NOTICE AND AGENDA OF REGULAR BOARD OF DIRECTORS MEETING

WEDNESDAY, JANUARY 22 • 6:30 P.M.
(or immediately following the Monte Vista Irrigation Company Annual Board meeting)

1. CALL TO ORDER/FLAG SALUTE

2. PUBLIC COMMENT/Open Forum
   Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the California Government Code. Comments are limited to three (3) minutes per speaker.

3. AGENDA CHANGES/ADDITIONS
   In accordance with Section 54954.2 of the Government Code (the Brown Act), additions to the agenda require a two-thirds vote of the legislative body, or if less than two-thirds of the members are present, a unanimous vote of those members present. It shall be determined that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the posting of the agenda.

4. CONSENT CALENDAR
   NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board of Directors by one combined motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board member, staff person, or member of the public requests specific items be discussed and/or removed from the Consent Calendar.

   A. Meeting Minutes
      Meeting Date: January 8, 2020
      Recommendation: Approve as presented.

   B. SCADA Equipment Purchase
      Recommendation: 1) Establish a new Capital Outlay Project EN2019-05 for the SCADA Equipment Replacement Project; and 2) approve the transfer of $40,000 from reserves into Capital Outlay Project EN2019-05.

   C. Budget Calendar
      Recommendation: Approve the proposed Fiscal Year Ending 2021 Budget Calendar.

5. DISCUSSION AND/OR ACTION ITEMS

   A. Groundwater Storage Strategy
      Presenter: Van Jew, Director of Engineering, Operations & Maintenance
      Recommendation: Receive and file.

   B. Proposed Water Facilities and Service Agreement
      Presenter: Hilton Saenz, Maintenance Superintendent
      Recommendation: Approve a proposed Water Facilities and Service Agreement that will allow the District to enter into an agreement with property owners for water facilities that will be transferred to the District.
6. GENERAL MANAGER’S REPORT

7. INFORMATION ITEMS

8. BOARD COMMITTEE REPORTS

9. BOARD COMMENTS (reports on conferences/meetings attended at District expense)

10. CLOSED SESSION
    A. Conference with Legal Counsel – Anticipated Litigation (GC §54956.9[b])
    B. Conference with Legal Counsel – Anticipated Litigation (GC §54956.9[b])

11. ADJOURNMENT

DECLARATION OF POSTING

In accordance with the requirement of California Government Code §54954.2, this agenda has been posted in the display case at the gated entrance to our main office at 10575 Central Avenue, Montclair, California not less than seventy-two (72) hours prior to the meeting date and time above.

Written materials relating to open session agenda items, including those distributed to the majority of the Board of Directors after distribution of this agenda package, are available for public inspection during normal business hours at the District’s main office, located at 10575 Central Avenue, Montclair, California.

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting may request such modification or accommodation from the District Secretary at (909) 267-2160 or by email at ggarcia@mvwd.org. Notification forty-eight (48) hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE MONTE VISTA WATER DISTRICT

January 8, 2020

DIRECTORS PRESENT:
Sandra Rose, President
G. Michael Milhiser, Vice-President
Tony Lopez, Director
Manny Martinez, Director/Auditor

DIRECTORS ABSENT:
Philip Erwin, Director

STAFF PRESENT:
Andrew Gagen, Legal Counsel
Justin Scott-Coe, General Manager
Ray Harton, Director of Finance & Administrative Services
Van Jew, Director of Engineering, Operations, & Maintenance
Betty Conti, Human Resources & Risk Administrator
Kelley Donaldson, Community Affairs Manager
Stephanie Reimer, Finance & Information Technology Manager
Juan Ventura, Customer Service Supervisor
Gabby Garcia, Executive Assistant

OTHERS IN ATTENDANCE:
Lora Carpenter, Fieldman & Rolapp
Doug Brown, Straddling Yocca Carlson & Rauth
Tyler Old, J.P. Morgan Securities, LLC

ITEM 1: CALL TO ORDER/FLAG SALUTE
President Rose called the meeting to order at 6:30 p.m.
President Rose led those assembled in the Flag Salute

ITEM 2: PUBLIC COMMENT/OPEN FORUM
None

ITEM 3: AGENDA CHANGES/ADDITIONS
None

ITEM 4 CONSENT CALENDAR
Upon motion by Vice-President Milhiser, seconded by Director Martinez, and unanimously carried:

M20-01-01
MOVED: Approval of Consent Calendar:
   A. Meeting minutes of November 20, 2019
   B. Meeting minutes of December 11, 2019
   C. Fair Political Pratices Commission (FPPC) Form 806 Public Official Assignments
ITEM 5: FINANCIAL REPORTS

A. Register of Demands
Stephanie Reimer, Finance & Information Technology Manager presented the Register of Demands for November 2019. Discussion ensued.

Upon motion by Vice-President Milhiser, seconded by Director Lopez, and unanimously carried:


B. Financial Summaries

Upon motion by Vice-President Milhiser, seconded by President Rose, and unanimously carried:


ITEM 6: ADJOURN TO MONTE VISTA COUNTY WATER DISTRICT WATER FACILITIES CORPORATION

The Board Meeting was adjourned at 6:35 p.m. (See Water Facilities Corporation minutes for Motions M19-12-04 & M19-12-05)

ITEM 7: RECONVENE TO REGULAR MEETING OF THE MONTE VISTA WATER DISTRICT AT 7:10 p.m.

