



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

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

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

Meeting Date:
Tuesday, July 16, 2019 – 5:00 PM

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

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

PUBLIC COMMENT

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

ADJOURNMENT

ADA Compliance Issues

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



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

REGULAR BOARD MEETING

AGENDA

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

Meeting Date:
July 16, 2019 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

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

1. **Approval of:**
 - a. Finance and Audit Committee Meeting Minutes and Warrants approved by the committee June 18, 2019
 - b. Regular Board Meeting Minutes and Warrants of June 18, 2019
2. **Warrants – None**
3. **Awards of Contracts – None**

UPDATES

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

CLOSED SESSION

- (1) CONFERENCE WITH LEGAL COUNSEL – General Manager's Personnel Evaluation / Annual Performance Review.

OPEN SESSION

Report to the public of action taken by the Board, if any.

OLD BUSINESS

1. Discussion/Action: Fire Suppression System Installation and Meter Charges (by Director Lynk)
2. Discussion/Action: Carol's Kitchen – Corporate Sponsorship Petition (by Carol Allbaugh; Board of Director/Strategic Advisor or designated representative)
3. Discussion: Sustainable Groundwater Management Act (SGMA) Update (by General Manager Louie)

NEW BUSINESS

1. Discussion/Action: Customer Concern: Thornton Development LLC – Development on Manzanillo Street, Cabazon CA (by Mr. & Mrs. Thornton & Duane Burk)
2. Discussion/Action: Cost Limit for Sacramento Trips – Establish a limitation on the number of trips to reduce the annual cost. (by Director Davis & Director Wargo)
3. Discussion/Action: Vendor Bid re: Computer Services (by Director Sanderson & Director Wargo)
4. Discussion/Action: Reimbursement for Lobby Day Delegation (By GM Louie and Director Wargo)
5. Discussion/Action: Special Board Meeting Re: Standby Charges (by AGM Lemus)

PUBLIC COMMENTS

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

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

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

2. Management Comments

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

3. Board Member Comments

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

MISCELLANEOUS

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

- a. Finance & Audit Workshop – Tuesday – August 20, 2019, 5:00 pm
- b. Regular Board Meeting – Tuesday – August 20, 2019, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday – July 24, 2019

ADJOURNMENT

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FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:

Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Meeting Date:

Tuesday, June 18, 2019 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Wargo - Present
Director Israel - Present

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

*Note: This meeting was recorded by the District -

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report

Balance Sheet:

- The District's combined Cash with Chase and LAIF balance was \$880,326 at month end. The
- District's total liabilities were approximately \$1.138 million at month end.

Profit and Loss:

- Line 4 Commodity Sales: This is the variable income from charges linked to the consumption of water. YTD is trending below budget at 84% due to lower consumption than anticipated.

- Line 5 DPHO Contract: This is the amount of the variable charge to DPHO, which is segregated until their contract expires. YTD is trending at 80% due to lower consumption than anticipated.
- Line 19 Interest Income YTD is over budget due to higher interest rates than anticipated in budget.
- Line 44 Generator Service Contract: YTD is overbudget due to higher than expected maintenance costs for the Apache Generator.
- Line 63 Supplies & Equipment: YTD over budget due to bulk purchase of envelopes from Continental Utility Solutions (\$5.8K) & purchase of ID maker Machine (\$1K).
- Line 64 Copier Lease & Printing Supplies: YTD is over budget due to a bulk purchase of door tags in April - \$1.8K.
- Line 93 Tractor Expenses: YTD is overbudget due to a \$1.8K invoice from PowerPlan for Tractor grease fitting maintenance & \$4.5K in Invoices for service on the Backhoe.
- Line 95 Service Trucks – R&M: YTD is at 100% due to more vehicle repairs than anticipated. Notable repairs include replacement Transfer Switch Actuator on the 2010 Tundra and replacement 4WD Actuator on the 2009 Tundra.
- Line 96 Water Ops Phone & Internet: YTD is over budget due to increased phone bills for Field workers' on-call phones.
- Line 109 Main Street Improvements: YTD expenditures include invoices from Warren Duncan Contracting relating to demolition for the Main Street Project.
- As of May 31st, the fiscal year-to-date net loss is \$(145,499).

- Fiscal Year 2018-2019 Proposed Budget

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

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:18 hr. made by Director Israel and 2nd by Director Wargo.

Meeting adjourned at 17:18 hr. on Tuesday, June 18, 2019

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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**REGULAR BOARD MEETING
MINUTES**

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

Meeting Date:
June 18, 2019 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Martin Sanderson - Present
Director Maxine Israel - Present
Director Sarah Wargo - Present
Director Alan Davis - Present
Director Robert Lynk - Present

Calvin Louie, General Manager - Absent
Elizabeth Lemus, Board Secretary - Present
Cindy Byerrum, Financial Consultant - Present
Steve Anderson, Best Best & Krieger Law Firm - Absent
Joseph Ortiz, Best Best & Krieger Law Firm - Present

Note: This meeting was recorded by the District –

*Note: Due to a large amount of public present, the Board Chair announced that as a courtesy, he would rearrange the Agenda slightly to allow the public to participate in Public Comment first, followed by the agenda item presentations by 1. Carol's Kitchen, 2. Budget Presentation by the District's contract accountant, followed by Closed Session. These Board Minutes reflect the order in which the meeting proceeded.

