

Cabazon Water District

14618 Broadway Street • P.O. Box 297
Cabazon, CA 92230

BOARD MEETING PACKET

April 19, 2022

FAC Meeting at 5:00 PM
Regular Meeting at 6:00 PM



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:

Tuesday, March 15, 2022 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL
FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. **Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))**

ADJOURNMENT

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

REGULAR BOARD MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, April 19, 2022 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of March 15, 2022
- b. Regular Board Meeting Minutes and Warrants of March 15, 2022
- c. Reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19

2. Warrants – None

3. Awards of Contracts – None

UPDATES

1. Update: **San Geronio Pass Regional Water Alliance Update
(by Director Morris and Director Davis)**

2. Update: **Manager's Operations Report**
 (by GM)

NEW BUSINESS

1. Discussion/Action: **Review and Adoption of FY 22/23 Budget**
 [TAB 1] (by Cindy Byerrum)
2. Discussion/Action: **Eide Bailly adjusted rates – Board to approve or direct**
 [TAB 2] **Management to research other accountant consultant rates.**
 (by the Board)
3. Discussion/Action: **Subgrantee Agreement between the City of Banning and Cabazon**
 [TAB 3] **Water District – Isolation Valve project**
 (by GM)

OLD BUSINESS

1. Discussion/Action: **Repair of Broadway/Main 3 cluster gate valve**
 [TAB 4] (by GM and Mickey Valdivia)

NEW BUSINESS

4. Discussion/Action: **Community Action Committee – Property Owners: Victor Diaz,**
 [TAB 5] **Corrine Gutierrez, Richard Rogers – Water Board to appoint up to**
 2 Directors (Ad Hoc) to attend various meetings with water district
 Management.
 (by GM)
5. Discussion/Action: **Accent IT Computer Solutions adjusted rates - Board to**
 [TAB 6] **approve or direct Management to research other IT support rates**
 (by the Board)
6. Discussion/Action: **Board Member Training: Ethics, Brown Act, and Sexual**
 [TAB 7] **Harassment Avoidance – Board to decide whether to attend online**
 courses individually or in-person courses
 (by the Board and BAA Aguilar)
7. Discussion/Action: **Construction Meter deposit rates**
 [TAB 8] (by GM)
8. Discussion/Action: **Reschedule May, 2022 Board Meeting**
 [TAB 9] (by BAA Aguilar)

PUBLIC COMMENTS

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three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

CLOSED SESSION

- | | |
|-----------------------|----------------------------------------------------------------------|
| 1. Discussion/Action: | PUBLIC EMPLOYEE PERFORMANCE EVALUATION: (General Manager) |
|-----------------------|----------------------------------------------------------------------|

OPEN SESSION

| | |
|--------------------|-------------------------------------------------|
| Discussion/Action: | Public report of Action Taken in Closed Session |
|--------------------|-------------------------------------------------|

GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
- Suggested agenda items from Management.
- Suggested agenda items from Board Members.

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop - Tuesday - May __, 2022, 5:00 pm (date to be decided in New Item #3)
- b. Regular Board Meeting – Tuesday – May __, 2022, 6:00 pm (date to be decided in New Item #3)
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance–Meeting–Wednesday, May 25, 2022, 5:00 pm

ADJOURNMENT

ADA Compliance Issues

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Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:

Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:

Tuesday, March 15, 2022 – 5:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Director Wargo - Present

Calvin Louie, General Manager – Absent for roll call. Joined at 5:06 PM

Evelyn Aguilar, Board Secretary – Present

- The Board Secretary shared that there is currently only one Director on the FAC, but that the board would be reorganizing the committees at the regular board meeting following this FAC meeting.

***Note: This meeting was recorded by the District**

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

Main Reports:

- Balance Sheet – depicts what the District owns and what the District owes.
- Profit & Loss – shows monthly revenue and expenses.
- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.

Balance Sheet: The District's combined Cash with Chase and LAIF balance was \$1,165,969 at month end. The District's total liabilities were approximately \$774,376 at month end.

Profit and Loss: - Year to date is 67% of the year

10. New Account Fees: This account represents the fees to set up a new utility account. These fees are currently at \$20 for residential accounts and \$65 for construction accounts. These fees are hard to predict and can trend under or over budget. YTD is currently at 44% of budget.

13. Basic Facilities Fee: These are fees charged for new service connections, meter installations & upgrades. These revenues are budgeted conservatively due to their unpredictable nature. YTD activity consists of (2) 3/4" meter installations in July, (1) during August, (1) in December, and (1) in January.

14. Standby Fees: This accounts for standby fees accessed to all parcels in the District. The minimum fee is \$5/acre and can be more depending on the location and nature of the parcel. The bulk of these receipts often occur around January and May and can occasionally cause YTD to trend over or under budget.

39. Total Payroll: Summarizes the District's total payroll expenses.

43. Meters: This account includes the costs of meter repairs & meter testing. YTD is currently at 34% of budget.

45. Utilities Wells: This account includes the electricity costs relating to District wells and pumping activity. YTD is currently at 74% of budget due to increased consumption during the first half of the fiscal year.

60. Supplies & Equipment: This account includes the supply & equipment purchases for the District office. YTD is currently at 100% of budget due to timing of bulk billing material purchases.

64. Printing & Publications: This account includes the printing & publication costs for any District notices or reports. YTD is currently at 6% of budget due to timing of expenses.

85. Employee Uniforms: This account includes employee uniform purchases and reimbursements. YTD is currently at 22% of budget.

87. Tractor Expenses: This account includes tractor repair & maintenance expense. YTD is currently at 94% of budget due to \$1.2K charges for backhoe maintenance performed in July and \$1.6K for hydraulic line repairs in September.

93. Grant & Loan Processing Fee: This account includes the Loan fee from BNY. YTD is currently at 95% due to the timing of annual payment, which came in 5% below budget.

As of February 28th, the fiscal year-to-date net income is \$257,044.

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ADJOURNMENT

Meeting adjourned at 5:12 PM on Tuesday, March 15, 2022

**Robert Lynk, Board Chair
Board of Directors
Cabazon Water District**

**Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District**

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Cabazon Water District
14618 Broadway Street • P.O. Box 297
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REGULAR BOARD MEETING

MINUTES

Meeting Location:

14618 Broadway St.
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Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, March 15, 2022 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Alan Davis - Present
Director Terry Tincher - Present
Director Diana Morris - Present
Director Sarah Wargo - Present
Director Robert Lynk - Present

Calvin Louie, General Manager - Present
Evelyn Aguilar, Board Secretary - Present

Note: This meeting was recorded by the District

NEW BUSINESS

1. Discussion/Action: Reorganization of the CWD Board of Directors (Board Chair, Vice Chair, Ad Hoc Committees, etc.) (by the Board)

- After each election, the Board votes on a Board Chair and Board Vice Chair, then the Board Chair appoints Directors to each committee.

Board Chair: 1 Board Member

Motion to appoint Director Lynk as the Board Chair made by Director Morris and 2nd by Director Davis.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo – Aye
Director Lynk – Aye

Board Vice Chair: 1 Board Member

Motion to appoint Director Wargo as the Board Vice Chair made by Director Morris and 2nd by Director Davis.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye
Director Lynk – Aye

Finance and Audit Committee (Ad hoc): 2 Board members

- Director Wargo and Director Tincher, with Director Morris as an alternate

Personnel Committee (Ad hoc): 2 Board members

- Director Lynk and Director Tincher, with Director Wargo as an alternate

Community Water System Alliance Committee (CWSA - Ad hoc): 2 Board members

- Director Morris and Director Davis

San Gorgonio Pass Regional Water Alliance Committee (SGPRWA - Ad hoc): 2 Board members

- Director Morris and Director Davis

Special Projects Committee (Ad hoc): 2 Board members

- Director Lynk and Director Wargo

CONSENT CALENDAR

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of February 15, 2022
- b. Regular Board Meeting Minutes and Warrants of February 15, 2022
- c. Reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19

Motion to approve following consent calendar item(s) (a.) Finance and Audit Committee Meeting Minutes of February 15, 2022, (b.) Regular Board Meeting Minutes of February 15, 2022, and (c.) Reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19 made by Director Morris and 2nd by Director Tincher.

**Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye
Director Lynk - Aye**

- 2. Warrants – None**
- 3. Awards of Contracts – None**

UPDATES

**1. Update: San Gorgonio Pass Regional Water Alliance Update
(by Director Morris)**

- No updates. The meeting is scheduled for March 23.

2. Update: Manager's Operations Report (by GM Louie)

- Staff training regarding report writing format, outlook calendar, and color coding is earmarked for April, 2022.
- District staff attended a Consumer Confidence Report training class.
- One of Paul Oshideri's tenant's water was shut off due to non-payment. The tenant spoke to GM Louie, and shared that the balance was accrued prior to her living there. GM Louie informed her that that is an issue between the tenant and the property owner, not the water district.
- Another one of Oshideri's tenants contacted the water district stating that Oshideri connected her water connection to a neighboring connection, also owned by Oshideri, after the neighbor's water was shut off due to non-payment. This neighboring connection has 2 lots with only one meter, which is being researched by legal.
- There was an unlawful connection on Pamela Way. This was reported to the Sheriff's department.
- A leak was found on the PRV on Apache Trails. It will be inspected by CLA-VAL.
- The District has collected over \$9,000.00 in Interest and Penalty fees since these fees resumed in February.
- The Post Office bulletin board was restored by District Staff.

NEW BUSINESS

**2. Discussion/Action: Water on Bonita
(by Victor Diaz and others)**

- Over 25 people were present for this item.
- Victor Diaz shared a presentation explaining why he believed adding water to the east side of Bonita would benefit the District.

Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye
Director Lynk - Aye

**2. Discussion/Action: Tesco Controls – SCADA
(by GM Louie)**

- All concerns about the contract that were brought to the attention by Legal have been addressed.
- GM Louie recommended that the Board approve the Tesco contract for the next fiscal year.

Motion to approve the Tesco Controls SCADA contract for fiscal year 22/23 made by Director Wargo and 2nd by Director Tincher.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye
Director Lynk - Aye

**3. Discussion/Action: Repair of Broadway 3 cluster gate valve
(by GM Louie)**

- GM Louie recommended tabling this item until the April board meeting, so he can determine if this project can be done in the next fiscal year.

***This item was tabled until the April, 2022 Board Meeting.**

**4. Discussion/Action: Purchase of a Service Truck (Unit #005)
(by GM Louie)**

- GM Louie explained that he and District staff have found a few options for service trucks, but without board approval for the purchase, the trucks have been sold. He asked for a range of an amount, and approval to purchase a service truck.
- The majority of the board approved the purchase, and decided on up to \$90,000, as long as the service bed is included in the cost.

Motion to approve the General Manager to purchase a service truck up to \$90,000.00, and apply for a loan for this vehicle made by Director Davis and 2nd by Director Morris.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - No
Director Lynk - Aye

***Since the board would soon be entering closed session, public comments were held now.**

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- No public had comments for this section.

Another break was taken from 8:20 PM until 8:30 PM, then the board entered closed session immediately afterwards.

CLOSED SESSION at 8:30 PM

- | | |
|------------------------------|------------------------------------------------------------------|
| 1. Discussion/Action: | PUBLIC EMPLOYEE PERFORMANCE EVALUATION: (General Manager) |
|------------------------------|------------------------------------------------------------------|

OPEN SESSION at 9:12 PM

| | |
|---------------------------|--------------------------------------------------------|
| Discussion/Action: | Public report of Action Taken in Closed Session |
|---------------------------|--------------------------------------------------------|

- No reportable actions were taken during closed session.

GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- **Suggested agenda items from the Public.**
 - **Suggested agenda items from Management.**
- **Construction meter deposit increase.**
 - **Suggested agenda items from Board Members.**
- **Closed session for GM contract.**

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

- GM Louie said he would be requesting to strip unit #001 for all usable parts for unit #002. Director Morris asked if it would be worth it to sell the vehicle. The other Directors told GM Louie to check with Toyota or auction companies.

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

- The Board informed the Board Secretary to look into the required training for the Board Members, including Ethics, Sexual Harassment avoidance, and Brown Act training. The Board Secretary was instructed to reach out to local water districts so the District could possibly host a joint training session.

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – April 19, 2022, 5:00 pm
- b. Regular Board Meeting – Tuesday – April 19, 2022, 6:00 pm
- c. Personnel Committee – Saturday, March 19, 2022
- d. San Geronio Pass Regional Water Alliance–Meeting–Wednesday, March 23, 2022, 5:00 pm

ADJOURNMENT

Motion to adjourn at 9:21 hr. made by Director Tincher and 2nd by Director Morris.

**Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye
Director Lynk - Aye**

Meeting adjourned at 9:21 PM on Tuesday, March 15, 2022

**Robert Lynk, Board Chair
Board of Directors
Cabazon Water District**

**Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District**

ADA Compliance Issues

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RESOLUTION NO. 04-2021

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CABAZON WATER DISTRICT AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361

WHEREAS, the Cabazon Water District (“District”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the District’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the District has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, District staff and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expires on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, a state of emergency has been proclaimed related to COVID-19, state or local officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE CABAZON WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.


Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state or local officials have recommended measures to promote social distancing in connection with COVID-19; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including Committee meetings, under the provisions of Government Code Section 54953(e).


Section 3. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Board of Directors of the Cabazon Water District this 16th day of November 2021, by the following vote:

AYES: DIRECTOR SANDERSON, DIRECTOR MORRIS, DIRECTOR TINCHER, DIRECTOR WARGO, DIRECTOR LYNK
NOES: NONE.
ABSENT: NONE.
ABSTAIN: NONE.

BY: 
Sarah Wargo
Vice Board Chair
Cabazon Water District
Board of Directors

ATTEST: 
Evelyn Aguilar
Board Secretary
Cabazon Water District



Cabazon Water District

Balance Sheet

As of March 31, 2022

| | | Mar 31, 22 | |
|----|---------------------------------------|---------------------|---------------------------------|
| 1 | ASSETS | | |
| 2 | Current Assets | | |
| 3 | Checking/Savings | \$ 284,526 | 284,526 Chase |
| 4 | Accounts Receivable | 190,709 | 824,174 LAIF |
| 5 | LAIF | 824,174 | \$ 1,108,699 Cash & LAIF |
| 6 | Bank of NY Trustee Accounts | 77,159 | |
| 7 | Prepaid Expenses | 44,537 | |
| 8 | Inventory | 110,471 | |
| 9 | Total Current Assets | 1,548,571 | |
| 10 | Fixed Assets | | |
| 11 | Total Fixed Assets | 13,890,449 | |
| 12 | Accumulated Depreciation | (6,316,059) | |
| 13 | Net Fixed Assets | 7,574,390 | |
| 14 | TOTAL ASSETS | \$ 9,122,961 | |
| 15 | LIABILITIES & EQUITY | | |
| 16 | Liabilities | | |
| 17 | Current Liabilities | | |
| 18 | Accounts Payable | \$ 32,240 | |
| 19 | Other Current Liabilities | | |
| 20 | Customer Deposits | 12,325 | |
| 21 | Current Portion DWR-H Loan | 41,959 | |
| 22 | Current Portion Zion's Bank Loan | 84,949 | |
| 23 | Accrued Expenses | 28,557 | |
| 24 | Employee Deductions | 102 | |
| 25 | Total Current Liabilities | 200,132 | |
| 26 | Long Term Liabilities | | |
| 27 | DWR-H Loan Payable (2026) | 196,228 | |
| 28 | Zion's Bank Long Term (2023) | 87,077 | |
| 29 | RCEDA Loan Payable | 300,000 | |
| 30 | Total Long Term Liabilities | 583,305 | |
| 31 | Total Liabilities | 783,437 | |
| 32 | Total Equity | 8,339,524 | |
| 33 | TOTAL LIABILITIES & EQUITY | \$ 9,122,961 | |

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Cabazon Water District
Profit & Loss
For the Period Ending March 31, 2022

| | Mar-22 | Current YTD | FY 21/22 Budget | YTD (75%) |
|-------------------------------------------|------------------|-------------------|--------------------|-------------|
| 1 REVENUES | | | | |
| 2 OPERATING INCOME | | | | |
| 3 Base Rate - Water Bills | \$ 51,028 | \$ 405,764 | \$ 522,400 | 78% |
| 4 Commodity Sales | 39,842 | 573,418 | 800,900 | 72% |
| 5 DHPO Contract | 14,523 | 134,471 | 180,800 | 74% |
| 6 DHPO Capacity Credit | (1,750) | (15,750) | (21,000) | 75% |
| 7 Fire Sales - Water Bills | 73 | 4,814 | 5,600 | 86% |
| 8 Fire Flow Income | 285 | 2,910 | - | 0% |
| 9 Penalty Fees - Water Bills | 4,436 | 11,478 | - | 0% |
| 10 New Account Fees - Water Bills | 210 | 1,270 | 2,400 | 53% |
| 11 Incident Fees | - | 250 | - | 0% |
| 12 Returned Check Fees | 60 | 180 | 200 | 90% |
| 13 Basic Facilities Fee | - | 68,209 | 10,000 | 682% |
| 14 Stand By Fees - Tax Revenue | 60 | 66,272 | 126,800 | 52% |
| 15 TOTAL OPERATING INCOME | 108,766 | 1,253,285 | 1,628,100 | 77% |
| 16 NON-OPERATING INCOME | | | | |
| 17 Property Taxes | 103 | 41,732 | 74,000 | 56% |
| 18 Cell Tower Lease Income | 2,172 | 19,544 | 26,100 | 75% |
| 19 Miscellaneous Non-Operating Income | 404 | 8,563 | - | 0% |
| 20 Interest Income | 760 | 2,657 | 2,200 | 121% |
| 21 Grant Revenue | - | 46,864 | - | 0% |
| 22 TOTAL NON-OPERATING INCOME | 3,438 | 119,361 | 102,300 | 117% |
| 23 TOTAL REVENUES | 112,203 | 1,372,646 | 1,730,400 | 79% |
| 24 EXPENSES | | | | |
| 25 PAYROLL & BENEFITS | | | | |
| 26 Directors Fees | 1,300 | 9,000 | 15,000 | 60% |
| 27 Management & Customer Service | | | | |
| 28 Customer Accounts | 4,942 | 50,365 | 55,900 | 90% |
| 29 Customer Accounts - Vacation Cash-Outs | - | - | - | 0% |
| 30 Business Admin Assistant | 2,804 | 27,815 | 36,200 | 77% |
| 31 General Manager | 7,068 | 76,291 | 97,800 | 78% |
| 32 Total Management & Customer Service | 14,814 | 154,470 | 189,900 | 81% |
| 33 Field Workers | 10,292 | 110,412 | 161,400 | 68% |
| 34 Employee Benefits Expense | | | | |
| 35 Workers Compensation | 113 | 5,526 | 6,200 | 89% |
| 36 Employee Health Care | 5,693 | 48,364 | 66,200 | 73% |
| 37 Pension | 7,885 | 51,110 | 75,200 | 68% |
| 38 Total Employee Benefits Expense | 13,691 | 105,000 | 147,600 | 71% |
| 39 Payroll Taxes | 2,087 | 22,608 | 29,000 | 78% |
| 40 TOTAL PAYROLL & BENEFITS | \$ 42,183 | \$ 401,491 | \$ 542,900 | 74% |

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Cabazon Water District
Profit & Loss
For the Period Ending March 31, 2022

| | | | | FY 21/22 | |
|----|----------------------------------|--------------------|---------------|------------------|------|
| | Mar-22 | Current YTD | Budget | YTD (75%) | |
| 41 | OPERATIONAL EXPENSES | | | | |
| 42 | Facilities, Wells, T&D | | | | |
| 43 | Lab Fees | \$ 214 | \$ 4,512 | \$ 9,100 | 50% |
| 44 | Meters | - | 1,650 | 4,900 | 34% |
| 45 | Utilities - Wells | 4,778 | 81,065 | 103,300 | 78% |
| 46 | Line R&M Materials | 2,238 | 26,035 | 52,000 | 50% |
| 47 | Well Maintenance | 3,112 | 31,349 | 38,600 | 81% |
| 48 | Security | 1,685 | 17,866 | 25,300 | 71% |
| 49 | Engineering Services | 13,348 | 73,592 | 113,000 | 65% |
| 50 | Facilities, Wells, T&D - Other | 1,264 | 12,886 | 11,500 | 112% |
| 51 | Total Facilities, Wells, T&D | 26,638 | 248,954 | 357,700 | 70% |
| 52 | Utilities - Office | | | | |
| 53 | Electricity | 1,131 | 11,835 | 15,000 | 79% |
| 54 | Gas | 32 | 553 | 1,100 | 50% |
| 55 | Telephone | 744 | 7,963 | 10,400 | 77% |
| 56 | Trash Pickup & Office Cleaning | 2,478 | 5,366 | 4,700 | 114% |
| 57 | Total Utilities - Office | 4,384 | 25,717 | 31,200 | 82% |
| 58 | Office Expenses | | | | |
| 59 | Water Billing System | 196 | 1,760 | 2,100 | 84% |
| 60 | Supplies & Equipment | 164 | 10,444 | 10,300 | 101% |
| 61 | Copier Lease & Printing Supplies | 385 | 3,926 | 5,000 | 79% |
| 62 | Dues & Subscriptions | 95 | 1,231 | 2,500 | 49% |
| 63 | Postage | 759 | 6,415 | 8,300 | 77% |
| 64 | Printing & Publications | 110 | 506 | 6,400 | 8% |
| 65 | Computer Services | 3,277 | 28,125 | 42,100 | 67% |
| 66 | Office Storage | - | 3,500 | 6,300 | 56% |
| 67 | Air Conditioning Servicing | 431 | 3,879 | 5,100 | 76% |
| 68 | CA Water Systems Alliance | 250 | 1,000 | 3,000 | 33% |
| 69 | Office Expenses - Other | 64 | 1,419 | 2,100 | 68% |
| 70 | Total Office Expenses | 5,733 | 62,206 | 93,200 | 67% |
| 71 | Support Services | | | | |
| 72 | Financial Audit | - | 14,340 | 23,500 | 61% |
| 73 | Accounting | 3,333 | 31,639 | 40,000 | 79% |
| 74 | Legal Services | 6,148 | 46,374 | 71,000 | 65% |
| 75 | Temporary Labor | 780 | 2,709 | - | 0% |
| 76 | Bank/Payroll Service | 378 | 3,911 | 5,500 | 71% |
| 77 | Website Support | - | 75 | 500 | 15% |
| 78 | General Liability Insurance | 2,459 | 22,317 | 26,100 | 86% |
| 79 | Total Support Services | \$ 13,098 | \$ 121,365 | \$ 166,600 | 73% |

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Cabazon Water District
Profit & Loss
For the Period Ending March 31, 2022

| | | FY 21/22 | | | |
|-----|----------------------------------------------|--------------------|-------------------|---------------------|-------------|
| | | Mar-22 | Current YTD | Budget | YTD (75%) |
| 80 | Training/Travel | \$ 2,405 | \$ 7,601 | \$ 10,500 | 72% |
| 81 | Other Fees/SWRCB | 134 | 8,001 | 8,900 | 90% |
| 82 | Service Tools & Equipment | | | | |
| 83 | Shop Supplies and Small Tools | 173 | 664 | 11,900 | 6% |
| 84 | Vehicle Fuel | 597 | 10,412 | 16,600 | 63% |
| 85 | Employee Uniforms | 803 | 1,233 | 2,000 | 62% |
| 86 | Safety | - | 1,014 | 1,900 | 53% |
| 87 | Tractor Expenses | - | 3,464 | 3,700 | 94% |
| 88 | Equipment Rental | - | 6,274 | 6,900 | 91% |
| 89 | Service Trucks - R&M | 2,970 | 12,650 | 14,500 | 87% |
| 90 | Water Ops Phone & Internet | 300 | 2,706 | 4,800 | 56% |
| 91 | Total Service Tools & Equipment | 4,843 | 38,417 | 62,300 | 62% |
| 92 | NON-OPERATING EXPENSES | | | | |
| 93 | Grant & Loan Processing Fee | - | 1,325 | 1,400 | 95% |
| 94 | DWR Interest Expense | - | 3,529 | 6,700 | 53% |
| 95 | DHPO Interest Expense | 1,607 | 3,742 | 3,800 | 98% |
| 96 | Bad Debt Expense | - | - | 1,200 | 0% |
| 97 | Miscellaneous | - | 750 | 3,300 | 23% |
| 98 | TOTAL NON-OPERATING EXPENSES | 1,607 | 9,346 | 16,400 | 57% |
| 99 | TOTAL EXPENSES | 101,025 | 923,100 | 1,289,700 | 72% |
| 100 | TOTAL INCOME BEFORE CAPITAL & GSA | 11,178 | 449,547 | 440,700 | 102% |
| 101 | CAPITAL PROJECTS | | | | |
| 102 | Main Street Improvements (Icehouse Imp.) | (4,185) | (14,413) | (50,000) | 29% |
| 103 | Meter Replacements & Other Capital | - | - | (20,000) | 0% |
| 104 | Well & Tank Repairs | - | (77,776) | (270,000) | 29% |
| 105 | Fire Hydrants | - | - | (72,500) | 0% |
| 106 | TOTAL CAPITAL PROJECTS | (4,185) | (92,189) | (412,500) | 22% |
| 107 | DEBT - PRINCIPAL | | | | |
| 108 | Debt Service Principal - DWR | - | (20,817) | (42,000) | 50% |
| 109 | Debt Service Principal - DHPO (Zion) | (42,474) | (84,949) | (84,900) | 100% |
| 110 | TOTAL DEBT - PRINCIPAL | (42,474) | (105,765) | (126,900) | 83% |
| 111 | SGMA / GSA | (3,698) | (32,784) | (35,000) | 94% |
| 112 | NET INCOME / (LOSS) | \$ (39,179) | \$ 218,808 | \$ (133,700) | |

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UPDATES

1. Update: **San Gorgonio Pass Regional Water Alliance Update (by Director Morris)**
2. Update: **Manager's Operations Report (by GM Louie)**
 - a. **The CCR training class post status report.** Mike Creighton, the former water district's contract compliance officer, came by to follow-up and oversee Morgan and Kaitlynn's progress. Morgan was out in the field on a few details, but Ms. Kaitlynn was available. Mr. Creighton reported to the GM he was very impressed with the progress Ms. Kaitlynn had shown him. It should be noted that Mr. Creighton had agreed on overseeing this draft and the final CCR to ensure this water district is in compliance with the State.
 - b. **05/26/22**, a majority of this water district's staff will be attending a State funded class on **DWR Updated Drought Preparedness & Response** in Victorville, California. Not only will certified water operators receive contact hours (needed to qualify for the renewal of distribution and treatment certificates), but non-certified employees will be familiar with water terminologies and techniques for their formal training and to obtain a minimum of a CA/DWR water distribution certificate grade 2 (D2).
 - c. **04/04/22, at approximately 2115 hr. (9:15 PM), a non-business hour water emergency call** was received by the GM from Dispatch regarding low pressure. Due to the nature of the call, certified water operators responded the following day. Upon their arrival, they discovered the low pressure was not on the water district side of the water meter at 14266 Ana Maria St. The reporting party was advised to contact a private plumber to inspect their private plumbing.
 - d. **03/31/22, at approximately 1635 hr. (4:35 PM)**, one of this water district's certified water operators received a non-business hour water emergency call from Dispatch about a leaking water meter box. Originally, the address was given to the certified water operator as 50100 Ramona Ave. The reporting party did not leave a name or call back number.

The responding certified water operator responded and texted the GM that the call was unfounded. The GM advised the water operator that he (GM) has often received unfounded water emergency calls.

Later, another certified water operator received a call from Dispatch at 1736 hr. (5:36 PM) and the GM followed-up on this matter by contacting Dispatch. Dispatch advised the GM, the caller of this water emergency did leave a callback phone number and her name. The location was a 50100 Aloma Dr., Cabazon, CA.

The GM formulated the opinion that the closeness of Aloma and Ramona may have been the contributing factor of the misunderstanding from the call at 1635 hr. (4:35 PM).

