

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

AMENDED AGENDA REGULAR MEETING BOARD OF WATER COMMISSIONERS Tuesday, JULY 5, 2016 – 9:30 a.m. MARGARET H. CHANDLER WATER RECLAMATION PLANT 399 CHANDLER PLACE San Bernardino, California

BOARD OF WATER COMMISSIONERS

TONI CALLICOTT
President

Commissioners
LOUIS A. FERNANDEZ
WAYNE HENDRIX, P.E.
JUDITH VALLES
DAVID E. MLYNARSKI



STACEY R. ALDSTADT
General Manager
ROBIN L. OHAMA
Deputy General Manager
MIGUEL GUERRERO, P.E.
Director of Water Utility
JOHN A. CLAUS
Director of Water Reclamation
TERRI WILLOUGHBY
Director of Finance
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance

“Trusted, Quality Service since 1905”

Welcome to a meeting of the Board of Water Commissioners of the City of San Bernardino.

- The City of San Bernardino Municipal Water Department recognizes its obligation to provide equal access to those individuals with disabilities. Please contact the General Manager’s Office (909-384-5191) two working days prior to the meeting for any requests for reasonable accommodation, to include interpreters.
- All documents for public review are on file with the Water Department located on the 5th floor of City Hall, 300 North “D” Street, San Bernardino or may be accessed online at http://www.ci.san-bernardino.ca.us/water/newsalerts/agendas_n_minutes.asp
- Please turn off or mute your cell phone while the meeting is in session.
- Any member of the public desiring to speak to the Board of Water Commissioners concerning any matter not on the agenda, but which is within the subject matter jurisdiction of the Board of Water Commissioners, may address the body at the end of the meeting during the period reserved for public comments. Said total period for public comments shall not exceed forty-five (45) minutes, unless such time limit is extended by the Board of Water Commissioners. A three-minute limitation shall apply to each member of the public, unless such time limit is extended by the Board of Water Commissioners. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public.
- The Board of Water Commissioners may refer any item raised by the public to staff for appropriate action or have the item placed on the next agenda of the Board of Water Commissioners. However, no other action shall be taken nor discussion held by the Board of Water Commissioners on any item which does not appear on the agenda unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.
- Public comments will not be received on any item on the agenda when a public hearing has been conducted and closed.

CALL TO ORDER: _____ a.m./p.m.

Attendee Name	Present	Absent	Late	Arrived
President Toni Callicott				
Commissioner Louis Fernández				
Commissioner Wayne Hendrix				
Commissioner Judith Valles				
Commissioner David E. Mlynarski				
General Manager Stacey Aldstadt				
Deputy General Manager Robin Ohama				
Director of WRP John Claus				
Director of WU Miguel Guerrero				
Director of Finance Terri Willoughby				
Director of ERC Jennifer Shepardson				

OTHERS:

1. CLOSED SESSION: _____ a.m./p.m.

Pursuant to Government Code Section(s):

- A. Conference with legal counsel – existing litigation – pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9: *In Re City of San Bernardino, California*, United States Bankruptcy Court, Central District of California (Riverside), Case No. 6: 12-bk-28006-MJ. *City of San Bernardino v. San Bernardino Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. CIVDS1605532. *City of San Bernardino v. East Valley Water District*, San Bernardino Superior Court Case No. CIVDS 1608620.
- B. Conference with legal counsel – anticipated litigation – significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9.
- C. Conference with legal counsel – anticipated litigation – initiation of litigation – pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9.
- D. Public Employment pursuant to Government Code Section 54957. One item – Performance Evaluation of the General Manager.
- E. Consultation with legal counsel and security consultant on matters posing a threat to the security of essential public services, including water, drinking water, and wastewater treatment pursuant to Government Code Section 54957.
- F. Conference with labor negotiator – pursuant to Government Code Section 54957.6.

**END OF CLOSED SESSION
RECONVENE MEETING**

CALL TO ORDER: _____ a.m./p.m.

Attendee Name	Present	Absent	Late	Arrived
President Toni Callicott				
Commissioner Louis Fernández				
Commissioner Wayne Hendrix				
Commissioner Judith Valles				
Commissioner David E. Mlynarski				
General Manager Stacey Aldstadt				
Deputy General Manager Robin Ohama				
Director of WRP John Claus				
Director of WU Miguel Guerrero				
Director of Finance Terri Willoughby				
Director of ERC Jennifer Shepardson				

OTHERS:

2. ANNOUNCEMENTS BY MEMBERS OF THE BOARD OF WATER COMMISSIONERS:

3. CONSENT CALENDAR

MOTION: That the motions indicated by consent calendar items 3A through 3H be adopted, except for _____.

MOTION:_____ SECONDED:_____

A. WAIVE FULL READING OF RESOLUTIONS

MOTION: That full reading of the resolutions on the regular or supplemental agendas of the Board of Water Commissioners be waived.

B. PAYROLL

MOTION: Approve the payroll for the pay period June 13, 2016 through June 26, 2016.

C. CONTRACTS AND BILLS

MOTION: Approve the payment of contracts and bills to be presented at this meeting.

D. MINUTES

MOTION: Approve the minutes of the meetings of June 21, 2016 of the Board of Water Commissioners.

E. PERSONNEL ACTIONS

1. PROMOTION: Richard Flores, Water Utility Worker II, Range 138, to the position of Water Utility Worker III, Range 142, ratify effective June 27, 2016. This position is in the budget and based on the needs and staffing for this section, the position is still justifiable under the budget.

2. PROMOTION: Tyler Smith, Water/Water Reclamation Worker, Range 124, to the position of Water Reclamation Plant Mechanic I, Range 146, effective July 11, 2016. This position is in the budget and based on the needs and staffing for this section, the position is still justifiable under the budget.

MOTION: Approve the Personnel Actions as submitted.

