



Cabazon Water District

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

BOARD MEETING PACKET

November 14, 2023

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



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

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

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

Meeting Date:

Tuesday, November 14, 2023 – 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
 - Capital Detail

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.



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Tuesday, November 14, 2023 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

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

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of October 17, 2023
- b. Regular Board Meeting Minutes and Warrants of October 17, 2023

2. Warrants – None

3. Awards of Contracts – None

UPDATES

1. Update: **CWD Operations Report**
[TAB 1] (by GM Pollack)

2. Update: **San Gorgonio Pass Regional Water Alliance Committee Meeting Updates**
(by Director Brock)

OLD BUSINESS

1. Discussion: Discussion/Updates with SGPWA Director(s) regarding various matters
2. Discussion/Action: Community Involvement

NEW BUSINESS

1. Discussion/Action: IRWM Subgrantee Agreement between the City of Banning and Cabazon
[TAB 2] Water District – Esperanza St. Waterline Improvements, Phase 1
2. Discussion/Action: Sell 50100 Main St. Property and Move Storage Yard to Well #2 Site
[TAB 3]
3. Discussion/Action: Bonita Vault PRV Station Quote for Materials
[TAB 4]

PUBLIC COMMENTS

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is not listed on the agenda; 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))

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. 11/18/2023 (Saturday) at 10:00 AM: Community Action Committee at the Cabazon Library
- b. 11/20/2023 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- c. 12/04/2023 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Meeting
- d. 12/18/2023 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- e. 12/19/2023 (Tuesday) at 5:00 PM: Finance & Audit Committee Meeting
- f. 12/19/2023 (Tuesday) at 6:00 PM: Regular Board Meeting
- g. 02/08/2024 (Thursday) at 6:00 PM: West Desert MAC Meeting at the Community Center
- h. 01/24/2024 (Wednesday) at 5:00 PM: San Gorgonio Pass Regional Water Alliance Committee Meeting
- i. TBD: Personnel Committee Meeting

ADJOURNMENT

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Cabazon Water District
Balance Sheet
As of October 31, 2023

	2023
1 ASSETS	
2 Current Assets	
3 Checking/Savings	\$ 709,921
4 Investments - LAIF & CLASS	846,896
5 Total Cash & Investments	<u>1,556,818</u>
6 Accounts Receivable	531,630
7 Bank of New York Trustee Accounts	58,262
8 Inventory	<u>109,238</u>
9 Total Current Assets	2,255,948
10 Fixed Assets	
11 Total Fixed Assets	15,556,108
12 Accumulated Depreciation	<u>(6,987,985)</u>
13 Net Fixed Assets	<u>8,568,123</u>
14 TOTAL ASSETS	<u>\$ 10,824,071</u>
15 LIABILITIES & FUND BALANCE	
16 Liabilities	
17 Current Liabilities	
18 Accounts Payable	\$ 223,778
19 Due to Other Gov't SGPWA	95,746
20 Customer Deposits	12,464
21 Current Portion DWR Loan	44,487
22 Current Portion 2022 Ford	13,358
23 Accrued Expenses	<u>45,424</u>
24 Total Current Liabilities	435,256
25 Long Term Liabilities	
26 DWR Loan Payable	<u>154,724</u>
27 Total Long Term Liabilities	<u>154,724</u>
28 TOTAL LIABILITIES	589,980
29 Total Fund Balance	<u>10,234,091</u>
30 TOTAL LIABILITIES & FUND BALANCE	<u>\$ 10,824,071</u>