The responding water operator did attempt to call back the reporting party (RP) known as Ashley. The RP did not answer the call. The water operator assessed the leak and Ashley called back at 1845 hr. (6:45 PM). Ashley was informed that the leak was on the customer side of the water meter (water meter #231938, reading was 147300).

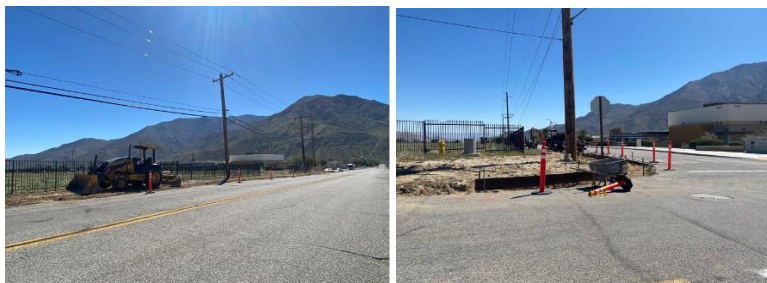
The GM also directed the water operator to generate a report and the customer accounts will assess the appropriate water account for a non-business hour water emergency charge.



- e. **Main Street Olive Tree Maintenance** – The Main Street center median has been trimmed.



- f. **Riverside County Transportation Department** has begun their Cabazon Safe Routes to School Project construction, funded by the latest round of SB 1 Road Repair & Accountability Act allocations. \$788,000 will go to fund the above mentioned project which entails constructing 3,000 linear feet of new sidewalk, curb and gutter space, as well as establishing new Americans with Disabilities Act-compliant ramps.



- g. Service Truck Unit #005** – was purchased at Temecula Ford for a total of \$89,020.00 which included all the amenities including the service box with secured storing compartments for tools/parts, 4X4 capabilities, ladder racks, LED work lights, warning lights, and dual batteries.

The extra cost for having secured storing compartments and dual batteries are for the following reasons.

- Theft of equipment. There was an actual incident where an expensive Stihl gas power hand saw was stolen by an unknown person. The Stihl saw was only several feet away from two (2) water district water operators that was installing a knock off valve and fire hydrant.
 - An attempt of auto theft of service vehicle unit #004. An unknown person actually started to drive away with the water district's vehicle parked in front of production well #5 on Seminole Drive. The dual battery is to prevent an auto theft from occurring again and OSHA requires warning lights to be illuminated in a street construction projects, along with barricades and signs. This would drain the service truck's battery at a water construction project. Having dual batteries would accommodate the activation of warning light and still would have an extra battery to power up the starter.
- h. Production Well #1 to be placed back in-service** – The GM has been physically responding and staying in Cabazon to physically activate, deactivate, and monitor the flushing of production well #1 (W1) beginning Thursday, 04/07/22 through Monday, 04/11/22, from 2200 hr. (10 PM) to 0400 hr. (4 AM) the following morning.

The purpose is to prepare W1 to have an acceptable groundwater sampling to be submitted to the State of California Department of Water Resources Control Board (CA/DWR) so this water district may place this production well back in-service. There are quite a few other groundwater samples that must be submitted as W1 has been out of service during many of CA/DWR required samplings.

Management and the Cabazon Water Team feels confident W1 will be placed back in-service on or before June 2022 so there will be an added water well to meet the warmer weather season.

NEW BUSINESS

- | | |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Discussion/Action: | Review and Adoption of FY 22/23 Budget (by Cindy Byerrum) |
| 2. Discussion/Action: | Eide Bailly adjusted rates – Board to approve or direct Management to research other accountant consultant rates. (by the Board) |
| 3. Discussion/Action: | Subgrantee Agreement between the City of Banning and Cabazon Water District – Isolation Valve project (by GM) |

OLD BUSINESS

- | | |
|------------------------------|-------------------------------------------------------------------------------------|
| 1. Discussion/Action: | Repair of Broadway/Main 3 cluster gate valve (by GM and Mickey Valdivia) |
|------------------------------|-------------------------------------------------------------------------------------|

| | | |
|---------------------------------|---------|-----------------------------------------|
| Labor & Equipment | - | \$58,360.00 |
| Materials | - | \$ 9,500.00 – See Attached Quote |
| AC, Base & Concrete | - | \$ 3,500.00 |
| Traffic Control Plans | - | \$ 2,500.00 |
| Permits | - | \$ 2,500.00 – This is an estimated cost |
| Traffic Loops (7ea.) | - | \$ 4,000.00 – See Attached Quote |
| Striping | - | \$ 1,500.00 - This is an estimated cost |
| Total Cost: | - | \$81,360.00 |
| Revised Time frame: | | |
| Traffic Control & Permits | +/- 4.0 | weeks |
| Excavate & Prep for Replacement | 2.0 | days |
| R&R Valve | 1.0 | days |
| Backfill & Compact | 1.0 | days |
| Base, Pave & Concrete | 1.0 | days |
| Traffic Loops | 1.0 | days |
| Striping | 1.0 | days |

NEW BUSINESS

4. **Discussion/Action:** **Community Action Committee – Property Owners: Victor Diaz, Corrine Gutierrez, Richard Rogers – Water Board to appoint up to 2 Directors (Ad Hoc) to attend various meetings with water district Management.
(by GM)**
5. **Discussion/Action:** **Accent IT Computer Solutions adjusted rates - Board to approve or direct Management to research other IT support rates
(by the Board)**
6. **Discussion/Action:** **Board Member Training: Ethics, Brown Act, and Sexual Harassment Avoidance – Board to decide whether to attend online courses individually or in-person courses
(by the Board and BAA Aguilar)**
7. **Discussion/Action:** **Construction Meter deposit rates
(by GM)**
8. **Discussion/Action:** **Reschedule May, 2022 Board Meeting
(by BAA Aguilar)**

New Business

1. Discussion/Action Item:

[TAB 1]

Review and Adoption of FY 22/23 Budget
(by Cindy Byerrum)



Cabazon Water District
Proposed Budget
FY 2022-23

Schedule A

| | A | B | C | D | E |
|--------------------------------------------|----------------------------------------|--------------------------------------------|-----------------------------------------|----------------------------------|-------------------------------------|
| | FY 21/22 Adopted Budget | FY 21/22 Projected Year-End | FY 22/23 Proposed Budget | \$ Difference (C - B) | % Difference (D / B) |
| 1 REVENUES | | | | | |
| 2 OPERATING INCOME | | | | | |
| 3 Base Rate - Water Bills | \$ 522,400 | \$ 534,500 | \$ 550,600 | \$ 16,100 | 3% |
| 4 Commodity Sales | 800,900 | 817,000 | 799,500 | (17,500) | -2% |
| 5 DHPO Contract | 180,800 | 181,700 | 177,800 | (3,900) | -2% |
| 6 DHPO Capacity Credit | (21,000) | (21,000) | (10,500) | 10,500 | -50% |
| 7 Fire Sales - Water Bills | 5,600 | 5,800 | 6,000 | 200 | 3% |
| 8 Fees & Charges | 2,600 | 17,000 | 51,100 | 34,100 | 201% |
| 9 Basic Facilities Fee | 10,000 | 68,200 | 100,000 | 31,800 | 47% |
| 10 Stand By Fees - Tax Revenue | 126,800 | 117,500 | 117,500 | - | 0% |
| 11 TOTAL OPERATING INCOME | 1,628,100 | 1,720,700 | 1,792,000 | 71,300 | 4% |
| 12 NON-OPERATING INCOME | | | | | |
| 13 Property Taxes | 74,000 | 84,700 | 84,700 | - | 0% |
| 14 Cell Tower Lease Income | 26,100 | 26,100 | 26,600 | 500 | 2% |
| 15 Miscellaneous Non-Operating Income | - | 11,300 | - | (11,300) | -100% |
| 16 Interest Income | 2,200 | 2,400 | 6,300 | 3,900 | 163% |
| 17 TOTAL NON-OPERATING INCOME | 102,300 | 124,500 | 117,600 | (6,900) | -6% |
| 18 TOTAL REVENUES | 1,730,400 | 1,845,200 | 1,909,600 | 64,400 | 3% |
| 19 EXPENSES | | | | | |
| 20 PAYROLL | | | | | |
| 21 Directors Fees | 15,000 | 15,000 | 15,000 | - | 0% |
| 22 Management & Customer Service | 189,900 | 202,300 | 240,200 | 37,900 | 19% |
| 23 Field Workers | 161,400 | 141,100 | 197,700 | 56,600 | 40% |
| 24 Employee Benefits Expense | 147,600 | 146,600 | 160,100 | 13,500 | 9% |
| 25 Payroll Taxes | 29,000 | 29,700 | 36,600 | 6,900 | 23% |
| 26 TOTAL PAYROLL | 542,900 | 534,700 | 649,600 | 114,900 | 21% |
| 27 OPERATIONAL EXPENSES | | | | | |
| 28 Facilities, Wells, T&D | | | | | |
| 29 Lab Fees | 9,100 | 9,100 | 13,100 | 4,000 | 44% |
| 30 Meters | 4,900 | 4,900 | 5,100 | 200 | 4% |
| 31 Utilities - Wells | 103,300 | 124,400 | 152,700 | 28,300 | 23% |
| 32 Line R&M Materials | 52,000 | 41,500 | 43,600 | 2,100 | 5% |
| 33 Well Maintenance | 38,600 | 38,600 | 40,400 | 1,800 | 5% |
| 34 Security | 25,300 | 24,300 | 25,600 | 1,300 | 5% |
| 35 Engineering Services | 113,000 | 87,900 | 80,000 | (7,900) | -9% |
| 36 Facilities, Wells, T&D - Other | 11,500 | 11,700 | 12,300 | 600 | 5% |
| 37 Total Facilities, Wells, T&D | 357,700 | 342,400 | 372,800 | 30,400 | 9% |
| 38 Office Expenses | | | | | |
| 39 Utilities - Office | 31,200 | 31,800 | 37,300 | 5,500 | 17% |
| 40 Water Billing System | 2,100 | 2,300 | 2,400 | 100 | 4% |
| 41 Supplies & Equipment | 10,300 | 12,700 | 13,300 | 600 | 5% |
| 42 Copier and Supplies | 5,000 | 5,300 | 5,600 | 300 | 6% |
| 43 Dues & Subscriptions | 2,500 | 2,500 | 2,600 | 100 | 4% |
| 44 Postage | 8,300 | 9,300 | 9,800 | 500 | 5% |
| 45 Printing & Publications | 6,400 | 600 | 600 | - | 0% |
| 46 Computer Services | 42,100 | 37,300 | 41,500 | 4,200 | 11% |



Cabazon Water District
Proposed Budget
FY 2022-23

Schedule A

| | A | B | C | D | E |
|----------------------------------------------------|----------------------------------------|--------------------------------------------|-----------------------------------------|----------------------------------|-------------------------------------|
| | FY 21/22 Adopted Budget | FY 21/22 Projected Year-End | FY 22/23 Proposed Budget | \$ Difference (C - B) | % Difference (D / B) |
| 47 Office Storage | 6,300 | 3,500 | - | (3,500) | -100% |
| 48 Air Conditioning Servicing | 5,100 | 5,200 | 5,500 | 300 | 6% |
| 49 Community Water Systems Alliance (CWSA) | 3,000 | 3,000 | 3,000 | - | 0% |
| 50 Office Expenses - Other | 2,100 | 2,000 | 2,100 | 100 | 5% |
| 51 Total Office Expenses | 124,400 | 115,500 | 123,700 | 8,200 | 7% |
| 52 Support Services | | | | | |
| 53 Financial Audit | 23,500 | 23,500 | 24,700 | 1,200 | 5% |
| 54 Accounting | 40,000 | 40,000 | 42,000 | 2,000 | 5% |
| 55 Legal Services | 71,000 | 60,300 | 63,300 | 3,000 | 5% |
| 56 Payroll Service | 5,500 | 5,300 | 5,600 | 300 | 6% |
| 57 Website Support | 500 | 400 | 500 | 100 | 25% |
| 58 Insurance | 26,100 | 29,800 | 37,500 | 7,700 | 26% |
| 59 Total Support Services | 166,600 | 159,300 | 173,600 | 14,300 | 9% |
| 60 Training & Travel | 10,500 | 7,800 | 10,500 | 2,700 | 35% |
| 61 Other Fees/SWRCB | 8,900 | 9,500 | 9,600 | 100 | 1% |
| 62 Service Tools & Equipment | | | | | |
| 63 Shop Supplies and Small Tools | 11,900 | 6,000 | 6,300 | 300 | 5% |
| 64 Vehicle Fuel | 16,600 | 14,700 | 15,400 | 700 | 5% |
| 65 Employee Uniforms | 2,000 | 1,000 | 1,100 | 100 | 10% |
| 66 Safety | 1,900 | 1,500 | 1,600 | 100 | 7% |
| 67 Tractor Expenses/Maintenance | 3,700 | 3,700 | 3,900 | 200 | 5% |
| 68 Equipment Rental | 6,900 | 9,400 | 9,900 | 500 | 5% |
| 69 Service Trucks - R&M | 14,500 | 10,500 | 11,000 | 500 | 5% |
| 70 Water Operations On-Call Phones | 4,800 | 3,600 | 3,800 | 200 | 6% |
| 71 Service Tools & Equipment | 62,300 | 50,400 | 53,000 | 2,600 | 5% |
| 72 NON-OPERATING EXPENSES | | | | | |
| 73 Loan Interest & Processing Fee | 11,900 | 12,700 | 12,600 | (100) | -1% |
| 74 Bad Debt Expense | 1,200 | 1,200 | 1,300 | 100 | 8% |
| 75 Miscellaneous | 3,300 | 1,100 | 1,200 | 100 | 9% |
| 76 TOTAL NON-OPERATING EXPENSES | 16,400 | 15,000 | 15,100 | 100 | 1% |
| 77 TOTAL EXPENSES | 1,289,700 | 1,234,600 | 1,407,900 | 173,300 | 14% |
| 78 INCOME BEFORE CAPITAL & DEBT SERVICE | 440,700 | 610,600 | 501,700 | (108,900) | -18% |
| 79 Capital Projects (From Schedule B) | (412,500) | (177,000) | (285,000) | (108,000) | 61% |
| 80 Debt Service - Principal | (126,900) | (128,900) | (144,000) | (15,100) | 12% |
| 81 SGMA / GSA | (35,000) | (35,000) | (35,000) | - | 0% |
| 82 NET INCOME / (LOSS) | \$ (133,700) | \$ 269,700 | \$ 37,700 | \$ (232,000) | |
| 83 PROJECTED BEGINNING CASH - 7/1/22 | | | \$ 1,090,700 | | |
| 84 PROJECTED ENDING CASH - 6/30/23 | | | \$ 1,128,400 | | |



Cabazon Water District Proposed Capital Budget FY 2022-23

Schedule B

| | A | B | C |
|------------------------------------------------|----------------------------------------|--------------------------------------------|-----------------------------------------|
| | FY 21/22 Adopted Budget | FY 21/22 Projected Year-End | FY 22/23 Proposed Budget |
| 1 CAPITAL PROJECTS | | | |
| 2 RESERVE FUNDED | | | |
| 3 Well & Tank Repairs | \$ (270,000) | \$ (77,800) | \$ (225,000) |
| 4 Fire Hydrants | (72,500) | - | - |
| 5 Main Street Property (Icehouse-Improvements) | (50,000) | (10,200) | - |
| 6 Customer Shut-Off Valves | - | - | (40,000) |
| 7 Meter Replacements | (20,000) | - | (20,000) |
| 8 Service Utility Truck | - | (89,000) | - |
| 9 TOTAL RESERVE FUNDED PROJECTS | (412,500) | (177,000) | (285,000) |
| 10 GRANT FUNDED | | | |
| 11 DWR | | | |
| 12 Isolation Valves | - | - | (1,243,000) |
| 13 Grant Funding - DWR | - | - | 1,243,000 |
| 14 SWRCB | | | |
| 15 Groundwater Well Improvements | - | - | (499,000) |
| 16 Grant Funding - SWRCB | - | - | 499,000 |
| 17 ARPA | | | |
| 18 Broadway & Main St. Gate Valve | - | - | (100,000) |
| 19 T2, T3, & T4 Recoating | - | - | (500,000) |
| 20 Grant Funding - ARPA | - | - | 600,000 |
| 21 NET GRANT FUNDED PROJECTS | - | - | - |
| 22 TOTAL CAPITAL PROJECTS | \$ (412,500) | \$ (177,000) | \$ (285,000) |

New Business

2. Discussion/Action Item: [TAB 2]

Eide Bailly adjusted rates – Board to approve or direct
Management to research other accountant consultant
rates.

(by the Board)



April 6, 2022

Mr. Calvin Louie
Cabazon Water District
14618 Broadway
Cabazon, California 92230

Dear Mr. Louie,

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Cabazon Water District (CWD) for the fiscal year ended June 30, 2023.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

Scope of Work

We will provide accounting and bookkeeping assistance to your staff in connection with the District's monthly account reconciliations for the above-mentioned year from the information furnished to us by you and your employees. Please see the attached Statement of Work further detailing the work we will prepare for you in addition to the dates when said work will be complete.

What inspires you, inspires us. | eidebailly.com



We will not assume management responsibilities on behalf of CWD. CWD's management understands and agrees that any advice or recommendation we may provide in connection with our engagement are solely to assist management in performing its responsibilities.

CWD's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise CWD with regard to tax positions taken in the preparation of the tax return, but CWD must make all decisions with regard to those matters.

Other

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for



which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of your financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Cindy Byerrum is the engagement partner for the services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to approve release of the financial statements.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such documentation will be provided under the supervision of Eide Bailly LLP's personnel.

Furthermore, upon request, we may provide copies of selected documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the

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public. Eide Bailly's confidential information includes our documentation for this engagement. Our engagement documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the completion of our preparation of the financial statements.

We agree to retain our documentation or work papers for a period of at least eight years from the date of the completion of our financial statement preparation procedures.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, (HLB). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly, LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. It is not anticipated that any of the non-licensee owners will be performing services for CWD.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Rancho Cucamonga, CA. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

INDEMNITY

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements and/or tax return that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to

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hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that, notwithstanding any statute of limitations that might otherwise apply to a Dispute, it is reasonable that you may not bring any legal proceeding against us unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our report, return or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the agreed-upon procedure report.

The Limitations Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in Rancho Cucamonga, California.

FEES

Our Fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses for mileage or incidentals. We also charge half of our hourly rate for travel time. Invoices are payable upon presentation.



Engagement personnel will not change without express management approval. Eide Bailly will provide accounting assistance as outlined in the attached Scope Work for \$3,500 per month.

Our fees for work outside the scope of work are presented below, subject to change each July 1st by the region's CPI, and/or changes in staff positions. Mileage or other out of pocket costs are billed for out-of-scope work

| EB Staff | Hourly Rate |
|-------------------|-------------|
| Partner | \$225 |
| Senior Manager | \$195 |
| Manager | \$175 |
| Senior Accountant | \$145 |
| Staff Accountant | \$125 |

Due to the time sensitive and highly technical processes of payroll or PERS reporting, hourly rates for assistance in those areas will have a 5% premium (except for the Payroll Specialist, who has a flat rate of \$165 per hour).

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before the financial statement preparation procedures are, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

If CWD hires any of the staff working on this engagement, CWD agrees to reimburse Eide Bailly LLP a one-time fee of fifty percent (50%) of the staff member's annual compensation to cover recruitment and training costs.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

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Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our preparation of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,

Cindy Byerrum

Cindy Byerrum, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of CWD by:

Name: _____

Title: _____

Date: _____



General services includes:

1. Attendance at any Finance Committee or Board meetings as requested by the client.
2. Assistance with the annual budget, including all meetings with District staff and Board of Directors that may be required by the District.
3. Assistance with mid-year budget review if requested, including all meetings with District staff and the Board of Directors that may be required by the District.
4. Year-end closing of the District's accounting books and records in accordance with Generally Accepted Accounting Principles to prepare for the annual audit.
5. Preparation of year-end and/or interim schedules that may be required by the District's independent auditors so the auditors can provide the required annual auditor's opinion of the District's financial statements.
6. Presence at the District's offices while the District's independent auditors are performing on-site year-end field work.
7. Monthly review, analysis and/or reconciliation of the District's General Ledger accounts to ensure up-to-date and accurate accounting records are reported to District Management.
8. Reconcile applications (Fixed Assets, Accounts Payable, Utility Billing, etc.) to the General Ledger on a monthly basis and resolve discrepancies as necessary.
9. Periodic review and monitoring of the District's internal controls and accounting/financial control structure.
10. Review the W-9s and prepare 1099s in January each year
11. Assist with submitting the State Government Compensation in California Report on an annual basis, if needed.
12. Review of the State Financial Transactions Report (prepared by the auditor) on an annual basis.
13. Review of CalPERS reporting for both classic and PEPRA member employees to ensure accuracy if requested.
14. Advisory and implementation of best practices based on vast experience with other government agencies.
15. Train staff as needed on financial/accounting related processes.

Periodic items considered to be out of scope if on a monthly retainer:

1. Collaborate with Rate Study consultants throughout the rate study process.



2. Labor negotiations.
3. Financial and Utility Billing System implementation.
4. Non-recurring unusual activity that needs additional time and effort not contemplated in this proposal.
5. Major payroll or CalPERS processing/reporting issues.
6. IRS or PERS audit assistance.
7. Creation of a first time CAFR (subsequent years would be included in scope).



INVOICE

Cabazon Water District
14618 Broadway
Cabazon CA 92230

Invoice #: EI01105288
Client #: 215750
Invoice Total: \$3,000.00

Please return top portion with payment

Invoice Is Due Upon Receipt

Consultng Services Retainer - February 2021

3,000.00

Invoice Total

\$ 3,000.00

Date: 03/09/21 Invoice #: EI01105288 Cabazon Water District

Page: 1

Pay by Mail:

Eide Bailly LLP
10681 Foothill Blvd., Ste. 300
Rancho Cucamonga, CA 91730-3831
Phone 909.466.4410 | Fax 909.466.4431

Pay Online: www.eidebailly.com/PayBill

Pay by ACH:

ACH Routing # 091310521
Bell Bank Checking Acct # 6520865897
Acct Name: Eide BAILLY LLP-CA OFFICE

(A surcharge will be applied to any payments made by credit card)



INVOICE

Cabazon Water District
14618 Broadway
Cabazon CA 92230

Client #: 215750
Online Pay Code: 89660V
Invoice #: EI01282962
Invoice Total: \$3,333.33

Please return top portion with payment or

Make a Payment

Invoice Is Due Upon Receipt

Consulting Services Retainer - February 2022

3,333.33

Invoice Total

\$ 3,333.33

Date: 03/11/22 Invoice #: EI01282962 Cabazon Water District

Page: 1

Pay by Mail:

Eide Bailly LLP
10681 Foothill Blvd., Ste. 300
Rancho Cucamonga, CA 91730-3831
Phone 909.466.4410 | Fax 909.466.4431

Pay Online: www.eidebailly.com/PayBill

Pay by ACH:

ACH Routing # 091310521
Bell Bank Checking Acct # 6520865897
Acct Name: Eide BAILLY LLP-CA OFFICE

(A processing fee will be applied to any payments made by credit card)

| Eide Bailly billing history from Feb., 2020 - present | | | | | | |
|-------------------------------------------------------------------------------------|------------|-----------------|-----------------|---------------------------------------------------------------------------------------------|----------|-----------|
| Far right column is the amount increase or decrease from the previous month's bill. | | | | | | |
| | Date | Num | Name | Memo | Amount | Inc/Dec. |
| 2022 | 03/11/2022 | Inv. EI01282962 | Eide Bailly LLP | Accounting Consulting services - February 2022 | 3,333.33 | 0.00 |
| | 02/15/2022 | Inv. EI01268632 | Eide Bailly LLP | Accounting Consulting services - January 2022 | 3,333.33 | 0.00 |
| | 01/24/2022 | Inv. EI01260185 | Eide Bailly LLP | Accounting Consulting services - December 2021 | 3,333.33 | 0.00 |
| | 01/05/2022 | Inv. EI01253923 | Eide Bailly LLP | Accounting Consulting services - November 2021 | 3,333.33 | -943.77 |
| 2021 | 12/30/2021 | Inv. EI01250618 | Eide Bailly LLP | Consulting services - October 2021 plus MOU salary projection questions & cash projection | 4,277.10 | 347.52 |
| | 11/16/2021 | Inv. EI01237032 | Eide Bailly LLP | Consulting services - September 2021 plus MOU salary projection questions & cash projection | 3,929.58 | 497.13 |
| | 09/15/2021 | Inv. EI01207428 | Eide Bailly LLP | Consulting services - August 2021 plus mileage for Audit work (\$99.12) | 3,432.45 | 99.12 |
| | 08/23/2021 | Inv. EI01197695 | Eide Bailly LLP | Consulting services - July 2021. | 3,333.33 | 0.00 |
| | 06/30/2021 | EI01184352 | Eide Bailly LLP | Consulting services - June 2021. | 3,333.33 | 333.33 |
| | 06/15/2021 | Inv. EI01172616 | Eide Bailly LLP | Consulting services - May 2021 | 3,000.00 | 0.00 |
| | 05/08/2021 | Inv. EI01159359 | Eide Bailly LLP | Consulting services - April 2021 | 3,000.00 | 0.00 |
| | 04/10/2021 | Inv. EI01131582 | Eide Bailly LLP | Consulting services - March 2021 | 3,000.00 | 0.00 |
| | 03/09/2021 | Inv. EI01105288 | Eide Bailly LLP | Consulting services - February 2021 | 3,000.00 | -45.00 |
| | 02/24/2021 | Inv. EI01098577 | Eide Bailly LLP | Consulting services - March 2021, 1099s filed | 3,045.00 | 45.00 |
| | 01/11/2021 | Inv. EI01082439 | Eide Bailly LLP | Consulting services -December 2020 | 3,000.00 | 0.00 |
| 2020 | 12/16/2020 | Inv. EI01070545 | Eide Bailly LLP | Consulting services -November2020 | 3,000.00 | 0.00 |
| | 11/30/2020 | Inv. EI01064532 | Eide Bailly LLP | Consulting services -October 2020 | 3,000.00 | 0.00 |
| | 10/20/2020 | Inv. EI01045613 | Eide Bailly LLP | Consulting services -September 2020 | 3,000.00 | 0.00 |
| | 09/16/2020 | Inv. EI01033274 | Eide Bailly LLP | Consulting services - August 2020 | 3,000.00 | 0.00 |
| | 08/18/2020 | Inv. EI01022805 | Eide Bailly LLP | Consulting services -July 2020 | 3,000.00 | -2,642.37 |
| | 07/08/2020 | Inv. EI01005706 | Eide Bailly LLP | Consulting services -June 2020 | 5,642.37 | 2,084.67 |
| | 06/08/2020 | Inv. EI00996433 | Eide Bailly LLP | May 2020 service | 3,557.70 | -917.10 |
| | 05/21/2020 | Inv. EI00988569 | Eide Bailly LLP | April 2020 service | 4,474.80 | 1,929.40 |
| | 04/20/2020 | Inv. EI00964147 | Eide Bailly LLP | March 2020 service | 2,545.40 | 623.60 |
| | 02/29/2020 | Inv. EI00937638 | Eide Bailly LLP | February 2020 service | 1,921.80 | |

New Business

3. Discussion/Action Item:

[TAB 3]

Subgrantee Agreement between the City of Banning
and Cabazon Water District – Isolation Valve project

(by GM)

*Section VIII: Indemnification is still under review by the City of Banning, as of the date of the posting of this Board Packet (04/14/22)

**AGREEMENT BETWEEN THE
THE CITY OF BANNING, CALIFORNIA**

AND

CABAZON WATER DISTRICT

**FOR FUNDS FROM A PROPOSITION 1 ROUND 1 INTEGRATED REGIONAL
WATER MANAGEMENT (IRWM) GRANT TO THE SAN GORGONIO REGION TO
COMPLETE**

PROJECT 2: ISOLATION VALVE IMPROVEMENT PROJECT

THIS AGREEMENT is entered into this ____ day of _____, by and between the Cabazon Water District, hereinafter called "Subgrantee" or "Local Project Sponsor," and the City of Banning, hereinafter called "THE CITY" or "Grantee" for the purposes of completing PROJECT 2: ISOLATION VALVE IMPROVEMENT PROJECT, hereinafter called "Project," and receiving reimbursement from the State Grant for a portion of Project expenses.