F. RESOLUTION NO. 890: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING JOE CHAVEZ FOR TWENTY-EIGHT YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

MOTION: That Resolution No. 890 be adopted as submitted.

- G. RESOLUTION NO. 891: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING STEVE SHIPLEY FOR TWENTY-SEVEN YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

MOTION: That Resolution No. 891 be adopted as submitted.

- H. RESOLUTION NO. 892: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING SHAWN FOX FOR MORE THAN TWENTY YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

MOTION: That Resolution No. 892 be adopted as submitted.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: (if any) in accordance with Section 54954.2 (b) (2) of the Government Code (Brown Act), a two-thirds vote (or a unanimous vote if less than two-thirds are present) is required to add an item for action provided that there is a need to take immediate action and that the need for action came to the attention of the agency after the agenda was posted.

MOTION: Approve an additional item(s) to be added to the agenda in accordance with Government Code Section 54954.2(b) (2).

MOTION:_____ SECONDED:_____

5. CONSIDERATION OF COMPENSATION FOR GENERAL MANAGER: The Board of Water Commissioners will consider compensation for the General Manager of the San Bernardino Municipal Water Department and will take such action as it so determines. **(NO BACK UP)**

MOTION: Approve compensation determined by the Board of Supervisors for the General Manager.

MOTION:_____ SECONDED:_____

6. MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY COUNCIL FRAMEWORK AGREEMENT: Drought impacts have become severe across many areas of the state as water stored in reservoirs was depleted and water levels in groundwater basins declined. As a result, the California Legislature enacted the Sustainable Groundwater Management Act of 2014 (SGMA) in September 2014. In an effort to build on the foundation of existing laws and regulations, contracts and judicial decrees, and the recent enactment of SGMA, water suppliers entering into the Memorandum of Understanding for the Development of a Groundwater Sustainability Council Framework Agreement (MOU) will collaboratively develop a cooperative structure for groundwater management in the Upper Santa Ana River

Groundwater Basin. The goal is to ensure that these groundwater basins are managed in a manner that will be sustainable over the long-term.

It is the intent of the participating members to complete the development of a framework agreement that would enable the implementation of SGMA and promote long-term sustainability by December 31, 2016, and fully implement the provisions of the framework agreement by December 31, 2018.

MOTION: Approve the *Memorandum of Understanding (MOU) for the Development of a Groundwater Sustainability Council Framework Agreement* with Upper Santa Ana River Groundwater Basin stakeholders; and authorize the President and Secretary to execute the MOU.

MOTION: _____ SECONDED: _____

7. ESTABLISH A DATE AND TIME FOR A PUBLIC HEARING ON THE 2016 PUBLIC HEALTH GOALS IN COMPLIANCE WITH SECTION 116470 OF THE HEALTH AND SAFETY CODE: California Health and Safety Code, Section 116470 (2)(B) mandates the preparation of a report that is intended to inform the public concerning any drinking water Public Health Goals (PHG) exceedances that occur, and specifies that a public hearing be held for the purpose of “accepting and responding” to public comment.

Copies of our laboratory test results will be available to the public beginning July 1, 2016, at the Water Department’s Customer Service Office, located at 300 N. “D” St., 5th Floor of City Hall, Monday through Friday, during normal business hours. The report indicates what PHGs were exceeded, what health risks are associated with the exceedances, and what is the cost of the best treatment technology available.

MOTION: Establish the date of August 2, 2016, at 9:30 a.m. in the Water Department Board Room located at 399 Chandler Place, San Bernardino, California as the date, time, and location for a Public Hearing, to give concerned water consumers an opportunity to discuss PHG exceedances, possible health effects caused by these exceedances, and the cost of the best available technology required to meet specific PHG exceedances.

MOTION: _____ SECONDED: _____

8. REQUEST TO EXTEND RIX ADMINISTRATION AGREEMENT: On September 29, 1997, the RIX Joint Powers Authority entered into a two-year Administration Agreement, determining that the responsibility of administration of the RIX facility should be delegated to the Department. Staff is requesting that an additional five-year extension for the period of September 30, 2016, through September 29, 2021, be approved.

MOTION: Approve the Administration Agreement for the Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority for the period September 30, 2016 through September 29, 2021; and authorize the President and Secretary to execute the agreement.

MOTION: _____ SECONDED: _____

9. AUTHORIZATION TO SUBMIT A RESOLUTION TO JOIN THE CALIFORNIA MUNICIPAL FINANCING AUTHORITY TO THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO: At the April 5, 2016 meeting of the Board of Water Commissioners (Board), the Board approved contracts with various team members to assist Finance staff in assessing the Department's options for issuing water and wastewater bonds to fund various capital projects. The need to use a joint powers authority for the planned issuance of revenue bonds arises from the debt limit provisions of Article XVI, Section 18 of the California Constitution, which generally requires a 2/3 vote of the electorate before a city, county, or school district may incur long-term debt (the "Constitutional Debt Limit"). One of the exceptions to the Constitutional Debt Limit relates to financings of an enterprise fund, such as the City's Water Fund and Sewer Fund. In reliance on this exception, it has become customary to structure city enterprise fund financings using a joint powers authority as a conduit issuer, with the authority issuing bonds solely payable from installment payments made by the city from net revenues of the enterprise fund.

Based on this analysis, it has been determined that the California Municipal Financing Authority (CMFA) is the most efficient and cost-effective financing authority available at this time. Membership in CMFA will allow both the City and the Water Department to utilize the authority for various financing opportunities. In addition to the benefits to the City and the Water Department, membership in CMFA offers benefits to other organizations in the community. Once the City becomes a member, other for-profit and non-profit corporations within the City may utilize the CMFA's services as well.

MOTION: Approve the submission of the Resolution of the Common Council of the City of San Bernardino, California, approving, authorizing, and directing execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority to the Mayor and Common Council of the City of San Bernardino.