CONSENT CALENDAR

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

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants approved by the committee May 21, 2019
- b. Regular Board Meeting Minutes and Warrants of May 21, 2019

Motion to approve following consent calendar item(s) (a.) Finance and Audit Committee Meeting Minutes of (a) May 21, 2019, and (b.) Regular Board Meeting Minutes of May 21, 2019, made by Director Israel and 2nd by Director Davis.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

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

UPDATES

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

Nothing to report.

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

1. Water Quality Concerns by approximately five residents. District tested all sites promptly; Tank #1 to be flushed tonight as a precaution.
2. The CWD District Manager and Director Israel traveled to Sacramento to represent the District regarding SB200 and AB134.

PUBLIC COMMENTS

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OLD BUSINESS

1. Discussion/Action: **Carol's Kitchen – Corporate Sponsorship Petition** (by Carol Allbaugh; Board of Director/Strategic Advisor or designated representative)

Note: Representatives from Carol's Kitchen gave a presentation regarding their 501(c)3 organization. They were requesting donations. The Board explained that the District could not simply contribute donations; that it was a slightly more complicated process, but that they would confer with Legal Counsel to determine what the District's parameters in this situation would be.

Motion to direct the District's legal counsel to provide an opinion regarding whether the District can allowably reimburse Carol's Kitchen for meals and/or publish a bill insert/flier/notice supporting Carol's Kitchen made by Director Lynk and 2nd by Director _____.

*Note: No official motion or roll call vote was made, but it was the consensus of the entire Board to have this looked into by legal. The Board was interested in the possibility of including flier inserts in/on/with the monthly water bills, and/or paying for one month's worth of food.

*Note: a short break was taken at 18: 45 hr. and the meeting resumed at 18:57 hr.

2. Discussion/Action: **Adoption of the Fiscal Year (FY) 2019-2020 Budget** (by GM Louie, BM Lemus, Byerrum CPA)

Motion to adopt the proposed Fiscal Year (FY) 2019-2020 Budget as presented (no changes) made by Director Israel and 2nd by Director Sanderson.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

*Note: a short break was taken at 19:32 hr. and the meeting resumed at 19:40 hr.

CLOSED SESSION @ 19:40 hr.

- (1) CONFERENCE WITH LEGAL COUNSEL – General Manager's Personnel Evaluation / Annual Performance Review.

OPEN SESSION @ 20:25 Hr.

Report to the public of action taken by the Board, if any:

No action taken.

NEW BUSINESS

1. Discussion/Action: **Cost share for Grant Application/Implementation – City of Banning** (by GM Louie & BM Lemus)

Note: The City of Banning currently has three projects that they would like to submit for grant funding, and the District has one. Since the grant application would be submitted jointly by Banning and Cabazon, it was recommended that the District pay for the grant application in proportion of its project submittal; 1/4th of the grant cost (since it is submitting 1/4th of the total projects included in the application).

The project being submitted by the District was an Isolation Valve Improvement Project (See New Business Discussion/Action Item #2 – Resolution 2019-01, which follows).

Motion to approve the cost share with the City of Banning for a Grant Application in proportion to the projects submitted by Cabazon (1/4th cost share of the grant application) made by Director Davis and 2nd by Director Israel.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

2. Discussion/Action: **RESOLUTION 2019-01: Approving an Isolation Valve Improvement Project Provided that Grant Funding is Made Available, and with the Understanding that the Grant Funding will cover 100% of project cost. (by BM Lemus)**

Note: This is in relation to the Cost Share Agreement with the City of Banning, as discussed above. This Resolution is in preparation of obtaining grant funding.

Motion to approve RESOLUTION 2019-01: Approving an Isolation Valve Improvement Project Provided that Grant Funding is Made Available, and with the Understanding that the Grant Funding will cover 100% of project cost made by Director Wargo and 2nd by Director Sanderson.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

3. Discussion/Action: **Transfer of funds from District's General Account to the District's LAIF ("Savings") Account. (by BM Lemus)**

Motion to approve a transfer of funds from District's General Account to the District's LAIF ("Savings") Account in the amount of \$90,000 made by Director Sanderson and 2nd by Director Davis.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

4. **Discussion/Action:** Adoption of regulations regarding payment of the cost of Registrar of Voters County of Riverside Director Election candidate statement(s) (by Board Secretary Lemus)

Directors to determine whether the District or each individual candidate will pay for Director Election candidate statements through the County Registrar of Voters Office.

Estimated cost: \$350 per candidate statement

Recommendation: each individual candidate to pay for their own candidate statement.

Motion to approve the adoption of regulations regarding payment of the cost of Registrar of Voters County of Riverside Director Election candidate statement(s): each individual candidate to pay for their own candidate statement made by Director Israel and 2nd by Director Sanderson.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

5. **Discussion/Action:** Approval of Creating the Assistant General Manager (AGM) position. (by GM Louie)

Motion to approve the creation of the Assistant General Manager (AGM) position made by Director Davis and 2nd by Director Sanderson.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

OLD BUSINESS

3. **Discussion:** Sustainable Groundwater Management Act (SGMA) Update (by General Manager Louie)

Provost and Pritchard selected for the SGMA IRWM plan. Unanimous vote during the recent SGPWA meeting.