Cabazon Water District
Budget to Actual
 For the Period Ended October 31, 2023

	A	B	C	D=B/C
	Oct-23	Current YTD	FY 23/24 Budget	YTD 33%
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 48,077	\$ 190,487	\$ 595,900	32%
4 Commodity Sales	80,319	373,152	993,900	38%
5 Fire Sales - Water Bills	274	1,094	4,900	22%
6 Fees & Charges	6,586	24,237	58,600	41%
7 Basic Facilities Fee	-	13,384	9,300	144%
8 Stand By Fees - Tax Revenue	8,387	8,387	123,600	7%
9 TOTAL OPERATING INCOME	143,643	610,742	1,786,200	34%
10 NON-OPERATING INCOME				
11 Property Taxes	779	802	102,000	1%
12 Cell Tower Lease Income	-	11,118	33,400	33%
13 Miscellaneous Non-Operating Income	17,411	27,910	-	N/A
14 Interest Income	7,591	17,685	35,700	50%
15 TOTAL NON-OPERATING INCOME	25,780	57,514	171,100	34%
16 TOTAL REVENUES	169,423	668,256	1,957,300	34%
17 EXPENSES				
18 PAYROLL				
19 Directors Fees	900	5,500	20,000	28%
20 Management & Customer Service	20,688	91,363	277,300	33%
21 Field Workers	11,766	72,913	230,100	32%
22 Employee Benefits Expense	13,416	62,274	184,900	34%
23 Payroll Taxes	2,502	12,768	41,100	31%
24 TOTAL PAYROLL	49,273	244,819	753,400	32%
25 OPERATIONAL EXPENSES				
26 Facilities, Wells, Transmission & Distribution (T&D)				
27 Lab Fees	254	2,018	12,000	17%
28 Meter Testing & Repair	-	-	2,500	0%
29 Utilities - Wells	10,270	34,957	170,000	21%
30 Line R&M Materials	33	2,685	65,000	4%
31 Well Maintenance	1,358	4,918	42,000	12%
32 Security	705	10,906	25,900	42%
33 Engineering Services -	-	8,622	40,000	22%
34 Facilities, Wells, T&D - Other	112	1,645	24,000	7%
35 Total Facilities, Wells, T&D	12,731	65,751	381,400	17%
36 Office Expenses				
37 Utilities - Office	2,376	12,831	35,100	37%
38 Water Billing System	3	2,291	2,800	82% **
39 Supplies & Equipment	144	971	11,100	9%
40 Copier & Supplies	366	1,600	5,600	29%
41 Dues & Subscriptions	15	1,265	2,400	53% **
42 Postage	302	2,753	10,600	26%
43 Printing & Publications	-	184	500	37%
44 Computer Services	2,735	10,918	34,300	32%
45 Air Conditioning Servicing	485	1,940	5,800	33%
46 Office Expenses - Other	-	256	900	28%

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

**CUSI is paid through April, 2024 minus some minor charges. ParcelQuest and CRWA fees are paid through fiscal year end.



Cabazon Water District
Budget to Actual
 For the Period Ended October 31, 2023

		A	B	C	D=B/C
		Oct-23	Current YTD	FY 23/24 Budget	YTD 33%
47	Total Office Expenses	\$ 6,426	\$ 35,009	\$ 109,100	32%
48	Support Services				
49	Financial Audit	-	8,412	15,600	54%
50	Accounting	3,850	15,553	46,200	34%
51	Legal Services	3,337	5,339	20,000	27%
52	Payroll/Bank Service Charge	447	2,061	5,800	36%
53	Website Support	75	300	1,000	30%
54	Insurance	-	31,792	42,400	75% **
55	Total Support Services	7,710	63,457	131,000	48%
56	Training/Travel	33	1,691	5,000	34%
57	Other Fees/State Water Resource Control Board	40	1,571	10,400	15%
58	Service Tools & Equipment				
59	Shop Supplies and Small Tools	1,583	6,909	17,000	41%
60	Vehicle Fuel	914	3,262	9,400	35%
61	Employee Uniforms	-	-	1,950	0%
62	Safety	-	267	2,000	13%
63	Tractor Expenses/ Maintenance	-	36	4,200	1%
64	Equipment Rental	-	-	3,000	0%
65	Service Trucks - Repair & Maintenance	9,713	12,867	11,900	108%
66	Water Operations On-Call Phones	349	1,397	4,700	30%
67	Total Service Tools & Equipment	12,632	24,738	54,150	46%
68	NON-OPERATING EXPENSES				
69	Loan Interest & Processing Fee	3,725	4,600	12,900	36%
70	Bad Debt Expense	-	-	1,400	0%
71	Miscellaneous	148	148	1,500	10%
72	Grant Application Share of Cost	-	12,115	-	N/A
73	TOTAL NON-OPERATING EXPENSES	3,873	16,863	15,800	107%
74	TOTAL EXPENSES	92,644	453,899	1,460,250	31%
75	INCOME BEFORE CAPITAL	76,779	214,357	497,050	43%
76	Capital Projects - Reserve Funded	-	(148,487)	(272,400)	55%
77	Debt Service - Principal	(23,558)	(27,121)	(65,500)	41%
78	RCEDA Loan - Dissolved	-	300,000	-	0%
79	NET INCOME / (LOSS)	\$ 53,221	\$ 338,750	\$ 159,150	

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**Property and liability insurance is paid through April, 2024.