RECITALS

A. The City of Banning, California hereinafter called "THE CITY" or "Grantee" has agreed to enter into Agreement Number 4600013806, hereinafter called State Grant Agreement, with the Department of Water Resources of the State of California, hereinafter called "DWR" or "State," pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.). The State funding will assist in financing the projects identified in the Grant Agreement associated with the adopted Integrated Regional Water Management (IRWM) Plan for the San Gorgonio Region. The State Grant Agreement (**Exhibit F**), and any subsequent amendments thereto, are incorporated herein by reference.

B. The term Local Project Sponsor (LPS) refers to the implementing agency intended to receive grant funding pursuant to said State Grant Agreement for work to be completed by LPS as set forth in said State Grant Agreement. LPS shall be assigned in accordance with the participating agencies identified in the State Grant Agreement. All work to be completed by LPS is referred to in this Agreement as "Project" and is defined as a group of activities as set forth in the State Grant Agreement **Exhibit A** (Work Plan); however, an individual LPS that enters into a Subgrantee Agreement with THE CITY for grant funds is responsible only for its portion of activities and not for activities proposed by any other LPS.

C. The parties acknowledge that THE CITY will administer the distribution of grant funds to each LPS pursuant to the State Grant Agreement. The LPS agrees to act on behalf of THE CITY for the purposes of its individual Project management, oversight, compliance, and operations and maintenance. LPS is responsible for all other aspects of its Project in a manner to ensure THE

CITY's compliance with the State Grant Agreement. LPS is solely responsible for design, construction, and operation and maintenance of the project it has proposed in State Grant Agreement, **Exhibit A**, Work Plan. Review or approval of plans, specifications, bid documents, or other construction documents by THE CITY or the State is solely for the purpose of proper administration of funds by THE CITY or the State and shall not be deemed to relieve or restrict responsibilities of the LPS under this Agreement.

D. The term of this Agreement begins on the date this Agreement is fully executed by both THE CITY and the Local Project Sponsor and ends on the termination date specified in the State Grant Agreement.

E. The parties desire to set forth the terms and conditions under which the Local Project Sponsor is to receive grant funds from THE CITY.

SECTION I SCOPE OF SERVICES

THE CITY hereby engages Subgrantee to complete the Project as forth in **Exhibit A**, Project Scope of Work, hereinafter referred to as **Exhibit A**, Work Plan, which is an integral part of the State Grant Agreement between the State of California Department of Water Resources and THE CITY of Banning, Agreement Number 4600013806, pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.), hereinafter referred to as State Grant Agreement and incorporated as **Exhibit F** to this Agreement.

SECTION II COMPENSATION

A. GRANT REIMBURSEMENT SCHEDULE

Grant reimbursements payable to Subgrantee for services specified herein shall be in accordance with **Exhibit B**, Budget as shown in the State Grant Agreement. The cost of the Project is estimated to be \$1,243,035. Subgrantee agrees to be responsible for the Other Cost Share of the Project as shown in **Exhibit B**, Budget (\$14,050). Costs incurred after June 03, 2020 will be eligible for grant reimbursement and costs incurred after January 1, 2015 can be used as required local cost share. However, Grantee received 100% local cost share waiver.

B. METHOD OF PAYMENT

Reimbursement of funds expended by Subgrantee shall be based on work described in **Exhibit A**, Work Plan. In order to receive disbursement of grant funds, Local Project Sponsor shall submit to THE CITY quarterly invoices for eligible project costs as defined in the State Grant Agreement Item 7 (Eligible Project Cost) in a form required by THE CITY. Supporting documentation as

described in the State Grant Agreement Item 8 (Method of Payment) shall accompany each invoice. The documentation required by this paragraph shall be sent to:

Jennifer Jackson, Grants Coordinator
City of Banning
jjackson@banningca.gov

THE CITY shall request reimbursement from the State for Subgrantee's costs, subject to a finding by THE CITY that the invoice and supporting documentation are consistent with the requirements of **Exhibit F**, State Grant Agreement. Where THE CITY finds the invoice and supporting documentation for work to be unsatisfactory, THE CITY shall describe deficiencies in writing or by electronic mail (e-mail) to Subgrantee within ten (10) days. Subgrantee shall have the option of revising the invoice and supporting documentation to delete reimbursement requests for invoices that are deemed unsatisfactory or revising unsatisfactory invoices and resubmitting a reimbursement request. Payments to Subgrantee are due and payable within thirty (30) days after receipt of grant funds from the State. As specified in State Grant Agreement, Exhibit D.36, ten percent (10%) of the maximum payment shall be retained by State, until such time as State releases the retention to THE CITY. The final invoice for work performed shall be submitted by Subgrantee to THE CITY not later than 30 days after completion of Project work as set forth in **Exhibit C**, Schedule. THE CITY shall submit such invoice to State with request for release of retention(s) not later than 60 days after receipt of invoice.

C. MAXIMUM PAYMENT

Payments to Subgrantee for Project expenses incurred under this Agreement **shall not exceed \$1,228,985.**

SECTION III INSPECTION OF WORK

Authorized representatives of THE CITY shall have access to Subgrantee's offices or other work location during normal business hours for the purpose of review and inspection of work activities undertaken pursuant to this Agreement.

SECTION IV OWNERSHIP OF PROJECT REPORT

For the purposes of retaining records for any future audits, Subgrantee shall provide THE CITY electronic copies of all original documents, explanations of methods, maps, tables, computer programs, reports and other documents prepared under this Agreement and described as deliverables in **Exhibit F**, State Grant Agreement. Subgrantee may be required to provide

additional documents to the State. THE CITY shall forward to the State all such requested documents.

SECTION V TIME OF PERFORMANCE

Subgrantee shall begin work upon the effective date of the DWR Grant Agreement and shall complete all tasks described herein according to the schedule shown in **Exhibit C**, Schedule. Time is of the essence to the Agreement, and late performance may result in a termination of the Agreement pursuant to Section IX, Termination.

SECTION VI RESPONSIBILITIES

A. Subgrantee agrees to secure at Subgrantee's own expense all personnel, materials, and related services required to perform the services under this Agreement. Subgrantee shall act as an independent contractor and not as an agent or employee of THE CITY. Subgrantee shall have exclusive and complete control over Subgrantee's employees and subcontractors and shall determine the method of performing the services hereunder.

B. THE CITY shall provide Subgrantee with all data and documents in its possession related to the State Grant as requested.

C. Subgrantee shall perform the work and provide the documentation required of THE CITY or pertinent to Local Project Sponsor's Project in a timely manner as set forth, without limitation, in **Exhibit A**, Work Plan. Notwithstanding the foregoing, any documents or information required to be submitted to the State, Department of Water Resources, agents of the Department of Water Resources, agents of the State, shall be submitted by Subgrantee to THE CITY for submittal by THE CITY to the appropriate party designated in the State Grant Agreement.

D. Subgrantee agrees to provide all required reports as specified in State Grant Agreement Item 14 (Submission of Reports), **Exhibit F**, according to a format and schedule as specified by THE CITY. This pertains to the quarterly Progress Report, Final Report, and Post-Performance Reports.

E. Subgrantee shall coordinate and arrange for all meetings required to be held with other agencies or persons hereunder for the Project work specified in **Exhibit A**, Work Plan. Subgrantee shall be responsible for the reproduction of work produced by Subgrantee hereunder.

F. THE CITY is to provide administrative services for the benefit of Local Project Sponsor and other local project sponsors, in the administration of this Agreement and the State Grant Agreement. THE CITY is to receive compensation via grant reimbursement for these services as set forth in the State Grant Agreement Exhibits A and B (Work Plan and Budget).

G. THE CITY agrees to provide grant administrative services for the term specified in the State Grant Agreement. In the event the terms or conditions of the State Grant Agreement are changed to accommodate the Local Project Sponsor, THE CITY shall be reimbursed by the Subgrantee for any additional administrative costs that are solely attributable to grant administration occurring beyond the original scope of work described in the State Grant Agreement.

H. Subgrantee acknowledges that State Grant Agreement Item 5 (Basic Conditions) establishes the State shall have no obligation to disburse money for the Project under this Agreement until THE CITY, and as applicable the Subgrantee, has satisfied all the applicable conditions specified in Item 5.

I. Subgrantee acknowledges its responsibility to comply with the applicable provisions of the State Grant Agreement Exhibit D. Standard Conditions. Special attention is directed to State Grant Agreement Section D5 "Audits." Subgrantee may be required to share in expenses associated with an audit and shall be required to maintain records for at least three 3) years after Project completion.

J. The Subgrantee agrees to indemnify, defend and save harmless THE CITY, its officers, agents and employees, from any and all claims and losses accruing or resulting to any and all subcontractors, material suppliers, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Subgrantee, Subgrantee's employees, or Subgrantee's subcontractors or sub-subcontractors in the performance of this Agreement.

K. Subgrantee agrees to perform all work for the Project under this Agreement in compliance with the terms and conditions of **Exhibit F**, State Grant Agreement.

SECTION VII INSURANCE

The Subgrantee shall procure, purchase at its expense and maintain in full force and effect such insurance as will protect it from claims, damages, losses, liability, costs, and expenses as set forth herein which may arise out of or result from or in any way connected with the Subgrantee's activities, work, services, and/or operations performed by the Subgrantee under this Agreement, whether such activities or operations be by itself or by any subcontractor or by any sub-subcontractor or by anyone directly or indirectly employed by any of them, or by anyone else for whose acts the Subgrantee or any of them is or may be liable. The procurement and maintenance by the Subgrantee of policies required under this Agreement shall not relieve, limit or satisfy Subgrantee's obligation to indemnify, defend and save harmless THE CITY, its officers, directors, agents and employees pursuant to Section VIII of this Agreement.

A. Subgrantee represents that Subgrantee will, prior to commencement of work pursuant to this agreement, name and endorse on to his Comprehensive General Liability insurance policy THE CITY and the State, its officers, agents and employees as "an insured" with respect to liability

arising out of the activities, services, operations or work performed by Subgrantee for THE CITY (ISO form CG 20 09 11 85 or its equivalence). Subgrantee shall obtain and keep in full force and effect insurance policies and in appropriate limits as specified by the Insurance Requirements (**Exhibit D**) and shall require any subcontractor or sub-subcontractor to provide evidence of similar liability insurance coverages.

B. Subgrantee shall add to Subgrantee's Comprehensive General Liability insurance policy a severability interest clause or such similar wording if Subgrantee's policy does not automatically have this clause already written into it. Such language shall be similar to: "The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."

C. All policies carried by Subgrantee shall contain a provision or be endorsed to state that coverage as respects to THE CITY and the State, its officers, agents and employees shall not be suspended, voided, canceled or non-renewed except after the insurance company has given to THE CITY at least forty-five (45) days prior written notice to the address shown below prior to any such termination of coverage becomes effective.

D. Subgrantee shall, on all policies or coverages required to be carried by Subgrantee pursuant to this Agreement, give THE CITY forty-five (45) days prior written notice by certified mail, return receipt requested, to the address shown below notification of any limitations, reductions or material change in coverage or in limits available.

E. Prior to the execution of the Agreement, Subgrantee shall file with THE CITY certificates of insurance coverage actually in force required to be carried by Subgrantee pursuant to this Section VII and Insurance Requirements (**Exhibit D**). With respect to each renewal or replacement of any such insurance, the requirements of this paragraph must be complied with not less than forty-five (45) days prior to the expiration or cancellation of the policy being renewed or replaced.

F. All insurance policies carried by or available to Subgrantee shall be primary and not excess nor contributing with any insurance issued to or available to THE CITY. Any insurance or self-insurance maintained or carried by THE CITY shall be excess of the Subgrantee's insurance and shall not participate in nor contribute with such insurance carried by or available to Subgrantee. THE CITY will not be responsible for any payment of premiums due as a result of compliance with the terms and conditions of the insurance requirements. The cost of such insurance shall be borne solely by the Subgrantee.

G. In the event Subgrantee elects to utilize existing policies to meet insurance requirements specified herein for comprehensive general liability and or professional errors and omissions coverages, Subgrantee shall provide an accurate history of claims filed against either of those policies during the past twenty-four (24) months along with amounts paid and reserves outstanding.

H. THE CITY shall be under no duty either to ascertain the existence of or to examine such insurance policies or to advise Subgrantee in the event such insurance coverage does not comply

with the requirements hereof. However, THE CITY may, at any time, and from time to time, inspect and copy any and all insurance policies, endorsements, certificates and correspondence required to be carried by Subgrantee pursuant to this Agreement.

SECTION VIII INDEMNIFICATION

Subgrantee shall indemnify and hold and save THE CITY, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement.

*Section VIII: Indemnification is still under review by the City of Banning, as of the date of the posting of this Board Packet. (04/14/22)

SECTION IX CHANGES AND CHANGED CONDITIONS

If, during the course of the work herein contemplated, the need to change the Project Work Plan or the time schedule should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet within seven (7) working days of the date of such notice, to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Project Work Plan may also result in a change in the compensation amount. Compensation changes shall be based upon the Project Budget (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement and to **Exhibit F**, State Grant Agreement.

SECTION X TERMINATION

THE CITY may terminate this Agreement by written notice to Subgrantee at any time prior to completion of work described in **Exhibit A**, Work Plan, at the option of THE CITY, upon violation by the Subgrantee of any material provision after such violation has been called to the attention of the Subgrantee and after failure by the Subgrantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by THE CITY. In the event of such termination, the Subgrantee agrees, upon demand, to immediately repay to THE CITY an amount equal to the amount of grant funds disbursed to the Subgrantee prior to such termination, if such a demand is made by the State. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Subgrantee to the date of full repayment by the Subgrantee. In addition, Subgrantee agrees to pay all costs incurred by THE CITY to recover such funds.

SECTION XI

SUB-CONTRACTING

Subgrantee agrees that all provisions in the State Grant Agreement applying to Subgrantee shall also apply to its sub-contractors.

SECTION XII NONDISCRIMINATION AND FAIR EMPLOYMENT

During the performance of this Agreement, the Subgrantee and its contractors shall comply with the requirements in State Grant Agreement, **Exhibit F**.

SECTION XIII DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: Subgrantee, its contractors or subcontractors shall certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace. Prior to commencement of work pursuant to this agreement, the Subgrantee, and all sub-subgrantees and subcontractors performing any portion of the work, shall complete and submit to THE CITY a Drug-Free Workplace Certification (**Exhibit E**).

SECTION XIV INTEREST OF SUBGRANTEE

During the performance of this Agreement, the Subgrantee and its contractors shall comply with the requirements in State Grant Agreement, **Exhibit F**.

SECTION XV CONTINGENT FEES

Subgrantee warrants that Subgrantee has not employed or retained any company or person, other than a bona fide employee working solely for the Subgrantee to solicit or secure this Agreement, and that Subgrantee has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Subgrantee, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, THE CITY shall have the right to annul this Agreement without liability or at its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XVI

DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Riverside. The prevailing party shall be awarded costs of suit, and attorneys' fees.

SECTION XVII NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

| | |
|----------|-------------------------------------------------------------------------------|
| GRANTEE: | City of Banning 99 E. Ramsey St. P.O. Box 998 Banning, CA 92220-0998 |
|----------|-------------------------------------------------------------------------------|

| | |
|-------------|--------------------------------------------------------------------------------------|
| SUBGRANTEE: | Cabazon Water District 14618 Broadway Street P.O. Box 297 Cabazon, CA 92230 |
|-------------|--------------------------------------------------------------------------------------|

SECTION XVIII AMENDMENTS

This Agreement together with **Exhibits A through F** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

SECTION XIX ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

Exhibit A. Work Plan
Exhibit B. Project Schedule
Exhibit C. Project Budget
Exhibit D. Insurance Requirements
Exhibit E. Drug-Free Workplace Policy and Certification
Exhibit F. Grant Agreement between the State of California Department of Water Resources and the City of Banning,
Agreement Number 4600013806, Proposition 1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

CITY OF BANNING

SIGNED: _____
BY: ART VELA, PE
TITLE: PUBLIC WORKS DIRECTOR/CITY ENGINEER

CABAZON WATER DISTRICT

SIGNED: _____
BY: _____
TITLE: _____
FEDERAL TAX ID: _____

EXHIBIT A – WORK PLAN

See Exhibit A to State Grant Agreement No. 4600013806

PROJECT 2: ISOLATION VALVE IMPROVEMENT PROJECT

PROJECT 2: Isolation Valve Improvement Project**IMPLEMENTING AGENCY: Cabazon Water District****PROJECT DESCRIPTION:**

The project will consist of furnishing and installing approximately 105 new isolation valves in the Cabazon Water District's water system to provide additional operational flexibility in the system and reduce the number of customers adversely affected by system outages. The increased quantity of isolation valves will drastically reduce the amount of water lost during pipeline dewatering and limit the number of customers affected by these outages. The reduction in energy usage will reduce carbon emissions by approximately 13.4 megatonnes (MT) per year.

Budget Category (a): Project AdministrationTask 1: Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with IRWM regional manager and the Grantee. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement for submittal to DWR.

Prepare draft Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

Budget Category (b): Land Purchase/EasementTask 3: Land Purchase

Not applicable.

Budget Category (c): Planning/Design/Engineering/Environmental DocumentationTask 4: CEQA Documentation

A Notice of Exemption was filed with Riverside County in 2019 for this project. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Completed CEQA documents as required

- Legal Challenges Letter

Task 5: Permitting

The project is located within existing paved road rights-of-way throughout the Cabazon Water District's service area, in the Community of Cabazon. Once the work is awarded to a Contractor, the Contractor will secure an encroachment permit from Riverside County to perform work within Riverside County's rights-of-way.

No other permits are required for project construction or implementation.

Deliverables:

- Permits as required

Task 6: Design

This task includes the development of draft designs (30%, 60%, 90% design) which identify the approximate locations of all new valves. The project will be designed to maximize operational flexibility and minimize the number of people or length of time affected by outages, as well as access for construction. Afterwards, 100% design drawings would then be finalized. All designs will comply with applicable construction and health and safety standards, such as American Water Works Association standards for valves.

Deliverables:

- 100% Design Plans and Specifications

Task 7: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 (guidance provided in Exhibit J) for DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 8: Contract Services

This task must comply with the Standard Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

Task 9: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties include: documenting of pre-construction conditions, updating daily construction

diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, and notifying contractor if work is not acceptable. After the project is complete, the Contract Administrator will provide a notice of completion to the Cabazon Water District. Upon completion of the project, the DWR Certificate of Project Completion and record drawings will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 10: Construction

Construction will include excavation, valve installation, pipeline restraint (as required by addition of isolation valves), backfill and compaction, trench shoring, traffic control, and pavement replacement. Valve testing (to ensure valves are fully operational in the open and closed positions) will begin as sections of the system are completed.

Construction activities are outlined below.

10(a): Mobilization and Demobilization: Because valves will be installed throughout the Cabazon Water District's network, mobilization and demobilization will occur in different areas across the system at different times. Mobilization and demobilization include moving equipment to and from the site and set up and breakdown of equipment following valve installation and testing. Final demobilization at the site will be completed to remove equipment.

10(b): Site preparation: To prepare sites for construction, the Contractor will identify underground utilities to avoid, traffic control activities (as necessary), and any other activities required for the safe and clear access to the valve location.

10(c): Install, construct, excavate: Once mobilization and site preparation are complete for a given area, the Contractor will install valves in that area. This includes excavation for safe access to the valve locations and installation of the new valve. Approximately 36 six-inch, 48 eight-inch, and 12 ten-inch gate valves; and 5 twelve-inch and 4 sixteen-inch butterfly valves will be installed, for a total of 105 valves. Installation of the valves will require trench excavation and shoring; bedding, backfill, and compaction; pavement replacement; valve cans and valve collars; and testing of the new valves. Following installation of valves, the Contractor will restore the disturbed area to pre-construction conditions. This includes backfilling valve trenches and trench pavement repair (and striping, if required) to restore sites to pre-construction conditions.

Deliverables:

- Photographic Documentation of Progress
- System Performance Test Results

EXHIBIT B – BUDGET

See Exhibit B to State Grant Agreement No. 4600013806

PROJECT 2: ISOLATION VALVE IMPROVEMENT PROJECT

PROJECT 2: Isolation Valve Improvement Project

Implementing Agency: Cabazon Water District

Project directly serves a need of a Disadvantaged Community: **Yes**

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share** | Total Cost |
|-----------------|---------------------------------------------------------------|--------------------|---------------------------------------------|--------------------|--------------------|
| a | Project Administration | \$34,307 | \$0 | \$0 | \$34,307 |
| b | Land Purchase / Easement | \$0 | \$0 | \$0 | \$0 |
| c | Planning / Design / Engineering / Environmental Documentation | \$52,458 | \$0 | \$14,050 | \$66,508 |
| d | Construction / Implementation | \$1,142,220 | \$0 | \$0 | \$1,142,220 |
| TOTAL COSTS | | \$1,228,985 | \$0 | \$14,050 | \$1,243,035 |

NOTES: Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Grantee received 100% cost share waiver.

**Other Cost Share will be paid by Cabazon Water District general funds

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EXHIBIT C – SCHEDULE

See Exhibit C to State Grant Agreement No. 4600013806

PROJECT 2: ISOLATION VALVE IMPROVEMENT PROJECT

EXHIBIT C**SCHEDULE****PROPOSITION 1 ROUND 1 SAN GORGONIO IRWM IMPLEMENTATION GRANT****Grant Administration**

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|------------------------|-------------------|-----------------|
| a | Project Administration | 07/01/2020 | 12/31/2022 |

PROJECT 1: Altitude Valves Installation Project

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 09/30/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 09/10/2018 | 10/30/2020 |
| d | Construction / Implementation | 11/01/2020 | 06/30/2022 |

PROJECT 2: Isolation Valve Improvement Project

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 2/28/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 11/01/2018 | 06/18/2021 |
| d | Construction / Implementation* | 03/22/2021 | 11/30/2021 |

*Category d and Category c overlap due to encroachment permits that must be acquired by the contractor.

EXHIBIT D -- INSURANCE REQUIREMENTS

I. Minimum Scope and Limits of Insurance

Subgrantee shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

A. Commercial General Liability Insurance with a minimum limit of \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location.

B. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$1,000,000.00 per accident for bodily injury and property damage. If Subgrantee does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Subgrantee shall obtain a non-owned auto endorsement to the Commercial General Liability policy.

C. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Subgrantee has no employees while performing Services under this Agreement, workers' compensation policy is not required; however, Subgrantee shall execute a declaration that it has no employees.

D. Professional Liability/Errors and Omissions Insurance with minimum limits of \$1,000,000.00 per claim and in the aggregate.

II. Acceptability of Insurers.

The insurance policies required under this Article shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Article.

III. Additional Insured.

The commercial general and automobile liability policies shall contain an endorsement naming THE CITY, its officers, employees, agents and volunteers as additional insureds.

IV. Primary and Non-Contributing.

The insurance policies required under this Article shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to THE CITY. Any insurance or self-insurance maintained by THE CITY, its officers, employees, agents or volunteers, shall be in excess of Subgrantee's insurance and shall not contribute with it.

V. Subgrantee's Waiver of Subrogation.

The insurance policies required under this Article shall not prohibit Subgrantee and Subgrantee's employees, agents or sub-contractors from waiving the right of subrogation prior to a loss. Subgrantee hereby waives all rights of subrogation against THE CITY.

VI. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by THE CITY. At THE CITY's option, Subgrantee shall either reduce or eliminate the deductibles or self-insured retentions with respect to THE CITY; or Subgrantee shall procure a bond guaranteeing payment of losses and expenses.

VII. Cancellations or Modifications to Coverage.

Subgrantee shall not cancel, reduce or otherwise modify the insurance policies required by this Article during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to THE CITY. If any insurance policy required under this Article is canceled or reduced in coverage or limits, Subgrantee shall, within two (2) Business Days of notice from the insurer, phone, fax or notify THE CITY via certified mail, return receipt requested, of the cancellation of or changes to the policy.

EXHIBIT E -- DRUG-FREE WORKPLACE POLICY CERTIFICATION

CITY OF BANNING

ADMINISTRATIVE POLICY

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------|
| Subject: Drug Free Workplace Policy | | Policy No. AP-08 |
| Reference: Code of Federal Regulations: 49 CFR Part 655 and Part 40, as amended from time to time; and the Federal Motor Carriers Safety Act ("FMCSA") regulations | Effective 1/1/96; Revised 9/2001; Revised 6/2003 | Page No. 47 Of 47 |

I agree to notify my department head/manager before beginning work when using, before or during work, drugs, medications, or any other substance which I believe could foreseeably interfere with my effective job performance or operation of a City vehicle or equipment.

Date: _____

Employee (signature)

Employee Name (printed)

RESOLUTION NO. 2003-41

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING
APPROVING THE DRUG FREE WORKPLACE POLICY, AS AMENDED,
EFFECTIVE JUNE 2003.**

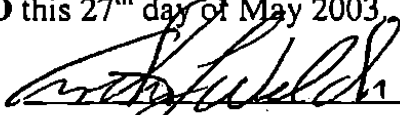
WHEREAS, a number of federal and state rules and regulations require that the City establish a drug free workplace policy, including establishment of drug testing procedures for its transit and paratransit systems and vehicles subject to the U.S. Department of Transportation and the Federal Motor Carriers Safety Act;

WHEREAS, in August 2001, the Federal Transit Administration promulgated significant revisions to the Code of Federal Regulations governing the testing methods set forth in 49 CFR Part 40, which the City was required to incorporate into its policy; and

WHEREAS, 49 CFR Part 655 mandates that the required policy be formally approved by the governing body of the agency engaged in the transit and safety-sensitive functions defined therein;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning adopts the Drug Free Workplace Policy, As Amended, Effective June 2003.

PASSED, APPROVED, AND ADOPTED this 27th day of May 2003.




Arthur L. Welch, Mayor
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT**



John F. Wilson
City Attorney

ATTEST



Marie A. Calderon, City Clerk
City of Banning

CERTIFICATION

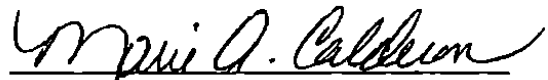
I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2003-41 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 27th day of May, 2003 by the following vote, to wit:

AYES: Councilmembers Hanna, Machisic, Palmer, Salas, Mayor Welch

NOES: None

ABSTAIN: None

ABSENT: None



Marie A. Calderon, City Clerk
City of Banning, California

| CITY OF BANNING | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------|
| ADMINISTRATIVE POLICY | | |
| Subject: Drug Free Workplace Policy | | Policy No. AP-08 |
| Reference: Code of Federal Regulations: 49 CFR Part 655 and Part 40, as amended from time to time; and the Federal Motor Carriers Safety Act ("FMCSA") regulations | Effective 1/1/96; Revised 9/2001; Revised 6/2003 | Page No. |

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| Reference: Code of Federal Regulations: 49 CFR Part 655 and Part 40, as amended from time to time; and the Federal Motor Carriers Safety Act ("FMCSA") regulations | Effective 1/1/96; Revised 9/2001; Revised 6/2003 | Page No. |

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I. PURPOSE

The City of Banning (the "City") is committed to providing its employees and the public with an environment that is free of the effects of the use of illegal drugs and the misuse of alcohol.

The goal is furthered by the adoption of this policy. This policy is intended to encourage behavior that ensures that the city workplace is free from the effects of on-duty and off-duty use of illegal drugs and misuse of alcohol. This same policy is intended to obtain a change in any employee behavior that is inconsistent with the goal of a drug-free and alcohol-free workplace.