4. **Discussion/Action:** Fire Suppression System Installation and Meter Charges (by Director Lynk)

It was discussed that the possibility of a reduced 1" meter charge rate should be investigated, or an orifice reducing home pressure (with the exemption of the fire suppression service) should be evaluated, since the 1" meter charge rates are so

high, and many times the larger meter is only required for the fire suppression service (where the home may not require that large of a meter).

Motion to approve an investigation/inquiry regarding a reduced rate for a 1" meter relating to fire suppression services made by Director Israel and 2nd by Director Sanderson.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

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.
- IT Computer Service Vendor Cost Review/Investigate other potential bids (Director Wargo and Director Sanderson)
 - Discussion regarding limiting District representative trips and expenses to Sacramento regarding proposed water meter tax and related items (Director Wargo and Director Davis)

2. Management Comments

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3. Board Member Comments

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

MISCELLANEOUS

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

- a. Finance & Audit Workshop – Tuesday – July 16, 2019, 5:00 pm
- b. Regular Board Meeting – Tuesday – July 16, 2019, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday – June 25, 2019

ADJOURNMENT

Motion to adjourn at 21:25 hr. made by Director Davis and 2nd by Director Sanderson.

*Note: no roll call vote was made, but it was the consensus of the Board and no objections to adjourn were voiced by either Board or public.

Meeting adjourned at 21:25 hr. on Tuesday, May 21, 2019

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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Cabazon Water District

Profit & Loss

June 2019

	June 2019	Current YTD	FY 18/19 Amended Budget	YTD (100%)
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 73,775	\$ 847,535	\$ 811,800	104%
4 Commodity Sales	25,613	300,106	327,500	92%
5 DHPO Contract	15,772	197,567	225,900	87%
6 Fire Sales - Water Bills	439	3,584	2,500	143%
7 Fire Flow Income	-	-	400	0%
8 Penalty Fees - Water Bills	3,232	44,354	48,300	92%
9 New Account Fees - Water Bills	130	1,765	1,800	98%
10 Incident Fee - Water Bills	-	70	400	18%
11 Returned Check Fees	-	390	600	65%
12 Basic Facilities Fee	-	17,358	64,900	27%
13 Stand By Fees - Tax Revenue	-	106,676	113,600	94%
14 TOTAL OPERATING INCOME	118,962	1,519,403	1,597,700	95%
15 NON-OPERATING INCOME				
16 Property Taxes	21,441	75,843	60,900	125%
17 Cell Tower Lease Income	-	24,555	22,100	111%
18 Misc. Non-Operating Income	-	968	-	0%
19 Interest Income	414	15,752	11,200	141%
20 TOTAL NON-OPERATING INCOME	21,855	117,118	94,200	124%
21 TOTAL REVENUES	140,817	1,636,521	1,691,900	97%
22 EXPENSES				
23 PAYROLL				
24 Directors Fees	1,300	15,100	20,000	76%
25 Management & Customer Service				
26 Customer Accounts	4,081	53,011	51,700	103%
27 Business Admin Manager	4,920	52,476	66,800	79%
28 Office Assistant	-	22,681	-	0%
29 General Manager	6,662	89,797	84,100	107%
30 Total Management & Customer Service	15,664	217,964	202,600	108%
31 Field Workers	14,278	157,168	146,300	107%
32 Employee Benefits Expense				
33 Workers Comp.	912	5,755	8,800	65%
34 Employee Health Care	7,033	82,428	86,800	95%
35 Pension	6,212	59,895	67,800	88%
36 Total Employee Benefits Expense	14,158	148,078	163,400	91%
37 Payroll Taxes	2,332	34,053	29,300	116%
38 TOTAL PAYROLL	47,732	572,364	561,600	102%

Cabazon Water District
Profit & Loss
June 2019

	June 2019	Current YTD	FY 18/19 Amended Budget	YTD (100%)
39 OPERATIONAL EXPENSES				
40 Facilities, Wells, T&D				
41 Lab Fees	476	6,699	8,500	79%
42 Site Landscaping & Maintenance	90	540	700	77%
43 Meters	-	2,287	4,600	50%
44 Generator Service Contractor	-	2,664	1,300	205%
45 Utilities - Wells	15,974	118,187	126,100	94%
46 SCADA	13	301	300	100%
47 Line R&M Contractor	-	-	12,500	0%
48 Line R&M Materials	1,267	53,004	60,000	88%
49 Well Maintenance	6,048	100,729	36,200	278%
50 Security	1,063	19,722	18,400	107%
51 Engineering Services	2,226	44,068	48,600	91%
52 Chlorinators	-	2,851	100	2851%
53 Facilities, Wells, T&D - Other	150	7,735	10,000	77%
54 Total Facilities, Wells, T&D	27,306	358,787	327,300	110%
55 Utilities - Office				
56 Electricity	1,633	16,576	15,900	104%
57 Gas	36	755	710	106%
58 Telephone	813	9,612	9,500	101%
59 Trash Pickup & Office Cleaning	364	4,394	4,400	100%
60 Total Utilities - Office	2,845	31,337	30,510	103%
61 Office Expenses				
62 Water Billing System	177	2,127	2,100	101%
63 Supplies & Equipment	(814)	11,592	9,700	120%
64 Copier Lease & Printing Supplies	721	6,800	6,000	113%
65 Dues & Subscriptions	-	952	1,700	56%
66 Postage	1,312	7,972	7,700	104%
67 Printing & Publications	-	3,880	6,100	64%
68 Leases & Rents	-	337	300	112%
69 Computer Services	2,862	31,204	36,800	85%
70 Office Radio	-	-	500	0%
71 Office Storage	500	6,000	6,200	97%
72 Air Conditioning Servicing	418	4,836	4,600	105%
73 Fire Alarm System Servicing	-	312	700	45%
74 Office Expenses - Other	-	926	1,300	71%
75 Total Office Expenses	5,177	76,937	83,700	92%
76 Support Services				
77 Temporary Labor	3,398	10,788	10,000	108%
78 Financial Audit	-	14,625	22,100	66%
79 Accounting	-	32,208	36,000	89%
80 Legal Services	1,821	48,481	53,600	90%
81 Bank Service Charges	53	714	700	102%

