



WEST VALLEY WATER DISTRICT
855 W. BASE LINE ROAD RIALTO, CA

BOARD MEETING
AGENDA

THURSDAY, JANUARY 17, 2019
CLOSED SESSION - 5:30 PM • OPEN SESSION 6:30 PM

"In order to comply with legal requirements for posting of agendas, only those items filed with the District Secretary's office by noon, on Wednesday prior to the following Thursday meeting, not requiring departmental investigation, will be considered by the Board of Directors."

OPENING CEREMONIES

Pledge of Allegiance
Opening Prayer
Call to Order
Roll Call of Board Members

ADOPT AGENDA

BOARD PRESENTATIONS

- Southern California Edison South Generation Incentive Program (SGIP) Check Presentation
- Eisenhower High School Football Team Recognition

PUBLIC PARTICIPATION

Any person wishing to speak to the Board of Directors on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board of Directors is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.

Public communication is the time for anyone to address the Board on any agenda item or anything under the jurisdiction of the District. No person will be allowed to make comments at any other time in the meeting except if there is a Public Hearing. Also, please remember that no disruptions from the crowd will be tolerated. If someone disrupts the meeting, they will be removed.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board of Directors, Staff Member, or any member of the public request a specific item(s) be removed for separate action.

Consideration of:

1. Approval of December 2018 Cash Disbursements Report.
2. Approval of November 2018 Cash Disbursements Report.
3. Consider a Water System Infrastructure Installation and Conveyance Agreement with Casmalia Holdings, LLC.

BUSINESS MATTERS

Consideration of:

4. Consider a Request from K. Hovnanian Communities, Inc. to Divide the Developer Billing Letter into Multiple Payments.
5. Consider Award of Contract for Customer Service Foyer Renovation Project to Caltec Corp.
6. Electronic Communications Policy Acknowledgement Form.
7. West Valley CAFR 2017-2018.
8. Resolution 2019-1 Providing for the Creation of the Water Supply Reliability 2025 Program.
9. Approval of contract for Rob Katherman Consulting.

REPORTS - LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).

- **Board Members**
- **Legal Counsel**
- **General Manager**
 - ❖ 5,420 days without a “Lost Time” claim.

UPCOMING MEETINGS

- January 21, 2019 - The West Valley Water District will be CLOSED in observance of the Martin Luther King, Jr. holiday.
- January 22, 2019 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:30 PM at 380 E. Vanderbilt Way, San Bernardino, CA
- January 28, 2019 - Association of the San Bernardino County Special Districts (ASBCSD) dinner, hosted by the Cucamonga Valley Water District at the Cucamonga Valley Water District's Frontier Project Building in Rancho Cucamonga, CA. Social hour will begin at 6:00 PM, with a call to order at 6:45 PM.
- February 5, 2019 - Bloomington Municipal Advisory Council Meeting at 6:30 PM at Ayala Park, 18313 Valley Boulevard in Bloomington.
- February 5, 2019 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:30 PM at 380 E. Vanderbilt Way, San Bernardino, CA
- February 7, 2019 - West Valley Board of Directors Meeting at 6:30 PM (Closed Session at 6:00 PM) at the District Headquarters

CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: International Union of Operating Engineers Local 12 v. WVWD Charge No. LA-CE-1319-M
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(a): San Bernardino Valley Municipal Water District, et al., v San Gabriel Valley Company, et al; San Bernardino County Superior Court Case No. CIVDS1311085 / Fourth District Court of Appeal Division Two, Case No. E063180.
- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: Karen Logue v. West Valley Water District Case No.: CIVDS1818381
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Three (3)

ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on January 14, 2019.

A handwritten signature in blue ink that reads "Crystal L. Escalera". The signature is written in a cursive style and is positioned above a horizontal line.

Crystal L. Escalera, Board Secretary

Please Note:

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, during normal business hours. Also, such documents are available on the District's website at www.wvwd.org subject to staff's ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to Crystal Escalera, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Escalera may be contacted by telephone at (909) 875-1804 ext. 704, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: APPROVAL OF DECEMBER 2018 CASH DISBURSEMENTS REPORT

BACKGROUND:

DISCUSSION:

FISCAL IMPACT:

STAFF RECOMMENDATION:

Respectfully Submitted,

A handwritten signature in blue ink that reads "Clarence C. Mansell Jr." with a stylized flourish at the end.

Clarence Mansell Jr., Interim General Manager

CM:nd

ATTACHMENT(S):

1. EFT Payroll Cash Disbursement Report
2. Cash Disbursements Report

**WEST VALLEY WATER DISTRICT
PAYROLL GROSS WAGES
FISCAL YEAR 2018 - 2019**

Report Month	Description	From	To	Gross Wages Paid
July 2018	Manual Check	06/15/18	07/05/18	5,319.95
July 2018	Pay Period #14	06/15/18	06/29/18	256,761.29
July 2018	Monthly Pay Period #7	06/01/18	06/30/18	7,203.00
July 2018	Pay Period #15	06/29/18	07/13/18	246,886.43
July 2018	Manual Check	07/13/18	07/19/18	3,332.45
Total for July 2018				519,503.12
August 2018	Pay Period #16	07/13/18	07/27/18	250,850.53
August 2018	Monthly Pay Period #8	07/01/18	07/31/18	6,321.00
August 2018	Manual Check	07/27/18	08/06/18	2,625.29
August 2018	Manual Check	07/27/18	08/10/18	27,441.77
August 2018	Pay Period #17	07/27/18	08/10/18	243,822.70
August 2018	Safety Celebration			3,650.00
August 2018	Pay Period #18	08/10/18	08/24/18	237,358.82
Total for August 2018				772,070.11
September 2018	Monthly Pay Period #9	08/01/18	08/31/18	6,762.00
September 2018	Pay Period #19	08/24/18	09/07/18	248,656.48
September 2018	Pay Period #20	09/07/18	09/21/18	243,379.26
Total for September 2018				498,797.74
October 2018	Monthly Pay Period #10	09/01/18	09/30/18	7,350.00
October 2018	Pay Period #21	09/21/18	10/05/18	248,781.81
October 2018	Manual Check	10/05/18	10/12/18	5,633.25
October 2018	Manual Check	10/05/18	10/18/18	2,982.02
October 2018	Pay Period #22	10/05/18	10/19/18	251,858.33
Total for October 2018				516,605.41
November 2018	Monthly Pay Period #11	10/01/18	10/31/18	7,188.30
November 2018	Pay Period #23	10/19/18	11/02/18	246,599.90
November 2018	Longevity and SLCO Pay			58,662.40
November 2018	Manual Check	10/19/18	11/16/18	6,556.32
November 2018	Pay Period #24	11/02/18	11/16/18	255,286.83
Total for November 2018				574,293.75
December 2018	Pay Period #25	11/16/18	11/30/18	252,617.38
December 2018	Monthly Pay Period #12	11/01/18	11/30/18	6,953.10
December 2018	Manual Check			-
December 2018	Pay Period #26	11/30/18	12/14/18	251,684.40
Total for December 2018				511,254.88

**WEST VALLEY WATER DISTRICT
EFT AND PAYROLL ITEMS
DECEMBER 2018**

Date	Item	Check No. or EFT	Amount
12/06/18	Pay Period #25	8374-8377	4,988.29
12/06/18	Monthly Pay Period #12	none	
12/12/18	Manual Check	8378	48.70
12/20/18	Pay Period #26	8379-8382	5,462.52
	Total Checks		<u>10,499.51</u>
12/06/18	Pay Period #25 Direct Deposits	EFT	164,951.67
12/06/18	Federal Tax Withheld Social Security & Medicare	EFT	61,435.14
12/06/18	State Tax Withheld and State Disability Insurance	EFT	12,147.02
12/06/18	Lincoln Deferred Compensation	EFT	22,873.97
12/06/18	Lincoln - Employer Match Benefit	EFT	3,725.00
12/06/18	Nationwide Deferred Compensation	EFT	1,813.20
12/06/18	Nationwide - Employer Match Benefit	EFT	400.00
12/06/18	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	23,820.00
12/06/18	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	11,170.60
12/06/18	California State Disbursement	EFT	968.61
12/06/18	Monthly Pay Period #12 Direct Deposits	EFT	6,089.64
12/06/18	Federal Tax Withheld Social Security & Medicare	EFT	1,346.62
12/06/18	State Tax Withheld	EFT	48.75
12/20/18	Pay Period #26 Direct Deposits	EFT	165,128.01
12/20/18	Federal Tax Withheld Social Security & Medicare	EFT	58,012.62
12/20/18	State Tax Withheld and State Disability Insurance	EFT	11,610.60
12/20/18	Lincoln Deferred Compensation	EFT	17,920.01
12/20/18	Lincoln - Employer Match Benefit	EFT	3,575.00
12/20/18	Lincoln - 401(a) Employer Match Benefit	EFT	18,500.00
12/20/18	Nationwide Deferred Compensation	EFT	1,813.20
12/20/18	Nationwide - Employer Match Benefit	EFT	400.00
12/20/18	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	23,909.88
12/20/18	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	11,137.83
12/20/18	California State Disbursement	EFT	968.61
	Total EFT		<u>623,765.98</u>
	Grand Total Payroll Cash		<u>634,265.49</u>

WEST VALLEY WATER DISTRICT

CASH DISBURSEMENT REPORT
DECEMBER 2018

			<u>CHECK PAYMENTS</u>	
1	74307	AIRGAS WEST INC	REPAIRS/MAINTENANCE	\$ 544.12
2	74308	AKEL ENGINEERING GROUP INC	ENGINEERING SERVICES	\$ 2,052.00
3	74309	AT&T	OFFICE	\$ 1,585.68
4	74310	AT&T	INTERNET	\$ 144.25
5	74311	AT&T MOBILITY	CELL PHONES	\$ 23.43
6	74312	AV AUTHORITY INC	LABOR	\$ 250.00
7	74313	BAVCO	REPAIRS/MAINTENANCE	\$ 164.64
8	74314	BOOT BARN INC	SAFETY BOOTS-CODY / CLIFFORD RAY	\$ 261.61
9	74315	BRAY SALES, INC.	REPAIRS/MAINTENANCE	\$ 945.83
10	74316	TRACI L BROWN	WELLNESS PROGRAM	\$ 126.00
11	74317	CAROLLO ENGINEERS INC	RETENTION PAYMENT	\$ 144,000.00
12	74318	CED CREDIT OFFICE	REPAIRS & MAINTENANCE	\$ 404.06
13	74319	CEMEX INC	SHOP SUPPLIES	\$ 249.68
14	74320	CITY OF RIALTO	SPONSORSHIP	\$ 1,000.00
15	74321	DEPT OF TOXIC SUBSTANCES CONTROL	EPA FEES 2018	\$ 175.00
16	74322	ELITE ROAD SERVICE & TIRE INC	VEHICLES REPAIR/MAINTENANCE	\$ 1,577.99
17	74323	EMERGENCY MANAGEMENT & PUBLIC	CONSULTANTS	\$ 7,650.00
18	74324	EMPLOYMENT CHECK	CONSULTANTS	\$ 1,710.00
19	74325	ENTERPRISE FLEET MANAGEMENT IN	LEASED/MAINTENANCE VEHICLES	\$ 8,287.05
20	74326	FEDEX	MAILING FEES	\$ 155.28
21	74327	GOLDEN METERS SERVICE INC.	METERS & AMR'S	\$ 290.00
22	74328	JOHN P GOUIN	WELLNESS PROGRAM	\$ 18.00
23	74329	GRAINGER INC	REPAIRS/MAINTENANCE	\$ 843.49
24	74330	JEFFREY M GUILLIAM	WELLNESS PROGRAM	\$ 126.00
25	74331	HASA INC.	CHEMICALS	\$ 6,321.53
26	74332	HOME DEPOT	REPAIRS/MAINTENANCE	\$ 963.91
27	74333	H2O FIRE PROTECTION INC	FIRE FLOW REFUND	\$ 150.00
28	74334	INLAND DESERT SECURITY	ANSWERING SERVICE	\$ 457.55
29	74335	GARY R JIMENEZ	SAFETY BOOTS	\$ 200.00
30	74336	MILLER SPATIAL SERVICES LLC	GIS CONVERSION	\$ 4,000.00
31	74337	RAMCO RECYCLED AGGREGATE MATERIALS	DISPOSAL FEES / SHOP SUPPLIES	\$ 250.00
32	74338	RIALTO WATER SERVICES	WATER/SEWER	\$ 67.17
33	74339	ROTOLO CHEVROLET	VEHICLES REPAIR/MAINTENANCE	\$ 176.42
34	74340	RUHNAU CLARKE ARCHITECTS	ENGINEERING SERVICES	\$ 4,125.00
35	74341	SO CALIFORNIA EDISON	WELL #17 ELECTRIC	\$ 16,538.04
36	74342	TERRYBERRY	RECOGNITION SUPPLIES	\$ 2,351.76
37	74343	THE GAS COMPANY	OFFICE GAS	\$ 15.70
38	74344	TIME WARNER CABLE	CABLE/INTERNET	\$ 104.97
39	74345	TOTAL FUNDS BY HASLER	POSTAGE	\$ 234.98
40	74346	USA BLUEBOOK	REPAIRS/MAINTENANCE	\$ 920.34
41	74347	YO FIRE	INVENTORY	\$ 31,839.94
42	74348	CITY OF RIALTO	ENCROACHMENT PERMITS	\$ 716.80
43	74349	AMAZON	OFFICE SUPPLIES	\$ 2,635.79
44	74350	AQUA-METRIC SALES CO	INVENTORY	\$ 24,274.78
45	74351	ASBCSD	DUES & SUBSCRIPTIONS	\$ 665.00
46	74352	AT&T	SO SYSTEM OPERATIONS BLDG	\$ 365.48
47	74353	BAE SYSTEMS APPLIED INTELLIGEN	EMAIL SERVICES	\$ 2,023.13
48	74354	CITY OF RIALTO	UUTAX	\$ 52,086.02
49	74355	CLA VAL CO	REPAIRS/MAINTENANCE	\$ 3,066.81
50	74356	DAILY JOURNAL CORPORATION	ADVERTISING	\$ 1,274.60
51	74357	EMPLOYEE RELATIONS	HR SERVICES	\$ 329.35
52	74358	EXECUTIVE ENVIRONMENTAL SERVICE	CONTRACTOR LABOR	\$ 943.21
53	74359	FAST SERVICE	CUSTOMER SERVICES	\$ 308.00
54	74360	KASCH GRAPHIC DESIGNS	SHOP SUPPLIES	\$ 161.63
55	74361	LEGAL SHIELD	EMPLOYEES PAYMENTS	\$ 717.55
56	74362	MCMASTER-CARR	REPAIRS/MAINTENANCE	\$ 472.24
57	74363	MUTUAL OF OMAHA INSURANCE COMP	DISABILITY & LIFE INSURANCE	\$ 5,941.74
58	74364	DONALD D OLINGER	EXPENSE REIMBURSEMENT	\$ 196.80
59	74365	PACK N MAIL	CUSTOMER SERVICES	\$ 179.00
60	74366	RIALTO FIRE DEPARTMENT	PERMIT FEES	\$ 409.00
61	74367	RIALTO WATER SERVICES	WATER/SEWER	\$ 127.34
62	74368	STATE WATER RESOURCES CONTROL	PERMIT FEES	\$ 15,333.00
63	74369	YO FIRE	CHLORINATION EQUIPMENT	\$ 2,488.62
64	74370	ASBCSD	SPECIAL DISTRICT MEETING	\$ 35.00
65	74371	ARREDONDO, ROBERTA	CUSTOMER REFUND	\$ 153.64
66	74372	AZEVEDO, RON	CUSTOMER REFUND	\$ 29.27

WEST VALLEY WATER DISTRICT

CASH DISBURSEMENT REPORT
DECEMBER 2018

67	74373	BLACKMON HOMES INC TR#17957	CUSTOMER REFUND	\$	149.25
68	74374	CLARK & SONS	CUSTOMER REFUND	\$	1,989.68
69	74375	FR 10586 TAMARIND LLC	CUSTOMER REFUND	\$	374.54
70	74376	GALLARDO, RAFAEL	CUSTOMER REFUND	\$	61.31
71	74377	HAMMER, GAIL	CUSTOMER REFUND	\$	45.39
72	74378	HOPSON, SANDRA LEE	CUSTOMER REFUND	\$	32.78
73	74379	LENNAR HOMES	CUSTOMER REFUND	\$	55.57
74	74380	LO, CHINGTENG	CUSTOMER REFUND	\$	80.78
75	74381	MADERO, MARIBEL	CUSTOMER REFUND	\$	100.00
76	74382	MENDOZA, CONNIE & THOMAS	CUSTOMER REFUND	\$	104.12
77	74383	NIETO, ERICA M	CUSTOMER REFUND	\$	8.02
78	74384	RODRIGUEZ,MIGUEL	CUSTOMER REFUND	\$	52.80
79	74385	SANDOVAL, IRIS B/JULIO	CUSTOMER REFUND	\$	59.83
80	74386	SCHROETER, CHARLES D	CUSTOMER REFUND	\$	64.32
81	74387	SINGH,SUKHVINDER	CUSTOMER REFUND	\$	49.22
82	74388	SPARKS, LANCE / LAURA	CUSTOMER REFUND	\$	33.08
83	74389	VILLADOLID,JOHN/SOFIA	CUSTOMER REFUND	\$	74.54
84	74390	WILKERSON, KENNETH	CUSTOMER REFUND	\$	35.00
85	74391	WILLIAMS, ERICA	CUSTOMER REFUND	\$	26.50
86	74392	YOUNGBLOOD,ROSEMARY	CUSTOMER REFUND	\$	6.90
87	74393	ZAYAS, CLAUDIA	CUSTOMER REFUND	\$	48.16
88	74394	VOID	VOID	\$	-
89	74395	ACWA /JPIA	MEDICAL/DENTAL/VISION/EAP	\$	155,877.81
90	74396	ALBRIGHT, YEE & SCHMIT, APC	LEGAL FEES	\$	31,472.30
91	74397	RAUL AREVALO	CONTRACTED SERVICES	\$	9,240.00
92	74398	AT&T	CIRCUIT LINES	\$	884.33
93	74399	AT&T LONG DISTANCE	OFFICE / WTP	\$	109.00
94	74400	BRAY SALES, INC.	REPAIRS/MAINTENANCE	\$	13.16
95	74401	BURRTEC WASTE INDUSTRIES INC	DISPOSAL FEES	\$	803.79
96	74402	CHANDLER ASSET MANAGEMENT	CONSULTANTS	\$	1,009.34
97	74403	CINTAS CORPORATION	JANITORIAL SERVICES	\$	445.40
98	74404	CITY OF SAN BERNARDINO	LYTLE CREEK STREAMFLOW	\$	2,434.05
99	74405	CLA VAL CO	REPAIRS/MAINTENANCE	\$	5,359.39
100	74406	COLONIAL SUPPLEMENTAL INSURANCE	EMPLOYEES PAYMENTS	\$	800.81
101	74407	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	634.00
102	74408	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	135.00
103	74409	CSA 70 P13	TURF REPLACEMENT REBATE	\$	70,000.00
104	74410	DAN'S LAWNMOVER CENTER	REPAIRS & MAINTENANCE	\$	23.65
105	74411	DEPARTMENT OF PESTICIDE REGULATIONS	PESTICIDE CERTIFICATE-OLIVAREZ	\$	190.00
106	74412	EVOQUA WATER TECHNOLOGIES LLC	FBR REPAIRS/MAINTENANCE	\$	5,163.38
107	74413	GRAINGER INC	REPAIRS/MAINTENANCE	\$	92.03
108	74414	HASA INC.	CHEMICALS	\$	3,037.48
109	74415	INLAND DESERT SECURITY	ANSWERING SERVICE	\$	476.60
110	74416	INLAND EMPIRE EMP ADVISORY	2019 ANNUAL DUES	\$	50.00
111	74417	INLAND WATER WORKS SUPPLY CO	REPAIRS/MAINTENANCE	\$	528.12
112	74418	MCCALLS METERS INC	METERS & AMR'S	\$	385.00
113	74419	MILLER SPATIAL SERVICES LLC	GIS CONVERSION	\$	4,500.00
114	74420	RIALTO WATER SERVICES	WATER/SEWER	\$	30.42
115	74421	MATHIS GROUP: MATHIS & ASSOCIA	CONSULTANTS	\$	750.00
116	74422	SAN BERNARDINO COUNTY RECORDER	LIEN RELEASES	\$	56.00
117	74423	SO CALIFORNIA EDISON	SOUTH END SHOP ELECTRIC	\$	88.15
118	74424	VOID	VOID	\$	-
119	74425	STOTZ EQUIPMENT	REPAIRS/MAINTENANCE	\$	820.51
120	74426	TESCO CONTROLS INC	REPAIRS/MAINTENANCE	\$	555.00
121	74427	THE GAS COMPANY	WTP GAS	\$	25.24
122	74428	USA BLUEBOOK	REPAIRS/MAINTENANCE	\$	1,067.37
123	74429	VARNER & BRANDT	LEGAL FEES	\$	12,210.59
124	74430	VERIZON WIRELESS PHONES	CELL PHONES	\$	53.34
125	74431	YO FIRE	REPAIRS/MAINTENANCE	\$	142.23
126	74432	ZIPRICK & CRAMER, LLP	LEGAL FEES	\$	990.00
127	74433	STATE WATER RESOURCES CONTROL	T2 CERTIFICATION-BECERRA	\$	60.00
128	74434	STATE WATER RESOURCES CONTROL	G2 CERTIFICATION-GUTIERREZ	\$	60.00
129	74435	STATE WATER RESOURCES CONTROL	T1 CERTIFICATION-WILLIAMS	\$	70.00
130	74436	STATE WATER RESOURCES CONTROL	T1 CERTIFICATION-RAY CLIFFORD	\$	55.00
131	74437	AIRGAS WEST INC	REPAIRS/MAINTENANCE	\$	426.52
132	74438	AKEL ENGINEERING GROUP INC	ENGINEERING SERVICES	\$	3,361.50
133	74439	AQUA-METRIC SALES CO	INVENTORY	\$	60,804.14

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
DECEMBER 2018

134	74440	ASBCSD	SPECIAL DISTRICT MEETING	\$	35.00
135	74441	AT&T	WTP TELEMETRY LINE	\$	149.86
136	74442	AT&T	INTERNET	\$	144.25
137	74443	AT&T MOBILITY	CELL PHONES	\$	23.44
138	74444	BHI PLUMBING, HEATING AND AIR	VANDALISM REPAIRS	\$	646.00
139	74445	ANTHONY BUDICIN	AWWA TRAINING	\$	1,979.99
140	74446	CEMEX INC	SHOP SUPPLIES	\$	359.90
141	74447	CITY OF RIALTO	PERMIT FEES	\$	14,588.56
142	74448	CITY OF SAN BERNARDINO	WATER/SEWER	\$	36.30
143	74449	COMPUTERIZED EMBROIDERY COMPANY	UNIFORMS	\$	344.59
144	74450	CONTROL TEMP INC	DISTRICT MAINTENANCE	\$	133.50
145	74451	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	634.00
146	74452	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	293.76
147	74453	DAVE NORMAN COMMONS	CONSULTANT	\$	4,351.50
148	74454	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE	\$	441.21
149	74455	ELCO CONTRACTORS INC	CONTRACTOR LABOR	\$	325,465.25
150	74456	EMERGENCY MANAGEMENT & PUBLIC	CONSULTANTS	\$	2,125.00
151	74457	ENTERPRISE FLEET MANAGEMENT EX	LEASED/MAINTENANCE VEHICLES	\$	8,814.42
152	74458	GARRY JUAN PARKER	CONSULTANT	\$	4,125.00
153	74459	GRAINGER INC	REPAIRS/MAINTENANCE	\$	3,356.44
154	74460	DANIEL GUERRA	EMPLOYEE ASSISTANT LOAN REIMBURSEMENT	\$	2,400.00
155	74461	HACH COMPANY	REPAIRS/MAINTENANCE	\$	1,444.59
156	74462	JIMMY H CORTEZ	TURF REPLACEMENT REBATE	\$	982.56
157	74463	KONICA MINOLTA BUSINESS	COPIER MAINTENANCE	\$	401.08
158	74464	LG HOLDINGS, INC.	REPAIRS/MAINTENANCE	\$	18,550.00
159	74465	MCMaster-CARR	REPAIRS/MAINTENANCE	\$	759.50
160	74466	MIKE DYELL MACHINE SHOP	REPAIRS/MAINTENANCE	\$	100.00
161	74467	NETWORK	VEHICLES REPAIR/MAINTENANCE	\$	736.81
162	74468	POWER EQUIPMENT DIRECT INC	REPAIRS/MAINTENANCE	\$	17,052.00
163	74469	PREMIERE GLOBAL SERVICES	TELEPHONE SERVICES	\$	205.85
164	74470	PRYOR LEARNING SOLUTIONS	TRAINING-KRUEGER	\$	199.00
165	74471	RAINTEK ENTERPRISES INC	CONSULTANTS	\$	12,622.50
166	74472	RAMCO RECYCLED AGGREGATE MATERIALS	DISPOSAL FEES / SHOP SUPPLIES	\$	817.88
167	74473	CLIFFORD RAY	T1 EXAM REIMBURSEMENT	\$	50.00
168	74474	SAN BERNARDINO COUNTY RECORDER	LIEN RELEASES	\$	8.00
169	74475	SO CALIFORNIA EDISON	OFFICE/3AI PUMP/WTP/ DISTRICT PUMPS	\$	107,544.02
170	74476	TERRYBERRY	RECOGNITION SUPPLIES	\$	216.15
171	74477	THE GAS COMPANY	OFFICE GAS	\$	87.90
172	74478	TOKAY SOFTWARE INC	CONTRACTS/LICENSING	\$	790.00
173	74479	UNLIMITED PAINTING SERVICE	CONTRACTOR LABOR	\$	250.00
174	74480	US POSTAL SERVICE	PO BOX RENTAL	\$	394.00
175	74481	VERIZON WIRELESS PHONES	CELL PHONES	\$	4,844.60
176	74482	VULCAN MATERIALS COMPANY	SHOP SUPPLIES	\$	725.85
177	74483	MARK WILEY	CONSULTANT	\$	2,500.00
178	74484	ENTERPRISE FLEET MANAGEMENT EX	PURCHASED LEASED VEHICLES	\$	7,258.01

EFT PAYMENTS

179	3339	ADVANTAGE BUSINESS FORMS INC	PRINTING	\$	202.03
180	3340	BRITHINEE ELECTRIC INC	WTP REPAIR/MAINTENANCE	\$	131.67
181	3341	BURNETT PHOTOGRAPHY	SAFETY COMMITTEE PICTURES	\$	187.49
182	3342	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	2,597.75
183	3343	CRB SECURITY SOLUTIONS	SAFETY/SECURITY/FIRE SYSTEMS	\$	61,341.74
184	3344	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	1,186.71
185	3345	INDUSTRIAL TEST SYSTEMS INC	REPAIRS/MAINTENANCE	\$	300.76
186	3346	KAZALUNAS, KURT T	WELLNESS PROGRAM	\$	180.00
187	3347	MURPHY, RENEE	WELLNESS PROGRAM	\$	36.00
188	3348	PACHECO, RICARDO	EXPENSE REIMBURSEMENT	\$	36.16
189	3349	PANTALEON, SOCORRO	EXPENSE REIMBURSEMENT	\$	230.99
190	3350	RAMIREZ, YOLANDA	EXPENSE REIMBURSEMENT	\$	54.00
191	3351	ROMERO, LIVIER	WELLNESS PROGRAM	\$	18.00
192	3352	SALCEDO, JUAN CARLOS	WELLNESS PROGRAM	\$	90.00
193	3353	SB VALLEY MUNICIPAL	BLF 2017-2018 ANALYSYS	\$	86,873.99
194	3354	UNIFIRST CORPORATION	JANITORIAL SERVICES/SUPPLIES	\$	332.82
195	3355	ARROWHEAD UNITED WAY	EMPLOYEES PAYMENTS	\$	18.00

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
DECEMBER 2018

196	3356	INDUSTRIAL TEST SYSTEMS INC	REPAIRS/MAINTENANCE	\$	684.34
197	3357	PICON-AGUIRRE, NADIA	CERTIFIED ADMIN PROFESSIONAL EXAM FEE	\$	375.00
198	3358	SB VALLEY MUNICIPAL	BASELINE FEEDER / BLF ELECTRIC	\$	135,277.90
199	3359	TAYLOR, MICHAEL R	EXPENSE REIMBURSEMENT	\$	230.84
200	3360	US HEALTHWORKS MEDICAL GROUP	HR SERVICES	\$	99.00
201	3361	YOUNG, CLIFFORD	CALPERS LONG TERM CARE / MEALS REIMBURSE	\$	728.56
202	3362	ADVANTAGE BUSINESS FORMS INC	PRINTING	\$	744.55
203	3363	AUTOMATED GATE SERVICES INC	REPAIRS/MAINTENANCE	\$	365.00
204	3364	BECERRA, JESSE	T2 EXAM REIMBURSEMENT	\$	65.00
205	3365	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	4,677.50
206	3366	DIAMOND ENVIRONMENTAL SERVICES	PORTABLE RESTROOM RENTAL	\$	100.90
207	3367	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	541.45
208	3368	GARDEN INTERIORS	GARDEN MAINTENANCE	\$	424.00
209	3369	GEOSCIENCE SUPPORT SVCS INC	CHEMICALS	\$	9,533.81
210	3370	OFFICE SOLUTIONS	OFFICE SUPPLIES	\$	484.23
211	3371	SAFETY COMPLIANCE COMPANY	SAFETY TRAINING	\$	675.00
212	3372	SAMBA HOLDINGS INC	HR SERVICES	\$	74.00
213	3373	SHARP EXTERMINATOR COMPANY	DISTRICT MAINTENANCE	\$	185.00
214	3374	ALL PRO ENTERPRISES INC.	JANITORIAL SERVICES/SUPPLIES	\$	3,648.73
215	3375	ARAMARK REFRESHMENT SERVICES	OFFICE SUPPLIES	\$	372.04
216	3376	BECERRA, JESSE	EAL REIMBURSEMENT	\$	174.00
217	3377	BRENNTAG PACIFIC INC	CHEMICALS	\$	13,558.58
218	3378	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	2,937.50
219	3379	CROWTHER, KYLE	EXPENSE REIMBURSEMENT	\$	122.15
220	3380	DAVIS, NAISHA	EXPENSE REIMBURSEMENT	\$	134.48
221	3381	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	232.00
222	3382	INFOSEND INC	BILLS PRINTING & POSTAGE	\$	3,405.73
223	3383	OFFICE SOLUTIONS	OFFICE SUPPLIES	\$	1,193.61
224	3384	SB VALLEY MUNICIPAL	BLF ELECTRIC	\$	55,174.16
225	3385	SIKORSKI, KENNETH	MEDICARE PART B REIMBURSEMENT	\$	402.00
226	3386	THE SOCO GROUP INC	UNLEADED FUEL	\$	9,708.53
227	3387	UNDERGROUND SERVICE ALERT	USA FEES	\$	346.60
228	3388	US HEALTHWORKS MEDICAL GROUP	HR SERVICES	\$	179.00
229	3389	INFOSEND INC	BILLS PRINTING & POSTAGE	\$	24,019.30

CHECKS TOTAL	\$ 1,283,965.93
EFT TOTAL	\$ 424,692.60
GRAND TOTAL	<u>\$ 1,708,658.53</u>



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: APPROVAL OF NOVEMBER 2018 CASH DISBURSEMENTS REPORT

BACKGROUND:

DISCUSSION:

FISCAL IMPACT:

STAFF RECOMMENDATION:

Respectfully Submitted,

A handwritten signature in blue ink that reads "Clarence C. Mansell Jr." The signature is written in a cursive style.

Clarence Mansell Jr., Interim General Manager

CM:nd

ATTACHMENT(S):

1. EFT Payroll Cash Disbursement Report
2. Cash Disbursements Report

**WEST VALLEY WATER DISTRICT
PAYROLL GROSS WAGES
FISCAL YEAR 2018 - 2019**

Report Month	Description	From	To	Gross Wages Paid
July 2018	Manual Check	06/15/18	07/05/18	5,319.95
July 2018	Pay Period #14	06/15/18	06/29/18	256,761.29
July 2018	Monthly Pay Period #7	06/01/18	06/30/18	7,203.00
July 2018	Pay Period #15	06/29/18	07/13/18	246,886.43
July 2018	Manual Check	07/13/18	07/19/18	3,332.45
Total for July 2018				519,503.12
August 2018	Pay Period #16	07/13/18	07/27/18	250,850.53
August 2018	Monthly Pay Period #8	07/01/18	07/31/18	6,321.00
August 2018	Manual Check	07/27/18	08/06/18	2,625.29
August 2018	Manual Check	07/27/18	08/10/18	27,441.77
August 2018	Pay Period #17	07/27/18	08/10/18	243,822.70
August 2018	Safety Celebration			3,650.00
August 2018	Pay Period #18	08/10/18	08/24/18	237,358.82
Total for August 2018				772,070.11
September 2018	Monthly Pay Period #9	08/01/18	08/31/18	6,762.00
September 2018	Pay Period #19	08/24/18	09/07/18	248,656.48
September 2018	Pay Period #20	09/07/18	09/21/18	243,379.26
Total for September 2018				498,797.74
October 2018	Monthly Pay Period #10	09/01/18	09/30/18	7,350.00
October 2018	Pay Period #21	09/21/18	10/05/18	248,781.81
October 2018	Manual Check	10/05/18	10/12/18	5,633.25
October 2018	Manual Check	10/05/18	10/18/18	2,982.02
October 2018	Pay Period #22	10/05/18	10/19/18	251,858.33
Total for October 2018				516,605.41
November 2018	Monthly Pay Period #11	10/01/18	10/31/18	7,188.30
November 2018	Pay Period #23	10/19/18	11/02/18	246,599.90
November 2018	Longevity and SLCO Pay			58,662.40
November 2018	Manual Check	10/19/18	11/16/18	6,556.32
November 2018	Pay Period #24	11/02/18	11/16/18	255,286.83
Total for November 2018				574,293.75

**WEST VALLEY WATER DISTRICT
EFT AND PAYROLL ITEMS
NOVEMBER 2018**

Date	Item	Check No. or EFT	Amount
11/01/18	Monthly Pay Period #11	none	0.00
11/08/18	Pay Period #23	8352-8355	4,789.04
11/15/18	Sick Leave Cash Out, and Longevity Pay	8356-8367	12,090.23
11/16/18	Manual Check	8369	4,263.50
11/21/18	Pay Period #24	8370-8373	5,212.71
	Total Checks		<u>26,355.48</u>
11/01/18	Monthly Pay Period #11 Direct Deposits	EFT	6,273.28
11/01/18	Federal Tax Withheld Social Security & Medicare	EFT	1,422.16
11/01/18	State Tax Withheld	EFT	42.77
11/08/18	Pay Period #23 Direct Deposits	EFT	159,317.41
11/08/18	Federal Tax Withheld Social Security & Medicare	EFT	60,296.59
11/08/18	State Tax Withheld and State Disability Insurance	EFT	10,870.50
11/08/18	Lincoln Deferred Compensation	EFT	17,681.31
11/08/18	Lincoln - Employer Match Benefit	EFT	3,500.00
11/08/18	Nationwide Deferred Compensation	EFT	1,813.20
11/08/18	Nationwide - Employer Match Benefit	EFT	400.00
11/08/18	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	24,074.60
11/08/18	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	11,238.97
11/08/18	California State Disbursement	EFT	968.61
11/15/18	SLCO, Longevity, and Differential Pay - Direct Deposit	EFT	36,867.83
11/15/18	Federal Tax Withheld Social Security & Medicare	EFT	12,509.17
11/15/18	State Tax Withheld and State Disability Insurance	EFT	1,612.32
11/16/18	Federal Tax Withheld Social Security & Medicare	EFT	2,080.42
11/16/18	State Tax Withheld and State Disability Insurance	EFT	379.04
11/16/18	Lincoln Deferred Compensation	EFT	275.00
11/16/18	Lincoln - Employer Match Benefit	EFT	75.00
11/21/18	Pay Period #24 Direct Deposits	EFT	166,909.27
11/21/18	Federal Tax Withheld Social Security & Medicare	EFT	60,615.30
11/21/18	State Tax Withheld and State Disability Insurance	EFT	11,202.83
11/21/18	Lincoln Deferred Compensation	EFT	17,644.23
11/21/18	Lincoln - Employer Match Benefit	EFT	3,500.00
11/21/18	Nationwide Deferred Compensation	EFT	1,813.20
11/21/18	Nationwide - Employer Match Benefit	EFT	400.00
11/21/18	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	26,229.69
11/21/18	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	10,972.76
11/21/18	California State Disbursement	EFT	968.61
	Total EFT		<u>651,954.07</u>
	Grand Total Payroll Cash		<u>678,309.55</u>

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
NOVEMBER 2018**CHECK PAYMENTS**

1	74110	ALPINE TECHNICAL SERVICES	CHEMICALS	\$	852.50
2	74111	AT&T	WTP MAIN LINE/FIRE SVC/FAX/CIRCUIT LINES	\$	1,257.45
3	74112	BURRTEC WASTE INDUSTRIES INC	DISPOSAL FEES	\$	803.79
4	74113	CITY OF RANCHO CUCAMONGA	VENUE-HOLIDAY SEMINAR	\$	2,507.45
5	74114	CITY OF RIALTO	UTILITY TAX	\$	60,993.49
6	74115	FAST SERVICE	CUSTOMER SERVICES	\$	335.00
7	74116	FEDEX	MAILING FEES	\$	137.74
8	74117	JOHN P GOUIN	D3 EXAM REIMBURSEMENT	\$	100.00
9	74118	HASA INC.	CHEMICALS	\$	2,882.97
10	74119	IMPRESSIONS GOURMET CATERING	SEMINAR CATERING SERVICES	\$	1,201.41
11	74120	LEGAL SHIELD	EMPLOYEES PAYMENTS	\$	688.65
12	74121	LIEBERT CASSIDY WHITMORE	HUMAN RESOURCES TRAINING	\$	700.00
13	74122	MUTUAL OF OMAHA INSURANCE COMP	DISABILITY & LIFE INSURANCE	\$	5,886.52
14	74123	PACK N MAIL	CUSTOMER SERVICES	\$	209.00
15	74124	CLIFFORD RAY	D1 EXAM REIMBURSEMENT	\$	50.00
16	74125	RIALTO WATER SERVICES	WATER	\$	194.51
17	74126	SAN BERNARDINO COUNTY RECORDER	LIEN RELEASES	\$	16.00
18	74127	SO CALIFORNIA EDISON	BLF ELECTRIC	\$	178.64
19	74128	STATE WATER RESOURCES CONTROL	G2 CERTIFICATION-GUTIERREZ	\$	80.00
20	74129	TIME WARNER CABLE	CABLE/INTERNET	\$	104.97
21	74130	UNITED STATES POSTAL SERVICE	POSTAGE	\$	1,000.00
22	74131	STATE WATER RESOURCES CONTROL	D4 CERTIFICATION-CANNE	\$	105.00
23	74132	ALBRIGHT, YEE & SCHMIT, APC	LEGAL FEES	\$	35,560.68
24	74133	STATE WATER RESOURCES CONTROL	D3 CERTIFICATION-J GOUIN	\$	90.00
25	74134	ABRAHAM RIVERA	TURF REPLACEMENT REBATE	\$	572.50
26	74135	ACWA	MEMBERSHIP FEE	\$	23,535.00
27	74136	AIC COATING SERVICES INC	CONTRACTOR LABOR	\$	9,190.00
28	74137	AKEL ENGINEERING GROUP INC	ENGINEERING SERVICES	\$	3,160.18
29	74138	ALBERT A WEBB ASSOCIATES	ENGINEERING SERVICES	\$	4,332.50
30	74139	AT&T LONG DISTANCE	OFFICE / WTP	\$	114.05
31	74140	BAE SYSTEMS APPLIED INTELLIGEN	EMAIL SERVICES	\$	1,970.95
32	74141	BC TRAFFIC SPECIALIST	SAFETY EQUIPMENT	\$	2,049.81
33	74142	BGZ PARTY RENTALS #2	OUTREACH PROGRAM	\$	1,949.86
34	74143	BRAY SALES, INC.	REPAIRS/MAINTENANCE	\$	1,125.25
35	74144	CSMFO	TRAINING-DAVIS	\$	520.00
36	74145	CALIFORNIA SPECIAL DIST ASSOC	MEMBERSHIP FEE	\$	7,252.00
37	74146	CASC ENGINEERING AND CONSULTING	ENGINEERING SERVICES	\$	10,820.56
38	74147	CDW GOVERNMENT INC	COMPUTER SUPPLIES	\$	783.19
39	74148	CEMEX INC	SHOP SUPPLIES	\$	852.65
40	74149	CHANDLER ASSET MANAGEMENT	CONSULTANTS	\$	1,007.22
41	74150	COLONIAL SUPPLEMENTAL INSURANCE	EMPLOYEES PAYMENTS	\$	909.66
42	74151	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	2,219.00
43	74152	CV STRATEGIES	OUTREACH PROGRAM	\$	3,085.00
44	74153	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE	\$	290.82
45	74154	ELCO CONTRACTORS INC	CONTRACTOR LABOR	\$	277,337.30
46	74155	EVOQUA WATER TECHNOLOGIES LLC	FBR CHLORINATION EQUIPMENT	\$	137.91
47	74156	FISH WINDOW CLEANING	JANITORIAL SERVICES	\$	175.00
48	74157	G & R REFRIGERATION	REPAIRS/MAINTENANCE	\$	215.68
49	74158	GARDA CL WEST INC	ARMORED TRANSPORT	\$	4.35
50	74159	SERGIO A GRANDA	CLASS A LICENSE RENEWAL	\$	45.00
51	74160	HASA INC.	CHEMICALS	\$	8,521.08
52	74161	INDUSTRIAL METAL SUPPLY CO	REPAIRS/MAINTENANCE	\$	117.66
53	74162	INDUSTRIAL RUBBER & SUPPLY LLC	REPAIRS/MAINTENANCE	\$	268.47
54	74163	KONICA MINOLTA BUSINESS	COPIER MAINTENANCE	\$	211.78
55	74164	LC MEDIA LP	OUTREACH PROGRAM	\$	1,000.00
56	74165	MARIA REYES	TURF REPLACEMENT REBATE	\$	1,248.80
57	74166	MCCALLS METERS INC	METERS & AMR'S	\$	490.00
58	74167	MCMaster-CARR	REPAIRS/MAINTENANCE	\$	4,475.07
59	74168	PR PRINTING	OFFICE SUPPLIES	\$	464.51
60	74169	RAMCO RECYCLED AGGREGATE MATERIALS	DISPOSAL FEES / SHOP SUPPLIES	\$	811.92
61	74170	RIALTO UNIFIED SCHOOL DISTRICT	CONTINGENCY/VALVE BOX-REFUNDS	\$	5,966.80
62	74171	RIALTO WATER SERVICES	WATER	\$	30.42
63	74172	ROGERS-ANDERSON-MALODY-SCOTT	AUDIT SERVICES	\$	14,000.00
64	74173	RUHNAU CLARKE ARCHITECTS	ENGINEERING SERVICES	\$	2,250.00