ITEM 8: DISCUSSION AND/OR ACTION ITEMS

A. Resolution 765-20: Revenue Certificates of Participation

The District’s financial advisors Ms. Lora Carpenter of Fieldman & Rolapp, Doug Brown (Bond Counsel) of Straddling Yocca & Rauth, and Tyler Old (Underwriter) of J.P. Morgan Securities provided a joint graphical presentation to the Board explaining the District’s development of a finance plan to fund needed capital improvements and refund the outstanding Series 2010A Certificates of Participation. Ms. Carpenter said the tax-exempt and taxable markets provide the District with an opportunity to refinance existing debt and issue 30-year new money at historically favorable yields. Furthermore, the estimated $17 million in tax-exempt proceeds will fund the Plant 30 Wellhead Treatment Project and administrative headquarters renovations. The financial advisors each gave an overview of the plan on the following sections: 1) 2020 debt issuance overview; 2) market update; and 3) legal documentation. Staff’s recommendation is for the Board to approve the Authorizing Resolution and legal documents allowing staff and finance team to proceed with the issuance of the 2020A and 2020B Certificates. Discussion ensued.
M20-01-05
MOVED: Adopt Resolution 765-20, authorizing the preparation, sale and delivery of Revenue Certificates of Participation and approving certain documents with respect thereto, and authorizing certain actions in connection therewith, including:

1. Installment Purchase Agreement by and between Monte Vista Water District and Monte Vista County Water District Water Facilities Corporation;
2. Trust Agreement by and among MUFG Union Bank, N.A., as Trustee, and Monte Vista County Water District Water Facilities Corporation and Monte Vista Water District;
3. Purchase Contract between Monte Vista Water District and J.P. Morgan Securities, LLC (acknowledged by Monte Vista County Water District Water Facilities Corporation);
4. Continuing Disclosure Certificate of Monte Vista Water District;
5. Preliminary Official Statement for Revenue Certificates of Participation, Series 2020A and 2020B; and
6. Escrow Agreement (Series 2010A Certificates) by and between Monte Vista Water District and MUFG Union Bank, N.A., as escrow agent and Series 2010A Certificates trustee.

As approved by roll-call vote:
Vice-President Milhiser aye
Director Erwin absent
President Rose aye
Director Lopez aye
Director Martinez aye

B. Resolution 751-20: Establishing a Water Service Discontinuation Policy

Customer Service Supervisor Juan Ventura provided a graphical presentation to the Board about the “Water Shutoff Protection Act” which takes effect February 1, 2020. The legislation, Senate Bill (SB) 998, was signed by Governor Brown on September 28, 2018, establishing requirements and procedures for discontinuing residential water service due to non-payment. This legislation requires the District to take the following actions: 1) Establish a written policy that is available in multiple languages and posted on the District’s website; 2) provide customers with the formal mechanism to appeal bills and request payment extensions and/or payment arrangements; 3) ensure that customers are given proper notifications prior to discontinuation of service; and 4) annually post the number of times the District has discontinued service for non-payment on the District’s website. Mr. Ventura said that staff has determined there are minimal changes to the District’s current policies and procedures necessary for compliance with SB 998. He provided an overview of the proposed changes to the Board. Discussion ensued.

Upon motion by Director Lopez, seconded by Director Martinez, and unanimously carried:

M20-01-06
MOVED: Adopted Resolution 761-20, establishing a water service discontinuation policy, as approved by roll vote:
Vice-President Milhiser aye
Director Erwin absent
President Rose aye
Director Lopez aye
Director Martinez aye
C. Six-Month Goals for the New General Manager

General Manager Justin Scott-Coe provided a graphical presentation to the Board that illustrated his goals for the first six months of his tenure as the General Manager. On November 1, 2019, the then General Manager Mark Kinsey entered into a professional services agreement with Kevin S. Milligan Consultancy, LLC, to provide general management consulting services for a not-to-exceed amount of $20,000, which included a task order specific to performance management services for a not-to-exceed amount of $13,740. General Manager Scott-Coe said he and the Board of Directors agreed to include a commitment to address management priorities in the new general manager’s employment agreement, as well as an initial six-month performance evaluation. He provided an overview of goals to be completed by the end of his six-month performance evaluation: 1) revisions of employee’s handbook and personnel manual; 2) strategic planning process; 3) six-month executive management performance evaluations; 4) achieve California Special District Association’s administrator certification; and 5) maintain forward progress on major District projects. Discussion ensued. No action was taken.

ITEM 9: GENERAL MANAGER’S REPORT
In addition to his written report, General Manager Scott-Coe briefed the Board on issues and activities of the past two weeks.

ITEM 10: BOARD COMMITTEE REPORTS
None

ITEM 11: BOARD COMMENTS (Reports on Conferences/Meetings Attended at District Expense)
Vice-President Milhiser commented on General Manager Scott-Coe’s bio and picture included in the recent Association of California Water Agencies (ACWA) publication. Vice-President Milhiser also commented on the recently received Metropolitan Water District of Southern California’s 2020 Student Art Calendar that features the artwork of two student winners from the District’s Poster Contest.
Director Martinez wished everyone a Happy New Year and thanked District staff for all their hard work in the last year.
President Rose commented on Kelley’s efficiency and hard work to get the Board scheduled for upcoming Strategic Plan development meetings and requested that all Board members confirm their dates with her.

ITEM 12: NO CLOSED SESSION
There being no further business, President Rose adjourned the meeting at 7:43 p.m.

Respectfully submitted,

Justin Scott-Coe
General Manager/Board Secretary
January 22, 2020

Honorable Board of Directors
Monte Vista Water District

SUBJECT: SCADA Equipment Replacement Project

STAFF RECOMMENDATION:

It is recommended that the Board of Directors:

1. Establish new Capital Outlay Project EN2019-05 for the SCADA Equipment Replacement Project; and

2. Approve the transfer of $40,000 from reserves into Capital Outlay Project EN2019-05.

PRIOR BOARD ACTION:

None

COMMITTEE ACTION:

This item was referred to the Engineering Committee on Tuesday, January 14, 2020, and the Committee’s recommended it be forwarded to the Board for approval.

FINANCIAL IMPACT:

Amending the Fiscal Year Ending 2020 Budget to establish funding for this project will increase the Capital Outlay Budget by $40,000, from $21,341,334 to $21,381,334, and reduce reserves by the same amount from $25,240,263 to $25,200,263.

