



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

## FINANCE & AUDIT COMMITTEE MEETING

### AGENDA

#### Meeting Location:

Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

#### Meeting Date:

Tuesday, March 21, 2017 – 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  
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## **REGULAR BOARD MEETING**

### **AGENDA**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
March 21, 2017 – 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 approved by the committee of February 21, 2017
- b. Regular Board Meeting Minutes and warrants of February 21, 2017

**2. Warrants – None**

**3. Awards of Contracts – None**

#### **UPDATES**

- 1. Update: San Geronio Pass Regional Water Alliance Update**

(by Director Israel)

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

#### OLD BUSINESS

1. Discussion: Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)

#### NEW BUSINESS

1. Discussion/Action: Approval of RESOLUTION 2017-01 and a Memorandum of Agreement (MOA) to form a groundwater sustainability agency for a portion of the San Geronio Pass sub-basin and to coordinate with other groundwater sustainability agencies.
2. Discussion/Action: Review and Approval of Answering Specialists Contract: District to hire a third-party phone answering vendor to monitor and handle incoming emergency line calls during District non-business hours.

#### PUBLIC COMMENTS

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#### 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 – April 18, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – April 18, 2017, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting - Wednesday – March 22, 2017 - 5:00 PM to 7:00 PM

ADJOURNMENT

ADA Compliance Issues

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**FINANCE & AUDIT COMMITTEE MEETING**

**MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
Tuesday, February 21, 2017 – 5:00 PM

**CALL TO ORDER,**  
**PLEDGE OF ALLEGIANCE,**  
**ROLL CALL**

**Director Bui - Present**  
**Director Israel - Present**

**Calvin Louie (General Manager) - Present**  
**Elizabeth Lemus, Board Secretary - Present**  
**Cindy Byerrum, Financial Consultant - Absent**

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

**FINANCE & AUDIT COMMITTEE**

1. Discussion: Finance & Audit Committee Report
  - Balance Sheet
  - Profit and Loss Budget Comparison

Ms. Lemus reviewed the District's financials in Ms. Byerrum's stead, since she (Byerrum) was unable to attend this meeting. Ms. Lemus noted the following:

**Balance Sheet:**

- The combined Assets and LAIF balance as of January 31, 2017 is about \$517,000, which is very low, whereas the District's liabilities are about \$762,000 over Assets. This is addressed in the current rate study.

Profit and Loss:

- The District's Total Income was at 63%, which is on target with the budget.
- Total Operating Expenses were at 48%, which is below budget (and, consequently, is also a good thing).
- Under Non-Operating Expenses, it was noted that some items, such as debt service, will not always accurately coincide with the rest of the report, as it is due to uneven timing.
- Overall, the District's year to date (YTD) loss through January 31, 2017 was budgeted for \$460,557, yet the District only showed a loss of 7% of this figure (which is in itself a very positive thing).

2. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:08 hr. made by Director Israel and 2<sup>nd</sup> by Director Bui.

Director Bui - Aye  
Director Israel - Aye

Meeting adjourned at 17:08 hr. on January 17, 2017

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

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**REGULAR BOARD MEETING**

**MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
February 21, 2017 – 6:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

Director Teresa Bui - Present  
Director Maxine Israel - Present  
Director Sarah Wargo - Present  
Director Alan Davis - Present  
Director Robert Lynk - Present

Calvin Louie, General Manager - Present  
Elizabeth Lemus, Board Secretary - Present  
Cindy Byerrum, Financial Consultant - Absent  
Steve Anderson, Best Best & Krieger Law Firm – Present  
Greg Henry, NBS (Water Rate Study Firm) - Present

Note: This meeting was recorded by the District -

## CONSENT CALENDAR

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### 1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of January 17, 2017
- b. Regular Board Meeting Minutes and warrants of January 17, 2017
- c. Special Meeting Minutes and warrants of January 31, 2017

**Motion to approve consent calendar item(s)** Finance and Audit Committee Meeting Minutes and warrants approved by the committee of January 17, 2017 (b.) Regular Board Meeting Minutes and warrants of January 17, 2017 (c.) Special Meeting Minutes and warrants of January 31, 2017 made by Director Bui and 2<sup>nd</sup> by Director Israel.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

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

## UPDATES

1. Update: San Gorgonio Pass Regional Water Alliance Update  
(by Director Israel)
2. Update: Manager's Operations Report  
(by General Manager Louie)

## OLD BUSINESS

1. Discussion: Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)
2. Discussion/Action: Customer Concern: Tim Bailiff, Bailiff Ranch: Petition to the Board to remove select parcels from the District's annual fixed water Standby Assessments each fiscal year.

### Parcels in question:

- 519-200-006-5
- 519-200-008-7



Motion to table Mr. Bailiff's agenda item (to petition the Board to remove select parcels from the District's annual fixed water Standby Assessments each fiscal year) until the March Regular Board meeting (to provide Mr. Bailiff the opportunity to appear before the Board) made by Director Bui and 2<sup>nd</sup> by Director Wargo.

Director Bui - Aye  
Director Israel - Nay  
Director Wargo - Aye  
Director Davis - Nay  
Director Lynk - Nay

Motion failed.

Motion to deny Mr. Tim Bailiff's petition to the Board to remove select parcels from the District's annual fixed water Standby Assessments each fiscal year made by Director Israel and 2<sup>nd</sup> by Director Davis.

Director Bui - Nay  
Director Israel - Aye  
Director Wargo - Nay  
Director Davis - Aye  
Director Lynk - Aye

**3. Discussion/Action: Board Direction regarding Water Rate Study, selection of Proposed Water Rate Structure for implementation, and related items.**

*After considerable contemplation and deliberation regarding the proposed water rate structures, it was determined that a unanimous consensus of the Board was not possible. The Board appeared to waiver between selecting a 65%/35% fixed/variable structure and a 70%/30% fixed/variable structure. The entire Board expressed their concerns of wanting to be fair and fiscally responsible in their decision, but there was some debate on which option best encompassed this desire.*

Motion to select Option C (as presented as a 70% fixed / 30% variable) rate structure for discussion and approval during the next Board Meeting following the Prop 218 requirements made by majority consensus of the Board (no second was made, but Chairman Lynk asked each Director for their decision):

Director Bui - Aye - Option C (70%/30% fixed/variable rate structure)  
Director Israel - Aye - Option C (70%/30% fixed/variable rate structure)  
Director Wargo - Nay - Option B (65%/35% fixed/variable rate structure)  
Director Davis - Aye - Option C (70%/30% fixed/variable rate structure)  
Director Lynk - Aye - Option C (70%/30% fixed/variable rate structure)

It was the majority consensus of the Board to move forward with Option C, the 70%/30% fixed/variable rate structure.

**NEW BUSINESS**

1. Discussion/Action: **Customer Concern: Ms. Devida Parnell regarding Homer Shep's account, 2-2051S. Petition to the Board to either partially or fully waive the current account balance.**

Before this item was discussed, Director Davis and Director Wargo asked to reclude themselves from participating, in order to prevent a possible conflict of interest. Both stated that they had somehow known the late Mr. Homer Sheperd (a.k.a. Shep), and they proceeded to leave the room.

Ms. Parnell explained to the Board that her husband, Mr. Homer Shep, had passed away, and that someone had tampered with the meter and had stolen water. She was not against paying water bills, but was not able to pay for such a large bill, which was mainly caused by water theft. Furthermore, Ms. Parnell explained that she needed water service restored for a home inspection, so that she could sell the house.

**Motion to remove the \$70 broken meter lock incident fee and \$564.72 unlawful water usage (both applied to the account on 10/18/2016) made by Director Lynk and 2<sup>nd</sup> by Director Bui\*.**

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Absent  
Director Davis - Absent  
Director Lynk - Aye

**\*Note: It was clarified that the remaining account balance would be \$224.83 after the two fees had been removed, and that Ms. Parnell would be responsible for this amount, in addition to supplying in the required paperwork to transfer the account into her name. The Board offered her the option of a payment plan, if needed. Ms. Parnell did not express any objections to these stipulations.**

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**GENERAL MANAGER/BOARD COMMENTS**

1. Future Agenda Items

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

Director Israel and Director Bui – requested an agenda item be added regarding contacting the County of Riverside to determine whether they would consider absorbing the cost of supplying bottled drinking water (i.e. Sparkletts water services) due to the high copper concentration in the District's office facility drinking fountains.

## 2. Management Comments

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## 3. Board Member Comments

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## MISCELLANEOUS

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

- a. Finance & Audit Workshop – Tuesday – March 21, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – March 21, 2017, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting - Wednesday – February 22, 2017 - 5:00 PM to 7:00 PM

## ADJOURNMENT

Motion to adjourn at 22:18 hr. made by Director Lynk\*

\*Note: No 2<sup>nd</sup> or roll call vote was made, but there were no vocal objections by either Board, staff, or public to adjourn the meeting.