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
NOVEMBER 2018

65	74174	SAN BERNARDINO COUNTY RECORDER	LIEN RELEASES	\$	16.00
66	74175	SOUTH COAST AQMD	PERMIT FEES	\$	538.58
67	74176	SOUTHWEST VALVE & EQUIPMENT	REPAIRS/MAINTENANCE	\$	19,017.88
68	74177	STATE WATER RESOURCES CONTROL	D5 CERTIFICATION-GRANDA	\$	105.00
69	74178	TAFOYA & GARCIA LLP	LEGAL FEES	\$	127,642.72
70	74179	TERRYBERRY	RECOGNITION SUPPLIES	\$	41.49
71	74180	USA BLUEBOOK	REPAIRS/MAINTENANCE	\$	1,311.82
72	74181	VERIZON WIRELESS PHONES	CELL PHONES	\$	4,258.99
73	74182	VULCAN MATERIALS COMPANY	SHOP SUPPLIES	\$	4,489.90
74	74183	WATER SYSTEMS CONSULTING INC	ENGINEERING SERVICES	\$	5,527.84
75	74184	YO FIRE	REPAIRS/MAINTENANCE	\$	3,254.77
76	74185	ARVIZU, JANETTE & ARMANDO	CUSTOMER REFUND	\$	48.20
77	74186	BENOIT, DAVID	CUSTOMER REFUND	\$	206.81
78	74187	CAH 2014-2 BORROWER LLC	CUSTOMER REFUND	\$	75.73
79	74188	CAH2015-1 BORROWER LLC	CUSTOMER REFUND	\$	166.44
80	74189	CANTINE, SHAWN R.	CUSTOMER REFUND	\$	158.21
81	74190	CAPROCK PARTNERS MGMT, INC.	CUSTOMER REFUND	\$	2,948.30
82	74191	CASILLAS, ROSA/ANTONIO	CUSTOMER REFUND	\$	203.35
83	74192	COLFIN A1 CA4 LLC	CUSTOMER REFUND	\$	34.81
84	74193	CRUZ, JUANITO	CUSTOMER REFUND	\$	101.82
85	74194	CSH 2016-1 BORROWER LLC	CUSTOMER REFUND	\$	63.62
86	74195	DALLIN, LLC	CUSTOMER REFUND	\$	53.41
87	74196	FLOREZ, JOSEPH	CUSTOMER REFUND	\$	172.44
88	74197	GARCIA, ELIZABETH LEON	CUSTOMER REFUND	\$	88.20
89	74198	GUPTA, ASHVINI/SAPNA	CUSTOMER REFUND	\$	179.51
90	74199	HARRIS, BRYANT	CUSTOMER REFUND	\$	5.90
91	74200	HAWKINS, LEWIS	CUSTOMER REFUND	\$	76.55
92	74201	HODGE, MIKE	CUSTOMER REFUND	\$	50.68
93	74202	LOUDEN LLC	CUSTOMER REFUND	\$	422.36
94	74203	MENDIOLA, ROBERTO	CUSTOMER REFUND	\$	19.67
95	74204	MOORE, COLLETTE	CUSTOMER REFUND	\$	42.87
96	74205	MY MONTECITO III	CUSTOMER REFUND	\$	776.23
97	74206	RAMIREZ, CAROL	CUSTOMER REFUND	\$	155.93
98	74207	SFR 2012-1 US WEST, LLC	CUSTOMER REFUND	\$	210.00
99	74208	SPENCER, WALTER	CUSTOMER REFUND	\$	81.35
100	74209	SRPS LP	CUSTOMER REFUND	\$	14.92
101	74210	SWAY 2014-1 BORROWER, LLC	CUSTOMER REFUND	\$	18.67
102	74211	WILSON, ANTHONY	CUSTOMER REFUND	\$	130.98
103	74212	VOID	VOID	\$	-
104	74213	VOID	VOID	\$	-
105	74214	EMERGENCY MANAGEMENT & PUBLIC	CONSULTANTS	\$	5,100.00
106	74215	ALVAREZ, JOANNOA	CUSTOMER REFUND	\$	80.00
107	74216	BLACKMON HOMES INC TR#17957	CUSTOMER REFUND	\$	650.56
108	74217	BRECKNRIDGE PROPERTY FUND 2016	CUSTOMER REFUND	\$	62.43
109	74218	CRUZ, EVELYN DIAZ	CUSTOMER REFUND	\$	40.21
110	74219	D.R. HORTON	CUSTOMER REFUND	\$	36.99
111	74220	DAVIS, ARLYNE/DEVON	CUSTOMER REFUND	\$	20.43
112	74221	DOMINGUEZ, MARIE	CUSTOMER REFUND	\$	29.54
113	74222	DORGAN, LOUISE	CUSTOMER REFUND	\$	43.86
114	74223	DUARTE, ANGEL	CUSTOMER REFUND	\$	27.49
115	74224	EARTH TEK ENGINEERING	CUSTOMER REFUND	\$	672.38
116	74225	FRONTIER COMMUNITIES	CUSTOMER REFUND	\$	38.26
117	74226	FUERTADO, RHONDA/FREDRICK	CUSTOMER REFUND	\$	95.77
118	74227	GENDY, JOHN	CUSTOMER REFUND	\$	1.74
119	74228	GERLER, MICHAEL & SHARI	CUSTOMER REFUND	\$	50.00
120	74229	GOMEZ, MARCOS/ PALOMA	CUSTOMER REFUND	\$	84.12
121	74230	HAVADRIAS, CHRISTAKIS	CUSTOMER REFUND	\$	95.00
122	74231	HEMSLEY, JENNIFER	CUSTOMER REFUND	\$	67.44
123	74232	HOWARD, MASSA SONI / DANIEL	CUSTOMER REFUND	\$	5.94
124	74233	JONES, THELMA	CUSTOMER REFUND	\$	1.43
125	74234	MARTINEZ, MERLINE	CUSTOMER REFUND	\$	85.11
126	74235	MENA, JAIME M	CUSTOMER REFUND	\$	8.66
127	74236	OSEGUERA, LIZETTE	CUSTOMER REFUND	\$	44.93
128	74237	PANPACIFIC MANAGEMENT, LLC	CUSTOMER REFUND	\$	38.35
129	74238	PERETIN, KIMBERLY A.	CUSTOMER REFUND	\$	31.11

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
NOVEMBER 2018

130	74239	POST, KAREN & TOD	CUSTOMER REFUND	\$	10.10
131	74240	QUALITY MANAGEMENT GROUP	CUSTOMER REFUND	\$	31.64
132	74241	SALCIDO, CELIA	CUSTOMER REFUND	\$	68.18
133	74242	SUNWEST ELECTRIC INC	CUSTOMER REFUND	\$	2,246.43
134	74243	WARD, NANCY	CUSTOMER REFUND	\$	31.79
135	74244	ZAMORA, ALICIA/ISMAR	CUSTOMER REFUND	\$	36.96
136	74245	ZEMAN, WAYNE	CUSTOMER REFUND	\$	26.49
137	74246	AIRGAS WEST INC	REPAIRS/MAINTENANCE	\$	51.01
138	74247	AMERICAN WATER WORKS ASSOCIATION	ANNUAL DUES	\$	4,062.00
139	74248	AQUA-METRIC SALES CO	INVENTORY	\$	24,984.42
140	74249	AT&T	WTP TELEMETRY LINE	\$	82.79
141	74250	CANIZALES, DORA LILIAN	CUSTOMER REFUND	\$	10.52
142	74251	CED CREDIT OFFICE	REPAIRS/MAINTENANCE	\$	357.37
143	74252	CEMEX INC	SHOP SUPPLIES	\$	236.29
144	74253	CINTAS CORPORATION	JANITORIAL SERVICES	\$	117.29
145	74254	CLA VAL CO	REPAIRS/MAINTENANCE	\$	9,946.94
146	74255	COLTON CHAMBER OF COMMERCE	SPONSORSHIP	\$	30.00
147	74256	COLTON JOINT UNIFIED SCHOOL DIST	TURF REPLACEMENT REBATE	\$	2,285.00
148	74257	COUNTY OF SAN BERNARDINO	PERMIT FEES	\$	375.36
149	74258	KYLE CROWTHER N	TURF REPLACEMENT REBATE	\$	2,513.50
150	74259	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE	\$	217.02
151	74260	EMPLOYMENT DEVELOPMENT DEPT	UNEMPLOYMENT	\$	2,852.58
152	74261	GARDA CL WEST INC	ARMORED TRANSPORT	\$	534.27
153	74262	GRAINGER INC	REPAIRS/MAINTENANCE	\$	645.98
154	74263	HASA INC.	CHEMICALS	\$	3,614.04
155	74264	INLAND EMPIRE CHAPTER APA	MEMBERSHIP FEE	\$	40.00
156	74265	LOWES	REPAIRS/MAINTENANCE	\$	514.46
157	74266	MCMaster-CARR	REPAIRS/MAINTENANCE	\$	1,022.68
158	74267	MINUTEMAN PRESS OF RANCHO CUCA	PRINTING	\$	84.05
159	74268	NED'S OIL SALES INC	REPAIRS & MAINTENANCE	\$	76.07
160	74269	OLDCASTLE ENCLOSURE SOLUTIONS	METERS & AMR'S	\$	2,480.95
161	74270	PF SERVICES INC	FUEL PUMP SERVICED	\$	312.66
162	74271	RIALTO HIGH SCHOOL-MESA	SPONSORSHIP	\$	2,500.00
163	74272	MATHIS GROUP: MATHIS & ASSOCIA	CONSULTANTS	\$	8,500.00
164	74273	SAN BERNARDINO COUNTY RECORDER	LIEN RELEASES	\$	8.00
165	74274	SO CALIFORNIA EDISON	PUMPS ELECTRIC	\$	70.97
166	74275	TANK PRODUCTS INC	REPAIRS/MAINTENANCE	\$	238.67
167	74276	THE GAS COMPANY	WTP GAS BILL	\$	14.79
168	74277	USA BLUEBOOK	REPAIRS/MAINTENANCE	\$	2,139.78
169	74278	ANA M VARGAS-AGUIRRE	TURF REPLACEMENT REBATE	\$	798.00
170	74279	YO FIRE	TOOLS	\$	251.20
171	74280	VOID	VOID	\$	-
172	74281	ACWA /JPIA	MEDICAL/DENTAL/VISION/EAP	\$	149,726.23
173	74282	AIRGAS WEST INC	REPAIRS/MAINTENANCE	\$	3,252.68
174	74283	ALPINE TECHNICAL SERVICES	CHEMICALS	\$	6,045.88
175	74284	BARRY SACALAS	CONTINGENCY/METER BOX/VALVE BOX-REFUNDS	\$	5,087.40
176	74285	CHINO BASIN WATERMASTER	CHINO BASIN WATERMASTER	\$	20,418.53
177	74286	CITY OF SAN BERNARDINO	LYTLE CREEK STREAMFLOW	\$	8,533.01
178	74287	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE	\$	264.55
179	74288	CRYSTAL ESCALERA	CSDA CONFERENCE	\$	88.94
180	74289	GRAINGER INC	REPAIRS/MAINTENANCE	\$	840.76
181	74290	GRANICUS LLC	REPAIRS/MAINTENANCE	\$	13,867.20
182	74291	HACH COMPANY	REPAIRS/MAINTENANCE	\$	639.69
183	74292	HASA INC.	CHEMICALS	\$	5,608.87
184	74293	IMPRESSIONS GOURMET CATERING	SEMINAR CATERING SERVICES	\$	2,807.97
185	74294	KONICA MINOLTA BUSINESS	COPIER MAINTENANCE	\$	691.04
186	74295	MINUTEMAN PRESS OF RANCHO CUCA	OUTREACH PROGRAM	\$	636.05
187	74296	NATIONAL METER & AUTOMATION	CHLORINATION EQUIPMENT	\$	8,504.92
188	74297	NETWORK	VEHICLES REPAIR/MAINTENANCE	\$	3,324.83
189	74298	PREMIERE GLOBAL SERVICES	TELEPHONE SERVICES	\$	329.36
190	74299	PSA PRINT GROUP	PRINTING	\$	237.34
191	74300	RAMCO RECYCLED AGGREGATE MATERIALS	DISPOSAL FEES / SHOP SUPPLIES	\$	150.00
192	74301	PATRICIA ROMERO	CSDA CONFERENCE	\$	59.35
193	74302	SO CALIFORNIA EDISON	OFFICE/3AI PUMP/WTP/ DISTRICT PUMPS	\$	168,860.47
194	74303	TANK PRODUCTS INC	REPAIRS/MAINTENANCE	\$	360.96

WEST VALLEY WATER DISTRICTCASH DISBURSEMENT REPORT
NOVEMBER 2018

195	74304	USA BLUEBOOK	REPAIRS/MAINTENANCE	\$	371.66
196	74305	ALEX J. SOTO	DJ CHRISTMAS SEMINAR	\$	400.00
197	74306	ONE TOUCH PHOTO BOOTH RENTALS	CHRISTMAS SEMINAR	\$	499.00

EFT PAYMENTS

198	3292	ARROWHEAD UNITED WAY	EMPLOYEES PAYMENTS	\$	18.00
199	3293	BECERRA, JESSE	D3 EXAM REIMBURSEMENT	\$	100.00
200	3294	PRUITT, BARBARA J	MEDICARE PART B REIMBURSEMENT	\$	402.00
201	3295	ARAMARK REFRESHMENT SERVICES	OFFICE SUPPLIES	\$	365.20
202	3296	BERTOLINE, GINA E	EXPENSE REIMBURSEMENT	\$	118.81
203	3297	BRENTAG PACIFIC INC	CHEMICALS	\$	15,480.91
204	3298	CALIFORNIA LANDSCAPE & DESIGN	LANDSCAPE MAINTENANCE	\$	5,919.00
205	3299	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	4,292.25
206	3300	CRB SECURITY SOLUTIONS	SAFETY/SECURITY/FIRE SYSTEMS	\$	8,648.56
207	3301	DC FROST ASSOCIATES INC	REPAIRS/MAINTENANCE	\$	247.09
208	3302	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	794.21
209	3303	GARDEN INTERIORS	GARDEN MAINTENANCE	\$	424.00
210	3304	HARRINGTON INDUSTRIAL PLASTICS	REPAIRS/MAINTENANCE	\$	1,574.90
211	3305	HERCULES INDUSTRIES	REPAIRS/MAINTENANCE	\$	1,643.15
212	3306	INDUSTRIAL TEST SYSTEMS INC	REPAIRS/MAINTENANCE	\$	373.90
213	3307	INFOSEND INC	BILLS PRINTING & POSTAGE	\$	10,316.47
214	3308	KRUEGER, WILLIAM E	EXPENSE REIMBURSEMENT	\$	583.05
215	3309	KVAC ENVIRONMENTAL SERVICES INC	SLUDGE DISPOSAL	\$	10,382.00
216	3310	MERLIN JOHNSON CONST INC.	CONTRACTOR LABOR	\$	35,625.00
217	3311	OFFICE SOLUTIONS	OFFICE SUPPLIES	\$	281.52
218	3312	SAFETY COMPLIANCE COMPANY	SAFETY TRAINING	\$	450.00
219	3313	STERLING WATER TECHNOLOGIES LLC	CHEMICALS	\$	2,772.59
220	3314	ULINE	OUTREACH PROGRAM	\$	368.09
221	3315	UNIFIRST CORPORATION	JANITORIAL SERVICES/SUPPLIES	\$	916.57
222	3316	ADVANTAGE BUSINESS FORMS INC	PRINTING	\$	1,581.09
223	3317	ALL PRO ENTERPRISES INC.	JANITORIAL SERVICES/SUPPLIES	\$	603.73
224	3318	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	4,867.00
225	3319	DIAMOND ENVIRONMENTAL SERVICES	PORTABLE RESTROOM RENTAL	\$	100.90
226	3320	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	1,179.47
227	3321	HARRINGTON INDUSTRIAL PLASTICS	REPAIRS/MAINTENANCE	\$	677.10
228	3322	REZES, CAROL A	MEDICARE PART B REIMBURSEMENT	\$	402.00
229	3323	SAFETY COMPLIANCE COMPANY	SAFETY TRAINING	\$	225.00
230	3324	SAMBA HOLDINGS INC	HR SERVICES	\$	72.00
231	3325	STERLING WATER TECHNOLOGIES LLC	CHEMICALS	\$	13,287.56
232	3326	UNDERGROUND SERVICE ALERT	USA FEES	\$	531.40
233	3327	ADVANTAGE BUSINESS FORMS INC	PRINTING	\$	177.79
234	3328	ALL PRO ENTERPRISES INC.	JANITORIAL SERVICES/SUPPLIES	\$	2,937.42
235	3329	AMP UNITED, LLC	CONTRACTOR LABOR	\$	155,562.50
236	3330	CALIFORNIA LANDSCAPE & DESIGN	LANDSCAPE MAINTENANCE	\$	5,919.00
237	3331	CLINICAL LAB OF SAN BERNARDINO	LAB FEES	\$	2,491.00
238	3332	CRB SECURITY SOLUTIONS	SAFETY/SECURITY/FIRE SYSTEMS	\$	4,632.79
239	3333	ENGINEERING RESOURCES INC	ENGINEERING SERVICES	\$	5,700.00
240	3334	FASTENAL COMPANY	REPAIRS/MAINTENANCE	\$	933.91
241	3335	PANTALEON, SOCORRO	EXPENSE REIMBURSEMENT	\$	355.64
242	3336	RAMIREZ, YOLANDA	EXPENSE REIMBURSEMENT	\$	250.00
243	3337	SB VALLEY MUNICIPAL	BLF ELECTRIC	\$	146,787.66
244	3338	UNIFIRST CORPORATION	JANITORIAL SERVICES/SUPPLIES	\$	932.27

CHECKS TOTAL	\$ 1,165,598.36
EFT TOTAL	\$ 452,304.50
GRAND TOTAL	\$ 1,617,902.86



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: CONSIDER A WATER SYSTEMS INFRASTRUCTURE INSTALLATION
 AND CONVEYANCE AGREEMENT WITH CASMALIA HOLDINGS, LLC

BACKGROUND:

On September 20, 2018, the Board of Directors approved a Water System Infrastructure Installation and Conveyance Agreement (“Agreement”), with B&B Plastics Recyclers, Inc, for a development located at the northeast corner of Locust Avenue and Casmalia Street in the City of Rialto, as shown in **Exhibit A**. At the request of the property owner, the approved Agreement, shown in **Exhibit B**, was revised to name Casmalia Holdings, LLC as the “Developer” for the project and not B&B Plastics Recyclers, Inc. The proposed development still includes the construction and operation of a 151,866 square-foot warehouse distribution center with offices and the development is still required to extend an existing 12-inch water main the length of its property on Locust Avenue for domestic, fire and irrigation water services.

DISCUSSION:

In order to incorporate the change in Developer, the West Valley Water District (“District”) and Casmalia Holdings, LLC will need to enter into a new Agreement. This Agreement will outline the responsibilities of the Developer in constructing facilities, including insurance, indemnification and bonding requirements as well as conveyance and acceptance of the water system by the District. Attached as **Exhibit C** is the revised copy of the Water System Infrastructure Installation and Conveyance Agreement for this development.

FISCAL IMPACT:

No fiscal impact to the District.

STAFF RECOMMENDATION:

It is recommended that the Engineering and Planning Committee approve the new Water System Infrastructure Installation and Conveyance Agreement with Casmalia Holdings, LLC. and have this item considered by the full Board of Directors at a future meeting.

Respectfully Submitted,

Clarence C. Mansell Jr.

Clarence Mansell Jr., Interim General Manager

DG:ce

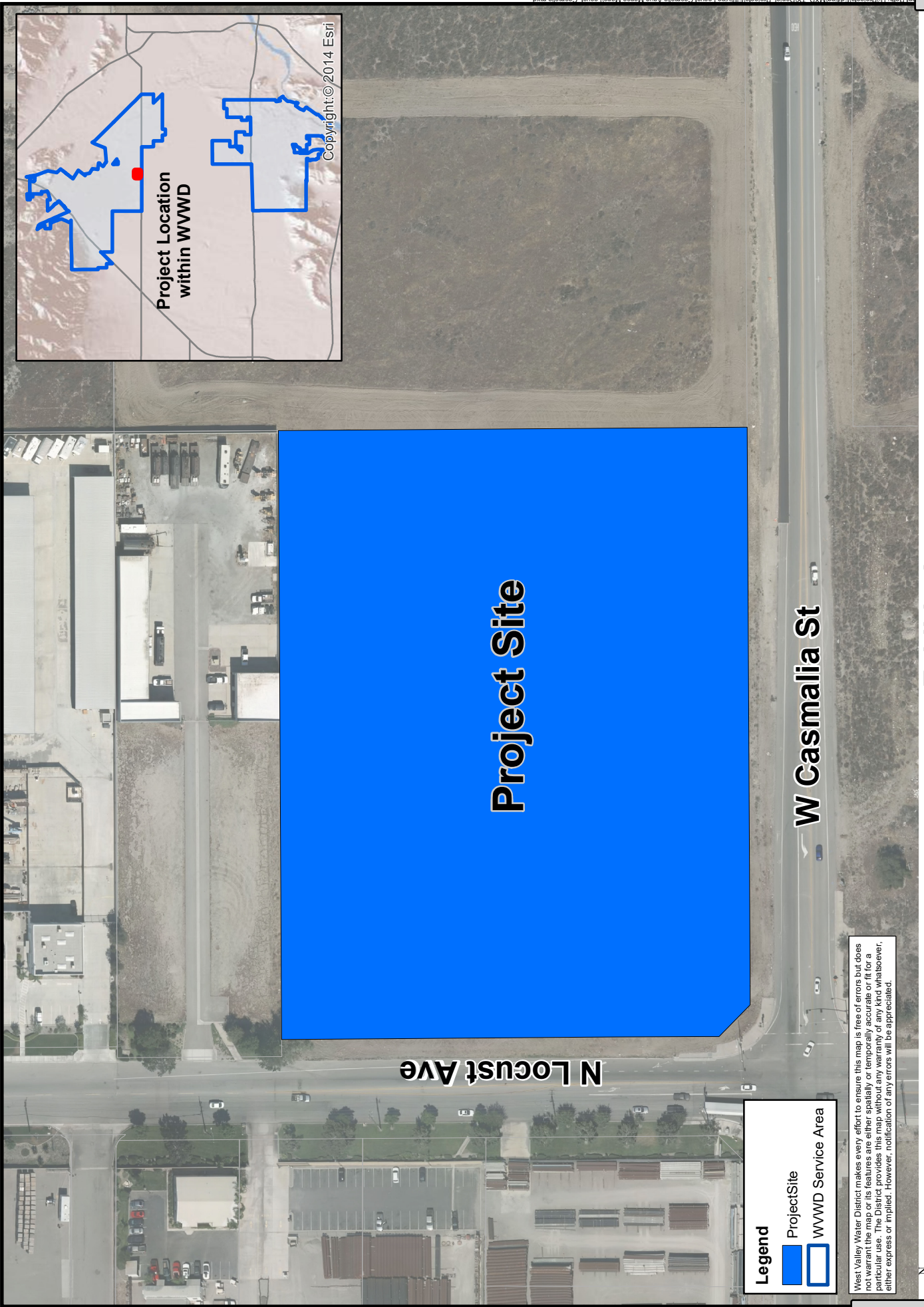
ATTACHMENT(S):

1. Exhibit A - Aerial Map
2. Exhibit B - Water System Infrastructure Installation and Conveyance Agreement with B&B Plastics
3. Exhibit C - Water System Infrastructure Installation and Conveyance Agreement with Casmalia Holdings LLC

MEETING HISTORY:

01/09/19 Engineering and Planning Committee REFERRED TO BOARD

EXHIBIT A



Legend

- Project Site
- WWVD Service Area

West Valley Water District makes every effort to ensure this map is free of errors but does not warrant the map or its features are either spatially or temporally accurate or fit for a particular use. The District provides this map without any warranty of any kind whatsoever, either express or implied. However, notification of any errors will be appreciated.



Exhibit A
Locust Ave and Casmalia St



Date: 8/20/2018

EXHIBIT B



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: September 20, 2018
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: CONSIDER A WATER SYSTEM INFRASTRUCTURE INSTALLATION
AND CONVEYANCE AGREEMENT WITH B&B PLASTICS RECYCLERS,
INC.

BACKGROUND:

B&B Plastics Recyclers, Inc. ("Developer") is the owner of land located at the northeast corner of Locust Avenue and Casmalia Street in the City of Rialto, known as 1892 W. Casmalia Street ("Development"), as shown in **Exhibit A**. The proposed development includes the construction and operation of a 151,866 square-foot warehouse distribution center with offices. In developing this land, the Developer is required to extend an existing 12-inch water main the length of its property on Locust Avenue and install water services for domestic, fire and irrigation purposes.

DISCUSSION:

In order to construct the water facilities needed to supply water to the Development, West Valley Water District ("District") and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement"). This Agreement outlines the responsibilities of the Developer in constructing facilities, including insurance, indemnification and bonding requirements as well as conveyance and acceptance of the water system by the District. Attached as **Exhibit B** is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development.

FISCAL IMPACT:

No fiscal impact to the District.

STAFF RECOMMENDATION:

The Engineering and Planning Committee recommends the Board of Directors to approve the Water System Infrastructure Installation and Conveyance Agreement with B&B Plastics Recyclers, Inc.

Respectfully Submitted,

Clarence C. Mansell Jr.

Clarence Mansell Jr., Interim General Manager

DG:ce

ATTACHMENT(S):

1. Exhibit A - Aerial Map
2. Exhibit B - Water System Infrastructure Installation and Conveyance Agreement

MEETING HISTORY:

09/10/18 Engineering and Planning Committee REFERRED TO BOARD

EXHIBIT A



Legend

- Project Site
- WWWD Service Area

West Valley Water District makes every effort to ensure this map is free of errors but does not warrant the map or its features are either spatially or temporally accurate or fit for a particular use. The District provides this map without any warranty of any kind whatsoever, either express or implied. However, notification of any errors will be appreciated.



Exhibit A
Locust Ave and Casmalia St



Date: 8/20/2018

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of _____ by and between **B&B PLASTICS RECYCLERS, INC** ("Developer"), and WEST VALLEY WATER DISTRICT ("District") who agree as follows:

The Developer is the owner of certain land described as **B&B PLASTICS** and as more fully (or further) shown on Exhibit "A". In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on Exhibit "A".

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **WATER IMPROVEMENT PLANS FOR B&B PLASTICS**, as approved and attached herein as Exhibit "B" and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.

1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").

1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.

1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.

2.2. The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.

2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.

2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.

3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.

3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.

4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.

a. General Liability: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury – With the "Employee" Exclusive Deleted.

b. Automotive/Vehicle Liability Insurance: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").

c. Workers' Compensation Insurance: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.

d. Excess Liability: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:

a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.

b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.

d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.

e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.

4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:

a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.

b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.

c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as Exhibit "C", will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.

5.2. Performance Bond: Developer engineer's estimate for the water system improvements for **WATER IMPROVEMENT PLANS FOR B&B PLASTICS** is **EIGHTY THOUSAND THREE HUNDRED NINETY-SEVEN no/100 DOLLARS (\$80,397.00)**. Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount **EIGHTY THOUSAND THREE HUNDRED NINETY-SEVEN no/100 DOLLARS (\$80,397.00)**, equal to 100 percent of the approved Developer's estimate.

5.3. Warranty Bond: Developer shall, in addition, and by this Agreement does guarantee to the District that, for two years after the District's acceptance of Developer-installed and completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year guarantee shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond in the amount of **EIGHTY THOUSAND THREE HUNDRED NINETY-SEVEN no/100 DOLLARS (\$80,397.00)**, equal to 100 percent of the Developer's estimate beginning at the date of the acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

- 7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Water Improvement Plans for B&B Plastics

- 7.3. Notices required shall be given to **Developer** addressed as follows:

B&B Plastics Recyclers, Inc

Baltazar Mejia, President

3040 N. Locust Ave

Rialto, CA 92377

RE: Water Improvement Plans for B&B Plastics

- 7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME:

ATTN TO:

ADDRESS

RE: Water Improvement Plans for B&B Plastics

7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.

7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.

- 7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities using the form contained in (Exhibit "E").

9. INSPECTION

9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.

9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in

preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.

9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.

9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.

9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:

a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.

b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

15.1. Developer shall pay actual costs for inspection and plan check. All costs and fees required, as outlined in the cost letter, shall be paid in full prior to the execution of this Agreement.

15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.

16.2. The Developer shall furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the development (Exhibit "A") in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion therefore, and default of Developer.

18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

[CONTINUED ON NEXT PAGE]

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____
Clarence C. Mansell, Jr., Interim General Manager

Date: _____

DEVELOPER:

B&B Plastics Recyclers, Inc
A California Corporation

By: **B&B Plastics Recyclers, Inc**
A California Corporation

By: _____
Baltazar Mejia, President
Authorized Agent

Date: _____

Exhibit A



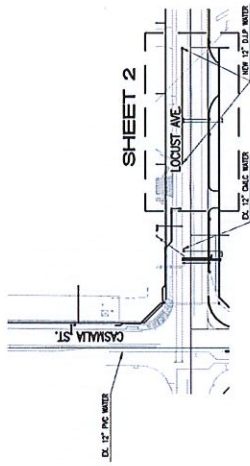
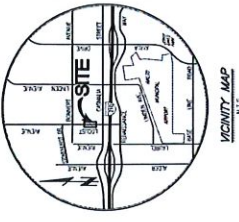
Date: 8/20/2018

Exhibit A
Locust Ave and Casmalia St

Exhibit B

WATER PLAN

B&B PLASTICS, INC.
1892 W. CASMALIA ST.
RIALTO, CA. 92377



WATER NOTES

- a. Pipe 10" and smaller shall be Class 150 Ductile Iron Pipe or Class 200 or Class 150, 10 GA Cement Mortar Lined and Coated Steel Pipe greater than 12" shall be Thickness Class 50 Ductile Iron Pipe, or Class 150, 10 GA Cement Mortar Lined and Coated steel pipe or as specified.
- b. Water service laterals shall be type K copper line, minimum 1" diameter, with 1" x 24" x 1/2" elbows and tees. All fittings shall be 150 lb. minimum. There shall be a service service for each lot being served. One service per pipe reach.
- c. All water service laterals to be installed at same time as main line. No splices shall be allowed on water service laterals.
- d. Water service laterals to be terminated 12" behind rear of curb or future curb. In City limits terminate 12" behind future sidewalk.
- e. Fire hydrants shall be 6" x 4" x 12" - Class 150, or equal, painted with one coat of red and one coat yellow. The 4" diameter outlet shall be perpendicular to the curb or future curb.
- f. Depth of cover for water service laterals shall be minimum 30" for water mains, 18" and smaller shall be minimum 36" ; for 12" and larger pipe shall be minimum 42" or as specified on plans. All measurements from finish grade.
- g. All water mains shall be finished and disinfected per A.W.W.A. Standards C651 prior to use after installation or repair.
- h. Construction to be in accordance with the WEST VALLEY WATER DISTRICT "STANDARDS FOR DOMESTIC WATER FACILITIES."
- i. Water service is subject to the current District rules and regulation and any amendments thereto.
- j. If construction has not commenced within two years of the District approval date, this plan shall be resubmitted to the District for review and approval.
- k. Water lines to be installed only after the construction of concrete curb and gutter.
- l. Contractor to furnish 2-year warranty bond for all water facilities installed with this plan.

DESIGN

THIS CERTIFICATE THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN REVIEWED UNDER THE DISTRICT'S POLICY OF REVIEW OF PLANS AND SPECIFICATIONS FOR CONFORMANCE WITH THE CALIFORNIA WATER WORKS STANDARDS OF THE STATE OF CALIFORNIA.

SIGNATURE OF DESIGN CHARGE: _____ DATE: _____
 DATE: 12-21-2018
 EXPIRATION DATE: _____

WATER
 THE DISTRICTS THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN REVIEWED BY AND ARE ACCEPTED TO THE WEST VALLEY WATER DISTRICT AND THAT THIS DISTRICT IS WILLING AND ABLE TO SUPPLY WATER TO THE LOCATION.

SIGNATURE: _____ TITLE: _____ DATE: _____

FIRE
 THE PROTECTION SYSTEM APPROVED _____ DATE: _____

BY: _____
 SIGNATURE OF CITY FIRE CHIEF, OR COUNTY FIRE WARDEN, OR THE CHIEF OF LOCAL DISTRICT

WATER CONSTRUCTION NOTES

1. INSTALL 12" D.I.P. THICKNESS CLASS 50, PER DISTRICT SPECIFICATIONS. QUANTITIES 204.5 LF
2. FURNISH AND INSTALL 12" FIRE SERVICE LATERAL WITH 10" DOUBLE CHECK VALVE AND 12" AIR VALVE. QUANTITIES 140 LF/2 EA
3. FURNISH AND INSTALL FIRE HYDRANTS PER WWD STD. D.W.C. W-2. QUANTITIES 2 EA
4. FURNISH AND INSTALL 12" BUTTERFLY VALVES WWD. STD. D.W.C. W-11. QUANTITIES 1 EA
5. FURNISH AND INSTALL 4" DEAD-END FLUSH-OUT PER WWD STD. D.W.C. W-8. QUANTITIES 1 EA
6. SAW CUT AND REMOVE EXIST. 4" PAVEMENT RESTORE AC PAVEMENT PER CITY OF RIALTO STD. 2317. QUANTITIES 1823 SF
7. REMOVE EXISTING 4" CONCRETE THROST BLOCK PER WWD STD. D.W.C. W-30. QUANTITIES 4 EA
8. REMOVE EXISTING 4" DEAD-END FLUSH-OUT. QUANTITIES 1 EA
9. FURNISH AND INSTALL 2" WATER SERVICE WITH 2" METER PER WWD STD. W-5. QUANTITIES 65 LF/1 EA
10. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" METER PER WWD STD. W-4. QUANTITIES 124 LF/2 EA
11. FURNISH AND INSTALL 1" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-20. PROVIDE 50% 40 STEEL SLEEVE FROM METER BOX TO R.P.R. METER. QUANTITIES 1 EA
12. FURNISH AND INSTALL 1" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-20. PROVIDE 50% 40 STEEL SLEEVE FROM METER BOX TO R.P.R. METER. QUANTITIES 2 EA
13. REMOVE EXISTING WATER PER WWD STD. W-18 AND W-19. QUANTITIES 5 EA
14. FURNISH AND INSTALL 1" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-20. PROVIDE 50% 40 STEEL SLEEVE FROM METER BOX TO R.P.R. METER. QUANTITIES 2 EA

ON-SITE FIRE HYDRANT NOTES

ALL D.I.P. SHALL BE INTERNALLY RESTRAINED PER DISTRICT STANDARD W-30. ALL D.I.P. JOINTS SHALL BE MECHANICALLY RESTRAINED UNLESS SPECIFIED.

ON-SITE FIRE HYDRANT SHALL BE INSTALLED PER THE DEPARTMENT APPROVED WATER PLANS, PRIOR TO BEING PERMIT ISSUED.

SHEET INDEX

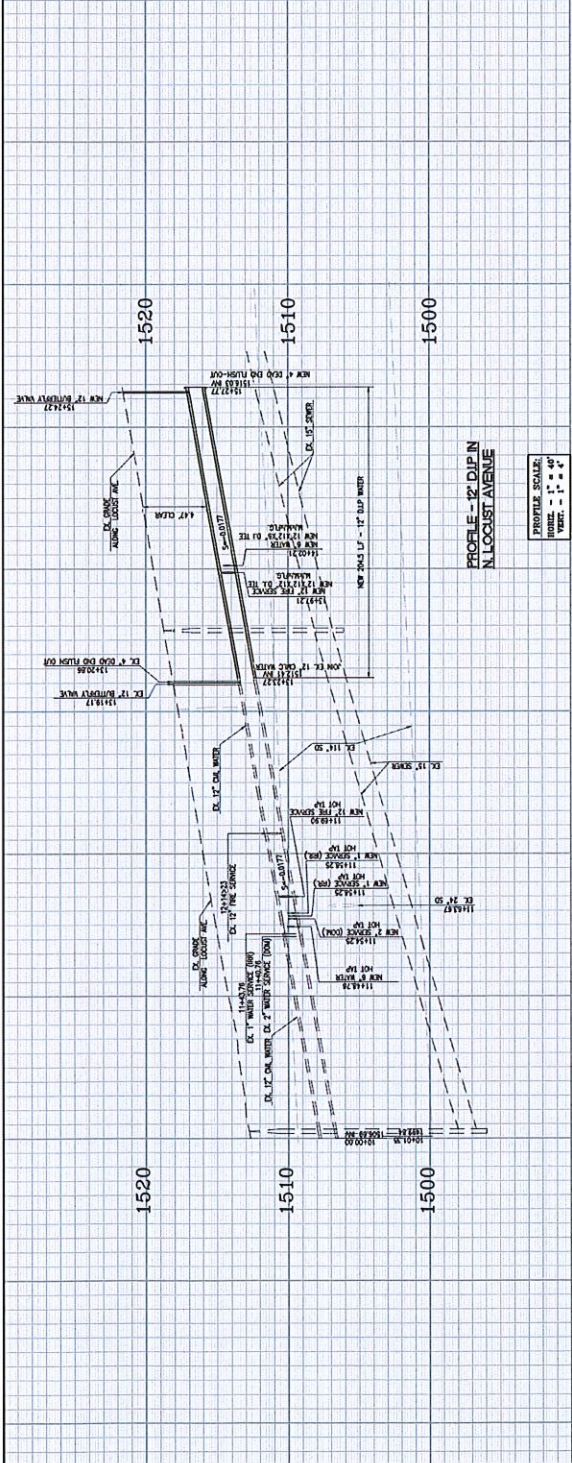
- 1 - LOWER PROFILE PLAN AND PROFILE

1. Refer to the DISTRICT SPECIFICATIONS (D.I.P.) for all materials and workmanship.
2. Check All work.
3. Check All work.
4. Check All work.
5. Check All work.
6. Check All work.
7. Check All work.
8. Check All work.
9. Check All work.
10. Check All work.

<p>Underground Service Alert CALL: TOLL FREE 1-800-827-2800 TWO WORKING DAYS BEFORE YOU DIG</p>	<p>SEAL-CITY ENGINEER SEAL-CITY ENGINEER RECOMMENDED BY: RECOMMENDED SEAL-CITY ENGINEER: _____ DATE: _____ APPROVED BY: THOMAS DEWINTER DATE: 12-21-18 APPROVED BY: CITY ENGINEER</p>	<p>CIVIL ENGINEERS Thiessen Engineering, Inc. 1456 FINESTONE BOULEVARD RIALTO, CA 92377 (951) 514-1111 (951) 514-1112 (951) 514-1113 (951) 514-1114 (951) 514-1115 (951) 514-1116 (951) 514-1117 (951) 514-1118 (951) 514-1119 (951) 514-1120 (951) 514-1121 (951) 514-1122 (951) 514-1123 (951) 514-1124 (951) 514-1125 (951) 514-1126 (951) 514-1127 (951) 514-1128 (951) 514-1129 (951) 514-1130 (951) 514-1131 (951) 514-1132 (951) 514-1133 (951) 514-1134 (951) 514-1135 (951) 514-1136 (951) 514-1137 (951) 514-1138 (951) 514-1139 (951) 514-1140 (951) 514-1141 (951) 514-1142 (951) 514-1143 (951) 514-1144 (951) 514-1145 (951) 514-1146 (951) 514-1147 (951) 514-1148 (951) 514-1149 (951) 514-1150 (951) 514-1151 (951) 514-1152 (951) 514-1153 (951) 514-1154 (951) 514-1155 (951) 514-1156 (951) 514-1157 (951) 514-1158 (951) 514-1159 (951) 514-1160 (951) 514-1161 (951) 514-1162 (951) 514-1163 (951) 514-1164 (951) 514-1165 (951) 514-1166 (951) 514-1167 (951) 514-1168 (951) 514-1169 (951) 514-1170 (951) 514-1171 (951) 514-1172 (951) 514-1173 (951) 514-1174 (951) 514-1175 (951) 514-1176 (951) 514-1177 (951) 514-1178 (951) 514-1179 (951) 514-1180 (951) 514-1181 (951) 514-1182 (951) 514-1183 (951) 514-1184 (951) 514-1185 (951) 514-1186 (951) 514-1187 (951) 514-1188 (951) 514-1189 (951) 514-1190 (951) 514-1191 (951) 514-1192 (951) 514-1193 (951) 514-1194 (951) 514-1195 (951) 514-1196 (951) 514-1197 (951) 514-1198 (951) 514-1199 (951) 514-1200</p>	<p>WEST VALLEY WATER DISTRICT WATER PLAN DRAWING NO.: D18107 PRESSURE ZONE: 6 SHEET 1 OF 2 SHEETS</p>
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WATER CONSTRUCTION NOTES

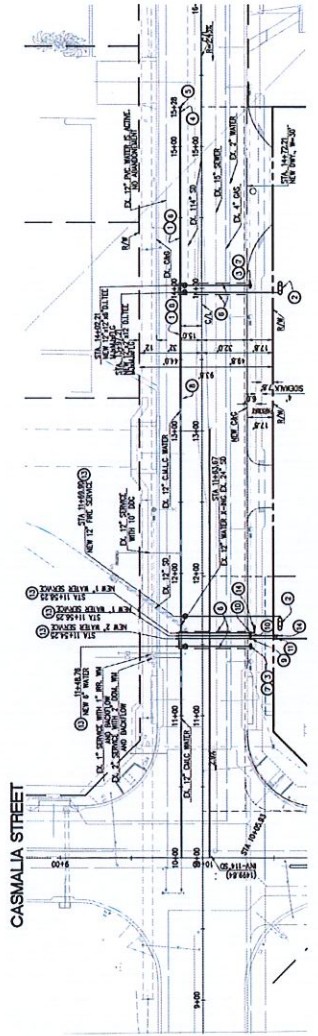
1. INSTALL 12" D.I.P THICKNESS CLASS 50, PER DISTRICT SPECIFICATIONS.
2. FURNISH AND INSTALL 12" FIRE SERVICE LATERAL WITH 10' DOUBLE CHECK DETECTOR CHECK ASSEMBLY PER WMO STD. W-13.
3. FURNISH AND INSTALL FIRE MAINS PER WMO STD. DMC. W-2.
4. FURNISH AND INSTALL 12" BUTTERFLY VALVES WMO. STD. DMC. W-11.
5. FURNISH AND INSTALL 4" DEAD-END FLUSH-OUT PER WMO STD. DMC. W-5.
6. SAW CUT AND REMOVE EXIST AC PAVEMENT RESTORE AC PAVEMENT PER CITY OF RIALTO SPECIFICATIONS AND REQUIREMENTS AND COMPACTION PER CITY OF RIALTO SPECIFICATIONS.
7. FURNISH AND INSTALL CONCRETE THURST BLOCK PER WMO STD. W-3A.
8. REMOVE EXISTING 2" DEAD-END FLUSH-OUT.
9. FURNISH AND INSTALL 2" WATER SERVICE WITH 2" METERS PER WMO STD. W-5 (DOMESTIC).
10. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" METER PER WMO STD. W-4 (COMMERCIAL).
11. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WMO STD. W-10.
12. FURNISH AND INSTALL 1" REDUCED PRESSURE BACKFLOW PREVENTER PER WMO STD. W-10.
13. FURNISH AND INSTALL 1" REDUCED PRESSURE BACKFLOW PREVENTER PER WMO STD. W-10.
14. PROVIDE 200# 40 STEEL SILENCE FROM METER BOX TO R.P. RISER.
15. HOT TAP EXISTING WATER PER WMO STD. W-8 AND W-9.
16. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WMO STD. W-10.
17. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WMO STD. W-10.
18. ALL D.I.P. SHALL BE INTERNALLY RESTRAINED PER DISTRICT STANDARD W-20. ALL D.I.P. JOINTS SHALL BE MECHANICALLY RESTRAINED UNLESS SPECIFIED.