CONSISTENCY WITH STRATEGIC PLAN GOALS/INITIATIVES:

Strategic Goal 3: Maintain and upgrade the District water distribution system and facilities.
BACKGROUND

Supervisory control and data acquisition (SCADA) is a system of software and hardware elements that allow the District to control, monitor, gather, and process real-time data for the efficient operation of the water system. The SCADA system maintains efficiency, helps staff make smarter decisions, and helps mitigate down time.

The basic SCADA architecture begins with programmable logic controllers (PLCs) or remote terminal units (RTUs). PLCs and RTUs are microcomputers that communicate with an array of objects, such as sensors and end devices, and then route the information from those objects to computers with SCADA software. The SCADA software processes, distributes, and displays the data, helping operators and other employees analyze the data and make important decisions.

The SCADA Equipment Replacement Project was an approved capital outlay project (EN2019-05) in Fiscal Year Ending (FYE) 2019 Budget.

DISCUSSION

The programmable logic controllers at Plants 19 and 10 and the radios at Plants 30 and 32 have served their useful life. These devices are outdated and unsupported. Replacing the equipment will improve the reliability of the SCADA system.

Staff recommends the SCADA Equipment Replacement Project be established for FYE 2020, and that the budget for the project be set for $40,000.

Respectfully submitted,

John Hughes
Water Systems Superintendent

Stephanie A. Reimer
Finance & Information Technology Manager

Van M. Jew
Director of Engineering, Operations & Maintenance

Justin M. Scott-Coe
General Manager

♣ Page 2 of 2
January 22, 2020

Honorable Board of Directors
Monte Vista Water District

SUBJECT: Fiscal Year Ending 2021 Budget Calendar

STAFF RECOMMENDATION:

It is recommended that the Board of Directors review and discuss the proposed Fiscal Year Ending 2021 Budget Calendar.

COMMITTEE ACTION:

This item was not referred to committee as it is considered a routine administrative activity.

PRIOR BOARD ACTION:

None.

FINANCIAL IMPACT:

None.

CONSISTENCY WITH STRATEGIC PLAN GOALS/INITIATIVES:

Strategic Goal 5: Maintain responsible stewardship of District funds to address future needs.

BACKGROUND

Annually, Monte Vista Water District (District) completes a two-year budget document identifying priorities and programs of the District with the financial resources necessary in accomplishing Board-approved programs and capital projects. The annual budget preparation focuses on this forecasting cycle, evaluating and/or revisiting the planning horizon each and every year. The District’s annual budget coordinates proposed goals and objectives with specifically identified programs within the Board-approved Strategic Plan, while incorporating the District’s Capital Improvement Plan and overall Financial Master Plan within this process.
DISCUSSION

Development of the annual budget is performed by staff in phases, with each phase subject to a separate management review process. These phases are specifically identified in the budget calendar with corresponding due dates for submission and review by management. Upon completing the development and review process, a draft budget is then assembled in a consolidated format, forecasting the next two fiscal years of District operations.

Following its completion, a Board workshop will be undertaken to receive input, direction, and comments from the Board and to ensure that the draft budget is aligned with Board-defined District priorities. The Budget workshop for the Fiscal Year Ending (FYE) 2021 budget process is tentatively scheduled for Wednesday, May 27, 2020. Provided in the attached exhibit is the FYE 2021 proposed budget calendar for the Board’s review and comment.

Respectfully submitted,

Stephanie A. Reimer
Finance & Information Technology Manager

Ray L. Harton
Director of Finance & Administrative Services

Justin M. Scott-Coe
General Manager

Attachment
# Monte Vista Water District
## Budget Calendar
### FYE 2021

<table>
<thead>
<tr>
<th>Due</th>
<th>Day</th>
<th>Budget Item</th>
<th>Review</th>
<th>Time</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>27-Feb-20</td>
<td>(Thurs)</td>
<td>Budget Kick-Off Meeting</td>
<td></td>
<td>2:00 PM</td>
<td>Management Team</td>
</tr>
<tr>
<td>18-Mar-20</td>
<td>(Wed)</td>
<td>Goals &amp; Objectives</td>
<td>19-Mar-20</td>
<td>2:00 PM</td>
<td>Management Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staffing Plan</td>
<td></td>
<td></td>
<td>Management Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water Supply Plan</td>
<td></td>
<td></td>
<td>Dir. Engineering, Ops &amp; Maint</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chino Hills Meeting</td>
<td>Late March</td>
<td></td>
<td>Management Team</td>
</tr>
<tr>
<td>1-Apr-20</td>
<td>(Wed)</td>
<td>O&amp;M (excluding labor)</td>
<td>9-Apr-20</td>
<td></td>
<td>Management Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wages &amp; Benefits</td>
<td></td>
<td></td>
<td>Human Resources/Risk Admin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consolidated Review</td>
<td>13-May-20</td>
<td>2:00 PM</td>
<td>Management Team</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Wed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27-May-20</td>
<td>(Wed)</td>
<td>Board Workshop</td>
<td></td>
<td>6:30 PM</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>1-Jun-20</td>
<td>(Wed)</td>
<td>Final Review</td>
<td></td>
<td>2:00 PM</td>
<td>Management Team</td>
</tr>
<tr>
<td>10-Jun-20</td>
<td>(Wed)</td>
<td>Preliminary Board Approval of Budget</td>
<td>6:30 PM</td>
<td></td>
<td>Board of Directors</td>
</tr>
<tr>
<td>24-Jun-20</td>
<td>(Wed)</td>
<td>Final (If necessary) Board Approval of Budget</td>
<td>6:30 PM</td>
<td></td>
<td>Board of Directors</td>
</tr>
</tbody>
</table>
January 22, 2020

Honorable Board of Directors
Monte Vista Water District

SUBJECT: Groundwater Rights Management Strategy

STAFF RECOMMENDATION:

It is recommended that the Board of Directors receive and file this item.