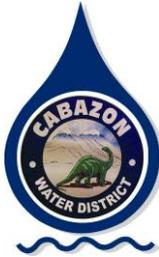
Cabazon Water District
Capital Detail
 For the Period Ended October 31, 2023

	A	B	C	D=B/C
	Oct-23	Current YTD	FY 23/24 Budget	YTD 33%
1 CAPITAL PROJECTS				
2 RESERVE FUNDED				
3 Well & Tank Repairs	\$ -	\$ -	\$ (3,700)	0%
4 Customer Shut-Off Valves	-	-	(10,000)	0%
5 Meter Replacement	-	(4,886)	(23,700)	21%
6 Main Replacements Fire Hydrant & Air Vac	-	-	(145,000)	0%
7 Bonita Vault	-	-	(70,000)	0%
8 New Truck	-	-	(10,000)	0%
9 Utility Billing	-	-	(10,000)	0%
10 Well #1 Emergency Repair	-	(143,601)	-	N/A
11 TOTAL RESERVE FUNDED PROJECTS	-	(148,487)	(272,400)	55%
12 GRANT/DEBT FUNDED				
13 Department of Water Resources (DWR)				
14 Isolation Valves	-	-	(72,378)	0%
15 Grant Funding - DWR	-	-	72,378	0%
16 State Water Resource Control Board (SWRCB)				
17 Groundwater Well Improvements	-	(1,657)	(482,095)	0%
18 Grant Funding - SWRCB	-	-	482,095	0%
19 American Rescue Plan Act (ARPA)				
20 Broadway & Main St. Gate Valve	-	-	(15,064)	0%
21 T2, T3, & T4 Recoating*	(33,489)	(279,110)	(473,521)	59%
22 Grant Funding - ARPA*	-	-	488,585	0%
23 Well 4				
24 Well 4 Repairs	(162,038)	(162,038)	(165,000)	98%
25 Debt Funding	162,038	162,038	165,000	98%
26 NET GRANT/DEBT FUNDED PROJECTS	(33,489)	(280,767)	-	
27 TOTAL NET COST OF CAPITAL PROJECTS	\$ (33,489)	\$ (429,254)	\$ (272,400)	

Total Project Activity Summary

	Expenses	Funding Received	Total Receivable
Isolation Valves Project			
Total Budget	\$ 1,243,000	\$ 1,243,000	
Isolation Valves - FY 22	(33,118)	33,118	-
Isolation Valves - FY 23	(1,169,143)	1,169,143	-
Isolation Valves - FY 24	-	-	-
Total	\$ (1,202,261)	\$ 1,202,261	\$ -
Groundwater Well Improvement Project			
Total Budget	\$ 499,000	\$ 499,000	
Groundwater Well Improvements - FY 22	(42,466)	42,466	-
Groundwater Well Improvements - FY 23	(19,744)	19,744	-
Groundwater Well Improvements - FY 24	(1,657)	-	1,657
Total	\$ (63,867)	\$ 62,210	\$ 1,657
ARPA Funded Projects			
Total Budget	\$ 488,585	\$ 488,585	
Broadway & Main St. Gate Valve - FY 23	(74,035)	74,035	-
T2, T3, & T4 Recoating - FY 23	(196,968)	196,968	-
T2, T3, & T4 Recoating - FY 24	(279,110)	-	279,110
Total	\$ (550,113)	\$ 271,003	\$ 279,110

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FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:

Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Teleconference:

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

Meeting Date:

Tuesday, October 17, 2023 – 5:00 PM

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

Director Terry Tincher – Present
Director Sarah Wargo – Present
Michael Pollack, General Manager – Present
Evelyn Aguilar, Board Secretary – Present

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

FINANCE & AUDIT COMMITTEE

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

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

Main Reports:

- Balance Sheet – depicts what the District owns and what the District owes.
- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.
- Capital Detail – shows activity pertaining to Capital Projects.