MOTION: _____ SECONDED: _____

10. REPORTS:

A. Report of the President:

B. Report of the Commissioners:

C. Report of the Directors:

D. Report of the General Manager:

11. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:

12. ADJOURNMENT: The meeting adjourned at _____ a.m./p.m.

NOTE: The next regular meeting of the Board of Water Commissioners is scheduled for *9:30 a.m., July 19, 2016* in the Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

MINUTES
BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAN BERNARDINO

REGULAR MEETING
June 21, 2016
Water Reclamation Plant Conference Room
399 Chandler Place
San Bernardino, California
9:30 a.m.

The Regular Meeting of the Board of Water Commissioners of the City of San Bernardino was called to order by Vice President Valles at 9:31 a.m. on June 7, 2016 in the Water Reclamation Conference Room, 399 Chandler Place, San Bernardino, California.

ROLL CALL: Roll call was taken by the Secretary with the following being present: Vice President Valles; Commissioners Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Patrick Sanchez, Sr. Business Systems Analyst; Amy Smith, Executive Secretary.

Members of the Public: Jose Martinez, East Valley Water District

President Callicott arrived at 10:09 a.m.

1. CLOSED SESSION: President Callicott adjourned the Regular Meeting of the Board of Water Commissioners to a Closed Session. At 10:46 a.m., the Regular Meeting of the Board of Water Commissioners was recessed and a Closed Session was called to order in accordance with the following Government Code Sections:

- A. Conference with legal counsel – existing litigation – pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9: *In Re City of San Bernardino, California*, United States Bankruptcy Court, Central District of California (Riverside), Case No. 6: 12-bk-28006-MJ. *City of San Bernardino v. San Bernardino Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. CIVDS1605532.

No action was taken at this time.

ROLL CALL: Roll call was taken with the following present: President Callicott; Commissioners Valles, Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

ADJOURN CLOSED SESSION: At 11:39 a.m., the Closed Session of the Board of Water Commissioners adjourned to the Regular Meeting of the Board of Water Commissioners in the Water Department Board Room.

ROLL CALL: Roll call was taken by the Secretary with the following being present: President Callicott; Commissioners Valles, Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

2. ANNOUNCEMENTS BY MEMBERS OF THE BOARD OF WATER

COMMISSIONERS: None

3. CONSENT CALENDAR: Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was voted to approve the following Consent Calendar, Agenda Items 3A through 3J:

A. WAIVE FULL READING OF RESOLUTIONS: Waive full reading of the resolutions on the regular or supplemental agendas of the Board of Water Commissioners.

B. PAYROLL

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Claims: 270524-270874			
Accounts Payable	\$746,833.74	\$984,985.60	\$1,731,819.34
Gross Payroll: 05/16/16- 05/23/16	<u>248,283.48</u>	<u>179,067.25</u>	<u>427,350.73</u>
TOTALS	<u>\$995,117.22</u>	<u>\$1,164,052.85</u>	<u>\$2,159,170.07</u>

Payroll for the pay period May 30, 2016 through June 12, 2016.

C. CONTRACTS AND BILLS: Contracts and bills presented at this meeting.

D. MINUTES: May 17, 2016 and June 7, 2016.

E. PERSONNEL ACTION - PROMOTION: Mark Dillon, Water Reclamation Senior Operator, Range 157, to Water Reclamation Lead Operator, Range 159, ratified June 13, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.

F. RESOLUTION NO. 885: A RESOLUTION APPROVING THE SIXTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO WATER DEPARTMENT EMPLOYEES' ASSOCIATION DATED JULY 1, 2011, AMENDING ARTICLE III – SALARIES, 3.1 – SALARY SCHEDULE.

G. RESOLUTION NO. 886: A RESOLUTION APPROVING THE EIGHTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO ASSOCIATION OF WATER DEPARTMENT MID-MANAGERS DATED APRIL 1, 2010, AMENDING ARTICLE III – SALARIES, 3.1 - SALARY SCHEDULE.

H. RESOLUTION NO. 887: A RESOLUTION APPROVING THE SIXTH AMENDMENT TO RESOLUTION NO. 779 WITH THE WATER DEPARTMENT MANAGEMENT AND CONFIDENTIAL EMPLOYEES DATED JULY 1, 2011, AMENDING SECTION 2 – SALARY SCHEDULES, AND ADDING EXHIBIT 1-F.

- I. RESOLUTION NO. 888: A RESOLUTION APPROVING THE EIGHTH AMENDMENT TO RESOLUTION NO. 658 FOR THE WATER DEPARTMENT REGULAR PART-TIME EMPLOYEES COMPENSATION AND BENEFITS PLAN DATED APRIL 1, 2005, AMENDING SECTION 2 – SALARIES, A – SALARY SCHEDULES AND B – GENERAL PROVISIONS AND ADDING EXHIBIT 11 – HOURLY SALARY SCHEDULE AND AMENDING SECTION 3 – LEAVE, A – SICK LEAVE.
- J. RESOLUTION NO. 889: A RESOLUTION APPROVING SIDE LETTER DATED JUNE 8, 2016 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO WATER DEPARTMENT EMPLOYEES' ASSOCIATION DATED JULY 1, 2011, AUTHORIZING EXTENSION OF TERMS AND CONDITIONS.

END OF CONSENT CALENDAR

- 4. ADDITIONS TO THE AGENDA: None.
- 5. REVISED SALARY SCHEDULE EXHIBIT FOR WEBSITE: On June 7, 2016, the Board of Water Commissioners (Board) approved the current the San Bernardino Municipal Water Department (SBMWD) Salary Schedule Exhibit with an effective date of May 17, 2016. On May 17, 2016 the Board approved range changes for Water Reclamation Operations Manager from Range 268 to Range 274 and Water Reclamation Operations Superintendent from Range 270 to Range 276, pending approval by the Association of Mid-Managers. Approval was obtained from the Association of Mid-Managers and on June 7, 2016, the Board approved the revised Mid-Manager Salary Schedule.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the revised San Bernardino Municipal Water Department (SBMWD) Salary Schedule dated May 17, 2016.