10+00 11+00 12+00 13+00 14+00 15+00 16+00

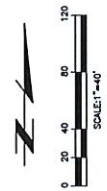
PROFILE - 12" D.I.P. IN N. LOCUST AVENUE

PROPOSED GRADE: 1.0' - 1.0' - 1.0'



LOCUST AVENUE

CASMALIA STREET



CONTRACTOR NOTE
 CONTRACTOR SHALL VERIFY LOCATION AND DEPTHS OF EXISTING UTILITIES PRIOR TO BEGINNING CONSTRUCTION.

<p>Underground Service Alert CALL: TOLL FREE 1-800-257-2500 TWO WARNING DAYS BEFORE YOU DIG</p>	<p>DECORATED BY: _____ DRAWN BY: _____ CHECKED BY: _____</p>	<p>SEAL - CITY ENGINEER SEAL - DISTRICT ENGINEER SEAL - REGIONAL ENGINEER</p>	<p>APPROVED BY: _____ DATE: _____</p>	<p>APPROVED BY: _____ DATE: _____</p>	<p>APPROVED BY: _____ DATE: _____</p>
<p>CIVIL ENGINEERS</p>			<p>WEST VALLEY WATER DISTRICT</p>		
<p>Thienges Engineering, Inc. 14360 FINESTONE BOULEVARD SUITE 100 RIALTO, CA 92371 TEL: (951) 927-4677 FAX: (951) 927-4723</p>			<p>WATER PLAN 2 OF 2 SHEETS</p>		
<p>SEAL - REGIONAL ENGINEER & VENDOR (CALIF.) SEAL - DISTRICT ENGINEER & VENDOR (CALIF.) SEAL - CITY ENGINEER</p>			<p>FOR: B & B PLASTICS, INC. 1897 W. CASMALIA ST. RIALTO, CA 92377</p>		

Exhibit C

Prepare By: Thienes Engineering, Inc.
Project:

Date: 8/28/2018

OFFSITE WATER SYSTEMS

WATER CONST. NOTE	TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System					
	4" PVC C-900	0.00	LF	30.00	0
12	6" Ductile Iron Pipe	98.00	LF	40.00	3,920
	8" PVC C-900	0.00	LF	50.00	0
	10" PVC C-900	0.00	LF	55.00	0
1	12" Ductile Iron Pipe	204.50	LF	100.00	20,450
		0.00	L.F.	---	0
Valves - Water System					
	4" Gate Valve	0.00	EA.	600.00	0
3	6" Gate Valve	2.00	EA.	800.00	1,600
	8" Gate Valve	0.00	EA.	1,000.00	0
	10" Gate Valve	0.00	EA.	1,200.00	0
4	12" Gate Valve	3.00	EA.	2,000.00	6,000
	16" Gate Valve	0.00	EA.	5,000.00	0
	4" Butterfly Valve	0.00	EA.	330.00	0
	6" Butterfly Valve	0.00	EA.	520.00	0
	8" Butterfly Valve	0.00	EA.	800.00	0
	10" Butterfly Valve	0.00	EA.	1,000.00	0
	12" Butterfly Valve		EA.	1,800.00	0
	16" Butterfly Valve	0.00	EA.	2,700.00	0
	18" Butterfly Valve	0.00	EA.	2,800.00	0
	20" Butterfly Valve	0.00	EA.	4,200.00	0
	24" Butterfly Valve	0.00	EA.	5,200.00	0
	1" Air Vac Release	0.00	EA.	2,000.00	0
	2" Air Vac Release	0.00	EA.	3,000.00	0
	4" Blow Off	0.00	EA.	2,000.00	0
	6" Blow Off	0.00	EA.	2,500.00	0
		0.00		---	0
Fire Hydrants - Water System					
	6" Standard Fire Hydrants (Relocate)		EA.	2,800.00	0
	6" Super Fire Hydrants (N/A)	0.00	EA.	2,800.00	0
3	6" Super Fire Hydrants	2.00	EA.	3,000.00	0
Water Meters & Service - Water System					
10	1" Meter & 1" Service	2.00	EA	4729.00	9,458
9	2" Meter & 2" Service	1.00	EA	4729.00	4,729
		0.00	EA	---	0
Hot Tap Connections - Water System					
13	6" Hot Tap	1.00	EA.	2,000.00	2,000
13	Water Service	3.00	EA.	330.00	990
13	12" Hot Tap	1.00	EA.	4,200.00	4,200
	16" Hot Tap	0.00	EA.	0.00	0
Miscellaneous - Water System					
7	Thrust Block	4.00	EA.	150.00	600
2	10" DDC	2.00	EA.	7,000.00	14,000
14	1" Backflow	2.00	EA.	1,000.00	2,000
11	2" Backflow	1.00	EA.	1,500.00	1,500
6	Remove and Restore Ac Pavement	2350.00	SF	3.00	7,050
8	Remove 4" Dead End Flush Out	1	1.00 EA.	1,000.00	1,000
	12"X12"X12" Tee	1	0.00 EA.	500.00	500
	12"X12"X6" Tee	1	0.00 EA.	400.00	400
				SUBTOTAL:	80,397

Exhibit D

BOARD OF DIRECTORS

Dr. Clifford O. Young, Sr.
President, Board of Directors
 Gregory Young
Vice President, Board of Directors
 Dr. Michael Taylor
Director
 Kyle Crowther
Director
 Donald Olinger
Director



ESTABLISHED AS A PUBLIC AGENCY IN 1952
 WEST VALLEY WATER DISTRICT'S MISSION IS TO PROVIDE A RELIABLE,
 SAFE-DRINKING WATER SUPPLY TO MEET OUR CUSTOMERS' PRESENT
 AND FUTURE NEEDS AT A REASONABLE COST AND TO PROMOTE
 WATER-USE EFFICIENCY AND CONSERVATION.

ADMINISTRATIVE

1.9.b

Robert Christman
Interim General Manager
 Greg Gage
Assistant General Manager
 Deborah L. Martinez
*Interim Human Resources
 and Risk Manager*
 Crystal L. Escalera
Interim Board Secretary
 Patricia Romero
Assistant Board Secretary

2018 HOLIDAY LIST

MONDAY, JANUARY 1	NEW YEAR'S DAY
TUESDAY, JANUARY 2	NEW YEAR'S EVE (OBSERVED)
MONDAY, JANUARY 15	MARTIN LUTHER KING, JR.
MONDAY, FEBRUARY 19	PRESIDENT'S DAY
MONDAY, MAY 28	MEMORIAL DAY
WEDNESDAY, JULY 4	INDEPENDENCE DAY
MONDAY, SEPTEMBER 3	LABOR DAY
MONDAY, NOVEMBER 12	VETERANS DAY (OBSERVED)
THURSDAY, NOVEMBER 22	THANKSGIVING DAY
FRIDAY, NOVEMBER 23	DAY AFTER THANKSGIVING
MONDAY, DECEMBER 24	CHRISTMAS EVE
TUESDAY, DECEMBER 25	CHRISTMAS DAY
MONDAY, DECEMBER 31	NEW YEAR'S EVE

2019 HOLIDAY LIST

TUESDAY, JANUARY 1	NEW YEAR'S DAY
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Exhibit E

WEST VALLEY WATER DISTRICT

PROCEDURAL DOCUMENTS

NOTICE TO PROCEED

TO: B&B Plastics Recyclers, Inc
3040 N. Locust Ave
Rialto, CA 92377

Project Description: B&B Plastics

You are hereby notified to commence work in accordance with the Agreement dated _____, 2018, on or before _____, 20 18, and you are to complete the Work within one year from the estimated construction start date.

You are required to return an acknowledged copy of this Notice to Proceed to the Owner.

Dated this ___ day of _____, 2018.

WEST VALLEY WATER DISTRICT

By _____
Clarence C. Mansell, Jr.

Title Interim General Manager

ACCEPTANCE OF NOTICE

Receipt of the above Notice to Proceed is hereby acknowledged by _____
_____.

THIS THE ___ DAY OF _____, 2018.

B&B Plastics Recyclers, Inc

By _____

Title _____

EXHIBIT C

**WATER SYSTEM INFRASTRUCTURE
INSTALLATION AND CONVEYANCE AGREEMENT**

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of 12/20/18 by and between **Casmalia Holdings LLC a California Limited Liability Company** ("Developer"), and WEST VALLEY WATER DISTRICT ("District") who agree as follows:

The Developer is the owner of certain land described as **Casmalia Holdings LLC a California Limited Liability Company** and as more fully (or further) shown on Exhibit "A". In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on Exhibit "A".

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **WATER IMPROVEMENT PLANS FOR Casmalia Holdings LLC a California Limited Liability Company**, as approved and attached herein as Exhibit "B" and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.

1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").

1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.

1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.

2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.

2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.

2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.

3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.

3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.

4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.

a. General Liability: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury – With the "Employee" Exclusive Deleted.

b. Automotive/Vehicle Liability Insurance: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").

c. Workers' Compensation Insurance: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.

d. Excess Liability: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:

a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.

b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.

d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.

e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.

4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:

a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.

b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.

c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as Exhibit "C", will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.

5.2. Performance Bond: Developer engineer's estimate for the water system improvements for **WATER IMPROVEMENT PLANS FOR Casmalia Holdings LLC a California Limited Liability Company** is **NINETY-THREE THOUSAND NINE HUNDRED SEVENTEEN no/100 DOLLARS (\$93,917.00)**. Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount **NINETY-THREE THOUSAND NINE HUNDRED SEVENTEEN no/100 DOLLARS (\$93,917.00)**, equal to 100 percent of the approved Developer's estimate.

5.3. Warranty Bond: Developer shall, in addition, and by this Agreement does guarantee to the District that, for two years after the District's acceptance of Developer-installed and completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year guarantee shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond in the amount of **NINETY-THREE THOUSAND NINE HUNDRED SEVENTEEN no/100 DOLLARS (\$93,917.00)**, equal to 100 percent of the Developer's estimate beginning at the date of the acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

- 7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Water Improvement Plans for B&B Plastics

- 7.3. Notices required shall be given to **Developer** addressed as follows:

Casmalia Holdings LLC

c/o B&B Plastics Recyclers, Inc

Baltazar Mejia, President

3040 N. Locust Ave

Rialto, CA 92377

RE: Water Improvement Plans for B&B Plastics

- 7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME: *Indemnity Company of California*

ATTN TO: *Andrew J. Shaker*

ADDRESS *2001 E. Financial Way, st. 200 El Segundo, CA 91741*

RE: Water Improvement Plans for B&B Plastics

7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.

7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.

- 7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities using the form contained in Exhibit "E".

9. INSPECTION

9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.

9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.

9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.

9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.

9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or

contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:

a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.

b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

15.1. Developer shall pay actual costs for inspection and plan check. All costs and fees required, as outlined in the cost letter, shall be paid in full prior to the execution of this Agreement.

15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.

16.2. The Developer shall furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the development (Exhibit "A") in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion thereof, and default of Developer.

18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

[CONTINUED ON NEXT PAGE]

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
Clarence C. Mansell, Jr., Interim General Manager

DEVELOPER:

Casmalia Holdings LLC a California Limited Liability Company
By: **B&B Plastics Recyclers, Inc., Managing Member**


By:  _____ Date: 12/20/2018
Baltazar Mejia, President

Exhibit A

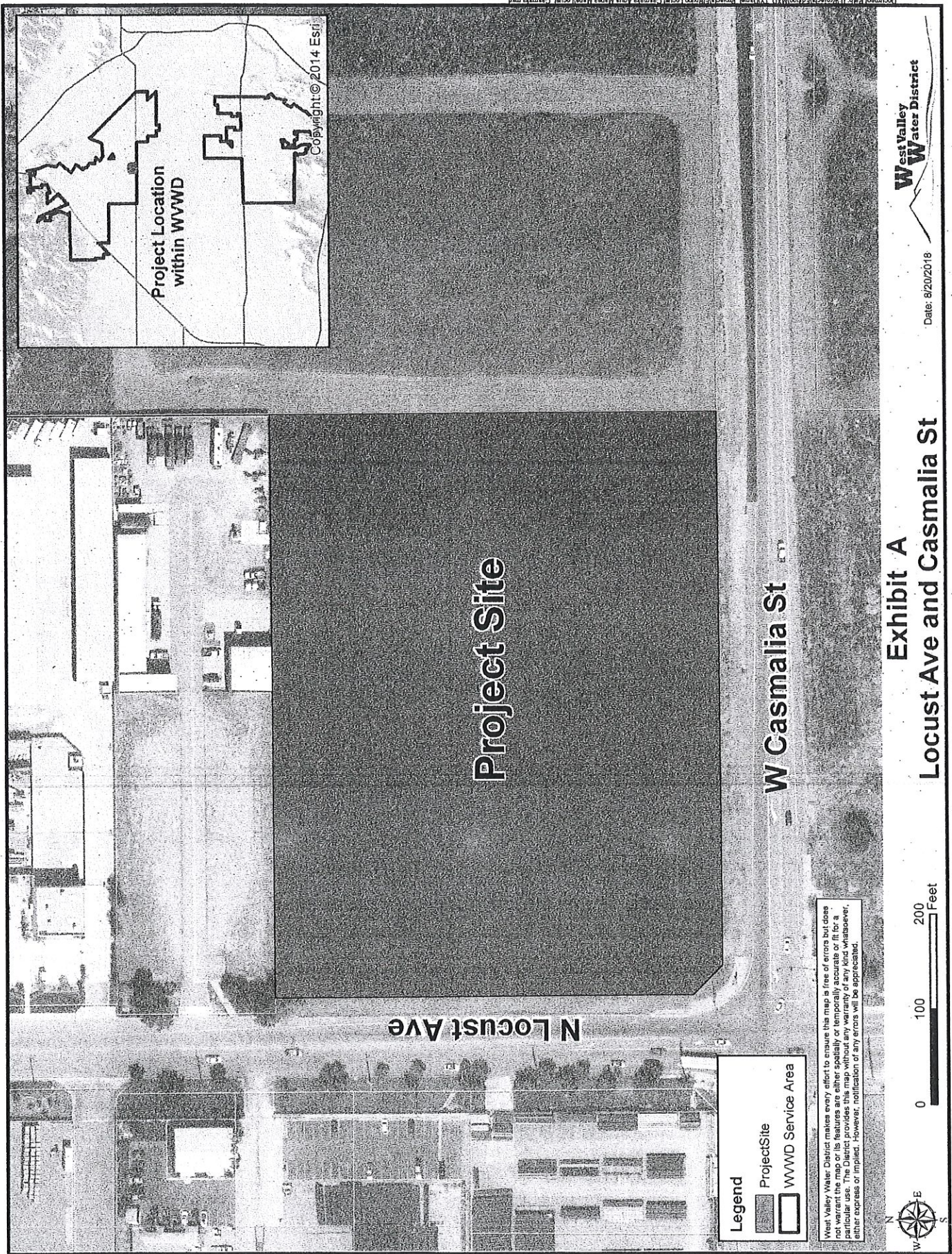
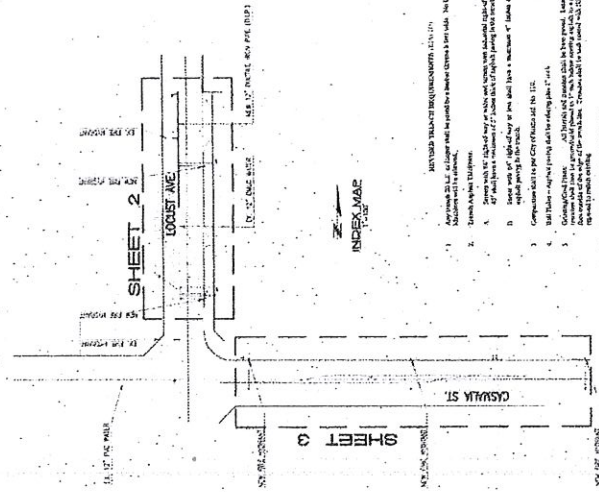
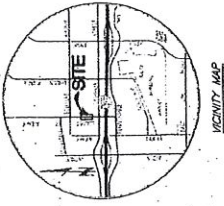


Exhibit A
Locust Ave and Casmalia St

Exhibit B

WATER PLAN

B&B PLASTICS, INC.
1892 W. CASMALIA ST.
RIALTO, CA. 92377



MARKINGS

1. Pipe to be installed shall be Class 500 Ductile Iron pipe - 48" Class 500 or Class 450 15' length sections and 48" and 42" Class 500 12' length sections. Pipe joints shall be 15' length sections of Class 500 Ductile Iron pipe. All pipe shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains.
2. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains.
3. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains.
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9. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains.
10. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains. All water mains shall be installed in accordance with the California State Water Resources Control Board's (CSWR) Standard Specifications for Water Mains.

DESIGN

THESE PLANS AND SPECIFICATIONS HAVE BEEN PREPARED BY THE ENGINEER AND CONTRACTOR AND THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION AND DATA SUBMITTED TO THE ENGINEER.

WATER

THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AGENCIES AND AGENCIES OF THE STATE AND FEDERAL GOVERNMENT.

FIRE

THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AGENCIES AND AGENCIES OF THE STATE AND FEDERAL GOVERNMENT.

WATER CONSTRUCTION NOTES

1. METAL 12" D.I.P. THICKNESS CLASS 500 FOR DISTRICT SPECIFICATIONS.
2. DETERMINE CHECK ASSEMBLY PER WWD STD. W-30.
3. FURNISH AND INSTALL 12" FIRE SERVICE LATERAL WITH 10' MINIMUM COVER.
4. FURNISH AND INSTALL 12" WATER SERVICE WITH 2' MINIMUM COVER PER WWD STD. W-30.
5. FURNISH AND INSTALL 4" DEEP-END FLUSH-OUT.
6. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" MINIMUM COVER PER WWD STD. W-30.
7. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-30.
8. FURNISH AND INSTALL 4" DEEP-END FLUSH-OUT.
9. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" MINIMUM COVER PER WWD STD. W-30.
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13. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-30.
14. FURNISH AND INSTALL 4" DEEP-END FLUSH-OUT.
15. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" MINIMUM COVER PER WWD STD. W-30.
16. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-30.
17. FURNISH AND INSTALL 4" DEEP-END FLUSH-OUT.
18. FURNISH AND INSTALL 1" WATER SERVICE WITH 1" MINIMUM COVER PER WWD STD. W-30.
19. FURNISH AND INSTALL 2" REDUCED PRESSURE BACKFLOW PREVENTER PER WWD STD. W-30.
20. FURNISH AND INSTALL 4" DEEP-END FLUSH-OUT.

QUANTITIES

204.5 LF	12" D.I.P.
140 U/2 EA	12" FIRE SERVICE LATERAL
5 EA	4" DEEP-END FLUSH-OUT
2 EA	1" WATER SERVICE
0 EA	2" REDUCED PRESSURE BACKFLOW PREVENTER
200 SF	12" WATER SERVICE
10 EA	4" DEEP-END FLUSH-OUT
1 EA	1" WATER SERVICE
65.17' / 1 EA	12" FIRE SERVICE LATERAL
1 EA	4" DEEP-END FLUSH-OUT
2 EA	1" WATER SERVICE
3 EA	2" REDUCED PRESSURE BACKFLOW PREVENTER
10 EA	12" WATER SERVICE
2 EA	4" DEEP-END FLUSH-OUT
2 EA	1" WATER SERVICE

ON-SITE FIRE HYDRANT NOTES

ON-SITE FIRE HYDRANT SHALL BE INSTALLED PER THE APPROVED DESIGN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AGENCIES AND AGENCIES OF THE STATE AND FEDERAL GOVERNMENT.

SHEET INDEX
1 - 100% PLAN AND PROFILE
2 - 100% CROSS SECTION

WEST VALLEY WATER DISTRICT
DRAWING NO.: D18017
SHEET 1 OF 3 SHEETS
B&B PLASTICS, INC.
1892 W. CASMALIA ST.
RIALTO, CA. 92377

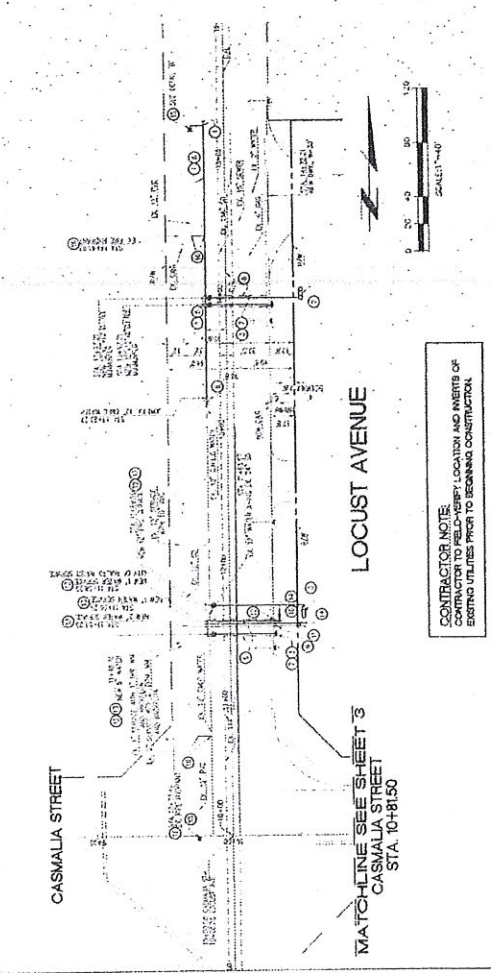
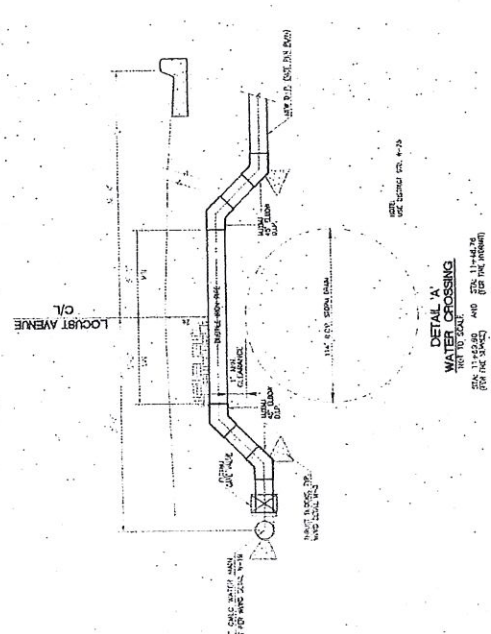
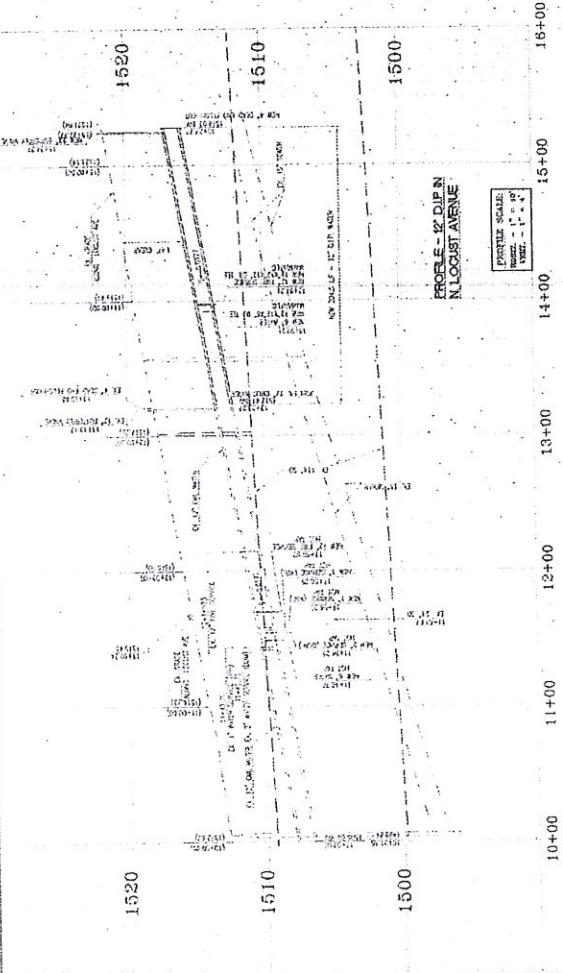
CIVIL ENGINEERS
Thames Engineering, Inc.
1892 W. CASMALIA ST.
RIALTO, CA. 92377

SEALED AND APPROVED
DATE: 10/23/12
BY: [Signature]

UNDERGROUND SERVICE UNIT
CALL: TOLL FREE 1-800-457-3886
FAX: 951-780-1111
WWW: WWW.USA-UNIT.COM

WATER CONSTRUCTION NOTES

1. DETAIL "A" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
2. DETAIL "B" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
3. DETAIL "C" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
4. DETAIL "D" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
5. DETAIL "E" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
6. DETAIL "F" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
7. DETAIL "G" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
8. DETAIL "H" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
9. DETAIL "I" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
10. DETAIL "J" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
11. DETAIL "K" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
12. DETAIL "L" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
13. DETAIL "M" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
14. DETAIL "N" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
15. DETAIL "O" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
16. DETAIL "P" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
17. DETAIL "Q" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
18. DETAIL "R" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
19. DETAIL "S" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
20. DETAIL "T" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
21. DETAIL "U" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
22. DETAIL "V" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
23. DETAIL "W" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
24. DETAIL "X" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
25. DETAIL "Y" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.
26. DETAIL "Z" IS TO BE USED FOR ALL WATER CONSTRUCTION UNLESS OTHERWISE SPECIFIED.



WEST VALLEY WATER DISTRICT

WATER PLAN

8888 PLASTICS, INC.
1800 CALIFORNIA ST.
SAN JOSE, CA 95131

Thames Engineering, Inc.
CIVIL ENGINEERS

DESIGNED BY: [Signature]
CHECKED BY: [Signature]
APPROVED BY: [Signature]

DATE: 11-14-07

SCALE: 1" = 40'

PROJECT NO.: 07-001

SHEET NO.: 2 OF 3

PROJECT: 8888 PLASTICS, INC. WATER PLAN

DATE: 11-14-07

SCALE: 1" = 40'

PROJECT NO.: 07-001

SHEET NO.: 2 OF 3

Exhibit C

Prepare By: Thienes Engineering, Inc.
Project:

Date: 9/28/2018

OFFSITE WATER SYSTEMS

WATER CONST. NOTE	TYPE	QUANTITY UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
	4" PVC C-900	0.00 LF	30.00	0
12	6" Ductile Iron Pipe	98.00 LF	40.00	3,920
	8" PVC C-900	0.00 LF	50.00	0
	10" PVC C-900	0.00 LF	55.00	0
1	12" Ductile Iron Pipe	234.00 LF	100.00	23,400
		0.00 L.F.	—	0
Valves - Water System				
	4" Gate Valve	0.00 EA.	600.00	0
3	6" Gate Valve	2.00 EA.	800.00	1,600
	8" Gate Valve	0.00 EA.	1,000.00	0
	10" Gate Valve	0.00 EA.	1,200.00	0
4	12" Gate Valve	4.00 EA.	2,000.00	8,000
	16" Gate Valve	0.00 EA.	5,000.00	0
	4" Butterfly Valve	0.00 EA.	330.00	0
	6" Butterfly Valve	0.00 EA.	520.00	0
	8" Butterfly Valve	0.00 EA.	800.00	0
	10" Butterfly Valve	0.00 EA.	1,000.00	0
	12" Butterfly Valve	EA.	1,800.00	0
	16" Butterfly Valve	0.00 EA.	2,700.00	0
	18" Butterfly Valve	0.00 EA.	2,800.00	0
	20" Butterfly Valve	0.00 EA.	4,200.00	0
	24" Butterfly Valve	0.00 EA.	5,200.00	0
	1" Air Vac Release	0.00 EA.	2,000.00	0
	2" Air Vac Release	0.00 EA.	3,000.00	0
	4" Blow Off	0.00 EA.	2,000.00	0
	6" Blow Off	0.00 EA.	2,500.00	0
		0.00	—	0
Fire Hydrants - Water System				
	6" Standard Fire Hydrants (Relocate)	EA.	2,800.00	0
	6" Super Fire Hydrants (N/A)	0.00 EA.	2,800.00	0
3	6" Super Fire Hydrants	5.00 EA.	3,000.00	0
Water Meters & Service - Water System				
10	1" Meter & 1" Service	2.00 EA	4729.00	9,458
9	2" Meter & 2" Service	1.00 EA	4729.00	4,729
		0.00 EA	—	0
Hot Tap Connections - Water System				
13	6" Hot Tap	4.00 EA.	2,000.00	8,000
13	Water Service	3.00 EA.	330.00	990
13	12" Hot Tap	1.00 EA.	4,200.00	4,200
	16" Hot Tap	0.00 EA.	0.00	0
Miscellaneous - Water System				
7	Thrust Block	7.00 EA.	150.00	1,050
2	10" DDC	2.00 EA.	7,000.00	14,000
14	1" Backflow	2.00 EA.	1,000.00	2,000
11	2" Backflow	1.00 EA.	1,500.00	1,500
6	Remove and Restore Ac Pavement	2350.00 SF	3.00	7,050
3	Remove 4" Dead End Flush Out	1.00 EA.	1,000.00	1,000
5	4" Dead End Flush Out	1.00 EA.	20.00	20
2	Cut/Cap Ex. 12" Water	2.00 EA.	1,500.00	3,000
TOTAL				93,917

Exhibit D

BOARD OF DIRECTORS

Dr. Clifford O. Young, Sr.
President, Board of Directors
 Gregory Young
Vice President, Board of Directors
 Dr. Michael Taylor
Director
 Kyle Crowther
Director
 Donald Olinger
Director



ESTABLISHED AS A PUBLIC AGENCY IN 1952
 WEST VALLEY WATER DISTRICT'S MISSION IS TO PROVIDE A RELIABLE,
 SAFE-DRINKING WATER SUPPLY TO MEET OUR CUSTOMERS' PRESENT
 AND FUTURE NEEDS AT A REASONABLE COST AND TO PROMOTE
 WATER-USE EFFICIENCY AND CONSERVATION.

ADMINISTRATIVE STAFF

Robert Christman
Interim General Manager
 Greg Gage
Assistant General Manager
 Deborah L. Martinez
*Interim Human Resources
 and Risk Manager*
 Crystal L. Escalera
Interim Board Secretary
 Patricia Romero
Assistant Board Secretary

2018 HOLIDAY LIST

MONDAY, JANUARY 1	NEW YEAR'S DAY
TUESDAY, JANUARY 2	NEW YEAR'S EVE (OBSERVED)
MONDAY, JANUARY 15	MARTIN LUTHER KING, JR.
MONDAY, FEBRUARY 19	PRESIDENT'S DAY
MONDAY, MAY 28	MEMORIAL DAY
WEDNESDAY, JULY 4	INDEPENDENCE DAY
MONDAY, SEPTEMBER 3	LABOR DAY
MONDAY, NOVEMBER 12	VETERANS DAY (OBSERVED)
THURSDAY, NOVEMBER 22	THANKSGIVING DAY
FRIDAY, NOVEMBER 23	DAY AFTER THANKSGIVING
MONDAY, DECEMBER 24	CHRISTMAS EVE
TUESDAY, DECEMBER 25	CHRISTMAS DAY
MONDAY, DECEMBER 31	NEW YEAR'S EVE

2019 HOLIDAY LIST

TUESDAY, JANUARY 1	NEW YEAR'S DAY
--------------------	----------------

855 W. Base Line Rd., P.O. Box 920 | Rialto, CA 92377-0920
 Ph: (909) 875-1804 | Fax: (909) 875-1849
www.wvwd.org

FAX (909) 875-7284 Administration
 FAX (909) 875-1361 Engineering
 FAX (909) 875-1849 Customer Service

Exhibit E

WEST VALLEY WATER DISTRICT

PROCEDURAL DOCUMENTS

NOTICE TO PROCEED

TO: B&B Plastics Recyclers, Inc
3040 N. Locust Ave
Rialto, CA 92377

Project Description: B&B Plastics

You are hereby notified to commence work in accordance with the Agreement dated _____, 2018, on or before _____, 20 18, and you are to complete the Work within one year from the estimated construction start date.

You are required to return an acknowledged copy of this Notice to Proceed to the Owner.

Dated this ____ day of _____, 2018.

WEST VALLEY WATER DISTRICT


By _____
Clarence C. Mansell, Jr.

Title Interim General Manager

ACCEPTANCE OF NOTICE

Receipt of the above Notice to Proceed is hereby acknowledged by _____

THIS THE ____ DAY OF _____, 2018.



B&B Plastics Recyclers, Inc

By Balhoza MELIA

Title President

Issued in duplicate originals

Premium:Included in Performance
BondBOND NO. 379887S**WARRANTY BOND**

Warranty Guarantee Bond to the WEST VALLEY WATER DISTRICT for Water System Installation in accordance with the Approved Water Improvement Plans for **Casmalia Holdings LLC a California Limited Liability Company**, dated **October 23, 2018**. KNOW ALL MEN BY THESE PRESENTS; THAT WHEREAS, THE WEST VALLEY WATER DISTRICT, (sometimes referred to hereinafter as "Obligee"), has an agreement with the "Developer" to install a water system within Developer's development in 1892 W. Casmalia St, Rialto, San Bernardino County, California.

WHEREAS, the water system is more particularly set forth in that certain design plan and specifications dated October 23, 2018, and identified as **Water Improvement Plans for Casmalia Holdings LLC**, dated October 23, 2018, which is incorporated herein by this reference.

WHEREAS, the Developer is required by said WEST VALLEY WATER DISTRICT to warrant the completed water system against defective labor or workmanship and materials for a period of two (2) years, and to provide a bond for guarantee of cost of repairs due to defective labor, workmanship, or materials.

NOW THEREFORE, we **Casmalia Holdings LLC**, the undersigned Developer as Principal and Indemnity Company of California, a corporation organized and existing under the laws of the State of California, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum of **NINETY-THREE THOUSAND NINE HUNDRED SEVENTEEN no/100 DOLLARS (\$93,917.00)**, said sum being not less than 100 percent of the total cost for installation (including labor and materials) of the water system, we

find ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements to make all repairs to said water system necessitated by defective labor, workmanship or materials, and shall faithfully fulfill this two (2) year Guarantee of all materials, labor and workmanship and indemnify and save harmless the WEST VALLEY WATER DISTRICT’S, its officers and agents, as stipulated herein, then this obligation shall become null and void two (2) year from the date of WEST VALLEY WATER DISTRICT formal acceptance of the water system (Conveyance and Acceptance of Water System Agreement – Section 16)

In case suit is brought upon this bond or letter of credit, the said Surety shall pay to the WEST VALLEY WATER DISTRICT a reasonable attorney's fee to be fixed by the Court in addition to the principal amount of this bond. The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the agreement between WEST VALLEY WATER DISTRICT and Developer, or the work to be performed by the Developer or to the specifications of water system, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this 14th, day of December, 2018.

ALL SIGNATURES MUST BE NOTARIZED

Casmalia Holdings LLC a California Limited Liability Company (Principal)

Indemnity Company of California (Surety)

Andrew J. Shaker (Attorney-In-Fact)

This rate of premium on this bond is zero per thousand. The total amount of premium charged: zero he above must be filled in by corporate surety).

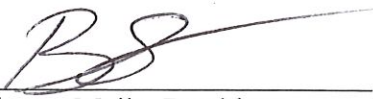
Note: Copy of the power of attorney to local representatives of the bonding company may be attached hereto.

PRINCIPAL

Casmalia Holdings LLC a California Limited Liability Company

By: B&B Plastics Recyclers, Inc.

a California Corporation

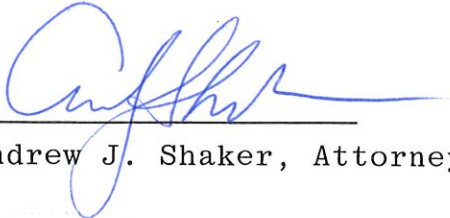
By: 

Baltazar Mejia, President

Authorized Agent

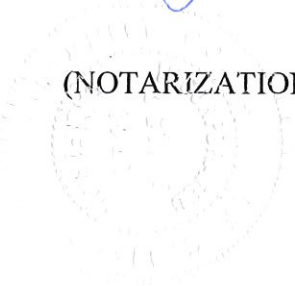
(NOTARIZATION AND SEAL)

SURETY
Indemnity Company of California



Andrew J. Shaker, Attorney-In-Fact

(NOTARIZATION AND SEAL)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On 12/14/18 before me, Charles P. Swan, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Andrew J. Shaker
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Charles P. Swan
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

Charles P. Swan, Gerry Lewis, Andrew J. Shaker, Kristine L. Clearman, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this 4th day of October, 2018.

By: *Daniel Young*
Daniel Young, Senior Vice-President
By: *Mark Lansdon*
Mark Lansdon, Vice-President



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On October 4, 2018 before me, Lucille Raymond, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Daniel Young and Mark Lansdon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lucille Raymond*
Lucille Raymond, Notary Public



Place Notary Seal Above

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 14th day of December, 2018.

By: *Cassie J. Berrisford*
Cassie J. Berrisford, Assistant Secretary



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

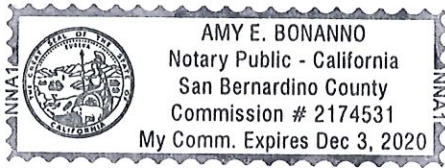
State of California }
County of SAN BERNARDINO }

On 12/20/2018 before me, AMY E. BONANNO, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared Baltazar Mejia
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Amy E Bonanno
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Warranty Bond

Document Date: Dec 14, 2018 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Baltazar Mejia

Corporate Officer – Title(s): President

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Issued in Duplicate Originals

Premium: 1,972.00 for a
two year termBOND NO. 379887S**FAITHFUL PERFORMANCE BOND**

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with Water Improvement Plans for **Casmalia Holdings LLC a California Limited Liability Company**, dated **October 23, 2018**. This premium charged on this bond is \$1,972.00 being at the rate of \$21.00 per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

Casmalia Holdings LLC a California Limited Liability Company
3040 N. Locust Ave
Rialto, CA 92377

as the "Principal", an agreement for the work described as follows:

Casmalia Holdings LLC a California Limited Liability Company - Water System Installation in Accordance with Approved Water Improvement Plans for Water Improvement Plans for Casmalia Holdings LLC a California Limited Liability Company, dated October 23, 2018.

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and Indemnity Company of California (Name of Surety) 17771 Cowan, Suite 100, Irvine, CA 92614 (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum **NINETY-THREE THOUSAND NINE HUNDRED SEVENTEEN no/100 DOLLARS (\$93,917.00)**, lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this 14th day of December, 2018.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

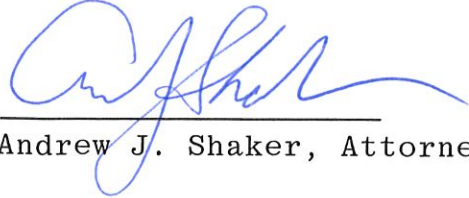
Casmalia Holdings LLC a California Limited Liability Company

By: B & B Plastics Recyclers, Inc., Managing Member

By: 
Baltazar Mejia, President

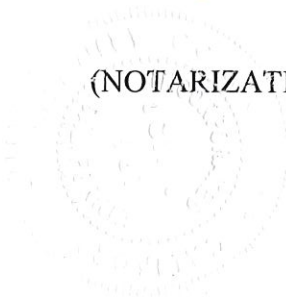
(NOTARIZATION AND SEAL)

SURETY
Indemnity Company of California



Andrew J. Shaker, Attorney-In-Fact

(NOTARIZATION AND SEAL)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

On 12/14/18 before me, Charles P. Swan, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Andrew J. Shaker
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Charles P. Swan
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

- Signer's Name: _____
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

- Signer's Name: _____
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

Charles P. Swan, Gerry Lewis, Andrew J. Shaker, Kristine L. Clearman, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this 4th day of October, 2018.

By: *Daniel Young*
Daniel Young, Senior Vice-President
By: *Mark Lansdon*
Mark Lansdon, Vice-President



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

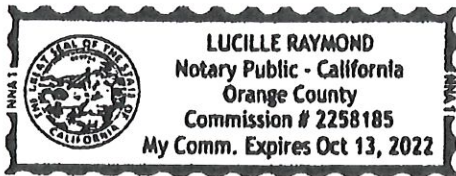
On October 4, 2018 before me, Lucille Raymond, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Daniel Young and Mark Lansdon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lucille Raymond*
Lucille Raymond, Notary Public



Place Notary Seal Above

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 14th day of December, 2018.