Balance Sheet:

The District's combined Cash with Chase Bank, Local Agency Investment Fund (LAIF), and California Cooperative Liquid Assets Securities System (CLASS) balance was \$1,374,205 at month end. The District's total liabilities were approximately \$463,667 at month end.

The \$300,000 RCEDA Loan has been terminated due to its expiration in January, 2023. This loan was taken out from the Riverside County Economic Development Agency in 1998 and was used to install a mainline on Seminole. Any revenue from connections to that pipeline from 1998-2023 was supposed to be used to repay the loan, but no development took place in that area.

Profit and Loss: - Year to date (YTD) is 25% of the year

7. Basic Facilities Fee: These are fees charged for new service connections, meter installations, and upgrades. These revenues are budgeted conservatively due to their unpredictable nature. YTD is over budget due to multiple service installations.

8. Standby Fees – Tax Revenue: This accounts for standby fees accessed to all parcels in the District. The minimum fee is \$5/acre; rates vary per location and nature of the parcel. The majority of these receipts occur around January and May.

11. Property Taxes: This account includes Ad Valorem tax revenues apportioned by Riverside County. Property Tax receipts are received in January and May when property tax payments are due to the County of Riverside Tax Collector's Office.

13. Miscellaneous Non-Operating Income: This account includes recycling revenues, insurance reimbursements, and other miscellaneous revenues. This account is not budgeted due to unpredictable activity. This account includes \$10K for insurance claim reimbursements relating to vehicles.

16. Total Revenues: YTD is at 25%.

29. Utilities - Wells: This account includes the cost of electricity relating to District wells and pumping activity. YTD is trending under budget at 15% due to Well #1 being offline for repairs.

32. Security: This account includes the expenses for District alarm phones, security alarms and crime prevention. YTD is trending over budget at 39% due to quarterly payments paid in full through December.

33. Engineering Services: This account includes general engineering services required by the District. YTD is in line with budget.

38. Water Billing System: This account includes the annual water billing system maintenance costs. YTD is trending over budget at 82% due to the timing of water billing system annual charges.

41. Dues & Subscriptions: This account includes various annual dues and fees. Expenses vary depending upon timing of dues renewals. YTD is trending over budget at 52% due to the timing of renewals for ParcelQuest and California Rural Water Association through fiscal year end.

49. Financial Audit: This account includes the costs for the annual financial audit. YTD is trending over budget at 54% due to the timing of progress billing of the FY 23 audit.

54. Insurance: This account includes the annual costs of liability insurance for the District. YTD is trending over budget at 75% due to the timing of property and liability insurance renewal for the fiscal year.

72. Grant Application Share of Cost: This account includes \$12K paid to the City of Banning for Proposition 1 Round 2 grant application for the replacement of outdated waterlines.

73. Total Non-Operation Expenses: YTD is at 82%.

78. RCEDA Loan – Dissolved: This account reflects the revenue realized as a result of the terminated loan agreement with the Riverside County Economic Development Agency.

As of September 30th, the fiscal year-to-date net income is \$287,073.

Capital Detail:

5. Meter Replacement: This account is for the Water Meter Replacement Program. YTD is trending over budget at 21% due to the timing of expenses.

6. Main Replacements Fire Hydrant & Air Vac: This account is for main replacements fire hydrant and air vac. The total project cost is estimated at \$145K for FY 24. The funds for this account were used for the Well #1 Emergency Repair.

10. Well #1 Emergency Repair: This account is for the Well #1 emergency repairs not anticipated in the budget.

21. T2, T3, & T4 Recoating: Includes Tank Recoating for T1, T2 & T4, anticipated to be 100% grant funded.

24. Well 4 Repairs: This account includes Well 4 repairs and is expected to be 100% debt funded.

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ADJOURNMENT

Meeting adjourned at 5:23 PM on Tuesday, October 17, 2023 and the FAC proceeded to check signing.

**Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District**

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

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REGULAR BOARD MEETING

MINUTES

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Meeting Date:

Tuesday, October 17, 2023 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Taffy Brock - Absent
Director Terry Tincher - Present
Director Diana Morris - Present
Director Alan Davis - Present
Director Sarah Wargo - Present
Michael Pollack, General Manager - Present
Evelyn Aguilar, Board Secretary - Present

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CONSENT CALENDAR

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1. **Approval of:**
 - a. Finance and Audit Committee Meeting Minutes and Warrants of September 19, 2023
 - b. Regular Board Meeting Minutes and Warrants of September 19, 2023

Motion to approve following consent calendar items (a.) Finance and Audit Committee Meeting Minutes and Warrants of September 19, 2023 and (b.) Regular Board Meeting Minutes and Warrants of September 19, 2023 made by Director Davis and 2nd by Director Tincher

**Director Brock - Absent
Director Tincher - Aye
Director Morris - Aye
Director Davis - Aye
Director Wargo - Aye**

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

UPDATES

**1. Update: CWD Operations Report
(by GM Pollack)**

- GM Pollack met with Lance Eckhart of SGPWA and Dustin Hardwick of Cal Rural to discuss the planning stages for grant projects to replace aging infrastructure. The plan is to go through 2 phases of replacing 10,500 ft of pipe, estimated at \$5 million each.
- The contract with Bay City Electric for generator maintenance was renewed.
- Well #4 was started up in the morning, and will need to undergo flushing, chlorination, and sampling before it can be put fully back into service.
- The grant-funded Esperanza Waterline Improvement project is still in the approval process.
- The grant-funded Reservoir Recoating project is complete, and logos have been added to Tanks 1 & 4.
- GM Pollack noticed that there was a charge for an irrigation meter on the SCE bill for Well #4, but the District doesn't have irrigation at that site. It turned out that the District has been paying the meter charge for the Outlets for the past 10 years. A credit/rebate will be issued to the District.

**2. Update: San Gorgonio Pass Regional Water Alliance Committee Meeting Updates
(by Director Brock)**

- Director Brock was not present.

OLD BUSINESS

1. Discussion: Discussion/Updates with SGPWA Director(s) regarding various matters

- There were no SGPWA representatives present.

2. Discussion/Action: Community Involvement

- GM Pollack shared that he contacted the Community Center about upcoming community events, and learned that they have the *Harvest Festival* on Halloween (10/31/23), and *Christmas in Cabazon* in December. Cabazon Water District will be donating candy to the Community Center for the *Harvest Festival*, and will also contribute to *Christmas in Cabazon*.

- Director Morris suggested that the GM should get in touch with Shannon from *Kids Cures* to discuss bringing *Operation Santa* back to Cabazon.

NEW BUSINESS

1. **Discussion/Action:** **Recommendation of Acceptance of Contract Work for Reservoirs No. 2, 3, & 4 Corrosion Repair/Prevention Project performed by J. Colon Coatings, Inc.**
 - The Reservoir Corrosion project is complete. Extra funds were used to recoat the storage containers at the Main St. yard and Air Vacs throughout the community.

Motion to accept the contract work for Reservoirs No. 2, 3, & 4 Corrosion Repair/Prevention Project by J. Colon Coatings, Inc. made by Director Tincher and 2nd by Director Davis

**Director Brock - Absent
Director Tincher - Aye
Director Morris - Aye
Director Davis - Aye
Director Wargo - Aye**

PUBLIC COMMENTS

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is not listed on the agenda; 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))

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.**
- Evelyn Aguilar pointed out that the next Board meeting was scheduled for 11/21/23, which is 2 days before Thanksgiving. The Board rescheduled the meeting for 11/14/23.
 - **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)

- Director Morris shared that there is an upcoming Telephone Town Hall meeting on 10/24/23.
- She also shared that Charles Ripps is selling his property with Wells that he had offered to the District previously.
- Director Wargo brought up that the \$300k RCEDA loan was dissolved (as discussed in the FAC meeting).