- 6. REVISED BENEFIT COORDINATORS CORPORATION (BCC) BUSINESS ASSOCIATE AGREEMENT: The Water Department was required to sign benefit agreements/policies with carriers and third party administrators that were previously signed by City management following the Department's separation from City benefits.

Benefit Coordinators Corporation (BCC) notified Human Resources that during an audit of their documents for compliance, it was discovered that the Business Associate Agreement on file is not compliant with the Health Insurance Portability and Accountability Act (HIPAA) requirements.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the revised Business Associate Agreement between the San Bernardino Municipal Water Department and Benefit Coordinators Corporation, effective June 1, 2016.

- 7. REQUEST TO PURCHASE A REPLACEMENT VEHICLE: The Safety Division was assigned a vehicle for use of the Safety Supervisor as a First Responder in the event of any accident or natural disaster. The current vehicle in use was unit 59 which was a 2002 Ford F-150 4x4 Super Crew Cab truck with approximately 130,000 miles on the odometer.

The unit 59 truck recently needed constant and fairly significant repairs, and while still usable as a pool vehicle, was not reliable enough for daily use by the Safety Supervisor. Staff evaluated replacement options available from three (3) local Ford dealers, through an informal Request for Information (RFI) process and determined that Fairview Ford provided the best overall value for the Department's needs.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the capital budget transfer in the amount of \$32,000.00 from Fleet's Repairs and Maintenance Account (Account No. 100-2045-560-6540) to Autos & Trucks Capital Account (Account No. 100-2045-580-8020) The purchase of a Ford F-150 4x4 Super Crew Cab Truck for Emergency Response/Safety Vehicle replacement in the amount of \$31,286.51 was authorized.

8. APPROVAL OF SPECIAL PURCHASE/REFURBISHMENT OF ONE OF THE TWO HARMONY VARIABLE FREQUENCY DRIVE UNITS – WATER RECLAMATION PLANT BLOWER VFD UPGRADES PROJECT – SIEMENS INDUSTRY, INC.: The Department's Water Reclamation Plant (WRP) operated three activated sludge systems to achieve secondary level of treatment. The two aeration systems known as Unit No. 1 and Unit No. 2 utilized blowers to impart air into the activated sludge systems for agitation and microorganism respiration. The electric blowers utilized 750 HP Harmony variable frequency drives (VFD) equipped with capacitor cells to control the air supply.

Due to the blowers' age and extensive use, their VFD's capacitor cell banks deteriorated and were in need of replacement. This project consisted of procuring replacement parts and labor to refurbish one (1) cell capacitor and upgrade one (1) VFD for the aeration system. The refurbishment would take the blower out of operation. As such, only one blower would be refurbished at this time (the second blower would be refurbished in the next fiscal year).

A quote was solicited from the only company that manufactures the components needed for the VFD upgrade. The quote was received from Siemens Industry, Inc., in the amount of \$30,550.00.

Staff requested the Board of Water Commissioners approve this purchase as permitted in Policy and Procedure No. 51.030 *Purchasing*, Part I, *Initiation of Purchase Requisition*, Subsection H, *Special Purchases* prior to staff proceeding with the Blower VFD Upgrades. This would allow for the continued reliable operation of this critical component of the activated sludge system.

The funding source for this purchase was the FY 2015/2016 Sewer Fund Capital Improvement Project titled *Blower VFD Upgrades* (C.O. 00186), which currently had a total of \$49,668.87 in unencumbered funds.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the special purchase of the replacement parts and labor to refurbish one (1) cell capacitor and upgrade one (1) variable frequency drive. Staff was authorized to issue a purchase order to Siemens Industry, Inc., in the amount of THIRTY THOUSAND FIVE HUNDRED FIFTY AND 00/100 DOLLARS (\$30,550.00).

9. ANNUAL RENEWAL OF CLIENT SERVICES AGREEMENT; MARSH RISK & INSURANCE SERVICES – MAY 2016 TO MAY 2017: On May 11, 2015, the Board of Water Commissioners approved the ninth annual renewal of the Client Service Agreement with Marsh Risk & Insurance Services (Marsh) to market and manage the Water Department's liability and property insurance programs.

Marsh continued to deliver excellent customer service to Department staff by providing guidance on premium budget forecasting, contract coverage review and claims support. Marsh offered this agreement renewal for the annual fee of \$113,300.00. Funds were budgeted for 2016/17 to cover the cost of the proposed service agreement renewal.

Upon motion by Commissioner Fernández, duly seconded by Commissioner Hendrix, it was unanimously voted to ratify the tenth annual renewal of the Client Services Agreement with Marsh Risk & Insurance Services for the period of May 16, 2016, to May 16, 2017 at an annual fee of One Hundred Thirteen Thousand and Three Hundred Dollars (\$113,300.00). The General Manager was authorized to execute the agreement.

10. ACCEPTANCE OF WATER UTILITY EASEMENT TO SERVE A LANDLOCKED PARCEL FOR A PRIVATE CUSTOMER ON APN 0267-061-44 (EPN 2006-096): A property owner within the San Bernardino Municipal Water Department's (SBMWD) service area, Mr. Juifang Chen, requested water service for a property that was within a landlocked parcel. Under the current Rule and Regulation No. 13, the parcel, APN 0267-061-44, required direct and adjacent access to a SBMWD water main to receive water service. In order to provide the requested fire and domestic services, the customer proposed service through an adjacent parcel known as APN 0267-061-39, which was under the same ownership.

Mr. Chen has provided the Department with easement documents for execution. Engineering staff has reviewed these documents and found them to be acceptable for recordation.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Fernández, it was unanimously voted to accept the Grant of Easement from Mr. Juifang Chen within the parcels known as APNs 0267-061-44 and 067-061-39 and as described in the easement documents. The Secretary was authorized to file and record within the County of San Bernardino.

