, and adhering to Safety Data Sheet (SDS) procedures.

Training Compliance: The collaborative efforts of the HR Division, ACWA JPIA, and Safety Compliance Company were a success in organizing and facilitating essential training sessions, including the successful completion of the Heat Illness Prevention Program which took effect 7/1/2024, and Fire Safety training, underscoring the District's commitment to equipping its workforce with the necessary knowledge and skills to respond effectively to any workplace incidents.

This report highlights the ongoing efforts to optimize personnel management, streamline recruitment processes, and prioritize employee well-being and safety.

TABLE B – HR Activity as of July 31, 2024	
Total Current Employees (Excluding Board Members)	46
Full-Time Employees	44
Part-Time	1
Temporary	1
Interns	0
Separations / Retirements	1
Retired Employee(s)	0
New Hires	1
Recruitments in progress	1

OPERATIONS

AMR/AMI Project

Operations staff and the IT department have successfully transitioned all Automatic Meter Reading (AMR) meters to network mode allowing for meter reading directly through the Automated Meter Infrastructure (AMI) system. As anticipated, some meters are out of range from current AMI collectors and repeaters and are being collected via a drive route. The IT department has developed a heat map to identify areas of coverage and redundancy, while the Operations staff is in the process of installing upgraded antennas with an anticipated increased range of one (1) mile per antenna. These efforts will be further tested as Staff works to bring new collector and repeater facilities online.

Rash of recent backflow device thefts: BCVWD staff identifies that there has been a decline in backflow device theft in recent weeks, but issues persist. Staff continues to provide support to City of Beaumont Police in connection with a recent thefts of local backflow devices. Staff provided information to the PD in the hope that the information will assist in identifying and apprehending the culprit. Backflow devices are owned by the property owner. Theft does not result in monetary loss to the District, but is a burden on the property owner, and does cause an expense of District

staff time in assisting with water shutoff / turn on, and emergency call outs for assistance. Customer Service staff has received training on the function and necessity for such devices.

Well 1A and 2A redrill project: The conductor casing for both Wells 1A and 2A have been installed. The soundwall and discharge piping have been installed to begin drilling efforts at Well 1A. When complete, the soundwall will be moved to the Well 2A site to begin drilling. Additionally, the discharge piping has been installed at Well 1A and the site is ready to begin drilling activities. Staff is working with the contractor on an updated schedule and start date for drilling.

Elm Avenue Water Main Installation: District staff has begun the installation of an 8" Ductile Iron water main on Elm Avenue, south of 4th Street in the City of Beaumont. All work is being performed by District staff except for soil compaction reports, which are completed by the Districts soils vendor. To date, staff has completed the tie in on 4th Street, with an installed test plate in place until pressure testing and bacteriological samples are performed. Additionally, staff has installed all of the 8" Ductile Iron water main and one (1) fire hydrant lateral. When complete the water main will include 738' of ductile iron pipeline and contain five (5) service laterals and two (2) fire hydrants.

Field Office Rehabilitation Project: Rehabilitation efforts at the 12th and Palm Field Office are underway. Mold mitigation has been completed by an external vendor and subsequent mold testing has been performed. The external siding has been replaced by District staff with weather barrier wrap behind the external panels to prevent future areas of compromise and potential leaks. Further efforts to replace and seal the roof are underway and will close up the building to weather and provide the necessary protection to begin internal rehabilitation efforts.

All interior drywall has been removed along with the existing flooring and carpeted areas. Staff has begun further demolition of internal framing to create more space by reducing office size and installing a second bathroom for the field office. Staff anticipates a full report to the Board of Directors in the near future highlighting the rehabilitation efforts.

Leaks repaired

July 2024: Five (5) main line leaks and Two (2) service line leaks were addressed.

Monthly Safety Briefings

It was just a few days earlier that Chuck Hippenstiel of Safety Compliance Company reminded staff about the importance of proper traffic control around work sites when an errant driver cruised right into a properly signed and coned off trench. This incident happened at a non-District worksite, but District personnel were on site and near the trench when this occurred. The driver actually attempted to back out of the trench. No one was injured.

This underscores the importance of proper traffic procedures, but also reminds staff to be on constant alert for unusual activity.