Meeting adjourned at 22:18 hr. on Tuesday, February 21, 2017

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

### ADA Compliance Issues

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# Proposed Rates – Alternative C (70%F / 30%V)

Water Rate Schedule	Current Rates	Proposed Rates - Rate Alternative C				
		FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Fixed Service Charge</b>						
Monthly Fixed Service Charges:						
5/8 inch	\$44.16	\$51.15	\$58.82	\$61.77	\$64.85	\$68.10
3/4 inch	\$59.47	\$73.79	\$84.86	\$89.10	\$93.56	\$98.24
1 inch	\$88.26	\$119.07	\$136.93	\$143.78	\$150.97	\$158.51
1.5 inch	\$188.97	\$232.27	\$267.11	\$280.46	\$294.48	\$309.21
2 inch	\$286.61	\$368.10	\$423.32	\$444.48	\$466.71	\$490.04
3 inch	\$384.25	\$730.33	\$839.88	\$881.88	\$925.97	\$972.27
4 inch	\$536.82	\$1,137.84	\$1,308.52	\$1,373.94	\$1,442.64	\$1,514.77
6 inch	\$718.63	\$2,269.81	\$2,610.28	\$2,740.80	\$2,877.84	\$3,021.73
10 inch	\$1,458.60	\$1,677.39	\$1,929.00	\$2,025.45	\$2,126.72	\$2,233.06
Monthly Fire Service Charges:						
4 inch	\$60.00	\$46.23	\$53.16	\$55.82	\$58.61	\$61.54
6 inch	\$90.00	\$98.11	\$112.83	\$118.47	\$124.40	\$130.62
<b>Commodity Charges</b>						
<b>Rate per hcf of Water Consumed:</b>						
Uniform Rate (Non-SFR Customers)	N/A	\$2.23	\$2.56	\$2.69	\$2.82	\$2.96
Contract Rate	\$2.50	\$2.88	\$3.31	\$3.47	\$3.65	\$3.83
Tiered Rate (SFR Customers):						
Tier 1	\$0.00	\$1.15	\$1.32	\$1.39	\$1.46	\$1.53
Tier 2	\$2.21	\$2.51	\$2.89	\$3.04	\$3.19	\$3.35
Tier 3	\$4.36	\$3.84	\$4.42	\$4.64	\$4.87	\$5.12
Tier 4	\$5.05	N/A	N/A	N/A	N/A	N/A

**Cabazon Water District  
Balance Sheet  
As of February 28, 2017**

		<u>Feb 28, 17</u>
1	<b>ASSETS</b>	
2	<b>Current Assets</b>	
3	<b>Checking/Savings</b>	
4	11020 · General Bank Account-Chase	119,730
5	11030 · Payroll Bank Account-Chase	41,469
6	11040 · Trust Account- Chase - Cus Dep	16,247
7	11050 · Local Petty Cash	<u>100</u>
8	<b>Total Checking/Savings</b>	177,546
9	<b>Accounts Receivable</b>	
10	12021 · Accounts Rec - Special Invoices	<u>8,964</u>
11	<b>Total Accounts Receivable</b>	8,964
12	<b>Other Current Assets</b>	
13	12000 · Accounts Receivable	
14	12011 · Accounts Receivable - Co 1	68,702
15	12012 · Accounts Receivable - Co 2	41,375
16	12013 · Unbilled UB AR	64,725
17	12014 · Allow for Doubtful Accts Co 1	(17,643)
18	12015 · Allow for Doubtful Accts Co 2	(10,993)
19	12023 · Taxes Receivable	688
20	12024 · Taxes Receivable - Stand By	12,518
21	12025 · Miscellaneous Receivable	<u>692</u>
22	<b>Total 12000 · Accounts Receivable</b>	160,065
23	13010 · LAIF	
24	13011 · LAIF	352,121
25	13012 · LAIF Annual Market Adjustment	<u>268</u>
26	<b>Total 13010 · LAIF</b>	352,389
27	13020 · Bank of NY Trustee Accounts	
28	13021 · Reserve Fund - DWR-HS 528	49,486
29	13022 · Repayment Fund DWR-HS 525	<u>21,560</u>
30	<b>Total 13020 · Bank of NY Trustee Accounts</b>	71,046
31	13040 · Prepaid Expenses	12,893
32	13060 · Inventory Total	<u>87,079</u>
33	<b>Total Other Current Assets</b>	683,473
34	<b>Total Current Assets</b>	<u>869,982</u>
35	<b>Fixed Assets</b>	
36	14200 · Construction in Process	
37	14204 · CIP Cabazon Outlets Expansion	9,692
38	14209 · CIP Super Map	9,455
39	14210 · CIP 50100 Main St. Property	<u>69,918</u>
40	<b>Total 14200 · Construction in Process</b>	89,066
41	14310 · Tools and Equipment	118,016
42	14320 · Source of Supply	
43	14321 · Source of Supply- DHPO Intercon	709,905
44	14320 · Source of Supply - Other	<u>800,818</u>

**Cabazon Water District  
Balance Sheet  
As of February 28, 2017**

		<u>Feb 28, 17</u>
45	Total 14320 · Source of Supply	1,510,723
46	14330 · Transmission & Distribution	7,853,270
47	14340 · Buildings & Structures	12,281
48	14350 · Water Treatment	8,800
49	14360 · Office Furniture and Equipment	63,188
50	14370 · Intangible Plant	11,032
51	14380 · Vehicles	106,309
52	14400 · Land	409,331
53	14500 · Accumulated Depreciation	<u>(4,686,848)</u>
54	Total Fixed Assets	<u>5,495,167</u>
55	TOTAL ASSETS	<u><u>6,365,149</u></u>
56	LIABILITIES & EQUITY	
57	Liabilities	
58	Current Liabilities	
59	Accounts Payable	
60	21100 · *Accounts Payable	<u>(5,626)</u>
61	Total Accounts Payable	(5,626)
62	Other Current Liabilities	
63	21210 · Misc Short Term Liability	75
64	21300 · Customer Deposits	
65	21330 · Customer Deposits - Co 1	4,900
66	21340 · Customer Deposits - Co 2	<u>5,074</u>
67	Total 21300 · Customer Deposits	9,974
68	21420 · Accrued Vacation Pay	18,345
69	21440 · DWR-HS Payable - Current	36,184
70	21450 · Current Portion Zion's Bank Ln	75,062
71	21460 · Accrued Payroll	4,827
72	21470 · Accrued Payroll Taxes	359
73	21480 · Accrued Interest	3,527
74	21490 · Accrued Expenses	(268)
75	21510 · Employee Deductions	89
76	24000 · Payroll Liabilities	<u>80</u>
77	Total Other Current Liabilities	<u>148,254</u>
78	Total Current Liabilities	142,628
79	Long Term Liabilities	
80	22000 · DWR-H Loan Payable (Payoff '26)	374,705
81	22100 · Zion's Bank Long Term (2023)	454,027
82	22200 · RCEDA Loan Payable	<u>300,000</u>
83	Total Long Term Liabilities	<u>1,128,732</u>
84	Total Liabilities	<u>1,271,360</u>
95	Total Equity	<u>5,093,789</u>
96	TOTAL LIABILITIES & EQUITY	<u><u>6,365,149</u></u>