11. APPROVAL OF THE PROFESSIONAL SERVICES AGREEMENT WITH STANTEC CONSULTING SERVICES, INC. FOR CONSENT DECREE IMPLEMENTATION SUPPORT FOR FISCAL YEAR 2016-2017: The San Bernardino Municipal Water Department (Department) utilized the services of Mark Eisen with Stantec Consulting Services, Inc. (Stantec) for Consent Decree-related support services. The Department desired to execute a new Professional Services Agreement with Stantec to provide services from July 1, 2016 through June 30, 2017.

The Department has sufficient funds budgeted in the Fiscal Year 2016/17 Operation Budget to cover these professional services (Account No. 100-3010-560-5525).

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the professional services agreement with Stantec Consulting Services, Inc. in the amount of \$197,084.00 to provide ongoing Consent Decree support services, effective July 1, 2016 through June 30, 2017. The President and Secretary were authorized to execute the agreement.

12. MAY 2016 DROUGHT MONITORING REPORT: This report continues to monitor and track the effects of the ongoing drought by monitoring groundwater levels in select wells located in the Department's service area. The Board implemented Stage IIA extreme mandatory restrictions as a result of the State Water Resources Control Board (SWRCB) emergency regulations. **(INFORMATION ONLY)**

13. WRITE-OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE: VARIOUS LOSS CONTROL INVOICES: Over the years, Finance staff had invoiced various customers for damages to San Bernardino Municipal Water Department property. Finance staff recently worked with Environmental & Regulatory Compliance staff to review invoices that remain unpaid through December 31, 2015 and that are determined uncollectible.

The invoice dates range from 2008 through 2014 and the total of the invoices recommended to be written off is \$140,275.17. Board of Water Commissioner approval was required for any write-off over \$1,000.00.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the write-off of the invoices totaling \$140,275.17.14.

14. WATER RATE ADJUSTMENT PRESENTATION: The concept of the change in water rate structure was presented to the Board of Water Commissioners (Board) earlier in the year and was discussed as part of the Board's strategic planning session. At the May 17, 2016 Board Meeting, staff and our rate consultant, Art Griffith of FG Solutions gave a detailed presentation on the process of developing the rates and components of the water rate study. The next step in the process was for the Board of Water Commissioners to set a date for a Public Hearing.

John Hillman, President of the North End Neighborhood Association, spoke about the morale of the area he represents. Mr. Hillman stated that trust is gone and the timing of the water rate increase may be lacking wisdom. Mr. Hillman stated he supported the Board but wanted each member to be careful on marketing the increase.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, with Commissioner Mlynarski opposing, it was voted 4-1 to approve the date of September 20, 2016 for a Public Hearing to be held in the Council Chambers at 10:00 a.m. to hear public comments relative to the proposed water rate increases. Staff was authorized to send official notices of the proposed rates and notices of Public Hearing to all property owners and begin the public outreach process.

15. OPERATING AND CAPITAL IMPROVEMENT BUDGET – FISCAL YEAR 2016-17: The proposed Fiscal Year 2016/17 Operating and Capital Improvement Budget of the San Bernardino Municipal Water Department was presented to the Board of Water Commissioners in a workshop setting.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was unanimously voted to adopt the City of San Bernardino Municipal Water Department Operating and Capital Improvement Budget for Fiscal Year 2016/17.

16. REPORTS:

- A. Report of the President: None
- B. Report of the Commissioners: None
- C. Report of the Directors: None
- D. Report of the General Manager: None

17. PUBLIC COMMENTS: This is the time specified for public comments concerning specific items not on the agenda or matters of general interest. John Hillman, President of the North End Neighborhood Association, asked if an earthquake hit, how would water be dispersed? General Manager Aldstadt responded by letting Mr. Hillman know that although earthquakes are unpredictable, the Department has taken strategic measures, had numerous table top exercises, and drills in an effort to prepare for this type of natural disaster.

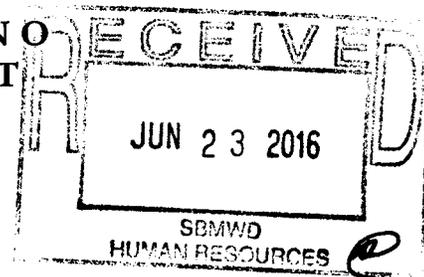
18. ADJOURN MEETING: The meeting adjourned at 11:40 a.m. to the next Regular Meeting to be held on Tuesday, July 5, 2016, at 9:30 a.m. in Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

BY: _____
TONI CALLICOTT
President

BY: _____
ROBIN L. OHAMA
Deputy City Clerk & Ex-Officio Secretary

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

BOARD OF WATER COMMISSIONERS
STAFF REPORT



TO: Stacey R. Aldstadt
FROM: Miguel J. Guerrero
SUBJECT: PERSONNEL ACTION – PROMOTION OF RICHARD FLORES TO WATER UTILITY WORKER III (SECTION 3021)
DATE: June 21, 2016
COPIES: Tim Connor, Sally Duran, Human Resources

BACKGROUND:

Due to the recent promotion of Jamie Yglesias effective January 25, 2016, one vacancy exists for a Water Utility Worker III position in Water Utility Distribution Service and Repair (Section 3021). Selection interviews were conducted on June 21, 2016 by Tim Connor, Tim Potter, and Ralph Ramos for the position of Water Utility Worker III. This position is in the budget. I have reviewed the needs of and staffing for this section and believe, based on those, that the position is still justifiable under the budget. The panel is recommending the promotion of Richard Flores to fill this position.

RECOMMENDATION:

Staff recommends that the Board of Water Commissioners make the following motion:

Ratify the promotion of Richard Flores from Water Utility Worker II, Range 138, to the position of Water Utility Worker III, Range 142, effective June 27, 2016.