By: *Cassie J. Berrisford*
Cassie J. Berrisford, Assistant Secretary



CALIFORNIA ACKNOWLEDGMENT

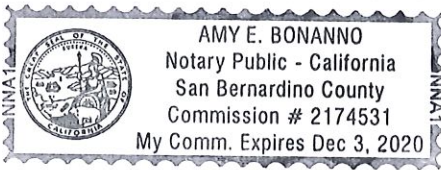
CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of SAN BERNARDINO }

On 12/20/2018 before me, AMY E. BONANNO, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared Baltazar Mejia
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Amy E Bonanno
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Faithful Performance Bond

Document Date: 12/14/2018 Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Baltazar Mejia

Corporate Officer - Title(s): President

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other:

Signer is Representing:

Signer's Name:

Corporate Officer - Title(s):

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other:

Signer is Representing:



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: CONSIDER A REQUEST FROM K. HOVNANIAN COMMUNITIES, INC. TO DIVIDE THE DEVELOP BILLING LETTER INTO MULTIPLE PAYMENTS.

BACKGROUND:

On December 10, 2018, staff issued a Billing Letter to K. Hovnanian Communities, Inc (“Developer”), for the on-site water improvements at Tract 18944 (“Sierra Crest”) as shown in **Exhibit A**. Upon receiving the Billing Letter, a representative from the Developer contacted the District to discuss the possibility of establishing a payment plan for the Sierra Crest development. Staff met with the Developer on December 19, 2018 and explained that the District would not allow the separation of payments for the project, and that the amount had to be paid in full prior to beginning construction. The Developer requested to appeal this decision to the Engineering and Planning Committee, and has submitted the request shown in **Exhibit B** to overturn the decision of staff.

DISCUSSION:

The Billing Letter outlines the costs for the Sierra Crest development, and includes the fees and deposits associated with the construction of 179 residential homes along with water mains, hydrants, and various water appurtenances to serve the new development. The issuance of a Billing Letter for each project is a standard practice for Development within the District, and all developers are required to pay the requested amount in full before construction is allowed. Staff has reviewed the request, and has rejected the appeal made by the Developer based on the following:

- Article 7 of The District’s Water Service Rules and Regulations have established the procedure of collecting all developer fees prior to construction. A waiver of this condition will require an amendment to the District’s Rules and Regulation to allow for Engineering and Planning Committee exemptions.
- The Developer entered into an agreement with the District to pay all fees before construction could begin, as outlined in Section 15 of the Water System Infrastructure Installation and Conveyance Agreement dated November 28, 2018 and as shown in **Exhibit C**.
- Allowing the separation of payments for the Billing Letter will set a precedent for future developers who wish to establish payment plans for their projects. This will

require staff to negotiate the terms of payment for each project and administer the collection of payments.

FISCAL IMPACT:

If approved, development fees for this project will be collected over a 1-year or 2-year time period instead of at the beginning of the project.

STAFF RECOMMENDATION:

It is recommended that the Engineering and Planning Committee deny the request for a payment plan from K. Hovnanian Communities, Inc, and require the total payment for the Billing Letter prior to construction.

Respectfully Submitted,



Clarence Mansell Jr., Interim General Manager

DG:ce

ATTACHMENT(S):

1. Exhibit A - Sierra Crest Billing Letter
2. Exhibit B - K. Hovnanian Communities, Inc Appeal Request
3. Exhibit C - Water System Infrastructure Installation and Conveyance Agreement

MEETING HISTORY:

01/09/19 Engineering and Planning Committee REFERRED TO BOARD

EXHIBIT A

Dr. Michael Taylor
President, Board of Directors
Kyle Crowther
Vice President, Board of Directors
Dr. Clifford O. Young, Sr.
Director
Greg Young
Director
Donald Olinger
Director
Crystal L. Escalera
Board Secretary
Patricia Romero
Assistant to the Board Secretary



ESTABLISHED AS A PUBLIC AGENCY IN 1952
 WEST VALLEY WATER DISTRICT'S MISSION IS TO PROVIDE A RELIABLE,
 SAFE-DRINKING WATER SUPPLY TO MEET OUR CUSTOMERS' PRESENT
 AND FUTURE NEEDS AT A REASONABLE COST AND TO PROMOTE
 WATER-USE EFFICIENCY AND CONSERVATION.

Clarence C. Mansell, Jr.
Interim General Manager
Ricardo Pacheco
Assistant General Manager
Deborah L. Martinez
Human Resources and Risk Manager
Naisha Davis
Chief Financial Officer

Date December 10, 2018

K. Hovnanian Homes
 400 Exchange, Suite 200
 Irvine, CA 92602

Re: Tract 18944 On-Site Water System Improvements (179 Lots)

W.O. D19005

The lowest bid received was to BT Pipeline, Inc.

Costs to cover the installation of water facilities and other related charges to provide water service to your property are as follows:

Acct. Codes						
1)	CB	Construction Bid: (\$673,657.00 for reference only)			\$0.00	
2)	MB	Meter Box & Deposit per unit: 1"	\$350.00	Total Units:	181	\$63,350.00
3)	VB	Deposit for Valve Box Recovery/valve:	\$120.00	Total Valves:	42	\$5,040.00
4)	FC	Capacity Charges/lot: 3/4" meter	\$7,009.00	Total Lots:	177	\$1,240,593.00
	FC	Capacity Charges/lot: 1" meter	\$11,915.00	Total Lots:	3	\$35,745.00
	FC	Capacity Charges/lot: 1 1/2" meter	\$23,130.00	Total Lots:	1	\$23,130.00
5)	FC	Capacity Charges/fire service: 1"	\$510.00	Total fire service:	177	\$90,270.00
6)	FT	Frontage Charges/foot:	\$20.00	Total Feet:	0	\$0.00
7)	MC	Development Water Service Deposit/Meter	\$60.00	Total meters:	179	\$10,740.00
	MC	Fire Service Deposit/Meter	\$140.00	Total meters:	0	\$0.00
	MC	Commercial Service Deposit/Meter	\$140.00	Total meters:	2	\$280.00
8)	MC	Meter Only Installation Charge : 1" meter	\$568.00	Total meters:	180	\$102,240.00
	MC	Meter Only Installation Charge : 1 1/2" meter	\$1,632.00	Total meters:	1	\$1,632.00
9)	AD	Administration & Overhead Fees: (item number 1)	*	Total Fee:	\$0.00	* \$31,553.00
10)	IF	District Inspection Fee-Engineer Estimate	\$56.31	Per Hour:	124	\$6,982.44
	IF	District Inspection Fee-Meter/Fire Service	\$300.00	Total Length:	0	\$0.00
11)	CD	Contingency Deposit: (item number 1)	10.00%	Total Fee:	\$673,657.00	\$67,365.70
12)	IF	Inspection Fee of Meters After Installation	\$10.00	Total Fee:	181	\$1,810.00
Total Amount To Be Deposited:						<u>\$ 1,680,731.14</u>

*\$14,975 + 3.5% (673,657-200,000)=\$31,553.00

TO: K. Hovnanian Homes

RE: Tract 18944 On-Site Water System ImprovementImprovements

The construction bid (No.1) is for reference only in order to determine administration and overhead (No. 9) and contingency deposit (No. 11). Any increase in costs resulting from contract change orders, unforeseen construction conditions, or any changes in the project, as proposed, shall be paid by the developer. Final charges to the developer will be based on actual number of feet of pipe and/or number of fittings or other facilities required to complete within 90 days from date of this letter.

The deposit for meter and box (No. 2) is a refundable deposit and will be refunded after final inspection of meters and services, less any charges for necessary repairs to water meter or service.

The deposit for valve box recovery (No. 3) is a refundable deposit and will be refunded if your black top contractor recovers the valve boxes. If they are not recovered by your contractor, the District will use these funds for the recovery.

The frontage charge (No. 6) covers reimbursement due for previously installed pipelines servicing your project.

The guarantee deposits for water service (No. 7) is a refundable deposit and will be refunded as each lot is transferred to a new water service applicant, less any water use charges.

The meters (No. 8) shall be installed by the District after the pipeline and meter services have been installed and approved by the District. The developer shall be responsible for any loss of or damage to the meters and/or fittings, and each meter and service shall be subject to all applicable fees and charges.

All water service serving properties engaged in commercial, industrial, farm, or hobby-type operations shall be protected by an approved backflow device. Said device will be installed by the District's preapproved contractor for the project and maintained by the developer/owner in accordance with the District's Water Service Regulations.

TO: K. Hovnanian Homes

RE: Tract 18944 On-Site Water System ImprovementImprovements

Upon completion of construction of said facilities, the District shall provide water for domestic and fire protection use in accordance with the District's Water Service Regulations, Schedules of Rates and Charges, and any amendments thereto. Said water service regulations include "Article 24", known as the "Water Conservation Ordinance" which places restrictions on certain types of construction and landscaping.

Any funds deposited for construction of water facilities and not utilized for said construction may be refunded to developer upon request. Any funds refunded shall be without interest and less any costs incurred.

If you have any questions regarding this billing letter, please feel free to contact Angela Navarro, the District's Engineering/Operations Coordinator.

WEST VALLEY WATER DISTRICT



Clarence C. Mansell, Jr.
Interim General Manager

CM/an

PLEASE NOTE:

- A. ALL CHARGES ARE SUBJECT TO CHANGE IF WORK IS NOT COMPLETED WITHIN 30 DAYS FROM DATE OF THIS LETTER.**
- B. A TRACT MAP SHOWING STREET ADDRESSES FOR EACH LOT SHALL BE FURNISHED AT THE TIME OF DEPOSIT OF FUNDS. THE CONSTRUCTION CONTRACT WILL NOT BE AWARDED UNTIL SAID ADDRESS LIST IS RECEIVED.**

EXHIBIT B

KHovnanian[®] Homes

December 26, 2018

Daniel Guerra
West Valley Water District
855 W Base Line Road
Rialto, CA 92376

RE: Appeal to Section 15 of the Water Infrastructure Agreement

Daniel:

Please consider this letter a formal request for the West Valley Water District Board to consider allowing K. Hovnanian Homes the ability to split the on-site water system improvement payment for K. Hovnanian Homes project in Fontana. The project is a 179 single family home development. As discussed in our meeting on December 19, 2018 we are requesting the ability to split the \$1,680,731.14 payment quarterly through 2019. K. Hovnanian Homes has provided a warranty and Performance bond both in the amount of \$646,745.00 for the above referenced project. We are also willing to post a Payment Bond in the amount of \$1,680,731.14. We would only ask that the proposed payments be extended to the end of 2020. K. Hovnanian Homes believes the West Valley Water District has enough assurances to allow the separation of payment throughout the beginning development of Sierra Crest per attached Exhibit A.

Should you require any additional information, please feel free to contact me at (714) 368-4520 or at JJourney@KHOV.com.

Sincerely,



Justin Journey, Land Planning Manager
K. Hovnanian Homes
Southern California Division

Exhibit A

Proposed Payment Option (Without Payment Bond)

Q1 2019 – January 10th Amount Due \$420,182.78
Q2-2019-April 10th Amount Due \$420,182.78
Q3- 2019-July 10th Amount Due \$420,182.78
Q4-2019- October 10th Amount Due \$420,182.80

Proposed Payment Option (With Payment Bond)

Q1 2019 – January 10th Amount Due \$210,091.39
Q2-2019-April 10th Amount Due \$210,091.39
Q3- 2019-July 10th Amount Due \$210,091.39
Q4-2019- October 10th Amount Due \$210,091.39
Q1 2020 – January 10th Amount Due \$210,091.39
Q2-2020-April 10th Amount Due \$210,091.39
Q3- 2020-July 10th Amount Due \$210,091.39
Q4-2020- October 10th Amount Due \$210,091.41

EXHIBIT C

**WATER SYSTEM INFRASTRUCTURE
INSTALLATION AND CONVEYANCE AGREEMENT**

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of Nov. 28, 2018 by and between **K. Hovnanian Communities, Inc.** ("Developer"), and WEST VALLEY WATER DISTRICT ("District") who agree as follows:

The Developer is the owner of certain land described as **Tract 18944 – Sierra Crest II** and as more fully (or further) shown on Exhibit "A". In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on Exhibit "A".

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **Water Line Improvement Plans Tract No. 18944**, as approved and attached herein as Exhibit "B" and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.

1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").

1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.

1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.

2.2. The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.

2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.

2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.

3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.

3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.

4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.

a. General Liability: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury – With the "Employee" Exclusive Deleted.

b. Automotive/Vehicle Liability Insurance: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").

c. Workers' Compensation Insurance: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.

d. Excess Liability: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:

a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.

b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.

d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.

e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.

4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:

a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.

b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.

c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as Exhibit "C", will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.

5.2. Performance Bond: Developer engineer's estimate for the water system improvements for **Water Line Improvement Plans Tract No. 18944**, is **SIX HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-FIVE** no/100 dollars (**\$646,745.00**). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount **SIX HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-FIVE** no/100 dollars (**\$646,745.00**), equal to 100 percent of the approved Developer's estimate.

5.3. Warranty Bond: Developer shall, in addition, and by this Agreement does guarantee to the District that, for two years after the District's acceptance of Developer-installed and completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year guarantee shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond in the amount of **SIX HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-FIVE** no/100 dollars (**\$646,745.00**), equal to 100 percent of the Developer's estimate beginning at the date of the acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

- 7.2. Notices required shall be given to the **District** addressed as follows:
WEST VALLEY WATER DISTRICT
 Attn: General Manager
 Post Office Box 920
 Rialto, CA 92377
RE: Water Line Improvement Plans Tract No. 18944
- 7.3. Notices required shall be given to **Developer** addressed as follows:
K. Hovnanian Communities, Inc
 ATTN TO: Douglas Woodward, Division President
 400 Exchange, Suite 200
 Irvine, CA 92602
RE: Water Line Improvement Plans Tract No. 18944
- 7.4. Notices required shall be given to **Surety** addressed as follows:
 SURETY NAME:
 ATTN TO:
 ADDRESS
RE: Water Line Improvement Plans Tract No. 18944

7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.

7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.

7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities using the form contained in Exhibit "E".

9. INSPECTION

9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.

9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in

preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.

9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.

9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.

9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:

a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.

b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended

solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

15.1. Developer shall pay actual costs for inspection and plan check. All costs and fees required, as outlined in the cost letter, shall be paid in full prior to the execution of this Agreement.

15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.

16.2. The Developer shall furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to

furnish water service to the development Exhibit "A" in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion therefore, and default of Developer.

18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

[CONTINUED ON NEXT PAGE]

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: Clarence C. Mansell, Jr.
Clarence C. Mansell, Jr., Interim General Manager

Date: 11/28/18

DEVELOPER:

K. Hovnanian Communities, Inc
A California Corporation

By: **K. Hovnanian Communities, Inc**

By: Doug Woodward
Douglas Woodward
Division President

Date: 11/19/18

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

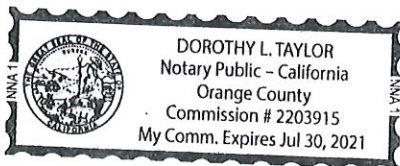
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On November 18, 2018 before me, Dorothy L. Taylor, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Douglas Woodward
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Dorothy L. Taylor
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Water System Infrastructure Installation
Title or Type of Document: and Conveyance Agreement Document Date: 11-18-18
Number of Pages: 11 Signer(s) Other Than Named Above: Clarence C. Mansell, Jr.
West Valley Water District

Capacity(ies) Claimed by Signer(s)
Signer's Name: Douglas Woodward
[checked] Corporate Officer - Title(s): Div. President
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing: K. Hovnanian Communities, Inc.

Signer's Name:
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing:

Exhibit A

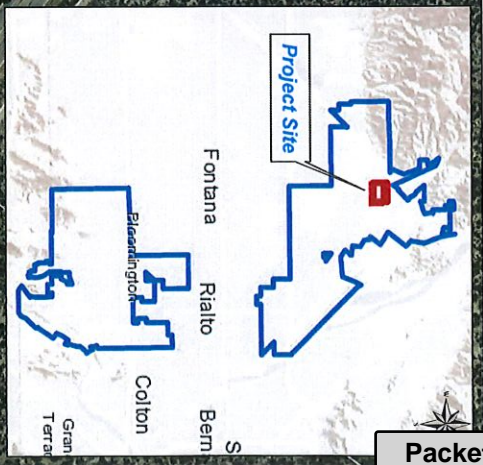
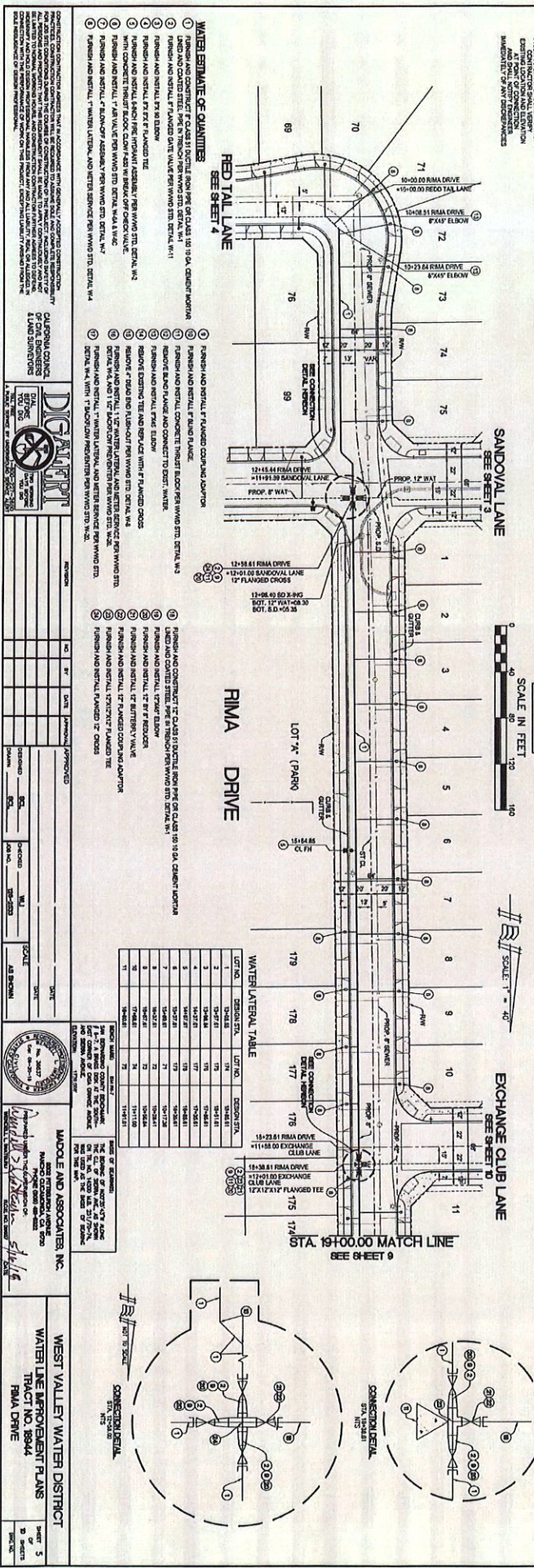
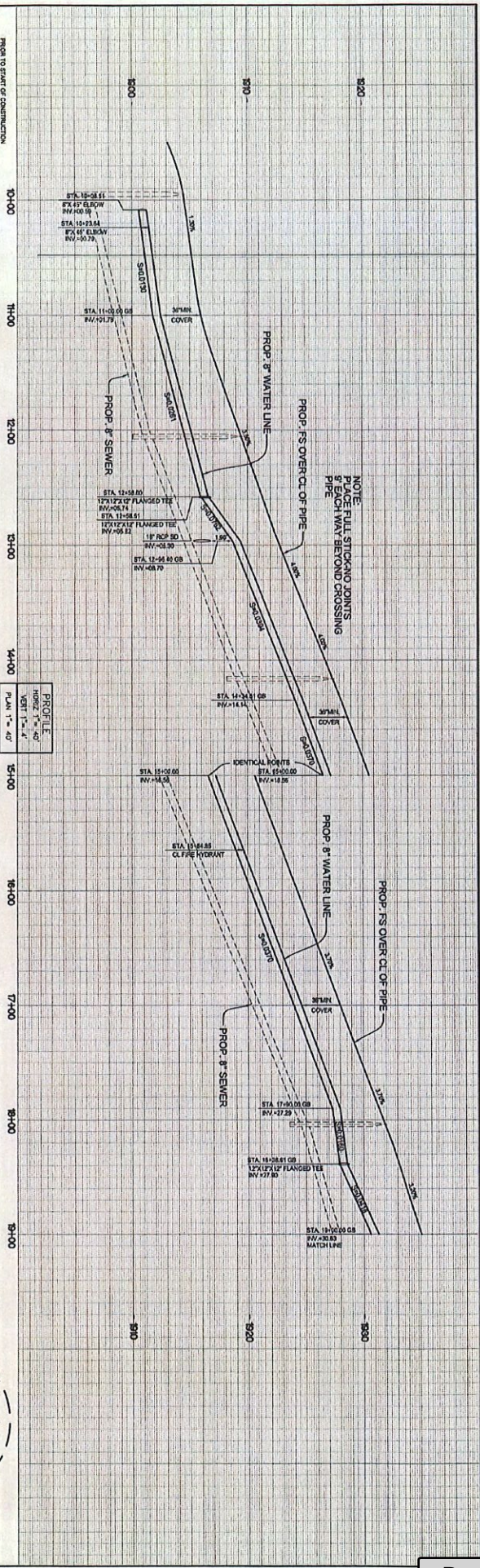


Exhibit A
Sierra Crest II Project Site



Exhibit B



- WATER ESTIMATE OF QUANTITIES**
- 1) 12\"/>

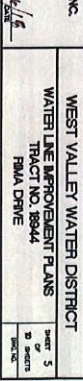
- 1) 12\"/>

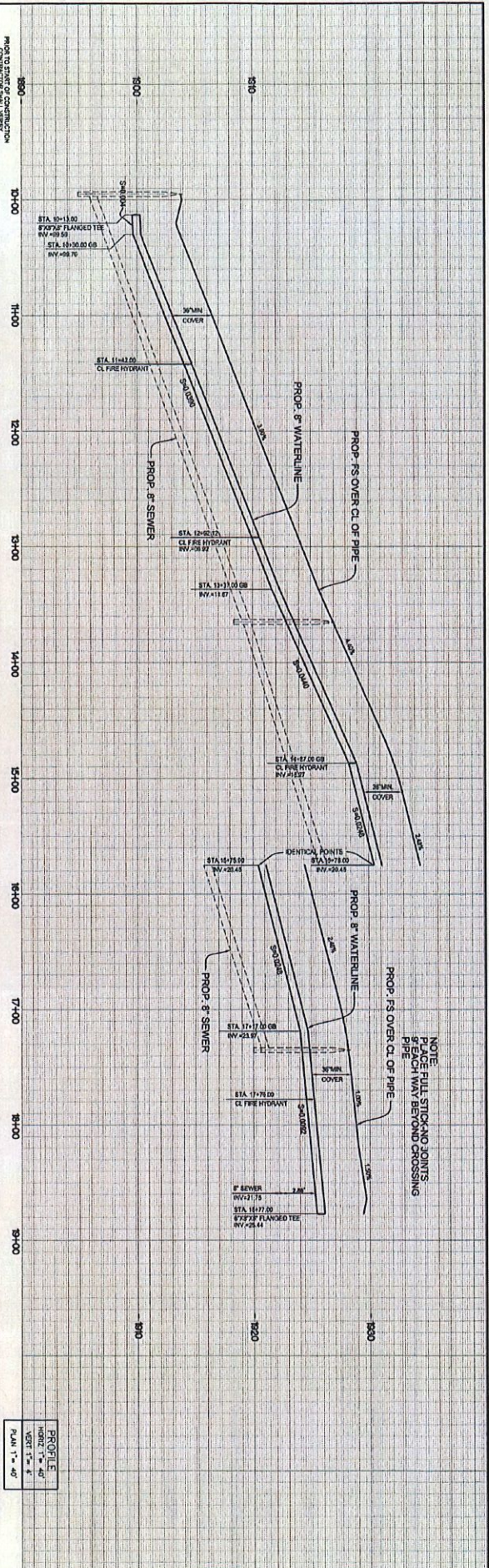
- 1) 12\"/>

- 1) 12\"/>

WATER LATERAL TABLE

LOT NO.	DESIGN STA.	LOT NO.	DESIGN STA.
1	179.00	11	174.00
2	178.00	10	175.00
3	177.00	9	176.00
4	176.00	8	177.00
5	175.00	7	178.00
6	174.00	6	179.00
7	173.00	5	180.00
8	172.00	4	181.00
9	171.00	3	182.00
10	170.00	2	183.00
11	169.00	1	184.00



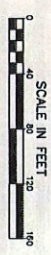


FROM TO START OF CONSTRUCTION
 EXISTING LOCATIONS AND ELEVATIONS
 AND SHALL VERIFY EXISTING
 AND SHALL VERIFY EXISTING
 MATCHING TO ALL DISCREPANCIES

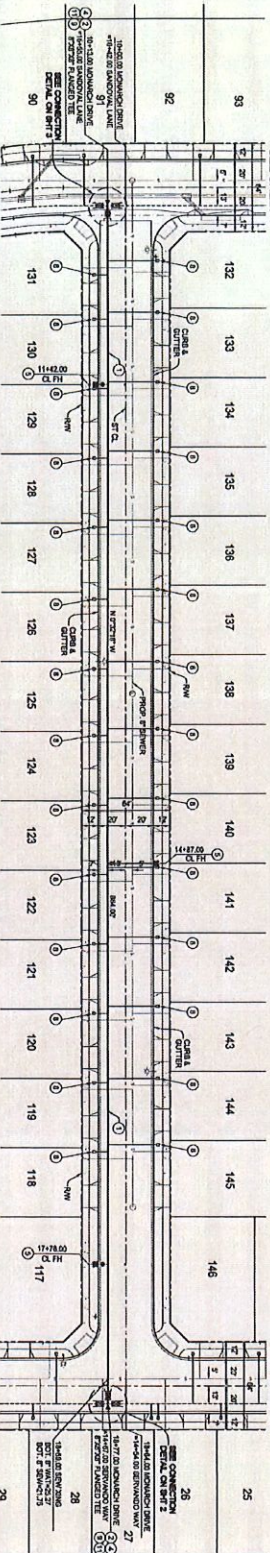
SANDOVAL LANE
 SEE SHEET 3

SERRANO WAY
 SEE SHEET 2

SCALE 1" = 40'



PROFILE
 WEST 1" = 40'



MONARCH DRIVE

WATER LATERAL TABLE

LOT NO.	DESIGN STA.	LOT NO.	DESIGN STA.
118	118+00	121	121+00
119	119+00	122	122+00
120	120+00	123	123+00
121	121+00	124	124+00
122	122+00	125	125+00
123	123+00	126	126+00
124	124+00	127	127+00
125	125+00	128	128+00
126	126+00	129	129+00
127	127+00	130	130+00
128	128+00	131	131+00
129	129+00	132	132+00
130	130+00	133	133+00
131	131+00	134	134+00
132	132+00	135	135+00
133	133+00	136	136+00
134	134+00	137	137+00
135	135+00	138	138+00
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138	138+00	141	141+00
139	139+00	142	142+00
140	140+00	143	143+00
141	141+00	144	144+00
142	142+00	145	145+00
143	143+00	146	146+00
144	144+00	147	147+00
145	145+00	148	148+00
146	146+00		
147	147+00		
148	148+00		

WATER CONSTRUCTION NOTES

1. WATER LATERALS SHALL BE INSTALLED WITH 12" DIA. CONCRETE WATER MAINS.
2. WATER LATERALS SHALL BE INSTALLED WITH 12" DIA. CONCRETE WATER MAINS.
3. WATER LATERALS SHALL BE INSTALLED WITH 12" DIA. CONCRETE WATER MAINS.
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SEWER CONSTRUCTION NOTES

1. SEWER LINES SHALL BE INSTALLED WITH 12" DIA. CONCRETE SEWER MAINS.
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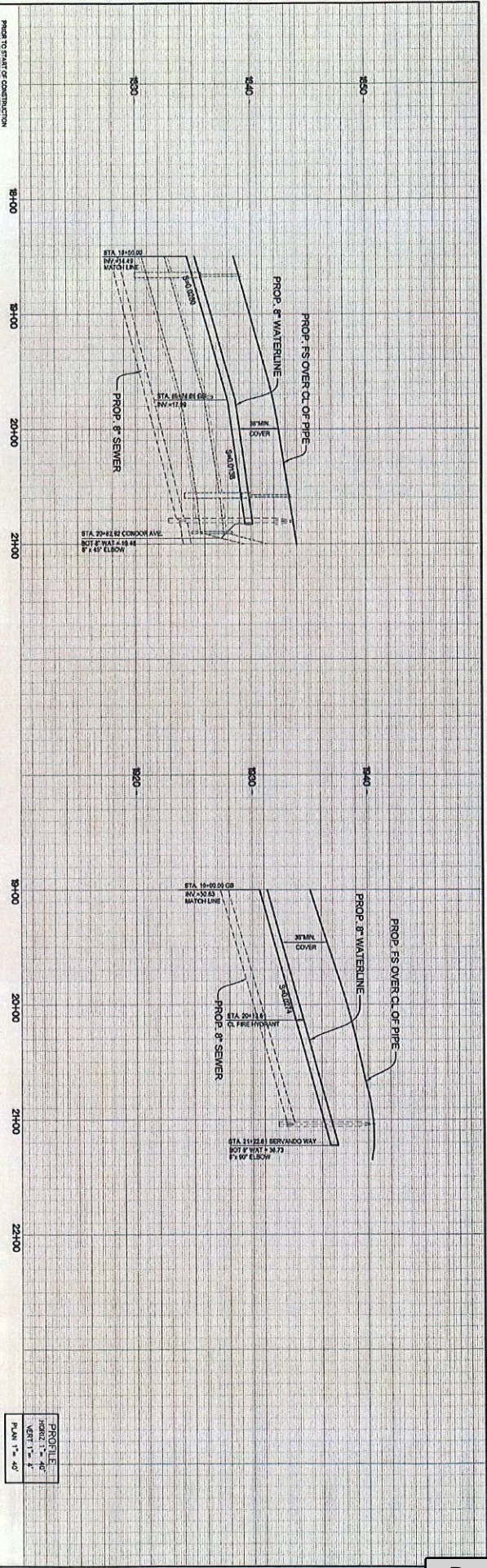
GENERAL NOTES

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY WATER MAINS SPECIFICATIONS.
2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY SEWER MAINS SPECIFICATIONS.
3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY WATER MAINS SPECIFICATIONS.
4. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY SEWER MAINS SPECIFICATIONS.
5. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY WATER MAINS SPECIFICATIONS.
6. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY SEWER MAINS SPECIFICATIONS.
7. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY WATER MAINS SPECIFICATIONS.
8. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY SEWER MAINS SPECIFICATIONS.
9. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY WATER MAINS SPECIFICATIONS.
10. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF WEST VALLEY SEWER MAINS SPECIFICATIONS.

WEST VALLEY WATER DISTRICT
 WATER LINE IMPROVEMENT PLANS
 TRACT NO. 8944
 MONARCH DRIVE

DATE: 10/15/2010
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 SCALE: AS SHOWN

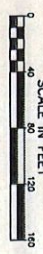
WEST VALLEY WATER DISTRICT
 120-2543 WATER MAIN PLAN 3018944



PROFILES

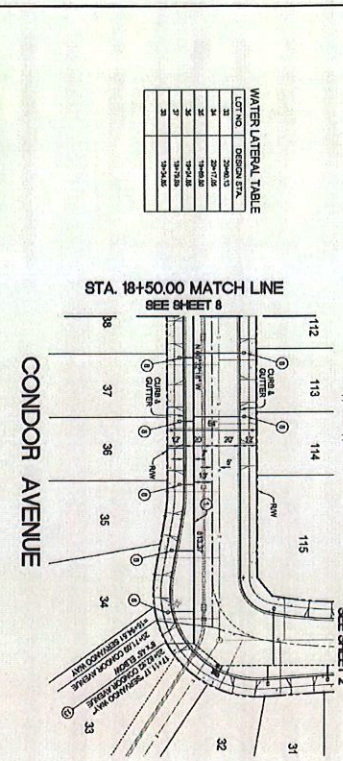
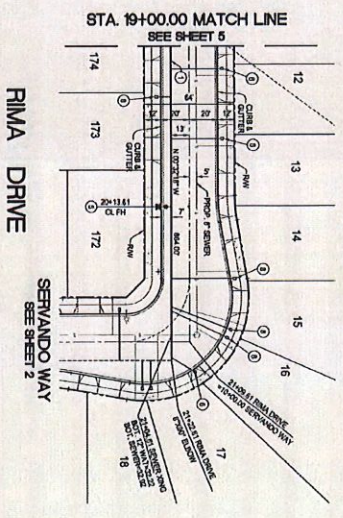
VERT. 1" = 4'

PLAN 1" = 40'



WATER LATERAL TABLE

LOT NO.	DESIGN STA.
12	174-175
13	173-174
14	172-173
15	171-172
16	170-171
17	169-170
18	168-169



WATER LATERAL TABLE

LOT NO.	DESIGN STA.
34	207-216
35	206-207
36	205-206
37	204-205
38	203-204

WATER CONSTRUCTION NOTES

1. FINISH AND CONTRACTOR TO CLASSIFY EXISTING PIPE ON CLASS 50 TO 60 CLASSIFICATION
2. FINISH AND CONTRACTOR TO VERIFY THE EXISTING PIPE IS 8" DIA. CONCRETE
3. FINISH AND CONTRACTOR TO VERIFY THE EXISTING PIPE IS 8" DIA. CONCRETE
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11. FINISH AND CONTRACTOR TO VERIFY THE EXISTING PIPE IS 8" DIA. CONCRETE
12. FINISH AND CONTRACTOR TO VERIFY THE EXISTING PIPE IS 8" DIA. CONCRETE
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38. FINISH AND CONTRACTOR TO VERIFY THE EXISTING PIPE IS 8" DIA. CONCRETE

WEST VALLEY WATER DISTRICT

WATER LINE IMPROVEMENT PLANS

TRACT NO. 1884

CONDOMINIUM SUBDIVISION

FROM STA. 18+00.00 TO STA. 22+00.00

SHEET 9 OF 9 SHEETS

DATE: 10/15/2014

SCALE: AS SHOWN

APPROVED: [Signature]

MAJOLE AND ASSOCIATES, INC.

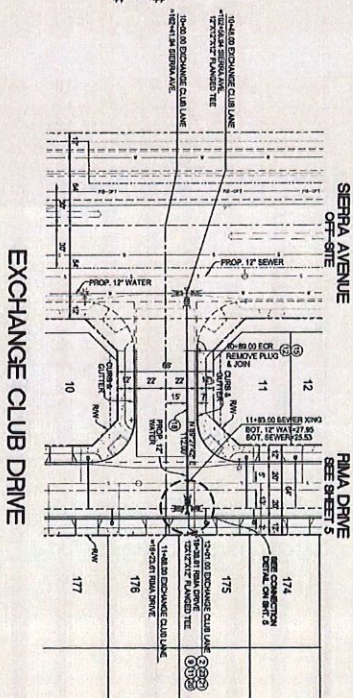
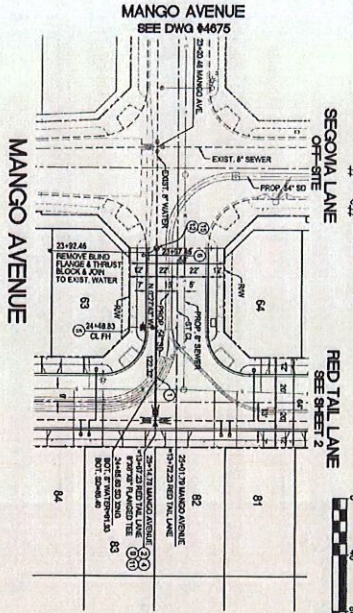
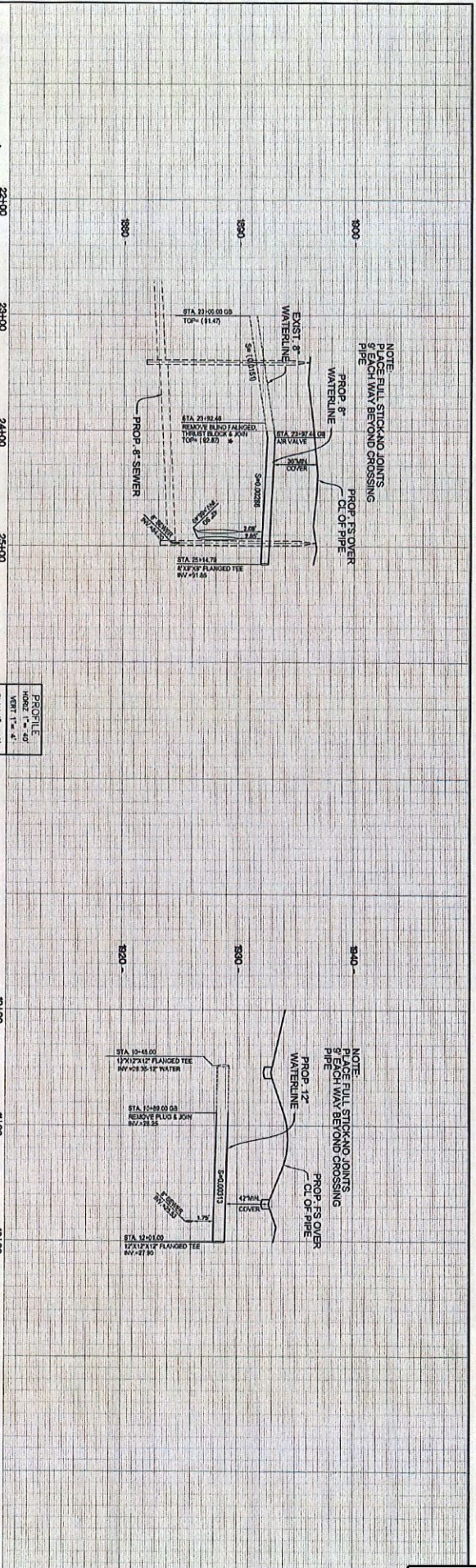
REGISTERED PROFESSIONAL ENGINEER

NO. 18847

STATE OF CALIFORNIA

10/15/2014

10/15/2014



- WATER CONSTRUCTION NOTES**
1. FINISH AND INSTALL 12" CLASS 110000 RIBBON PIPE OR CLASS 150 12" O.D. CASHELY MORTAR
 2. FINISH AND INSTALL 12" FLANGED ORTEG VALVE PER WWD STN. DETAIL W-11
 3. FINISH AND INSTALL 12" BY 12" ELBOW
 4. FINISH AND INSTALL 12" BY 12" TEE
 5. FINISH AND INSTALL 12" BY 12" WYE
 6. FINISH AND INSTALL 12" BY 12" CROSS
 7. FINISH AND INSTALL 12" BY 12" 45° AND 90° TEES
 8. FINISH AND INSTALL 12" BY 12" 45° AND 90° WYES
 9. FINISH AND INSTALL 12" BY 12" 45° AND 90° WYES
 10. FINISH AND INSTALL 12" BY 12" 45° AND 90° WYES
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 20. FINISH AND INSTALL 12" BY 12" 45° AND 90° WYES

CONSTRUCTION CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AGENCIES AND THE STATE OF CALIFORNIA. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AGENCIES AND THE STATE OF CALIFORNIA.

DATE: 08/11/2010

SCALE: AS SHOWN

WEST VALLEY WATER DISTRICT
WATER LINE IMPROVEMENT PLANS
TRACT NO. B944
EXCHANGE CLUB DRIVE STA. 32+00 TO STA. 32+00

Exhibit C



Engineering Communities for Life

- ▲ CONSULTING
- ▲ LAND PLANNING
- ▲ CIVIL ENGINEERING
- ▲ SURVEYING

9302 Pittsburgh Avenue, Suite 230
 Rancho Cucamonga, CA 91730
 phone 909.481.6322
 fax 909.481.6320

October 11, 2018

West Valley Water District
 855 Base Line
 Rialto, CA 92377

Re: Sierra Crest II – Tr. 18944 – In-Tract Construction Quantity Estimates

Attention: Mr. Daniel Guerra – Engineering Development Coordinator

Cost estimates for Infrastructure Improvements at Sierra Crest II (Tr. 18944) are as follows:

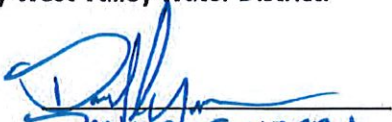
<u>In-Tract Water</u>	Qty.	UOM	Price	Total
12" Class 51 DIP or Class 150, 10 Ga CMLC In trench per WVWD Std. Detail W-1	348	LF	\$85	\$29,580
8" Class 51 DIP or Class 150, 10 Ga CMLC in trench per WVWD Std. Detail W-1	5,945	LF	\$41	\$243,745
12" Flanged Butterfly Valve per WVWD Std. Detail W-11	2	EA	\$2,500	\$5,000
12" Fitting (Bend, Elbow) per WVWD Std. Detail W-3A	7	EA	\$700	\$4,900
12" Fitting (Tee, Cross) per WVWD Std. Detail W-3D	2	EA	\$850	\$1,700
12" Flanged Coupling Adaptor	2	EA	\$1,040	\$2,080
8" Flanged Gate Valve	23	EA	\$1,700	\$39,100
8" Fitting (Bend, Elbow) per WVWD Std. Detail W-3A	11	EA	\$300	\$3,300
8" Fitting (Tee, Cross) per WVWD Std. Detail W-3D	6	EA	\$600	\$3,600
8" Flanged Coupling Adaptor	23	EA	\$700	\$16,100
6" Fire Hydrant	16	EA	\$6,600	\$105,600
1" Water Lateral and Service Meter	179	EA	\$960	\$171,840
1" Air Vac. Valve	1	EA	\$2,500	\$2,500
1 1/2" Water Service w/ 1 1/2" Backflow	1	EA	\$3,300	\$3,300
1" Water Service w/ 1" Backflow	1	EA	\$3,000	\$3,000
Remove 4" Dead End Flush-out and Join Existing	3	EA	\$3,800	\$11,400
Total:				\$646,745

Sincerely,

Mark Bertone, President
 Madole & Associates, Inc.