COMMITTEE ACTION:

None.

PRIOR BOARD ACTION:

None.

FINANCIAL IMPACT:

There is no direct impact on the Fiscal Year Ending 2020 Budget as a result of this item.

CONSISTENCY WITH STRATEGIC PLAN GOALS/INITIATIVES:

Strategic Goal 2: Improve quality and reliability of water supply through local development and regional collaboration.

DISCUSSION

In 2012, staff developed a long-range water usage rights strategy and annually thereafter has represented the strategy for discussion. The strategy determined that by increasing the amount of water held in storage, both Monte Vista Water District (District) and the Monte Vista Irrigation Company (Company) would gain flexibility in addressing the following conditions:
1. Elimination of replenishment supplies and/or pricing discounts from Metropolitan Water District of Southern California.

2. Reduction in imported water supply available due to drought, system failures, environmental issues, or other factors.

3. Meeting Chino Basin desalter replenishment obligations shared, by agreement, among all Appropriate Pool producing parties. Stored water can be used to meet both the District and the Company's obligation.

4. Enhancement of balance sheet and reduction in annual operating costs by pumping stored water.

5. Appreciation of an asset (i.e. stored water) increasing at a significantly higher rate of return than cash reserves.

In addition to gaining flexibility to address the above conditions, the District may want to consider more specifically what level of groundwater rights to hold in storage at any given time. In so doing, the annual pumping rights and water held in storage by both the District and the Company should first be identified as well as their combined, projected desalter replenishment obligations.

### Annual Production Rights, Water in Storage, and Future Desalter Replenishment Obligations

The annual District and Company production rights for Fiscal Year Ending (FYE) 2020 are as follows:

<table>
<thead>
<tr>
<th>Production Right Type in Acre-Feet (AF)</th>
<th>District</th>
<th>Company</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryover</td>
<td>3,944.0</td>
<td>553.3</td>
<td>4,497.3</td>
</tr>
<tr>
<td>Operating Safe Yield</td>
<td>3,944.0</td>
<td>553.3</td>
<td>4,497.3</td>
</tr>
<tr>
<td>Ag Pool Reallocation</td>
<td>2,798.4</td>
<td>383.1</td>
<td>3,181.5</td>
</tr>
<tr>
<td><strong>TOTAL in FYE 2020 Annual Production Rights</strong></td>
<td><strong>10,686.4</strong></td>
<td><strong>1,489.7</strong></td>
<td><strong>12,176.1</strong></td>
</tr>
</tbody>
</table>

The water held in storage by the District and the Company at the beginning of this fiscal year is as follows:

<table>
<thead>
<tr>
<th>Category in AF</th>
<th>District</th>
<th>Company</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Carryover</td>
<td>7,753.8</td>
<td>9,375.0</td>
<td>17,128.8</td>
</tr>
<tr>
<td>Local Supplemental Storage</td>
<td>3,380.5</td>
<td>5,453.9</td>
<td>8,834.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,134.3</strong></td>
<td><strong>14,828.9</strong></td>
<td><strong>25,963.2</strong></td>
</tr>
</tbody>
</table>

The estimation of the projected desalter replenishment obligation (DRO) is a more complex calculation and takes into account many factors, some of which are not yet determined or by nature are variable. Staff's best estimate of the DRO is as follows:

<table>
<thead>
<tr>
<th>Desalter Replenishment Obligation thru 2030 in AF</th>
<th>District</th>
<th>Company</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,000</td>
<td>2,000</td>
<td>19,000</td>
</tr>
</tbody>
</table>
Level of Water Storage in Year 2030

In addition to production rights, water in storage, and DRO, there are several other factors that will influence the combined level of groundwater held in storage in the future by the District and the Company. These other factors include (and are not limited to): future safe yield resets, availability of unpumped agricultural rights, increases in stormwater and recycled water activities, physical production by District groundwater facilities, aquifer storage and recovery activity by the District, implementation of new District groundwater treatment plants, water rights leased or leased out by the District or the Company, and actual Chino Desalter Authority production.

The combined District and Company water in storage is 25,963.2 AF (second table above). Staff’s best projection is that District and Company water in storage at the end of FYE 2030 will be approximately 26,000 AF, virtually unchanged from current levels. One of the factors in this estimate is that the District will lease 500 AF of water rights annually, which is an expenditure that is accounted for in the recently completed 2019 District rate study.

In recent years, the combined usage of pumping rights by the District and the Company has been about 6,500 AF per year. Staff has considered it prudent to hold three years of pumping rights (19,500 AF, which is 20,000 AF when rounded-up). Therefore, the projected future 2030 water held in storage level, 26,000 AF, is in excess of the stated 20,000 AF. To remedy such excess, one course of action the District can take is to decline leasing 500 AF of rights per year and rather use those funds to address other areas of District needs. Doing so would reduce the future water held in storage to 20,500 AF, which would be in-line with the concept of holding three years of pumping rights.

Respectfully submitted,

[Signature]

Van M. Jew
Director of Engineering, Operations & Maintenance

[Signature]

Justin M. Scott-Coe
General Manager
January 22, 2020

Honorable Board of Directors
Monte Vista Water District

SUBJECT: Proposed Water Facilities and Service Agreement

STAFF RECOMMENDATION:

It is recommended that the Board of Directors approve a proposed Water Facilities and Service Agreement that will allow the District to enter into an agreement with property owners for water facilities that will be transferred to the District.

COMMITTEE ACTION:

This item was referred to the Engineering Committee on Wednesday, December 4, 2019, and the Committee recommended it be forwarded to the Board of Directors for approval.

PRIOR BOARD ACTION:

None.

FINANCIAL IMPACT:

None.