This policy also includes regulations that are mandated under federal law to insure the safe operation by the City of its transit and paratransit systems and vehicles subject to U.S. Department of Transportation regulations. This policy sets forth guidelines to maintain a drug and alcohol-free workplace in compliance with the Drug-Free Workplace Act of 1990, and the Omnibus Transportation Employee Testing Act of 1991. This policy is intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. Specifically, the Federal Transit Administration ("FTA") of the U.S. Department of Transportation has published 49 CFR Part 655, as amended. Those regulations mandate urine drug testing and breath alcohol testing for safety-sensitive positions, and prohibit performance of safety-sensitive functions when there is a positive test result. The U.S. Department of Transportation ("USDOT") has also published 49 CFR Part 40, as amended, that sets standards for the collection and testing of urine and breath specimens.

This policy also includes guidelines to maintain a drug and alcohol-free workplace independent of the federal requirements described above.

THIS POLICY DOES NOT APPLY TO THE SWORN PERSONNEL OF THE CITY.

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II. DECLARATION OF A DRUG FREE WORKPLACE

The City of Banning hereby declares that the unlawful purchase, manufacture, distribution, dispensing, possession, or use of controlled substances or misuse of alcohol in violation of these guidelines by an Employee constitutes immoral or unprofessional conduct, dishonesty, incompetence, and evident unfitness for service, for any involved employee and shall constitute grounds for disciplinary action to and including termination from service.

III. APPLICABILITY

Except as otherwise specifically indicated, the policies and procedures set forth herein shall be applicable to all employees of the City of Banning. Where specifically set forth, certain of the rules in this policy are solely applicable to employees in "Safety-Sensitive" positions, DOT Drivers and Covered Employees as defined in this Policy and listed in Exhibit A.

IV. DEFINITIONS

Accident

A. Shall have its commonly accepted meaning when applied to non-safety sensitive positions and safety sensitive positions that are not DOT Drivers. An Employee shall be subject to the alcohol and drug testing requirements of this policy only under the circumstances where if, as a result of the Accident:

- (1) An individual, ("individual" includes the Employee or any other individual) dies;
- (2) An individual suffers a bodily injury and immediately receives medical treatment for the injury; or
- (3) One or more vehicles or pieces of equipment with a value of \$3,500 or more incur disabling damage as the result of the occurrence,

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including the personal vehicle of an Employee when driven in the scope of employment.

B. In addition, and not in limitation, as to DOT Drivers, Covered Employees and Employees performing Safety Sensitive Functions, Accident shall mean an occurrence involving the operation of a revenue service vehicle even when not in revenue service, and/ or which involves the operation of a vehicle that requires a Commercial Driver's License to operate, if as a result:

- (1) An individual dies;
- (2) An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or
- (3) One or more vehicles incur disabling damage as the result of the occurrence and are transported away from the scene by a tow truck or other vehicle.

Adulterated specimen means a specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.

Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol contained in any beverage, mixture, mouthwash, candy, food, preparation or medication.

Alcohol Test means the compulsory production and submission of breath by an employee in accordance with the provisions of this Policy for analysis to detect prohibited alcohol use.

Alcohol Concentration is expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath-testing device.

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Applicant means any person applying for employment with the City of Banning.

Canceled Test is a drug test that has been declared invalid by a Medical Review Officer. A canceled test is neither positive nor negative.

Confirmatory Test is a second drug or alcohol test administered to verify the results of a first drug or alcohol test.

Controlled Substance. Any drugs that are classified by the Drug Enforcement Administration (DEA) into the five schedules or classes on the basis of their potential for abuse, accepted use, and accepted safety under medical supervision. (See also ***Prohibited Drug/Substance*** and ***Illegal Drugs***). The presence of a drug on any of these schedules establishes that it is "controlled" and also defines the nature of the supervisory control that must be exercised.

Covered Employee means an employee who is a DOT Driver, or is performing a Safety-sensitive Function. (see Attachment "A").

Department Head means an employee of the City who is responsible for the operations of a subdivision of the City work force and whose job description substantially states that they work under the direct guidance and direction of the City Manager, and who is not otherwise named a Manager in their job title.

Designated Employer Representative ("DER") An employee authorized by the employer to take immediate action to remove employees from safety-sensitive duties and to make required decisions in testing.

Dilute specimen means a specimen with creatinine and specific gravity values that are lower than expected for human urine.

Disabling damage means damage which precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after

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simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.

DOT (Department of Transportation) Driver means any employee who is required under state law to obtain a commercial driver's license and who as part of their duties drives, or can be called upon at any time to drive, one of the following vehicles:

- A. One having a Gross Vehicle Weight Rating (GVWR) as assigned by the manufacturer of 26,001 pounds or more; or
- B. One having a Gross Combination Weight Rating (GVWR) of 26,001 pounds or more, inclusive of a towed vehicle having a weight rating in excess of 10,000 pounds; or
- C. One designed to carry 16 or more passengers including the driver; or
- D. One, regardless of size, that transports hazardous materials in a quantity requiring that vehicle to be placarded.

Drug Test means the compulsory production and submission of urine by an Employee in accordance with the provisions of this policy for chemical analysis to detect prohibited drug use.

Drug & Alcohol Program Manager An employee authorized by the Employer to receive test results and other communications for the employer, consistent with the requirements of 49 CFR Parts 40 and 655.

Drug Use means the use of a legal drug, illegal drug or controlled substance.

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Employee means any person hired in a regular, temporary, part-time, seasonal, or probationary capacity to perform a service for the City. Includes Covered Employees, DOT Drivers, safety-sensitive functions and all other employees.

Illegal Drugs means drugs or controlled substances as specified in the California Uniform Controlled Substance Act (Division 10, of the California Health & Safety Code) which are not legally obtained. Examples include, but are not limited to, cocaine, marijuana, heroin, and PCP. Whenever used in this policy this term shall also include Controlled Substance and Prohibited Drug/Substance.

Impaired means subject to Reasonable Suspicion, as defined in these definitions.

Job Function means any and all duties of an employee, including any safety-sensitive functions.

Legal Drugs means physician prescribed controlled substances or over-the-counter drugs that are legally obtained and used for the specific purpose and in the manner for which they were prescribed.

Licensed Medical Personnel means persons certified by the appropriate licensing authority to perform the procedures set forth in this policy for the detection of illegal drugs or misuse of alcohol

Manager means the person occupying any position named as Director or Manager in the job title. Manager shall include sworn personnel in their function as a Manager of non-sworn personnel. Such sworn personnel are not themselves subject to testing under this policy.

Medical Review Officer ("MRO") means a licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results

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generated by the drug testing program who has knowledge of substance of abuse disorders, and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result, together with his/her medical history, and any other relevant bio-medical information.

Negative test result for a drug test means a verified presence of the identified drug or its metabolite below the minimum levels specified in 49 CFR Part 40, as amended. An alcohol concentration of less than 0.02 BAC is a negative test result.

Non-negative test result is a test result found to be adulterated, substitute, invalid, or positive for drug/drug metabolites. Non-negative results are considered a positive test or refusal to test if the MRO cannot determine legitimate medical explanation.

Positive Test Result for a drug test means a verified presence of the identified drug or its metabolite at or above the minimum levels specified in 49 CFR Part 40, as amended. A positive alcohol test result means a confirmed alcohol concentration of 0.04 BAC or greater.

Prohibited Drug/Substance means marijuana, cocaine, opiates, amphetamines, or phencyclidine at levels above the minimum thresholds as specified in 49 CFR Part 40, as amended. Also includes "Illegally Used Controlled Substance or Drugs Under the Drug-Free Workplace Act of 1990" any drug or substance identified in Schedule I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), and as further defined by 21 CFR 1300.11 through 1300.15 is prohibited at all times in the workplace unless a legal prescription has been written for the substance. This includes, but is not limited to: marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine, as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs. Also, the medical use of marijuana, or the use of

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hemp related products, as which cause drug or drug metabolites to be present in the body above the minimum thresholds is a violation of this policy.

FEDERAL TRANSIT ADMINISTRATION DRUG TESTING REGULATIONS (49 CFR PART 655) REQUIRE THAT ALL COVERED EMPLOYEES BE TESTED FOR MARIJUANA, COCAINE, AMPHETAMINES, OPIATES, AND PHENCYCLIDINE AS DESCRIBED IN ATTACHMENT "B" OF THIS POLICY. ILLEGAL USE OF THESE FIVE DRUGS IS PROHIBITED AT ALL TIMES AND COVERED EMPLOYEES MAY BE TESTED FOR THESE DRUGS ANYTIME THAT THEY ARE ON DUTY.

Reasonable Suspicion means a belief, based on objective and articulable facts, that there are reasons to believe that drug or alcohol use is impacting job performance and safety. Reasonable Suspicion requires objective evidence, based upon specific, contemporaneous, articulable observations of the employee's appearance, behavior, speech or body odor that are consistent with possible drug use and/or alcohol misuse. As an example and not by way of exclusion of other, any of the following, alone or in combination, may constitute reasonable suspicion that an employee may have a prohibited presence of controlled substances or alcohol in his or her system:

- A. Slurred speech
- B. Alcohol odor on breath
- C. Unsteady walking or movement
- D. Physical impairment (i.e., eye dilation, shivering or erratic movement)
- E. An accident involving City property, City equipment and/or City employees
- F. Physical altercation
- G. Verbal altercation
- H. Possession of drugs or alcohol
- I. Information from a reliable person with personal knowledge of facts that place the Employee in violation of this policy. For purposes of this subsection a reliable person is one who is known to be, or reasonably believed to be trained to detect the signs and symptoms of use of illegal drugs and misuse of alcohol, or

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someone who is known to have direct and personal knowledge of facts, or reasonably believed to have direct and personal knowledge of facts that place the Employee in violation of this policy.

- J. Excitement or confusion
- K. Mood swings
- L. Disorientation or job impairment (inability to perform the job in a routine manner
- M. Glassy eyes
- N. Drowsiness
- O. Euphoria
- P. Irritability
- Q. Aggressiveness
- R. Notification that the Employee has tested non-negative on a drug and/or alcohol test duly administered by any other administrative or law enforcement agency or any Licensed Medical Personnel.

Revenue Service Vehicles include all transit vehicles that are used for passenger transportation service or that require a Commercial Driver's License to operate.

Safety-sensitive Functions include

- A. Operation of a transit Revenue Service Vehicle even when the vehicle is not in revenue service
- B. Operation of a non-revenue service vehicle by an employee when the operation of such a vehicle requires the driver to hold a Commercial Driver's License ("CDL");
- C. Maintaining a revenue service vehicle or equipment used in revenue service;
- D. Revenue Service Vehicle dispatchers; and
- E. Carrying a firearm for security purposes

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Subject to Duty means an employee who is scheduled to report for work at an assigned time and who has not been finally and completely released from the responsibility of performing further work that day. "Subject to duty" also means any employee who is responsible for being available to perform work on an emergency basis when called to do so (e.g., in an "on-call status"), if said employee is guaranteed extra compensation because of his or her status as being "on call". An employee who is simply responsible for responding, if available, when said employee is not within either definition above, is not considered to be "subject to duty" for the purpose of this policy.

Substance Abuse Professional ("SAP") means a licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol and other Drug Abuse) with knowledge of drug and alcohol related disorders.

Substituted specimen. A specimen with creatinine and specific gravity values that are so diminished that they are not consistent with human urine.

Test Refusal. The following are considered a refusal to test if the employee

- A. Fails to appear for any drug, alcohol or related test within a reasonable time, as determined by the employer, after being directed to do so by the employer;
- B. Fails to remain at the testing site until the testing process is complete;
- C. Fails to provide a urine specimen for any drug test required by Part 40 or DOT agency regulations or as otherwise required.

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In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of the provision of a specimen

- D. Fails to provide a sufficient amount of urine when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure
- E. Fails or declines to take a second test the employer or collection has directed you to take;
- F. Fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER as part of the "shy bladder" procedures
- G. Fails to cooperate with any part of the testing process (e.g., refusal to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process)
- H. If the MRO reports that there is verified adulterated or substituted test result.
- I. Fails or refuses to take an alcohol test.
- J. Fails or refuses to provide an adequate amount of breath without a valid medical reason.

Verified negative test means a drug test result reviewed by a Medical Revenue Officer and determined to have no evidence of prohibited drug use above the minimum cutoff levels established by the Department of Health and Human Services ("DHHS").

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Verified positive test means a drug test result reviewed by a Medical Review Officer and determined to have evidence of a prohibited drug use above the minimum cutoff levels specified in 49 CFR Part 40 as revised. Refusal to submit to a drug/alcohol test shall also be considered a positive test result and a direct act of insubordination and shall result in termination from employment. A test refusal includes, but may not be limited to, the circumstances set forth in the definition of Test Refusal, above.

Validity testing is the evaluation of the specimen to determine if it is consistent with normal human urine. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the specimen was substituted

V. IMPLEMENTATION

Both the City and its employees have responsibilities for the implementation of this policy with the goal of eliminating illegal drug use and misuse of alcohol that has a negative impact on the workplace.

A. Management Responsibilities

(1) The Department Heads and Managers and their designees will fairly and equitably administer and enforce this policy without prejudice or discrimination in an effort to maintain a workplace free from the effects of illegal drug use and misuse of alcohol.

(2) The Department Heads and Managers will adequately educate and train all employees to recognize the attributes, symptoms, and characteristics associated with use of illegal drugs or misuse of alcohol.

(3) The Department Heads and Managers will provide information to all employees as to the dangers and penalties associated

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with use of Illegal Drugs or misuse of alcohol, as well as information regarding counseling services that are available.

(4) The Department Heads and Managers shall not physically search the employee, nor shall they search the personal possessions of employees without the freely-given consent of the employee or as otherwise provided by law, regulation, city policy and the applicable memorandum of understanding.

(5) Department Heads or Managers may request that an employee submit to a drug and/or alcohol test in accordance with the guidelines set forth herein.

(6) Whenever a Department Head or Manager encounters an employee who, after an appropriate request, refuses to complete and sign a medical release and consent form, [Attachment "E"] or refuses to submit to a drug and/or alcohol test upon request, the Department Head or Manager shall remind the employee of the requirements and disciplinary consequences of this policy. Such refusal may be considered insubordination and grounds for disciplinary proceedings up to and including termination.

(7) Where an Employee is **Impaired** the Department Head or Manager shall, with the employee's consent and after the employee's submission to a drug and/or alcohol test, detain the employee for a reasonable time until the employee can be safely transported home by the Department Head, Manager or a designee

B. Education and Training

Every employee shall receive a copy of this policy and shall have ready access to the corresponding federal regulations including 49 CFR Parts 655 and 40. In addition, all Covered Employees will undergo a minimum of 60 minutes of

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training on the signs and symptoms of drug use including the effects and consequences of drug use on personal health, safety, and the work environment. The training also includes manifestations and behavioral cues that may indicate use of ***Illegal Drugs***.

All Department Heads, Managers and their designees who are in a position to determine employee fitness for duty shall receive 60 minutes of reasonable suspicion training on the physical, behavioral, and performance indicators of probable Illegal Drug use and 60 minutes of additional reasonable suspicion training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse

Information on the signs, symptoms, health effects, and consequences of alcohol misuse is presented in Attachment "B" of this policy.

C. Prohibited Drugs/Substances

(1) Use by an Employee of the Prohibited Drugs/Substances and Illegal Drugs set forth in the definitions is a violation of this policy whether such use is on or off duty.

(2) Legal Drugs: The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to a Department Head or the Human Resource Director and the employee is required to provide a written release from his/her doctor or pharmacist indicating that the employee can perform his/her safety-sensitive functions.

(3) Alcohol: The use of beverages containing alcohol (including any mouthwash, medication, food, candy) or any other substances such that alcohol is present in the body while performing safety-sensitive job

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functions is prohibited. An alcohol test can be performed on a covered employee under 49 CFR Part 654 just before, during, or just after the performance of a safety-sensitive job function.

D. Prohibited Conduct

(1) All Employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a Prohibited Drug or Substance in the body above the minimum thresholds defined in 49 CFR PART 40, as amended.

(2) Each Employee is prohibited from consuming alcohol while performing job functions or while on-call to perform job functions. If an on-call employee has consummated alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. The Employee will subsequently be relieved of hi/her on-call responsibilities.

(3) The Department Head or Manager shall not permit any Employee to perform or continue to perform job functions if he or she has actual knowledge that the Employee is using alcohol.

(4) Each Employee is prohibited from reporting to work or remaining on duty requiring the performance of Job Functions while having an alcohol concentration of 0.04 or greater regardless of when the alcohol was consumed.

(5) No Employee shall consume alcohol for eight (8) hours following involvement in an accident or until he/she submits to the post-accident drug/alcohol test, whichever occurs first.

(6) No Employee shall consume alcohol within four (4) hours prior to the performance of Job Functions.

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(7) No Employee shall consume alcohol during lunch periods, rest breaks, split shift breaks, or anytime the employee is in uniform.

(8) Consistent with the Drug-Free Workplace Act of 1990, all Employees are prohibited from engaging in the unlawful purchase, transport, manufacture, distribution, dispensing, possession, or use of prohibited substances in or outside the work place including Transit Department premises, transit vehicles, while in uniform or not in uniform and while on City of Banning business or off duty.

(9) All Employees are prohibited from engaging in the unlawful purchase, transport, manufacture, distribution, dispensing, possession, or use of prohibited substances in or outside the work place, on or off duty.

E. Drug Statute Conviction

(1) Consistent with the Drug Free Workplace Act of 1990, all Employees are required to notify their Department Head or Supervisor and the Human Resource Director of any criminal drug statute conviction within five calendar days after such conviction becomes final. Failure to comply with this provision shall result in disciplinary action that may include termination for a first violation.

(2) Failure of an employee to report within five calendar days a criminal drug statute conviction for a violation occurring in the workplace or a violation of which the City may lawfully have notice shall be cause for termination.

(3) Loss of driving privileges for a period in excess of 5 working days as a result of the use of any Illegal Drug or misuse of alcohol shall be grounds for termination where the duties of the Employee require them to be readily available to operate a City vehicle or equipment.

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F. Testing Requirements

(1) All Employees

Analytical urine drug testing and breath testing for alcohol will be conducted as required by 49 CFR Part 40. All Employees shall be subject to testing prior to employment, for reasonable suspicion and following an accident as defined in sections "K", "L", and "M" of this policy. Covered Employees are subject to random testing, as defined in section "N" of this policy. All Employees who have tested positive for drugs or alcohol on a random, reasonable suspicion, or post-accident will be tested prior to returning to duty after completion of the Substance Abuse Professional's recommended treatment program and subsequent release to duty. Follow-up testing will also be conducted following return-to-duty for a period of one to five years, with at least six tests performed during the first year. The duration and frequency of the follow-up testing above the minimum requirements will be at the discretion of the Substance Abuse Professional.

(2) Covered Employees

A drug test can be performed any time a Covered Employee is on duty. An alcohol test can be performed just before, during, or after the performance of a safety-sensitive job function.

All Covered Employees are subject to urine drug testing and breath alcohol testing as a condition of ongoing employment with the City of Banning. Any Covered Employee who refuses to comply with a request for testing shall be removed from duty and subject to discipline as defined in Section V.O of this policy.

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(3) False Information

Any Employee who is suspected of providing false information in connection with a drug test, or who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo a an observed collection. Verification of the above listed actions will be considered a test refusal and will result in the employees' removal from duty and disciplined as defined in Section V.O of this policy. Refusal can also include an inability to provide a sufficient urine specimen or breath sample without a valid medical explanation, as well as a verbal or written declaration, obstructive behavior, or physical absence resulting in the inability to conduct the test within the specified time frame.

G. Drug Testing Procedures

(1) Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the U.S. Department of Health and Human Service ("DHHS"). All testing will be conducted consistent with the procedures set forth in 49 CFR Part 40, as amended. The procedures will be performed in a private, confidential manner and every effort will be made to protect the Employee, the integrity of the drug testing procedure and the validity of the test result.

(2) The drugs that will be tested for include ***Illegal Drugs*** as defined in this policy. After the identity of the donor is checked using picture identification, a urine specimen will be collected using the split specimen collection method described in 49 CFR Part 40, as amended. Each specimen will be accompanied by a DOT or equivalent Chain of Custody and Control Form and identified using a unique identification number that attributes the specimen to the correct individual. The specimen analysis will be conducted at a DHHS certified laboratory. An

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initial drug screen and validity test will be conducted on the primary urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts of the drug(s) and/or its metabolites identified by the GC/MS test are above the minimum thresholds established in 49 CFR Part 40, as amended.

(3) The test results from the DHHS certified laboratory will be reported to a Medical Review Officer. The MRO will review the test results to ensure the scientific validity of the test and to determine whether there is a legitimate medical explanation for a confirmed positive, substitute, or adulterated test result. The MRO will attempt to contact the employee to notify the employee of the non-negative laboratory result, and provide the employee with an opportunity to explain the confirmed laboratory test result. The MRO will subsequently review the employee's medical history/medical records as appropriate to determine whether there is legitimate medical explanation for a non-negative laboratory result. If no legitimate medical explanation is found, the test will be verified positive or refusal to test and reported to the Human Resource Director/Drug and Alcohol Program Manager ("DAPM"). If a legitimate explanation is found, the MRO will report the test result as negative to the DAPM and no further action will be taken. If the test is invalid, without a medical explanation, a retest will be conducted under direct observation.

(4) Any covered employee who questions the results of a required drug test may request that the split sample be tested. The split sample test must be conducted at a second DHHS certified laboratory with no affiliation with the laboratory that analyzed the primary specimen. The test must be conducted on the split sample that was provided by the employee at the same time that the primary sample. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in 49 CFR Part 40, as amended. The employee's request for a split sample test must be made to the MRO within 72 hours

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of notice of the original sample verified test result. Requests made after 72 hours will only be accepted at the discretion of the MRO if the delay was due to documentable facts that were beyond the control of the employee. The City of Banning will ensure that the cost for the split specimen are covered in order for a timely analysis of the sample, however, the City will seek reimbursement for the split sample test from the employee.

(5) If the analysis of the split specimen fails to confirm the presence of the drug(s) detected in the primary specimen, if the split specimen is not able to be analyzed, or if the results of the split specimen are not scientifically adequate, the MRO will declare the original test to be canceled and will direct the collector to retest the employee under direct observation.

(6) The split specimen will be stored at the initial laboratory until the analysis of the primary specimen is completed. If the primary specimen is negative, the split will be discarded. If the primary is positive, the split will be retained for testing if so requested by the employee through the MRO. If the primary specimen is positive, it will be retained in frozen storage for one year and the split specimen will also be retained for one year.

(7) Observed collections. Consistent with 49 CFR Part 40, collection under direct observation (by a person of the same gender) with no advance notice will occur if:

- (a) The laboratory reports to the MRO that a specimen is invalid, and the MRO reports to the DAPM that there was not an adequate medical explanation for the result; or
- (b) The MRO reports to the DAPM that the original positive, adulterated, or substituted test result had to be

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cancelled because the test of the split specimen could not be performed.

(c) DAPM may direct a collection under direct observation of an employee if the drug test is a return-to-duty test or a follow-up test.

(d) The collector must immediately conduct a collection under direct observation if: they are directed by DAPM to do so; or

(e) The collector observes materials brought to the collection site or the employees conduct clearly indicates an attempt to tamper with a specimen or

(f) The temperature on the original specimen was out of range

(g) The original specimen appeared to have been tampered with.

(8) In addition to, and apart from the above, drug testing procedures duly followed and applied by any law enforcement agency following an accident involving an employee are deemed to be adequate to provide evidence of negative or nonnegative result for purposes of this policy.

H. Alcohol Testing Procedures

(1) Tests for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA) approved Evidential Breath Testing Device (EBT) operated by a trained Breath Alcohol Technician ("BAT"). Alcohol screening tests may be performed using a no-evidential testing device which is also approved by NHSTA. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. The confirmatory test will be conducted at least fifteen minutes after the completion of the initial test. The confirmatory test will be performed

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using a NHTSA-approved EBT operated by a trained BAT. The EBT will identify each test by a unique sequential identification number. This number, time, and unit identifier will be provided on each EBT printout. The EBT printout, along with an approved alcohol testing form, will be used to document the test, the subsequent results, and to attribute the test to the correct employee. The test will be performed in a private confidential manner as required by 49 CFR Part 40, as amended. The procedure will be followed as prescribed to protect the employee and to maintain the integrity of the alcohol testing procedures and validity of the test result.

(2) An employee who has a confirmed alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy. The consequences of a positive alcohol test are described in Section V. subparagraph O 1-2 of this policy. Even though an employee who has a confirmed alcohol concentration of 0.02 to 0.039 is not considered positive the employee shall still be removed from duty for at least eight hours and will be subject to the consequences described in Section V. subparagraph O.1 of this policy. An alcohol concentration of less than 0.02 will be considered a negative test.

(3) If at any time the integrity of the testing procedures or the validity of the test results is compromised, the test will be canceled. Minor inconsistencies or procedural flaws that do not impact the test result will not result in a cancelled test.

(4) In addition to, and separate from the above, alcohol testing procedures duly followed and applied by any law enforcement agency following an Accident involving an Employee are deemed to be adequate to provide evidence of negative or nonnegative result for purposes of this policy.

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I. Pre-Employment Testing

All applicants for employment with the City shall undergo urine drug testing prior to hire. In addition, Covered Employees shall undergo urine testing prior to transfer into a covered position that requires the performance of a safety-sensitive function.

(1) All offers of employment for employment shall be extended conditional upon the applicant passing a drug test. An **Applicant** shall not be hired unless the applicant takes a drug test with verified negative results.

(2) A non-covered employee shall not be placed, transferred or promoted into a position as a **Covered Employee** until the employee takes a drug test with verified negative results.

(3) If an applicant fails a pre-employment drug test, the conditional offer of employment shall be rescinded. Failure of a pre-employment drug test shall disqualify an applicant for employment for a period of one year. For applicants for a safety sensitive position, evidence of the absence of drug dependency from a **Substance Abuse Professional** that meets with 49 CFR Part 40 as amended and a negative pre-employment drug test will be required prior to subsequent consideration for employment. The cost for the assessment and any subsequent treatment will be the sole responsibility of the applicant.

(4) When an employee being placed, transferred, or promoted from a non-covered position to a covered position submits a drug test with a verified positive result, the employee shall be subject to disciplinary action in accordance with Section V.O herein.

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(5) If a pre-employment/pre-transfer test is canceled, the City of Banning will require the applicant to take and pass another pre-employment drug test.

(6) In instances where a Covered Employee is on extended leave for any reason for a period of 45 calendar days or more, the employee shall be required to take a drug test under the City of Banning authority and have negative test results prior to return to the safety-sensitive job functions.

(7) In instances where a covered employee has been laid off, but is later recalled to duty, the employee will be required to take a drug and alcohol test prior to resuming active safety-sensitive status if the employee has not been subject to testing or has been out of the random testing pool for more than 45 days.

(8) An applicant with a dilute negative test result will be required to retest.

(9) This subsection does not create any rights in any person who is not an Employee of the City. As to any non-employee, this subsection is directory and not mandatory.

J. Reasonable Suspicion Training

All City of Banning Employees are subject to a drug and/or alcohol test based on ***Reasonable Suspicion*** as defined in this policy.

A reasonable suspicion drug and/or alcohol test may be performed any time an Employee is on duty or immediately prior to commencement of duty. The City shall be responsible for transporting the employee to the testing site. Department Heads or Managers or their designees shall

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avoid placing themselves and/or others into a situation which might endanger the physical safety of those present.

If the confirmatory drug or alcohol test is nonnegative, the employee shall be placed on administrative leave pending disciplinary action described in Section V. subparagraph O. of this policy.

An employee who refuses an instruction to submit to a Reasonable Suspicion drug and /or alcohol test shall not be permitted to finish his or her shift and shall immediately be placed on administrative leave pending disciplinary action as specified in Section V. subparagraph O. of this policy.

A written record of the observations which led to a drug and /or alcohol test based on reasonable suspicion shall be prepared and signed by the Department Head or Manager or their designee making the necessary findings prior to the release of the test results. This written record shall be submitted to the DAPM. The DAPM shall attach the record to the forms reporting the test results.