Approved by West Valley Water District:

Signature:



DANIEL GUERRA

10/16/18

Name:

Date:

Exhibit D

BOARD OF DIRECTORS

Dr. Clifford O. Young, Sr.
President, Board of Directors
 Gregory Young
Vice President, Board of Directors
 Dr. Michael Taylor
Director
 Kyle Crowther
Director
 Donald Olinger
Director



ESTABLISHED AS A PUBLIC AGENCY IN 1952
 WEST VALLEY WATER DISTRICT'S MISSION IS TO PROVIDE A RELIABLE,
 SAFE-DRINKING WATER SUPPLY TO MEET OUR CUSTOMERS' PRESENT
 AND FUTURE NEEDS AT A REASONABLE COST AND TO PROMOTE
 WATER-USE EFFICIENCY AND CONSERVATION.

ADMINISTRATIVE STAFF

Robert Christman
Interim General Manager
 Greg Gage
Assistant General Manager
 Deborah L. Martinez
*Interim Human Resources
 and Risk Manager*
 Crystal L. Escalera
Interim Board Secretary
 Patricia Romero
Assistant Board Secretary

2018 HOLIDAY LIST

MONDAY, JANUARY 1	NEW YEAR'S DAY
TUESDAY, JANUARY 2	NEW YEAR'S EVE (OBSERVED)
MONDAY, JANUARY 15	MARTIN LUTHER KING, JR.
MONDAY, FEBRUARY 19	PRESIDENT'S DAY
MONDAY, MAY 28	MEMORIAL DAY
WEDNESDAY, JULY 4	INDEPENDENCE DAY
MONDAY, SEPTEMBER 3	LABOR DAY
MONDAY, NOVEMBER 12	VETERANS DAY (OBSERVED)
THURSDAY, NOVEMBER 22	THANKSGIVING DAY
FRIDAY, NOVEMBER 23	DAY AFTER THANKSGIVING
MONDAY, DECEMBER 24	CHRISTMAS EVE
TUESDAY, DECEMBER 25	CHRISTMAS DAY
MONDAY, DECEMBER 31	NEW YEAR'S EVE

2019 HOLIDAY LIST

TUESDAY, JANUARY 1	NEW YEAR'S DAY
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Exhibit E

WEST VALLEY WATER DISTRICT

PROCEDURAL DOCUMENTS

NOTICE TO PROCEED

TO: K. HOVNIANIAN COMMUNITIES, INC
400 Exchange, Suite 200
Irvine, CA 92602

Project Description: SIERRA CREST II

You are hereby notified to commence work in accordance with the Agreement dated _____, 2018, on or before _____, 20 18, and you are to complete the Work within one year from the estimated construction start date.

You are required to return an acknowledged copy of this Notice to Proceed to the Owner.

Dated this ___ day of _____, 2018.

WEST VALLEY WATER DISTRICT

By _____
Clarence C. Mansell, Jr.

Title Interim General Manager

ACCEPTANCE OF NOTICE

Receipt of the above Notice to Proceed is hereby acknowledged by _____
_____.

THIS THE ___ DAY OF _____, 2018.

Developer

By _____

Title _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Orange)

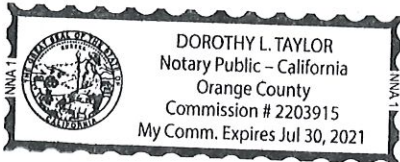
On November 18, 2018 before me, Dorothy L. Taylor, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Douglas Woodward
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Dorothy L. Taylor
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Notice to Proceed Document Date: 11-18-18

Number of Pages: 1 Signer(s) Other Than Named Above: Clarence C. Mansell, Jr. West Valley Water District

Capacity(ies) Claimed by Signer(s)

- Signer's Name: Douglas Woodward
- Corporate Officer — Title(s): Div. President
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

- Signer's Name: _____
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: K. Hovnanian Communities, Inc.

Signer Is Representing: _____

BOND NO. 0219918**FAITHFUL PERFORMANCE BOND**

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with Water Improvement Plans for **Water Line Improvement Plans Tract No. 18944**, dated May 18th, 2018. This premium charged on this bond is \$ 10,348.00 being at the rate of \$ 16.00 per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

K. Hovnanian Communities, Inc
400 Exchange, Suite 200
Irvine, CA 92602

as the "Principal", an agreement for the work described as follows:

Tract No. 18944 – Sierra Crest II - Water System Installation in Accordance with Approved Water Improvement Plans for Water Line Improvement Plans Tract No. 18944, dated May 18th, 2018.

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and

Berkley Insurance Company (Name of Surety)

475 Steamboat Rd., Greenwich, CT 06830 (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum **SIX HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-FIVE** no/100 dollars (**\$646,745.00**), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.


IN WITNESS WHEREOF, we have hereunto set our hands this 19th day of November, 2018.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

K. Hovnanian Communities, Inc

a California Corporation

By: 
Douglas Woodward, Division President

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

Berkley Insurance Company

By: 
Christine Marotta, Attorney-in-Fact

(NOTARIZATION AND SEAL)



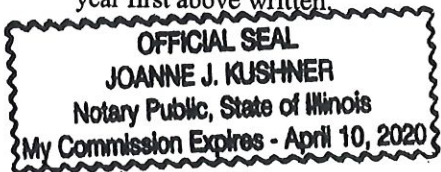
ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

On NOV 14 2018, before me, a Notary Public in and for the above county, personally appeared Christine Marotta to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Berkley Insurance Company, a corporation organized and existing under the laws of the State of Delaware that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



[Signature]
Notary Public

(SEAL)

COOK County, ILLINOIS

POWER OF ATTORNEY
BERKLEY INSURANCE COMPANY
WILMINGTON, DELAWARE

NOTICE: The warning found elsewhere in this Power of Attorney affects the validity thereof. Please review carefully.

KNOW ALL MEN BY THESE PRESENTS, that BERKLEY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Greenwich, CT, has made, constituted and appointed, and does by these presents make, constitute and appoint: Christine Marotta; Debra Kohlman; Thomas P. Pluss; or Richard Enzo Valente of Lockton Companies, LLC of Chicago, IL its true and lawful Attorney-in-Fact, to sign its name as surety only as delineated below and to execute, seal, acknowledge and deliver any and all bonds and undertakings, with the exception of Financial Guaranty Insurance, providing that no single obligation shall exceed Fifty Million and 00/100 U.S. Dollars (U.S.\$50,000,000.00), to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. This Power of Attorney is granted pursuant to the following resolutions which were duly and validly adopted at a meeting of the Board of Directors of the Company held on January 25, 2010:

RESOLVED, that, with respect to the Surety business written by Berkley Surety Group, the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company, in conjunction with the Secretary or any Assistant Secretary are hereby authorized to execute powers of attorney authorizing and qualifying the attorney-in-fact named therein to execute bonds, undertakings, recognizances, or other suretyship obligations on behalf of the Company, and to affix the corporate seal of the Company to powers of attorney executed pursuant hereto; and said officers may remove any such attorney-in-fact and revoke any power of attorney previously granted; and further

RESOLVED, that such power of attorney limits the acts of those named therein to the bonds, undertakings, recognizances, or other suretyship obligations specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated; and further

RESOLVED, that such power of attorney revokes all previous powers issued on behalf of the attorney-in-fact named; and further

RESOLVED, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligation of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed. The Company may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Company, notwithstanding the fact that they may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, the Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 10th day of April, 2017.

Attest:

Berkley Insurance Company

(Seal)

By

By

Ira S. Lederman
Executive Vice President & Secretary

Jeffrey M. Hafler
Senior Vice President

WARNING: THIS POWER INVALID IF NOT PRINTED ON BLUE "BERKLEY" SECURITY PAPER.

STATE OF CONNECTICUT)

) ss:

COUNTY OF FAIRFIELD)

Sworn to before me, a Notary Public in the State of Connecticut, this 10th day of April, 2017, by Ira S. Lederman and Jeffrey M. Hafler who are sworn to me to be the Executive Vice President and Secretary, and the Senior Vice President, respectively, of Berkley Insurance Company.

MARIA C. RUNDBAKEN
NOTARY PUBLIC
MY COMMISSION EXPIRES
APRIL 30, 2019

Notary Public, State of Connecticut

CERTIFICATE

I, the undersigned, Assistant Secretary of BERKLEY INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the original Power of Attorney; that said Power of Attorney has not been revoked or rescinded and that the authority of the Attorney-in-Fact set forth therein, who executed the bond or undertaking to which this Power of Attorney is attached, is in full force and effect as of this date.

Given under my hand and seal of the Company, this NOV 14 2018 day of

(Seal)

Vincent P. Forte

WARNING - Any unauthorized reproduction or alteration of this document is prohibited. This power of attorney is void unless seals are readable and the certification seal at the bottom is embossed. The background imprint, warning and verification instructions (on reverse) must be in blue ink.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

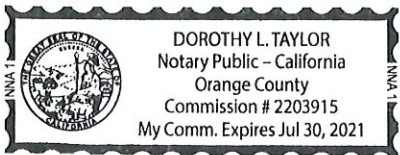
On November 19, 2018 before me, Dorothy L. Taylor, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Douglas Woodward
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Dorothy L. Taylor
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Faithful Bond-Performance #0219918 \$646,745.00
Number of Pages: 1 Signer(s) Other Than Named Above: Christine Marotta

Capacity(ies) Claimed by Signer(s)

Signer's Name: Douglas Woodward
[checked] Corporate Officer - Title(s): Div. President
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:

Signer's Name: Berkley Insurance Company
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:

Signer Is Representing: K. Hovnanian Communities, Inc.

BOND NO. 0219919

WARRANTY BOND

Warranty Guarantee Bond to the WEST VALLEY WATER DISTRICT for Water System Installation in accordance with the Approved Water Improvement Plans for **Water Line Improvement Plans Tract No. 18944**, dated May 18th, 2018. KNOW ALL MEN BY THESE PRESENTS; THAT WHEREAS, THE WEST VALLEY WATER DISTRICT, (sometimes referred to hereinafter as "Obligee"), has an agreement with the "Developer" to install a water system within Developer's development in Tract 18944, San Bernardino County, California.

WHEREAS, the water system is more particularly set forth in that certain design plan and specifications dated May 18th, 2018, and identified as **Water Line Improvement Plans Tract No. 18944**, dated May 18th, 2018, which is incorporated herein by this reference.

WHEREAS, the Developer is required by said WEST VALLEY WATER DISTRICT to warrant the completed water system against defective labor or workmanship and materials for a period of two (2) years, and to provide a bond for guarantee of cost of repairs due to defective labor, workmanship, or materials.

NOW THEREFORE, we **K. Hovnanian Communities, Inc** the undersigned Developer as Principal and ^{Berkley Insurance Company} _____, a corporation organized and existing under the laws of the State of Delaware, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum of **SIX HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-FIVE** no/100 dollars (**\$646,745.00**), said sum being not less than 100 percent of the total cost for installation (including labor and materials) of the water system, we find ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements to make all repairs to said water system necessitated by defective labor, workmanship or materials, and shall faithfully fulfill this two (2) year Guarantee of all materials, labor and workmanship and indemnify and save harmless the WEST VALLEY WATER DISTRICT'S, its officers and agents, as stipulated herein, then this obligation shall become null and void two (2) year from the date of WEST VALLEY WATER DISTRICT formal acceptance of the water system (Conveyance and Acceptance of Water System Agreement – Section 16)

In case suit is brought upon this bond or letter of credit, the said Surety shall pay to the WEST VALLEY WATER DISTRICT a reasonable attorney's fee to be fixed by the Court in addition to the principal amount of this bond. The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the agreement between WEST VALLEY WATER DISTRICT and Developer, or the work to be performed by the Developer or to the specifications of water system, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this 19th day of November, 2018.

ALL SIGNATURES MUST BE NOTARIZED

K. Hovnanian Communities, Inc (Principal)

Berkley Insurance Company (Surety)

Christine Marotta (Attorney-In-Fact)

This rate of premium on this bond is \$16.00 per thousand. The total amount of premium charged: \$10,348.00 (The above must be filled in by corporate surety).

Note: Copy of the power of attorney to local representatives of the bonding company may be attached hereto.

PRINCIPAL

K. Hovnanian Communities, Inc

a California Corporation

By: 

Douglas Woodward, Division President

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

Berkley Insurance Company

By: *Christine Marotta*
Christine Marotta, Attorney-in-Fact

(NOTARIZATION AND SEAL)



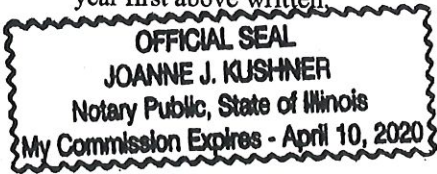
ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

On NOV 14 2018, before me, a Notary Public in and for the above county, personally appeared Christine Marotta to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Berkley Insurance Company, a corporation organized and existing under the laws of the State of Delaware that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



[Signature]
Notary Public

(SEAL)

COOK County, ILLINOIS

POWER OF ATTORNEY
BERKLEY INSURANCE COMPANY
WILMINGTON, DELAWARE

NOTICE: The warning found elsewhere in this Power of Attorney affects the validity thereof. Please review carefully.

KNOW ALL MEN BY THESE PRESENTS, that BERKLEY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Greenwich, CT, has made, constituted and appointed, and does by these presents make, constitute and appoint: Christine Marotta; Debra Kohlman; Thomas P. Pluss; or Richard Enzo Valente of Lockton Companies, LLC of Chicago, IL its true and lawful Attorney-in-Fact, to sign its name as surety only as delineated below and to execute, seal, acknowledge and deliver any and all bonds and undertakings, with the exception of Financial Guaranty Insurance, providing that no single obligation shall exceed Fifty Million and 00/100 U.S. Dollars (U.S.\$50,000,000.00), to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. This Power of Attorney is granted pursuant to the following resolutions which were duly and validly adopted at a meeting of the Board of Directors of the Company held on January 25, 2010:

RESOLVED, that, with respect to the Surety business written by Berkley Surety Group, the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company, in conjunction with the Secretary or any Assistant Secretary are hereby authorized to execute powers of attorney authorizing and qualifying the attorney-in-fact named therein to execute bonds, undertakings, recognizances, or other suretyship obligations on behalf of the Company, and to affix the corporate seal of the Company to powers of attorney executed pursuant hereto; and said officers may remove any such attorney-in-fact and revoke any power of attorney previously granted; and further

RESOLVED, that such power of attorney limits the acts of those named therein to the bonds, undertakings, recognizances, or other suretyship obligations specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated; and further

RESOLVED, that such power of attorney revokes all previous powers issued on behalf of the attorney-in-fact named; and further

RESOLVED, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligation of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed. The Company may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Company, notwithstanding the fact that they may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, the Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 14th day of April, 2017.

Attest:

Berkley Insurance Company

(Seal)

By

By

Ira S. Lederman
Executive Vice President & Secretary

Jeffrey M. Hafter
Senior Vice President

WARNING: THIS POWER INVALID IF NOT PRINTED ON BLUE "BERKLEY" SECURITY PAPER.

STATE OF CONNECTICUT)

) ss:

COUNTY OF FAIRFIELD)

Sworn to before me, a Notary Public in the State of Connecticut, this 14th day of April 2017, by Ira S. Lederman and Jeffrey M. Hafter who are sworn to me to be the Executive Vice President and Secretary, and the Senior Vice President, respectively, of Berkley Insurance Company.

MARIA C. RUNDBAKEN
NOTARY PUBLIC
MY COMMISSION EXPIRES
APRIL 30, 2019

Notary Public, State of Connecticut

CERTIFICATE

I, the undersigned, Assistant Secretary of BERKLEY INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the original Power of Attorney; that said Power of Attorney has not been revoked or rescinded and that the authority of the Attorney-in-Fact set forth therein, who executed the bond or undertaking to which this Power of Attorney is attached, is in full force and effect as of this date.

Given under my hand and seal of the Company, this NOV 14 2018 day of

(Seal)

Vincent P. Forte

WARNING - Any unauthorized reproduction or alteration of this document is prohibited. This power of attorney is void unless seals are readable and the certification seal at the bottom is embossed. The background imprint, warning and verification instructions (on reverse) must be in blue ink.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public, or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

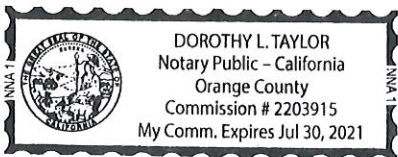
On November 19, 2018 before me, Dorothy L. Taylor, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Douglas Woodward
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/het/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Dorothy L. Taylor
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Bond-Warranty #0219919 \$646,745.00 Document Date: 11-14-18
Number of Pages: 1 Signer(s) Other Than Named Above: Christine Marotta

Capacity(ies) Claimed by Signer(s)

- Signer's Name: Douglas Woodward
[checked] Corporate Officer - Title(s): Div. President
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:

Signer Is Representing: K. Hovhanian Communities, Inc.

- Signer's Name:
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:

Signer Is Representing: Berkley Insurance Company



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: CONSIDER AWARD OF CONTRACT FOR CUSTOMER SERVICE FOYER RENOVATION PROJECT TO CALTEC CORP.

BACKGROUND:

The West Valley Water District (“District”) has identified a need to improve the Customer Service Foyer, and the Administration Foyer. The project goal is to make these areas inviting and comfortable for our customers and the general public with structural and aesthetic enhancements.

This item was presented to the Engineering and Planning Committee on March 15, May 23, and July 12, 2017. At the May 23rd meeting Ruhnau Clarke Architects (“Architect”) was directed by the Engineering and Planning Committee Directors to prepare an update to the Conceptual Design options for both Foyers. These options were presented to the committee on July 12th were Option 2B was selected as the preferred Customer Service Foyer layout and Options 3A and 5A for the Administration Foyer. The Engineering and Planning Committee directed District Staff to have this item considered by the full Board of Directors. This item was presented to the full Board of Directors at the Board Meeting on August 3, 2017. At the August 3rd meeting the Board of Directors selected Options 2B and 3A and authorized the General Manager to negotiate a scope of work and fee with the Architect for a final design services task order based on Board selected options. On May 29, 2018 the City of Rialto (“City”) approved the drawings for the Foyers Project prepared by the Architect.

District Staff was directed to remove the Administration Foyer from the scope of work and bidding documents. On June 25, 2018 the District Staff and Architect held a meeting to discuss separating the phasing schedule and scope of work Not-In-Contract (“NIC”). The Architect was directed to prepare an updated set of plans and specifications identifying which areas are NIC.

On July 2, 2018 a Request for Bids (“RFB”) was posted on PlanetBids for the Foyer Renovation Project. On July 30, 2018 one (1) bid was received. This item was presented to the Engineering and Planning Committee on August 8, 2018. At the August 8th, 2018 meeting District Staff was directed to re-bid the Customer Service Foyer Renovation Project (“Foyer Project”) and publically advertise in a newspaper.

DISCUSSION:

On September 25, 2018 a Request for Bids (“RFB”) was posted on PlanetBids for the Foyer Project to general building contractors and eight (8) construction firms. On September 28, 2018 the Bid Notice Inviting Bids for the Foyer Project was published in the San Bernardino County Sun newspaper. On October 30, 2018 four (4) bids were received. A summary of the bidders are as follows:

Bidder	Cost
CalTec Corp	\$567,000.00
Robert Clapper Construction Services, Inc.	\$686,000.00
Harik Construction, Inc.	\$737,000.00
Marjani Builders, Inc.	\$815,000.00
Hamel Contracting, Inc.	No Bid
Inland Building Construction Companies, Inc.	No Bid
Erickson-Hall Construction Co.	No Bid
Pence Construction, Inc.	No Bid
RC Construction Services, Inc.	No Bid
Regency Pacific	No Bid

Staff has reviewed the bid information and confirmed that CalTec Corp. is the lowest responsible and responsive bidder. If awarded by the Board of Directors, work is anticipated to start within 30 days.

FISCAL IMPACT:

The cost of the Construction of the Foyer Project as proposed by CalTec Corp. is \$567,000.00. This item was included in the Fiscal Year 2018/2019 Capital Improvement Budget under the Customer Service Foyer Renovation with a current budget of \$397,936.73. The District’s budget has funds available to transfer. A summary of the requested budget transfer is as follows:

CIP FY 2018/2019 Project Name	Current Budget	Construction Cost	Transfer From/To	Remaining Budget
W17003 IVDA Well 2A Rehabilitation and Equipping - Design	\$122,211.00	\$0.00	(\$122,211.00)	\$0.00
W19005 Zone 7 PRV – New PRV on Lytle Creek Ranch Development	\$120,000.00	\$0.00	(\$46,852.27)	\$73,147.73
Customer Service Foyer Renovation	\$397,936.73	\$567,000.00	\$169,063.27	\$0.00

STAFF RECOMMENDATION:

Staff is requesting direction from the Engineering and Planning Committee.

Respectfully Submitted,

Clarence C. Mansell Jr.

Clarence Mansell Jr., Interim General Manager

RMG:ce

MEETING HISTORY:

11/14/18	Engineering and Planning Committee	REFERRED TO BOARD
12/06/18	Board of Directors	REFERRED TO COMMITTEE
01/09/19	Engineering and Planning Committee	REFERRED TO BOARD



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: ELECTRONIC COMMUNICATIONS POLICY ACKNOWLEDGEMENT FORM

BACKGROUND:

West Valley Water District's Information Technology Acceptable Use Policy, Article 16 of the Human Resources Policies and Practices Manual establishes acceptable and unacceptable use of the electronic devices and network resources of the District. The West Valley Water District has upgraded all cell phones to approximately 56 staff members through the Cell Phone Standardization Project of the Safety and Technology Committee. These cell phones will be distributed to staff along with an Electronic Communications Policy Acknowledgement Form.

DISCUSSION:

Employees of West Valley Water District are provided access to Electronic Communications resources to facilitate the performance of District business. They may use these resources for incidental personal purposes provided that such use does not burden the District with incremental costs and does not interfere with the District's operations, job performance or other obligations to the District. The cell phones are the property of the District are not confidential. Employees are reminded that there is no expectation of privacy and the District may retrieve and make proper and lawful use of all electronic communications and data contained in and transmitted through the District's network and through outside providers of wireless or electronic communication services.

An acknowledgement form (**Exhibit A**) will be distributed to all employees receiving the upgraded cell phones to comply with the terms and conditions set forth by the District's Information Technology Acceptable Use Policy, Article 16 and the Political Activities Policy, Article 20 of the Human Resources Policies and Practices Manual.

FISCAL IMPACT:

There is no fiscal impact for this item.

STAFF RECOMMENDATION:

Receive and File.

There are no amendments required to the Human Resources Policies and Practices Manual, Article 16, Information Technology Acceptable Use Policy and Article 20, Political Activities Policy which addresses the rules and guidelines for the use of electronic communication resources.

Respectfully Submitted,



Clarence Mansell Jr., Interim General Manager

DM:CE

ATTACHMENT(S):

1. Acknowledgement Form

EXHIBIT A



Authorization for Release of Information by Electronic Communications Service Provider, Waiver of Liability, and Electronic Communications Policy Acknowledgement Form

I, _____, understand and acknowledge that the following rules and guidelines shall be adhered to and shall be executed below. West Valley Water District ("District") provides me with access to Electronic Communications Resources to facilitate the performance of District business. I may use these resources for incidental personal purposes provided that such use does not burden the District with incremental costs and does not interfere with the District's operations, my employment or other obligations to the District. The District's Electronic Communications Resources are the property of the District and are not confidential.

I understand I am responsible for the good care and maintenance of any District Electronic Communications Resources including, but not limited to, cellular telephones, pagers, personal digital assistants, smartphones, Blackberry devices, computers/laptops, issued to me.

I have no expectation of privacy when using the District's Electronic Communications Resources and acknowledge that the District has the right to retrieve and make proper and lawful use of all electronic communications and data contained in and transmitted through the District's network and through outside providers of wireless or electronic communication services.

Accordingly, I hereby authorize any Electronic Communications Service to release to the District any information that the District may request relating to electronic communications and/or any other form of instant or delayed messaging sent and/or received by me on any Electronic Communications Resource maintained by the District that delivers or receives electronic communications including, but not limited to, cellular telephones, pagers, personal digital assistants, smartphones, Blackberry devices, computers/laptops, telecommunications devices, video and audio equipment, voicemail, wireless networks and data systems. "Electronic Communication Service" means any service which provides users thereof the ability to send or receive electronic communications.

I agree to the terms and conditions set forth by the District's Information Technology Acceptable Use Policy, Article 16 and Political Activities Policy, Article 20, of the Human Resources Policies & Practices Manual and I hereby release, discharge and hold harmless the West Valley Water District and the person, firm, company, corporation or other third party to whom this Authorization is directed, including their agents, representatives and employees, from any and all liability of every nature and kind arising out of their providing the information, records and other matters authorized above pursuant to this Authorization.

A photocopy of this Authorization and Release shall be accepted with the same validity as the original.

Signature of Employee

Date

Print Full Name of Employee



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: WEST VALLEY CAFR 2017-2018

BACKGROUND:

West Valley Water District (the "District") engaged the audit firm of Rogers, Anderson Malody & Scott to complete an annual audit of the District's financial position for the fiscal year ended June 30, 2018 and 2017.

DISCUSSION:

The Comprehensive Annual Financial Report was prepared in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Please consider for approval the annual CAFR report for the years ended June 30, 2018 and 2017. The annual CAFR report and SAS 114 Letter: Auditors Communication With Those Charged With Governance are attached.

Respectfully Submitted,

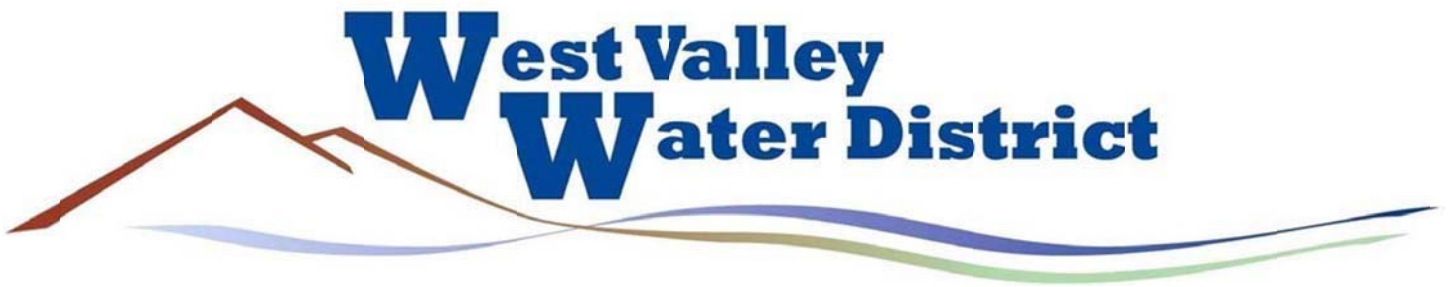
A handwritten signature in blue ink that reads "Clarence C. Mansell Jr." is positioned above a horizontal line.

Clarence Mansell Jr., Interim General Manager

CM;nd

ATTACHMENT(S):

1. West Valley Water District 2018 CAFR
2. West Valley Water District SAS 114



Comprehensive Annual Financial Report For the Years Ended June 30, 2018 and 2017





**Comprehensive Annual Financial Report
For the Years Ended June 30, 2018 and 2017**

West Valley Water District
855 W. Baseline Road
Rialto, California 92376

Prepared by:
West Valley Water District Accounting Department

West Valley Water District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018 (with comparable data for prior year)
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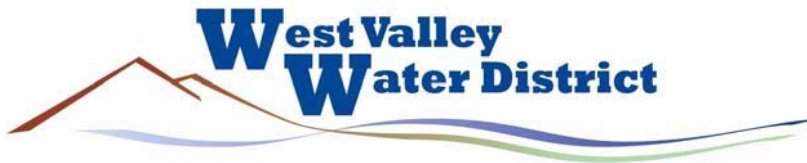
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INTRODUCTORY SECTION

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December 20, 2018

Board of Directors
West Valley Water District

Introduction

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the West Valley Water District (“District”) for the fiscal year ended June 30, 2018, prepared in accordance with generally accepted accounting principles following guidelines set forth by the Governmental Accounting Standards Board (GASB). District staff prepared this financial report and the District is ultimately responsible for both the accuracy of the data as well as the completeness and fairness of the presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District’s financial position and activities.

Rogers Anderson Malody & Scott LLP has issued an unmodified (“clean”) opinion of the District’s financial statements for the year ended June 30, 2018. The independent auditor’s report is located at the front of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately after the Independent Auditor’s Report.

District Structure and Leadership

The District is an independent special district, which operates under the authority of Division 12 of the California Water Code. Formed in 1952, the District is governed by a five member Board of Directors (“Board”), elected at-large from within the District’s service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board. The District employs approximately 79 regular employees in various functions including operations, maintenance, engineering, finance, customer service, meter reading, human resources, conservation, external affairs, business systems, information technology, and administration. The Board meets on the first and third Thursdays of each month. Meetings are publicly noticed and citizens are encouraged to attend.

The District provides water service to approximately 21,676 connections within its thirty-one (31) square mile service area, located in southwestern San Bernardino County with a small area of northwestern Riverside County. The service area encompasses one half of the City of Rialto, portions of Bloomington, Colton, Fontana, Jurupa Valley, and some of the unincorporated areas of San Bernardino and Riverside counties.

District Services

Residential customers represent approximately 93% of the District's customer base and consume approximately 66% of the water produced annually by the District. The District currently has a total of 17 groundwater wells with a maximum production capacity of approximately 24,000 Acre-Feet per year. The District also operates a surface water treatment plant with a capacity of 14.4 million gallons per day (mgd) and a biological treatment plant for perchlorate destruction with a capacity of 2.9 (mgd).

Economic Condition and Outlook

The District's Office is located in the City of Rialto in San Bernardino County. San Bernardino and Riverside counties (also known as the Inland Empire) have begun to witness increased economic activity from new development as the region continues to recover from the recent recession. The District's source of water production comes from various sources which include: 1) local water from several groundwater basins, 2) surface water from Lytle Creek in the San Bernardino Mountains, and 3) the California State Water Project – Silverwood Lake.

The District has also teamed up with the City of Rialto and is operating a state-approved biological treatment process "bioremediation" that employs naturally occurring micro-organisms to remove perchlorate and other contaminants in the basins drinking water supplies as well as reduce the need for waste handling and disposal in a cost effective manner. The District considers this to be the first major step in a regional undertaking that will ultimately restore the region's groundwater resources.

Status of Drought Conditions

On April 7, 2017, Governor Edmund G. Brown J. issued Executive Order B-40-17 lifting the drought emergency in most of California, while maintaining water reporting requirements and prohibitions on wasteful processes, encouraging, and continuing making water conservation a way of life.

The District continues to support its customers by providing rebates that incentivize a change in habit and promote awareness on water conservation and efficiency. The District continues to depend heavily on groundwater supplies that are replenished by local precipitation and conservation will continue to be key to our growing region of Inland Southern California.

Major Initiatives

The activities of the Board and staff are driven by our mission statement, "to provide our customers with safe, high quality, and reliable drinking water service at a reasonable rate and in a sustainable manner." To that end, the District's major priorities include the following:

1. Continue to deliver safe, reliable, high quality water at an affordable price.
2. Nurture a culture that values our employees, customer service, innovation, integrity, excellence, transparency, and conservation.
3. Implement technologies that increase efficiency and enhance safety.
4. Plan and be prepared for anticipated significant housing growth in the District.
5. Further refine procedures to ensure the District safeguards ratepayer funds, operates efficiently, enhances transparency, and protects employees and District assets.

All programs and operations of the District are developed and performed at the highest level to ensure that quality water is delivered to all of its customers.

Accomplishments

The District has achieved the following initiatives in fiscal year 2018:

1. For the seventh consecutive year, the District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 2017 Comprehensive Annual Financial Report. This award is one of the best practices for local governments seeking to provide greater transparency and ease of understanding in financial reporting.
2. Finished construction on the District's first Hydroelectric Plant, which uses turbines to harness energy from water from the State Water Project, where it then is transferred to Southern California Edison's grid to offset energy costs.
3. Expanded our "bioremediation" perchlorate treatment plant facilities using fixed-bed reactor technology that treats perchlorate-contaminated water.
4. Installed four new granular activated carbon (GAC) vessels to increase treatment capacity in the volatile organic chemical treatment process at the Oliver P. Roemer Water Filtration Facility and meet current and future EPA/State regulations. This expansion, plus a future membrane treatment facility, will bring the capacity of the Roemer Facility from the current 14.4 million gallons per day (MGD) to 20.4 MGD in the future.
5. Completed a Geographic Information System (GIS) program to provide infrastructure and parcel data in the District's area. Informational uses of the GIS program can provide a platform for a work order tracking system; provide detailed information on infrastructure age, size, condition, and location; and groundwater level monitoring, as well as a field staff application for rapid data retrieval.
6. Received full District participation in grant funding programs, WECAN, and WaterSMART for California drought-friendly turf replacement.
7. Employed Chandler asset management to manage a portion of District funds that will increase income through investment in a conservative risk adverse portfolio.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles and is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Board annually adopts an operating and capital budget prior to the new fiscal year beginning July 1st of each year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board has adopted an investment policy that conforms to state law, District ordinances, and resolutions, prudent money management principles, and "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield. District funds are normally invested in the State Treasurer's Local Agency Investment Fund, CalTRUST institutional savings, Federal government Treasury notes, agency obligations and other investments.

Long-term Financial Planning

The District's financial plan includes the establishment of reserve funds in accordance with the District's Reserve Policy. Reserve funds are set to ensure the continued orderly operation of the District's water system, the provision of services to customers at established levels, and the continued stability of the District's rate structure. The District has committed to the following objectives in the Reserve Policy as of June 30, 2018.

1. The District will strive to adopt a balanced budget.
2. Capital Reserves are established to provide funds for capital facility and equipment replacement.
3. Liquidity Reserves are established to safeguard the financial flexibility and stability of the District and to maintain stable customer charges and rates.
4. Restricted Reserves are maintained to comply with restrictions imposed by outside sources such as creditors, grantors, contributors, laws, or regulations.

Debt Administration

The District has received and maintained a credit rating of AA- from Standard and Poor's. Revenue Bonds were issued in December 2016. The bond proceeds were used to pay off 2006D-2 Installment Purchase Agreement.

Other Post-Employment Benefits Pre-Funding

In fiscal year 2014, the District began participating in a program to pre-fund the cost of its post-employment benefits plan through the California Public Employees Retirement System (CalPERS) Trust. The District annually contributes funding.

Water Rates and District Revenues

In 2013, the District changed its rate structure from uniform rates to tiered rates and established rate increases for five consecutive years through 2017. Following a financial study in 2015, the District concluded that previously approved rate increases for 2016 and 2017 were unnecessary. In 2018, the District issued a rebate to customers for 2017 water consumption charges averaging \$100 in May 2018. The District remains in sound financial condition with adequate reserves going forward.

Water Conservation Programs

As the District responds to changing conservation regulations at the state level, Ordinance 83 represents the current approach to water conservation. Adopted on August 18, 2016 along with a move to Stage 2 watering restrictions, Ordinance 83 incorporates the District's 15% voluntary conservation standard. The standards provide additional flexibility for our customers while improving the clarity of the regulations in order to support meeting conservation goals. The District will also maintain conservation educational programs in partnership with the school districts and community groups, continue indoor and outdoor rebates and water audits, and implement grant programs encouraging turf replacement projects in disadvantaged communities.

Independent Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Rogers, Anderson, Malody & Scott, LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

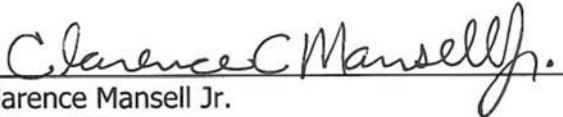
The District is a member of the Association of California Water Agencies Joint Power Insurance Authority (Authority). The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District's Human Resources/Risk Management Department provides staff with regular safety training each month as part of the District's safety program.

Other References

More information is contained in the MD&A and in the Notes to the Basic Financial Statements found in the Financial Section of the report.

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board for their continued support in planning and implementation of the District's fiscal policies.

Respectfully submitted,


Clarence Mansell Jr.

General Manager

Our Mission Statement

“To provide a reliable, safe drinking water supply to meet our customers’ present and future needs at a reasonable cost and to promote water-use efficiency and conservation”

Elected Board of Directors as of June 30, 2018

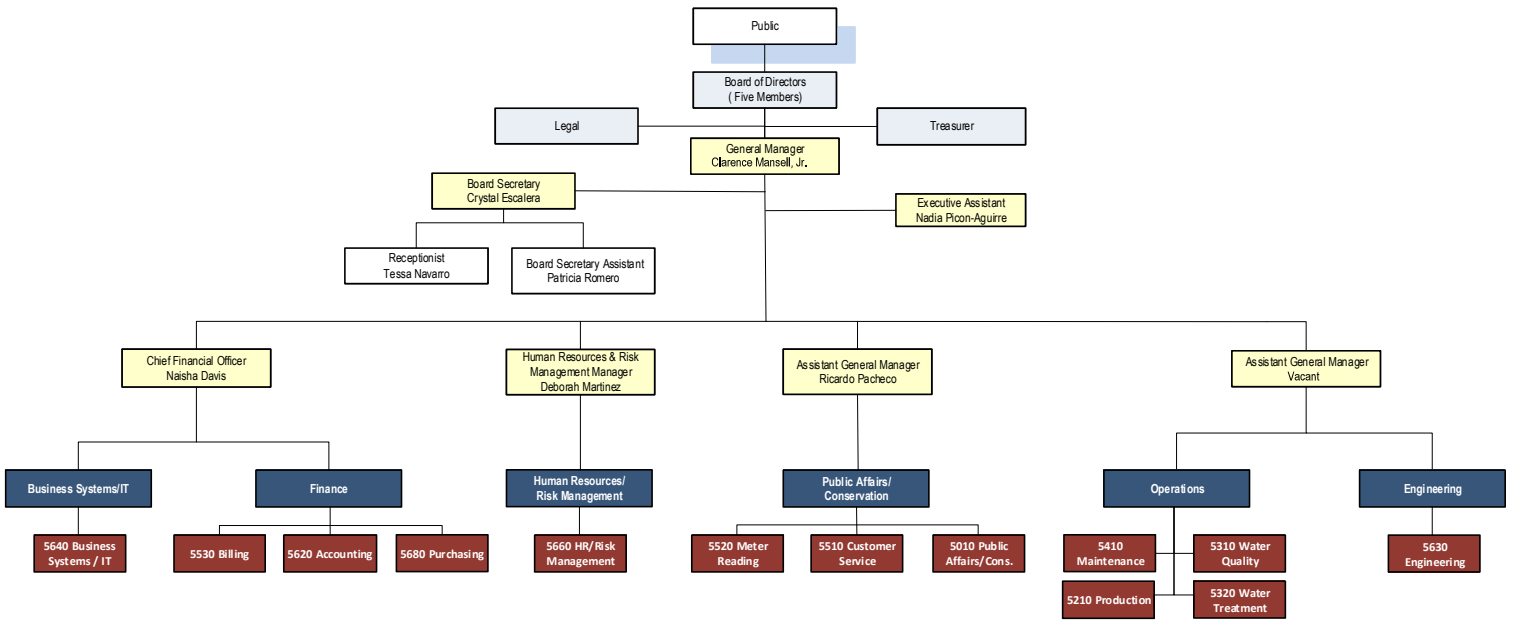
Name	Title	Current Term
Dr. Clifford O. Young, Sr.	President	11/17 - 11/21
Greg Young	Vice President	11/15 - 11/19
Don Olinger	Director	11/15 - 11/19
Dr. Michael Taylor	Director	11/17 - 11/21
Kyle Crowther	Director	11/17 - 11/19

West Valley Water District
Clarence Mansell, General Manager
855 W. Baseline Road
Rialto, California 92376
(909) 875-1804
www.wvwd.org

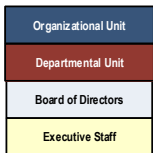


July 1, 2018

Organizational Structure



Legend





**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

**Accounting Department
West Valley Water District, California**



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date August 17, 2018

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Valley Water District
Rialto, California

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
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Charles De Simoni, CPA
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Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT

Report on the Financial Statements

We have audited the accompanying financial statements of the West Valley Water District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 1 of the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Our opinion is not modified with respect to this matter. Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of comparable actuarial information, therefore the provisions of GASB Statement No. 75 were not applied to the prior period. The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of the District's Proportionate Share of the Plans' Net Pension Liability and Related Ratios as of the Measurement Date, Schedule of Plan Contributions, the Schedule of Changes in the net OPEB liability and related ratios, and the schedule of OPEB plan contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 20, 2018

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West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

The management of the West Valley Water District (District) presents the District's financial statements with a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the audited financial statements which follow this section.

Financial Highlights

- In 2018, the District's net position increased approximately \$10.1 million, from \$115.6 million to \$125.7 million or 8.78%.
- In 2017, the District's net position increased approximately \$4.4 million, from \$111.2 million to \$115.6 million or 3.93%.
- In 2018, the District's operating revenues increased 7%, or \$1.9 million primarily to an increase in water usage of \$1,515,629 and service charges of \$212,878.
- In 2017, the District's operating revenues increased 14.8%, or \$3.4 million, due primarily to an increase in water usage of \$1,568,157 and four years of Goodrich Corporation's restitution reimbursement for water contamination of \$1,593,145.
- In 2018, the District's operating expenses before depreciation increased 6.16%, or \$1,260,218, primarily due to an increase in other general and administrative expense of \$847,917 and an increase in electricity cost of \$355,871 due to higher pumping volume from our own wells.
- In 2017, the District's operating expenses before depreciation increased 22.16%, or \$3,709,589, primarily due to the increase in water treatment cost of \$1,880,925 and an increase in general and administrative expense of \$1,110,380.
- In 2018, the Districts non-operating revenues decreased by 35.6%, or \$1,667,240. Grant and Reimbursement Revenue decreased by \$1,963,357; the award from the State Water Resource Control Board for the Fixed Bed Reactor was primarily funded in 2017 and is non-recurring. Interest income increased by \$140,446 due to reorganization of district investments.
- In 2017, the District's non-operating revenues increased by 133%, or \$2.7 million, primarily due to a grant from State Water Resource Control Board of \$2.5 million for the Fixed Bed Reactor.
- In 2018, the Districts non-operating expenses increased by \$933,562, or 42.98% due to the issuance of a board approved rate rebate to customers for \$2,263,619. Debt administration expense, debt interest and amortization, and debt issuance cost decreased by \$1,330,057.
- In 2017, the District's non-operating expenses decreased 40.1%, or \$1,446,218, primarily due to the board approved rate rebate of \$2,547,492 during 2016.
- In 2018, the District had net income before capital contributions of \$493,514.
- In 2017, the District had net income before capital contributions of \$867,400.