Cabazon Water District

Profit & Loss

June 2019

	June 2019	Current YTD	FY 18/19 Amended Budget	YTD (100%)	
82	Payroll Service	302	4,484	4,100	109%
83	Website Support	75	825	1,700	49%
84	General Liability Insurance	1,962	22,927	21,000	109%
85	Total Support Services	7,610	135,052	149,200	91%
86	Training/Travel	1,258	24,897	41,000	61%
87	Other Fees/SWRCB	-	6,703	6,200	108%
88	Service Tools & Equipment				
89	Shop Supplies and Small Tools	1,347	9,106	21,100	43%
90	Vehicle Fuel	4,834	19,744	12,800	154%
91	Employee Uniforms	-	1,394	1,500	93%
92	Safety	-	386	500	77%
93	Tractor Expenses	-	6,851	1,000	685%
94	Equipment Rental	-	394	2,100	19%
95	Service Trucks - R&M	3,342	17,197	13,900	124%
96	Water Ops Phone & Internet	198	1,493	900	166%
97	Total Service Tools & Equipment	9,720	58,411	53,800	109%
98	NON-OPERATING EXPENSES				
99	Grant & Loan Processing Fee	-	1,325	1,600	83%
100	DWR Interest Expense	-	10,266	10,300	100%
101	DHPO Interest Expense	-	9,833	9,800	100%
102	Bad Debt Expense	-	-	1,200	0%
103	Miscellaneous	-	421	1,600	26%
104	Depreciation Expense	22,192	266,300	266,300	100%
105	TOTAL NON-OPERATING EXPENSES	22,192	288,146	290,800	99%
106	TOTAL EXPENSES	123,839	1,552,632	1,544,110	101%
107	TOTAL INCOME BEFORE CAPITAL & GSA	16,978	83,889	147,790	57%
108	DHPO Capacity Credit	(1,750)	(21,000)	(21,000)	100%
	CAPITAL PROJECTS				
109	Main Street Improvements (Icehouse Imp.)	-	(29,593)	(60,000)	49%
110	Meter Replacements & Other Capital	-	(10,649)	(22,000)	48%
111	Vehicle Upgrades	-	(8,828)	-	0%
112	TOTAL CAPITAL PROJECTS	-	(49,070)	(82,000)	60%
113	DEBT - PRINCIPAL				
114	Debt Service Principal - DWR	-	(38,425)	(38,400)	100%
115	Debt Service Principal - DHPO (Zion)	-	(78,870)	(78,900)	100%
116	TOTAL DEBT - PRINCIPAL	-	(117,295)	(117,300)	100%
117	SGMA / GSA	(4,427)	(21,698)	(60,000)	36%
118	NET INCOME / (LOSS)	\$ 10,801	\$ (125,174)	\$ (132,510)	94%

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Cabazon Water District

Balance Sheet

June 30, 2019

June 30, 19

1	ASSETS	
2	Current Assets	
3	Checking/Savings	
4	General Bank Account-Chase	205,294
5	Payroll Bank Account-Chase	58,846
6	Trust Account-Chase (Cust. Deposits)	10,741
7	Local Petty Cash	100
8	Total Checking/Savings	<u>274,981</u>
9	Accounts Receivable	217,321
10	LAIF	633,801
11	Bank of NY Trustee Accounts	61,826
12	Prepaid Expenses	33,971.58
13	Inventory Total	93,672
14	Total Other Current Assets	<u>1,040,593</u>
15	Total Current Assets	<u>1,320,896</u>
16	Fixed Assets	
17	Construction in Process	
18	CIP Cabazon Outlets Expansion	9,692
19	CIP Super Map	19,015
20	CIP 50100 Main St. Property	85,460
21	Total Construction in Process	<u>114,167</u>
22	Tools and Equipment	123,319
23	Source of Supply	1,552,226
24	Transmission & Distribution	10,216,143
25	Buildings & Structures	12,281
26	Water Treatment	8,800
27	Office Furniture and Equipment	71,808
28	Intangible Plant	11,032
29	Vehicles	106,309
30	Land	689,548
31	Accumulated Depreciation	<u>(5,618,438)</u>
32	Total Fixed Assets	<u>7,287,193</u>
33	TOTAL ASSETS	<u>8,608,090</u>
34	LIABILITIES & EQUITY	
35	Liabilities	
36	Current Liabilities	
37	Accounts Payable	29,006
38	Other Current Liabilities	
39	Customer Deposits - Co 1	4,850
40	Customer Deposits - Co 2	5,234
41	Total Customer Deposits	<u>10,084</u>
42	Accrued Vacation Pay	10,051
43	DWR-HS Payable - Current	38,425
44	Current Portion Zion's Bank Ln	78,870
45	Accrued Payroll	7,565