K. Post Accident Testing

All Employees shall be required to undergo Drug and Alcohol testing if they are involved in an Accident. As applied to Covered Employees this specifically includes all surviving Covered Employees that are operating the vehicle at the time of the accident and any other Employee whose performance cannot be completely discounted as a contributing factor to the accident.

(1) As soon as practicable following an Accident, the Department Head or the Manager or their designee shall notify the Employee or Employees whose performance could have contributed to the Accident of the need for the test. The Department Head or Manager

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or their designee will make the determination using the best information available at the time of the decision.

(2) The appropriate Department Head or Manager or their designee shall ensure that an Employee, required to be tested under this section, is tested as soon as practicable, but no longer than eight (8) hours after the Accident for alcohol, and within 32 hours for drugs. If an alcohol and/or drug test is not performed within two hours of the Accident, the Department Head or Manager or their designee shall document the reason(s) for the delay. If the alcohol test is not conducted within eight (8) hours, or the drug test within 32 hours, attempts to conduct the test must cease and the reasons for the failure to test documented.

(3) Any Employee involved in an Accident must refrain from alcohol use for eight (8) hours following the Accident, or until he/she undergoes a post-Accident alcohol test.

(4) An Employee who is subject to post-Accident testing who fails to remain readily available for such testing, including notifying a Department Head, Manager or their designee of his or her location if he or she leaves the scene of the Accident prior to submission to such test, may be deemed to have refused to submit to testing.

(5) Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an Accident, or to prohibit an Employee from leaving the scene of an Accident for the period necessary to obtain assistance in responding to the Accident, or to obtain necessary emergency medical care.

(6) In the event that the City is unable to perform an FTA drug and alcohol test (i.e., employee is unconscious, employee is detained by law enforcement agency), City of Banning may use drug and alcohol post-Accident test results administered by local law enforcement officials

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in lieu of the FTA test. The local law enforcement officials must have independent authority for the test and the employer must obtain the results in conformance with local law.

L. Random Testing

All Covered Employees are subjected to random, unannounced drug and alcohol testing. The selection of employees shall be made by a scientifically valid method of randomly generating an employee identifier from the appropriate pool of safety-sensitive employees.

(1) The dates for administering unannounced testing of randomly selected employees shall be spread reasonably throughout the calendar year.

(2) The number of employees randomly selected for drug/alcohol testing during the calendar year shall be not less than the percentage rates established by Federal regulations for those safety-sensitive employees subject to random testing by Federal regulations. The current random testing rate for drugs established by FTA equals fifty percent of the number of covered employees in the pool and the random testing rate for alcohol established by FTA equals ten percent of the number of covered employees in the pool.

(3) Each covered employee shall be in a pool from which the random selection is made. Each covered employee in the pool shall have an equal chance of selection each time the selections are made. Employees will remain in the pool and subject to selection, whether or not the employee has been previously tested. There is no discretion on the part of management in the selection and notification of the individuals who are to be tested.

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(4) Covered transit employees that fall under the Federal Transit Administration regulations will be included in one random pool maintained separately from the testing pool of employees that are included under other authority.

(5) Random tests can be conducted at any time during an employee's shift for drug testing. Alcohol random tests can be performed just before, during, or just after the performance of a safety sensitive duty. Testing can occur during the beginning, middle, or end of an employee's shift.

(6) Employees are required to proceed immediately to the collection site upon notification of their random selection.

(7) Refusal to submit to a random drug test shall be considered a positive test and a direct act of insubordination and shall be cause for termination.

M. Return to Duty Testing

All Employees who previously tested nonnegative on a drug or alcohol test or refused a test, must test negative for drugs, alcohol (below 0.02 for alcohol) or both and be evaluated and released by the Substance Abuse Professional before returning to work. For an initial positive drug test a Return-to-Duty test is required and an alcohol test is allowed. For an initial positive alcohol test a Return-to-Duty alcohol test is required and a drug test is allowed. The SAP should test the employee during treatment and should schedule the return-to-duty test only when there is no risk to the safety of the public or other Employees as a consequence of the Employee's use of Illegal Drugs or misuse of alcohol. If the return to duty test is positive, the employee is automatically terminated.

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N. Follow-up Testing

Employees will be required to undergo frequent, unannounced drug and alcohol testing after their return-to-duty following a period of time off as a result of a positive drug and/or alcohol test. The follow-up testing will be performed for a period of one to five years with a minimum of six tests to be performed the first year. The frequency and duration of the follow-up tests (beyond the minimums) will be determined by the SAP reflecting the SAP's assessment of the employee's unique situation and recovery progress. Follow-up testing should be frequent enough to deter and/or detect a relapse. Follow-up testing is separate and in addition to the random, post-accident, reasonable suspicion, return-to-duty and other drug or alcohol testing.

O. Result of Drug/Alcohol Test

(1) Removal from Duty

Any Employee that has a verified positive drug or alcohol test will be removed from his/her position immediately. Within 5 working days following the removal they will be informed of educational and rehabilitation programs available, and referred to a Substance Abuse Professional ("SAP") for assessment. No employee so removed will be allowed to return to duty without the approval of the SAP.

A positive drug and/or alcohol test will also result in disciplinary action as follows:

- (a) As soon as practicable after receiving notice of a non-negative drug test result, a confirmed alcohol test result, or a test refusal, the Drug and Alcohol Program Manager will contact the employee's Department Head or Manager to have the Employee removed from his/her position.

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(b) The employee shall be referred to a Substance Abuse Professional for an assessment within 5 working days or removal.

(c) The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited drug use or alcohol misuse.

2. Discipline

(a) **First Non-negative Test** For the first instance of a non-negative test from a sample submitted as the result of a post-accident, random, or reasonable suspicion drug/alcohol test (less than 0.04 BAC) disciplinary action against the employee shall include at a minimum:

- (1) Immediate removal from duty for a period of not less than 10 working days.
- (2) Mandatory referral to Substance Abuse Professional for assessment, formulation of a treatment plan, and execution of a return to work agreement.
- (3) Failure to execute or remain compliant with the return to work agreement shall be cause for termination from employment with the City of Banning. Compliance with the return to work agreement means that the employee has submitted to a drug/alcohol test immediately prior to returning to work; the result of that test is negative; and, in the judgment of the SAP, the employee is cooperating with his/her SAP recommended treatment program; and, the employee has agreed to periodic unannounced

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follow-up testing as defined in Section "N" of this policy.

- (4) Refusal to submit to a periodic unannounced follow-up drug/alcohol test is a direct act of insubordination and shall be cause for termination.
- (5) A periodic unannounced follow-up drug/alcohol test which results in a non-negative result shall be cause for termination from employment with the City of Banning
- (6) The above notwithstanding, cause for immediate termination exists if there is a post-accident test and the Employee refuses the test or the test is non-negative for any level of Illegal Drugs and/or a blood alcohol level above that permitted for operation of a motor vehicle in the state. Cause for termination shall exist if the Employee is removed from the workplace or is tested while on duty for Reasonable Cause testing and the Employee refuses the test or the test is non-negative for the presence of any legal of Illegal Drugs and/or the Employee has a blood alcohol level above that permitted for operation of a motor vehicle in the state.
- (7) The Employee shall not be excused from any other failure of performance as a result of time lost from work due to compliance with this section. Such failure of performance may be a separate and independent cause for disciplinary action.

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- (b) **Second Non-negative Test** The second instance of a non-negative drug or alcohol (greater than 0.04 BAC) test result from a sample submitted under the random, reasonable suspicion, return to duty or follow-up drug/alcohol test at any time during employment with the City shall be cause for immediate termination.
- (c) **Non-negative Test Is Cause for Termination** Any non-negative post-Accident drug and/or alcohol (greater than 0.04) test shall be cause for termination. The same shall apply to results of a test administered by a law enforcement agency.
- (d) **Alcohol less than .04** A first alcohol test result of greater than 0.02 to less than 0.039 BAC shall be cause for the immediate removal of the Employee from duty for eight (8) hours or the remainder of the work day whichever is longer.
- (1) The employee shall not be allowed to return to duty until he/she submits to an alcohol test and there is a result of less than 0.02 BAC.
 - (2) If the Employee has an alcohol test result of greater than 0.02 to less than 0.039 two or more times within a six month period, the employee will be removed from duty and referred to the SAP for assessment and treatment consistent with Section V.O. of this policy.
 - (3) The Employee shall not be permitted to return to duty until the SAP approves such return.

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P. Cost of Treatment and Leave

(1) **Employee Responsibility.** The cost of any treatment or rehabilitation services shall be the responsibility of the Employee.

(a) The employee will be permitted to take accrued sick leave to participate in the SAP prescribed treatment program after the SAP has prescribed a treatment program.

(b) If an employee has insufficient accrued leave, the employee may be placed on leave without pay pursuant to the City's Leave Without Pay Policy until the SAP has determined that the employee has successfully completed the required treatment program and releases him/her to return to duty.

(c) Any leave taken, either paid or unpaid, may be considered leave taken under the Family and Medical Leave Act or other leave as appropriate when such leave is initiated as required by law or the rules and regulations of the City.

(2) **Self-Referral** In the instance of a voluntary self-referral to the SAP or other medical care provider, or a management referral resulting from a voluntary statement by the Employee to the Manager or Department Head unaccompanied by a nonnegative drug or alcohol test, action involving the Employee shall include:

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- (a) Mandatory referral to a Substance Abuse Professional for assessment, formulation of a treatment plan, and execution of a substance abuse agreement.
- (b) Failure to execute or remain compliant with the substance abuse agreement shall result in termination from employment with the City of Banning. Compliance with the substance abuse agreement shall mean, at a minimum, that the employee has submitted to a drug/alcohol test immediately prior to returning to work following any period of absence for treatment; and, the result of that test is negative: and, in the judgment of the SAP the employee is cooperating with his/her SAP recommended treatment program; and, the employee has agreed to periodic unannounced follow-up testing as defined in Section "N" of this policy.
- (c) Refusal to submit to a periodic unannounced follow-up drug/alcohol test shall be considered a direct act of insubordination and shall be cause for termination.
- (d) A self-referral or management referral to the SAP that was not precipitated by a non-negative test result does not constitute a violation of the Federal regulations or this policy and will not be considered as a positive test result in relation to the discipline defined in Section V.O of this policy.
- (e) Periodic unannounced follow-up drug/alcohol test conducted as a result of a self-referral or management referral which results in a non-negative test result shall be considered a positive test result in relation to the

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progressive discipline defined in Section V.subparagraph O.of this policy.

- (f) Except as otherwise provided, a voluntary self-referral of an Employee does not shield an employee from reasonable suspicion testing and such self-referral may constitute grounds for reasonable suspicion testing.
- (g) A voluntary referral does not shield an employee from the requirement to comply with all drug and alcohol testing.

VI. GRIEVANCE AND APPEAL

The consequences specified by 49 CFR Parts 655 for a non-negative Test or Test Refusal are not subject to appeal.

VII. PROPER APPLICATION OF THE POLICY

The City of Banning is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, Department Heads and Managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any Department Head or Manager, or their designee who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates shall be subject to disciplinary action up to and including termination.

VIII. INFORMATION DISCLOSURE

Drug/alcohol testing records shall be maintained by the City of Banning DAPM and, except as provided below or by law, the results of any drug/alcohol

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test shall not be disclosed without express written consent of the tested employee:

- A. The employee, upon written request, is entitled to obtain copies of any records pertaining to their use of prohibited drugs or misuse of alcohol including any drug or alcohol testing records. Covered employees have the right to gain access to any pertinent records such as equipment calibration records, and records of laboratory certifications.
- B. Records of a verified positive drug/alcohol test result shall be released to the City of Banning Drug and Alcohol Program Manager and Department Supervisor on a need to know basis
- C. Records will be released to a subsequent employer only upon receipt of a written request form from the employee.
- D. Records of an employee's drug/alcohol tests shall be released to the adjudicator in a grievance, lawsuit, or other proceeding initiated by or on behalf of the tested individual arising from the results of the drug/alcohol test.
- E. Records will be released to the National Transportation Safety Board during an accident investigation.
- F. Records will be released to the DOT or any DOT agency with regulatory authority over the employer or any of its employees.
- G. Records will be released if requested by a Federal, state or local safety agency with regulatory authority over the City of Banning or the employee.
- H. If a party seeks a court order to release a specimen or part of a specimen contrary to any provision of Part 40 necessary legal steps to contest the issuance of the order will be taken.

IX. SYSTEM CONTACTS

Any questions regarding this policy or any other aspect of the substance abuse policy should be directed to the following individual:

| CITY OF BANNING | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------|
| ADMINISTRATIVE POLICY | | |
| Subject: Drug Free Workplace Policy | | Policy No. AP-08 |
| Reference: Code of Federal Regulations: 49 CFR Part 655 and Part 40, as amended from time to time; and the Federal Motor Carriers Safety Act ("FMCSA") regulations | Effective 1/1/96; Revised 9/2001; Revised 6/2003 | Page No. 37 Of 47 |

- A. Drug & Alcohol Program Manager
City of Banning, Human Resources
99 E. Ramsey Street
Banning, CA 92220
(909) 922-3145
- B. Medical Review Officer:
Dr. Stuart Hoffman
Choicepoint MRO Services
5900 Wilshire Boulevard
Suite 2200
Los Angeles, CA 90036
800.762.3623
- C. Substance Abuse Professional ("SAP")
"The Counseling Team"
1881 Business Center Drive
Suite 11
San Bernardino, CA 92408
(909) 884-0133
- D. DHHS Certified Laboratory Primary Specimen
Quest Diagnostics
7600 Tyrone Avenue
Van Nuys, California 91405
800. 733.6676
- E. DHHS Certified Laboratory Split Specimen
(Provided by MRO at test)

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ATTACHMENT "A"

COVERED EMPLOYEE JOB CLASSIFICATIONS

Bus Driver
 Dial -a-Ride Driver
 Powerline Technicians (consistent with licensing requirements while driving line trucks)
 Office Assistant (Transit Dispatcher)
 Equipment Mechanic (Transit)
 Powerline Crew Supervisors
 Community Services Manager
 Equipment Repair Manager
 Maintenance Workers
 Senior Maintenance Workers
 Water Crew Supervisors
 Asst. Water Superintendent
 Water Workers I/II
 Motor Sweeper Operator
 All workers required to have Class A or B driver's license

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ATTACHMENT "B"

CUT OFF LEVELS INFORMATION

Initial cut off levels

| | |
|-----------------------|-------------|
| Marijuana Metabolites | 50 ng/ml |
| Cocaine Metabolites | 300 ng/ml |
| Opiate Metabolites | 2,000 ng/ml |
| Phencyclidine | 25 ng/ml |
| Amphetamines | 1,000 ng/ml |

Confirmatory cut off levels

| | |
|------------------------------------------------|-------------|
| Marijuana Metabolites | 15 ng/ml |
| Cocaine Metabolite | 150 ng/ml |
| Opiates | |
| Morphine | 2,000 ng/ml |
| Codeine | 2,000 ng/ml |
| Phencyclidine | 25 ng/ml |
| Amphetamines | |
| Amphetamine | 500 ng/ml |
| Methamphetamine | 500 ng/ml |
| Delta-9-tetrahydrocannabinol-9-carboxylic acid | |
| Benzoyllecgonine | |

Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml.

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ATTACHMENT "C"

Alcohol Fact Sheet

Alcohol is a socially acceptable drug that has been consumed throughout the world for centuries. It is considered a recreational beverage when consumed in moderation for enjoyment and relaxation during social gatherings. However, when consumed primarily for its physical and mood-altering effects, it is a substance of abuse. As a depressant, it slows down physical responses and progressively impairs mental functions.

- Signs and Symptoms of Use
 - Dulled mental processes
 - Lack of coordination
 - Odor of alcohol on breath
 - Possible constricted pupils
 - Sleepy or stuporous condition
 - Slowed reaction rate
 - Slurred speech

(Note: except for the odor, these are general signs and symptoms of any depressant substance)
- Health Effects: The chronic consumption of alcohol (average of three servings per day of beer [12 oz] whiskey [1 oz] or wine [6 oz] over time may result in the following health hazards:
 - Decreased sexual functioning
 - Dependency)up to 10 percent of all people who drink alcohol become physically and/or mentally dependent on alcohol and can be termed "alcoholic")
 - Fatal liver diseases

| CITY OF BANNING | | |
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- Increased cancers of the mouth, tongue, pharynx, esophagus, rectum, breast, and malignant melanoma
- Kidney disease
- Pancreatitis
- Spontaneous abortion and neonatal mortality
- Ulcers
- Birth defects (up to 54 percent of all birth defects are alcohol related)
- Social Issues
 - Two-thirds of all homicides are committed by people who drink prior to the crime.
 - Two to three percent of the driving population is legally drunk at any one time. this rate is doubled at night and on weekends.
 - Two-thirds of all Americans will be involved in an alcohol-related vehicle accident during their lifetimes.
 - The rate of separation and divorce in families with alcohol dependency problems is 7 times the average.
 - Forty percent of family court cases are alcohol problem related.
 - Alcoholics are 15 times more likely to commit suicide than other segments of the population.
 - More than 60 percent of burns, 40 percent of falls, 69 percent of boating accidents, and 76 percent of private aircraft accidents are alcohol related.
- The Annual toll
 - 24,000 people will die on the highway due to the legally impaired driver.
 - 12,000 more will die on the highway due to the alcohol-affected driver.
 - 15,800 will die in non-highway accidents.
 - 30,000 will die due to alcohol-caused liver disease.
 - 10,000 will die due to alcohol-induced brain disease or suicide.

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- Up to another 125,000 will die due to alcohol-related conditions or accidents.
- Workplace Issues
 - It takes one hour for the average person (150 pounds) to process one serving of an alcoholic beverage from the body
 - Impairment in coordination and judgment can be objectively measured with as little as two drinks in the body.
 - A person who is legally intoxicated is 6 times more likely to have an accident than a sober person.

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ATTACHMENT D

CITY OF BANNING REHAB AGREEMENT

I understand that I will be allowed to continue my employment with the City of Banning Transit Agency. I will participate and submit continuing documentation on a monthly basis of my participation in an Agency approved substance abuse treatment program. Additionally, upon successful completion of said program, I will provide the necessary documentation of such.

I agree not to abuse drugs, or alcohol. "Abuse" shall be such on-the-job use, possession, sale or being under the influence as defined in section V of the City of Banning Alcohol and Drug Policy, and as otherwise specifically set forth in this agreement.

In addition to, and not to the exclusion of the above, I understand and agree that any use of the following substances may constitute a violation of this agreement.

Marijuana
Cocaine
Methamphetamine
Heroin
Phencyclidine

Any substance presently designated as a controlled substance in any schedule of controlled substances pursuant to California Health and Safety Code Section 11053 et seq. and as such schedules may be amended in the future, when the use of such substance is not prescribed by a physician.

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I understand that in order to return to my employment I must submit to additional alcohol/drug test(s). I also understand that refusal to submit to such a test shall result in the termination of my employment.

I also understand that during the sixty (60) months following my return to work, I may be tested without prior notice.

If, during this 60 months there is any violation of this Policy, my employment with the City will be terminated.

With respect to such termination, I hereby waive any right I may have to a determination of the existence of such violation under any other disciplinary policy. In lieu of and in waiver of my rights under the applicable MOU or any other disciplinary policy, I agree that as to the determination that I have violated this drug policy, the determination shall be made by my immediate supervisor. I shall thereafter have right of appeal to the City Manager. If my supervisor is the City Manager, there is no right of appeal of the disciplinary action. The only issue on any appeal permitted hereunder shall be whether I have in fact used a substance listed herein or misused alcohol in violation of this Agreement and/or the City's Drug Free Workplace Policy. The determination of the City Manager shall be final and without right of further appeal to the City Council or through commencement of legal action in any state or federal court. For purposes of any future legal proceeding I may hereafter commence based on disciplinary action taken against me under this Policy or this Rehab Agreement I hereby stipulate that if the procedures described in his Rehab Agreement for conduct of a hearing have been followed, that all facts relied on by the City Manager in support of the disciplinary action are true. If I have no right of appeal under this Rehab Agreement, I hereby stipulate for purposes of any future litigation, all facts relied on by the City Manager in support of the disciplinary action are true.

When an appeal is made to the City Manager, such appeal shall be made to the City Manager in writing within 5 working days following date of receipt of written notification of the action of the immediate supervisor. Thereafter the City

| CITY OF BANNING | | |
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Manager shall have 10 calendar days within which to set the date for hearing of the appeal. The appeal shall consist of a presentation in writing by my immediate supervisor of the facts upon which the finding of a breach is based. I shall then have an opportunity to appear before the City Manager and challenge the accuracy of such facts; challenge the right of the City to consider such facts; offer mitigation of such facts; or otherwise present such argument to the City Manager, as I deem appropriate. A representative of my choice may represent me. The City Manager shall have 10 calendar days following date of the appeal within which to prepare a written decision. If no decision is provided within this time, the decision of the immediate supervisor shall be deemed sustained. During the appeal period I shall be on leave with pay status.

I understand and agree to all the above conditions.

Date: _____

Employee (signature)

Date: _____

In Witness Thereof Union Business Agent (signature)

Date: _____

In Witness Thereof Personnel Director (signature)

Date: _____

City Manager (signature)

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ATTACHMENT "E"

ACKNOWLEDGEMENT OF RECEIPT OF CITY OF BANNING ALCOHOL AND DRUG POLICY AND CONSENT TO DRUG AND ALCOHOL TESTING

I have received a copy of the City of Banning Alcohol and Drug Policy. I understand and acknowledge that compliance with the Policy is a condition of my employment and if I violate any provision of this Policy, I will be subject to disciplinary action, which may include termination. This does not constitute a waiver of my individual constitutional rights.

I understand and acknowledge that I shall not consume alcohol, be under the influence of alcohol, or possess an open container of alcohol, or unlawfully manufacture, distribute, dispense, possess, or use illegal drugs while at City work locations or elsewhere during work hours, during meal and rest periods, while in or operating City vehicles or equipment, while wearing clothing which identifies me as a City employee, or while it is foreseeable that I am subject to being called to duty, or at any time which would interfere with my safe and effective job performance. Exceptions pertaining to alcohol may be allowed while performing an approved police task.

I hereby give my consent for the City to collect breath and/or urine samples from me to determine the presence or use of alcohol, drugs, and/or their metabolites and the use of an EBT to determine the presence of alcohol, under the circumstances specified in the City's Alcohol and Drug Policy. I understand that the City will be informed whether the test is positive or negative, and, if positive, for which drug(s) there was a positive test. I further understand that the quantities discovered by the positive test may be revealed to the City, or the decision maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of me arising from any verified positive drug and/or alcohol test.

I agree to notify my department head/manager within five calendar days if I am convicted of any violation of a criminal drug law occurring in the workplace.

CITY OF BANNING

ADMINISTRATIVE POLICY

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------|
| Subject: Drug Free Workplace Policy | | Policy No. AP-08 |
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I agree to notify my department head/manager before beginning work when using, before or during work, drugs, medications, or any other substance which I believe could foreseeably interfere with my effective job performance or operation of a City vehicle or equipment.

Date: _____

Employee (signature)

Employee Name (printed)

EXHIBIT F

**Grant Agreement
between**

**The State of California Department of Water Resources
and**

The City of Banning,

Agreement Number 4600013806

Proposition 1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant

ML 1/14/2021

ME 1/14/2021

CB 1/15/2021

JJ 1/15/2021

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA
(DEPARTMENT OF WATER RESOURCES) AND
CITY OF BANNING
AGREEMENT NUMBER 4600013806
PROPOSITION 1 ROUND 1 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM)
IMPLEMENTATION GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR," and the City of Banning, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

- 1) PURPOSE. The State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to the Grantee to assist in financing the projects, which are included in and implemented in an adopted Integrated Regional Water Management Plan (IRWM Plan), pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.). The provision of State funds pursuant to this Agreement shall be construed or interpreted to mean that the IRWM Plan, or any components of the IRWM Plan, implemented in accordance with the Work Plan as set forth in Exhibit A, has been adopted through the IRWM Plan Review Process, and is/are consistent with Water Code section 10530 et seq.
- 2) TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on June 3, 2020, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Grant Agreement. However, all work shall be completed by December 31, 2022, in accordance with the Schedule as set forth in Exhibit C and no funds may be requested after March 31, 2023.
- 3) GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$3,537,882.
- 4) GRANTEE COST SHARE. The Grantee is required to provide a Local Cost Share (non-state funds) as set forth in Exhibit B (Budget). Local Cost Share may include Eligible Project Costs directly related to Exhibit A incurred after January 1, 2015.
- 5) BASIC CONDITIONS.
 - A. Unless exempt as per the 2019 IRWM Implementation Grant Proposal Solicitation Package, project(s) that are subject to the California Environmental Quality Act (CEQA) including final land purchases, shall not be included in this Agreement until the CEQA process is completed and all permits necessary to begin construction are acquired. Projects providing at least 75% of benefits to a disadvantaged community (DAC), economically distressed area (EDA), and/or Tribe (based on population or geography), or projects implemented by Tribes will be exempt from this requirement.
 - i. Such projects will be included in the Agreement as a placeholder. Placeholder projects are not eligible for grant reimbursement and may not submit invoices to DWR until such time as they are fully included in the Agreement.
 - ii. Placeholder projects that complete CEQA and/or acquire permits (necessary to begin construction) within eighteen (18) months of the agreement execution date will be amended into the agreement. At the end of the eighteen (18)-month term, any placeholder projects that fail to complete CEQA and/or acquire permits will be deleted from the Agreement. The total grant award will be reduced by the amount of the deleted project(s). Replacement projects will not be allowed. Reduced amount will be made available to the respective Funding Area in future funding rounds on a competitive basis. Deleted placeholder projects will not be eligible to receive any grant reimbursement under this Agreement; however, such project could be eligible under the next round of grant solicitation.
 - B. The State shall have no obligation to disburse money for the Project(s) under this Grant Agreement until the Grantee has satisfied the following conditions (if applicable):

- i. The Grantee shall demonstrate compliance with all eligibility criteria as set forth on pages 9-11, inclusive, of the 2019 IRWM Implementation Grant Program Guidelines (2019 Guidelines).
- ii. For the term of this Agreement, the Grantee shall submit Quarterly Progress Reports which must accompany an invoice and all invoice backup documentation (\$0 Invoices are acceptable). The Quarterly Progress Report shall be submitted within 60 days following the end of the calendar quarter (i.e. reports due May 30, August 29, November 29, and March 1) and all other deliverables as required by Paragraph 14, "Submission of Reports" and Exhibit A, "Work Plan".
- iii. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State.
 - 1. Final plans and specifications certified, signed and stamped by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2. Work that is subject to the California Environmental Quality Act (CEQA) (including final land purchases) shall not proceed under this Grant Agreement until the following actions are performed:
 - a) The Grantee submits to the State all applicable environmental permits, as indicated on the Environmental Information Form to the State,
 - b) Documents that satisfy the CEQA process are received by the State,
 - c) The State has completed its CEQA process as a Responsible Agency, and
 - d) The Grantee receives written notification from the State of concurrence with the Lead Agency's CEQA documents (s) and State's notice of verification of environmental permit submittal.

The State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project, or to require changes, alterations, or other mitigation. Proceeding with work subject to CEQA prior to the State's concurrence shall constitute a material breach of this Agreement. The Grantee or Local Project Sponsor (LPS) shall also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including Environmental Impact Statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/ implementation.