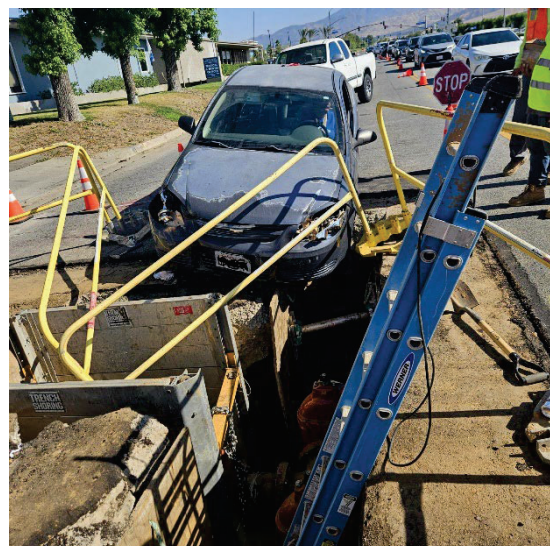


TABLE C – Groundwater Production

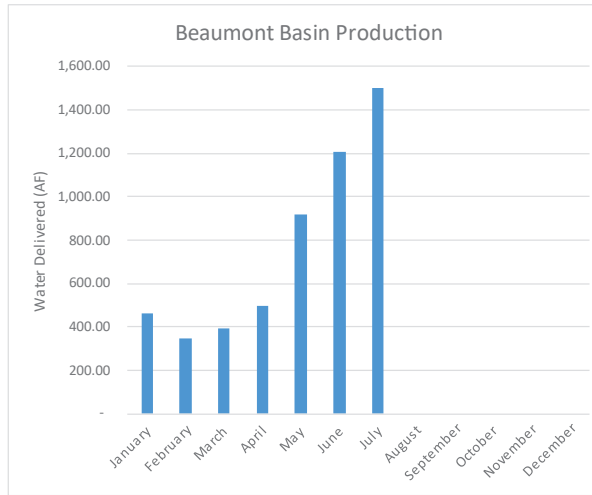


TABLE D – Groundwater Production

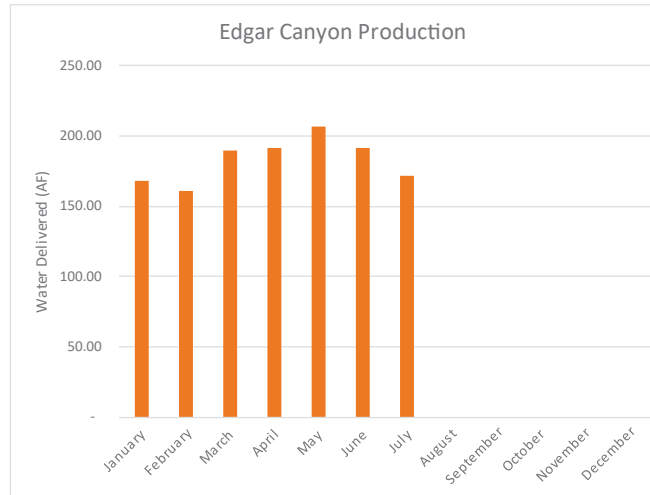
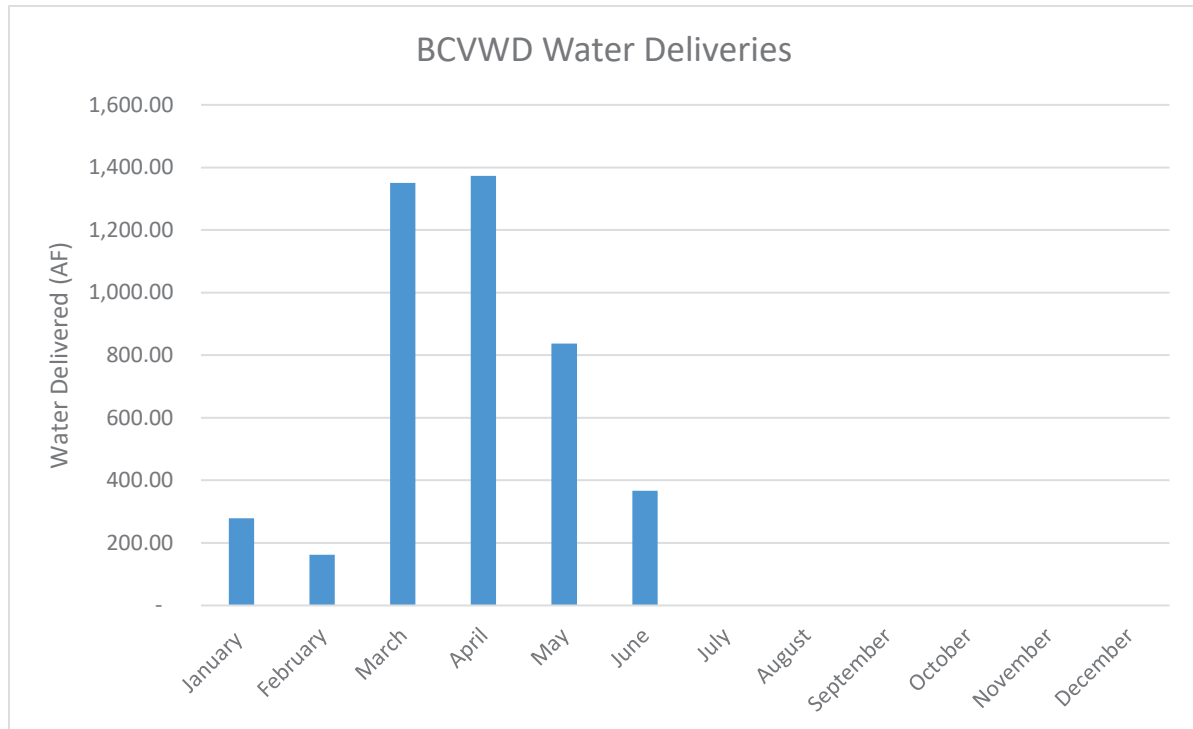