**Cabazon Water District**

**Profit & Loss**

**February 2017**

	<b>Feb-17</b>	<b>YTD</b>	<b>Budget</b>	<b>YTD 67%</b>
<b>1 Operating Income:</b>				
2 <b>Base Rate - Water Bills</b>	61,647	687,766	997,600	69%
3 <b>Fire Sales - Water Bills</b>	180	1,740	3,100	56%
4 <b>Fire Flow Income</b>	-	-	150	0%
5 <b>Meter Install and Removal</b>	-	-	80	0%
6 <b>Penalty Fees - Water Bills</b>	2,344	24,650	40,000	62%
7 <b>Lien Reinstatement Fees</b>	-	-	1,020	0%
8 <b>New Account Fees - Water Bills</b>	125	1,040	1,420	73%
9 <b>Incident Fee - Water Bills</b>	-	-	140	0%
10 <b>Returned Check Fees</b>	-	300	550	55%
11 <b>Basic Facilities Fee</b>	-	8,020	8,020	100%
12 <b>Stand By Fees - Tax Revenue</b>	-	89,345	113,600	79%
13 <b>Total Operating Income:</b>	<u>64,296</u>	<u>812,861</u>	<u>1,165,680</u>	<u>70%</u>
<b>14 Non-Operating Income:</b>				
15 <b>Property Taxes</b>	-	27,938	60,700	46%
16 <b>Cell Tower Lease Income</b>	1,967	15,734	23,100	68%
17 <b>Misc. Non-Operating Income</b>	-	30	-	0%
18 <b>Interest Income</b>	482	4,903	8,850	55%
19 <b>Total Non-Operating Income</b>	<u>2,449</u>	<u>20,667</u>	<u>31,950</u>	<u>65%</u>
<b>20 Total Income:</b>	<u>66,745</u>	<u>861,466</u>	<u>1,258,330</u>	<u>68%</u>
<b>21 Expense:</b>				
22 <b>Payroll:</b>				
23 <b>Management &amp; Cust. Service:</b>				
24 <b>Directors Fees</b>	1,500	9,400	18,900	50%
25 <b>Customer Accounts</b>	3,494	30,008	39,800	75%
26 <b>Admin Assistant</b>	-	24,937	46,900	53%
27 <b>Business Admin Manager</b>	4,050	8,100	24,600	33%
28 <b>Office Assistant</b>	645	4,068	7,600	54%
29 <b>General Manager</b>	6,342	66,585	95,100	70%
30 <b>Total Mgmt. &amp; Cust. Service:</b>	<u>16,030</u>	<u>143,097</u>	<u>232,900</u>	<u>61%</u>
31 <b>Meter Reader</b>	-	5,306	24,300	22%
32 <b>Field Workers</b>	4,536	32,569	104,400	31%
33 <b>Total Payroll:</b>	<u>20,566</u>	<u>180,972</u>	<u>361,600</u>	<u>50%</u>
34 <b>Employee Benefits Expense:</b>				
35 <b>Workers Comp.</b>	-	11,057	19,900	56%
35 <b>Employee Health Care</b>	6,242	28,636	73,600	39%
36 <b>Pension</b>	3,673	32,580	69,300	47%
37 <b>Total Employee Benefits Expense:</b>	<u>9,915</u>	<u>72,273</u>	<u>162,800</u>	<u>44%</u>
38 <b>Payroll Taxes</b>	2,504	19,018	33,300	57%
39 <b>Total Payroll - All Expenses:</b>	<u>32,986</u>	<u>272,263</u>	<u>557,700</u>	<u>49%</u>

**Cabazon Water District**

**Profit & Loss**

**February 2017**

	<b>Feb-17</b>	<b>YTD</b>	<b>Budget</b>	<b>YTD 67%</b>
<b>40 Operational Expenses:</b>				
<b>41 Facilities, Wells, T&amp;D:</b>				
42 Lab Fees	1,940	4,420	7,800	57%
43 Site Landscaping & Maint	45	315	1,500	21%
44 Meters	100	3,999	10,000	40%
45 Generator Service Contractor	-	348	3,500	10%
46 Median Landscape & Maint	-	-	3,000	0%
47 Utilities - Wells	9,157	74,556	107,900	69%
48 SCADA	1,789	3,116	4,800	65%
49 Line R&M Contractor	-	23,958	80,000	30%
50 Line R&M Materials	1,439	10,248	38,300	27%
51 Well Maintenance	15,370	24,096	21,000	115%
52 Security	1,576	16,314	19,980	82%
53 Engineering Services	5,413	38,409	80,900	47%
54 Chlorinators	-	2,503	2,000	125%
55 Facilities, Wells, T&D - Other	515	16,270	30,000	54%
<b>56 Total Facilities, Wells, T&amp;D:</b>	<b>37,344</b>	<b>218,552</b>	<b>410,680</b>	<b>53%</b>
<b>57 Utilities - Office:</b>				
58 Electricity	1,236	9,487	13,900	68%
59 Gas	101	473	520	91%
60 Telephone	744	6,102	9,800	62%
61 Trash Pickup & Office Cleaning	355	2,837	4,300	66%
<b>62 Total Utilities - Office:</b>	<b>2,435</b>	<b>18,898</b>	<b>28,520</b>	<b>66%</b>
<b>63 Office Expenses:</b>				
64 Water Billing System	969	13,254	11,500	115%
65 Supplies & Equipment	434	5,022	9,540	53%
66 Copier and Supplies	41	3,488	7,900	44%
67 Dues & Subscriptions	-	84	1,700	5%
68 Postage	2,265	6,230	12,600	49%
69 Printing & Publications	-	3,745	6,000	62%
70 Leases & Rents	-	165	340	49%
71 Computer Services	2,517	24,579	34,000	72%
72 Office Radio	-	-	1,500	0%
73 Office Storage	500	4,000	6,100	66%
74 Air Conditioning Servicing	361	2,888	4,300	67%
75 Fire Alarm System Servicing	-	432	600	72%
76 Office Expenses - Other	-	1,003	1,000	100%
<b>77 Total Office Expenses:</b>	<b>7,087</b>	<b>64,889</b>	<b>97,080</b>	<b>67%</b>
<b>78 Support Services:</b>				
79 Temporary Labor	7,708	15,429	2,000	771%
80 Financial Audit	-	12,000	21,700	55%
81 Accounting	3,478	28,538	30,000	95%



**Cabazon Water District**

**Profit & Loss**

**February 2017**

	Feb-17	YTD	Budget	YTD 67%
82 Legal Services	6,914	48,700	130,300	37%
83 Bank Service Charges	37	733	1,700	43%
84 Payroll Service	260	2,544	5,000	51%
85 General Liability Insurance	1,932	15,297	21,500	71%
86 Total Support Services	20,328	123,240	212,200	58%
87 Training/Travel	308	4,072	12,000	34%
88 Other Fees/SWRCB	283	3,256	16,180	20%
89 Service Tools & Equipment				
90 Shop Supplies and Small Tools	65	7,951	6,000	133%
91 Vehicle Fuel	-	6,151	15,000	41%
92 Employee Uniforms	-	1,216	2,000	61%
93 Safety	-	3,815	5,000	76%
94 Tractor Expenses	-	3,879	6,900	56%
95 Backhoe Fuel	-	-	1,000	0%
96 Equipment Rental	63	708	1,200	59%
97 Service Trucks - R&M	-	8,611	14,100	61%
98 Water Ops Phone & Internet	84	450	2,200	20%
99 Communications	-	2,288	3,000	76%
100 Service Tools & Equip. - Other	-	-	1,100	0%
101 Total Service Tools & Equipment	212	35,070	57,500	61%
102 Non-Operating Expenses:				
103 Grant & Loan Processing Fee	-	1,325	2,000	66%
104 DWR Interest on Loans	-	6,899	13,500	51%
105 DHPO Interest Expense	-	7,054	12,707	56%
106 Bad Debt Expense	-	-	1,200	0%
107 Miscellaneous	89	4,580	8,000	57%
108 Website Support	110	880	2,820	31%
109 DHPO Capacity Fees	-	10,500	-	0%
110 Total Non-Operating Expenses:	199	31,238	40,227	78%
111 Depreciation Expense:	22,189	177,512	286,800	62%
112 Total Expense:	123,370	948,991	1,718,887	55%
113 Net Income:	<b>(56,625.24)</b>	<b>(87,525.05)</b>	<b>(460,557.00)</b>	<b>19%</b>

**RESOLUTION NO. 01-2017**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CABAZON WATER DISTRICT  
TO APPROVE THE MEMORANDUM OF AGREEMENT TO FORM A  
GROUNDWATER SUSTAINABILITY AGENCY FOR A PORTION OF THE SAN  
GORGONIO PASS  
SUB-BASIN AND TO COORDINATE WITH OTHER GROUNDWATER  
SUSTAINABILITY AGENCIES**

**WHEREAS**, the Sustainable Groundwater Management Act of 2014 (SGMA) was signed into law on September 16, 2014 and went into effect on January 1, 2015; and

**WHEREAS**, SGMA provides for the sustainable management of groundwater basins at the local level through the formation of Groundwater Sustainability Agencies (GSAs) and through preparation and implementation of Groundwater Sustainability Plans (GSPs); and

**WHEREAS**, the San Gorgonio Pass Subbasin (Basin) is identified by the California Department of Water Resources (DWR) Bulletin 118 as Subbasin No. 7-21.04 of the Coachella Valley Groundwater Basin, and is designated by DWR as medium priority, and therefore, except as provided by SGMA, the Basin is subject to the requirements of SGMA; and

**WHEREAS**, SGMA authorizes a combination of local agencies as defined by SGMA to form a GSA pursuant to a joint powers agreement, a memorandum of agreement, or other legal agreement, and SGMA also authorizes a water corporation regulated by the California Public Utilities Commission or a mutual water company to participate in a GSA through a memorandum of agreement or other legal agreement; and

**WHEREAS**, the Cabazon Water District, City of Banning, Banning Heights Mutual Water Company, San Gorgonio Pass Water Agency, Mission Springs Water District, and Desert Water Agency have prepared a Memorandum of Agreement (MOA), attached hereto as **Exhibit A**, for a cooperative process to form and coordinate multiple GSAs for the Basin, and to carry out the policy, purposes, and requirements of SGMA in the Basin; and

**WHEREAS**, among other things, the MOA establishes the San Gorgonio Pass GSA (SGP-GSA) for a portion of the Basin, as further set forth and depicted in the MOA, the members of which SGP-GSA are the Cabazon Water District, the City of Banning, the Banning Heights Mutual Water Company, and the San Gorgonio Pass Water Agency; and