- iv. A monitoring plan as required by Paragraph 16, "Monitoring Plan Requirements," if applicable.
- 6) DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
 - 7) ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related

to the Project included in this Agreement. Costs incurred after the June 2, 2020, may be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to, the following items:

- A. Costs, other than those noted above, incurred prior to the award date of this Grant.
 - B. Costs for preparing and filing a grant application.
 - C. Operation and maintenance costs, including post construction performance and monitoring costs.
 - D. Purchase of equipment that is not an integral part of a project.
 - E. Establishing a reserve fund.
 - F. Purchase of water supply.
 - G. Replacement of existing funding sources for ongoing programs.
 - H. Meals, food items, or refreshments.
 - I. Payment of any punitive regulatory agency requirement, federal or state taxes.
 - J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
 - K. Overhead and Indirect Costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee or LPSs; non-project-specific accounting and personnel services performed within the Grantee's or LPS' organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee, LPSs, and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
 - L. Mitigation for environmental impacts not resulting from implementation of the Project funded by this program.
- 8) **METHOD OF PAYMENT.** After the disbursement requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee of an electronic invoice certified and transmitted via electronic/digital signature system (e.g., DocuSign) or via US mail or Express mail delivery of a "wet signature" for costs incurred, including Local Cost Share, and timely Quarterly Progress Reports as required by Paragraph 14, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Quarterly Progress Report must accompany an invoice (\$0 Invoices are acceptable) and shall be submitted within 60 days following the end of the calendar quarter (i.e. invoices due May 30, August 29, November 29, and March 1). The State will notify the Grantee, in a timely manner, whenever, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.

- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
- i. Invoices shall contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
 - ii. Invoices shall be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget." The amount claimed for salaries/wages/consultant fees shall include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, personnel hours' summary table, time sheets) shall be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent the Grantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - v. Original signature and date of the Grantee's Project Representative. Submit an electronic invoice, certified and transmitted via electronic/digital signature system (e.g., DocuSign), from authorized representative to the Project Manager or the original "wet signature" copy of the invoice form to the Project Manager at the following address: 707 Fairmont Avenue, Suite 200, Glendale, CA 91203.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

- 9) ADVANCED PAYMENT. Water Code section 10551 authorizes advanced payment by the State for projects included and implemented in an applicable Integrated Regional Water Management Plan, and when the project proponent is a nonprofit organization; a disadvantaged community (DAC); or the project benefits a DAC. If a project is awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of fifty (50) percent of the grant award; the remaining fifty (50) percent of the grant award will be reimbursed in arrears after the advanced funds of a budget category have been fully expended. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after the execution of this Agreement will not be eligible to receive an advanced payment. The Advanced Payment Request shall contain the following:
- A. Documentation demonstrating that each Local Project Sponsor (if different from the Grantee, as listed in Exhibit I) was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.
- B. If the Grantee is requesting the advanced payment, the request(s) shall include:
- i. Descriptive information of each project with an update on project status

- ii. The names of the entities that will receive the funding for each project, including, but not limited to, an identification as to whether the project proponent or proponents are nonprofit organizations or a DAC, or whether the project benefits a DAC
 - iii. A detailed Funding Plan which includes how the advanced payment will be expended (in terms of workplan, budget, and schedule) within the timeframe agreed upon by DWR and the Grantee. The Funding Plan must clearly identify the total budget (at Budget Category Level) for each project clearly showing the portion of advanced payment and reimbursement funds.
 - iv. Any other information that DWR may deem necessary
- C. Upon review and approval of the Advanced Payment Request, DWR will authorize payment of the fully requested amount for the qualified project(s). Based on the project's Funding Plan and other considerations, DWR may determine it is not prudent to advance the full request in a single disbursement. In such a case, DWR will develop a "Disbursement Schedule," to disburse funds in installments. This Disbursement Schedule may change based on the project's ongoing compliance with the Advanced Payment requirements and the project's cash flow needs.
- D. Once DWR authorizes the Advanced Payment Request, the Grantee shall submit Advanced Payment Invoice(s) for the initial amount based on the "Disbursement Schedule" on behalf of the LPS(s), containing the request for each qualified project, to the State with signature and date of the Grantee's Project Representative, as indicated in Paragraph 21, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds to the respective LPS(s). The Advanced Payment Invoice(s) shall be submitted on forms provided by the State and shall meet the following format requirements:
- i. Invoice shall contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Invoice shall be itemized based on the budget categories specified in Exhibit B, "Budget."
 - iii. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies).
 - iv. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - 1. An itemization of how advanced funds have been spent to-date (Expenditure Report), including documentation that supports the disbursements (e.g., contractor invoices, receipts, personnel hours, etc.). Accountability Reports shall be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - 2. An updated Accountability Report including an updated Funding Plan that depicts how the remaining advanced funds will be expended and the activities and deliverables associated with the advanced funds within the timeframe agreed upon by DWR and the Grantee when the advanced payment request was approved.
 - 3. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - 4. Proof of distribution of advanced funds to LPS(s), if applicable.
 - v. The State's Project Manager will notify the Grantee, in a timely manner, when, upon review of the Accountability Report, the State determines that any portion of the expenditures claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent

with the tasks in Exhibit A, the State will reject the claim and remove them from the Accountability Report.

- E. Once the Grantee has spent all advanced funds in a budget category, then the method of payment will revert to the reimbursement process for that budget category specified in Paragraph 8, "Method of Payment for Reimbursement."

10) REPAYMENT OF ADVANCES. The State may demand repayment from the Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by the State, and take any other action that it deems necessary to protect its interests for the following conditions:

- A. A project is not being implemented in accordance with the provisions of the Grant Agreement.
- B. The Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction.
- C. Failure by the Grantee to submit complete and accurate quarterly Accountability Reports by the required due dates, unless otherwise approved by DWR.
- D. Failure to deposit funds in a non-interest-bearing account.
- E. Use of Advance Payment funds for ineligible expenses and/or activities not consistent with this Agreement.
- F. Inappropriate use of funds, as deemed by DWR.
- G. Repayment amounts may also include:
 - i. Actual costs incurred which are not consistent with the activities presented in Exhibit A, not supported, or are ineligible.
 - ii. Advanced funds which are not fully expended by project completion, notwithstanding Water Code section 10551(c)(4). Unused grant funds shall be returned to DWR within sixty (60) calendar days.

Any repayment of advanced funds may consist of reducing the amount from future reimbursement invoices. The State may consider the Grantee's refusal to repay the requested advanced amount a material breach of this Agreement subject to the default provisions in Paragraph 12, "Default Provisions." If the State notifies the Grantee of its decision to demand repayment or withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Agreement.

11) WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 12, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a material breach subject to the default provisions in Paragraph 12, "Default Provisions." If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

12) DEFAULT PROVISIONS. The Grantee shall be in default under this Grant Agreement if any of the following occur:

- A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
- C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
- D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
- F. Failure to routinely invoice the State pursuant to Paragraph 8.
- G. Failure to meet any of the requirements set forth in Paragraph 13, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

- H. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- I. Terminate any obligation to make future payments to the Grantee.
- J. Terminate the Grant Agreement.
- K. Take any other action that it deems necessary to protect its interests.

In the event the State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, the Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

13) CONTINUING ELIGIBILITY. The Grantee shall meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2019 Guidelines to remain eligible to receive State funds:

- A. An urban water supplier that receives grant funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) as set forth on page 11 of the 2019 Guidelines and as stated on page 22 of the Proposal Solicitation Package.
- B. An agricultural water supplier receiving grant funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply shall have their 2015 AWMP identified on the State's website. For more information, visit the website listed in Appendix A in the 2019 Guidelines.
- C. A surface water diverter receiving grant funds shall maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et. seq.
- D. If applicable, the Grantee shall demonstrate compliance with the Sustainable Groundwater Management Act (SGMA) set forth on page 10 of the 2019 Guidelines.
- E. If the Grantee has been designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, the Grantee shall maintain reporting compliance, as required by Water Code section 10932 and the CASGEM Program.

- F. The Grantee shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406, et seq.) for data sharing, transparency, documentation, and quality control.

- 14) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Project Manager and shall be submitted via the DWR "Grant Review and Tracking System" (GRanTS). If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such project.
- A. Quarterly Progress Reports: The Grantee shall submit quarterly Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Progress Reports shall, in part, provide a brief description of the work performed, the Grantee's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Progress Report must accompany an invoice (\$0 Invoices are acceptable) and shall be submitted within 60 days following the end of the calendar quarter (i.e. invoices due May 30, August 29, November 29, and March 1).
- B. Accountability Report: The Grantee shall prepare and submit to the State an Accountability Report on a quarterly basis if the Grantee received an advanced payment, consistent with the provisions in Paragraph 9, "Advanced Payment."
- C. Project Completion Report: The Grantee shall prepare and submit to the State a separate Project Completion Report for each project included in Exhibit A. The Grantee shall submit a Project Completion Report (or a Component Completion Report, if a Project has multiple Components) within ninety (90) calendar days of Project/Component completion as outlined in Exhibit F.
- D. Grant Completion Report: Upon completion of all the Projects included in Exhibit A, the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibits A, and F. Retention for any grant administration line items in the Budget of this Grant Agreement will not be disbursed until the Grant Completion Report is approved by the State.
- E. Post-Performance Reports: The Grantee shall prepare and submit to the State Post-Performance Reports for the applicable project(s). Post-Performance Reports shall be submitted to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the project begins operation.
- 15) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be

usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 12, "Default Provisions."

- 16) MONITORING PLAN REQUIREMENTS. A Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post-Performance Monitoring Report requirements as defined and listed in Exhibit F, and follow the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."
- 17) STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Water Code § 10780 et seq.) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 18) NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find shall cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Grantee or an LPS regarding the Project or which may affect the Project in any way.
 - E. Applicable to construction projects only: Final inspection of the completed work on a project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/licensed Professional), in accordance with Exhibit D. The Grantee shall notify the State's Project Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the State the opportunity to participate in the inspection.
- 19) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.

- D. By electronic means.
- E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

20) PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, the Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

21) PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources

Arthur Hinojosa
Chief, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 653-4736
Email: Arthur.Hinojosa@water.ca.gov

City of Banning

Art Vela
Director of Public Works/City Engineer
99 E. Ramsey Street
Banning, CA 92220
Phone: (951) 923-3130
Email: avela@banningca.gov

Direct all inquiries to the Project Manager:

Department of Water Resources

Jennifer Wong
Engineer, Water Resources
707 Fairmont Avenue, Suite 200
Glendale, CA 91203-1035
Phone: (818) 549-2343
Email: jennifer.wong@water.ca.gov

City of Banning

Jennifer Jackson
Management Analyst
99 E. Ramsey Street
Banning, CA 92220
Phone: (951) 923-3135
Email: jjackson@banningca.gov

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

22) STANDARD PROVISIONS. This Grant Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements for the Grantee

Exhibit I – Local Project Sponsors and Project Locations

Exhibit J– Project Monitoring Plan Guidance

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES



Arthur Hinojosa
Chief, Division of Regional Assistance

Date 1/15/2021

CITY OF BANNING



Art Vela
Director of Public Works/City Engineer

Date 1/15/2021

EXHIBIT A
WORK PLAN**PROPOSITION 1 ROUND 1 SAN GORGONIO IRWM IMPLEMENTATION GRANT****Grant Administration****IMPLEMENTING AGENCY: The City of Banning**

DESCRIPTION: The Grantee will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. The Grantee will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc.), obtaining data for progress reports from individual project managers, assembling and submitting progress reports to the State, and coordinating all invoicing and payment of invoices.

Budget Category (a): Project AdministrationTask 1: Agreement Administration

The Grantee will respond to DWR's reporting and compliance requirements associated with the grant administration and will coordinate with the project managers responsible for implementing the projects contained in this agreement.

Task 2: Invoicing

The Grantee will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation from each of the Local Project Sponsors and compiling the information into a DWR Invoice Packet.

Deliverables:

- Quarterly Invoices and associated backup documentation

Task 3: Reporting

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will coordinate with Local Project Sponsor's staff to retain consultants as needed to prepare and submit progress reports and final project completion reports for each project, as well as the grant completion report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement.

Deliverables:

- Quarterly Progress Reports
- Grant Completion Report

PROJECT 1: Altitude Valves Installation Project**IMPLEMENTING AGENCY: The City of Banning****PROJECT DESCRIPTION:**

The project will install altitude valves at the two San Gorgonio Reservoirs (collectively referred to as the San Gorgonio Tanks Site) and at the Southwest Reservoir. The San Gorgonio Tank Site is located along Bluff Street, adjacent to San Gorgonio Memorial Park, in the northeastern portion of the City of Banning (City). The Southwest Reservoir is located just south of Breckenridge Avenue in the southwestern portion of the City. Once the City of Banning's reservoirs are retrofitted with altitude valves, all reservoirs will be able to operate at their designed maximum water level, with an anticipated increase in usable storage of approximately 1.7 million gallons. The additional water storage will enable increased pumping during off-peak hours and conserving energy during on-peak. Work includes installation of the valves and sensors that detect when the reservoir is full, and when the valves should close.

Budget Category (a): Project AdministrationTask 1: Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare invoices including relevant supporting documentation for submittal to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement for submittal to DWR.

Prepare draft Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

Budget Category (b): Land Purchase/EasementTask 3: Land Purchase

Not applicable.

Budget Category (c): Planning/Design/Engineering/Environmental DocumentationTask 4: CEQA Documentation

A Notice of Exemption was filed for the two San Gorgonio altitude valve sites with the County of Riverside in September of 2020. A Notice of Exemption was filed with the County of Riverside for the Southwest reservoir in September 2020. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Completed CEQA documents as required
- Legal Challenges Letter

Task 5: Permitting

No permits are required for construction of the project, which will occur on Grantee-owned property and at Grantee-owned facilities.

Deliverables:

- N/A

Task 6: Design

Design work includes surveying and mapping for the project boundaries, developing design plans, specifications, and a cost estimate. All designs will comply with applicable construction and health and safety standards, such as American Water Works Association standards for materials, construction, and testing of valves and pipes. It also includes identification of and notification to utilities in the project area (as applicable), and by the design consultant during the bidding process.

Deliverables:

- 100% Design Plans and Specifications
- Notification letters to Utilities, as applicable

Task 7: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 (guidance provided in Exhibit J) for DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation**Task 8: Contract Services**

This task must comply with the Standard Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

Task 9: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. A part-time engineering construction observer will be on site for the duration of the project. Construction observer duties include: documenting of pre-construction conditions, updating daily construction

diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, and notifying contractor if work is not acceptable. After the project is complete, the engineering construction observer will provide a notice of completion to Grantee. Upon completion of the project, the DWR Certificate of Project Completion and record drawings will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 10: Construction

The altitude valves will be installed on existing reservoir pipelines and operation of the valves is automatic and does not require an external power source. Construction includes site preparation, valve installation, testing, and restoration to pre-construction conditions.

Construction activities are outlined below.

10(a): Mobilization and Demobilization. Contractor will mobilize equipment to the project sites at the start of construction, and demobilize equipment following completion of construction.

10(b): Site preparation will include the draining and removal of old pipe and valves currently installed at the site and valve locations, as well as pre-construction photography.

10(c): Install, construct, excavate: There will be site excavation work. Construction includes installation of new concrete vaults and valve system. For each of the three reservoirs (Southwest Reservoir and the two reservoirs at the San Geronio Tanks Site), valve installation includes installation of a valve vault or box suitable for a 16-inch altitude valve, installation of the altitude valve within the valve box, and connection to the water main and reservoir. The Grantee's contractor will also install valve controllers, position indicators, and butterfly valves to provide control of water flows and levels, air vacuum and releases valves, access hatches for the vaults, and steel pipes and fittings to connect the altitude valves to the existing system. Following installation of the altitude valves at each reservoir, testing will be conducted to ensure they are functioning properly, and the construction area will be restored to pre-construction conditions (asphalt restoration only). The controllers and position indicators will be integrated into the Grantee's Supervisory Control and Data Acquisition (SCADA) system.

Deliverables:

- Photographic Documentation of Progress and post-construction conditions
- System Performance Test Results

PROJECT 2: Isolation Valve Improvement Project**IMPLEMENTING AGENCY: Cabazon Water District****PROJECT DESCRIPTION:**

The project will consist of furnishing and installing approximately 105 new isolation valves in the Cabazon Water District's water system to provide additional operational flexibility in the system and reduce the number of customers adversely affected by system outages. The increased quantity of isolation valves will drastically reduce the amount of water lost during pipeline dewatering and limit the number of customers affected by these outages. The reduction in energy usage will reduce carbon emissions by approximately 13.4 megatonnes (MT) per year.

Budget Category (a): Project AdministrationTask 1: Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with IRWM regional manager and the Grantee. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement for submittal to DWR.

Prepare draft Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

Budget Category (b): Land Purchase/EasementTask 3: Land Purchase

Not applicable.

Budget Category (c): Planning/Design/Engineering/Environmental DocumentationTask 4: CEQA Documentation

A Notice of Exemption was filed with Riverside County in 2019 for this project. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Completed CEQA documents as required

- Legal Challenges Letter

Task 5: Permitting

The project is located within existing paved road rights-of-way throughout the Cabazon Water District's service area, in the Community of Cabazon. Once the work is awarded to a Contractor, the Contractor will secure an encroachment permit from Riverside County to perform work within Riverside County's rights-of-way.

No other permits are required for project construction or implementation.

Deliverables:

- Permits as required

Task 6: Design

This task includes the development of draft designs (30%, 60%, 90% design) which identify the approximate locations of all new valves. The project will be designed to maximize operational flexibility and minimize the number of people or length of time affected by outages, as well as access for construction. Afterwards, 100% design drawings would then be finalized. All designs will comply with applicable construction and health and safety standards, such as American Water Works Association standards for valves.

Deliverables:

- 100% Design Plans and Specifications

Task 7: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 (guidance provided in Exhibit J) for DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 8: Contract Services

This task must comply with the Standard Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

Task 9: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties include: documenting of pre-construction conditions, updating daily construction

diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, and notifying contractor if work is not acceptable. After the project is complete, the Contract Administrator will provide a notice of completion to the Cabazon Water District. Upon completion of the project, the DWR Certificate of Project Completion and record drawings will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 10: Construction

Construction will include excavation, valve installation, pipeline restraint (as required by addition of isolation valves), backfill and compaction, trench shoring, traffic control, and pavement replacement. Valve testing (to ensure valves are fully operational in the open and closed positions) will begin as sections of the system are completed.

Construction activities are outlined below.

10(a): Mobilization and Demobilization: Because valves will be installed throughout the Cabazon Water District's network, mobilization and demobilization will occur in different areas across the system at different times. Mobilization and demobilization include moving equipment to and from the site and set up and breakdown of equipment following valve installation and testing. Final demobilization at the site will be completed to remove equipment.

10(b): Site preparation: To prepare sites for construction, the Contractor will identify underground utilities to avoid, traffic control activities (as necessary), and any other activities required for the safe and clear access to the valve location.

10(c): Install, construct, excavate: Once mobilization and site preparation are complete for a given area, the Contractor will install valves in that area. This includes excavation for safe access to the valve locations and installation of the new valve. Approximately 36 six-inch, 48 eight-inch, and 12 ten-inch gate valves; and 5 twelve-inch and 4 sixteen-inch butterfly valves will be installed, for a total of 105 valves. Installation of the valves will require trench excavation and shoring; bedding, backfill, and compaction; pavement replacement; valve cans and valve collars; and testing of the new valves. Following installation of valves, the Contractor will restore the disturbed area to pre-construction conditions. This includes backfilling valve trenches and trench pavement repair (and striping, if required) to restore sites to pre-construction conditions.

Deliverables:

- Photographic Documentation of Progress
- System Performance Test Results

PROJECT 3: Location #2 Waterline Replacement Project**IMPLEMENTING AGENCY: The City of Banning**

PROJECT DESCRIPTION: The Location #2 Waterline Replacement Project will improve water conservation within the City of Banning distribution system by replacing undersized and leaking pipelines and replacing approximately 49 manual water meters with smart meters. This project will replace undersized pipes that have reached the end of their useful life and relocate them from narrow easements behind private property to the street within the public right-of-way. The new water main will be properly sized for adequate fire protection and have a minimum expected life of 80 years. Additionally, the Grantee will install approximately 12 fire hydrants within the City of Banning. The project will save 16.6 acre-feet per year (AFY) and reduce carbon emissions by 7.3 MT each year.

Budget Category (a): Project AdministrationTask 1: Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare invoices including relevant supporting documentation for submittal to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement for submittal to DWR.

Prepare draft Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

Budget Category (b): Land Purchase/EasementTask 3: Land Purchase

Not applicable.

Budget Category (c): Planning/Design/Engineering/Environmental DocumentationTask 4: CEQA Documentation

A Notice of Exemption was filed in Riverside County in July 2020 for this project. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Completed CEQA documents as required
- Legal Challenges Letter

Task 5: Permitting

The Grantee will construct the new water main within its existing public right-of-way (i.e., streets). To reconnect the water services from the back of homes to the front of homes, the Grantee will obtain right-of-entry permits from each affected property owner (49 properties).

Deliverables:

- Permits as required

Task 6: Design

The Grantee and its contractors will prepare design documents for the new water lines and fire hydrants. Meter installation does not require design work. Design will identify the locations of replacement lines and meters. All designs will comply with applicable construction and health and safety standards, such as American Water Works Association standards for pipelines and materials.

Deliverables:

- 100% Design Plans and Specifications

Task 7: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 (guidance provided in Exhibit J) for DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 8: Contract Services

This task must comply with the Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

Task 9: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties include: documenting of pre-construction conditions, updating daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, and notifying contractor if work is not acceptable. After the project is complete, the engineering construction observer will

provide a notice of completion to the Grantee. Upon completion of the project, the DWR Certificate of Project Completion and record drawings will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 10: Construction

Construction activities are outlined below.

10(a): Mobilization and Demobilization: At the start of construction, the Grantee's contractors will move equipment to the project site and set it up. At the end of construction, the contractor will demobilize, breaking down and removing equipment from the project area.

10(b): Site preparation will include: Construction sites will be prepared, and includes noticing to customers as necessary, development and implementation of traffic control activities (as necessary), identification of existing underground utilities to avoid, and any other activities required for the safe and clear access to the pipeline and meter locations.

10(c): Construction includes excavation and removal of portions of the existing watermain along Nicolet Street, excavation for the new pipeline (open trenching within the existing right-of-way), installation of approximately 12 new fire hydrants, and installation of approximately 49 smart meters. This task also includes abandoning in place of the portion of the existing watermain that is not removed and testing of the new main, hydrants, and smart meters. Once construction is complete, the Grantee's contractor will restore the disturbed areas to pre-construction conditions, which requires backfilling in areas where excavation occurred and repaving and painting sites as necessary to restore to pre-construction conditions.

Deliverables:

- Photographic Documentation of Progress
- System Testing Data

PROJECT 4: Smart Metering Installation Project**IMPLEMENTING AGENCY: The City of Banning****PROJECT DESCRIPTION:**

The project will convert approximately 10,500 manually read meters in the City of Banning into an Automatic Metering Infrastructure (AMI) system that stores detailed consumption information. The Grantee's meter vendor will train Grantee staff on meter installation, which will be conducted by Grantee employees, while training will also be provided to the Grantee's IT staff on the software that will be used with the system and how to understand the data provided by the meters. This data will be housed in the cloud and disseminated to the Grantee and to individual customers.

In addition to smart meters, the Grantee will install leak sensors in the distribution system to detect and locate leaks before they surface. These sensors will be deployed strategically within areas known to have high occurrences of leaks. The Grantee will use the new data to improve planning and estimate indoor versus outdoor water use to help drive future conservation programs. Estimated water conservation is 686 AFY. The project will reduce carbon emissions by approximately 307.5 MT each year.

Budget Category (a): Project Administration**Task 1: Project Management**

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with IRWM regional manager. Prepare invoices including relevant supporting documentation for submittal to DWR, as Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement for submittal to DWR.

Prepare draft Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

Budget Category (b): Land Purchase/Easement**Task 3: Land Purchase**

Not applicable.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation**Task 4: CEQA Documentation**

A Notice of Exemption was filed in Riverside County in September 2019 for this project. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Completed CEQA documents as required
- Legal Challenges Letter

Task 5: Permitting

No permits are required for the proposed project. All project work is located within Grantee-owned properties or replacing Grantee-owned meters.

Deliverables:

- N/A

Task 6: Design

Project design activities include development of a Radio/Line of Site Propagation Study by the meter vendor, which will identify where data collectors and repeaters will be installed.

Deliverables:

- Radio/Line of Site Propagation Study (final meter and sensor installation plan)
- Vendor Specifications

Task 7: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 for DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation**Task 8: Contract Services**

This task must comply with the Standard Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a vendor and award the contract, including: develop bid documents, research of automated meter reading (AMR) versus automated meter infrastructure (AMI) technologies, interviews with agencies who have implemented smart metering, request for proposals, selection of the vendor, implementation and completion of a 100-meter pilot study, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents/Proposals
- Award of Contract
- Notice to Proceed
- Final Meter Pilot Study

Task 9: Construction Administration

This task includes managing the contractor and project team. Activities include a kick-off meeting, and refined schedule and budget. This task also includes the Grantee's staff time to oversee staff installation of meters, regular team meetings, and to coordinate with the vendor for delivery and testing of the meters and sensors. Upon completion of the project, the DWR Certificate of Project Completion will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion

Task 10: Construction

Construction activities include installation of meters, sensors, and related infrastructure. Implementation activities include software rollout necessary to operate the automatic metering system. New smart meters will be installed within the existing meter boxes, and the existing old meters will be removed.

Construction activities are outlined below.

10(a): Mobilization and Demobilization: None required.

10(b): Project preparation: The Grantee will use its own staff to install and maintain the AMI meter system, its vendor will provide training to City staff regarding installation, operation, and maintenance of the meters to ensure successful long-term success of the project, as well as training on the software system and developing reports.

10(c): Grantee staff will install approximately 10,500 radios and 10,500 multijet and ultra-sonic meters ranging in size from 0.75-inch to 8-inch. Staff will configure meters to capture hourly data. Each meter box will also be installed with an encoder receiver transmitter. Staff will also install approximately 10 advanced acoustic leak sensors approximately every 1,000 feet, depending on the pipe material. Installation of these sensors will not require excavation. In addition to the meters, Grantee staff will install approximately five hydropower generators to enhance its infrastructure by power telemetry (i.e., SCADA) equipment that will monitor flows across pressure zones to detect leaks more quickly.

Once the metering network is installed, the Grantee's AMI vendor will install and test AMI software to process and integrate AMI-collected data for system analytics. Each meter will be assigned a data file to track information for each meter and associated account.

During construction and at or before rollout of the customer interface for the software, the Grantee will educate its customers on the logistics and benefits of installation of the new systems. This outreach will help customers understand the additional use data that will be available to them to help them manage their water use. Outreach will include website posts about the project, a video on the Grantee's public news channel, and information on using the new AMI software

Deliverables:

- Photographic Documentation of Progress
- Installation completion report
- System handbooks
- Copies of customer outreach materials

EXHIBIT B**BUDGET****PROPOSITION 1 ROUND 1 SAN GORGONIO IRWM IMPLEMENTATION GRANT****AGREEMENT BUDGET SUMMARY**

| | | Grant Amount | Required Cost Share: Non-State Fund Source | Other Cost Share | Total Cost | Percent Cost Share |
|--------------------|-----------------------------------|-------------------------|---------------------------------------------------------------|-----------------------------|--------------------|-----------------------------------|
| | Grant Administration | \$13,248 | N/A | \$0 | \$13,248 | N/A |
| | PROJECTS | | | | | |
| 1 | Altitude Valves Installation | \$481,792 | \$0 | \$266,750 | \$748,542 | 0% |
| 2 | Isolation Valve Improvement | \$1,228,985 | \$0 | \$14,050 | \$1,243,035 | 0% |
| 3 | Location #2 Waterline Replacement | \$1,710,907 | \$0 | \$60,869 | \$1,771,776 | 0% |
| 4 | Smart Metering Installation | \$102,950 | \$0 | \$2,810,701 | \$2,913,651 | 0% |
| GRAND TOTAL | | \$3,537,882 | \$0 | \$3,152,370 | \$6,690,252 | - |

Grant Administration

Implementing Agency: City of Banning

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share | Total Cost |
|-----------------|------------------------|--------------|---------------------------------------------|------------------|------------|
| a | Project Administration | \$13,248 | N/A | \$0 | \$13,248 |
| TOTAL COSTS | | \$13,248 | N/A | \$0 | \$13,248 |

PROJECT 1: Altitude Valves Installation Project

Implementing Agency: City of Banning

Project directly serves a need of a Disadvantaged Community: **Yes**

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share** | Total Cost |
|-----------------|---------------------------------------------------------------|--------------|---------------------------------------------|--------------------|------------|
| a | Project Administration | \$5,952 | \$0 | \$0 | \$5,952 |
| b | Land Purchase / Easement | \$0 | \$0 | \$0 | \$0 |
| c | Planning / Design / Engineering / Environmental Documentation | \$0 | \$0 | \$56,185 | \$56,185 |
| d | Construction / Implementation | \$475,840 | \$0 | \$210,565 | \$686,405 |
| TOTAL COSTS | | \$481,792 | \$0 | \$266,750 | \$748,542 |

NOTES: Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Grantee received full cost share waiver. Cost share is 0%.