Cabazon Water District

Balance Sheet

June 30, 2019

		<u>June 30, 19</u>
46	Accrued Payroll Taxes	553
47	Accrued Interest	4,734
48	Accrued Expenses	6,419
49	Employee Deductions	144
50	Total Other Current Liabilities	<u>156,845</u>
51	Total Current Liabilities	185,851
52	Long Term Liabilities	
53	DWR-H Loan Payable (Payoff '26)	318,500
54	Zion's Bank Long Term (2023)	335,745
55	RCEDA Loan Payable	300,000
56	Total Long Term Liabilities	<u>954,245</u>
57	Total Liabilities	<u>1,140,096</u>
58	Total Equity	<u>7,467,994</u>
59	TOTAL LIABILITIES & EQUITY	<u>8,608,090</u>

Date: July 2, 2019
To: Calvin Louie, General Manager Cabazon Water District
From: David Thornton, General Contractor DJT Construction Corp
Property Owner: Thornton Development LLC
Subject: Water Service Manzanillo St.


Mr. Calvin Louie

Thanks for taking the time to meet with us regarding our water service for Manzanillo, at this time we are requesting to be placed on the July Board meeting agenda for discussion. Calvin as you are aware, DJT Construction Corp has built 10-15 single family homes in Cabazon for the past 20 years. Consequently, we are requesting that the Board evaluate your recent denial of setting our ¾" water meter which has been paid for to serve water for this property.

Additionally, we are requesting that the Board allows our consultant Duane Burk to speak on our behalf regarding our denial of water service for Thornton Development LLC at Manzanillo. Also, my wife and I would also like to have the opportunity to interact with the Board. Specifically, we are requesting not to have a restricted time limit on the item and would request that the matter be placed on the agenda for discussion and action.

As you are aware we have purchased a ¾" water meter for the property and the Water District has recently denied setting our water meter. Consequently, our building plans are fully prepared and submitted to the Riverside County building department for a building permit. Subsequently, we have a perspective buyer for the house.

Respectfully:


David Thornton, President DJT Construction Corp & Managing Member Thornton Development LLC

Calvin Louie

From: Calvin Louie
Sent: Wednesday, February 13, 2019 12:33 PM
To: 'Sabrina Nies'; Steve.Anderson
Cc: Ellen Koumparis; Clay Morgan; Julianna Salcido
Subject: RE: Manzanillo Fire Flow

I apologize for the confusion. Apparently there has been a miscommunication between Ellen and I.

The address is Manzanillo Street, APN 526-202-034 – the developer is Thornton Development, LLC, Banning, CA 92220. Kathi Thornton is the contact.

Apparently, there has been two (2) fire flows test on Manzanillo Street within a couple weeks timeframe.

Thank you very much,

Calvin Louie
General Manager

clouie@cabazonwater.org

Bus: (951) 849-4442
FAX: (951) 849-2519

This email sent and any files transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please advise the sender via email and delete the email you received.

From: Sabrina Nies [mailto:snies]
Sent: Wednesday, February 13, 2019 12:27 PM
To: Calvin Louie <CLouie@cabazonwater.org>; Steve.Anderson
Cc: Ellen Koumparis <EKoumparis@cabazonwater.org>; Clay Morgan <CMorgan@cabazonwater.org>; Julianna Salcido <jsalcido@cabazonwater.org>
Subject: RE: Manzanillo Fire Flow

I had not reached out to Steve on this property since I was waiting on confirmation from the District based on my earlier analysis and review of the fire flow. Since we have authorization based on your email below, I will prepare a will serve letter. Steve will need the property owner's information (and developer's information, if there is a separate developer) to complete the indemnification agreement. The property address is: Manzanillo Street (APN 526-202-034).

Sabrina

From: Calvin Louie [mailto:CLouie@cabazonwater.org]
Sent: Wednesday, February 13, 2019 11:38 AM
To: Sabrina Nies; Steve.Anderson
Cc: Ellen Koumparis; Clay Morgan; Julianna Salcido
Subject: RE: Manzanillo Fire Flow

Good Morning Sabrina and Steve,

I am following up on the status of the above matter. Has there been any progress on the waiver? If it requires a written request from the District management, please consider this email the authorization.

The District would like to recoup the cost for staff, engineering, and legal cost. If you can provide a breakdown of your cost to be billed to the District, then it can be passed on to the developer.

Thank you very much,

Calvin Louie
General Manager

clouie@cabazonwater.org

Bus: (951) 849-4442
FAX: (951) 849-2519

This email sent and any files transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please advise the sender via email and delete the email you received.