**WHEREAS**, the MOA further establishes that efforts of the SGP-GSA will be coordinated with the efforts of the Desert Water Agency GSA (DWA-GSA) that already has been established for a portion of the Basin, and the efforts of the Verbenia Area GSA (Verbenia-GSA) that is being established for another portion of the Basin; and

**WHEREAS**, the Parties to the MOA mutually desire and intend that the SGP-GSA, the DWA-GSA, and the Verbenia-GSA will cooperate and coordinate in subsequently preparing and implementing one or more GSPs for sustainable management of the Basin in accordance with SGMA; and

**WHEREAS**, the Cabazon Water District is committed to the sustainable management of groundwater resources within the Basin in accordance with SGMA; and

**WHEREAS**, pursuant to the requirements of SGMA, Cabazon Water District held a public hearing on this date after publications of notice pursuant to California Government Code section 6066 to consider adoption of this Resolution; and

**WHEREAS**, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this Resolution, nor the MOA, nor the preparation or adoption of a GSP constitutes a project or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines,

**NOW, THEREFORE**, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CABAZON WATER DISTRICT THAT:

1. Cabazon Water District hereby approves the Memorandum of Agreement to Form a Groundwater Sustainability Agency for a Portion of the San Gorgonio Pass Subbasin and to Coordinate with Other Groundwater Sustainability Agencies (MOA), a copy of which is attached hereto as **Exhibit A**.
2. Pursuant to the MOA and as authorized by SGMA, Cabazon Water District elects to jointly form and participate as a member of the San Gorgonio Pass Groundwater Sustainability Agency (SGP-GSA) for a portion of the Basin as further set forth and depicted in the MOA.
3. The General Manager of Cabazon Water District is hereby authorized and directed to coordinate with the other members of the SGP-GSA to submit a copy of this Resolution and other applicable information to the California Department of Water Resources regarding the formation of the SGP-GSA.

**PASSED AND ADOPTED** at a Meeting of the Board of Directors of the Cabazon Water District held this \_\_\_\_st day of March, 2017.

\_\_\_\_\_  
Robert Lynk, Chair, Board of Directors  
Cabazon Water District

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors  
Cabazon Water District

**MEMORANDUM OF AGREEMENT TO FORM A GROUNDWATER SUSTAINABILITY  
AGENCY FOR A PORTION OF THE SAN GORGONIO PASS SUBBASIN AND TO  
COORDINATE WITH OTHER GROUNDWATER SUSTAINABILITY AGENCIES**

This 2017 Memorandum of Agreement (MOA) is entered into by and among Cabazon Water District (CWD), City of Banning (Banning), Banning Heights Mutual Water Company (BHMWC), San Gorgonio Pass Water Agency (SGPWA), Mission Springs Water District (MSWD), and Desert Water Agency (DWA), which may be referred to herein individually as a “Party” and collectively as the “Parties.”

Pursuant to the Sustainable Groundwater Management Act (SGMA) and as further set forth herein, the purposes of this MOA are to form a Groundwater Sustainability Agency (GSA) for a portion of the San Gorgonio Pass Subbasin, as described in greater detail below (Basin), the members of which GSA shall be CWD, Banning, BHMWC, and SGPWA (herein, the SGP-GSA), and to establish that the SGP-GSA will coordinate and cooperate with other GSAs that already exist and will be formed in the Basin.

**WHEREAS**, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in certain provisions of the California Government Code, commencing with Section 65350.5, and in Part 2.74 of Division 6 of the California Water Code, commencing with Section 10720; and

**WHEREAS**, SGMA went into effect on January 1, 2015; and

**WHEREAS**, various clarifying amendments to SGMA were signed into law in 2015, including Senate Bills 13 and 226, and Assembly Bills 617 and 939, allowing, among other things, mutual water companies and water corporations regulated by the Public Utilities Commission to participate in a GSA through a memorandum of agreement or other legal agreement; and

**WHEREAS**, the San Gorgonio Pass Subbasin (Basin), as further depicted in **Exhibit A** to this MOA, is identified by the California Department of Water Resources (DWR) Bulletin 118 as Subbasin No. 7-21.04 of the Coachella Valley Groundwater Basin, and is designated by DWR as medium priority, and therefore, except as provided by SGMA, the Basin is subject to the requirements of SGMA; and

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

**WHEREAS**, SGMA Section 10720.7 requires the Basin, as a medium priority basin which is not designated by DWR as being subject to critical conditions of overdraft, to be managed by a Groundwater Sustainability Plan (GSP) or coordinated GSPs by January 31, 2022; and

**WHEREAS**, SGMA Section 10727(b) authorizes (1) a single GSP covering the entire Basin developed and implemented by one GSA, (2) a single GSP covering the entire Basin developed and

implemented by multiple GSAs, or (3) multiple GSPs developed and implemented by multiple GSAs and coordinated pursuant to a single coordination agreement that covers the entire Basin; and

**WHEREAS**, SGMA Section 10735.2 requires the formation of a GSA or multiple GSAs for the Basin by June 30, 2017; and

**WHEREAS**, SGMA Section 10723.6(a) authorizes a combination of local agencies to form a GSA pursuant to a joint powers agreement, a memorandum of agreement, or other legal agreement, and SGMA Section 10723.6(b) authorizes a water corporation regulated by the Public Utilities Commission or a mutual water company to participate in a GSA through a memorandum of agreement or other legal agreement; and

**WHEREAS**, for purposes of forming the SGP-GSA, as further depicted in **Exhibit B** to this MOA, CWD, Banning, and SGPWA are local agencies as defined by SGMA, and BHMWC is a mutual water company, wherein each overlies at least a portion of the Basin and each has respective water supply, water management, and/or land use responsibilities within the Basin, and thus each is authorized by SGMA to become part of the SGP-GSA; and

**WHEREAS**, pursuant to SGMA Section 10723(c)(1)(C), DWA has been established as the exclusive GSA for a certain portion of the Basin (herein, the DWA-GSA), as further specified and depicted in **Exhibit C** to this MOA; and

**WHEREAS**, on or about September 28, 2016, MSWD filed an amended notice of intent to be a GSA for an approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, which one-square mile area is further specified and depicted in **Exhibit D** to this MOA and is referred to herein as the "Verbenia Area"; and

**WHEREAS**, on or about January 10, 2017, SGPWA also filed a notice of intent to be a GSA for the Verbenia Area, as further specified and depicted in **Exhibit D** to this MOA; and

**WHEREAS**, on or about January 13, 2017, DWR designated the Verbenia Area to be in overlap for purposes of the competing GSA notices filed by MSWD and SGPWA, and thus MSWD and SGPWA are working together to establish a separate GSA for the Verbenia Area (herein, the Verbenia-GSA); and

**WHEREAS**, in accordance with the terms of this MOA, and in furtherance of the shared intent of the Parties to maximize funding opportunities for the Basin and avoid potential intervention in the Basin by the State Water Resources Control Board, the Parties agree that the SGP-GSA formed by this MOA will cover the entire Basin except (A) that portion of the Basin covered by the DWA-GSA wherein DWA is the exclusive GSA, (B) that portion of the Basin to be covered by the Verbenia-GSA to be established by MSWD and SGPWA, and (C) the Adjudicated Area portion of the Basin, and the Parties mutually desire and intend that the SGP-GSA, the DWA-GSA, and the Verbenia-GSA will cooperate and coordinate in subsequently preparing and implementing one or more GSPs for sustainable management of the Basin; and

**WHEREAS**, the Parties mutually desire and intend to work with local stakeholders and interested entities in the Basin that are not Parties to this MOA, including but not limited to the Morongo Band of Mission Indians (MBMI), the County of Riverside, High Valleys Water District,

overlying landowners, and others, and as further specified in this MOA, to carry out the policy, purposes, and requirements of SGMA in the Basin; and

**WHEREAS**, in accordance with SGMA Section 10720.3 and other applicable law, the Parties mutually understand and agree that nothing in SGMA and nothing in this MOA grants or confers any new or additional authority, discretion, or jurisdiction to any of the Parties over any Tribal lands or activities of the MBMI, and that any ongoing or continued participation by MBMI in relation to this MOA or the Parties' implementation of SGMA in the Basin is completely voluntary on the part of MBMI.

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

**I. Incorporation of Recitals**

The Recitals stated above are incorporated herein by reference.

**II. Purposes**

The purposes of this MOA are as follows:

- A. To form the SGP-GSA for a portion of the Basin as specified herein and as depicted in **Exhibit B** to this MOA pursuant to applicable provisions and requirements of SGMA, including but not limited to SGMA Sections 10723 and 10723.6; and
- B. To establish initial terms for the SGP-GSA, the DWA-GSA, and the Verbenia-GSA to cooperate and coordinate with each other in preparing and implementing one or more GSPs for the Basin and carrying out the policy, purposes, and requirements of SGMA in the Basin.