CONSISTENCY WITH STRATEGIC PLAN GOALS/INITIATIVES:

Strategic Goal 1: Continually strive to provide high quality customer service.
BACKGROUND

Under Ordinance 28, Monte Vista Water District (District) requires any developer requesting water service to submit an application including the proposed water facilities to be constructed. The District Maintenance Superintendent reviews the proposed facilities and provides a will-serve letter with estimated costs for District installation of the proposed facilities.

The District may at times allow developers, if they so choose, to construct the facilities to District standards and then transfer ownership of the facilities to the District. Currently, a developer will provide the District with the name of the contracting firm they have selected to conduct the installation(s), along with proof of an active California State Licensing Board class “A” General Contractor license. The contractor is responsible for the installation of all water system material and meters according to the most current District Standard Drawings and Material List.

DISCUSSION

The purpose of the proposed Water Facilities and Service Agreement (Agreement) is to delineate obligations of the District and the party developing water facilities and requesting water service from the District. The proposed Agreement spells out the obligations for the property owner and/or developer so that they understand the District’s requirements for the water service connection. The Agreement states that the property owner and/or developer has to be in compliance with the following:

- Construction of onsite water facility improvements in accordance with District standards
- Dedication of easement areas to the District
- Permitting the District to perform site inspections during construction
- Furnishing a surety bond to the District with a one-year warranty period
- Providing the District the rights to access, operate, and maintain onsite facilities within the easements
- Recording the Notice of Completion with the County Recorder within 35 days of completion
- Indemnifying, holding harmless, and defending the District from and against claims related to the work

The proposed Agreement (attached) has been developed with the assistance of District Legal Counsel.
Proposed Water Facilities and Service Agreement

Respectfully submitted,

Hilton Saenz
Maintenance Superintendent

Justin M. Scott-Coe
General Manager

for

Van M. Jew
Director of Engineering, Operations & Maintenance

Attachment
WATER FACILITIES AND SERVICE AGREEMENT
BETWEEN
MONTE VISTA WATER DISTRICT
AND
[PROPERTY OWNER(S) NAME(S)]

This WATER FACILITIES AND SERVICE AGREEMENT ("Agreement") is entered into on [DATE], 2019 ("Agreement Date"), by and between MONTE VISTA WATER DISTRICT ("MVWD") and [NAME(S) OF PROPERTY OWNER(S) WHO OWN(S) THE PROPERTY] ("Property Owner"). For purposes of this Agreement, MVWD and Property Owner may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. Property Owner owns and controls real property located at [ADDRESS] ("Property"), which is to be developed with a [describe development along with onsite water facility improvements] (the "Project"). Property Owner has also applied to MVWD for water service for this Property.

B. MVWD provides retail municipal water service to land within its boundaries. The Parties intend, by this Agreement, to provide access to water service through MVWD for the benefit of the Project. At its sole expense, Property Owner will construct onsite water facilities as part of the Project and convey the onsite water facilities described below to MVWD.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the Parties agree as follows:

In addition to complying with the requirements as stated in MVWD’s fee letter (Exhibit "A"), the Property Owner shall also comply with the obligations below.

1. Onsite Facilities

   A. The onsite water facility improvements to be constructed by Property Owner as part of the Project are the water service connection(s) on the "MVWD side" of the water meter, which extends from, and includes, the water meter to MVWD’s water main ("Onsite Facilities"). The Onsite Facilities are shown on Property Owner’s improvement plans ("Onsite Facilities Plans"). The Onsite Facilities Plans are to be approved by MVWD, maintained on file with MVWD, and are attached hereto as Exhibit "B".

2. Parties’ Obligations for Onsite Facilities.

   A. Property Owner shall cause Onsite Facilities to be constructed and transferred to MVWD. The Onsite Facilities shall be constructed:

   (i) at no expense to MVWD;
(ii) within the easement areas dedicated to MVWD on the face of the Map ("Easements"); and

(iii) in substantial conformance with the Onsite Facilities Plans approved by MVWD.

B. During construction, MVWD has the right to inspect the Onsite Facilities during normal business hours and upon reasonable advanced notice to Property Owner.

C. Prior to executing this Agreement, and at Property Owner’s sole expense, Property Owner shall furnish a surety bond to MVWD, which shall remain in effect from the date of acceptance of the Bill of Sale for a warranty period of one (1) year. The surety bond(s) shall be in an amount equal to one hundred (100) percent of the Engineer’s Estimate of the cost of construction of Onsite Facilities. MVWD shall review the Engineer’s Estimate and determine the amount of the surety bond. At the end of the one-year warranty period, MVWD will release the surety bond to the Property Owner. If defects in the Onsite Facilities are discovered within the warranty period, Property Owner shall remedy such defects.

D. Property Owner shall provide, in favor of MVWD, a Deed of Easement conveying to MVWD rights to access, operate, and maintain the Onsite Facilities within the Easements.

E. Written notice shall be provided to MVWD upon completion of the Onsite Facilities ("Notice of Completion"). MVWD shall inspect the Onsite Facilities and review all work and services performed with respect thereto and may provide written notification affirming that the Onsite Facilities are approved as constructed, accepting the Onsite Facilities and Easements ("Final Acceptance").

F. Within 35 days after recording of the Notice of Completion with the County Recorder, Property Owner will execute and deliver a proper Bill of Sale, on the standard form of MVWD, of the Onsite Facilities to MVWD. It is understood and agreed when MVWD’s accept the Bill of Sale, Property Owner disclaims in favor of MVWD all right, title and interest in and to the Onsite Facilities and Easements. Property Owner shall no longer own, operate, or maintain the Onsite Facilities following MVWD’s acceptance of the Bill of Sale.