From: Sabrina Nies [<mailto:snies>]
Sent: Monday, February 4, 2019 4:01 PM
To: Clay Morgan <CMorgan@cabazonwater.org>
Cc: Calvin Louie <CLouie@cabazonwater.org>; Ellen Koumparis <EKoumparis@cabazonwater.org>; Julianna Salcido <jsalcido@cabazonwater.org>; David Wolny <DWolny@cabazonwater.org>
Subject: RE: Manzanillo Fire Flow

Hi Clay and Calvin,

My apologies for the delayed response on this. Although 1,000 gpm of fire flow with a 20 psi residual can be provided at the requested property, doing so would exceed the District's maximum pipeline velocity of 10 ft/s in some areas of the system (particularly where 6" pipeline exists). Therefore, the limiting factor is not the residual pressure, but the maximum pipeline velocity. Exceeding 10 ft/s is not recommended, particularly in an aging system with AC pipe.

For this reason, I recommend that the District provide a will serve letter and require the property owner to sign a waiver, similar to the other residence on Mazanillo Street. If the District is in agreement, I will revise the language in the letter to address this specific property and coordinate with Steve to prepare the waiver agreement.

Sabrina

From: Clay Morgan [<mailto:CMorgan@cabazonwater.org>]
Sent: Thursday, January 31, 2019 7:56 AM
To: Sabrina Nies
Cc: Calvin Louie; Ellen Koumparis; Julianna Salcido; David Wolny
Subject: Manzanillo Fire Flow

Good morning Sabrina, I just want to check on the status of a fire flow. Manzanillo is the address we sent it over for you guys to review on 01/08/2019 and haven't heard anything back. When you get a chance to look it over can you send us your results please.

Thank you,

Clayton Morgan

CABAZON WATER DISTRICT

FIRE HYDRANT FLOW TEST

(A = Tested Flow Hydrant; B = Witness Pressure Hydrant)

Date: 1/8/18 Time: 13:25 Tested By: CM

"A" Location: 6" Residential hydrant 145' S of centerline of Manzanillo

"B" Location: _____

Hydrant Manufacturer: James Jones Outlets: 4" 1 2-1/2" 1

Remarks: _____

Pressure Readings (PSI)

Static @ A: 115 (1) Static @ B: 104 (2)

Pitot Guage @ A: 37.5 (3) Residual @ B: 100 (4)

Pressure Computations (PSI)

Pressure Drop @ B: $\frac{4}{[2 - 4]}$ (5)

Computed Flow Pressure @ A: $\frac{111}{[1 - 5]}$ (6)

Available pressure drop to 20 PSI residual @ A: $\frac{91}{[6 - (20 \text{ PSI})]}$ (7)

Flow Computations (GPM)

Discharge @ A: 1010 (8)
[Using 3 with Pitot Guage Table]

Available Flow @ A with 20 PSI Residual: <u>5459</u> GPM (9)
--

Per AWWA M17: $Q = 8 * (7^{0.54} / 5^{0.54})$

Elizabeth Lemus

From: Elizabeth Lemus
Sent: Tuesday, March 19, 2019 12:47 PM
To: David & Kathi Thornton
Cc: Ellen Koumparis
Subject: Water Service Letter - Manzanillo
Attachments: 683-8P1-WSC-2018.pdf; Cabazon_ Manzanillo_Waiver Release and Indemnity Agreement re Firepdf; 683-8P1- Manzanillo.pdf

Hi Kathi,

I just returned to the office this week, and am trying to catch up on some work. Ellen mentioned to me today that you might be waiting for the attached documents for your Manzanillo property? Please let me know if you have any questions or are waiting on anything else from us. You'll notice that the documents need to be notarized by your party(s), along with the District, so if you would like to schedule a day to have everyone sign at once, please let me know of a few dates and times that would work for you, and I can get something scheduled.

Thank you,

Elizabeth "Ellie" C. Lemus
Business Administration Manager
Cabazon Water District
(951) 849-4442 Ext. 2



This email sent and any files transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please advise the sender via reply email and delete the email you received.

March 19, 2019

683-8.1

Kathi Thornton
Thornton Development, LLC
Jane
Banning, CA 92220

Subject: Request for Water Service
1 Manzanillo Street (APN 526-202-034)

Dear Ms. Thornton,

This letter is in response to your request for water service to subject project. Cabazon Water District (District) is willing to provide water service to subject project, provided that you pay the applicable charges, costs, and fees and comply with the applicable conditions, both as set forth herein and enclosed herewith, together with all of the District's Rules and Regulations Governing Water Service. All applicable items of the attached General Water Service Conditions shall also apply.

Unless more stringent requirements are imposed by the local fire official, District rules and regulations governing water service (R&Rs) require that a fire hydrant be located within 330 feet of a residential unit and the minimum fire flow from said hydrant shall be 1,000 gpm for a two hour duration with a minimum residual watermain pressure of 20 psi.

The District has confirmed that there is an existing 6" hydrant (consisting of one 4" and one 2 1/2" outlet) located 610 feet north of the intersection of Dolores Avenue and Manzanillo Street, approximately 170 feet south of the centerline of subject parcel fronting Manzanillo Street. The existing watermain serving the 6" hydrant and fronting subject parcel is 6 inch diameter. Based on your request, the District has performed a fire flow test and determined that a fire flow of 1,000 gpm with a minimum residual watermain pressure of 20 psi cannot be provided. Therefore, in addition to any conditions imposed by the District pursuant to its rules and regulations, a condition of service is that you agree to sign, notarize and return to the District the waiver agreement relating to certain fire flows available to your property, attached as Exhibit A.