**III. Approval of MOA and Formation of the SGP-GSA**

Approval of this MOA and formation of the SGP-GSA shall be accomplished as follows:

- A. CWD, Banning, and SGPWA each will hold its own noticed public hearing pursuant to SGMA Section 10723(b) and Government Code Section 6066 and at such hearing will consider approval of a Resolution by its governing board to enter this MOA and jointly form the SGP-GSA as specified in this MOA;
- B. BHMWC will conduct an official meeting in accordance with any articles of incorporation, bylaws, or other laws applicable to BHMWC and at such meeting will consider approval of a Resolution by its governing board to enter this MOA and jointly form the SGP-GSA as specified in this MOA;
- C. DWA and MSWD each will hold its own regular or special meeting and at such meeting will consider approval of a Resolution by its governing board to enter this MOA;

- D. Upon the foregoing approvals by CWD, Banning, BHMWC, and SGPWA, there shall be established the San Gorgonio Pass Subbasin Groundwater Sustainability Agency (SGP-GSA), the members of which shall be CWD, Banning, BHMWC, and SGPWA as provided in this MOA.

#### IV. Definitions

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

- A. **Adjudicated Area** refers to that portion of the Basin that is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197.
- B. **Basin** refers to the San Gorgonio Pass Subbasin, designated by the California Department of Water Resources Bulletin 118 as Subbasin No. 7-21.04, as further specified and depicted in **Exhibit A** to this MOA.
- C. **Banning** means the City of Banning.
- D. **BHMWC** means the Banning Heights Mutual Water Company.
- E. **CWD** means the Cabazon Water District.
- F. **DWA** means the Desert Water Agency.
- G. **DWR** means the California Department of Water Resources.
- H. **DWA-GSA** refers to the GSA that has been established for a certain portion of the Basin pursuant to SGMA Section 10723(c)(1)(C), wherein DWA has been designated as the exclusive GSA, as further specified and depicted in **Exhibit C** to this MOA.
- I. **GSA** means Groundwater Sustainability Agency, as defined by SGMA.
- J. **GSP** means Groundwater Sustainability Plan, as defined by SGMA.
- K. **MBMI** means the Morongo Band of Mission Indians.
- L. **Memorandum of Agreement** or **MOA** refers to this Memorandum of Agreement.
- M. **MSWD** means the Mission Springs Water District.
- N. **Party** or **Parties** refers individually or collectively to Cabazon Water District, City of Banning, Banning Heights Mutual Water Company, Mission Springs Water District, San Gorgonio Pass Water Agency, and Desert Water Agency, as signatories to this MOA.

- O. **SGMA** refers to the Sustainable Groundwater Management Act.
- P. **SGP-GSA** refers to the San Gorgonio Pass Subbasin GSA formed under this MOA, the members of which GSA are CWD, Banning, BHMWC, and SGPWA.
- Q. **SGPWA** means the San Gorgonio Pass Water Agency.
- R. **Verbenia-GSA** refers to a GSA to be formed by MSWD and SGPWA for an approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.

## V. **Boundaries of GSAs**

- A. The boundaries of the SGP-GSA shall be the entire Basin except (A) that portion of the Basin covered by the DWA-GSA wherein DWA is the exclusive GSA, as further specified and depicted in **Exhibit C** to this MOA, (B) that portion of the Basin to be covered by the Verbenia-GSA to be established by MSWD and SGPWA, as further specified and depicted in **Exhibit B** to this MOA, and (C) that portion of the Basin constituting the Adjudicated Area.
- B. The boundaries of DWA-GSA are that portion of the Basin within which DWA is the exclusive GSA pursuant to SGMA Section 10723(c)(1)(C), as further specified and depicted in **Exhibit C** to this MOA.
- C. The boundaries of the Verbenia-GSA are the approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.
- D. The Parties understand and agree that pursuant to SGMA Section 10720.8, the portion of the Basin which is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, generally is not subject to the requirements of SGMA.
- E. The Parties understand and agree in accordance with SGMA Section 10720.3 and other applicable law that nothing in SGMA and nothing in this MOA grants or confers any new or additional authority, discretion, or jurisdiction to any of the Parties over any Tribal lands or activities of the MBMI, and that any ongoing or continued participation by MBMI in relation to this MOA or the Parties' implementation of SGMA in the Basin is completely voluntary on the part of MBMI.

## VI. **Coordination and Cooperation**

- A. Continued Cooperation. The Parties to this MOA will continue to meet, confer, coordinate, and collaborate to discuss and develop technical, managerial, financial, and other criteria and procedures for the preparation, governance, and implementation of a GSP or coordinated GSPs in the Basin and to carry out the policy, purposes, and requirements of SGMA in the Basin.



- B. Points of Contact. Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Parties in scheduling meetings and other activities under this MOA.
- C. Management Areas. The Parties acknowledge that SGMA, and provisions of the SGMA regulations promulgated by DWR, including but not limited to Section 354.20 (23 C.C.R. § 354.20), authorize the establishment of management areas for the development and implementation of sustainable groundwater management within the Basin, and accordingly the Parties acknowledge and agree that the establishment of management areas within the Basin is a governance alternative that the Parties may explore.

## **VII. Roles and Responsibilities**

- A. The Parties agree to jointly establish their roles and responsibilities for implementing a GSP or coordinated GSPs for the Basin in accordance with SGMA.
- B. The Parties agree to work in good faith and coordinate all activities to carry out the purposes of this MOA in implementing the policy, purposes, and requirements of SGMA in the Basin.
- C. CWD, Banning, BHMWC, and SGPWA, as members of the SGP-GSA, shall coordinate with each other to cause all applicable noticing and submission of required information to DWR regarding formation of the SGP-GSA.
- D. SGPWA shall continue to undertake ongoing CASGEM reporting activities in the Basin as provided by terms outside of this MOA.
- E. As provided in this MOA, the Parties will continue to meet, confer, coordinate, and collaborate to discuss and develop governance, management, technical, financial, and other matters, including respective roles and responsibilities for activities such as, but not limited to, the following:
  - i. Modeling;
  - ii. Metering;
  - iii. Monitoring;
  - iv. Hiring consultants;
  - v. Developing and maintaining list of interested persons under SGMA Section 10723.4;
  - vi. Budgeting; and
  - vii. Other initial tasks as determined by the Parties.

## VIII. Funding and Budgeting

The Parties agree to cooperate and coordinate in pursuing state and/or federal grant and loan funding opportunities that may apply to carrying out SGMA in the Basin. The Parties shall mutually develop reasonable budgets and cost sharing agreements or arrangements for work to be undertaken in carrying out SGMA in the Basin.

## IX. Stakeholder Access

- A. The Parties agree to work together in ensuring public outreach and involvement of the public and other interested stakeholders throughout the SGMA process, including but not limited to all beneficial uses and users of groundwater as provided in SGMA Section 10723.2.
- B. The Parties acknowledge, agree, and desire that the preparation, adoption, and implementation of one or more GSPs for the Basin, and the ongoing process of ensuring compliance with the requirements of SGMA in the Basin, will involve close coordination and cooperation with the Morongo Band of Mission Indians.

## X. Term, Termination, and Withdrawal

- A. Term. This MOA shall continue and remain in effect unless and until terminated by the unanimous written consent of the Parties, or as otherwise provided in this MOA or as authorized by law.
- B. Withdrawal. Any Party may decide, in its sole discretion, to withdraw from this MOA by providing ninety (90) days written notice to the other Parties. A Party that withdraws from this MOA shall remain obligated to pay its share of costs and expenses incurred or accrued under this MOA and any related cost sharing agreement or arrangement up to the date the Party provides its notice of withdrawal as provided herein. Withdrawal by a Party shall not cause or require the termination of this MOA or the existence of the SGP-GSA with respect to the non-withdrawing Parties.
  - 1. In the event of withdrawal by BHMWC from this MOA and the SGP-GSA, CWD, Banning, and SGPWA, as the local agency parties to the SGP-GSA, shall meet and confer regarding: (i) whether the SGP-GSA wishes to retain its GSA status over the affected portion of the Basin; (ii) whether one or more of the local agency parties of the SGP-GSA wishes to retain GSA status over the affected portion of the Basin; or (iii) whether to address the GSA issues in a different manner. Any resolution of such and other GSA issues shall be undertaken in a manner that satisfies all requirements of SGMA and DWR, including any requirement to file new GSA notices.
  - 2. In the event of withdrawal by CWD, Banning, or SGPWA from this MOA and the SGP-GSA, said three local agency parties shall meet and confer regarding whether the withdrawing local agency party wishes to seek GSA status for a portion of the Basin underlying the service area or management area of the withdrawing party. Said three local agency parties also shall meet and confer regarding: (i) whether the SGP-GSA, or one or both of the non-withdrawing

local agency parties, wishes to retain GSA status over the affected portion of the Basin; (ii) whether to enter a co-GSA management or other arrangement with the withdrawing party; or (iii) whether to address the GSA issues in a different manner. Any resolution of such and other GSA issues shall be undertaken in a manner that satisfies all requirements of SGMA and DWR, including any requirement to file new GSA notices.