MISCELLANEOUS

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

- a. 10/24/2023 (Tuesday) at 5:30 PM: District 5 Telephone Town Hall Meeting
- b. 11/06/2023 (Monday) at 1:30 PM: San Gorgonio Pass Water Agency Meeting
- c. 11/09/2023 (Thursday) at 6:00 PM: West Desert MAC Meeting at the Community Center
- d. 11/14/2023 (Tuesday) at 5:00 PM: Finance & Audit Committee Meeting
- e. 11/14/2023 (Tuesday) at 6:00 PM: Regular Board Meeting
- f. 11/18/2023 (Saturday) at 10:00 AM: Community Action Committee at the Cabazon Library
- g. 11/20/2023 (Monday) at 6:00 PM: San Gorgonio Pass Water Agency Meeting
- h. 01/24/2024 (Wednesday) at 5:00 PM: San Gorgonio Pass Regional Water Alliance Committee Meeting
- i. TBD: Personnel Committee Meeting

ADJOURNMENT

Motion to adjourn at 6:22 PM made by Director Davis and 2nd by Director Tincher

Director Brock - Absent
Director Tincher - Aye
Director Morris - Aye
Director Davis - Aye
Director Wargo - Aye

Meeting adjourned at 6:22 PM on Tuesday, October 17, 2023

Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District

Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District

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 access.

Updates

CWD Operations Report: [TAB 1]

Attachments:

1. Monthly Operations Report
2. Picture of CWD Logo on Reservoir
3. Well Levels

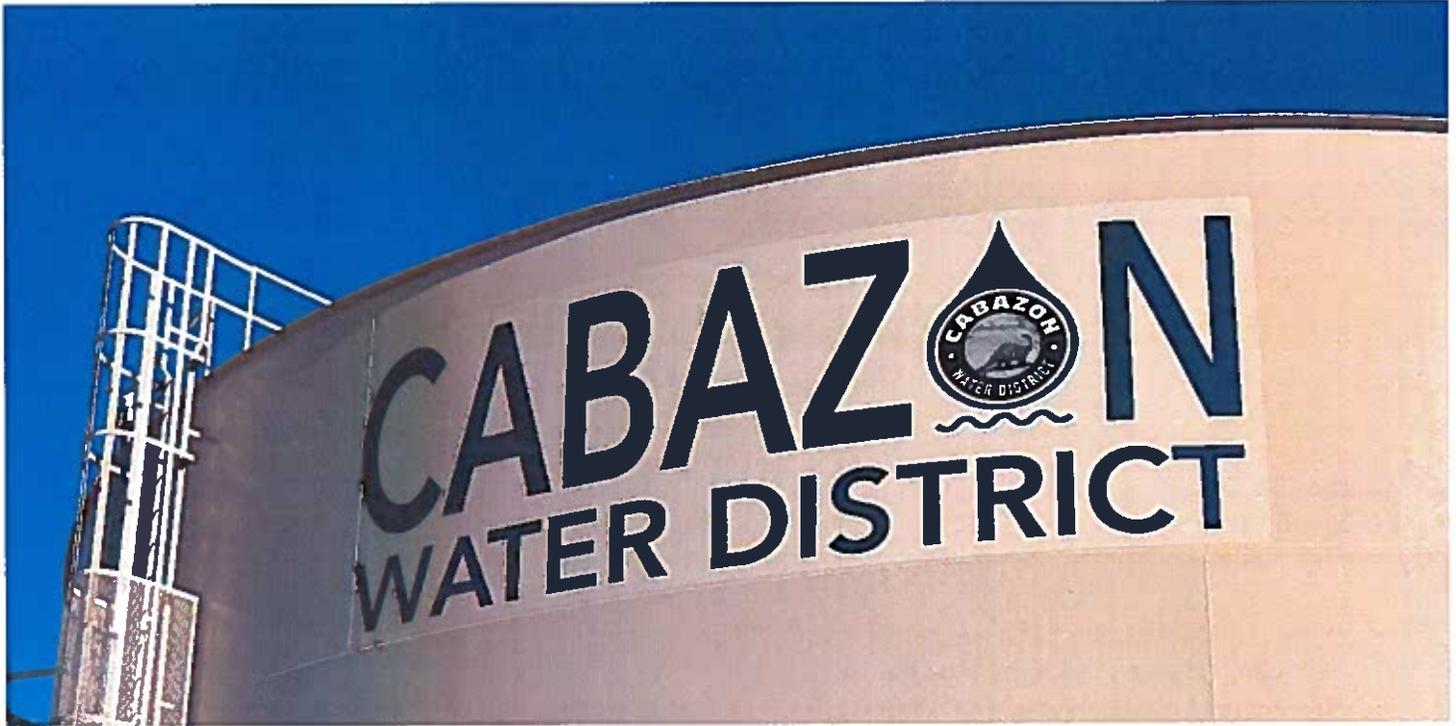


Cabazon Water District

14-618 Broadway Street • P.O. Box 297
Cabazon, California 92230

November 14, 2023
CWD Board Meeting
Operations Update

- Met with Mohammad (Engineer) of the Cal Rural Water Agency for Preliminary Engineering Report .which is required to secure the Grant Funding.
- Met with Art Vela (Banning Water Director) Lance Eckhart (SGPWA General Manager) regarding future Grant Funding
- Well 4 Rehab is complete. The Cabazon Water District is currently waiting for verification on the sampling requirements from the State Water Resources Control Board.
- Esperanza St. Waterline Improvement, Phase 1 is a Prop 1 Grant Funded Project currently in the approval process in the amount \$343,700
- Selling 50100 Main St Property (110' x 220') to add to Financial Reserves, and move the District Warehouse to the Well 2 Property (365'x 150'), which is located in the boundaries of Robertson's Ready Mix. .
- Purchasing of the Bonita Vault Oldcastle Precast (\$ Awaiting Revised Quote) Jensen (\$22,819) Also awaiting the updated quote from Hillwig & Goodrow Land Survey for 50155 Bonita Ave. The original estimate was \$1,890.
- Attended MAC Meeting November 9, 2023.



	Well 1		Well 5		Well 2		Well 4	
	50020 Seminole Dr		48650 Seminole Dr		13755 Apache Trail		13049 Millard Pass	
	Airline 850'		Airline 670'				Airline 650'	
Date	Pumping	Static	Pumping	Static	Pumping	Static	Pumping	Static
8/21/2023		767		573		504		560
9/26/2023		766		572		503		559
10/30/2023		769		571		502		577

New Business

1. Discussion/Action Item:

[TAB 2]

IRWM Subgrantee Agreement between the City of Banning and Cabazon Water District – Esperanza St. Waterline Improvements, Phase 1

Attachments:

1. Draft Agreement between City of Banning and CWD

*Note: The Exhibits referenced in the draft agreement are included in a separate attachment and can be found online or at the District office.

**AGREEMENT BETWEEN THE
THE CITY OF BANNING, CALIFORNIA
AND
CABAZON WATER DISTRICT**

**FOR FUNDS FROM A PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL
WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT TO THE SAN
GORGONIO REGION TO COMPLETE**

PROJECT 2: ESPERANZA STREET WATERLINE IMPROVMENTS, PHASE I

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

RECITALS

A. The City of Banning, California hereinafter called "THE CITY" or "Grantee" has agreed to enter into Agreement Number 4600015401, hereinafter called State Grant Agreement, with the Department of Water Resources of the State of California, hereinafter called "DWR" or "State," pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.). The State funding will assist in financing the projects identified in the Grant Agreement associated with the adopted Integrated Regional Water Management (IRWM) Plan for the San Gorgonio Region. The State Grant Agreement (**Exhibit F**), and any subsequent amendments thereto, are incorporated herein by reference.

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

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

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

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

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

SECTION I SCOPE OF SERVICES

THE CITY hereby engages Subgrantee to complete the Project as forth in **Exhibit A**, Project Scope of Work, hereinafter referred to as **Exhibit A**, Work Plan, which is an integral part of the State Grant Agreement between the State of California Department of Water Resources and THE CITY of Banning, Agreement Number 4600015401, pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.), hereinafter referred to as State Grant Agreement and incorporated as **Exhibit F** to this Agreement.

SECTION II COMPENSATION

A. GRANT REIMBURSEMENT SCHEDULE

Grant reimbursements payable to Subgrantee for services specified herein shall be in accordance with **Exhibit B**, Budget as shown in the State Grant Agreement. The cost of the Project is estimated to be \$359,700. Subgrantee agrees to be responsible for the Other Cost Share of the Project as shown in **Exhibit B**, Budget (\$16,000). Costs incurred after May 5, 2023 will be eligible for grant reimbursement and costs incurred after May 5, 2023 can be used as required local cost share. However, Grantee received 100% local cost share waiver.