Upon receipt of the specific requirements and conditions imposed by Riverside County (planning, building and safety, and fire department), property owner shall furnish a copy to the District for the District's use in determining whether additional facilities are required for incorporation into the system.

All water facilities associated with the Project shall be in place, operational, and accepted by the District prior to any occupancy. The offer of service contained in this letter will expire two (2) years from the date of this letter. However, the District, at its discretion, may extend the offer of service upon written request. This letter is not transferable to any other party without the written consent of the District's General Manager. This letter shall not constitute a vested right to receive service in any particular amount or with any particular consistency. Service shall be provided in accordance with the District's authority and discretion.

Kathi Thornton
March 19, 2019
Page 2

If you have any questions, please call.

Sincerely,

Calvin Louie

SAN/
683-8P1- MANZANILLO

Enclosure: General Water Service Conditions
Exhibit A (Waiver, Release, and Indemnity Agreement)

cc: Steven M. Anderson, Best Best & Krieger
Sabrina A. Nies, Krieger & Stewart

RECORDING REQUESTED BY:

CABAZON WATER DISTRICT

AND WHEN RECORDED MAIL TO:

Best Best & Krieger LLP
Attn: Steven M. Anderson, Esq.
3390 University Ave.
5th Floor
Riverside, CA 92501

(Space above line for County Recorders
use only)

No recording fees required pursuant to Rev. & Tax. Code, § 11922; Gov. Code § 27383

WAIVER, RELEASE AND INDEMNITY AGREEMENT

THIS WAIVER, RELEASE AND INDEMNITY AGREEMENT (hereinafter, "Agreement") is made and entered into this ____ day of March 19, 2019 ("Effective Date") by and between the Cabazon Water District ("District"), Thornton Development, LLC and Kathi Thornton of _____, CA 92220 (together, "Landowner") (collectively, the "Parties" and individually, the "Party").

A. Landowner desires to obtain, or desires that a future owner of the Property described below obtain, water service from the District, including meter installation, related to that certain real property known as APN 526-202-034, and located at Manzanillo Street, Cabazon, California ("Property").

B. Landowner acknowledges and understands that fire suppression services provided to the Property by a fire protection agency may utilize fire hydrants in proximity to the Property.

C. Landowner understands and acknowledges all of the following: (i) fire hydrants utilized to suppress fires affecting the Property may not provide fire flows equal to those set forth in Article 12 of the District's Rules and Regulations Governing Water Service; (ii) upgrading or otherwise achieving fire flow rates set forth in Article 12 would be costly and time consuming for the District; and (iii) Landowner do not at the present wish to incur costs associated with achieving fire flow rates as prescribed by the District's Rules and Regulations Governing Water Service.

D. District hereby agrees to install a meter for water service to the Property subject to the terms and conditions set forth herein.

E. In the event future water demands relating to the Property require installing a larger water meter than the meter contemplated by this Agreement and related will-serve letter, Landowner hereby agrees to be responsible for any additional costs and District fees associated with installing the larger meter, as determined at the time the larger meter is installed.

F. In consideration of this Agreement and to the fullest extent permitted by law, Landowner and its respective successors, assigns, principals, agents, employees, consultants, representatives, bonding companies and insurers hereby release, forever discharge and waive any and all claims as against District, District's officers, successors, assigns, principals, agents, employees, consultants, representatives, attorneys, bonding companies and insurers from any and all liability, demands, causes of actions, or responsibility of any kind for claims, known or unknown, arising out of or in any way related to the provision of water service by the District, including but not limited to the provision of fire flow, to the Property ("Released Claims").

G. With respect to the Released Claims, Landowner specifically waives the provisions of Section 1542 of the California Civil Code, and any other similar statute or provision, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Landowner expressly waives and releases any right or benefit which Landowner has or may have under Section 1542 of the Civil Code of the State of California, to the full extent that such rights and benefits may be waived.

H. In consideration of this Agreement and to the fullest extent permitted by law, Landowner hereby agrees to indemnify, defend and hold District, its officers, employees, consultants, contractors and agents harmless from any damage, claim, liability, or cost (including attorney's fees and costs of defense) to the extent caused by, arising from or in any way related to the provision of water service by the District, including but not limited to the delivery water to any tenant of the Property and the provision of fire flow to the Property.

I. Each of the Parties hereby agrees that this Agreement is intended to be interpreted as broadly and inclusively as is permitted by the laws of the State of California, and that if any provision or portion thereof is held invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, it is agreed that the balance of the Agreement shall continue in full legal force and effect.

J. Landowner agrees that this Agreement shall be binding on his/her heirs, successors and assigns, including without limitation, future owners of the Property. Landowner shall also make any tenant or lessee of the Property aware of this Agreement.

K. Landowner, by signing below, acknowledges that it has read and hereby voluntarily signs this Agreement, and that no oral representations, statements or inducement, apart from the foregoing written agreement, has been made, and that the undersigned possesses the legal power, right, and authority to bind Landowner. Landowner further acknowledges that understands that by signing this Agreement Landowner may be waiving valuable legal rights and that Landowner may at any time seek the advice of an attorney in any matter connected with this Agreement prior to signing.