3. Any decision by DWA or MSWD not to execute this MOA, or any decision by DWA or MSWD to withdraw after executing this MOA shall not cause or require the termination of this MOA and shall not affect the formation or continued existence of the SGP-GSA.

## **XI. Notice Provisions**

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

Banning Heights Mutual Water Company  
President  
7091 Bluff Street  
Banning, CA 92220, Fax: 951-849-6068

Desert Water Agency  
General Manager  
1200 S Gene Autry Trail  
Palm Springs, CA 92264, Fax: 760-325-6506

City of Banning  
City Manager  
99 East Ramsey Street  
Banning, CA 92220, Fax: 951-922-3128

San Gorgonio Pass Water Agency  
General Manager  
1210 Beaumont Avenue  
Beaumont, CA 92223, Fax: 951-845-0281

Cabazon Water District  
General Manager  
14618 Broadway  
P.O. Box 297  
Cabazon, CA 92230, Fax: 951-849-2519

Mission Springs Water District  
General Manager  
66575 Second Street  
Desert Hot Springs, CA 92240, Fax: 760-329-2482

Any Party may change the address to which notices are to be given under this MOA by providing the other Parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change. All notices shall be effective upon receipt and shall be deemed received upon confirmed personal service, confirmed facsimile delivery, confirmed courier service, or on the fifth (5<sup>th</sup>) calendar day following deposit of the notice in registered first class mail.

## **XII. General Terms**

- A. Amendments. Amendments to this MOA require unanimous written consent of all Parties and approval by the Parties' respective governing boards; provided, however, that amendments to this MOA pertaining to the SGP-GSA only require unanimous written consent and board approval of the members of the SGP-GSA.
- B. Successors and Assigns. The terms of this MOA shall be binding upon all successors in interest and assigns of each Party; provided, however, that no Party shall assign its

rights or obligations under this MOA without the signed written consent of all other Parties to this MOA.

- C. Waiver. No waiver of any provision of this MOA by any Party shall be construed as a further or continuing waiver of such provision or any other provision of this MOA by the waiving Party or any other Party.
- D. Authorized Representatives. Each person executing this MOA on behalf of a Party hereto affirmatively represents that such person has the requisite authority to sign this MOA on behalf of the respective Party.
- E. Exemption from CEQA. The Parties recognize and agree that, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this MOA nor the preparation or adoption of a GSP constitutes a “project” or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines, and therefore this MOA is expressly exempt from CEQA review.
- F. Governing Law and Venue. This MOA shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOA shall be brought and maintained to the extent allowed by law in the County of Riverside, California.
- G. Attorney’s Fees, Costs, and Expenses. In the event of a dispute among any or all of the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney’s fees, costs, and expenses.
- H. Entire Agreement/Integration. This MOA constitutes the entire agreement among the Parties regarding the specific provisions of this MOA, and the Parties hereto have made no agreements, representations or warranties relating to the specific provisions of this MOA which are not set forth herein.
- I. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through a negotiated process among the Parties, and that each Party has had a full and fair opportunity to review the terms of this MOA with the advice of its own legal counsel and to revise the terms of this MOA, such that each Party constitutes a drafting Party to this MOA. Consequently, the Parties understand and agree that no rule of construction shall be applied to resolve any ambiguities against any particular Party as the drafting Party in construing or interpreting this MOA.
- J. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOA, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Parties in writing to the extent practicable. It shall further pursue its best efforts to resume its obligations under this MOA as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.

- K. Execution in Counterparts. This MOA may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.
- L. No Third Party Beneficiaries. This MOA is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right of any third party to bring an action to enforce any of the terms of this MOA.
- M. Timing and Captions. Any provision of this MOA referencing a time, number of days, or period for performance shall be measured in calendar days. The captions of the various articles, sections, and paragraphs of this MOA are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, terms, or intent of this MOA.