Respectfully submitted,

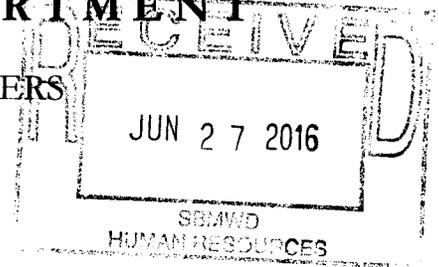
A handwritten signature in black ink, appearing to read "Miguel J. Guerrero".

Miguel J. Guerrero, P.E.
Director, Water Utility

MJG:jgt

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**BOARD OF WATER COMMISSIONERS
STAFF REPORT**



TO: Stacey R. Aldstadt, General Manager
FROM: John A. Claus, Director of Water Reclamation
SUBJECT: **PROMOTIONAL APPOINTMENT – WATER RECLAMATION PLANT
MECHANIC I – TYLER SMITH**
DATE: June 22, 2016
CC: Human Resources, File, Laserfiche

BACKGROUND:

Due to the recent resignation of Jesse Mobley, a vacancy exists in the RIX Section (5025) for the position of Water Reclamation (WR) Plant Mechanic I. This position is in the budget and based on the needs and staffing for this section, the position is still justifiable under the budget. Interviews for this position were conducted on January 26, 2015, with Greg Evans, WR Maintenance Superintendent, Travis Mendenhall, WR Mechanical Maintenance Supervisor, and Con Arrietta, Water Quality Control Officer. Staff recommends the promotion of Tyler Smith to the vacant position of WR Plant Mechanic I.

RECOMMENDATION:

Staff recommends the Board of Water Commissioners make the following motion:

Approve the promotion of Tyler Smith from Water/Water Reclamation Worker, Range 124, to the position of Water Reclamation Plant Mechanic I, Range 146, effective July 11, 2016.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Claus". The signature is stylized and written over the printed name.

John A. Claus
Director of Water Reclamation

JAC:er

RESOLUTION NO. 890

A RESOLUTION OF THE BOARD OF WATER
COMMISSIONERS OF THE CITY OF SAN BERNARDINO
RECOGNIZING JOE CHAVEZ FOR TWENTY-EIGHT YEARS
OF DEDICATED SERVICE TO THE CITY OF SAN
BERNARDINO MUNICIPAL WATER DEPARTMENT.

JUN 28 2016

WHEREAS, Joe first entered into employment as a Water Utility Mechanic I on May 16, 1988; and

WHEREAS, Joe was promoted to Water Utility Mechanic II, promoted to Water Utility Mechanic III, title changed to Water Utility Worker III, and promoted to Water Utility Lead Worker; and

WHEREAS, Joe received several commendations for his extensive knowledge of the water infrastructure; and

WHEREAS, Joe led by example with a positive attitude and thoroughly trained newer staff on the standard methods of repairing and installing water mains, services, fire hydrants, and other forms of water infrastructure; and

WHEREAS, Joe obtained a Grade II Water Distribution Operator Certificate, and has received numerous other professional training certificates; and

WHEREAS, Joe formally retired from the City of San Bernardino Municipal Water Department on April 14, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Board of Water Commissioners of the City of San Bernardino Municipal Water Department hereby commends Joe Chavez for his dedicated service to the City of San Bernardino Municipal Water Department and wishes him a long and rewarding retirement.

BE IT FURTHER RESOLVED that this Resolution be presented to Joe Chavez.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Water Commissioners of the City of San Bernardino at a regular meeting thereof, held on the 5 day of July, 2016.

Toni Callicott, President

Judith Valles, Commissioner

Louis A. Fernández, Commissioner

Wayne Hendrix, Commissioner

David Mlynarski, Commissioner

RESOLUTION NO. 891

A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO 28 2016
RECOGNIZING STEVE SHIPLEY FOR TWENTY-SEVEN YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

WHEREAS, Steve first entered into employment as a Water Utility Construction Mechanic I on August 14, 1989; and

WHEREAS, Steve promoted to Water Production Treatment Assistant, promoted to Water Production Treatment Technician, promoted to Water Production Treatment Leadperson, title change to Water Treatment Operator Leadperson; and

WHEREAS, Steve effectively trained new employees and helped develop their skills and knowledge; and

WHEREAS, Steve's vast knowledge was instrumental in his ability to deal with a variety of safety situations; and

WHEREAS, Steve obtained a Grade III Water Distribution Operator Certificate and a Grade III Water Treatment Operator Certificate; and

WHEREAS, Steve formally retired from the City of San Bernardino Municipal Water Department on June 6, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Board of Water Commissioners of the City of San Bernardino Municipal Water Department hereby commends Steve Shipley for his dedicated service to the City of San Bernardino Municipal Water Department and wishes him a long and rewarding retirement.

BE IT FURTHER RESOLVED that this Resolution be presented to Steve Shipley.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Water Commissioners of the City of San Bernardino at a regular meeting thereof, held on the 5 day of July, 2016.

Toni Callicott, President

Judith Valles, Commissioner

Louis A. Fernández, Commissioner

Wayne Hendrix, Commissioner

David Mlynarski, Commissioner

RESOLUTION NO. 892

A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING SHAWN FOX FOR MORE THAN TWENTY YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

JUN 28 2016
GENERAL MANAGER

WHEREAS, Shawn first entered into employment as a Water and Water Reclamation Worker on November 1, 1995; and

WHEREAS, Shawn promoted to Water Reclamation Plant Mechanic I, promoted to Water Reclamation Maintenance Planner, and promoted to RIX Mechanical Maintenance Supervisor; and

WHEREAS, Shawn led by example with a positive attitude; and

WHEREAS, Shawn received several commendations for exceptional performance and for effectively gathering and analyzing data to ensure projects were appropriately budgeted and efficiently completed; and

WHEREAS, Shawn was recognized for his excellent relationships with his peers, and for effectively training RIX staff in the safe and proper operation of heavy equipment; and

WHEREAS, Shawn formally retired from the City of San Bernardino Municipal Water Department on April 28, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Board of Water Commissioners of the City of San Bernardino Municipal Water Department hereby commends Shawn Fox for his dedicated service to the City of San Bernardino Municipal Water Department and wishes him a long and rewarding retirement.