West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the District's financial statements. The District's financial statements comprise two components: 1) fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* presents information showing the sources and uses of cash related to operating activities, noncapital financing activities, capital and related financing activities and investing activities. In addition, the statement provides information about significant non-cash investing, capital and financing activities.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$125.7 million and \$115.6 million as of June 30, 2018 and 2017, respectively.

The largest portion of the District's net position during June 30, 2018 (76%) and 2017 (76%), reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Condensed Statement of Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>June 30, 2016</u>	<u>Change</u>
Assets:					
Current assets	\$ 54,694,499	\$ 43,911,548	\$ 10,782,951	\$ 35,641,634	\$ 8,269,914
Noncurrent assets	7,805,979	8,168,589	(362,610)	11,132,075	(2,963,486)
Capital assets, net	117,609,581	110,765,260	6,844,321	110,785,069	(19,809)
Total assets	<u>180,110,059</u>	<u>162,845,397</u>	<u>17,264,662</u>	<u>157,558,778</u>	<u>5,286,619</u>
Deferred outflow of resources	<u>3,899,998</u>	<u>2,461,701</u>	<u>1,438,297</u>	<u>1,378,652</u>	<u>1,083,049</u>
Total assets and deferred outflows of resources	<u>\$184,010,057</u>	<u>\$165,307,098</u>	<u>\$ 18,702,959</u>	<u>\$158,937,430</u>	<u>\$ 6,369,668</u>
Liabilities:					
Current liabilities	\$ 6,956,234	\$ 5,654,419	\$ 1,301,815	\$ 5,583,101	\$ 71,318
Non-current liabilities	44,330,117	43,294,173	1,035,944	41,574,624	1,719,549
Total liabilities	<u>51,286,351</u>	<u>48,948,592</u>	<u>2,337,759</u>	<u>47,157,725</u>	<u>1,790,867</u>
Deferred inflows of resources	<u>7,020,730</u>	<u>801,637</u>	<u>6,219,093</u>	<u>597,173</u>	<u>204,464</u>
Net position:					
Net investment in capital assets	95,204,664	87,731,340	7,473,324	87,041,544	689,796
Restricted	7,875,322	929,737	6,945,585	2,387,354	(1,457,617)
Unrestricted	22,622,990	26,895,792	(4,272,802)	21,753,634	5,142,158
Total net position	<u>125,702,976</u>	<u>115,556,869</u>	<u>10,146,107</u>	<u>111,182,532</u>	<u>4,374,337</u>
Total liabilities, deferred inflows of resources and net position	<u>\$184,010,057</u>	<u>\$165,307,098</u>	<u>\$ 18,702,959</u>	<u>\$158,937,430</u>	<u>\$ 6,369,668</u>

As of June 30, 2018 and 2017, the District reports a positive balance in its unrestricted net position of \$22,622,990 and \$26,895,792, respectively.

West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>June 30, 2016</u>	<u>Change</u>
Operating revenues	\$ 28,543,972	\$ 26,677,886	\$ 1,866,086	\$ 23,230,364	\$ 3,447,522
Operating expenses	(21,706,285)	(20,446,067)	(1,260,218)	(16,736,478)	(3,709,589)
Operating income before depreciation	6,837,687	6,231,819	605,868	6,493,886	(262,067)
Depreciation and amortization expense	(6,268,421)	(7,889,469)	1,621,048	(7,667,691)	(221,778)
Operating income(loss)	569,266	(1,657,650)	2,226,916	(1,173,805)	(483,845)
Non-operating revenues(expenses), net	(75,752)	2,525,050	(2,600,802)	(1,595,711)	4,120,761
Net income (loss) before capital contributions	493,514	867,400	(373,886)	(2,769,516)	3,636,916
Capital contributions	16,643,552	3,506,937	13,136,615	4,383,464	(876,527)
Change in net position	17,137,066	4,374,337	12,762,729	1,613,948	2,760,389
Net position:					
Beginning of year	115,556,869	111,182,532	4,374,337	109,568,584	1,613,948
Prior period adjustment	(6,990,959)	-	(6,990,959)	-	-
End of year	\$ 125,702,976	\$ 115,556,869	\$ 10,146,107	\$ 111,182,532	\$ 4,374,337

The statement of revenues, expenses, and changes of net position shows how the District's net position changed during the years. In the case of the District, the net position increased by \$17,137,066 and \$4,374,337 during the years ended June 30, 2018 and 2017, respectively. Beginning net position in year ended June 30, 2018 was reduced by \$6,990,959 as a result of implementing GASB Statement No. 75 related to other-post employment benefits.

Total District Revenues

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Water consumption sales	\$ 17,370,508	\$ 15,854,879	\$1,515,629	\$ 14,286,722	\$ 1,568,157
Water service charges	7,201,939	6,989,061	212,878	6,702,841	286,220
Other operating revenue	3,971,525	3,833,946	137,579	2,240,801	1,593,145
Total operating revenues	28,543,972	26,677,886	1,866,086	23,230,364	3,447,522
Non-operating:					
Property taxes	2,023,173	1,821,922	201,251	1,758,220	63,702
Grants and reimbursements	554,897	2,518,254	(1,963,357)	43,241	2,475,013
Interest and investment earnings	367,911	227,465	140,446	127,090	100,375
Rental revenue	32,941	37,241	(4,300)	29,966	7,275
Gain on sale of capital assets, net	15,400	60,980	(45,580)	24,400	36,580
Other non-operating revenue, net	20,422	16,122	4,300	24,524	(8,402)
Total non-operating:	3,014,744	4,681,984	(1,667,240)	2,007,441	2,674,543
Total revenues	\$ 31,558,716	\$ 31,359,870	\$ 198,846	\$ 25,237,805	\$ 6,122,065

As of June 30, 2018 and 2017, the District's total revenues increased \$198,846 and increased \$6,122,065, respectively, over the prior year.

West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Total District Expenses

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Source of supply	\$ 972,624	\$ 1,307,160	\$ (334,536)	\$ 1,404,819	\$ (97,659)
Pumping	3,066,501	2,823,389	243,112	2,910,119	(86,730)
Water treatment	4,110,055	3,723,148	386,907	1,842,223	1,880,925
Transmission and distribution	2,074,410	2,071,867	2,543	1,825,012	246,855
Customer accounts	2,031,657	1,923,943	107,714	1,885,567	38,376
Conservation	1,280,123	1,273,562	6,561	656,120	617,442
General and administrative	8,170,915	7,322,998	847,917	6,212,618	1,110,380
Operating expenses before depreciation	<u>21,706,285</u>	<u>20,446,067</u>	<u>1,260,218</u>	<u>16,736,478</u>	<u>3,709,589</u>
Depreciation and amortization	6,268,421	7,889,469	(1,621,048)	7,667,691	221,778
Total operating expenses	<u>27,974,706</u>	<u>28,335,536</u>	<u>(360,830)</u>	<u>24,404,169</u>	<u>3,931,367</u>
Non-operating expenses:					
Interest expense	879,953	940,835	(60,882)	1,055,660	(114,825)
Coyote Canyon CFD project expenses	-	453,938	(453,938)	-	453,938
Water rate rebate	2,263,619	-	2,263,619	2,547,492	(2,547,492)
Debt issuance cost	-	268,915	(268,915)	-	268,915
Debt administration expense	(53,076)	493,246	(546,322)	-	493,246
Total non-operating	<u>3,090,496</u>	<u>2,156,934</u>	<u>933,562</u>	<u>3,603,152</u>	<u>(1,446,218)</u>
Total expenses	<u>\$ 31,065,202</u>	<u>\$ 30,492,470</u>	<u>\$ 572,732</u>	<u>\$ 28,007,321</u>	<u>\$ 2,485,149</u>

As of June 30, 2018 and 2017, the District's total expenses increased \$572,732 and \$2,485,149, respectively. For 2018 and 2017, the District incurred increased expense for water treatment and general and administration. The increases in general and administration were primarily related to changes related to pensions and other post-employment benefits resulting from GASB Nos. 68 and 75. The other significant non-operating expense was the result of a Board approved rebate to customers in the amount of \$2,263,619. This was a one-time rebate program that will not affect future years' operating profits.

Capital Asset Administration

The District's capital assets (net of accumulated depreciation) as of June 30, 2018, 2017 and 2016 were in the amounts of \$117,609,581, \$110,765,260 and \$110,785,069, respectively. This includes land and land rights, transmission and distribution systems, wells, tanks, reservoirs, pumps, building and structures, equipment, vehicles and construction-in-process.

	<u>Balance June 30, 2018</u>	<u>Balance June 30, 2017</u>	<u>Balance June 30, 2016</u>
Capital assets:			
Non-depreciable assets	\$ 6,961,405	\$ 7,177,703	\$ 7,011,783
Depreciable assets	198,209,025	185,201,514	177,888,053
Accumulated depreciation	(87,560,849)	(81,613,957)	(74,114,767)
Total capital assets, net	<u>\$ 117,609,581</u>	<u>\$ 110,765,260</u>	<u>\$ 110,785,069</u>

Additional information on the District's capital assets can be found in note 3 of this report.

West Valley Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Long-term Debt Administration

At the end of June 30, 2018, 2017 and 2016, the District had total long-term debt of \$29,991,926, \$30,949,073 and \$31,781,746, respectively. In 2018 and 2017, long-term debt decreased by \$957,147 and \$832,673, respectively, due to principal payments made on the Districts outstanding debt.

	<u>Balance</u> <u>June 30, 2018</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Balance</u> <u>June 30, 2016</u>
Long-term debt:			
Reimbursement agreement	\$ 7,395,163	\$ 7,716,692	\$ 8,038,221
Revenue bonds payable	<u>22,596,763</u>	<u>23,232,381</u>	<u>23,743,525</u>
Total	<u>\$ 29,991,926</u>	<u>\$ 30,949,073</u>	<u>\$ 31,781,746</u>

Additional information on the District's long-term debt can be found in note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

With the drought restrictions lifted, the District is expecting significant water sales. It is expected to have a positive effect on the District's financial position. Management is unaware of any conditions that would have a significant negative effect on our profitability or operating results in future periods.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Chief Financial Officer at 855 W. Baseline Road, Rialto, CA 92376, by mail at P.O. Box 920, Rialto, CA 92377 by phone (909) 820-3706.

BASIC FINANCIAL STATEMENTS

West Valley Water District
Statement of Net Position
June 30, 2018 (with comparative data for prior year)

ASSETS	2018	2017
Current assets:		
Cash and cash equivalents (Note 2)	\$ 12,563,958	\$ 14,691,626
Investments (Note 2)	36,973,282	22,749,118
Accrued interest receivable	55,839	45,926
Accounts receivable - water sales and services, net	3,142,010	3,174,441
Accounts receivable - redevelopment pass-through	41,081	41,081
Grants reimbursements receivable	389,023	1,370,100
Accounts receivable - other	95,000	64,466
Property taxes receivable	20,104	16,923
Due from other governments	274,167	397,589
Materials and supplies inventory	260,545	269,706
Prepaid water	413,814	717,087
Prepaid items	465,676	373,485
Total current assets	54,694,499	43,911,548
Noncurrent assets:		
Accounts receivable - redevelopment pass-through	410,816	451,897
Capital assets, net (Note 3)	117,609,581	110,765,260
Water participation rights, net (Note 4)	7,395,163	7,716,692
Total noncurrent assets	125,415,560	118,933,849
Total assets	180,110,059	162,845,397
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	2,557,927	2,263,240
OPEB related	1,150,225	-
Loss on debt refunding	191,846	198,461
Total deferred outflows of resources	3,899,998	2,461,701

West Valley Water District
Statement of Net Position (Continued)
June 30, 2018 (with comparative data for prior year)

LIABILITIES	2018	2017
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,190,443	\$ 1,705,316
Accrued salaries and related payables	334,292	310,455
Pass-through utility user taxes payable	104,699	86,483
Customer deposits	1,755,630	1,372,179
Construction advances and deposits	1,299,786	736,276
Accrued interest payable	227,224	230,191
Long-term liabilities - due within one year:		
Compensated absences (Note 5)	322,631	296,990
Contract payable (Note 6)	321,529	321,529
Bonds payable (Note 6)	400,000	595,000
Total current liabilities	<u>6,956,234</u>	<u>5,654,419</u>
Noncurrent liabilities:		
Unearned revenue - developers	391,915	283,417
Long-term liabilities - due in more than one year:		
Compensated absences (Note 5)	263,992	242,991
Contingent liability (Note 10)	438,970	493,246
Contract payable (Note 6)	7,073,634	7,395,163
Bonds payable (Note 6)	22,196,763	22,637,381
Net other post-employment benefits obligation	-	7,216,645
Net other post-employment benefits liability (Note 8)	8,110,225	-
Net pension liability (Note 7)	5,854,618	5,025,330
Total noncurrent liabilities	<u>44,330,117</u>	<u>43,294,173</u>
Total liabilities	<u>51,286,351</u>	<u>48,948,592</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	630,590	801,637
OPEB related	6,390,140	-
Total deferred inflows of resources	<u>7,020,730</u>	<u>801,637</u>
NET POSITION		
Net investment in capital assets (Note 9)	95,204,664	87,731,340
Restricted - capital projects	7,875,322	929,737
Unrestricted	22,622,990	26,895,792
Total Net Position	<u>\$ 125,702,976</u>	<u>\$ 115,556,869</u>

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West Valley Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2018 (with comparative data for prior year)

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Water consumption sales	\$ 17,370,508	\$ 15,854,879
Water service charges	7,201,939	6,989,061
Other operating revenue	3,971,525	3,833,946
Total operating revenues	<u>28,543,972</u>	<u>26,677,886</u>
OPERATING EXPENSES		
Source of supply	972,624	1,307,160
Pumping	3,066,501	2,823,389
Water treatment	4,110,055	3,723,148
Transmission and distribution	2,074,410	2,071,867
Customer accounts	2,031,657	1,923,943
Conservation	1,280,123	1,273,562
General and administrative	8,170,915	7,322,998
Total operating expenses	<u>21,706,285</u>	<u>20,446,067</u>
Operating income before depreciation and amortization	<u>6,837,687</u>	<u>6,231,819</u>
Depreciation expense	5,946,892	7,567,940
Amortization of water participation rights	321,529	321,529
Total depreciation and amortization expense	<u>6,268,421</u>	<u>7,889,469</u>
Operating income (loss)	<u>569,266</u>	<u>(1,657,650)</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	2,023,173	1,821,922
Grants and reimbursements	554,897	2,518,254
Interest and investment earnings	367,911	227,465
Rental revenue	32,941	37,241
Gain on sale of capital assets	15,400	60,980
Other non-operating revenues	20,422	16,122
Interest expense	(879,953)	(940,835)
Coyote Canyon CFD project expenses	-	(453,938)
Water rate rebate	(2,263,619)	-
Debt issuance cost	-	(268,915)
Change in contingent liability	53,076	(493,246)
Total non-operating revenues (expenses), net	<u>(75,752)</u>	<u>2,525,050</u>
Net income (loss) before capital contributions	493,514	867,400
CAPITAL CONTRIBUTIONS		
Developer contributions	8,161,111	2,340,207
Capacity charges	8,482,441	1,166,730
Total capital contributions	<u>16,643,552</u>	<u>3,506,937</u>
Change in net position	17,137,066	4,374,337
NET POSITION		
Beginning of year, as restated (Note 12)	<u>108,565,910</u>	<u>111,182,532</u>
End of year	<u>\$ 125,702,976</u>	<u>\$ 115,556,869</u>

West Valley Water District**Statement of Cash Flows****For the Year Ended June 30, 2018 (with comparative data for prior year)**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and others	\$ 29,214,603	\$ 26,540,926
Cash rebated to customers	(2,263,619)	-
Cash paid to employees for salaries and benefits	(9,442,932)	(7,051,860)
Cash paid to vendors and suppliers for materials and services	(11,400,888)	(13,150,909)
	<u>6,107,164</u>	<u>6,338,157</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from property taxes	2,019,992	1,823,510
	<u>2,019,992</u>	<u>1,823,510</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,791,213)	(7,548,131)
Proceeds from capital grants	1,535,974	1,148,154
Proceeds from developer contributions	8,161,111	2,340,207
Proceeds from capacity charges	8,482,441	1,166,730
Proceeds from accounts receivable - redevelopment pass-through	41,081	41,082
Proceeds from sale of capital assets	15,400	60,980
Proceeds from issuance of long term-debt	-	23,253,524
Cost of issuance	-	(268,915)
Principal paid on long-term debt	(916,529)	(24,276,529)
Interest paid on long-term debt	(916,923)	(976,961)
	<u>3,611,342</u>	<u>(5,059,859)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(14,224,164)	(19,159,302)
Proceeds from interest and investment earnings	357,998	215,313
	<u>(13,866,166)</u>	<u>(18,943,989)</u>
Net decrease in cash and cash equivalents	(2,127,668)	(15,842,181)
CASH AND CASH EQUIVALENTS		
Beginning of year	14,691,626	30,533,807
End of year	<u>\$ 12,563,958</u>	<u>\$ 14,691,626</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 12,563,958	\$ 14,691,626
Total cash and cash equivalents	<u>\$ 12,563,958</u>	<u>\$ 14,691,626</u>
SCHEDULE OF NONCASH INVESTING ACTIVITIES		
Change in fair value of investments	\$ (654)	\$ 1,307

West Valley Water District
Statements of Cash Flows (Continued)
For the Year Ended June 30, 2018 (with comparative data for prior year)

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 569,266	\$ (1,657,650)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation expense	5,946,892	7,567,940
Amortization of water participation rights	321,529	321,529
Rental revenue	32,941	37,241
Other non-operating revenues	20,422	16,122
Coyote Canyon CFD project expenses	-	(453,938)
Water rate rebate	(2,263,619)	-
Prior period adjustment - GASB 75 implementation	(6,990,959)	-
CHANGES IN ASSETS - (INCREASE) DECREASE		
Accounts receivable - water sales and services, net	32,431	(431,583)
Accounts receivable - other	(30,534)	113,340
Due from other governments	123,422	87,214
Materials and supplies inventory	9,161	(13,948)
Prepaid water	303,273	(663,475)
Prepaid items	(92,191)	(62,802)
CHANGES IN DEFERRED OUTFLOWS OF RESOURCES (INCREASE) DECREASE		
Pension related	(294,687)	(884,588)
OPEB related	(1,150,225)	-
CHANGES IN LIABILITIES - INCREASE (DECREASE)		
Accounts payable and accrued expenses	483,927	636,258
Accrued salaries and related payables	23,837	77,480
Pass-through utility user taxes payable	18,216	12,338
Customer deposits	383,451	(77,366)
Construction advances and deposits	563,510	(25,830)
Compensated absences	46,642	(16,808)
Unearned revenue - developers	108,498	118,072
Net other post-employment obligation	(7,216,645)	820,808
Net other post-employment liability	8,110,225	-
Net pension liability	829,288	613,339
CHANGES IN DEFERRED INFLOWS OF RESOURCES INCREASE (DECREASE)		
Pension related	(171,047)	204,464
OPEB related	6,390,140	-
Total adjustments	<u>5,537,898</u>	<u>7,995,807</u>
Net cash provided by operating activities	<u>\$ 6,107,164</u>	<u>\$ 6,338,157</u>

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West Valley Water District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

Established on January 8, 1952, the West Valley Water District is located in Southwestern San Bernardino County with a small area of Northwestern Riverside County. The District's service area is approximately 31 square miles. The District uses 376 miles of water mains to provide water to approximately 21,000 customers. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

The West End Water Development, Treatment and Conservation Joint Powers Authority (Authority) was formed on April 7, 1989, pursuant to the provisions of Article I, Chapter S, Division 7, and Title 1 of the California Government Code. The Authority is deemed to be a component unit of the West Valley Water District, City of Rialto and the Municipal Water Department of the City of San Bernardino. The District's portion of the Authority has been included in these financial statements using the blended method of reporting. The Authority has had no activity in the past 10 years and reports no assets or liabilities.

The criteria used in determining the scope of the financial reporting entity is based on generally accepted accounting principles. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Basis of Presentation

The District's financial statement presentation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The District follows all pronouncements of the GASB. The most significant of the District's accounting policies are described below.

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (continued)

The financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses, not included in the above categories, are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results most likely will differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statement of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)***Restricted Assets***

Certain assets of the District are restricted in use by debt covenant and, accordingly, are shown as restricted assets on the accompanying statement of net position. Revenue bond reserve funds and construction funds set aside from bond proceeds are restricted for future debt service payments and construction projects. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts. The allowance for uncollectible accounts was \$72,725 and \$62,000 as of June 30, 2018 and 2017, respectively.

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipe fittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Water Stock – Fontana Union Water Company

Over the years, the District has acquired stock in the Fontana Union Water Company in order to obtain water rights within the Company's service area. The stock is presented with investments in the accompanying statement of net position, and is reported at acquisition cost, which approximates fair value.

Accounts Receivable – Redevelopment Pass Through

The District has a tax pass-through agreement with the City of Rialto, whereby, the County of San Bernardino auditor-controller is to pay a portion of the City's incremental tax receipts directly to the District for water-related improvements within the Agua Mansa redevelopment area. Over the past several years, the District has received an annual payment of the revenue that it is entitled to and it is anticipated that the District will continue to collect annual payments through fiscal year 2029.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Source of supply plant	20 years
Pumping plant	10 - 20 years
Water treatment plant	10 years
Transmission and distribution plant	15 - 60 years
General plant	5 - 20 years

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. One is the deferred loss on refunding reported in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunding debt. The other items, deferred pension and other post-employment benefits (OPEB) related items, are reported in the statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of these items. The items are deferred pension and OPEB related items, and are reported in the statement of net position.

Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

Construction Advances and Deposits

Construction advances represent deposits received in aid of construction, which are refundable if the applicable construction does not take place. Construction advances are transferred to contributed capital when the applicable construction project is completed.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)*****Other Postemployment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

<u>OPEB</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Valuation date	June 30, 2017	Not applicable*
Measurement date	June 30, 2017	Not applicable*
Measurement period	July 1, 2016 to June 30, 2017	Not applicable*

* Recognition of the net OPEB liability resulting from the implementation of GASB Statement No. 75 is effective for fiscal year 2018, and retroactive restatement of fiscal year 2017 was not performed as actuarial information was not available.

Defined Benefit Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net pension of the District's pension plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

The following timeframes are used for pension reporting:

<u>CalPERS</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Valuation date	June 30, 2016	June 30, 2015
Measurement date	June 30, 2017	June 30, 2016
Measurement period	July 1, 2016 to June 30, 2017	July 1, 2015 to June 30, 2016

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss.

West Valley Water District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Defined Benefit Pension Plans (Continued)

The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position is the amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

Water Sales and Sewer Services

Water sales and sewer services are billed on a monthly cyclical basis and recognized as respective revenues when they are earned.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment. Any prepayments received by the District are reported as unearned revenue until construction of the related project has commenced and the District is reasonably certain they will be completed. Upon completion, the applicable amounts are recognized as capital contributions.

Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)*****Implementation of New Pronouncement***

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. For postemployment benefits other than pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived. Certain prior year data has been reclassified from the previously issued financial statements to conform to the current year presentation, with no effect on net position.

Note 2 – Cash and Investments

Cash and investments as of June 30 were classified in the accompanying financial statements as follows:

Description	2018	2017
Cash and cash equivalents	\$ 12,563,958	\$ 14,691,626
Investments	36,973,282	22,749,118
Total cash and investments	\$ 49,537,240	\$ 37,440,744

Cash and investments as of June 30 consisted of the following:

Description	2018	2017
Cash on hand	\$ 4,300	\$ 4,300
Deposits held with financial institutions	1,070,071	4,528,568
Cash held with LAIF	11,489,587	10,158,758
Investments	36,973,282	22,749,118
Total cash and investments	\$ 49,537,240	\$ 37,440,744

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 2 – Cash and Investments (Continued)*****Investments Authorized by the California Government Code and the District's Investment Policy***

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities Securities ¹	3 years	None	None
Certificates of Deposit ²	5 years	None	50%
Money Market Mutual Funds	None	20%	50%
Collateralized Bank Deposits ³	5 years	None	None
Local Agency Investment Fund (LAIF)	None	None	\$65 Million
CalTrust	2 years	None	None
Municipal Securities	5 years	20%	None
Bankers' Acceptances	180 days	25%	50%
Commercial Paper	270 days	25%	10%
Repurchase Agreement	90 days	10%	50%
Medium-Term Notes	5 years	30%	50%
Local Government Investment Pools (LGIP)	5 years	50%	50%
Supranational	5 years	30%	10%

¹ Purchases of callable Federal Agency obligations are limited to a maximum 30% of portfolio.

² Only a maximum 30% of surplus funds can be invested in Certificates of Deposit.

³ Only a maximum of 20% of the portfolio may be invested in TCSs and may not exceed 4 years.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 2 – Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. The longer the maturity an investment has, the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

The District's investments as of June 30, 2018 were as follows:

Investment Type	Maturity			Total
	1 year or less	1 to 3 years	3 to 5 years	
CalTrust	\$ 14,924,515	\$ 10,067,626	\$ -	\$ 24,992,141
U.S. Agency	247,788	2,722,103	1,471,755	4,441,646
U.S. Treasury	497,705	1,720,869	1,208,047	3,426,621
U.S. Corporate	149,841	1,035,547	1,681,880	2,867,268
Commercial Paper	497,940	-	-	497,940
Supranational	-	-	478,917	478,917
Negotiable CD	249,523	-	-	249,523
Money Market Fund	19,226	-	-	19,226
Total	\$ 16,586,538	\$ 15,546,145	\$ 4,840,599	\$ 36,973,282

The District's investments as of June 30, 2017 were as follows:

Investment Type	Maturity			Total
	1 year or less	1 to 3 years	3 to 5 years	
CalTrust	\$ 12,717,201	\$ 10,031,917	\$ -	\$ 22,749,118
Total	\$ 12,717,201	\$ 10,031,917	\$ -	\$ 22,749,118

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 2 – Cash and Investments (Continued)*****Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. At June 30, 2018 and 2017, the District had no deposits with financial institutions subject to custodial credit risk.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or external investment pools.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End	
			A or higher	N/A
CalTrust	\$ 24,992,141	N/A	\$ -	\$ 24,992,141
U.S. Agency	4,441,646	N/A	-	4,441,646
U.S. Treasury	3,426,621	N/A	-	3,426,621
U.S. Corporate	2,867,268	A	2,867,268	-
Commercial Paper	497,940	A	497,940	-
Supranational	478,917	AA	478,917	-
Negotiable CD	249,523	N/A	-	249,523
Money Market Fund	19,226	AAA	19,226	-
	<u>\$ 36,973,282</u>		<u>\$ 3,863,351</u>	<u>\$ 33,109,931</u>

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 2 – Cash and Investments (Continued)****Concentration of Credit Risk**

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

As of June 30, 2018:

Issuer	Investment Type	Reported Amount	Percentage of Portfolio
Federal Home Loan Bank	U.S. Government Sponsored Entities Securities	\$2,226,902	6.0%

There were no investments in any one non-governmental issuer that represent 5% or more of the District's total investments as of June 30, 2017.

Fair Value Measurements

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

Investments by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
U.S. Agency	\$ 4,441,646	\$ -	\$ 4,441,646	\$ -
U.S. Treasury	3,426,621	-	3,426,621	-
U.S. Corporate	2,867,268	-	2,867,268	-
Commercial Paper	497,940	-	497,940	-
Supranational	478,917	-	478,917	-
Negotiable CD	249,523	-	249,523	-
Total investments by fair value	11,961,915	<u>\$ -</u>	<u>\$11,961,915</u>	<u>\$ -</u>
Investments not subject to the fair value hierarchy:				
CalTrust	24,992,141			
Money Market Fund	19,226			
Total investments	<u>\$36,973,282</u>			

West Valley Water District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 2 – Cash and Investments (Continued)

Investment in California – Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif/.

The District's investments with LAIF at June 30, 2018 and 2017, included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

The District had \$11,489,587 and \$10,158,758 invested in LAIF, which had invested 1.89% and 2.81% of the pooled investment funds as of June 30, 2018 and June 30, 2017, respectively, in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 0.998126869 and 0.998940671 was used to calculate the fair value of the investments in LAIF as of June 30, 2018 and 2017, respectively.

Investment in CalTrust

The Investment Trust of California, doing business as CalTrust, is a California joint powers authority which provides California Public Agencies with investment management services for surplus funds to consolidate investment activities of its participants and thereby reduces duplication, achieves economies of scale and carries out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTrust. CalTrust currently offers three accounts or series as a means for public agencies to invest their funds. The District has investments in the CalTrust Short-Term and Medium-Term Fund Series.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 3 – Capital Assets

Changes in capital assets for the year ended June 30, 2018, were as follows:

Description	Balance at June 30, 2017	Additions/ Transfers	Deletions/ Transfers	Balance at June 30, 2018
Non-depreciable assets				
Land	\$ 2,212,967	\$ -	\$ -	\$ 2,212,967
Water rights	404,949	-	-	404,949
Construction-in-progress	4,559,787	4,664,314	(4,880,612)	4,343,489
	7,177,703	4,664,314	(4,880,612)	6,961,405
Depreciable assets				
Source of supply plant	5,863,657	-	-	5,863,657
Pumping plant	10,336,701	486,674	-	10,823,375
Bio-remediation plant	24,907,020	-	-	24,907,020
Water treatment plant	30,670,420	1,558,216	-	32,228,636
Transmission and distribution plant	101,307,419	9,904,856	-	111,212,275
General Plant	12,116,297	1,057,765	-	13,174,062
	185,201,514	13,007,511	-	198,209,025
Accumulated Depreciation				
Source of supply plant	(3,550,710)	(277,472)	-	(3,828,182)
Pumping plant	(6,732,323)	(531,363)	-	(7,263,686)
Bio-remediation plant	(2,890,407)	(830,234)	-	(3,720,641)
Water treatment plant	(25,923,140)	(1,121,058)	-	(27,044,198)
Transmission and distribution plant	(37,090,009)	(2,420,962)	-	(39,510,971)
General plant	(5,427,368)	(765,803)	-	(6,193,171)
	(81,613,957)	(5,946,892)	-	(87,560,849)
Total depreciable assets, net	103,587,557	7,060,619	-	110,648,176
Total capital assets, net	\$ 110,765,260	\$ 11,724,933	\$ (4,880,612)	\$ 117,609,581

Depreciation expense for the year ended June 30, 2018 was \$5,946,892.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 3 – Capital Assets (Continued)

Changes in capital assets for the year ended June 30, 2017, were as follows:

Description	Balance at June 30, 2016	Additions/ Transfers	Deletions/ Transfers	Balance at June 30, 2017
Non-depreciable assets				
Land	\$ 2,212,967	\$ -	\$ -	\$ 2,212,967
Water rights	404,949	-	-	404,949
Construction-in-progress	4,393,867	5,121,011	(4,955,091)	4,559,787
Total non-depreciable assets	7,011,783	5,121,011	(4,955,091)	7,177,703
Depreciable assets				
Source of supply plant	5,863,657	-	-	5,863,657
Pumping plant	10,062,690	274,011	-	10,336,701
Bio-remediation plant	24,907,020	-	-	24,907,020
Water treatment plant	30,670,420	-	-	30,670,420
Transmission and distribution plant	95,082,505	6,224,914	-	101,307,419
General Plant	11,301,761	883,286	(68,750)	12,116,297
Total depreciable assets	177,888,053	7,382,211	(68,750)	185,201,514
Accumulated Depreciation				
Source of supply plant	(3,273,237)	(277,473)	-	(3,550,710)
Pumping plant	(6,179,975)	(552,348)	-	(6,732,323)
Bio-remediation plant	(2,060,173)	(830,234)	-	(2,890,407)
Water treatment plant	(22,951,250)	(2,971,890)	-	(25,923,140)
Transmission and distribution plant	(34,813,478)	(2,276,531)	-	(37,090,009)
General plant	(4,836,654)	(659,464)	68,750	(5,427,368)
Total accumulated depreciation	(74,114,767)	(7,567,940)	68,750	(81,613,957)
Total depreciable assets, net	103,773,286	(185,729)	-	103,587,557
Total capital assets, net	\$ 110,785,069	\$ 4,935,282	\$ (4,955,091)	\$ 110,765,260

Depreciation expense for the year ended June 30, 2017 was \$7,567,940.

Major capital assets additions during the current year include the upgrades and extensions of the District's transmission and distribution, water treatment plan, general plant and pumping plant. A significant portion of these additions were constructed by the District and/or sub-contractors and transferred out of construction-in-process, upon completion of these various projects.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 3 – Capital Assets (Continued)

Construction-In-Process

The construction-in-process balances at June 30, 2018 and 2017 were as follows:

<u>Description</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Fixed Bed Reactor Design	\$ 2,880,000	\$ -
Rehab Reservoir 4-3in/Ex	337,781	
Various minor District projects	1,125,201	996,382
Various other developer projects	507	105,686
Agua Mansa Commerce Center	-	314,903
Bed Reactor Design	-	2,502,169
Sierra Crest Waterline	-	640,647
Total construction-in-process	<u>\$ 4,343,489</u>	<u>\$ 4,559,787</u>

Note 4 – Water Participation Rights

In 2012, the District acquired water participation rights from the San Bernardino Valley Municipal Water District for \$9,645,865. The District is amortizing the participation rights until January 31, 2041. Balances as of June 30, 2018 and 2017 were as follows:

<u>Description</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Water participation rights	\$ 9,645,865	\$ 9,645,865
Accumulated amortization	(2,250,702)	(1,929,173)
	<u>\$ 7,395,163</u>	<u>\$ 7,716,692</u>

Note 5 – Compensated Absences

Changes to compensated absences for fiscal year ended June 30, 2018 were as follows:

<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
<u>\$ 539,981</u>	<u>\$ 638,410</u>	<u>\$ (591,768)</u>	<u>\$ 586,623</u>	<u>\$ 322,631</u>	<u>\$ 263,992</u>

Changes to compensated absences for fiscal year ended June 30, 2017, were as follows:

<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
<u>\$ 556,789</u>	<u>\$ 503,025</u>	<u>\$ (519,833)</u>	<u>\$ 539,981</u>	<u>\$ 296,990</u>	<u>\$ 242,991</u>

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 6 – Long-term Debt

Changes in long-term debt for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year	Amount Due in More Than One Year
Bonds payable:						
Series 2016A	\$ 22,035,000	\$ -	\$ (595,000)	\$ 21,440,000	\$ 400,000	\$ 21,040,000
Series 2016A bond premium	1,197,381	-	(40,618)	1,156,763	-	1,156,763
Total bonds payable	23,232,381	-	(635,618)	22,596,763	400,000	22,196,763
Loans payable:						
Contract payable	7,716,692	-	(321,529)	7,395,163	321,529	7,073,634
Compensated absences	539,981	638,410	(591,768)	586,623	322,631	263,992
Net OPEB obligation	7,216,645	-	(7,216,645)	-	-	-
Net OPEB liability	-	15,606,859	(7,496,634)	8,110,225	-	8,110,225
Net pension liability	5,025,330	1,458,116	(628,828)	5,854,618	-	5,854,618
Total long-term debt	<u>\$ 43,731,029</u>	<u>\$ 17,703,385</u>	<u>\$ (16,891,022)</u>	<u>\$ 44,543,392</u>	<u>\$ 1,044,160</u>	<u>\$ 43,499,232</u>

Changes in long-term debt for the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Amount Due Within One Year	Amount Due in More Than One Year
Bonds payable:						
Series 2006 D-2	\$ 23,880,000	\$ -	\$ (23,880,000)	\$ -	\$ -	\$ -
Assessment District 97-1	75,000	-	(75,000)	-	-	-
Series 2016A	-	22,035,000	-	22,035,000	595,000	21,440,000
Plus (less) deferred amounts:						
Series 2006 bond discount	(211,475)	-	211,475	-	-	-
Series 2016A bond premium	-	1,218,524	(21,143)	1,197,381	-	1,197,381
Total bonds payable	23,743,525	23,253,524	(23,764,668)	23,232,381	595,000	22,637,381
Loans payable:						
Contract payable	8,038,221	-	(321,529)	7,716,692	321,529	7,395,163
Compensated absences	556,789	503,025	(519,833)	539,981	296,990	242,991
Net OPEB obligation	6,395,837	1,108,000	(287,192)	7,216,645	-	7,216,645
Net pension liability	4,411,991	1,885,631	(1,272,292)	5,025,330	-	5,025,330
Total long-term debt	<u>\$ 43,146,363</u>	<u>\$ 26,750,180</u>	<u>\$ (26,165,514)</u>	<u>\$ 43,731,029</u>	<u>\$ 1,213,519</u>	<u>\$ 42,517,510</u>

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 6 – Long-term Debt (Continued)

Series 2006D-2 Bonds

On October 1, 2006, the District issued \$32,365,000 in Water and Wastewater Revenue Bonds (Series 2006D-2 Bonds). The proceeds of the issue are being used to prepay the 2004A CSCDA Water and Wastewater Revenue Bonds and to finance improvements to the System, including upgrading, renovation and /or installation of booster plants, wells, reservoirs, pipelines and metering stations, water treatment facilities, including the granulated activated carbon filter for the Treatment Plant.

A total of \$14,635,000 from the Series 2006D-2 Bonds was used to pay off the outstanding principal of the 2004A CSCDA Water and Wastewater Revenue Bonds. As a result, the 2004A CSCDA Water and Wastewater Revenue Bonds are considered defeased and the liability for those obligations have been removed from the financial statements. The District completed the advance refunding to reduce the District's total debt service payments over the next 22 years by \$539,057 and to obtain an economic gain of approximately \$369,570.

The Series 2006D-2 Bonds were payable solely from the net revenues of the District's water system as defined in the Series 2006D-2 Bond Indenture. The Bonds bore interest at a variable rate with principal maturities from 2007 to 2033. As of June 30, 2017, Series 2006D-2 bonds were paid off in full.

Limited Obligation Improvement Bonds Assessment District No. 97-1

Assessment District No. 97-1 (Crestmore Heights Mutual Water Company) was established to provide financing for construction and improvements of the water system. On April 16, 1998, Limited Obligation Improvement Bonds Assessment District No. 97-1 were issued through Rural Development, Farmers Home Administration for \$552,067. The payments on this indebtedness are being paid by the property owners within Assessment District No. 97-1. The bonds are being repaid in twenty annual installments. As of June 30, 2017, Assessment District No. 97-1 bonds were paid off in full.

Series 2016A Bonds

The 2016A Bonds were issued to provide funds, together with certain other moneys: (i) to prepay all amounts payable under the Series 2006D-2 Bonds installment purchase agreement between the District and California Statewide Communities Development Authority; and (ii) pay costs of issuance of the 2016A Bonds. The 2016A Bonds were issued pursuant to an Indenture of Trust, dated December 1, 2016, by and between the District and U.S. Bank National Association. The 2016A Bonds were in the aggregate principal amount of \$22,035,000. The 2016A Bonds were dated as of the date of initial issuance, and will bear interest ranging from 2.00% to 5.00% per annum, payable on April 1 and October 1, commencing April 1, 2017, and ending October 1, 2047. The Series 2016A Bonds are payable solely from the net revenues of the District's water system as defined in the Series 2016A Bond Indenture.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 6 – Long-term Debt (Continued)****Series 2016A Bonds (Continued)**

Annual payments on the 2016A Bonds are as follows:

<u>Fiscal Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 400,000	\$ 911,450	\$ 1,311,450
2020	410,000	903,450	1,313,450
2021	415,000	895,250	1,310,250
2022	430,000	882,800	1,312,800
2023	440,000	869,900	1,309,900
2024-2028	2,475,000	4,078,950	6,553,950
2029-2033	3,140,000	3,419,600	6,559,600
2034-2038	3,985,000	2,566,000	6,551,000
2039-2043	4,990,000	1,565,600	6,555,600
2044-2047	4,755,000	484,800	5,239,800
	<u>\$ 21,440,000</u>	<u>\$ 16,577,800</u>	<u>\$ 38,017,800</u>

Water Participation Rights Contract Payable

In 2012, the District acquired water participation rights from the San Bernardino Valley Municipal Water District. These rights entitle the District to purchase water from the Baseline Feeder system. The payment for the rights is calculated at 5,000 acre feet at \$90 per acre foot, per year, payable in monthly installments of \$26,794, until January 31, 2041. The calculated annual amount of \$321,529 is a minimum usage fee which does not actually represent the purchase of any water. Purchased water is billed in addition to the minimum fee.

Annual payments on the water participation rights are as follows:

<u>Fiscal Year(s)</u>	<u>Principal</u>
2019	\$ 321,529
2020	321,529
2021	321,529
2022	321,529
2023	321,529
2024-2028	1,607,645
2029-2033	1,607,645
2034-2038	1,607,645
2039-2041	964,583
Total	<u>\$ 7,395,163</u>

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 7 – Defined Benefit Pension Plan

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2018 are summarized as follows:

<u>Hire date</u>	<u>Miscellaneous Plan</u>	
	<u>Classic Tier I</u>	<u>PEPRA Tier 2</u>
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2 % @ 55	2 % @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67 & up	52-67 & up
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.500%
Required employer contribution rates	8.921%	6.533%

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 7 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2018 were \$715,005. The actual employer payments of \$628,828 made to CalPERS by the District during the measurement period ended June 30, 2017 differed from the District's proportionate share of the employer's contributions of \$806,030 by \$177,202, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	Varies
Investment Rate of Return (2)	7.15%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the to the 2014 experience study report.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 7 – Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

All other actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Change of Assumptions

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represent the unamortized portion of this assumption change.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 7 – Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
	100%		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 7 – Defined Benefit Pension Plan (Continued)****C. Proportionate Share of Net Pension Liability**

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2018:

Miscellaneous Plans	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2016 (VD)	\$ 23,489,282	\$ 18,463,952	\$ 5,025,330
Balance at: 6/30/2017 (MD)	27,157,658	21,303,040	5,854,618
Net changes during 2016-17	<u>\$ 3,668,376</u>	<u>\$ 2,839,088</u>	<u>\$ 829,288</u>

Valuation Date (VD), Measurement Date (MD).

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2017:

Miscellaneous Plans	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2015 (VD)	\$ 21,630,888	\$ 17,218,897	\$ 4,411,991
Balance at: 6/30/2016 (MD)	23,489,282	18,463,952	5,025,330
Net changes during 2015-16	<u>\$ 1,858,394</u>	<u>\$ 1,245,055</u>	<u>\$ 613,339</u>

Valuation Date (VD), Measurement Date (MD).