B. METHOD OF PAYMENT

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

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

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

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

C. MAXIMUM PAYMENT

Payments to Subgrantee for Project expenses incurred under this Agreement **shall not exceed \$343,700.**

SECTION III INSPECTION OF WORK

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

SECTION IV OWNERSHIP OF PROJECT REPORT

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

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

SECTION V TIME OF PERFORMANCE

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

SECTION VI RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

SECTION VII INSURANCE

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

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

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

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

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

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

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

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

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

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

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

SECTION VIII INDEMNIFICATION

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

THE CITY shall defend, indemnify and hold and save Subgrantee, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement caused by the negligence acts, errors, and/or omissions of THE CITY, including, but not limited to any claims or damages arising from any breach of this Agreement caused by the negligence acts, errors, and, or omissions of THE CITY.

SECTION IX CHANGES AND CHANGED CONDITIONS

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

SECTION X TERMINATION

THE CITY may terminate this Agreement by written notice to Subgrantee at any time prior to completion of work described in **Exhibit A**, Work Plan, at the option of THE CITY, upon violation by the Subgrantee of any material provision after such violation has been called to the attention of the Subgrantee and after failure by the Subgrantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by THE CITY. In the event

of such termination, the Subgrantee agrees, upon demand, to immediately repay to THE CITY an amount equal to the amount of grant funds disbursed to the Subgrantee prior to such termination, if such a demand is made by the State. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Subgrantee to the date of full repayment by the Subgrantee. In addition, Subgrantee agrees to pay all costs incurred by THE CITY to recover such funds.

SECTION XI SUB-CONTRACTING

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

SECTION XII NONDISCRIMINATION AND FAIR EMPLOYMENT

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

SECTION XIII DRUG-FREE WORKPLACE CERTIFICATION

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

SECTION XIV INTEREST OF SUBGRANTEE

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

SECTION XV CONTINGENT FEES

Subgrantee warrants that Subgrantee has not employed or retained any company or person, other than a bona fide employee working solely for the Subgrantee to solicit or secure this Agreement, and that Subgrantee has not paid or agreed to pay any company, or person, other than a bona fide

implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

**SECTION XIX
ATTACHMENTS**

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

Exhibit A. Work Plan

Exhibit B. Project Schedule

Exhibit C. Project Budget

Exhibit D. Insurance Requirements

Exhibit E. Drug-Free Workplace Policy and Certification

Exhibit F. Grant Agreement between the State of California Department of Water Resources and the City of Banning,

Agreement Number 4600015401, Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant

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

CITY OF BANNING

SIGNED: _____

BY: ART VELA, PE

TITLE: DIRECTOR OF PUBLIC WORKS

CABAZON WATER DISTRICT

SIGNED: _____

BY: _____

TITLE: _____

FEDERAL TAX ID: _____

EXHIBIT A – WORK PLAN

See Exhibit A to State Grant Agreement No. 4600015401

PROJECT 2: ESPERANZA STREET WATERLINE IMPROVEMENTS, PHASE 1

EXHIBIT B – BUDGET

See Exhibit B to State Grant Agreement No. 4600015401

PROJECT 2: ESPERANZA STREET WATERLINE IMPROVEMENTS, PHASE 1

EXHIBIT C – SCHEDULE

See Exhibit C to State Grant Agreement No. 4600015401

PROJECT 2: ESPERANZA STREET WATERLINE IMPROVEMENTS, PHASE 1

EXHIBIT D -- INSURANCE REQUIREMENTS

I. Minimum Scope and Limits of Insurance

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

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

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

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

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

II. Acceptability of Insurers.

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

III. Additional Insured.

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

IV. Primary and Non-Contributing.

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

V. Subgrantee's Waiver of Subrogation.

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

VI. Deductibles and Self-Insured Retentions.

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

VII. Cancellations or Modifications to Coverage.

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

EXHIBIT E -- DRUG-FREE WORKPLACE POLICY CERTIFICATION

EXHIBIT F

**Grant Agreement
between**

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

**The City of Banning,
Agreement Number 4600015401**

Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant

New Business

2. Discussion/Action Item:

[TAB 3]

Sell 50100 Main St. Property and Move Storage Yard to
Well #2 Site

Attachments:

1. Well #2 site with potential shop location

New Business

3. Discussion/Action Item:

[TAB 4]

Bonita Vault PRV Station Quote for Materials

Attachments:

1. Location of Bonita Vault