TABLE E – Total Monthly Imported Water Delivery



EXECUTIVE OFFICE

GOALS FOR 2024

1. Improve customer communication and service
2. Adhere to State and Federal drinking water standards, focusing on regulatory water quality sampling
3. Upgrade infrastructure
4. Complete deployment of the AMR / AMI project
5. Increase valve maintenance activities
6. Implement a GPS-enabled system for accurate mapping
7. Advance Capital Improvement Projects

TABLE F - General Manager’s activity status

A - DISTRICT HAPPENINGS		
A1	<p>AMR / AMI Project</p> <p>SUPPORTS GOAL 4</p>	<ul style="list-style-type: none"> • 14 collectors and repeaters have been installed • Replaced or retrofitted 21,000 service connections, fewer than 200 meters remain to be retrofitted • Electronic reads have been pulled for three billing cycles • An analysis is being prepared of every customer’s consumption for the last few years and comparing the three year average with the information pulled from the AMI device to assure reads are reasonable • Some areas are not able to be read and IT / Operations are collaborating to get physical reads to stay on track • Various locations are being tested to improve AMI coverage by installing antennas and increasing the power of the existing collectors and receivers • Antennas have been deployed antennas for the collectors/repeaters that could increase the coverage range up to two miles and testing is underway. • These efforts are anticipated to reduce the total number of collectors/repeaters necessary to maximize coverage, provide redundancy • Every device is on schedule to be audited once a year to make sure information is correct • Focus is now on optimizing the system • A presentation will be made to the Board
A2	<p>Cost of Service Study (Water Resources Economics)</p>	<p>At the Aug. 14 meeting, the Board considered an adjustment to the rate process. Due to considerable regulatory challenges, unknowns make it difficult to perform a cost of services study. In response, WRE recommended a two-phase approach, which the Board approved.</p>
A3	<p>Capacity Charges Study (Raftelis)</p> <p>SUPPORTS GOAL 7</p>	<p>Working through the future water demands of development yet to come. Tentative meeting with Raftelis on September 4, 2024 to further the study analysis.</p>