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

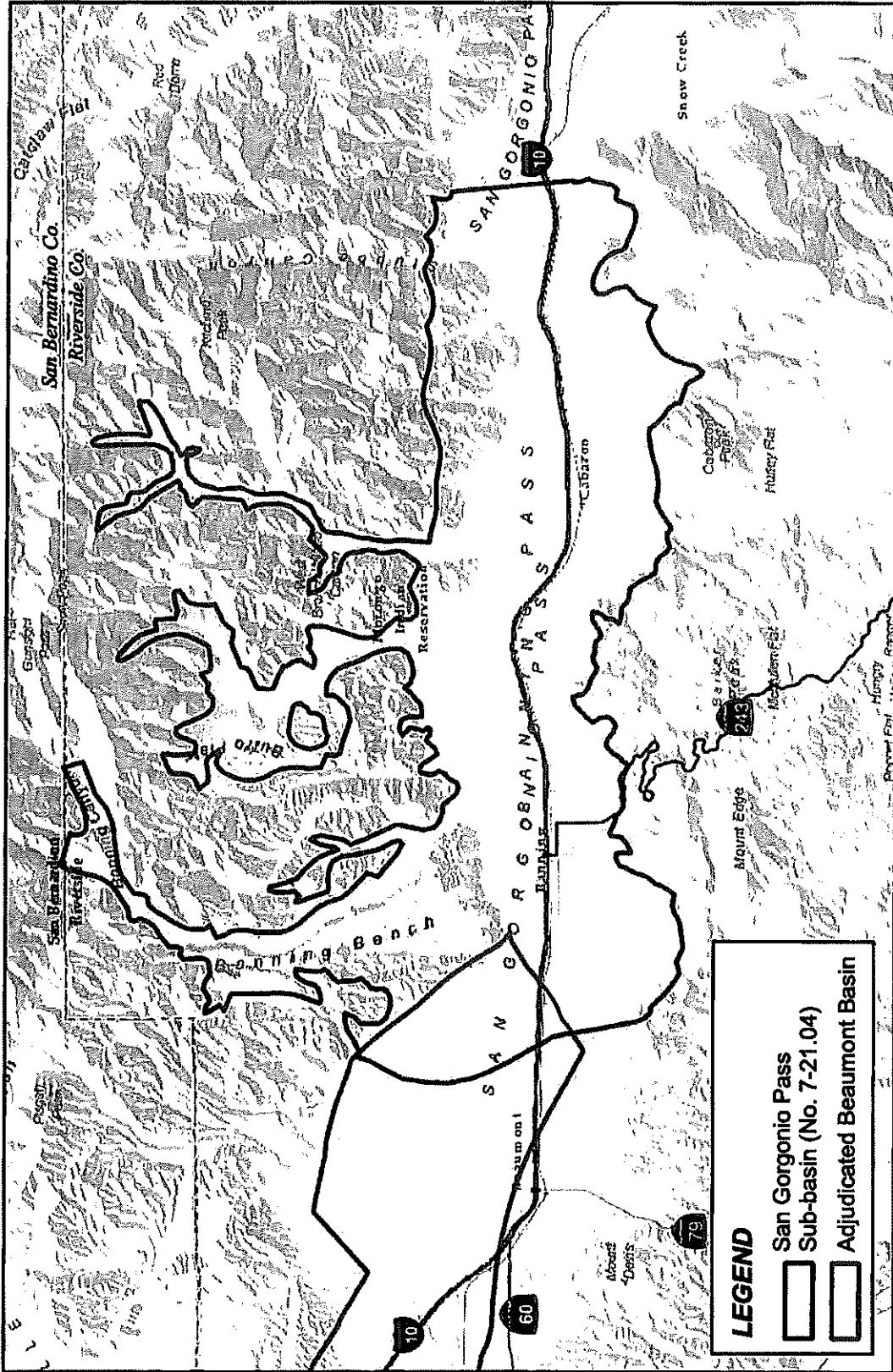
*[Signature Pages to Follow]*

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

CABAZON WATER DISTRICT

By: \_\_\_\_\_  
Robert Lynk, Board Chair

By: \_\_\_\_\_  
Calvin Louie, General Manager



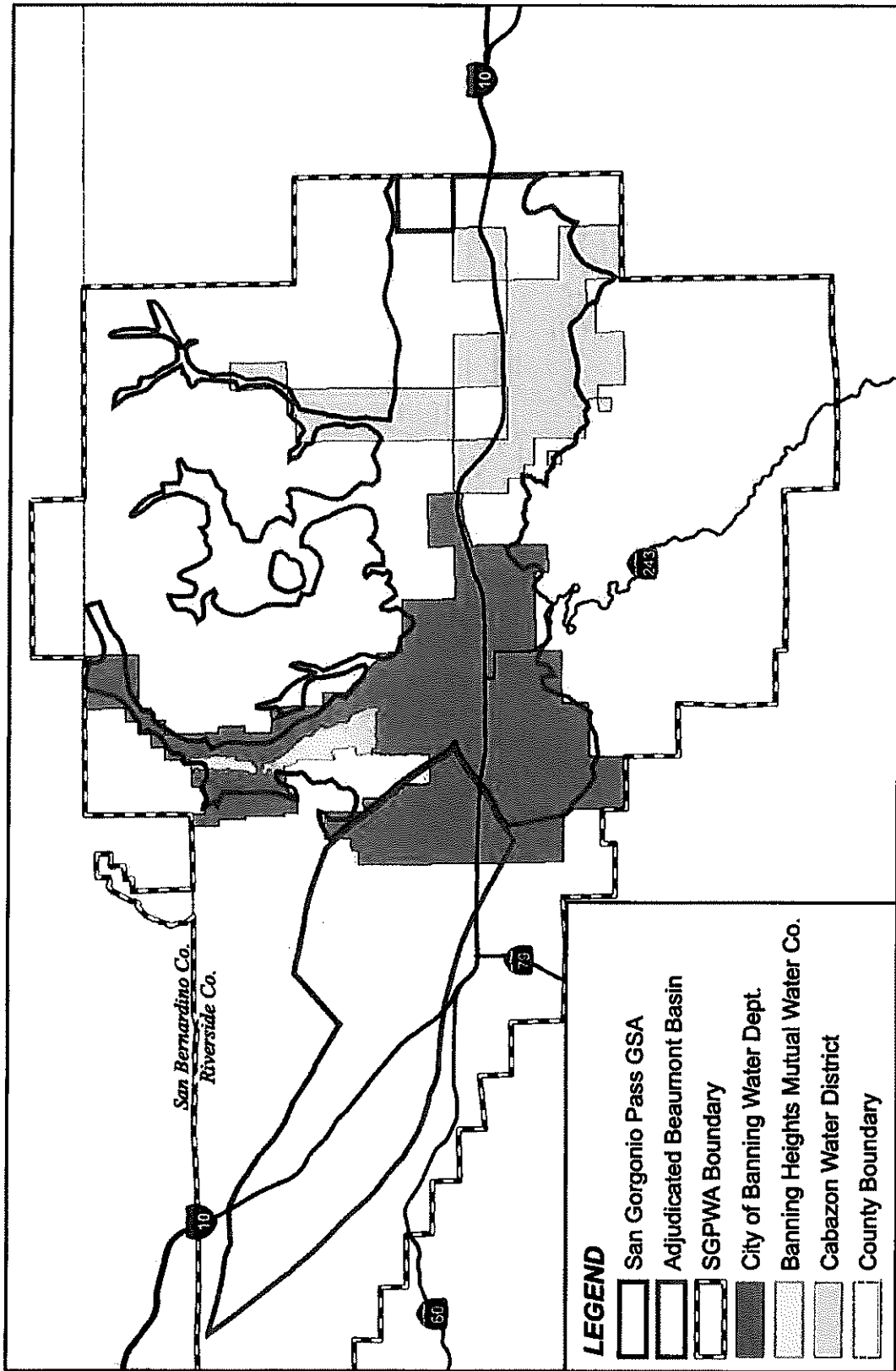
Sources: Calif. Dept. of Water Resources, 2016; Riverside Co. GIS, 2016.



# Exhibit A

## San Geronimo Pass Sub-basin

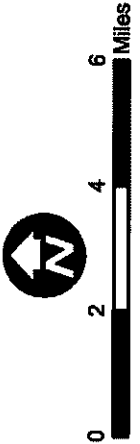




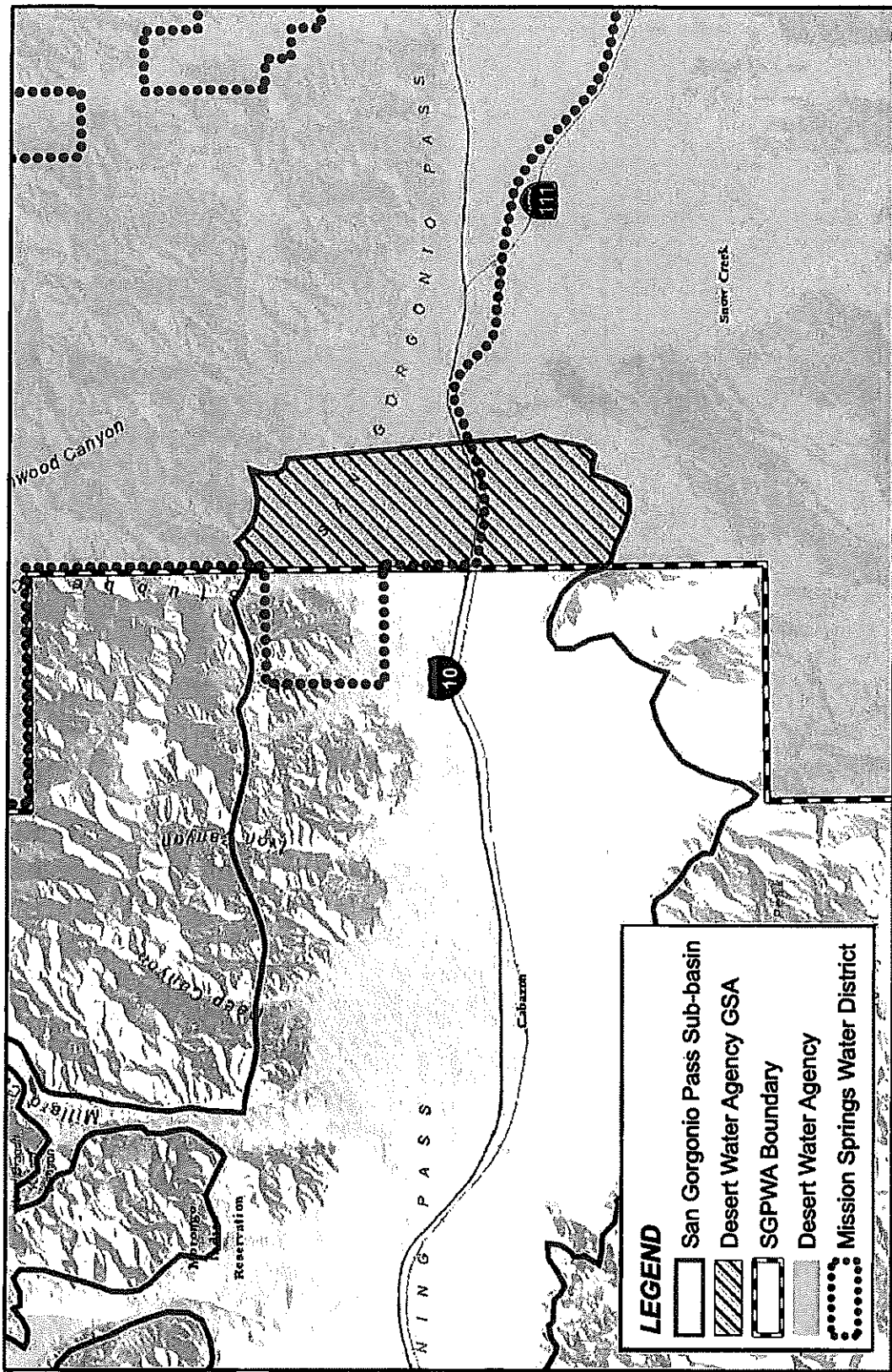
G:\2008\08-0007\GIS\SGMA Ex B.mxd: Map revised March 9, 2017.

Sources: Calif. Dept. of Water Resources, 2016;  
LAFCO 2010; Riverside Co. GIS, 2017.