**Other Cost Share will be paid by City of Banning.

PROJECT 2: Isolation Valve Improvement Project

Implementing Agency: Cabazon Water District

Project directly serves a need of a Disadvantaged Community: **Yes**

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share** | Total Cost |
|--------------------|---------------------------------------------------------------|--------------------|------------------------------------------------|--------------------|--------------------|
| a | Project Administration | \$34,307 | \$0 | \$0 | \$34,307 |
| b | Land Purchase / Easement | \$0 | \$0 | \$0 | \$0 |
| c | Planning / Design / Engineering / Environmental Documentation | \$52,458 | \$0 | \$14,050 | \$66,508 |
| d | Construction / Implementation | \$1,142,220 | \$0 | \$0 | \$1,142,220 |
| TOTAL COSTS | | \$1,228,985 | \$0 | \$14,050 | \$1,243,035 |

NOTES: Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Grantee received 100% cost share waiver.

**Other Cost Share will be paid by Cabazon Water District general funds

PROJECT 3: Location #2 Waterline Replacement Project

Implementing Agency: City of Banning

Project directly serves a need of a Disadvantaged Community: **Yes**

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share** | Total Cost |
|--------------------|---------------------------------------------------------------|--------------------|------------------------------------------------|--------------------|--------------------|
| a | Project Administration | \$0 | \$0 | \$17,096 | \$17,096 |
| b | Land Purchase / Easement | \$0 | \$0 | \$0 | \$0 |
| c | Planning / Design / Engineering / Environmental Documentation | \$0 | \$0 | \$43,773 | \$43,773 |
| d | Construction / Implementation | \$1,710,907 | \$0 | \$0 | \$1,710,907 |
| TOTAL COSTS | | \$1,710,907 | \$0 | \$60,869 | \$1,771,776 |

NOTES: Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Grantee received 100% cost share waiver.

**Other Cost Share will be paid by City of Banning and Water Enterprise Fund.

PROJECT 4: Smart Metering Installation Project

Implementing Agency: City of Banning

Project directly serves a need of a Disadvantaged Community: **Yes**

| BUDGET CATEGORY | | Grant Amount | Required Cost Share: Non-State Fund Source* | Other Cost Share** | Total Cost |
|------------------------|---------------------------------------------------------------|---------------------|----------------------------------------------------|---------------------------|--------------------|
| a | Project Administration | \$0 | \$0 | \$14,400 | \$14,400 |
| b | Land Purchase / Easement | \$0 | \$0 | \$0 | \$0 |
| c | Planning / Design / Engineering / Environmental Documentation | \$0 | \$0 | \$2,360 | \$2,360 |
| d | Construction / Implementation | \$102,950 | \$0 | \$2,793,941 | \$2,896,891 |
| TOTAL COSTS | | \$102,950 | \$0 | \$2,810,701 | \$2,913,651 |

NOTES: Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Grantee received 100% cost share waiver.

**Other Cost Share will be paid by Bureau of Reclamation WaterSMART Grant (\$300,000), City of Banning and Water Enterprise Fund.

EXHIBIT C
SCHEDULE**PROPOSITION 1 ROUND 1 SAN GORGONIO IRWM IMPLEMENTATION GRANT****Grant Administration**

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|------------------------|-------------------|-----------------|
| a | Project Administration | 07/01/2020 | 12/31/2022 |

PROJECT 1: Altitude Valves Installation Project

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 09/30/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 09/10/2018 | 10/30/2020 |
| d | Construction / Implementation | 11/01/2020 | 06/30/2022 |

PROJECT 2: Isolation Valve Improvement Project

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 2/28/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 11/01/2018 | 06/18/2021 |
| d | Construction / Implementation* | 03/22/2021 | 11/30/2021 |

*Category d and Category c overlap due to encroachment permits that must be acquired by the contractor.

PROJECT 3: Location #2 Waterline Replacement

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 01/15/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 04/15/2015 | 09/15/2020 |
| d | Construction / Implementation | 10/01/2020 | 10/01/2021 |

PROJECT 4: Smart Metering Installation Project

| BUDGET CATEGORY | | Start Date | End Date |
|------------------------|---------------------------------------------------------------|-------------------|-----------------|
| a | Project Administration | 07/07/2020 | 12/31/2022 |
| b | Land Purchase / Easement | N/A | N/A |
| c | Planning / Design / Engineering / Environmental Documentation | 09/08/2019 | 10/01/2021 |
| d | Construction / Implementation* | 10/15/2019 | 09/30/2022 |

* The overlap in Category c and Category d is due to parallel activities occurring in design/integration and construction/implementation.

EXHIBIT D**STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Funding Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Funding Recipient shall remit to State any unexpended funds that were disbursed to Funding Recipient under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Funding Recipient of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Funding Recipient shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, Funding Recipient assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 12 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Funding Recipient's activities. (Water Code, § 79708, subd. (b))

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: Funding Recipient may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Funding Recipient is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 12, "Default Provisions."
- D.9. CHILD SUPPORT COMPLIANCE ACT: The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Funding Recipient recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Funding Recipient, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. CLAIMS DISPUTE: Any claim that the Funding Recipient may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Funding Recipient's knowledge of the claim. State and Funding Recipient shall then attempt to negotiate a resolution of

such claim and process an amendment to this Agreement to implement the terms of any such resolution.

- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: Funding Recipient's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Funding Recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.12. COMPUTER SOFTWARE: Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. Employees of the Funding Recipient: Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. Employees and Consultants to the Funding Recipient: Individuals working on behalf of a Funding Recipient may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. DELIVERY OF INFORMATION, REPORTS, AND DATA: Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.15. DISPOSITION OF EQUIPMENT: Funding Recipient shall provide to State, not less than thirty (30) calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within sixty (60) calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from

Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.

- D.16. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Funding Recipient's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Funding Recipient's drug-free policy statement, and
 - ii. Will agree to abide by terms of Funding Recipient's condition of employment, contract or subcontract.
- D.17. EASEMENTS: Where the Funding Recipient acquires property in fee title or funds improvements to real property already owned in fee by the Funding Recipient using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State. Where the Funding Recipient acquires an easement under this Agreement, the Funding Recipient agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner. Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL: Upon completion of the Project, Funding Recipient shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.19. FUNDING RECIPIENT'S RESPONSIBILITIES: Funding Recipient and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A and in accordance with Exhibits B and C.
 - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.

- E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Funding Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Funding Recipient and any other entity concerning responsibility for performance of work.
- D.20. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. INCOME RESTRICTIONS: The Funding Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Funding Recipient under this Agreement shall be paid by the Funding Recipient to the State, to the extent that they are properly allocable to costs for which the Funding Recipient has been reimbursed by the State under this Agreement. The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.22. INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.23. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.
- D.25. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.

- D.26. LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <https://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.27. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.28. NONDISCRIMINATION: During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, and denial of medical and family care leave or pregnancy disability leave. Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.29. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30. PERFORMANCE BOND: Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.31. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded

by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.

- D.32. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient's service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.33. PROJECT ACCESS: The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.34. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36. RETENTION: The State shall withhold ten percent (10%) of the funds, for each project, until the project is complete, and a Final Project Report is approved and accepted by DWR. If a project has multiple Components (within a project), at the State's discretion and upon a written request by the Grantee, any retained amount attributable to a single component may be released when that component is complete and the Final Component Completion Report is approved. Upon approval of the Final Project Report and/or Final Component Completion Report, any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest.
- D.37. RIGHTS IN DATA: Funding Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.39. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Funding Recipient, its contractors, or subcontractors have made a false certification, or
 - B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.

- D.40. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.41. TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date.
- D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 12, "Default Provisions," the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 12, "Default Provisions."
- D.43. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.46. TRAVEL – DAC, EDA, TRIBES PROJECT: Travel is only an eligible reimbursable expense for projects providing at least 75% of benefits to DACs, EDAs, and/or Tribes (based on population or geographic area). Only ground transportation and lodging are eligible for grant reimbursement. Per diem costs will not be eligible for grant reimbursement. Any reimbursement for necessary travel shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred. No travel outside of the IRWM region shall be reimbursed unless prior written authorization is obtained from the State.
- D.47. UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Funding Recipient shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.48. VENUE: The State and the Funding Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento,

California, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.

- D.49. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E

AUTHORIZING RESOLUTION

RESOLUTION 2020-126

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, AUTHORIZING THE DESIGNATION OF THE DIRECTOR
OF PUBLIC WORKS/CITY ENGINEER AS AUTHORIZED AGENT FOR
THE CALIFORNIA DEPARTMENT OF WATER RESOURCES
PROPOSITION 1 ROUND 1 INTEGRATED REGIONAL WATER
MANAGEMENT (IRWM) IMPLEMENTATION GRANT AGREEMENT**

WHEREAS, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 made funds available through the Round 1 IRWM Implementation Grant funding opportunity; and

WHEREAS, the California Department of Water Resources has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the Department of Water Resources required a resolution certifying the approval of an application (proposal) by the applicant's governing board before submission of said application; and

WHEREAS, the City of Banning provided such resolutions, certifying the approval of the application (proposal) and appointing the City Manager, or his designee, to act as agent with legal authority to enter into the grant agreement; and

WHEREAS, the California Department of Water Resources provided an Award Notification dated June 9, 2020, indicating the 2019 San Geronio IRWM Implementation Grant Proposal filed by the City of Banning was awarded \$3,537,882 for the Proposition 1 Round 1 IRWM Implementation Grant Solicitation; and

WHEREAS, the City of Banning, as selected, will enter into a Grant Agreement with the Department of Water Resources to carry out the development of the San Geronio IRWM Implementation Grant Proposal; and

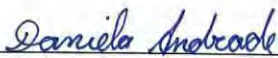
WHEREAS, the Department of Water Resources requires that City Council ratify the City Manager's designation of the Director of Public Works/City Engineer as the Authorized Agent.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. The City Council approves the designation by the City Manager for the Director of Public Works/City Engineer to act as Authorized Agent for the Proposition 1 Round 1 IRWM Implementation Grant Agreement on behalf of the City of Banning.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 13rd day of October 2020.



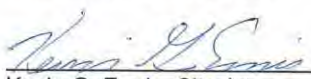
Daniela Andrade, Mayor
City of Banning, California

ATTEST:




Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**



Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

This is a true and exact reproduction of the document officially placed on file in the office of the City City Clerk.



Date Issued: October 15, 2020
Sonja De La Fuente, Deputy City Clerk

EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A:

- Percent complete (by work)
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Meetings held or attended.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Budget projections for grant share for the next two quarters

For each project, discuss the following at the project level, as organized in Exhibit A:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

PROJECT COMPLETION REPORT

The Project Completion Report (or a Component Completion Report, if a Project has multiple Components) shall generally use the following format provided below for each project after completion.

Executive Summary

The Executive Summary should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products

The following items should be provided, unless already submitted as a deliverable:

- A copy of any final technical report or study, produced for or utilized in this Project as described in the Exhibit A
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final project schedule showing actual progress versus planned progress as shown in Exhibit C

Additional information that may be applicable for implementation projects includes the following:

- Record drawings
- Final geodetic survey information
- Project photos

Cost & Disposition of Funds

A list showing:

- Summary of Project costs including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original Project cost estimate.

Additional Information

- Benefits derived from the Project, with quantification of such benefits provided.
- If applicable, Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Exhibit D, that the project was conducted in accordance with the approved Work Plan in Exhibit A and any approved amendments thereto.
- Submittal schedule for the Post-Performance Report.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects funded by this Grant Agreement, and includes the following:

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion of: each project completed and how they achieved IRWM Plan objectives and/or Regional goals and whether the level, type, or magnitude of benefits of the project are comparable to the original project proposal; any remaining work to be completed and mechanism for their implementation; the benefits to DAC and/or EDA as part of this Grant Agreement if a DAC or EDA Cost Share Waiver was approved for a project; and a summary of final funds disbursement for each project.

Additional Information: Summary of the submittal schedule for the Post-Performance Reports applicable for the projects in this Grant Agreement.

POST-PERFORMANCE REPORT

The Post-Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance; whether the project is being operated and maintained and providing intended benefits as proposed. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - Grantee Name
 - Implementing Agency (if different from Grantee)
 - Grant Agreement Number
 - Project Name
 - Funding grant source (i.e., 2019 Proposition 1 IRWM Implementation Grant)
 - Report number
- Post-Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)

- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the project.

EXHIBIT G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: https://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml.

Groundwater Level Data

For each project that collects groundwater level data, the Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

EXHIBIT H**STATE AUDIT DOCUMENT REQUIREMENTS FOR THE GRANTEE**

The following provides a list of documents typically required by State Auditors and general guidelines for the Grantee. List of documents pertains to both State funding and the Grantee's Local Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. The Grantee should ensure that such records are maintained for each funded project.

State Audit Document Requirements**Internal Controls**

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Grant Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

EXHIBIT I**LOCAL PROJECT SPONSORS AND PROJECT LOCATIONS**

The Grantee has assigned, for each project, a Local Project Sponsor (LPS) according to the roles of the participating agencies identified in the IRWM Plan. LPSs may act on behalf of the Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. LPSs are identified for each sponsored Project below:

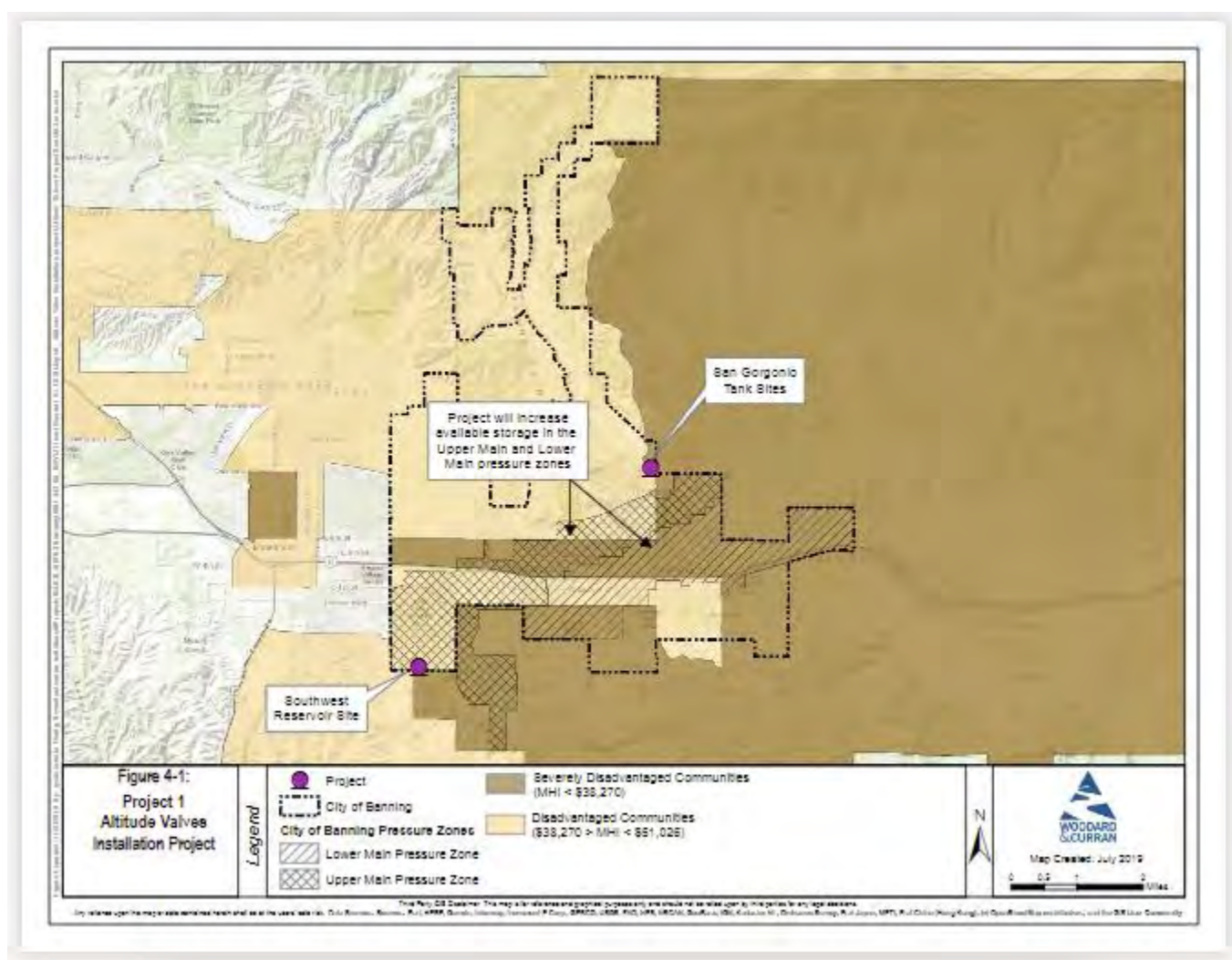
Local Project Sponsor Agency Designation

Sponsored Project: Project 1: Altitude Valves Installation Project

Sponsor Agency: City of Banning

Agency Address: 99 E. Ramsey St, Banning, Ca, 92220

Project Location: San Geronio Tanks Site (San Geronio Reservoirs) & Southwest Reservoir, California (33.93, -116.896667)



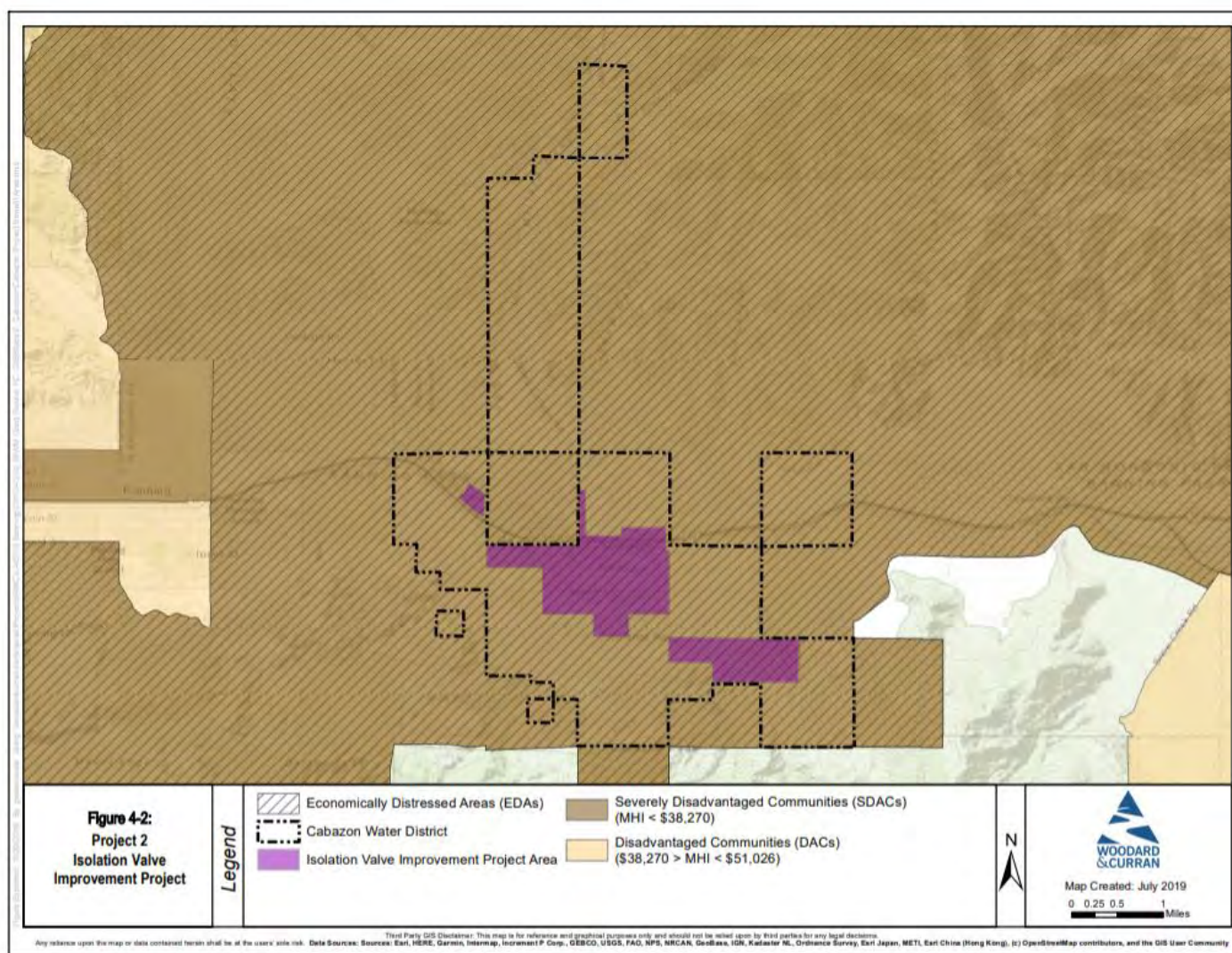
Local Project Sponsor Agency Designation

Sponsored Project: Project 2: Isolation Valve Improvement Project

Sponsor Agency: Cabazon Water District

Agency Address: 14618 Broadway Street, Cabazon, Ca 92230

Project Location: Cabazon Water District service area, California (33.91111, -116.787222)

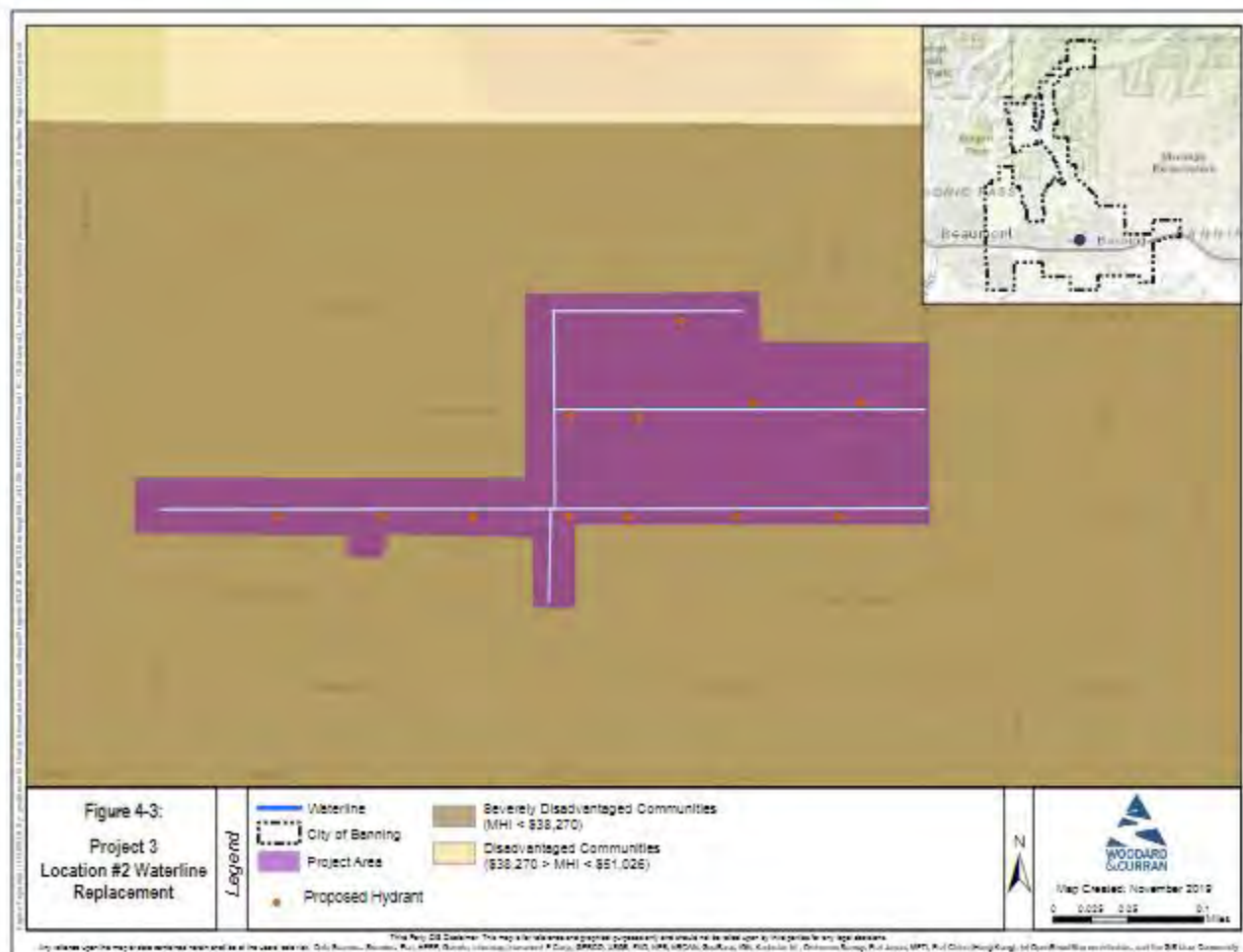


Sponsored Project: Project 3: Location #2 Waterline Replacement Project

Sponsor Agency: City of Banning

Agency Address: 99 E. Ramsey St, Banning, Ca, 92220

Project Location: Sections of W. George St., Cottonwood Rd., Nicolet St. and 12th St in the City of Banning, California (33.929262, -116.888771)



Sponsored Project: Project 4: Smart Metering Installation Project

Sponsor Agency: City of Banning

Agency Address: 99 E. Ramsey St, Banning, Ca, 92220

Project Location: City of Banning service area, California (33.553329, -116.523306)

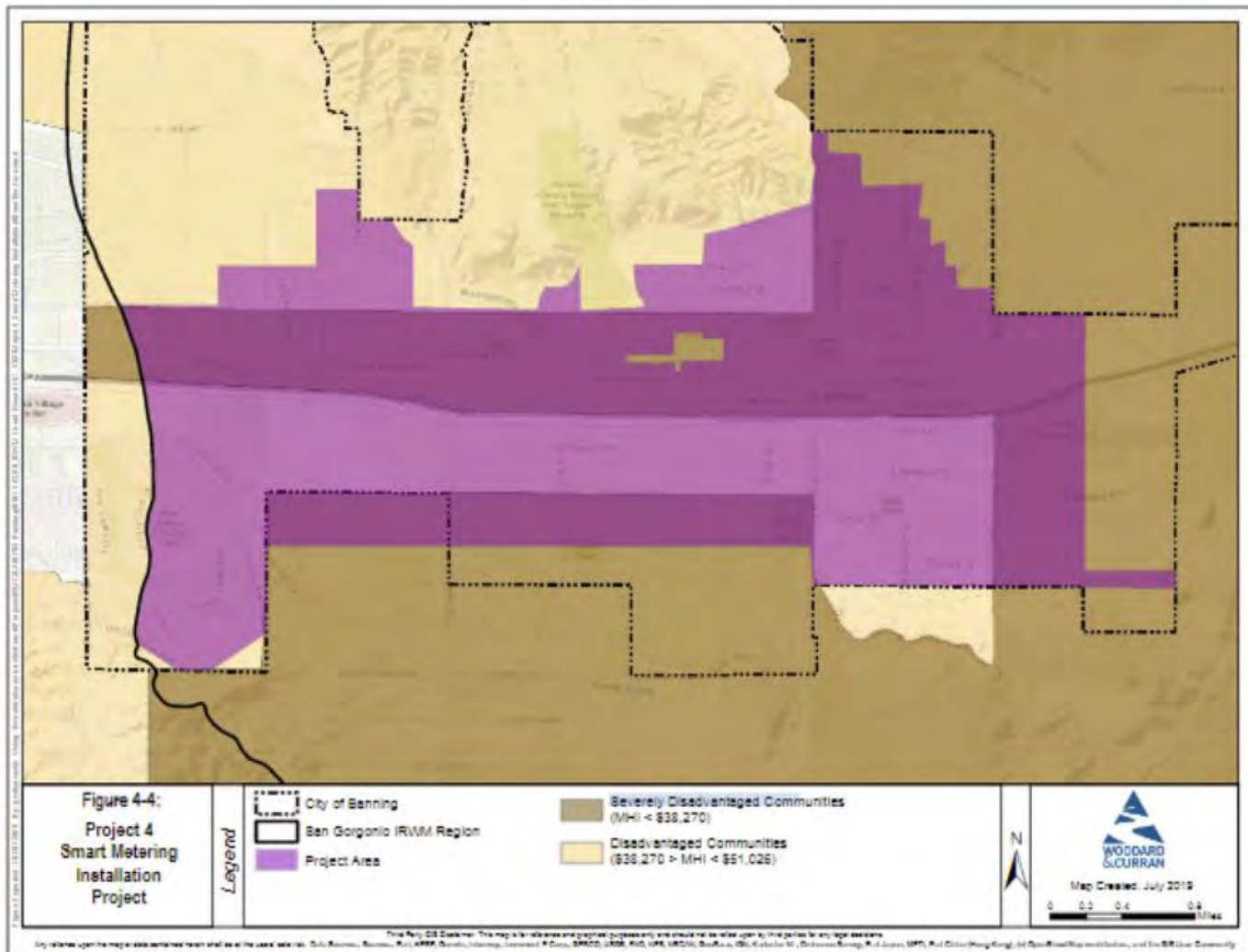


EXHIBIT J

Project Monitoring Plan Guidance

Introduction

For each project contained in Exhibit A, please include a brief description of the project (maximum ~150 words) including project location, implementation elements, need for the project (what problem will the project address) and responds to the requirements listed below.