G. Property Owner shall indemnify, hold harmless, and defend MVWD (including its elected officials, officers, volunteers, agents, attorneys, and employees) and its affiliates, the Monte Vista Water District Financing Authority and the Monte Vista Water District Public Financing Corporation ("Affiliates"), from and against any and all claims (including all litigation, demands, damages, liabilities, costs, and expenses, including court costs and attorney’s fees) resulting or arising from Property Owner’s performance or non-performance (actual or alleged) of this Agreement (with the exception of the sole negligence, willful misconduct, or breach of this Agreement by MVWD, or its elected officials, officers, volunteers, agents and employees).

H. Property Owner shall procure, maintain, and keep in force and effect, for one year following MVWD’s Final Acceptance, the insurance coverage described in Exhibit
“C”. Property Owner shall not commence work on the Onsite Facilities until it has obtained, and transmitted proof of insurance to MVWD. In addition, Property Owner shall not allow any contractor to commence work on the Onsite Facilities until such contractor has obtained insurance coverage described in Exhibit “C”. The cost of such insurance shall be paid by Property Owner.

GENERAL PROVISIONS

3. **Damage to MVWD Facilities.** Property Owner hereby agrees that it will assume all responsibility for damages and charges to MVWD Offsite Facilities within and adjacent to the Project construction site caused by Property Owner, and any person, firm, or corporation working for, on behalf of, or by direction of Property Owner.

4. **Relationship of Parties.** Nothing in this Agreement shall be deemed to create any form of business organization between the Parties, including, without limitation, a joint venture or partnership. Property Owner, in constructing and installing Onsite Facilities, is not acting as agent or employee of the District.

5. **Resolution of Disputes.** If any dispute shall arise with respect to this Agreement and is not otherwise resolved by the parties hereto, then such dispute shall be determined by a general judicial reference pursuant to California Code of Civil Procedure Sections 638 et seq. in the County of San Bernardino, before one general referee. This is a waiver of any right that may exist to a jury trial.

6. **Attorneys’ Fees and Costs.** In the event a Party brings an action relating to or arising from this Agreement, the prevailing Party in such action shall be entitled to recover from the other Party its reasonable legal costs, including reasonable attorneys’ fees.

7. **Severability.** If any language in this Agreement is determined by a court of law to be invalid, void, or unenforceable, the voided language shall be deemed severed from the remaining language of this Agreement, which shall remain valid and enforceable to the full extent permitted by law, and the Parties shall negotiate in good faith to replace the unenforceable language in accordance with the original purpose and intent of this Agreement as set forth in the Recitals.

8. **Counterparts.** This Agreement may be executed in counterparts (signatures may be by facsimile or electronic mail), each of which is hereby declared to be an original. All, however, shall constitute but one and the same Agreement.

9. **Complete Agreement.** This Agreement contains the entire agreement between the Parties and supersedes and replaces any and all prior negotiations and agreements between the Parties, whether written or oral. Each Party acknowledges that it has not executed this Agreement in reliance on any such promise or representation or warranty not contained in this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.
11. **Term.** This Agreement shall become void six months from the Agreement Date if construction of the Onsite Facilities has not started. MVWD and Property Owner will negotiate in good faith thereafter to make necessary changes to the fees in Exhibit “A” and to conform this Agreement to then existing MVWD standards, practices, and policies.

12. **Recordation.** This Agreement shall be recorded with the San Bernardino County Recorder’s Office.

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**SIGNATURES**

Agreed to by:

MVWD: Monte Vista Water District

By: Justin M. Scott-Coe, General Manager

Property Owner:

By: 

(Name and Title)

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**APPROVED AS TO FORM:**

Kidman Gagen Law LLP

By: Andrew B. Gagen, General Counsel
EXHIBIT "A"

MVWD's Fee Letter
EXHIBIT "B"

Onsite Facilities Plan

PLEASE REFER TO THE ATTACHED PDF
EXHIBIT “C”

Insurance Requirements

Insurance requirements shall at least be as broad as:

(a) **Worker’s Compensation Insurance**: The Worker’s Compensation insurance must be in the form and amount required by applicable statute.

(b) **Employer’s Liability Insurance**: Employers’ Liability insurance with minimum limits required as follows: (i) $1,000,000 - Each accident; and (ii) $1,000,000 - Each Employee for injury by disease.

(c) **Commercial General Liability Insurance**: Commercial General Liability ("CGL") insurance written on the most current ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with a limit of not less than:

(i) $1,000,000 - Each Occurrence

(ii) $2,000,000 - General Aggregate

(d) **Business Auto Liability Insurance**: Business Auto Liability Insurance of not less than $1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be written on ISO form CA 0001, CA 0005, CA 0020 or a substitute form providing equivalent liability coverage.

(e) Property Owner shall provide MVWD with a waiver of subrogation endorsement in favor of MVWD for each policy. Each policy of insurance (other than the Worker’s Compensation and any Builders’ Risk policies) shall name MVWD (including its elected officials, officers, volunteers, agents, attorneys, and employees) and its Affiliates as an additional insured. Such policies shall contain a provision that the naming of the additional insured shall not negate any right the additional insured would have had as claimant under the policy if not so named.

(f) The certificate of insurance evidencing each of the coverages required hereunder shall be provided to MVWD prior to commencement of construction on the Project. Each such certificate of insurance shall contain provisions stating the limits, coverage and other provisions required in this Section. A renewal certificate for each of the policies required in this Section shall be delivered to MVWD promptly following the expiration date of the term of such policy. Each policy shall provide that such policy or policies and the coverage evidenced thereby are primary and that the insurance of MVWD or any other additional insured is excess and non-contributing with such primary coverage. Any policies required by provisions of this Section that are not specific to the Project improvements may be made a part of a blanket policy of insurance.
General Manager’s Report

Meetings:

January 9: Chino Basin Storage Management Briefing – District’s Legal Counsel Andrew Gagen and Art Kidman
January 14: Chino Basin Water Bank Partners’ Meeting
January 15: Strategic Plan Interview with Management Partners Team – Amy Paul, John Stufflebean, and Dave Mansfield
January 15: John Mura, General Manager of East Valley Water District
January 16: Water Facilities Authority Board Meeting
January 16: Chino Hills Meeting – Daniel Bobadilla, Mark Wiley, Ben Montgomery, and Ron Craig and District staff: Van Jew, Ray Harton, Stephanie Reimer, and John Hughes
January 16: Chino Basin Watermaster Optimum Basin Management Program Update Meeting – Peter Kavounas, Edgar Tellez Foster
January 21: Terry Catlin, General Manager of Water Facilities Authority

Events:

January 9: Chamber Breakfast at Arthur Murray Dance Studio at 8660 Central Ave., Montclair beginning at 7:30 a.m.
January 30: Three Valleys MWD Leadership Breakfast at Sheraton Fairplex Hotel, 601 W. McKinley Ave., Pomona beginning at 7:30 a.m.
March 12: Association of California Water Agencies’ Legislative Symposium in Sacramento
April 19-22: California Special Districts Association’s Special Districts Leadership Academy in San Diego
May 5-8: Association of California Water Agencies’ 2020 Spring Conference & Exhibition in Monterey

Capital Projects:

Main Office Site Renovation Project: The architect has submitted the design plans this month to the City of Montclair for review. The City’s initial review is estimated to take 4-6 weeks, meaning City comments may be received in early February. Apart from the building design, staff has working with the interior designer to identify furniture and other aesthetic options, which will in time be presented to the Board Ad Hoc Committee for their review. Final design completion, including approval from the city, is being estimated as early-Summer 2020.

I-10 Freeway Widening Project (Monte Vista Ave and the San Antonio Wash at the 10-Freeway): Caltrans and the San Bernardino County Transportation Authority (SBCTA) are proceeding with a project that will widen the 10-freeway by one lane. Initial design work has been submitted to staff for review. Design is anticipated to be completed in the first half of 2020, at which time construction is expected to begin. The construction duration is expected to be two years; however, the construction of District facilities will be completed by the end of the first year.

Plant 30 Wellhead Treatment Project (San Bernardino Street, west of Benson Avenue): The project has reached 95% design completion and comments from the State Division of Drinking Water are being incorporated into the design. Staff is also in the process of identifying a bid schedule consistent with the requirements of the Proposition 1 grant. Once construction commences, the duration for project completion is estimated at 12 months.

January 22, 2020
Series of December Storms Provides Good Start to Sierra Snowpack
Published: Jan 02, 2020

SACRAMENTO, Calif. -- The Department of Water Resources (DWR) today conducted the first manual snow survey of 2020 at Phillips Station. The manual survey recorded 33.5 inches of snow depth and a snow water equivalent (SWE) of 11 inches, which is 97 percent of average for this location. The SWE measures the amount of water contained in the snowpack, which provides a more accurate forecast of spring runoff.

“While the series of cold weather storms in November and December has provided a good start to the 2020 snowpack, precipitation in Northern California is still below average for this time of year,” said DWR Director Karla Nemeth. “We must remember how variable California’s climate is and what a profound impact climate change has on our snowpack.”

More telling than a survey at a single location are DWR’s electronic readings from 130 stations scattered throughout the State. Measurements indicate that statewide, the snowpack’s SWE is 9.3 inches, or 90 percent of the January 2 average.

“It’s still too early to predict what the remainder of the year will bring in terms of snowpack,” said Sean de Guzman, chief of DWR’s Snow Surveys and Water Supply Forecasting Section. “Climate change is altering the balance of rain and snow in California. That is why it is important to maintain our measurements of the snowpack to document the change in addition to having critical information to forecast spring runoff.”

California traditionally receives about 75 percent of its annual precipitation during December, January and February, with the bulk of this precipitation coming from atmospheric rivers. Similar to last year, California experienced a dry start to this water year followed by cold, wet December storms that brought the state up to 74 percent of average annual precipitation for this time of year. Climate change is expected to lead to continued warming and fewer but more intense storms impacting the snowpack of the Sierra Nevada. These changes continue to impact the distribution of snow across elevations, its pattern of accumulation, and rate of melt.

DWR conducts five media-oriented snow surveys at Phillips Station each winter in January, February, March, April and, if necessary, May. On average, the snowpack supplies about 30 percent of California’s water needs as it melts in the spring and early summer.

Video of January 2 Phillips Station snow survey.

Digital photos January 2 Phillips survey

Contact:
Chris Orrock, Information Officer, Public Affairs, Department of Water Resources
916-480-5414 | Chris.Orrock@water.ca.gov
State Agencies Release Draft Water Resilience Portfolio

Public Invited to Submit Written Feedback by February 7

For Immediate Release:
January 3, 2020

Media Contacts:
Lisa Lien-Mager, California Natural Resources Agency
(916) 653-9402 Lisa.Lien-Mager@resources.ca.gov
Alex Barnum, California Environmental Protection Agency
(916) 324-9670 Alex.Barnum@calepa.ca.gov
Steve Lyle, California Department of Food and Agriculture
(916) 654-0462 Steve.Lyle@cdfa.ca.gov

SACRAMENTO — State agencies today released a draft water resilience portfolio with a suite of recommended actions to help California cope with more extreme droughts and floods, rising temperatures, declining fish populations, aging infrastructure and other challenges.

The California Natural Resources Agency, California Environmental Protection Agency and Department of Food and Agriculture developed the draft to fulfill Governor Gavin Newsom’s April 29 executive order calling for a portfolio of actions to ensure the state’s long-term water resilience and ecosystem health.