A4	Operations Center SUPPORTS GOALS 1 AND 7	Staff continues to search for appropriate solutions based on Board direction. Several alternatives have been investigated. At its meeting on 7/10/24, the Board authorized funding for improvements to the existing building at 12th / Palm as a stopgap measure. Rehabilitation efforts for the 12 th /Palm field office are underway. Purchase of a large lot is in progress for future development into needed operations space.
A5	Well drilling 1A and 2A SUPPORTS GOALS 3 AND 7	Project is ongoing. Currently, staff is coordinating with the drilling contractor and City staff for the encroachment permit. See detail earlier in this report.
A6	Cherry Valley Boulevard Temporary Services SUPPORTS GOAL 1	The Board approved the CEQA Notice of Exemption at the 7/25/24 meeting and the LAFCO annexation process for each property is in motion. Staff continues to work with both homeowners to further the LAFCO annexation process.
A7	Policies and Procedures Manual	The Personnel Committee reviewed policy recommendations at the 7/16 meeting, and four were recommended to move forward to the full Board. Preliminary analysis and drafts are in process for Administrative slated for possible update. These are not HR-related so will come directly to the Board. A first draft of revision of the following polices (as requested by Director Williams) has been prepared and is awaiting review internally: Policy 4060 Training, Education and Conferences Policy 4065 Remuneration / Director per diem fees Part II Section 14 – Payment of Expenses Part II Section 15 – Expenditure Reimbursement Staff may recommend the 2025 Board President establish an ad hoc committee to review Manual Part II in entirety and make recommendations to the Board.
A8	Elm Avenue Pipeline update SUPPORTS GOALS 1 AND 3	Board approved purchase of materials on 6/27 and funding of District labor for project construction. The Encroachment Permit was issued at the end of July. Construction began on August 6 th . Main line installation consisting of 8" DIP, 5 services, and 2 fire hydrants is anticipated to be complete on August 22 nd . On-site service relocations are scheduled for the week of August 26 th . The pipeline will need to be pressure tested, chlorinated, and flushed prior to being put into service. Upon finalization of the pipeline construction, pavement activities are anticipated for early September.
A9	Customer Service SUPPORTS GOAL 1	The Customer Service Department is functioning well as a team and continues to courteously and professionally serve BCVWD customers.
A10	2024-2025 Informal Compensation Review	Staff is working on an internal compensation review outlined in the 2022-2026 Memorandum of Understanding, Article 39

B - LOCAL AGENCY HAPPENINGS		
B1	City of Beaumont – Cooperative Agreement (encroachment permit / paving) SUPPORTS GOALS 3 AND 7	Draft will be presented to the Board at the meeting of 8/29/24.
B2	City of Beaumont – Recycled Water Agreement SUPPORTS GOALS 1, 3, & 7	A monthly meeting with City officials and including SGPWA representatives has been established. The most recent meeting was held Aug. 22
B3	City of Beaumont Landscape Ordinance	Staff is working internally on revised language to further expand on the District’s position related to turf conversion and is formulating a letter to be disseminated to HOAs and/or homeowners who have homes that were constructed after a certain date which disallowed turf conversion.
B4	Beaumont Basin Watermaster (BBWM)	The Committee approved the 2023 Annual report, available for viewing here: https://beaumontbasinwatermaster.org/home-2/documents-and-publications/ The Committee also discussed basin losses, potential revisions to the Rules and Regulations, and the Safe Yield estimate.
C - CALIFORNIA HAPPENINGS		
C1	SWRCB Chromium 6 MCL update SUPPORTS GOAL 2	ACWA News: On July 24, the Office of Administrative Law approved the final Maximum Contaminant Level (MCL) of 10 parts per billion (ppb) for Hexavalent Chromium (Chromium-6) in drinking water. The final MCL will take effect on Oct. 1, 2024. The regulation applies to all water suppliers, including small public water systems (PWSs). ACWA and its coalition partners have engaged with State Water Resources Control Board and its staff on this process for several years. This advocacy focused on ensuring the economic and technical feasibility of water suppliers’ compliance with the MCL, ensuring compliance timeline flexibility for PWSs, ensuring funding availability to assist with compliance needs, and considering alternative treatment methods.
C2	Zero Emission Trucks – Advanced Clean Fleet rules SUPPORTS GOAL 2	The California Air Resources Board (CARB) has begun holding public meetings on the funding plan for Clean Transportation Incentives, including the Zero Emission Truck Loan Pilot Program. ACWA continues to advocate for Advanced Clean Fleets (ACF) Regulation Amendments allowing greater flexibility for Public Agencies. Staff has recently included the District’s TRUCRS ID and fleet information in an ACWA survey to be included in regulation amendment consideration. Additionally, staff is taking the necessary steps to comply with the ACF regulation and to explore available resources to determine the best path forward.
C3	Recharge capacity and State Project Water	Following Board approval on Aug. 14, BCVWD submitted its 2025 Water Order to the SGPWA.