Project Monitoring Plan Requirements

The Project Monitoring Plan shall contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (e.g., upon project completion, five years after completion)?
- How often will monitoring be undertaken (e.g., monthly, yearly).
- Where are monitoring point locations (e.g., meter located at..., at stream mile...)? Include relevant maps.
- How will the project be maintained (e.g., irrigation, pest management, weed abatement)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (i.e., who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

Old Business

1. Discussion Item:

[TAB 4]

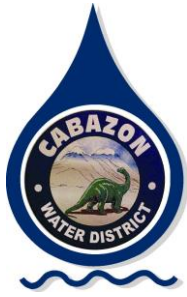
Repair of Broadway/Main 3 cluster gate valve
(by GM and Mickey Valdivia)

New Business

4. Discussion/Action Item: [TAB 5]

Community Action Committee – Property Owners: Victor Diaz, Corrine Gutierrez, Richard Rogers – Water Board to appoint up to 2 Directors (Ad Hoc) to attend various meetings with water district Management.

(by GM)



MEMORANDUM

DATE: April 19, 2022
TO: Board of Directors
FROM: Calvin Louie
SUBJ: RE: Community Action Committee
CC: E. Aguilar
V. Diaz
C. Gutierrez
R. Rogers

SUMMARY

At the 03/15/22, regular water board meeting, Mr. Victor Diaz, along with a group on property owners of various undeveloped parcels in the unincorporated town of Cabazon were in attendance. Diaz presented a proposal to the Cabazon Water District Board of Directors (the “water board”) titled The Cabazon of Tomorrow – Contributing for Growth, for these undeveloped parcels.

During the meeting Chairman Lynk advised Diaz that the current initial water service connection cost is approximately \$14,000 due to the fact that the customer is purchasing a part of the overall infrastructure. Lynk did say he was unable to state of any further charges for water service connection.

The General Manager (GM) informed Diaz, the approximately \$14,000 is the current charges for an undeveloped parcel with no water services along an existing distribution system. The area of these undeveloped parcels have no existing water distribution infrastructure. The existing pipeline terminates at the lone two-story red house on the south side of Bonita Ave. and Olive St.

Most of the undeveloped parcels Mr. Diaz is referring to are on the north side of Bonita Ave. and Olive St. and continues east of Olive St. on both sides of Bonita Ave. until Elm St. There is no existing water distribution system in this area.

PROPOSED COMMUNITY ACTION COMMITTEE (CAC)

Victor Diaz, Corrine Gutierrez, and Dr. Richard Rogers will meet with the GM to formulate the following procedures for the water board to approve.

1. CAC must be approved by the water board.
2. Water board chairman shall appoint two (2) board members to attend all future CAC meetings.
3. The GM, Ad hoc committee and CAC members will mutually schedule at least one (1) meeting per month. The status of these meetings will be included on each month’s regular water board meeting agenda.
4. Some of the topics to be addressed by the CAC.
 - a. Grant funding

- b. Riverside County approval process for the construction of new single family structures. There are current building codes, fire regulations, and other requirements to be met prior to the County approving any construction projects.
 - c. Applying for water service and funding this water district's construction of a new water distribution system to serve potable water to each home built.
- 5. Other matters from the Ad hoc committee, CAC, and GM.

New Business

5. Discussion/Action Item: [TAB 6]

Accent IT Computer Solutions adjusted rates - Board to
approve or direct Management to research other IT
support rates
(by the Board)

Subject: RE: Your IT service agreement

From: Marty Kaufman <martyK@teamaccent.com>

Date: March 18, 2022 at 13:52:31 PDT

To: Calvin Louie <CLouie@cabazonwater.org>

Subject: Your IT service agreement

Hi Calvin,

First off, thank you for trusting your technology management to our team. Your loyalty means the world to us.

I'm writing you today to let you know that your base monthly support agreement will be increasing.

I don't want to, but I have no choice.

We're in an inflationary economy, as I'm sure you've read in the news and experienced directly. This has created unstable prices, material shortages, and many supply chain issues. The repercussions are being felt everywhere.

Our market is impacted by rising prices as well.

In a technology services provider business, the two main cost drivers are labor and software licenses for the tools we use to support you. As I'm sure you know, the market for qualified employees is very competitive. To attract and retain qualified technical talent to continue serving you, our compensation must be competitive as well.

Many other cost areas are also impacted, ranging from facilities to healthcare. Perhaps the most obviously impacted is the hardware supply chain, which is experiencing both price inflation and material shortages – that affects both of our businesses.

The January 2021 to January 2022 Consumer Price Index (CPI) increased by 7.5%, the highest 12-month increase since 1982 – and it's still climbing.

For these reasons, your monthly agreement will be increasing by \$350. You will see it reflected on your next agreement invoice.

I hope you understand that this is what needs to be done to keep up the level of support we provide to your organization. It's a privilege to be your trusted IT partner and we thank you for your continued business.

Please reach out to me directly if you have any questions or concerns.

Marty Kaufman

President

[Accent Computer Solutions, Inc.](http://www.TeamAccent.com)

HQ - 8438 Red Oak Street, Rancho Cucamonga, CA 91730

Office (800) 481-4369

Cell (951) 316-3837

MartyK@TeamAccent.com



Invoice 150503



Bill To:
Cabazon Water District
Attention: Evelyn Aguilar
PO Box 297,
Cabazon, CA 92230

Our Contact Information
Accent Computer Solutions, Inc.
8438 Red Oak St.
Rancho Cucamonga, CA 91730
(909) 481-4368

Total
\$3,639.78

Due Date
4/1/2022

Invoice Date
4/1/2022

| Centralized Services | Network Administration | Technology Consulting | Technology Upgrades | Reactive Support Services |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNLIMITED: Microsoft Patch Management Antivirus Solution Virus Activity Monitoring Workstation Maintenance Spam Filtering Solution Priority Downtime Response Automated Hardware & Software Inventory Performance Reporting CPU Utilization, Memory & Drive Space Windows System Service Availability Monitoring Event Log Monitoring Monitoring and Maintenance of Exchange Domain User Account Admin Backup Management & Administration Firewall Management | UNLIMITED: Dedicated Network Administrator Scheduled On-site Maintenance Technology Checklist Best Practices Centralized Service Report Review Proactive Automation and Management Root Cause Investigation | UNLIMITED: Dedicated Virtual Chief Information Officer (vCIO) Technology Planning and Guidance Regular IT Business Reviews Project Management Vendor Management IT Huddles IT Status Updates | UNLIMITED: Dedicated Technology Architect Technology Infrastructure Design Project Management & Coordination Priced Per Project: Infrastructure Upgrades Technology Rollouts & Implementation | UNLIMITED: Remote Support On-Site Support Problem Isolation & Resolution "How To" Questions Crash Support Customer Portal 24x7 Available IT Technical Support ISP Management and Support PBX/VoIP Telephone System Triage Support |
| INFRASTRUCTURE | | | STRATEGY | SUPPORT |

Managed Services Details

| Agreement: Cabazon Water District ALL IT 24/7 + Projects Service Agreement | Quantity | Price | Amount |
|----------------------------------------------------------------------------|----------|----------|------------|
| Protech All IT | 13 | \$196.93 | \$2,560.09 |
| Spam Filtering & Support | 13 | \$0.00 | \$0.00 |
| Web Content Filtering & Malware Protection - OpenDNS | 13 | \$0.00 | \$0.00 |
| Managed Firewall | 1 | \$250.00 | \$250.00 |
| Managed Backup | 1 | \$275.00 | \$275.00 |
| Current Image Offsite Storage (Over 500GB) | 17 | \$0.30 | \$5.24 |
| Mailbox & Office | 27 | \$20.35 | \$549.45 |
| Vendor Increased Cost by .35 | | | |

| | | | |
|-------------------------------------------------|----|-----------------|-------------------|
| Workstation ShadowProtect License: SCADA_SYSTEM | 0 | \$49.02 | \$0.00 |
| Hosted Antivirus | 11 | \$0.00 | \$0.00 |
| Server ShadowProtect License: SERVER2 & SERVER1 | 0 | \$49.07 | \$0.00 |
| Terms First of the Month | | Subtotal | \$3,639.78 |
| Reference: Monthly Billing for April | | Tax | \$0.00 |
| PO Number: | | Total | \$3,639.78 |

Please make checks payable to Accent Computer Solutions, Inc.

Thank you for your business! We Can Handle IT!

Invoice 150085



Bill To:
Cabazon Water District
Attention: Evelyn Aguilar
PO Box 297,
Cabazon, CA 92230

Our Contact Information
Accent Computer Solutions, Inc.
8438 Red Oak St.
Rancho Cucamonga, CA 91730
(909) 481-4368

Total
\$3,277.42

Due Date
3/1/2022

Invoice Date
3/1/2022

| Centralized Services | Network Administration | Technology Consulting | Technology Upgrades | Reactive Support Services |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNLIMITED: Microsoft Patch Management Antivirus Solution Virus Activity Monitoring Workstation Maintenance Spam Filtering Solution Priority Downtime Response Automated Hardware & Software Inventory Performance Reporting CPU Utilization, Memory & Drive Space Windows System Service Availability Monitoring Event Log Monitoring Monitoring and Maintenance of Exchange Domain User Account Admin Backup Management & Administration Firewall Management | UNLIMITED: Dedicated Network Administrator Scheduled On-site Maintenance Technology Checklist Best Practices Centralized Service Report Review Proactive Automation and Management Root Cause Investigation | UNLIMITED: Dedicated Virtual Chief Information Officer (vCIO) Technology Planning and Guidance Regular IT Business Reviews Project Management Vendor Management IT Huddles IT Status Updates | UNLIMITED: Dedicated Technology Architect Technology Infrastructure Design Project Management & Coordination Priced Per Project: Infrastructure Upgrades Technology Rollouts & Implementation | UNLIMITED: Remote Support On-Site Support Problem Isolation & Resolution "How To" Questions Crash Support Customer Portal 24x7 Available IT Technical Support ISP Management and Support PBX/VoIP Telephone System Triage Support |
| INFRASTRUCTURE | | | STRATEGY | SUPPORT |

Managed Services Details

| Agreement: Cabazon Water District ALL IT 24/7 + Projects Service Agreement | Quantity | Price | Amount |
|----------------------------------------------------------------------------|----------|----------|------------|
| Protech All IT | 13 | \$170.00 | \$2,210.00 |
| Spam Filtering & Support | 13 | \$0.00 | \$0.00 |
| Web Content Filtering & Malware Protection - OpenDNS | 13 | \$0.00 | \$0.00 |
| Managed Firewall | 1 | \$250.00 | \$250.00 |
| Managed Backup | 1 | \$275.00 | \$275.00 |
| Current Image Offsite Storage (Over 500GB) | 8 | \$0.30 | \$2.42 |
| Mailbox & Office | 27 | \$20.00 | \$540.00 |

| | | | |
|-------------------------------------------------|----|-----------------|-------------------|
| Workstation ShadowProtect License: SCADA_SYSTEM | 0 | \$49.02 | \$0.00 |
| Hosted Antivirus | 11 | \$0.00 | \$0.00 |
| Server ShadowProtect License: SERVER2 & SERVER1 | 0 | \$49.07 | \$0.00 |
| Terms First of the Month | | Subtotal | \$3,277.42 |
| Reference: Monthly Billing for March | | Tax | \$0.00 |
| PO Number: | | Total | \$3,277.42 |

Please make checks payable to Accent Computer Solutions, Inc.

Thank you for your business! We Can Handle IT!

Invoice 142604



Bill To:
Cabazon Water District
Attention: Evelyn Aguilar
PO Box 297,
Cabazon, CA 92230

Our Contact Information
Accent Computer Solutions, Inc.
8438 Red Oak St.
Rancho Cucamonga, CA 91730
(909) 481-4368

Total
\$2,874.02

Due Date
4/1/2021

Invoice Date
4/1/2021

| Centralized Services | Network Administration | Technology Consulting | Technology Upgrades | Reactive Support Services |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNLIMITED: Microsoft Patch Management Antivirus Solution Virus Activity Monitoring Workstation Maintenance Spam Filtering Solution Priority Downtime Response Automated Hardware & Software Inventory Performance Reporting CPU Utilization, Memory & Drive Space Windows System Service Availability Monitoring Event Log Monitoring Monitoring and Maintenance of Exchange Domain User Account Admin Backup Management & Administration Firewall Management | UNLIMITED: Dedicated Network Administrator Scheduled On-site Maintenance Technology Checklist Best Practices Centralized Service Report Review Proactive Automation and Management Root Cause Investigation | UNLIMITED: Dedicated Virtual Chief Information Officer (vCIO) Technology Planning and Guidance Regular IT Business Reviews Project Management Vendor Management IT Huddles IT Status Updates | UNLIMITED: Dedicated Technology Architect Technology Infrastructure Design Project Management & Coordination Priced Per Project: Infrastructure Upgrades Technology Rollouts & Implementation | UNLIMITED: Remote Support On-Site Support Problem Isolation & Resolution "How To" Questions Crash Support Customer Portal 24x7 Available IT Technical Support ISP Management and Support PBX/VoIP Telephone System Triage Support |
| INFRASTRUCTURE | | | STRATEGY | SUPPORT |

Managed Services Details

| Agreement: Cabazon Water District ALL IT 24/7 + Projects Service Agreement | Quantity | Price | Amount |
|----------------------------------------------------------------------------|----------|----------|------------|
| Protech All IT | 12 | \$170.00 | \$2,040.00 |
| Spam Filtering & Support | 12 | \$0.00 | \$0.00 |
| Web Content Filtering & Malware Protection - OpenDNS | 12 | \$0.00 | \$0.00 |
| Managed Firewall | 1 | \$250.00 | \$250.00 |
| Managed Backup | 1 | \$275.00 | \$275.00 |
| Current Image Offsite Storage (Over 500GB) | 0 | \$0.30 | \$0.00 |
| Mailbox & Office | 13 | \$20.00 | \$260.00 |

| | | | |
|-------------------------------------------------|----|-----------------|-------------------|
| Workstation ShadowProtect License: SCADA_SYSTEM | 1 | \$49.02 | \$49.02 |
| Hosted Antivirus | 12 | \$0.00 | \$0.00 |
| Server ShadowProtect License: SERVER2 & SERVER1 | 0 | \$49.07 | \$0.00 |
| Terms First of the Month | | Subtotal | \$2,874.02 |
| Reference: Monthly Billing for April | | Tax | \$0.00 |
| PO Number: | | Total | \$2,874.02 |

Please make checks payable to Accent Computer Solutions, Inc.

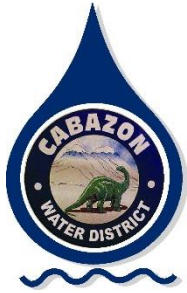
Thank you for your business! We Can Handle IT!

| Accent Computer Solutions billing history from 2019-present Far right column is the amount increase or decrease from the previous month's bill. | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|---------------------------------|------------------------------------------------|----------|---------|
| | Date | Num | Name | Memo | Amount | Inc/Dec |
| 2022 | 04/01/2022 | Inv. 150503 | Accent Computer Solutions, Inc. | Computer support services - April 2022 | 3,639.78 | 362.36 |
| | 03/01/2022 | Inv. 150085 | Accent Computer Solutions, Inc. | Computer support services - March 2022 | 3,277.42 | -136.78 |
| | 02/01/2022 | Inv. 149525 | Accent Computer Solutions, Inc. | Computer support services - March 2022 | 3,414.20 | 450.00 |
| | 01/01/2022 | Inv. 149005 | Accent Computer Solutions, Inc. | IT Support - January 2022 | 2,964.20 | 0.00 |
| 2021 | 12/01/2021 | Inv. 148471 | Accent Computer Solutions, Inc. | December2021 | 2,964.20 | 18.20 |
| | 11/01/2021 | Inv. 147943 | Accent Computer Solutions, Inc. | November 2021 | 2,946.00 | 4.20 |
| | 10/01/2021 | Inv. 147230 | Accent Computer Solutions, Inc. | October 2021 | 2,941.80 | -19.40 |
| | 09/01/2021 | Inv. 146283 | Accent Computer Solutions, Inc. | September 2021 | 2,961.20 | 3.30 |
| | 08/01/2021 | Inv. 145584 | Accent Computer Solutions, Inc. | Monthly Billing for August 2021 | 2,957.90 | -48.42 |
| | 07/01/2021 | Inv. 144904 | Accent Computer Solutions, Inc. | Monthly Billing for July 2021 | 3,006.32 | 132.30 |
| | 06/01/2021 | June 2021 | Accent Computer Solutions, Inc. | Monthly Billing for June 2021 | 2,874.02 | 0.00 |
| | 05/01/2021 | Inv. 143424 | Accent Computer Solutions, Inc. | Monthly Billing for May 2021 | 2,874.02 | 0.00 |
| | 04/01/2021 | April 2021 | Accent Computer Solutions, Inc. | Monthly Billing for April 2021 | 2,874.02 | 190.00 |
| | 03/01/2021 | March 2021 | Accent Computer Solutions, Inc. | Monthly Billing for March | 2,684.02 | 0.00 |
| | 02/01/2021 | Inv. 140979 | Accent Computer Solutions, Inc. | Monthly Billing for February | 2,684.02 | 0.00 |
| | 01/01/2021 | Inv. 140182 | Accent Computer Solutions, Inc. | Monthly support for January | 2,684.02 | 49.02 |
| 2020 | 12/01/2020 | Inv. 139443 | Accent Computer Solutions, Inc. | December monthly service | 2,635.00 | 0.00 |
| | 11/01/2020 | Inv. 138738 | Accent Computer Solutions, Inc. | Monthly billing for November | 2,635.00 | 0.00 |
| | 10/01/2020 | Inv. 138062 | Accent Computer Solutions, Inc. | October 2020 | 2,635.00 | 0.00 |
| | 08/31/2020 | Inv. 137493 | Accent Computer Solutions, Inc. | Monthly Billing for September | 2,635.00 | 0.00 |
| | 08/01/2020 | Inv. 136878 | Accent Computer Solutions, Inc. | Monthly billing for August | 2,635.00 | -20.00 |
| | 06/01/2020 | Inv. 135651 | Accent Computer Solutions, Inc. | Monthly service | 2,655.00 | 0.00 |
| | 05/01/2020 | Inv. 135015 | Accent Computer Solutions, Inc. | Monthly service | 2,655.00 | 0.00 |
| | 04/01/2020 | Inv. 134211 | Accent Computer Solutions, Inc. | Monthly service | 2,655.00 | -20.00 |
| | 03/01/2020 | Inv. 133583 | Accent Computer Solutions, Inc. | monthly services - march | 2,675.00 | 0.00 |
| | 02/01/2020 | Inv. 132990 | Accent Computer Solutions, Inc. | February monthly services | 2,675.00 | 0.00 |
| | 01/01/2020 | Inv. 132495 | Accent Computer Solutions, Inc. | monthly support | 2,675.00 | 20.00 |
| 2019 | 12/01/2019 | Inv. 131880 | Accent Computer Solutions, Inc. | monthly support | 2,655.00 | 0.00 |
| | 11/01/2019 | Inv. 131285 | Accent Computer Solutions, Inc. | monthly support | 2,655.00 | 0.00 |
| | 10/01/2019 | Inv. 130689 | Accent Computer Solutions, Inc. | Monthly Billing for October 2019 | 2,655.00 | 0.00 |
| | 09/01/2019 | Inv. 130025 | Accent Computer Solutions, Inc. | Monthly Billing for September 2019 | 2,655.00 | 0.00 |
| | 08/01/2019 | Inv. 129448 | Accent Computer Solutions, Inc. | Monthly Billing for August 2019 | 2,655.00 | -160.00 |
| | 06/01/2019 | Inv. 128236 | Accent Computer Solutions, Inc. | Monthly Billing for June 2019 | 2,815.00 | 0.00 |
| | 04/25/2019 | Inv. 127563 | Accent Computer Solutions, Inc. | Monthly Billing for May 2019 | 2,815.00 | 165.00 |
| | 04/01/2019 | Inv. 127079 | Accent Computer Solutions, Inc. | Monthly Billing for April 2019 | 2,650.00 | 0.00 |
| | 03/01/2019 | | Accent Computer Solutions, Inc. | Monthly Billing for March 2019 | 2,650.00 | 0.00 |
| | 01/01/2019 | January 2019 | Accent Computer Solutions, Inc. | Monthly computer support package: January 2019 | 2,650.00 | |
| Total Increase since 01/01/2019: | | | | | 989.78 | |

New Business

6. Discussion/Action Item: [TAB 7]

Board Member Training: Ethics, Brown Act, and Sexual Harassment Avoidance – Board to decide whether to attend online courses individually or in-person courses
(by the Board and BAA Aguilar)



MEMORANDUM

DATE: April 19, 2022
TO: Board of Directors
FROM: Evelyn Aguilar, Board Secretary
SUBJ: RE: Board Member Training
cc: Board Meeting Packet

STATEMENT OF FACTS

- During the March 15, 2022 Board Meeting, the Board directed me (Aguilar) to find out information regarding the required training for newly elected and re-elected Board Directors.
- These training courses include: Ethics, Brown Act, and Sexual Harassment Avoidance.
- I reached out to Best Best & Krieger, the District's legal consultants, and was given the following pricing on these courses:

IN PERSON – flat rate plus mileage, regardless of number of attendees

- AB 1661/1825 Sexual Harassment Avoidance Training - \$1200 (2 hours)
- AB 1234 Ethics - \$2000 (2 hours)
- Brown Act - \$2000 (1.5 hours)

ONLINE – per registrant

- AB 1661/1825 Sexual Harassment Avoidance Training - \$50 per registrant
 - AB 1234 Ethics - \$75 per registrant *
 - Brown Act - \$50 per registrant
 - *AB 1234 Ethics is also available online for free from the State FPPC. Please contact me for the website.
-
- I looked into RCAC and CRWA, since they offer free training on various other topics, but none of the required training courses were an option through those organizations.
 - I was told to reach out to other local water districts about if they would be interested in attending these courses if they are hosted at our water district, but due to the fact that the online courses are more affordable (unless 24 people attend AB 1661/1825 and 40 people attend the Brown Act course), I decided to confirm with the Board on which option is preferred.

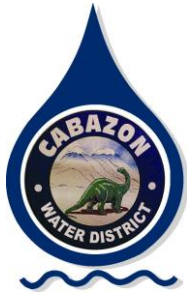
CONCLUSION

- This item is for the Board choose either (a) the in-person course options, in which case I will reach out to other local water districts to confirm whether or not they would like to attend, (b) the online courses, which may be taken at our District office if access to a computer or internet is limited, or (c) some combination of in-person and online courses.
- If the online courses are chosen, I will need to know how many registrants will be attending these courses.
- If the in-person courses are chosen, I will need to know some date and time options that work for everyone.

New Business

7. Discussion/Action Item: [TAB 8]

Construction Meter deposit rates
(by GM)



MEMORANDUM

DATE: April 19, 2022
TO: Board of Directors
FROM: C. Louie
SUBJ: RE: Construction Water Meter Deposits
CC: Aguilar
Koumparis
Morgan
Wolny
Kaitlynn

SUMMARY

The Customer Accounts Department had expressed their concerns regarding the low amount this water district is requiring for deposits from the various construction companies and outside governmental agencies.

It was recommended by the Customer Accounts Department to adjust the deposit from \$1,000 to \$2,000.

STATEMENT OF FACTS

Management had requested the following data be obtained for review.

1. Customer Accounts Department – Research what other water districts or companies are charging. Please include up to 3, and include the name of the company, the amount of deposit, and the current construction rates.
2. Water Production & Quality Department – Research the current average cost to replace a construction meter, including the make and model.

The following information was submitted to the Business Administrative Assistant, who shared it with the General Manager.

1. Local water purveyor's construction meter deposits.
 - Idyllwild Water District - \$500.00
 - Beaumont Cherry Valley Water District - \$2,042.00
 - City of Banning - \$750.00
 - Mission Springs Water District - \$800.00

2. Current pricing on a new construction meter w/ gate valve and fittings is **\$2,000**. Also to be added to the cost is a backflow, as required by this water district, which costs **\$1,750**. The total is \$3,750.

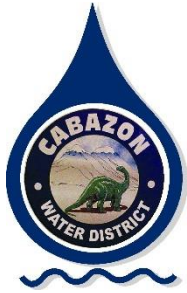
RECOMMENDATION

Based on the data obtained by both departments, coupled with the fact that there are a few water purveyors that may be behind in their rates and deposits, Management is recommending the water board approve a **\$2,000 deposit for a construction water meter**.

New Business

8. Discussion/Action Item: [TAB 9]

Reschedule May, 2022 Board Meeting
(by BAA Aguilar)



MEMORANDUM

DATE: April 19, 2022
TO: Board of Directors
FROM: Evelyn Aguilar, BAA
SUBJ: RE: Reschedule of May, 2022 Board Meeting
cc: Board Meeting Packet

STATEMENT OF FACTS

- The Cabazon Water District's Finance & Audit Committee ("FAC") Meeting and Regular Board Meeting are scheduled to be held on the 3rd Tuesday of each month. The FAC Meeting begins at 5:00 PM, and the Regular Board Meeting at 6:00 PM.
- The May, 2022 meetings are currently scheduled for May 17, 2022.
- Due to personal conflicts, I (Aguilar) will be unavailable in the evening of May 17, 2022, and therefore will be unable to attend these meetings.
- As the Board Secretary, it is very crucial for myself to be present at these meetings for reasons including, but not limited to: taking roll call, setting up the teleconference for public attendance, ensuring the meetings are recorded, and taking notes used to create the Meeting Minutes.

CONCLUSION

- I would like to request that the Board reschedule the May, 2022 Board Meeting to be held on either Tuesday, May 24, 2022, or Tuesday, May 31, 2022, at the same times as normal.