Shaped by months of public input, the draft portfolio outlines more than 100 integrated actionable recommendations in four broad areas to help regions build water resilience as resources become available, while at the same time providing state leadership to improve infrastructure and protect natural ecosystems. Those areas include:

- **Maintain and diversify water supplies**: State government will continue to help regions reduce reliance on any one water source and diversify supplies to enable flexibility amidst changing conditions. Diversification will look different in each region based on available water resources, but the combined effect will strengthen resilience and reduce pressure on river systems.
- **Protect and enhance natural ecosystems**: State leadership is essential to restore the environmental health of key river systems to sustain fish and wildlife. This requires effective standard-setting, continued investments, and more adaptive, holistic environmental management.
- **Build connections**: State actions and investment will improve physical infrastructure to store, move, and share water more flexibly and integrate water management through shared use of science, data, and technology.
- **Be prepared**: Each region must prepare for new threats, including more extreme droughts and floods and hotter temperatures. State investments and guidance will enable preparation, protective actions, and adaptive management to weather these stresses.

“This draft portfolio has been shaped to provide tools to local and regional entities to continue building resilience and to encourage collaboration within and across regions,” Natural Resources Secretary Wade Crowfoot said. “At the same time, state government needs to invest in projects of statewide scale and importance and tackle challenges beyond the scope of any region. Taken together, the proposed actions aim to improve our capacity to prepare for disruptions, withstand and recover from shocks, and adapt from these experiences.”

To develop the portfolio, state agencies conducted an inventory and assessment of key aspects of California water, soliciting broad input from tribes, agencies, individuals, groups, and leaders across the state. An interagency working group considered the assessment and input from more than 20 public listening sessions across the state and more than 100 substantive comment letters.
“From Northern California to the Central Valley and the South, Californians from cities, farms, and other sectors are working together to develop innovative solutions to the climate-related water challenges that the state is already experiencing and that are expected to worsen,” said California Environmental Protection Agency Secretary Jared Blumenfeld. “This draft portfolio is an important step toward building resilience to ensure the long-term health of our water supplies and ecosystems.”

Since taking office, Governor Newsom has partnered with the Legislature to tackle California’s drinking water crisis, supported development of voluntary agreements to improve environmental conditions in the Sacramento and San Joaquin river systems, and advanced a single-tunnel conveyance project under the Delta to protect a key statewide water source from levee collapse caused by flood or earthquake risk and saltwater intrusion as sea level rises.

Members of the public will be able to submit written feedback on the draft portfolio through February 7. A final water resilience portfolio will be released soon after that.

“State agencies are only one set of water decision-makers in California,” California Secretary for Food and Agriculture Karen Ross said. “Continuing to improve our water systems relies on collaboration across all groups of water users and all stakeholders. Accordingly, feedback on this draft will be important to refining and finalizing our portfolio.”

Information on how to submit written feedback on the draft can be found at WaterResilience.ca.gov.

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California Air Resources Board • Department of Pesticide Regulation • Department of Resources Recycling and Recovery • Department of Toxic Substances Control • Office of Environmental Health Hazard Assessment • State Water Resources Control Board • Regional Water Quality Control Boards

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State Initiates Environmental Review for Proposed Delta Conveyance Project, Begins Public Scoping

Published: Jan 15, 2020

SACRAMENTO, Calif. – The Department of Water Resources (DWR) today released a Notice of Preparation (NOP) for a proposal to modernize water infrastructure in the Sacramento-San Joaquin Delta, initiating environmental review in compliance with the California Environmental Quality Act (CEQA). The NOP, announcing the preparation of an environmental impact report (EIR) for the proposed Delta Conveyance Project, marks the first step under the CEQA process.

The proposed project described in the NOP is a single underground tunnel with two intakes that together have a total diversion capacity of 6,000 cubic feet-per-second (cfs). The NOP notes that there will likely be alternatives identified that evaluate a range of capacities from 3,000 cfs to 7,500 cfs. The NOP signals the start of the scoping process for the EIR and provides an opportunity for members of the public and agencies to provide input on the scope and content of the EIR, including information needs, potential project effects and mitigation measures, and possible alternatives to the proposed project.

The purpose in proposing this project is to develop diversion and conveyance facilities in the Delta necessary to restore and protect the reliability of California's water deliveries south of the Delta in a cost-effective manner, and consistent with the recently released draft Water Resilience Portfolio.

“Governor Newsom directed state agencies to pursue a single tunnel solution to modernize our water infrastructure, and when combined with the broader, statewide Portfolio approach, this project would help safeguard a vital source of affordable water for millions of Californians,” said DWR Director Karla Nemeth. “This water supply is critical to the health of local communities, the future of the Delta ecosystem and the success of our state's economy.”

California's main system of water conveyance, which moves a large portion of the state's surface water supply, continues to be under threat from flood, subsidence, earthquake, and climate change. Our state-led water system that captures precipitation from the Sierra Nevada mountains and the Sacramento and San Joaquin rivers to provide drinking water to 27 million Californians faces major vulnerabilities as it travels through the Sacramento-San Joaquin Delta.

In his 2019 State of the State, Governor Newsom reiterated his support of a single tunnel solution stating “the status quo is not an option. We need to protect our water supply from earthquakes and rising sea levels, preserve delta fisheries, and meet the needs of cities and farms.”

Public comments on the NOP are due on March 20, 2020 by 5 p.m. and may be submitted via email at DeltaConveyanceScoping@water.ca.gov or mail at Delta Conveyance Scoping Comments, Attn: Renee Rodriguez, Department of Water Resources, P.O. Box 942836, Sacramento, CA 94236. Seven public scoping meetings are scheduled to receive written and verbal comments. A listing of the public scoping meetings may be found here.

Independent from the CEQA process, DWR also intends to seek a court ruling this spring to affirm its authority to issue revenue bonds for a future conveyance facility.

As part of the state's continued commitment to public engagement, the Natural Resources Agency has launched a new Secretary's Delta Roundtable to provide a forum for direct conversation with Delta leaders on conveyance as well as major issues facing the Delta including but not limited to levees, flood protection, water quality, farmland preservation and aquatic invasive species.

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For more DWR news and updates, follow us on Twitter or Facebook, and read our news releases and DWR updates.