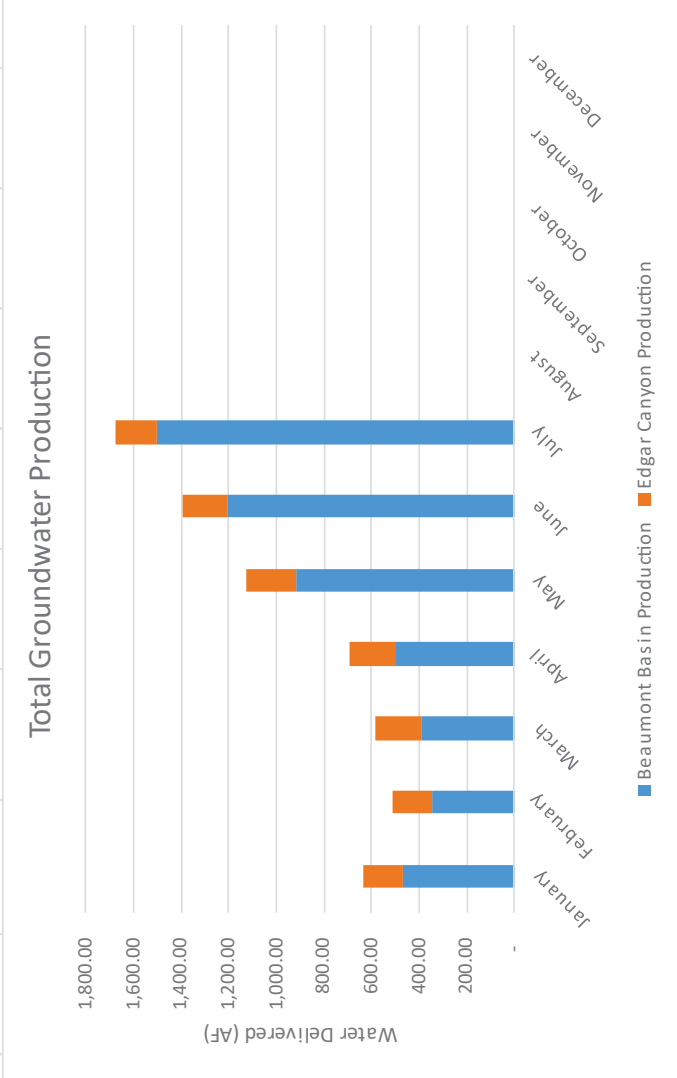
C4	AB 1668 and SB 606: Making Conservation a California Way of Life (MCaCWL)	At its July 3 meeting, the State Water Resources Control Board voted to adopt and submit the final regulation to the Office of Administrative law. For current status and next steps, see Attachment 2. See also Attachment 3 A Fact Sheet on the Regulation. Access the Open Data Portal here: https://data.ca.gov/dataset/urban-water-use-objectives-conservation
C5	Sites Reservoir https://sitesproject.org/	The Sites Reservoir Authority has been working on a draft Benefits and Obligations contract and Phase 3, 4 and 5 bylaws. The documents are estimated to be 60 percent complete. When executed by participants (including BCVWD), these documents will be the contractual basis for decision-making on the project. The Sites Authority states it is important for all JPA members and participants to be engaged and constructive in the development of the agreements. View the draft documents here: https://sitesproject.org/wp-content/uploads/2024/08/03-01-Update-on-Draft-BO-JPA-Bylaws.pdf See a new article supporting the Sites Reservoir by the Northern California Water Association: https://norcalwater.org/2024/08/20/sites-reservoir-the-time-is-now/
C6	State Water Project (SWP)	News coverage has been scarce on the newly released DWR Report on SWP Delivery Capability. The report estimates that SWP supplies could fall up to 23 percent within 20 years due to climate change. The report can be viewed here: SWP Delivery Report Read the L.A. Times article here: https://www.latimes.com/environment/story/2024-07-31/california-water-supplies-will-shrink-over-the-next-20-years
C7	Delta Conveyance Project (DCP)	The State Water Resources Control Board Administrative Hearings Office will hold a public hearing about the Delta Conveyance Project beginning on January 16, 2025 . The hearing will address the water right change petitions filed by the Department of Water Resources to add two new points of diversion and redirection to the water rights associated with the State Water Project . The California Natural Resources Agency has posted a “Common Responses” document that addresses questions and comments about the Agreements to Support Healthy Rivers and Landscapes (Agreements) that were raised by State Water Resources Control Board members, staff, and members of the public during the State Water Board’s three-day April workshop about the Agreements.