BE IT FURTHER RESOLVED that this Resolution be presented to Shawn Fox.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Water Commissioners of the City of San Bernardino at a regular meeting thereof, held on the 5 day of July, 2016.

Toni Callicott, President

Judith Valles, Commissioner

Louis A. Fernández, Commissioner

Wayne Hendrix, Commissioner

David Mlynarski, Commissioner

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**BOARD OF WATER COMMISSIONERS
STAFF REPORT**

JUN 27 2016

TO: Stacey R. Aldstadt, General Manager

FROM: Miguel J. Guerrero, P.E., Director of Water Utility

SUBJECT: **MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY COUNCIL FRAMEWORK AGREEMENT**

DATE: June 22, 2016

COPIES: Robin Ohama (w/o attach), John Claus (w/o attach), Greg Gage (w/o attach)

BACKGROUND:

In recent years, the State of California has experienced historically low rain fall and hot summers leading to a four year or longer drought. Drought impacts have become severe across many areas of the state as water stored in reservoirs was depleted and water levels in groundwater basins declined. This caused the Governor to declare a state of emergency in early 2014. As a result, the California Legislature enacted the Sustainable Groundwater Management Act of 2014 (SGMA) in September 2014. This act established statewide framework for the sustainable management of groundwater resources, which focuses on granting new authorities and responsibilities to local agencies. Ensuring water supply reliability and long-term groundwater sustainability has become even more important as a result of the long-term drought and the reduced availability of State Water Project water from Northern California.

The Upper Santa Ana River Groundwater Basin, as defined by the California Department of Water Resources' Bulletin 118, includes the following groundwater basins: the Arlington Basin, Rialto-Colton Basin, the Riverside Basin, the San Bernardino Basin Area (including Bunker Hill Basin and the Lytle Basin), the San Timoteo Basin, and the Yucaipa Basin. Surface and groundwater supplies in these basins are governed by a number of judicial decrees and contracts, including but not limited to the Orange County Judgement, the Western Judgement, and the 1961 decree governing most of the Rialto-Colton Basin. In an effort to build on the foundation of existing laws and regulations, contracts and judicial decrees, and the recent enactment of SGMA, water suppliers entering into the attached Memorandum of Understanding (MOU) will collaboratively develop a cooperative structure for groundwater management in the Upper Santa Ana River Groundwater Basin. The goal is to ensure that these groundwater basins are managed in a manner that will be sustainable over the long-term. The development of a Groundwater Sustainability Council (GSC) would represent this

Stacey R. Aldstadt, General Manager

Page 2

June 22, 2016

**SUBJECT: MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT
OF A GROUNDWATER SUSTAINABILITY COUNCIL FRAMEWORK
AGREEMENT**

collaborative effort to develop framework for sharing of resources and responsibilities that will be key to the success of this effort. This collaborative management approach is intended to ensure compliance with SGMA, as well as efficiency and fairness of basin management costs to beneficiaries.

Participation in the GSC is open to groundwater producers in the San Bernardino Basin Area, Rialto-Colton Basin, Yucaipa Basin, Riverside Basin, and San Timoteo Basin. Proposed members include: City of Colton, City of Redlands, City of Rialto, City of Riverside Public Utilities, City of San Bernardino Municipal Water Department, City of Loma Linda, Riverside Highland Water Company, East Valley Water District, West Valley Water District, San Bernardino Valley Municipal Water District, San Bernardino Valley Water Conservation District, Fontana Water Company, Western Municipal Water District, and Yucaipa Valley Water District. Inclusion and commitment in this effort is solidified by approving and signing the attached MOU.

It is the intent of the participating members to complete the development of a framework agreement that would enable the implementation of SGMA and promote long-term sustainability by December 31, 2016, and fully implement the provisions of the framework agreement by December 31, 2018. Committees will be formed for separate basins, and participation will be based on production and use of or benefit from the basin. These committees will determine recharge and other programs and projects that are to be funded for long term basin benefit. A cost model will be developed that is fair to all producers, small and large, public and private, in a collaborative manner based on basin usage and/or production.

The attached MOU, and the establishment of the GSC aim to develop and implement a representative organization to adequately fund basin management in order to create a sustainable regional groundwater basin in the most fair and equitable manner possible. The MOU establishes the process for development and the parties committing to engage in the development. Considerable work will be needed to complete the framework agreement.

FISCAL IMPACT:

No significant fiscal impacts are associated with the development of the GSC, only limited staff time included in administrative/management budgets. The costs and benefits of participating in the GSC will be evaluated under the development work outlined in the MOU.

Stacey R. Aldstadt, General Manager

Page 3

June 22, 2016

**SUBJECT: MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT
OF A GROUNDWATER SUSTAINABILITY COUNCIL FRAMEWORK
AGREEMENT**

RECOMMENDATION:

Staff recommends that the Board of Water Commissioners make the following motion:

***Approve the Memorandum of Understanding (MOU) for the Development of a
Groundwater Sustainability Council Framework Agreement with Upper Santa
Ana River Groundwater Basin stakeholders and authorize the President and
Secretary to execute the MOU.***

Respectfully submitted,



Miguel J. Guerrero, P.E.
Director, Water Utility

MJG:swd
Attach.