IN WITNESS WHEREOF, the undersigned each hereby executes this Waiver, Release and Indemnity Agreement and make it effective as of the date first written above.

Cabazon Water District	Thornton Development, LLC	Kathi Thornton
By: _____	_____	_____
Name: _____	By: _____	By: _____
_____	Name: _____	Name: _____
Title: _____	_____	Title: _____
_____	Title: _____	_____
Dated: _____	Dated: _____	Dated: _____
_____	_____	_____

NOTARY ACKNOWLEDGMENT
(California All-Purpose Acknowledgment)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 201__ before me, _____, notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public

**CABAZON WATER DISTRICT
GENERAL WATER SERVICE CONDITIONS
JANUARY 2018**

The following conditions and requirements are a result of the District's initial planning review and are based upon preliminary information. The District reserves the right at any time to change, reconsider, reevaluate, and revise the conditions and requirements applicable to the project, which will expire automatically two (2) years from the issuance date of the water service letter.

The District will endeavor to deliver water in adequate quantities and pressures. Water service of particular quantity, pressure, or uniformity will be reliably available; however, such water service will not be guaranteed.

The District's commitment for water service is expressly conditioned on applicant's performance of the conditions referenced herein. It is not transferable to any other site. The applicant (which shall include owner, developer, and representative) shall submit a letter to the District containing all of the following information so that the request for water service can be fully and properly documented and reviewed:

- | | |
|---------------------------|---------------------------------|
| 1) Project Owner | 6) Project Location |
| 2) Project Developer | 7) Site Acreage |
| 3) Project Representative | 8) Assessor's Parcel Number |
| 4) Project Name | 9) Record Map (Parcel or Tract) |
| 5) Project Description | 10) Land Use Zoning |

The approval of the project's improvement plans is considered valid for a period of two (2) years from the date of the signature of the President of the District's Board of Directors. The District will recognize the project designed as "under construction" when the Developer has paid the District's required charges and fees, including design review and construction inspection fees.

The applicant shall grant, or cause to be granted to the District, and without District cost, all necessary easements and/or rights-of-way for construction, installation, maintenance, repair, replacement, alteration, or enlargement of the system facilities installed; said easements are to be executed by all necessary parties having an interest in affected lands and/or receiving service from said system facilities.

The applicant shall convey to the District, in a proper grant deed/bill of sale, full ownership of water facilities serving the project, up to and including water meter or detector check and reduced pressure principle backflow prevention device. Such facilities shall become the District's property upon acceptance of said grant deed by the District's Board of Directors. Conveyance of the facilities is required for the District's continuing obligation to operate, repair, maintain, and expand the facilities serving the project.

The applicant shall be responsible for and hold harmless, defend, and indemnify the District, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, cost, or expenses which the District, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay by reason of any injury, death, or property damage resulting from the negligent acts, omissions, or willful misconduct of the applicant, its employees, subcontractors, or agents in the course of fulfilling the conditions and requirements of these water service conditions, which obligation shall survive conveyance of the above facilities to the District.

General Conditions

1. Where new mains are required, the applicant requesting water service shall submit an engineered hydraulic analysis to determine or demonstrate daily and peak demands and pressures, and proposed main sizing with criteria that meet the District's applicable design standards.
2. Because fire flows are critical, the water system must meet or exceed Riverside County Fire Department Fire Protection requirements and be in accordance with District's rules and regulations. (Design criteria to include fire flows, maximum day demand, and emergency shortage provisions.)
3. The engineered hydraulic analysis shall be utilized by the Developer's engineer to complete all necessary information set forth on the County Environmental Health Services Department SAN - 53 Supplemental Information Form.
4. The required water system must meet the region's operation, fire, and emergency water service requirements.
5. The existing water mains must be reinforced to meet the project's additional demands on existing facilities.
6. All facilities must be designed, constructed, and inspected at applicant's expense and to the District's current design standards.
7. A water meter is required on each service line, and detector check is required on each fire protection line, per District's standards.
8. A reduced pressure principal back-flow device is required on the applicant side of each service line and each fire line, per District's standards.
9. As required by current laws and regulations, ultra low-flow toilets, water conserving devices, and water fixtures shall be installed, operated, maintained, repaired, and if necessary, replaced throughout the project.
10. Drought tolerant planting and water conserving irrigation systems shall also be used as required and in compliance with current Riverside County standards and requirements.
11. Applicant shall submit to District for review and approval onsite water facilities and structure plumbing plans of the project.
12. The project must comply with all current code requirements (i.e. plumbing code, fire code, building code, etc.), as it pertains to water service.

Financial Arrangements

The applicant shall pay applicable charges, costs, and fees, including basic facilities charges, distribution or collection system charges, service connection charges, and temporary connection charges, among others, and make any other necessary financial arrangements for service prior to the commencement of service.

Contingent upon the payment of appropriate charges, costs, and fees, making required financial arrangements, and successful completion of the proposed facilities, water service will be provided for the project.

The basic monthly service charges, water consumption rates, basic facilities charges, distribution system charges, service connection charges, temporary service connection charges (for any necessary construction water), among other charges, costs, and fees such as design review and construction inspection fees, are subject to change, as set forth in the District's rules and regulations.