**Exhibit B**  
SGP GSA Portion of Sub-basin



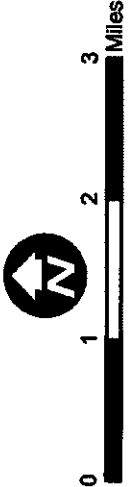




**LEGEND**

- San Gorgonio Pass Sub-basin
- Desert Water Agency GSA
- SGPWA Boundary
- Desert Water Agency
- Mission Springs Water District

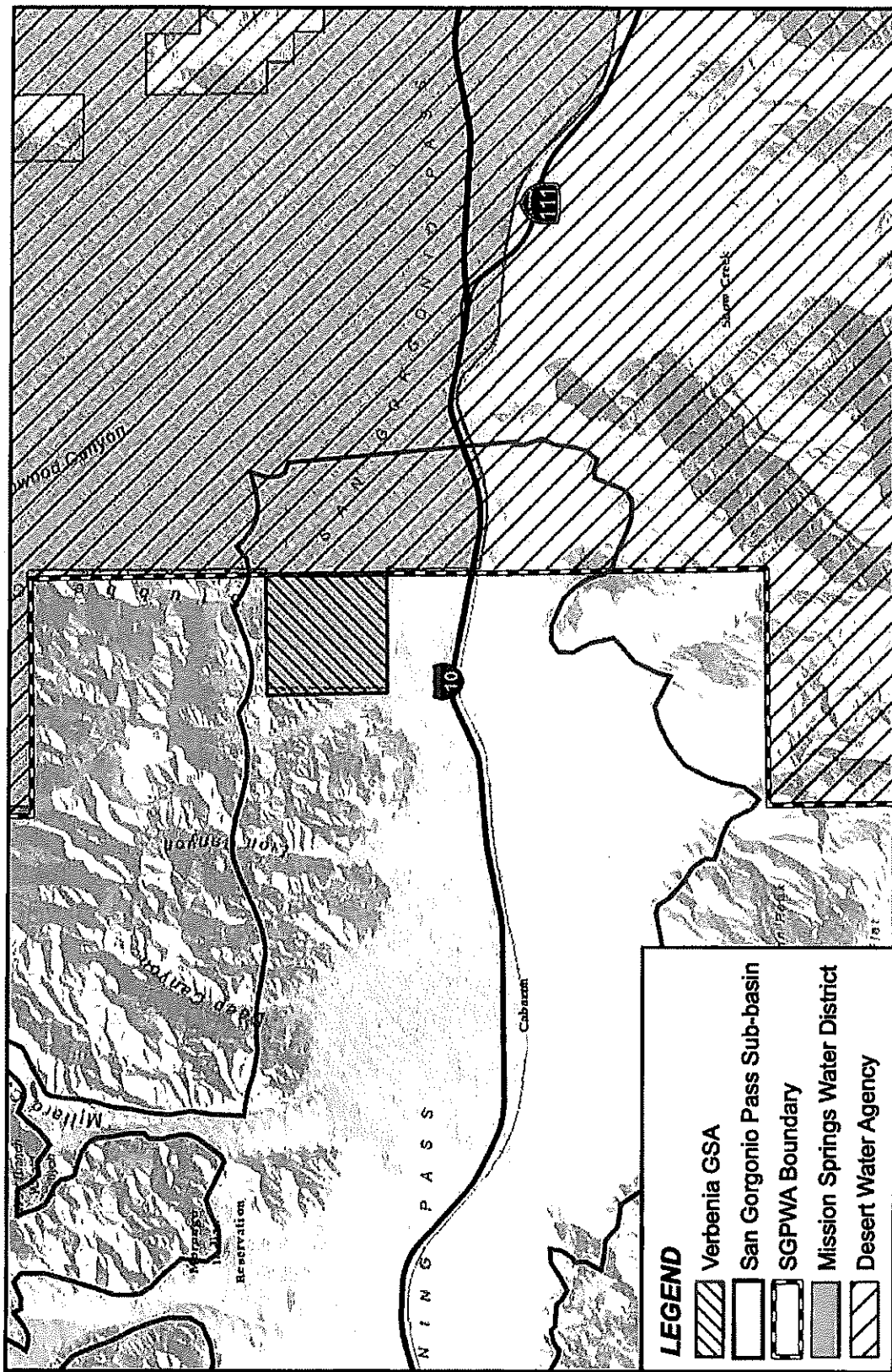
Sources: Calif. Dept. of Water Resources, 2016; Riverside Co. GIS, 2016.



**Exhibit C**

Desert Water Agency GSA

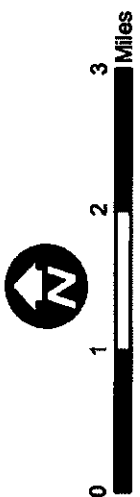
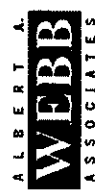




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**Exhibit D**

Verbenia GSA



# Service Agreement

The following is the service agreement between you and Answering Specialists, Inc. **Please read it carefully and fully. If you have any questions, please contact us before submitting this form.**

This AGREEMENT is made and entered into by and between ANSWERING SPECIALISTS, Inc. hereinafter known as ASI and you hereinafter known as CLIENT, whereby ASI agrees to provide services to CLIENT as follows:

## **Terms and Conditions:**

1. Service shall commence on the date specified by CLIENT or as soon as possible thereafter. The term of this agreement shall be month to month on a calendar year basis. CLIENT may terminate this agreement at the expiration of the term thereof by simply providing a written notice to ASI. Any amounts due at time of cancellation will be immediately invoiced and processed for payment at time of cancellation. There will be no proration or refunds of any monthly or annual fees or for partial months of service usage. Non usage of the services contracted for under this agreement will not be construed as a cancellation by the CLIENT. CLIENT acknowledges that services contracted for are due and payable without regards to usage. Non usage or low usage of the services contracted for does not reduce the amounts due for contracted services. ASI Terms are Net-10. Interest of 1.5% per month will be charged on all past due balances. Additionally a 10% fee will be accessed for late payments.
2. Monthly charges are based on the current price list and the service options selected by the CLIENT. Services initially indicated during the setup process are subject to change by request of the CLIENT without modifying other terms and conditions of this agreement. Service plans, prices and fees are subject to change with 30 days notice. All funds are payable in U.S. Dollars.
3. Collection/Attorney's Fee. In the event that either party to this contract commences any lawsuit or legal action or engages a collection agency to enforce any rights or remedies which it may have under this contract, the prevailing party in any such action shall be entitled to an award of its reasonable collection fees and/or attorney's fees and costs. Should the CLIENT choose to do a chargeback of ASI fees on the CLIENT'S credit card, and ASI prevails, a fee of \$25.00 for each chargeback will be accessed to the CLIENT'S account.
4. This is a contractually binding agreement, and its provisions shall be binding upon the heirs, successors, and assigns of the parties hereto.
5. The parties agree that the laws of the State of Idaho shall govern any dispute which might arise under this agreement, and that the venue for any lawsuit of legal action brought, or arising out of this

agreement, be exclusively in the Superior Court of Boundary County for the State of Idaho.

6. Guarantee. The individual whose name is entered as accepting this contract (below) on behalf of a business shall be the personal guarantor of subscriber's performance of all monetary obligations which may arise out of this contract.

7. CLIENT acknowledges that the business of ASI is to supply business support services to its clients, including telephone answering service and voice mail service. CLIENT understands that all phone numbers provided by ASI are the property of ASI and will always remain ASI's property even upon and after termination of this agreement. CLIENT further acknowledges that ASI provides these services to clients on a volume basis, and that while every effort is made to carry out such services to the best of ASI's ability there may be instances where mistakes are made. CLIENT further acknowledges that the fees charged by ASI for its services do not contemplate compensation damages to CLIENT caused by the occurrence of such error, mistake or delay, and that if ASI were to charge fees that did contemplate the assumption of such risks, that the amount of such fees would be much greater. Accordingly, it is agreed by the parties as follows:

A. CLIENT agrees that ASI assumes, shall incur and be responsible for no liability in connection with any mistake, error or delay in the performance of the services to be delivered under this contract. CLIENT also waives and holds ASI exempt and free from liability as a result of such mistakes, error or delay in the delivery of such services.

B. It is additionally agreed that should the foregoing waiver of liability be held for any reason Unenforceable, the damages for any such mistake, error or delay in delivery of services shall be limited to and shall not exceed the cost of one month's fees as provided in the Agreement which would have otherwise been payable by CLIENT to ASI for the rendering of the type of service with the regard to which it is claimed that mistake, error or delay was committed or occurred.

8. CLIENT agrees to allow ASI to charge the balance on any invoice(s) outstanding on the CLIENTS account to the Credit Card Number or any other credit card that CLIENT has provided to ASI once the invoice becomes due and payable per the terms on the invoice. By accepting this contract, and/or by using our services (i.e. utilizing the telephone answering services or voice mail box, etc.), CLIENT agrees to all terms and conditions of this contract and acknowledges that matters referred to in paragraph seven (7) have been fully discussed by and between CLIENT and ASI. CLIENT understands the meaning of this paragraph, and understands that this paragraph's effect is to eliminate certain rights and/or claims for damages which CLIENT might otherwise have. CLIENT agrees with the factual statements set forth in this paragraph, and agrees that the waiver of liability for damages contained herein is freely and voluntarily entered into.

By accepting this contract, and/or by using our services (i.e. utilizing the telephone answering services or voice mail box, etc.), CLIENT agrees to all terms and conditions of this contract and acknowledges that matters referred to in paragraph six (6) have been fully discussed by and

between CLIENT and ASI. CLIENT understands the meaning of this paragraph, and understands that this paragraph's effect is to eliminate certain rights and/or claims for damages which CLIENT might otherwise have. CLIENT agrees with the factual statements set forth in this paragraph, and agrees that the waiver of liability for damages contained herein is freely and voluntarily entered into.

[Print Agreement](#)