ATTACHMENTS

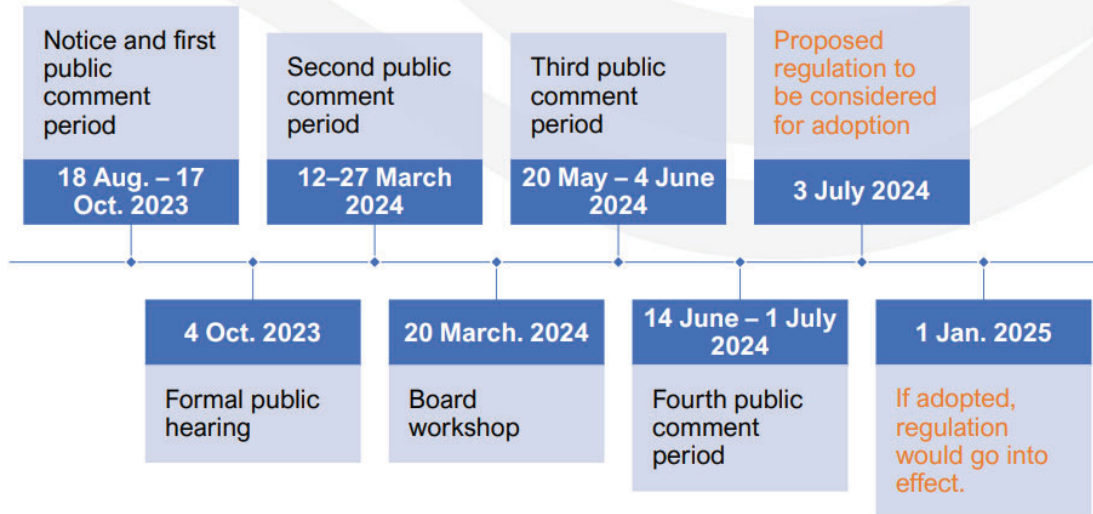
1. BCVWD Water Report – August 2024
2. State Water Resources Control Board – MCaCWL Status presentation July 3, 2024
3. ACWA Fact Sheet – Making Conservation a California Way of Life

ATTACHMENT 1

WATER REPORT - AUGUST 2024													
WATER CONNECTION SUMMARY													
	2021	2022	2023	2024									
Jan				45									
Feb				63									
Mar				2									
Apr				6									
May				13									
Jun				102									
Jul				27									
Aug													
Sep													
Oct													
Nov													
Dec													
Annual Total	529	884	628	258									
Avg / Mo.	44.1	73.7	52.3	64.5									
Total connections (unaudited)	20,809			21,437	21,695								
2024 WATER PRODUCTION TOTALS (ACRE-FEET)													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Beaumont Basin Production	465.85	347.59	391.98	500.63	920.46	1,206.10	1,502.64	-	-	-	-	-	5,335.25
Edgar Canyon Production	168.10	160.96	189.98	191.48	206.46	191.79	172.25	-	-	-	-	-	1,281.02
Total Groundwater Production	633.95	508.55	581.96	692.11	1,126.92	1,397.89	1,674.89	-	-	-	-	-	6,616.27