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of the June 30, 2016, and 2017 measurement dates was as follows:

Proportionate Share - June 30, 2016	0.14466%
Proportionate Share - June 30, 2017	0.14852%
Change - Increase (Decrease)	<u>0.00386%</u>

The District's proportionate share of the net pension liability for the Plan as of the June 30, 2015, and 2016 measurement dates was as follows:

Proportionate Share - June 30, 2015	0.16082%
Proportionate Share - June 30, 2016	0.14466%
Change - Increase (Decrease)	<u>(0.01616%)</u>

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 7 – Defined Benefit Pension Plan (Continued)****C. Proportionate Share of Net Pension Liability (Continued)*****Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate for the June 30, 2017 Valuation Date as follows:

<u>Miscellaneous Plan</u>	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
Net Pension Liability	<u>\$ 9,590,069</u>	<u>\$ 5,854,618</u>	<u>\$ 2,760,850</u>

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate for the June 30, 2016 Valuation Date as follows:

<u>Miscellaneous Plan</u>	<u>Discount Rate - 1%</u> <u>(6.65%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.65%)</u>	<u>Discount Rate + 1%</u> <u>(8.65%)</u>
Net Pension Liability	<u>\$ 8,187,719</u>	<u>\$ 5,025,330</u>	<u>\$ 2,411,773</u>

Subsequent Events

There were no subsequent events that would materially affect the results presented in the disclosure.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)**

Note 7 – Defined Benefit Pension Plan (Continued)**C. Proportionate Share of Net Pension Liability (Continued)*****Recognition of Gains and Losses***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool.

The EARSL for the risk pool for the 2016-17 measurement period is 3.8 years which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 7 – Defined Benefit Pension Plan (Continued)****D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2016), the net pension liability for the plan was \$5,025,330. For the measurement period ending June 30, 2017 (the measurement date), the District incurred a pension expense of \$1,192,217 for the Plan.

As of June 30, 2018, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

<u>Miscellaneous Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 9,133	\$ 130,852
Changes of Assumptions	1,133,230	86,410
Difference Between Projected and Actual Investment Earnings	256,290	-
Change in Employer's Proportion	172,934	282,758
Difference Between Employer's Contributions and Proportionate Share of Contributions	271,335	130,570
Pension Contributions Subsequent to Measurement Date	715,005	-
Total	<u>\$ 2,557,927</u>	<u>\$ 630,590</u>

The amounts above are net of outflows and inflows recognized in the 2016-17 measurement period expense. The \$715,005 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2018	\$ 283,148
2019	672,073
2020	409,276
2021	(152,165)
2022	-
Thereafter	-
	<u>\$ 1,212,332</u>

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 7 – Defined Benefit Pension Plan (Continued)****D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)**

As of June 30, 2017, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

<u>Miscellaneous Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 18,126	\$ -
Changes of Assumptions	-	222,457
Difference Between Projected and Actual Investment Earnings	1,157,817	-
Change in Employer's Proportion	-	579,180
Difference Between Employer's Contributions and Proportionate Share of Contributions	458,469	-
Pension Contributions Subsequent to Measurement Date	628,828	-
Total	\$ 2,263,240	\$ 801,637

The amounts above are net of outflows and inflows recognized in the 2015-16 measurement period expense. The \$628,828 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ 17,904
2018	28,830
2019	486,150
2020	299,891
2021	-
Thereafter	-
	\$ 832,775

E. Payable to the Pension Plan

At June 30, 2018 and 2017, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2018 and 2017.

West Valley Water District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 8 – Postemployment Benefits other Than Pensions

Plan Description

The District pays a portion of the cost of health insurance for retirees (including prescription drug benefits) under any group plan offered by the CalPERS Health Program, subject to certain restrictions as determined by the District. The District offers post-employment medical benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District's CalPERS Health Program, a cost-sharing multiple-employer medical coverage plan. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	79
Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>104</u>

Contributions

The OPEB Plan and its contribution requirements are established by Ordinance and may be amended by Board action to update the original Ordinance. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the District's cash contributions were \$1,119,255 in payments to the California Employers' Retiree Benefit Trust (CERBT) Fund and the estimated implied subsidy was \$31,000 resulting in total payments of \$1,150,255.

West Valley Water District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 8 – Postemployment Benefits other Than Pensions (Continued)

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2017 Measurement Date
Actuarial Valuation Date	June 30, 2017
Contribution Policy	Pre-fund through CERBT Strategy 1; contributing ADC
Discount Rate	6.75% at 6/30/17, net of investment expenses 2.85% at 6/30/16 bond buyer 20 index
Expected Long-Term Rate on Return on Investments	6.75% at 6/30/17, net of investment expenses N/A at 6/30/16
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-16
Salary Increases	3% aggregate; merit CalPERS 1997-2011 experience study
Medical Trend	Non-Medicare rate of 7.5% and Medicare rate of 6.5% for 2018, decreasing to 4.0% in 2076 and later years
Dental and Vision Trend	3.50%
Participation at Retirement	95% of eligible retirees participate in medical, dental and vision
Spouse Coverage	80% of future retirees elect dual coverage

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class Component	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Total	100%	

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 8 – Postemployment Benefits other Than Pensions (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent, based on CERBT Strategy 1 investment policy. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b) = (c)
Balance at June 30, 2017 (6/30/16 measurement date)	\$ 14,494,849	\$ -	\$ 14,494,849
Changes recognized for the measurement period:			
Service cost	683,520	-	683,520
Interest	428,490	-	428,490
Changes of assumptions	(7,209,389)	-	(7,209,389)
Benefit payments	(287,245)	-	(287,245)
Net changes	<u>(6,384,624)</u>	<u>-</u>	<u>(6,384,624)</u>
Balance at June 30, 2018 (6/30/17 measurement date)	<u>\$ 8,110,225</u>	<u>\$ -</u>	<u>\$ 8,110,225</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total OPEB Liability	<u>\$ 9,397,229</u>	<u>\$ 8,110,225</u>	<u>\$ 7,068,402</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 6,893,463</u>	<u>\$ 8,110,225</u>	<u>\$ 9,656,183</u>

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 8 – Postemployment Benefits other Than Pensions (Continued)*****Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between
projected and actual earnings
on OPEB plan investments

5 year straight-line amortization

All other amounts

Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period (8.9 years at June 30, 2017).

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$292,761. As of fiscal year ended June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes of assumptions	\$ -	\$ 6,390,140
Employer contributions made subsequent to the measurement date	1,150,225	-
	<u> </u>	<u> </u>
Total	<u>\$ 1,150,225</u>	<u>\$ 6,390,140</u>

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)****Note 8 – Postemployment Benefits other Than Pensions (Continued)**

The \$1,150,225 reported as deferred outflows of resources related to contributions to the OPEB plan after the measurement date will be recognized as a reduction of the net OPEB liability during the subsequent fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ (819,249)
2020	(819,249)
2021	(819,249)
2022	(819,249)
2023	(819,249)
Thereafter	(2,293,895)
	<u>\$ (6,390,140)</u>

Note 9 – Net Investment in Capital Assets

Net investment in capital assets as of June 30 were as follows:

Description	June 30, 2018	June 30, 2017
Capital assets, net	\$ 117,609,581	\$ 110,765,260
Water participation rights	7,395,163	7,716,692
Loss on debt refunding	191,846	198,461
Capital related debt:		
Bonds payable - current	(400,000)	(595,000)
Bonds payable - noncurrent	(21,040,000)	(21,440,000)
Bond premium	(1,156,763)	(1,197,381)
Contracts payable - current	(321,529)	(321,529)
Contracts payable - noncurrent	(7,073,634)	(7,395,163)
Net investment in capital assets	<u>\$ 95,204,664</u>	<u>\$ 87,731,340</u>

Note 10 – Commitments and Contingencies**Construction Contracts**

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and advances for construction.

West Valley Water District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018 (with comparative data for prior year)

Note 10 – Commitments and Contingencies (Continued)

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District has estimated an aggregate contingent liability related to various claims and litigation in the amount of \$438,970. The contingent liability is periodically adjusted as additional information becomes available affecting management's estimate. Actual claims and settlements paid will likely differ from this estimate.

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2018, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,000,000, combined single limit at \$2,000,000 per occurrence. The JPIA purchases additional excess coverage layers: \$60 million per occurrence for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage's.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$100 million per occurrence, subject to a \$2,500 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$50 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law. Coverage is through the Special Districts Risk Management Authority.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the last three years. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2018, 2017 and 2016, other than an estimated contingent liability for various litigation, as described in Note 10.

West Valley Water District**Notes to the Basic Financial Statements****For the Year Ended June 30, 2018 (with comparative data for prior year)**

Note 12 – Prior Period Adjustments***Change in Accounting Principle***

As discussed in Note 1, the District implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. The District's net OPEB liability was not previously recorded on the statement of net position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of actuarial information, therefore the provisions of GASB 75 were not applied to the prior period. The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

Net position at June 30, 2017 - as previously reported	\$ 115,556,869
Implementation of GASB 75	<u>(6,990,959)</u>
Net position at July 1, 2017 - as restated	<u>\$ 108,565,910</u>

REQUIRED SUPPLEMENTARY INFORMATION

West Valley Water District**Required Supplementary Information****Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date Last Ten Years***

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.17728%	\$ 4,381,344	\$ 3,776,382	116.02%	79.82%
6/30/2015	0.16082%	4,411,991	3,985,522	110.70%	78.40%
6/30/2016	0.14466%	5,025,330	4,320,078	116.32%	78.61%
6/30/2017	0.14852%	5,854,618	5,443,095	107.56%	78.53%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

*Measurement date June 30, 2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

West Valley Water District
Required Supplementary Information
Schedule of Pension Plan Contributions
Last Ten Years*

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarily Determined Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013-14	\$ 563,394	\$ (563,394)	\$ -	\$ 3,776,382	14.92%
2014-15	608,372	(608,372)	-	3,985,522	15.26%
2015-16	658,011	(1,272,291)	(614,280)	4,320,078	29.45%
2016-17	628,828	(628,828)	-	5,443,095	11.55%
2017-18	715,005	(715,005)	-	6,059,920	11.80%

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: For measurement date 6/30/2017, the discount rate was changed from 7.65 percent (net of administrative expenses) to 7.15 percent. For measurement date 6/30/2015, the discount rate was changed from 7.5 percent (net of administrative expenses) to 7.65 percent.

*Measurement date June 30, 2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

West Valley Water District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

Fiscal Year Measurement Period	<u>2017-18</u> <u>2016-17</u>
Total OPEB Liability	
Service cost	\$ 683,520
Interest	428,490
Changes of assumptions	(7,209,389)
Benefit payments	<u>(287,245)</u>
Net change in total OPEB liability	<u>(6,384,624)</u>
Total OPEB liability - beginning	<u>14,494,849</u>
Total OPEB liability - ending	<u><u>\$ 8,110,225</u></u>
Covered-employee payroll	\$ 6,831,331
Total OPEB liability as a percentage of covered-employee payroll	118.7%

Notes to schedule:

Changes in assumptions: none

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2017-18 was the first year of implementation.

West Valley Water District
Required Supplementary Information
Schedule of OPEB Plan Contributions
Last Ten Years*

Fiscal Year	<u>2017-18</u>
Actuarially Determined Contribution (ADC)	\$ 869,006
Contributions in relation to the ADC	(1,150,225)
Contribution deficiency (excess)	<u>\$ (281,219)</u>
Covered-employee payroll	\$ 6,831,331
Contributions as a percentage of covered-employee payroll	16.8%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018 were from the June 30, 2017 actuarial valuation.

Methods and Assumptions for Actuarially Determined Contribution	
Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal, level percentage of payroll
Amortization Method	Level percent of payroll
Amortization Period	Initial unfunded liability amortized over fixed 20 years from 7/1/16
Asset Valuation Method	N/A
Discount Rate	6.75%
General Inflation	2.75%
Medical Trend	Non-Medicare rate of 7.5% and Medicare rate of 6.5% for 2018, decreasing to 4.0% in 2076 and later years
Mortality Improvement	Mortality projected fully generational with Scale MP-16

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2017-18 was the first year of implementation.

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STATISTICAL SECTION

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West Valley Water District
Statistical Section
Last Ten Years

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

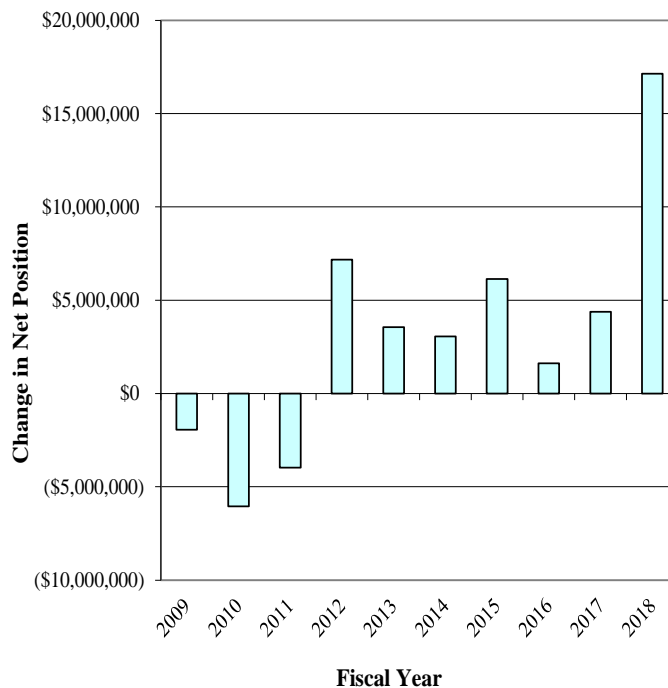
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These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.....	54
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	58
Debt Capacity	
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West Valley Water District

Changes in Net Position and Net Position by Component Last Ten Years

	Fiscal Year			
	2009	2010	2011	2012
Changes in net position:				
Operating revenues (see Schedule 2)	\$ 12,516,368	12,847,976	14,396,755	15,601,438
Operating expenses (see Schedule 3)	(14,239,766)	(15,076,628)	(15,152,541)	(14,146,510)
Depreciation and amortization	(3,435,901)	(5,931,124)	(7,183,269)	(6,751,348)
Operating income(loss)	(5,159,299)	(8,159,776)	(7,939,055)	(5,296,420)
Non-operating revenues(expenses):				
Property taxes	1,368,431	1,160,572	1,268,513	1,422,629
Interest and investment earnings	367,362	92,589	87,581	60,255
Rental income - cellular antennas	26,116	41,767	42,393	27,714
Gain/(loss) on sale/disposition of capital assets	18,486	(15,414)	3,137	16,171
Grants and Reimbursements	-	-	-	-
Board approved rate rebate	-	-	-	-
Interest expense - long term debt	(1,323,745)	(1,289,174)	(1,339,178)	(1,295,266)
Pension Related debt	(1,264,902)	-	-	-
Bond issuance costs	-	-	-	-
Amortization of deferred charges	(48,474)	(48,474)	(48,474)	(48,474)
Other non-operating revenue/(expense), net	841,471	(505,204)	56,826	(146,563)
Total non-operating revenues(expenses), net	(15,255)	(563,338)	70,798	36,466
Net income (loss) before capital contributions	(5,174,554)	(8,723,114)	(7,868,257)	(5,259,954)
Capital contributions	3,233,296	2,672,626	3,893,837	12,431,630
Changes in net position	\$ (1,941,258)	(6,050,488)	(3,974,420)	7,171,676
Prior period adjustment				
Net position by component:				
Net investment in capital assets	\$ 74,414,772	74,814,533	76,040,629	85,587,880
Restricted for capital projects	7,741,740	7,177,336	6,061,134	5,058,581
Restricted for debt service	57,555	55,816	56,104	55,093
Unrestricted	17,975,708	12,145,548	10,824,854	9,666,276
Total net position	\$ 100,189,775	94,193,233	92,982,721	100,367,830

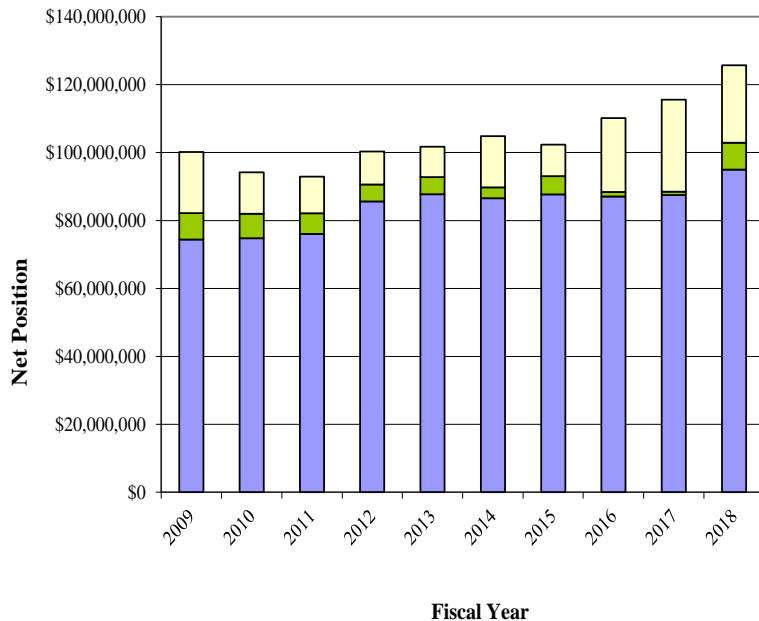


Source: West Valley Water District Accounting Department

West Valley Water District
Changes in Net Position and Net Position by Component (Continued)
Last Ten Years

Schedule 1

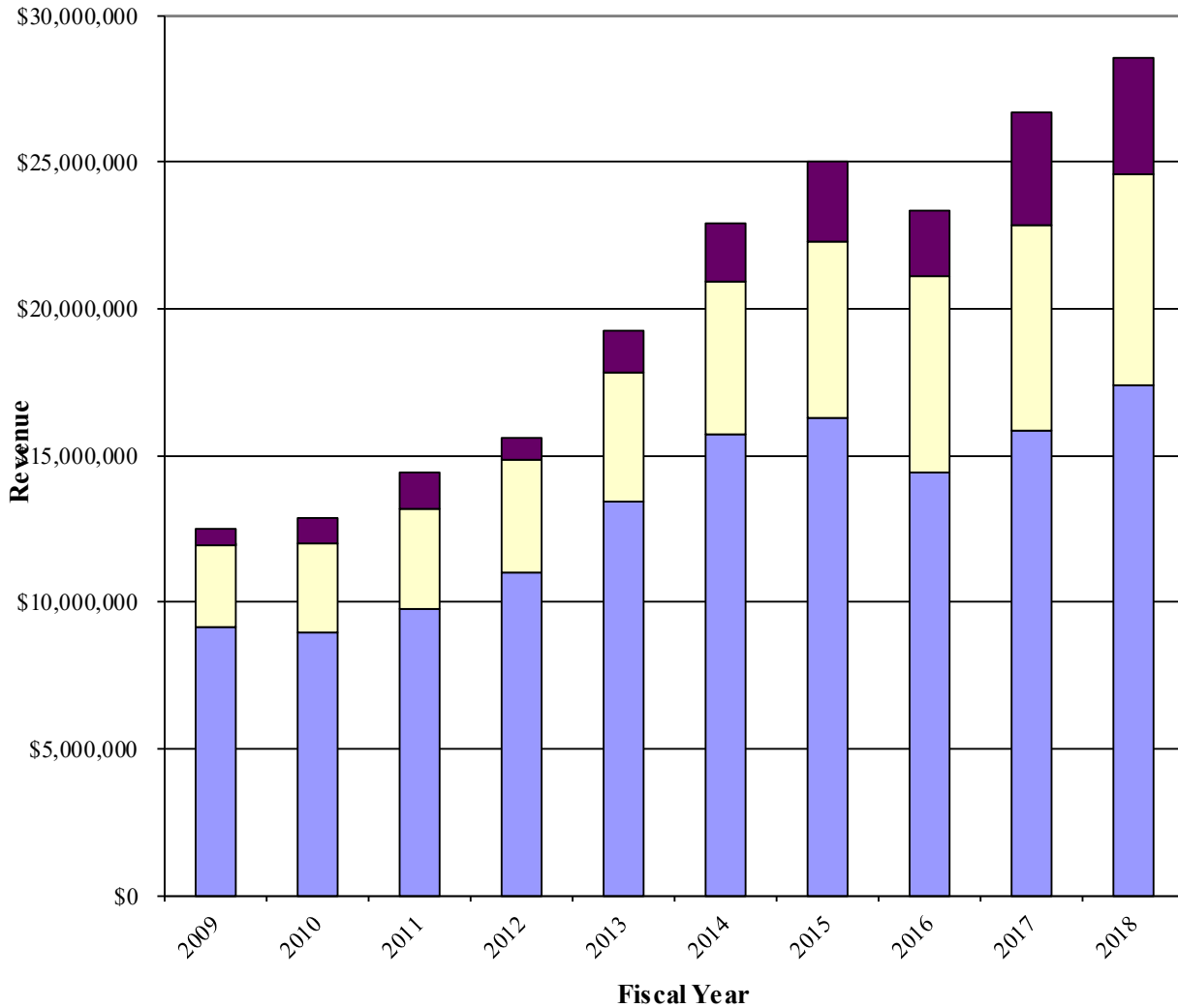
		Fiscal Year			
As Restated	As Restated				
2013	2014	2015	2016	2017	2018
19,264,708	22,907,911	25,012,159	23,230,364	26,677,886	28,543,972
(15,781,608)	(16,995,392)	(17,034,621)	(16,736,478)	(20,446,067)	(21,706,285)
(6,734,329)	(7,554,520)	(7,589,826)	(7,667,691)	(7,889,469)	(6,268,421)
(3,251,229)	(1,642,001)	387,712	(1,173,805)	(1,657,650)	569,266
1,760,434	1,459,571	1,658,936	1,758,220	1,821,922	2,023,173
48,171	64,380	65,371	127,090	227,465	367,911
35,663	26,746	32,207	29,966	37,241	32,941
-	45,650	24,644	24,400	60,980	15,400
2,000,000	-	-	43,241	2,518,254	554,897
-	-	-	(2,547,492)	-	(2,263,619)
(1,246,914)	(1,196,877)	(1,148,837)	(1,055,660)	(940,835)	(879,953)
-	-	-	-	-	-
-	-	-	-	(268,915)	-
(601,613)	(19,740)	(19,740)	-	-	-
55,737	34,575	202,348	24,524	(931,062)	73,498
2,051,478	414,305	814,929	(1,595,711)	2,525,050	(75,752)
(1,199,751)	(1,227,696)	1,202,641	(2,769,516)	867,400	493,514
4,760,891	4,283,248	4,940,175	4,383,464	3,506,937	16,643,552
3,561,140	3,055,552	6,142,816	1,613,948	4,374,337	17,137,066
			1,421,880		
87,705,995	86,581,350	87,693,459	87,041,544	87,532,879	95,012,818
5,061,866	3,190,652	5,360,944	1,366,458	929,737	7,875,322
2,196,172	2,194,435	5,873,252	1,020,896	-	-
8,964,937	15,018,085	9,219,049	21,753,634	27,094,253	22,814,836
103,928,970	106,984,522	108,146,704	111,182,532	115,556,869	125,702,976



West Valley Water District
Operating Revenue by Source
Last Ten Years

Schedule 2

Fiscal Year	Water Consumption Sales	Water Service Charges	Other Operating Income	Total Operating Revenue
2009	\$ 9,145,285	\$ 2,767,715	\$ 603,368	\$ 12,516,368
2010	8,961,085	3,053,040	833,851	12,847,976
2011	9,750,303	3,448,236	1,198,216	14,396,755
2012	11,019,032	3,855,757	726,649	15,601,438
2013	13,442,407	4,398,803	1,423,498	19,264,708
2014	15,715,734	5,214,461	1,977,716	22,907,911
2015	16,246,445	6,061,174	2,704,540	25,012,159
2016	14,420,079	6,702,841	2,240,801	23,363,721
2017	15,854,879	6,989,061	3,833,946	26,677,886
2018	17,370,508	7,201,939	3,971,525	28,543,972



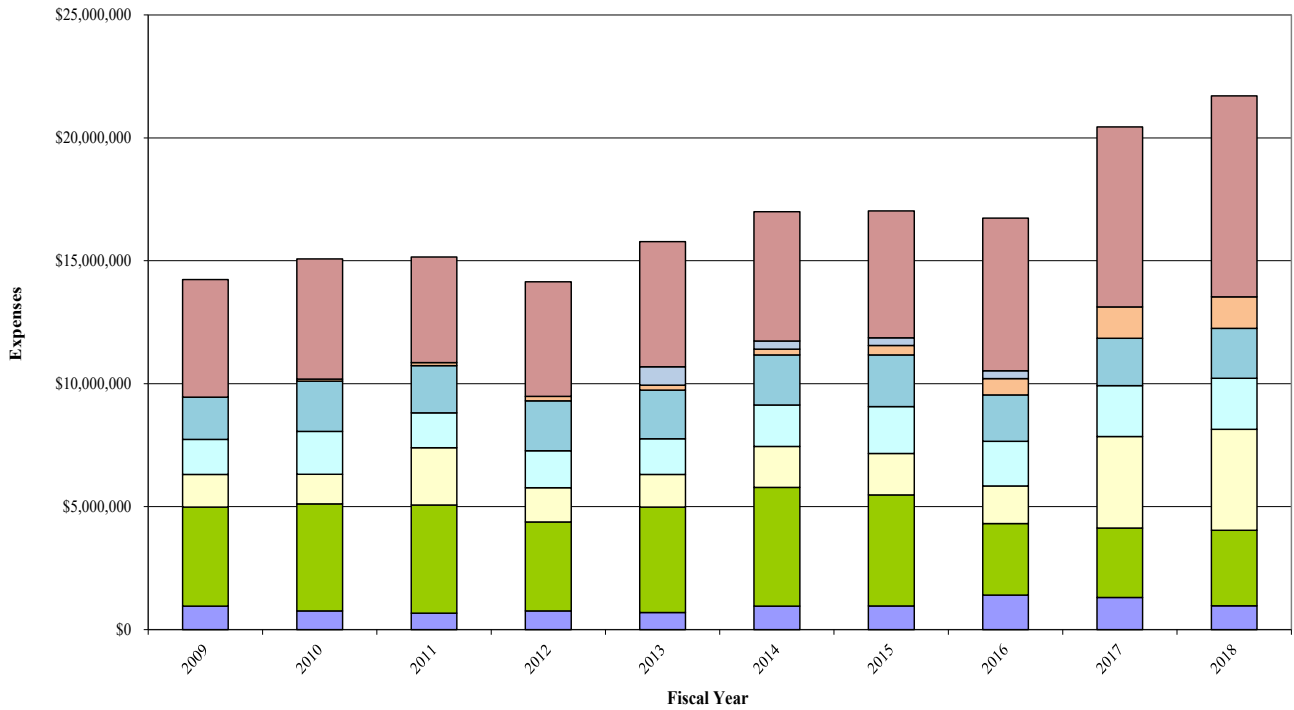
Source: West Valley Water District Accounting Department

West Valley Water District

Operating Expenses by Activity

Last Ten Years

Fiscal Year	Source of Supply	Pumping	Water Treatment	Transmission and Distribution	Customer Accounts	Conservation	Bioremediation	General and Administrative	Schedule 3 Total Operating Expenses
2009	\$ 956,940	\$ 4,030,155	\$ 1,326,083	\$ 1,426,379	\$ 1,716,249	\$ 228	\$ -	\$ 4,783,732	\$ 14,239,766
2010	760,170	4,356,011	1,204,436	1,740,459	2,043,316	90,123	-	4,882,113	15,076,628
2011	671,055	4,401,510	2,325,866	1,417,810	1,923,981	122,064	-	4,290,255	15,152,541
2012	759,898	3,624,258	1,388,672	1,500,136	2,032,390	183,840	-	4,657,316	14,146,510
2013	698,507	4,288,300	1,323,713	1,451,836	1,977,941	199,973	752,907	5,088,431	15,781,608
2014	951,189	4,831,597	1,668,548	1,687,965	2,035,498	229,295	342,780	5,248,520	16,995,392
2015	960,369	4,524,032	1,680,613	1,907,194	2,104,526	383,739	308,193	5,165,955	17,034,621
2016	1,404,819	2,910,119	1,524,622	1,825,012	1,885,567	656,120	317,601	6,212,618	16,736,478
2017	1,307,160	2,823,389	3,723,148	2,071,867	1,923,943	1,273,562	-	7,322,998	20,446,067
2018	972,624	3,066,501	4,110,055	2,074,410	2,031,657	1,280,123	-	8,170,915	21,706,285

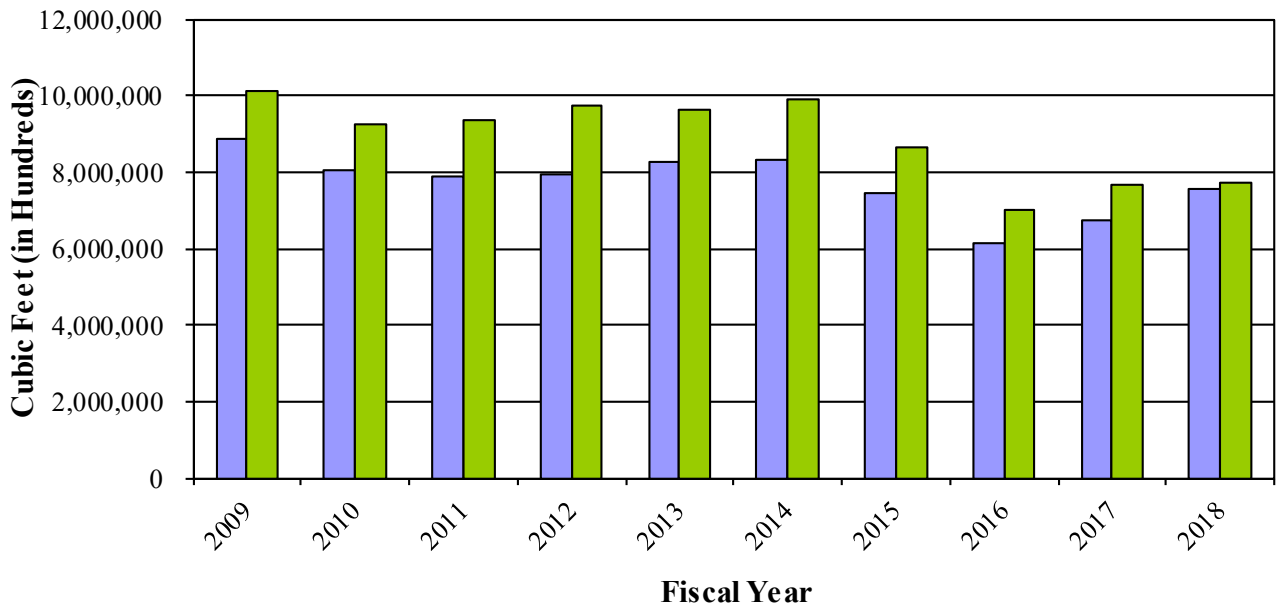


Source: West Valley Water District Accounting Department

West Valley Water District
Revenue Base
Last Ten Years

Schedule 4

Fiscal Year	Water Sales (HCF)	Water Produced (HCF)
2009	\$ 8,838,936	10,128,571
2010	8,036,066	9,261,727
2011	7,909,036	9,337,086
2012	7,912,309	9,742,948
2013	8,250,812	9,629,632
2014	8,323,184	9,891,169
2015	7,419,170	8,621,349
2016	6,151,431	7,016,601
2017	6,710,551	7,685,902
2018	7,576,183	7,705,595



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

Source: West Valley Water District Accounting Department

West Valley Water District

Revenue Rates

Last Ten Years

Schedule 5

Water Consumption per Hundred Cubic Feet (HCF)

Service Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire	\$ 55.00	60.50	67.00	74.00	n/a	n/a	n/a	n/a	n/a	n/a
Tier 1					80.00	92.50	106.50	106.50	106.50	106.50
Tier 2					87.50	100.00	115.00	115.00	115.00	115.00
Tier 3					95.00	110.00	126.50	126.50	126.50	126.50
Golf Course	0.70	0.77	0.85	0.94	By contract	By contract	By contract	By contract	By contract	By contract
Hydrant	1.80	1.98	2.18	2.40	2.76	2.76	2.76	2.76	2.76	2.76
Irrigation:										
Demand	0.55	0.61	0.68	0.75	By contract	By contract	By contract	By contract	By contract	By contract
Gravity Flow	0.55	0.61	0.68	0.75	By contract	By contract	By contract	By contract	By contract	By contract
Pressure	0.80	0.88	0.97	1.07	By contract	By contract	By contract	By contract	By contract	By contract
Water	1.10	1.21	1.34	1.48	n/a	n/a	n/a	n/a	n/a	n/a
Tier 1					1.60	1.85	2.13	2.13	2.13	2.13
Tier 2					1.75	2.00	2.30	2.30	2.30	2.30
Tier 3					1.90	2.20	2.53	2.53	2.53	2.53

Connection Fees Per Month

Meter Size	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
5/8" & 3/4"	\$ 6.88	7.57	8.33	9.17	10.54	10.54	10.54	10.54	10.54	10.54
1"	6.88	7.57	8.33	9.17	10.54	10.54	10.54	10.54	10.54	10.54
1 1/2"	10.32	11.36	12.50	13.76	15.81	15.81	15.81	15.81	15.81	15.81
2"	13.76	15.14	16.66	18.34	21.08	21.08	21.08	21.08	21.08	21.08
3"	20.64	22.71	24.99	27.51	31.62	31.62	31.62	31.62	31.62	31.62
4"	27.52	30.28	33.32	36.68	42.16	42.16	42.16	42.16	42.16	42.16
6"	41.28	45.42	49.98	55.02	63.24	63.24	63.24	63.24	63.24	63.24
8"	55.04	60.56	66.64	73.36	84.32	84.32	84.32	84.32	84.32	84.32
Golf Course										
All Sizes	\$ 43.32	47.66	52.43	57.68	By contract	By contract	By contract	By contract	By contract	By contract
Hydrant										
All Sizes	\$ 47.80	52.58	57.84	63.63	73.17	73.17	73.17	73.17	73.17	73.17
Irrigation										
All Sizes:										
Demand	\$ 43.32	47.66	52.43	57.68	By contract	By contract	By contract	By contract	By contract	By contract
Gravity Flow	43.32	47.66	52.43	57.68	By contract	By contract	By contract	By contract	By contract	By contract
Pressure	43.32	47.66	52.43	57.68	By contract	By contract	By contract	By contract	By contract	By contract
Water										
5/8" & 3/4"	\$ 10.96	12.06	13.27	14.60	16.79	19.31	22.21	22.21	22.21	22.21
1"	16.33	17.97	19.77	21.75	25.01	28.76	33.07	33.07	33.07	33.07
1 1/2"	24.09	26.50	29.15	32.07	36.88	42.41	48.77	48.77	48.77	48.77
2"	33.18	36.50	40.15	44.17	50.80	58.42	67.18	67.18	67.18	67.18
3"	48.17	52.99	58.29	64.12	73.74	84.80	97.52	97.52	97.52	97.52
4"	63.50	69.85	76.84	84.53	97.21	111.79	128.56	128.56	128.56	128.56
6"	96.33	105.97	116.57	128.23	147.46	169.58	195.02	195.02	195.02	195.02
8"	129.16	142.08	156.29	171.92	197.71	227.37	261.48	261.48	261.48	261.48

Note 1: Out of District rates for Water Service are one and a half times the In District rates.

Note 2: The rates for Golf Course and Irrigation Services are by written agreement between the user and the District.

Source: West Valley Water District Board of Directors approved rate ordinances and resolutions

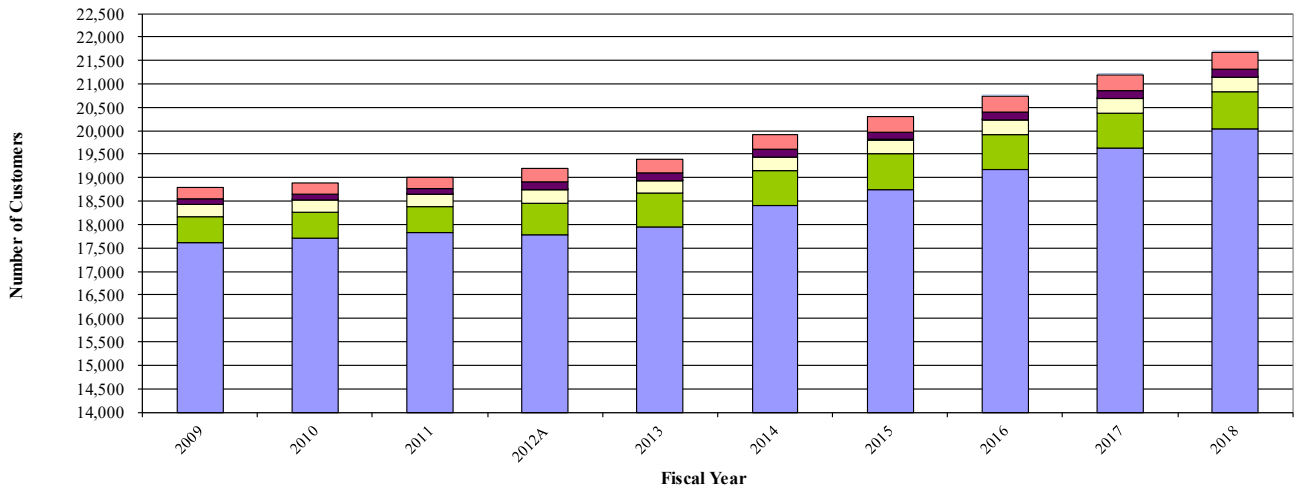
West Valley Water District

Customer by Type

Last Ten Years

Schedule 6

Fiscal Year	Customer Type								Total
	Residential	Commercial	Fire Service	Irrigation	Multi-Family	Park way	Golf Course	Wholesale Water	
2009	17,624	541	257	11	117	235	1	-	18,786
2010	17,715	543	257	11	117	238	1	-	18,882
2011	17,824	549	262	12	117	253	1	-	19,018
2012 ^A	17,773	692	267	13	155	287	-	-	19,187
2013	17,961	703	266	10	155	296	-	-	19,391
2014	18,397	754	284	11	159	316	-	-	19,921
2015	18,740	769	292	11	159	330	-	-	20,301
2016	19,174	756	299	10	159	341	-	1	20,740
2017	19,620	766	302	10	159	346	-	1	21,204
2018	20,043	779	318	10	159	366	-	1	21,676



Note A: As a result of the 2012 rate study, certain accounts were reclassified to other types.

Source: West Valley Water District Accounting Department

West Valley Water District
Principal Customers
Current Year and Nine Years Ago

Schedule 7

<u>Customer</u>	<u>2018</u>		<u>2009</u>	
	<u>Water Consumed</u>	<u>Percentage of Total</u>	<u>Water Consumed</u>	<u>Percentage of Total</u>
Rialto Unified School District	263,048	3.47%	281,226	3.18%
City of Rialto	181,024	2.39%	167,128	1.89%
Colton Joint Unified School District	141,709	1.87%	168,914	1.91%
Robertson's Ready Mix	128,832	1.70%	163,863	1.85%
City of Fontana	104,041	1.37%	104,186	1.18%
Aramark Uniform Services	103,102	1.36%	32,733	0.37%
Target	91,905	1.21%	148,139	1.68%
Marygold Mutual Water Company	86,728	1.14%		0.00%
Telco Food Products, Inc.	61,719	0.81%	57,850	0.65%
Lennar Homes	61,667	0.81%	5,733	0.06%
Total	<u>1,223,775</u>	<u>16.15%</u>	<u>1,129,772</u>	<u>12.78%</u>
Total Water Consumed (HCF)	<u>7,576,183</u>	<u>100.00%</u>	<u>8,838,936</u>	<u>100.00%</u>

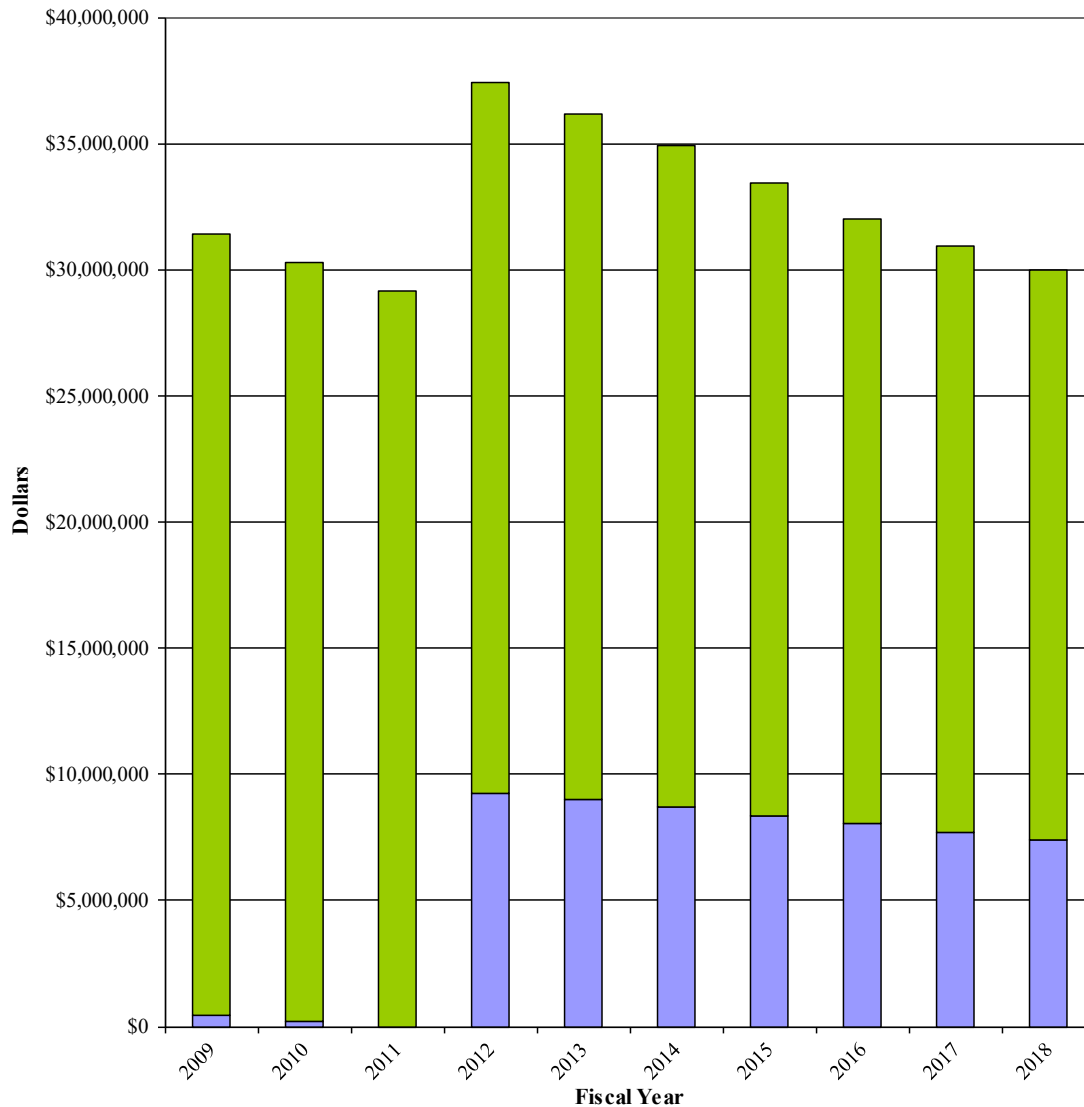
Note 1: Water Sales figures were taken from queries of the consumption data available in HTE.

Source: West Valley Water District Accounting Department

West Valley Water District
Ratios of Outstanding Debt by Type
Last Ten Years

Schedule 8

Fiscal Year	Contracts Payable	Bonds Payable	Notes Payable	Total		
				Debt	Per Capita	As a Share of Personal Income
2008	\$ 720,004	31,835,000	-	32,555,004	328.50	1.08%
2009	450,009	30,985,000	-	31,435,009	314.79	1.06%
2010	180,009	30,095,000	-	30,275,009	301.96	1.01%
2011	-	29,170,000	-	29,170,000	290.94	0.93%
2012	9,234,336	28,195,000	-	37,429,336	370.47	1.16%
2013	9,002,807	27,190,000	-	36,192,807	358.71	1.12%
2014	8,734,867	26,155,000	-	34,889,867	345.39	1.05%
2015	8,359,750	25,080,000	-	33,439,750	325.48	0.99%
2016	8,038,221	23,955,000	-	31,993,221	310.22	0.88%
2017	7,716,692	23,232,381	-	30,949,073	299.56	0.81%
2018	7,395,163	22,596,763	-	29,991,926	289.60	0.75%



Source: West Valley Water District Accounting Department

West Valley Water District
Pledged-Revenue Coverage
Last Ten Years

Schedule 9

Fiscal Year	Net Revenues	Operating Expenses ⁽¹⁾	Net Available Revenues	Debt Service			Coverage Ratio
				Principal ⁽²⁾	Interest	Total	
2009	\$13,622,286	(14,531,043)	(908,757)	1,160,000	1,314,378	2,474,378	(0.37)
2010	14,142,904	(14,391,194)	(248,290)	1,105,009	1,278,441	2,383,450	(0.10)
2011	15,855,205	(15,843,330)	11,875	1,296,529	1,241,103	2,537,632	0.00
2012	17,128,207	(14,836,728)	2,291,479	1,326,529	1,349,370	2,675,899	0.86
2013	21,164,713	(17,630,135)	3,534,578	1,356,529	1,297,214	2,653,743	1.33
2014	24,538,833	(18,212,009)	6,326,824	1,450,117	1,113,028	2,563,145	2.47
2015	26,995,665	(18,203,198)	8,792,467	1,446,529	1,148,837	2,595,366	3.39
2016	25,371,162	(20,346,357)	5,024,805	1,446,529	1,055,660	2,502,189	2.01
2017	31,359,870	(21,288,947)	10,070,923	1,486,529	940,835	2,427,364	4.15
2018	31,558,717	(24,550,480)	7,008,237	916,529	917,400	1,833,929	3.82

Notes:

(1) Operating expenses exclude depreciation expense and other post employment benefit expenses

(2) Bond was refinanced in fiscal year 2017.

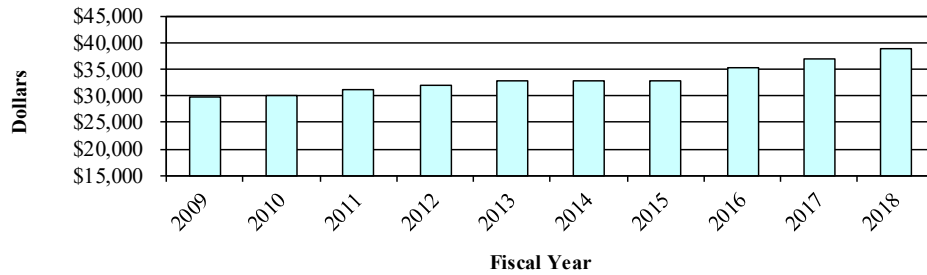
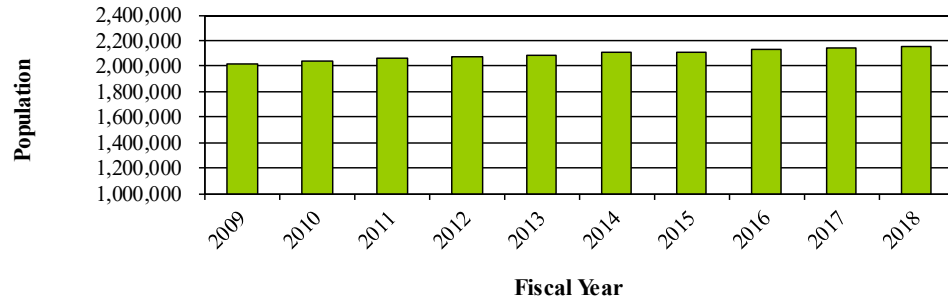
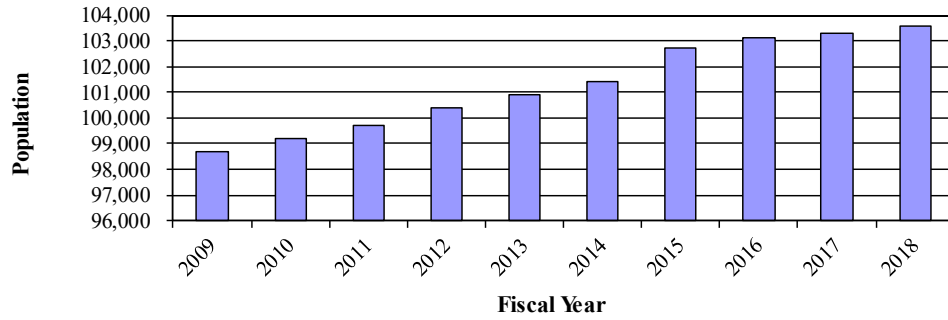
Source: West Valley Water District Accounting Department

West Valley Water District
Demographics and Economics Statistics
Last Ten Years

Schedule 10

County of San Bernardino⁽²⁾

Year	Unemployment Rate	City of Rialto Population ⁽¹⁾	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2009	16.5%	98,698	13.0%	2,013,960	\$59,991,663	\$ 29,788
2010	18.1%	99,171	14.2%	2,041,626	61,147,087	29,950
2011	16.4%	99,686	12.9%	2,063,143	64,454,103	31,241
2012	14.3%	100,397	11.1%	2,077,453	66,577,329	32,048
2013	13.3%	100,896	10.4%	2,088,371	68,387,465	32,747
2014	11.6%	101,429	9.0%	2,112,619	69,487,877	32,892
2015	9.5%	102,741	8.1%	2,112,619	69,487,877	32,892
2016	7.0%	103,132	5.8%	2,128,133	75,402,896	35,431
2017	4.7%	103,314	5.4%	2,140,096	78,830,801	36,835
2018	4.2%	103,562	3.9%	2,157,404	83,741,561	38,816



Sources:

- www.labormarketinfo.edd.ca.gov
- <http://www.bea.gov/regional/bearfacts>
- <http://www.dof.ca.gov/Research/demographic/reports/estimates/e-1/view.php>

(1) Separate data is not available for the District, therefore the District has used the data for the City of Rialto. A substantial portion of the District lies within the city, and therefore, is a reasonable basis for

(2) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the

West Valley Water District
Principal Employers
As of June 30, 2017 – Most Recent Data Available

City of Rialto⁽¹⁾			
Employer	Employees	Rank	Percentage of Total Employment
Rialto Unified School District	1000 to 2499	1	2.40 - 6.01%
City of Rialto	500 to 999	2	1.20 - 2.40%
Walmart	250 to 499	3	.60 - 1.20%
Eagle Roofing products	250 to 499	4	.60 - 1.20%
R C Construction Svc	250 to 499	5	.60 - 1.20%
Burlingame Industries	100 to 249	6	.24 - .60%
Columbia Steel Inc.	100 to 249	7	.24 - .60%
Home Depot	100 to 249	8	.24 - .60%
Stater Bros Markets	100 to 249	9	.24 - .60%
Target Import Warehouse	100 to 249	10	.24 - .60%

City of Fontana⁽²⁾			
Employer	Employees	Rank	Percentage of Total Employment
Kaiser Hospital & Med. Group	5,745	1	5.87%
City of Fontana	1,086	2	1.11%
Target Stores T 553	648	3	0.66%

City of Colton⁽³⁾			
Employer	Employees	Rank	Percentage of Total Employment
Colton Joint Unified School District	738	1	3.21%
Lineage Logistics	625	2	2.72%
City of Colton	283	3	1.23%
County of San Bernardino	280	4	1.22%

Note: Above sites have not been updated for the fiscal year 2018. The most recent data available is reported.

(1) City of Rialto, 2016-2017 CAFR, pg. 237

(2) City of Fontana, 2016-2017 CAFR, pg. 152

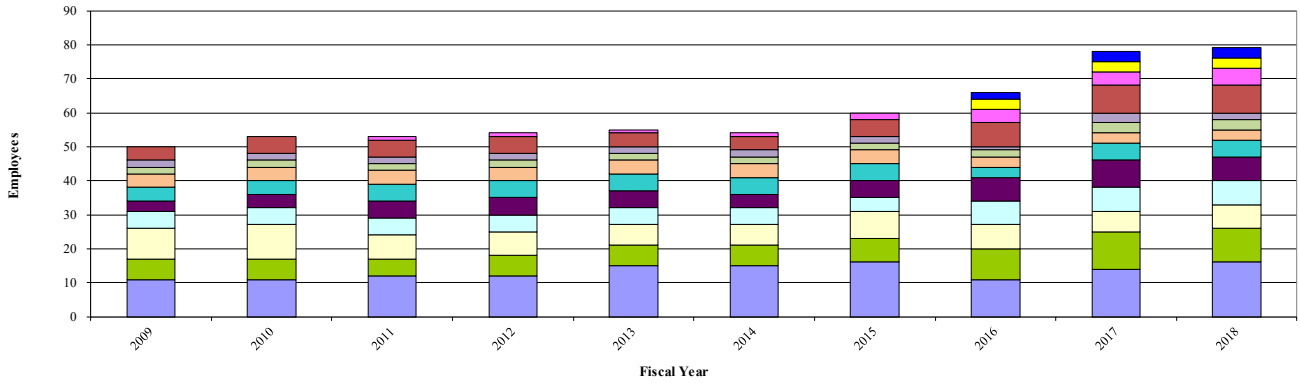
(3) City of Colton, 2016-2017 CAFR, pg. 180

West Valley Water District Operating and Capacity Indicators Last Ten Years

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	Water Treatment /Production	Maintenance	Meters	Administration	Customer Service	Accounting	Billing	IT	Human Resources	Engineering	External Affairs /Conservation	Water Quality	Purchasing	Total
2009	11	6	9	5	3	4	4	2	2	4	0	0	0	50
2010	11	6	10	5	4	4	4	2	2	5	0	0	0	53
2011	12	5	7	5	5	5	4	2	2	5	1	0	0	53
2012	12	6	7	5	5	5	4	2	2	5	1	0	0	54
2013	15	6	6	5	5	5	4	2	2	4	1	0	0	55
2014	15	6	6	5	4	5	4	2	2	4	1	0	0	54
2015	16	7	8	4	5	5	4	2	2	5	2	0	0	60
2016	11	9	7	7	7	3	3	2	1	7	4	3	2	66
2017	14	11	6	7	8	5	3	3	3	8	4	3	3	78
2018	16	10	7	7	7	5	3	3	2	8	5	3	3	79



Source: West Valley Water District Human Resources Department

Schedule 12

Other Operating and Capacity Indicators

Fiscal Year	District Area (Square Miles)	Miles of Pipeline	Storage Tanks	Storage Capacity (MG)	Groundwater Wells	Well Capacity (MGD)	Fire Hydrants
2009	31	362	26	73.6	20	42.0	2,040
2010	31	365	26	73.6	17	43.0	2,040
2011	31	366	26	73.6	17	38.0	2,040
2012	31	366	26	73.6	17	35.0	2,040
2013	31	368	26	73.6	17	35.0	2,040
2014	31	370	26	73.6	17	35.0	2,040
2015	31	370	26	73.6	17	35.0	2,040
2016	32	370	26	73.6	17	35.0	2,944
2017	32	375	26	73.6	17	35.0	3,085
2018	32	376	26	73.6	17	35.0	3,104

MG - Millions of Gallons
MGD - Millions of Gallons per Day

Sources: West Valley Water District Operations

Note: The Fire Hydrant total is inclusive of Hydrants and Jones heads.

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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December 21, 2018

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT

To the Board of Directors and Management of West Valley Water District

We have audited the financial statements of the West Valley Water District (District) for the years ended June 30, 2018, and have issued our report thereon dated December 21, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 16, 2018 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. During the current year, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

Management's estimate of the capital asset depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related deferred outflows of resources and inflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the contingent liability is based on estimated losses related to on-going litigation using subjective probabilities prescribed by District management and attorneys. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net OPEB liability and related deferred inflow and outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of the capital asset depreciation in Note 1 of the financial statements is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period.

The disclosure of the net pension liability in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the net OPEB liability in Note 8 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the contingent liability in Note 10 to the financial statements is based on estimates developed by District management and attorneys. Actual future liabilities may vary from disclosed estimates.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements reported.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 21, 2018.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Very truly yours,



Brad Welebir, CPA, CGMA, MBA
Partner

December 21, 2018

Rogers, Anderson, Malody and Scott, LLP
735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of West Valley Water District (the District) as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the District in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 21, 2018.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 16, 2018, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
15. Special items and extraordinary items have been properly classified and reported.
16. Deposit and investment risks have been properly and fully disclosed.
17. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
18. All required supplementary information is measured and presented within the prescribed guidelines.
19. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

20. We have provided you with:
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
21. All transactions have been recorded in the accounting records and are reflected in the financial statements.
22. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
23. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
24. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
25. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
26. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
27. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

28. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
29. There are no:
- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB 62, other than the claims and assessments that we estimated and accrued as a contingent liability for litigation based on information obtained from our lawyer.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
 - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
30. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
31. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- c. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- d. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the District of the supplementary information and the auditor's report thereon.

Pension and Postretirement Benefits

We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.


Clarence Mansell Jr, General Manager


Naisha Davis, Chief Financial Officer



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: RESOLUTION 2019-1 PROVIDING FOR THE CREATION OF THE
 WATER SUPPLY RELIABILITY 2025 PROGRAM

DISCUSSION:

West Valley Water District's mission is to provide our customers with a diversified, safe, high quality, and reliable water service at a reasonable rate and in a sustainable manner. To successfully perform its mission, the District must create and execute a comprehensive action plan to meet and overcome the challenges threatening its success. Those challenges include but are not limited to: 1.) climate change causing prolonged drought periods due to reduced precipitation resulting in low snow pack levels and storm water percolation and runoff which adversely affects the sustainability of local and State Water Project surface water flows and adequate groundwater levels; 2.) the contamination of local groundwater basins has limited the availability of large quantities of groundwater supplies while increasing water treatment costs; and, 3.) the projected growth of residential and commercial properties in the service area requires the planning for and procurement of additional water supplies from diverse new sources in order to ensure long-term sustainability.

Creating the Water Supply Reliability 2025 Program will ensure the District has a defined action plan to achieve its mission of providing a diversified, safe, affordable, reliable and sustainable water supply to support current and future social and economic activity within its service area. The Program shall include and not be limited to the project activities enumerated in Resolution 2019-01, attached hereto as Exhibit A.

FISCAL IMPACT:

Funding for each project in the Program will be presented to the Board for approval as project costs are determined.

STAFF RECOMMENDATION:

That the Board of Directors approves Resolution No. 2019-01, The Water Supply Reliability 2025 Program.

Respectfully Submitted,

Clarence C. Mansell Jr.

Clarence Mansell Jr., Interim General Manager

CE:cm

ATTACHMENT(S):

1. Exhibit A
2. FINAL DRAFT_RESOLUTION NO 2019-01

Exhibit A

RESOLUTION NO. 2019-1**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY WATER DISTRICT PROVIDING FOR THE CREATION OF THE WATER SUPPLY RELIABILITY 2025 PROGRAM**

WHEREAS West Valley Water District's mission is to provide our customers with a diversified, safe, high quality, and reliable water service at a reasonable rate and in a sustainable manner.

WHEREAS to perform its mission the District must create and execute a comprehensive plan of action to meet the challenges of providing a diversified, safe, high quality and reliable water service at a reasonable rate and in a sustainable manner.

WHEREAS planning for climate change necessitates the anticipation of continually reduced snow pack levels and prolonged drought periods adversely affecting the sustainability of local surface water flows

WHEREAS groundwater levels are low, and contamination of local groundwater basins has limited the availability of large quantities of groundwater supplies while increasing water treatment costs.

WHEREAS state water project water supply is unreliable due to drought conditions, adjudicated pumping restrictions, and infrastructure deficiencies.

WHEREAS projected growth of residential and commercial properties in the service area requires the procurement of, and planning for, additional water supplies from new sources in order to ensure long-term sustainability.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the West Valley Water District declares, directs and orders as follows:

The Water Supply Reliability 2025 Program is hereby created to ensure the District's mission of providing a diversified, safe, affordable and reliable water supply can continue to be accomplished. The program shall include, but may not be limited to, the following:

- a. Expansion of the Oliver Roemer Treatment Plant by 6 million gallons per day (MGD) for a total capacity of 20 MGD.
- b. The Storm and Surface Water Infiltration and Injection-Well Filtration Treatment (SSWIIFT) Basin project in Lytle Creek to capture storm water and excess imported surface water for replenishment of the Lytle Creek and Bunker Hill groundwater basins.
- c. The targeted spreading of imported water in the Rialto-Colton groundwater basin to flush and treat existing contamination from the basin and to provide groundwater aquifer replenishment.

- d. The Water Banking Program to purchase and bank water for later use in various geographical areas.
- e. The Water Exchange Program to purchase water in other geographical areas to exchange for imported water supplies geographically accessible to the District’s distribution system.
- f. The Rialto/West Valley Water Reclamation Project to develop a water reclamation treatment plant north of the 210 freeway to provide recycled water for the purpose of groundwater basin replenishment.
- g. The Pacific River Project to create regional partnerships to purchase capacity in coastal desalination facilities for state water project exchange, and to plan for the eventual development of a transmission conduit to bring potable water into the region from the ocean.
- h. The Water Conservation Program to manage water demand, ensure efficient and reasonable use of available water supplies, and ensure continued compliance with new conservation legislation.
- i. Collaborate with other water agencies to create Regional Water Sustainability Action Plans.

THIS RESOLUTION NO. 2019-?? IS DULY PASSED IN A BOARD MEETING OF THE WEST VALLEY WATER DISTRICT BOARD ON THIS 17TH day of January 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATEST: _____
Crystal L. Escalera
Clerk of the Board

APPROVED: _____
Dr. Michael Taylor
President

APPROVED AS TO FORM:

Robert Tafoya
General Counsel



**BOARD OF DIRECTORS
STAFF REPORT**

DATE: January 17, 2019
TO: Board of Directors
FROM: Clarence Mansell Jr., Interim General Manager
SUBJECT: APPROVAL OF CONTRACT FOR ROB KATHERMAN CONSULTING

BACKGROUND:

A review of contract files and the Board of Director's Agenda Package for June 21, 2018 (Exhibit A) has revealed that the professional services agreement in the package and the agreement intended for the package are different agreements. The agreement included in the package (Exhibit A) has an effective term of March – June 2018. The agreement intended for the package (Exhibit B) has an effective term of July 2018 – July 2019. The consultant and staff have been operating since July under the latter agreement. However, the latter agreement must be presented to the Board for retroactive approval (Exhibit C) to correct the obvious error of presenting the wrong agreement for approval in the June 21, 2018 Board Agenda Package.

DISCUSSION:

There are differences between the former and latter contracts. Compensation in the former contract (March – June 2018) was paid at the rate of \$85 per hour, limited to \$24,999 and therefore only required the approval of the Interim General Manager, Robert Christman. The latter contract (July 2018 – July 2019) pays at the rate of \$85 per hour, has no specified minimum or maximum and requires Board approval because the contract's dollar value can exceed \$25,000. The scope of services is the same in both contracts. The one change included at this present time is the addition of Article 22 to clarify the consultant's name is Rob Katherman Consulting and not "Robert Katherman ("Consultant")" as stated in the opening paragraph of the agreement.

FISCAL IMPACT:

There is no change in fiscal impact. The estimated cost of the contract remains at \$100,000.

STAFF RECOMMENDATION:

That the Board of Directors approve the professional services agreement for Rob Katherman Consulting.

Respectfully Submitted,

Clarence C. Mansell Jr.

Clarence Mansell Jr., Interim General Manager

CE:cm

ATTACHMENT(S):

1. 06-21-18_MinutesApproved
2. RobertKathermanConsulting_Agreement
3. Amended_RobKathermanConsulting_Agreement

Exhibit A

MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
June 21, 2018

7. CONSULTING SERVICES CONTRACT FOR ROBERT KATHERMAN

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clifford Young, President
SECONDER:	Gregory Young, Vice President
AYES:	Clifford Young, Gregory Young, Michael Taylor
ABSENT:	Donald Olinger, Kyle Crowther, Ricardo Pacheco

MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
May 17, 2018

11. WAIVE INSURANCE REQUIREMENTS FOR ROB KATHERMAN

RESULT:	ADOPTED [4 TO 0]
MOVER:	Gregory Young, Vice President
SECONDER:	Kyle Crowther, Director
AYES:	Clifford Young, Gregory Young, Kyle Crowther, Michael Taylor
ABSTAIN:	Donald Olinger

CONSULTANT PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____th day of March, 2018, by and between the **West Valley Water District ("District")** and **Robert Katherman ("Consultant")**.

RECITALS

A. District has determined that it requires professional services from the **Consultant** pertaining to Water Policy and Procedures, Replenishment of the Basin, District Branding and Marketing, and other District administrative issues or matters.

B. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience, education and expertise of its principals and employees. **Consultant** further represents that is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Professional Services Agreement.

NOW THEREFORE, in consideration of the following mutual covenants, provisions and agreements, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **District** and **Consultant** agree as follows:

1. **SCOPE OF SERVICES.** **Consultant** agrees to perform during the term of this Agreement, the tasks, obligations, and services requested by the Board or its General Manager. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

2. **COMPENSATION.** **District** shall pay for the services performed by **Consultant** pursuant to the terms of this Agreement as follows: \$85.00 per hour; NOT TO EXCEED \$24,999.00.

3. **TIME FOR PERFORMANCE.** **Consultant** shall perform the services above described in a timely manner in accordance with professional standard practices and the provisions of this agreement. This Agreement is effective as of the Commencement Date and shall terminate on the Expiration Date, unless sooner terminated as provided in Paragraph 13 herein:

A. Commencement Date: March __, 2018

B. Expiration Date: June __, 2018

4. **AUDIT OR EXAMINATION.** **Consultant** shall keep all records of funds received from **District** and make them accessible for audit or examination for a period of three years after final payments are issued and other pending matters.

5. **STATUS OF CONSULTANT.** **Consultant** shall provide all necessary personnel, equipment and material, at its sole expense, in order to perform the services required of it pursuant to this Agreement. For the purpose of this Agreement, **Consultant** shall be deemed, for all purposes, an independent contractor and shall have control of all work and the manner in which it is performed. **Consultant** shall be free to contract for similar services to be performed for other entities while under contract with **District**. **Consultant** is not an agent or employee of **District**, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits **District** provides for its employees. **Consultant** shall be responsible to pay and hold **District** harmless from any and all payroll and other taxes and interest thereon and penalties,

therefore, which may become due as a result of services performed hereunder.

6. **ASSIGNMENT.** This Agreement is for the specific services with **Consultant** as set forth herein. Any attempt by **Consultant** to assign the benefits or burdens of this Agreement without written approval of **District** is prohibited and shall be null and void; except that **Consultant** may assign payments due under this Agreement to a financial institution.

7. **COMPLIANCE WITH LAW.** Contract services shall be provided in accordance with the applicable laws and regulations of all governmental agencies that are in force at the time services are performed. **Consultant** shall be responsible for becoming aware of and staying such laws. The terms of this Agreement shall be interpreted according to the laws of the State of California.

8. **LIABILITY.** **Consultant** shall indemnify, and hold harmless **District**, its officials, officers, and employees against any and all actions, claims, damages, liabilities, losses or expenses of whatsoever kind, name or nature, including legal costs and reasonable attorneys' fees, whether or not suit is actually filed, and any judgment rendered against **District** and/or its officials, officers, or employees that may be asserted or claimed by any person, firm, or entity arising out of **Consultants'** negligent performance, or the negligent performance of its agents, employees, subcontractors, or invitees, as well as, negligent acts or omissions of **Consultant**, it's agents, employees, subcontractors or invitees, however, this indemnity clause shall not apply if there is concurrent passive or active negligence on the part of **District**, or its officials, officers, agents or employees.

9. **OWNERSHIP OF DOCUMENTS.** All of the documents required to be prepared pursuant hereto shall, upon the completion thereof, be deemed for all purposes to be the property of **District**. **District's** ownership of documents includes any and all analysis, computations, plans, correspondence and/or other pertinent data, information, documents, and computer media, including disks and other materials gathered or prepared by **Consultant** in performance of this Agreement. Such work product shall be transmitted to **District** within ten (10) days after a written request therefore. **Consultant** may retain copies of such products. Any re-use by **District** shall be at the sole risk of **District** and without liability to **Consultant**.

10. **RECORDS AND INSPECTIONS.** **Consultant** shall maintain full and accurate records with respect to all services and matters covered under this Agreement. **District** shall have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. **Consultant** shall maintain an up-to-date list of key personnel and telephone numbers for emergency contact after normal business hours.

11. **TAXPAYER IDENTIFICATION NUMBER.** **Consultant** shall provide **District** with a complete Request for Taxpayer Identification Number and Certification, Form W-9, as issued by the Internal Revenue Service.

12. **CONFLICT OF INTEREST.** **Consultant** agrees that any conflict or potential conflict of interest shall be fully disclosed prior to execution of contract and **Consultant** shall comply with all applicable federal, state and county laws and regulations governing conflict of interest.

13. **RIGHT TO TERMINATE.** **District** may terminate this Agreement at any time, with or without cause, in its sole discretion, with thirty (30) days written notice.

14. **EFFECT OF TERMINATION.** Upon termination as stated in Paragraph "13" of and including the date of termination of this Agreement, unless the termination is for cause, in which event **Consultant** need be compensated only to the extent required by law. **Consultant shall** be entitled to payment for work satisfactorily completed to date, based on proration of the compensation set forth in Paragraph "2" of this Agreement. Such payment will be subject to **District's** receipt of a close-out billing.

15. **LITIGATION FEES.** Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including reasonable attorney's fees, to the prevailing party. In awarding attorney's fees, the court shall not be bound by any court fee schedule but shall award the full amount of costs, expenses and attorney's fees paid and/or incurred in good faith. "Prevailing Party" shall mean the party that obtains a favorable and final judgment. Should litigation occur, venue shall be in the Superior Court of Los Angeles County. This paragraph shall not apply, and litigation fees shall not be awarded based on an order or otherwise final judgment that results from the parties' mutual settlement, arbitration, or mediation of the dispute.

16. **COVENANTS AND CONDITIONS.** Each term and each provision of this Agreement to be performed by **Consultant** shall be construed to be both a covenant and a condition.

17. **INTEGRATED AGREEMENT.** This Agreement represents the entire Agreement between the **District** and **Consultant**. No verbal agreement or implied covenant shall be held to vary the provisions of this agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement, and any subsequent successors and assigns.

18. **MODIFICATION OF AGREEMENT.** This Agreement may not be modified, nor may any of the terms, provisions or conditions be modified or waived or otherwise affected, except by a written amendment signed by all parties.

19. **DESIGNATED REPRESENTATIVES.** The **Consultant** Representative (A) designated below shall be responsible for job performance, negotiations, contractual matters, and coordination with the **District**. The **District** Representative (B) designated below shall act on the District's behalf as Project Manager.

(A) **Robert Katherman**
6442 Parklynn Drive
Rancho Palos Verdes, CA 90275

(B) **West Valley Water District**
Attn.: Robert Christman, Interim General Manager
855 West Base Line Road
Rialto, CA 92377
(909) 820-3701

20. **NOTICES.** Notices pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notices shall be directed to District's Designated Representative identified in Paragraph "19" of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day first above written.

Dated: _____

WEST VALLEY WATER DISTRICT

By: _____
Robert Christman
Interim General Manager

Dated: 3-26-18

CONSULTANT



Robert Katherman

Exhibit B

CONSULTANT PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____th day of June, 2018, by and between the **West Valley Water District ("District")** and **Robert Katherman ("Consultant")**.

RECITALS

WHEREAS, District has determined that it requires professional services from the **Consultant** pertaining to Water Policy and Procedures, Replenishment of the Basin, District Branding and Marketing, and other District administrative issues or matters.

WHEREAS, Consultant represents that it is fully qualified to perform such professional services by virtue of its experience, education and expertise of its principals and employees. **Consultant** further represents that is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Professional Services Agreement.

NOW THEREFORE, in consideration of the following mutual covenants, provisions and agreements, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **District** and **Consultant** agree as follows:

1. **SCOPE OF SERVICES.** **Consultant** agrees to perform during the term of this Agreement, the tasks, obligations, and services requested by the Board or its General Manager. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

2. **COMPENSATION.** **District** shall pay for the services performed by **Consultant** pursuant to the terms of this Agreement as follows: \$85.00 per hour for each hour worked with no minimum or maximum.

3. **TIME FOR PERFORMANCE.** **Consultant** shall perform the services above described in a timely manner in accordance with professional standard practices and the provisions of this Agreement. This Agreement is effective as of the Commencement Date and shall terminate on the Expiration Date, unless sooner terminated as provided in Paragraph 13 herein:

A. Commencement Date: July , 2018

B. Expiration Date: July , 2019

4. **AUDIT OR EXAMINATION.** **Consultant** shall keep all records of funds received from **District** and make them accessible for audit or examination for a period of three years after final payments are issued and other pending matters.

5. **STATUS OF CONSULTANT.** **Consultant** shall provide all necessary personnel, equipment and material, at its sole expense, in order to perform the services required of it pursuant to this Agreement. For the purpose of this Agreement, **Consultant** shall be deemed, for all purposes, an independent contractor and shall have control of all work and the manner in which it is performed. **Consultant** shall be free to contract for similar services to be performed for other entities while under contract with **District**. **Consultant** is not an agent or employee of **District**, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits **District** provides for its employees. **Consultant** shall be responsible to pay and hold **District** harmless

from any and all payroll and other taxes and interest thereon and penalties, therefore, which may become due as a result of services performed hereunder.

6. **ASSIGNMENT.** This Agreement is for the specific services with **Consultant** as set forth herein. Any attempt by **Consultant** to assign the benefits or burdens of this Agreement without written approval of **District** is prohibited and shall cause this Agreement to become null and void; except that **Consultant** may assign payments due under this Agreement to a financial institution.

7. **COMPLIANCE WITH LAW.** Contract services shall be provided in accordance with the applicable laws and regulations of all governmental agencies that are in force at the time services are performed. **Consultant** shall be responsible for becoming aware of and staying such laws. The terms of this Agreement shall be interpreted according to the laws of the State of California.

8. **LIABILITY.** **Consultant** shall indemnify, and hold harmless **District**, its officials, officers, and employees against any and all actions, claims, damages, liabilities, losses or expenses of whatsoever kind, name or nature, including legal costs and reasonable attorneys' fees, whether or not suit is actually filed, and any judgment rendered against **District** and/or its officials, officers, or employees that may be asserted or claimed by any person, firm, or entity arising out of **Consultants'** negligent performance, or the negligent performance of its agents, employees, subcontractors, or invitees, as well as, negligent acts or omissions of **Consultant**, its agents, employees, subcontractors or invitees, however, this indemnity clause shall not apply if there is concurrent passive or active negligence on the part of **District**, or its officials, officers, agents or employees.

9. **OWNERSHIP OF DOCUMENTS.** All of the documents required to be prepared pursuant hereto shall, upon the completion thereof, be deemed for all purposes to be the property of **District**. **District's** ownership of documents includes any and all analysis, computations, plans, correspondence and/or other pertinent data, information, documents, and computer media, including disks and other materials gathered or prepared by **Consultant** in performance of this Agreement. Such work product shall be transmitted to **District** within ten (10) days after a written request therefore. **Consultant** may retain copies of such products. Any re-use by **District** shall be at the sole risk of **District** and without liability to **Consultant**.

10. **RECORDS AND INSPECTIONS.** **Consultant** shall maintain full and accurate records with respect to all services and matters covered under this Agreement. **District** shall have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. **Consultant** shall maintain an up-to-date list of key personnel and telephone numbers for emergency contact after normal business hours.

11. **TAXPAYER IDENTIFICATION NUMBER.** **Consultant** shall provide **District** with a complete Request for Taxpayer Identification Number and Certification, Form W-9, as issued by the Internal Revenue Service.

12. **CONFLICT OF INTEREST.** **Consultant** agrees that any conflict or potential conflict of interest shall be fully disclosed prior to execution of contract and **Consultant** shall comply with all applicable federal, state and county laws and regulations governing conflict of interest.

13. **RIGHT TO TERMINATE.** District may terminate this Agreement at any time, with or without cause, in its sole discretion, with thirty (30) days written notice.

14. **EFFECT OF TERMINATION.** Upon termination as stated in Paragraph "13" and including the date of termination of this Agreement, unless the termination is for cause, in which event **Consultant** need be compensated only to the extent required by law, **Consultant shall** be entitled to payment for work satisfactorily completed to date, based on proration of the compensation set forth in Paragraph "2" of this Agreement. Such payment will be subject to **District's** receipt of a close-out billing.

15. **LITIGATION FEES.** Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including reasonable attorney's fees, to the prevailing party. In awarding attorney's fees, the court shall not be bound by any court fee schedule but shall award the full amount of costs, expenses and attorney's fees paid and/or incurred in good faith. "Prevailing Party" shall mean the party that obtains a favorable and final judgment. Should litigation occur, venue shall be in the Superior Court of Los Angeles County. This paragraph shall not apply, and litigation fees shall not be awarded based on an order or otherwise final judgment that results from the parties' mutual settlement, arbitration, or mediation of the dispute.

16. **COVENANTS AND CONDITIONS.** Each term and each provision of this Agreement to be performed by **Consultant** shall be construed to be both a covenant and a condition.

17. **INTEGRATED AGREEMENT.** This Agreement represents the entire Agreement between the **District** and **Consultant** and shall **supersede any previous agreement**. No verbal agreement or implied covenant shall be held to vary the provisions of this agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement, and any subsequent successors and assigns.

18. **MODIFICATION OF AGREEMENT.** This Agreement may not be modified, nor may any of the terms, provisions or conditions be modified or waived or otherwise affected, except by a written amendment signed by the President of the Board and all parties.

19. **DESIGNATED REPRESENTATIVES.** The **Consultant** Representative (A) designated below shall be responsible for job performance, negotiations, contractual matters, and coordination with the **District**. The **District** Representative (B) designated below shall act on the District's behalf as Project Manager.

(A) **Robert Katherman**
6442 Parklynn Drive
Rancho Palos Verdes, CA 90275

(B) **West Valley Water District**
855 West Base Line Road
Rialto, CA 92377
(909) 820-3701

20. **NOTICES.** Notices pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notices shall be directed to District's Designated Representative identified in Paragraph "19" of this Agreement.

21. **ARBITRATION CLAUSE.** Except as expressly set forth in the section, "Claims Not Covered by this Agreement," all disputes, claims, complaints, or controversies ("Claims") that I may have against the District and/or any of its subsidiaries, affiliates, officers, directors, board members, employees and/or agents (collectively and individually the District), or that the District may have against me, including contract claims, tort claims, discrimination and/or harassment claims, retaliation claims, claims for wages, compensation, penalties or restitution, and any other claim under any federal, state, or local statute, constitution, regulation, rule, ordinance, or common law, arising out of and/or directly or indirectly related to my employment with the District, and/or the terms and conditions of my employment with the District, and/or termination of my employment with the District, and/or this consultant professional service agreement (collectively "Covered Claims"), are subject to confidential binding arbitration by a neutral arbitrator pursuant to the terms of this Consultant Professional Service Agreement and will be resolved by arbitration and NOT by a court or jury. The parties hereby forever waive and give up the right to have a judge or a jury decide any Covered Claims.

Claims Not Covered by this Agreement

- Workers' compensation benefits, unemployment compensation benefits
- Any claim that is expressly precluded from arbitration by a governing federal law or by a state law that is not preempted by the Federal Arbitration Act ("FAA") or other federal law.

Arbitration Procedures

- The parties will use Judicial Arbitration and Mediation Services ("JAMS") subject to its then-current arbitration rules and procedures, available at www.jamsadr.com, unless those rules and/or procedures conflict with any express term of this Agreement, in which case this Agreement is controlling;
- The Arbitrator will have the authority to decide a motion to dismiss and/or summary judgment by any party and shall apply the California Rules of Civil Procedure governing such motions; and
- The arbitrator shall issue a final and binding written award.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day first written on the date below.

Dated: _____

WEST VALLEY WATER DISTRICT

By: _____
Clifford Young
President, WVWD

Dated: 6-18-18

CONSULTANT


Robert Katherman

Exhibit C

AMENDED - CONSULTANT PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____th day of June, 2018, by and between the **West Valley Water District ("District")** and **Robert Katherman ("Consultant")**.

RECITALS

WHEREAS, District has determined that it requires professional services from the **Consultant** pertaining to Water Policy and Procedures, Replenishment of the Basin, District Branding and Marketing, and other District administrative issues or matters.

WHEREAS, Consultant represents that it is fully qualified to perform such professional services by virtue of its experience, education and expertise of its principals and employees. **Consultant** further represents that is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Professional Services Agreement.

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8. **LIABILITY.** **Consultant** shall indemnify, and hold harmless **District**, its officials, officers, and employees against any and all actions, claims, damages, liabilities, losses or expenses of whatsoever kind, name or nature, including legal costs and reasonable attorneys' fees, whether or not suit is actually filed, and any judgment rendered against **District** and/or its officials, officers, or employees that may be asserted or claimed by any person, firm, or entity arising out of **Consultants'** negligent performance, or the negligent performance of its agents, employees, subcontractors, or invitees, as well as, negligent acts or omissions of **Consultant**, its agents, employees, subcontractors or invitees, however, this indemnity clause shall not apply if there is concurrent passive or active negligence on the part of **District**, or its officials, officers, agents or employees.

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19. **DESIGNATED REPRESENTATIVES.** The **Consultant** Representative (A) designated below shall be responsible for job performance, negotiations, contractual matters, and coordination with the **District**. The **District** Representative (B) designated below shall act on the District's behalf as Project Manager.

(A) **Robert Katherman**
6442 Parklynn Drive
Rancho Palos Verdes, CA 90275

(B) **West Valley Water District**
855 West Base Line Road
Rialto, CA 92377
(909) 820-3701

20. **NOTICES.** Notices pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notices shall be directed to District's Designated Representative identified in Paragraph "19" of this Agreement.

21. **ARBITRATION CLAUSE.** Except as expressly set forth in the section, "Claims Not Covered by this Agreement," all disputes, claims, complaints, or controversies ("Claims") that I may have against the District and/or any of its subsidiaries, affiliates, officers, directors, board members, employees and/or agents (collectively and individually the District), or that the District may have against me, including contract claims, tort claims, discrimination and/or harassment claims, retaliation claims, claims for wages, compensation, penalties or restitution, and any other claim under any federal, state, or local statute, constitution, regulation, rule, ordinance, or common law, arising out of and/or directly or indirectly related to my employment with the District, and/or the terms and conditions of my employment with the District, and/or termination of my employment with the District, and/or this consultation professional service agreement (collectively "Covered Claims"), are subject to confidential binding arbitration by a neutral arbitrator pursuant to the terms of this Consultant Professional Service Agreement and will be resolved by arbitration and NOT by a court or jury. The parties hereby forever waive and give up the right to have a judge or a jury decide any Covered Claims.

Claims Not Covered by this Agreement

- Workers' compensation benefits, unemployment compensation benefits
- Any claim that is expressly precluded from arbitration by a governing federal law or by a state law that is not preempted by the Federal Arbitration Act ("FAA") or other federal law.

Arbitration Procedures

- The parties will use Judicial Arbitration and Mediation Services ("JAMS") subject to its then-current arbitration rules and procedures, available at www.jamsadr.com, unless those rules and/or procedures conflict with any express term of this Agreement, in which case this Agreement is controlling;
- The Arbitrator will have the authority to decide a motion to dismiss and/or summary judgment by any party and shall apply the California Rules of Civil Procedure governing such motions; and
- The arbitrator shall issue a final and binding written award.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day first written on the date below.


Dated: _____

WEST VALLEY WATER DISTRICT

By: _____
Clifford Young
President, WVWD

Dated: 6-18-18

CONSULTANT



Robert Katherman

Rob Katherman Consulting

22. Correction to Consultants Business Name.


The Consultant's name as registered with the California Secretary of State is, "Rob Katherman Consulting". The name used in this contract is an abbreviated version. Both names shall be recognized for the purposes of executing the provision of this agreement.

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

DISTRICT:


WEST VALLEY WATER DISTRICT,
a public agency of the State of California

By 
Clarence C. Mansell, Jr., Interim General Manager

By 
Crystal L. Escalera, Board Secretary

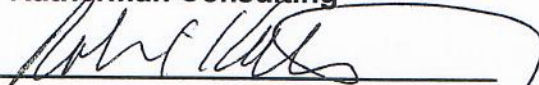
APPROVED AS TO FORM:

TAFOYA & GARCIA LLP

By 
Robert Tafoya

CONSULTANT:

Rob Katherman Consulting

By 

Name Robert Katherman

Its President/CEO