Where we are in the formal rulemaking process



California Water Boards

Estimated costs breakdown

Cost Impact Description	Estimated 2025-2050 Cost	
	(\$ million)	(%)
Residential water use efficiency measures	1,436	30%
Commercial, institutional, and industrial performance	1,207	26%
Lost revenues (assuming no rate changes)	1,019	22%
Wastewater infrastructure improvement	723	15%
Wastewater operations and maintenance	190	4%
Other*	150	3%
Total	4,725	100%

*Includes program creation and reporting; ratemaking; urban tree inventory and forestry management plans; public education and outreach.

California Water Boards

Draft Resolution – key directives

In implementing the regulation, staff shall:

- Consider affordability and equity
- Coordinate with other State agencies and other State Water Board programs
- Continue work to streamline data reporting
- Use a fair, consistent, progressive, and transparent approach to enforcement
- Provide periodic status updates

Next Steps

Consideration of Adoption	July 3, 2024
Submit to Office of Administrative Law	If adopted, August 2024
Add relevant datasets to Open Data	By October 1, 2024
Rule becomes effective	If adopted, January 1, 2025



Making Conservation a California Way of Life Regulation

The State Water Resources Control Board on July 3 adopted the Making Conservation a California Way of Life regulation. The regulation implements Assembly Bill 1668 and Senate Bill 606, which were signed into law in 2018, to develop a regulatory framework to achieve long-term water use efficiency with the purpose of adapting to climate change and more intense and frequent droughts in California.

What is included in the Making Conservation a California Way of Life regulation?

Under the regulation, urban retail water suppliers must comply with three major components:

- A unique **urban water use objective**;
- **Commercial, industrial and institutional (CII) performance measures**; and
- **Annual reporting**.



Urban Water Use Objective

The **urban water use objective** is a supplier-specific water budget that is the sum of water use efficiency standards for urban water uses for residential indoor water use, residential outdoor water use, CII landscapes with dedicated irrigation meters and supplier system real water loss. These standards are applied to unique local service area characteristics, such as population, climate and landscape area. The urban water use objective also includes adjustments for specified unique water uses, such as evaporative coolers and seasonal tourism, temporary provisions, and/ or a bonus for potable reuse, if applicable.

Urban retail water suppliers can learn more about their expected urban water use objective by visiting the State Water Board’s [Water Use Objective Exploration Tool](#) and reviewing the [Provisional Data](#).



Residential Indoor

+



Residential Outdoor

+



CII-DIM Outdoor

+



Water Loss

+



If applicable:
Variances, Temporary Provisions & Bonuses

CII Performance Measures

Every urban retail water supplier must comply with the following CII performance measures. These CII performance measures are services and programs water suppliers can offer to increase the indoor and outdoor water use efficiency of CII water users. A simplified overview of the CII performance measures is as follows:

- › **Classification of CII water accounts** into ENERGY STAR Portfolio Manager's broad categories, plus four additional categories.
- › Convert **CII large landscapes** (over 0.5 acres) with mixed use meters (MUMs) to dedicated irrigation meters or employ in- lieu technologies such as advanced metering infrastructure. This requires identifying all CII-MUM landscapes that meet this threshold in a service area.
- › Implement **CII best management practices** for the top CII water users (with three possible track options).

Annual Reporting

Starting Jan. 1, 2024, and by Jan. 1 every year thereafter, each urban retail water supplier is required to submit annual reporting requirements to the State Water Board and the Department of Water Resources that includes their urban water use objective, actual urban water use, documentation of the implementation of CII performance measures and a description of progress made towards meeting their urban water use objective (§ Water Code 10609.24).

When does compliance start?

Suppliers must work with their customers to achieve water savings that may be needed to meet the new regulation. Individual customers are not required to comply with the urban water use objective.

Beginning Jan. 1, 2025, and by Jan. 1 every year thereafter, each urban retail water supplier is required to calculate its urban water use objective for the previous year. Each year, the objective will be based on dynamic data such as weather and population. Beginning Jan. 1, 2027, each urban retail water supplier must demonstrate compliance with its urban water use objective.

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