1 **Memorandum of Understanding**
2 **For the Development of a**
3 **Groundwater Sustainability Council Framework Agreement**
4

5 This Memorandum of Understanding (“**MOU**”) is entered into and effective this __ day
6 of _____, 2016 by and among the City of Colton (“**Colton**”), the City of Redlands (“**Redlands**”),
7 the City of Rialto (“**Rialto**”), the City of Riverside Public Utilities (“**RPU**”), the City of San
8 Bernardino Municipal Water Department (“**SBMWD**”), City of Loma Linda (“**Loma Linda**”),
9 Riverside Highland Water Company (“**RHWC**”), East Valley Water District (“**East Valley**”),
10 San Bernardino Valley Municipal Water District (“**Valley District**”), San Bernardino Valley
11 Water Conservation District (“**Conservation District**”), Fontana Water Company (“**FWC**”),
12 Western Municipal Water District of Riverside County (“**Western**”), and Yucaipa Valley Water
13 District (“**Yucaipa Valley**”), Western Heights Water Company (“**WHWC**”), South Mesa Water
14 Company (“**SMWC**”), Meeks and Daley Water Company (“**MDWC**”), West Valley Water
15 District (“**WVWD**”), Elsinore Valley Municipal Water District (“**EVMWD**”), Regents of the
16 University of California (“**UC Regents**”) and [Other Groundwater Producers (i.e. agricultural,
17 commercial, mutual)] each of which is referred to as a “**Party.**”

18 Recitals

19 A. In September 2014, the California Legislature enacted the Sustainable Groundwater
20 Management Act of 2014 (SGMA), which established a statewide framework for the sustainable
21 management of groundwater resources. That framework focuses on granting new authorities and
22 responsibility to local agencies while holding those agencies accountable. The framework also
23 provides for state intervention where a local agency fails to develop a groundwater sustainability
24 plan in a timely manner.

25 B. In the Upper Santa Ana River Groundwater Basin, as defined by the California
26 Department of Water Resources’ Bulletin 118, there are a number of groundwater basins: the
27 Arlington Basin, Rialto-Colton Basin (including the area commonly known as No Man’s Land),
28 the Riverside Basin, the San Bernardino Basin Area (including the Bunker Hill Basin and the
29 Lytle Basin), the San Timoteo Basin and the Yucaipa Basin, surface water and groundwater
30 supplies are governed by a number of judicial decrees and contracts, including but not limited to
31 the *Orange County* Judgment, the *Western* Judgment, and the 1961 decree governing most of the
32 Rialto-Colton Basin.

33 C. The Parties to this MOU wish to collaborate in an effort to build on the foundation of
34 existing laws and regulations, contracts and judicial decrees, and the recent enactment of SGMA
35 to develop a cooperative effort to conjunctively manage surface and groundwater in the Upper
36 Santa Ana River Groundwater Basin, with the goal of ensuring that these groundwater basins are
37 managed in a manner that will be sustainable over the long-term. The Parties recognize that the
38 key to success in this effort will be our sharing of resources and responsibilities. This MOU
39 represents a collaborative effort to develop the framework for such sharing of resources and
40 responsibilities.

41 D. The purpose of ensuring water supply reliability and long-term sustainability has become
42 even more important as a result of the long-term drought currently limiting the importation of
43 water to the Parties from Northern California. One purpose of this MOU is to facilitate the
44 cooperation of the Parties to ensure a reliable water supply during an extended drought and for
45 the foreseeable future.

46 E. The Parties wish to develop a comprehensive process and governance structure that will
47 guide their implementation of SGMA as expeditiously as possible. It is the intent of the Parties
48 to complete the development of a framework agreement that would enable the Parties to
49 implement SGMA and promote long-term sustainability by December 31, 2016 and fully
50 implement the provisions of the framework agreement by December 31, 2018.

51 Understandings

52 1. *Term.* This MOU shall remain in full force and effect until the earliest of the following
53 events: (i) the approval of a groundwater sustainability council framework agreement
54 (the "GSC Framework Agreement") to implement this MOU; (ii) the date upon which all
55 of the Parties execute a document jointly terminating the provisions of this MOU, or (iii)
56 December 31, 2016.

57 a. In the event that any Party chooses to withdraw from this MOU, the MOU shall
58 remain in force among the remaining Parties.

59 b. Nothing in this MOU shall be construed to interfere with or prohibit two or more
60 Parties, either acting independently or with all or a portion of the other Parties or
61 with non-Parties, from acting cooperatively to conjunctively manage surface
62 water and groundwater so as to improve drought resilience and water supply
63 reliability.

64 2. *Development of the GSC Framework Agreement*

65 a. *Governance.* The Parties wish to establish the Upper Santa Ana River
66 Groundwater Sustainability Council (the "Council") that will be responsible for
67 the overall coordination and sustainable management of the surface water and
68 groundwater resources in the basins. Each Party shall have representation on the
69 Council.

70 (1) The Council will coordinate its efforts with the Santa Ana River
71 Watermaster, the Western-San Bernardino Watermaster and other similar
72 agencies that are charged with implementing judicial decrees. The
73 Council will also create a technical advisory committee to assist in
74 evaluating water supplies, managing water for long-term reliability and
75 sustainability, and developing new sources of water supplies (e.g.,
76 recycled water).

77 (2) The Council will create "Basin Councils" that will be composed of the
78 Parties that produce from the groundwater basins. Each Basin Council

79 may develop its own governing rules, provided that those rules are
80 consistent with the overall management of the water supplies of the
81 region.

82 (3) The current Basin Technical Advisory Committee will provide technical
83 support for the efforts of the Council and each Basin Council.

84 b. *Financing.* The Parties will develop a coordinated financing plan for the GSC
85 Framework Agreement that will include, without limitation, seeking bond
86 funding, state loan funds, and imposing appropriate fees and assessments for
87 water supply reliability approved by the Council. In the event⁵ the 1969 Western-
88 San Bernardino Judgment, or any subsequent amendments or agreements to the
89 Judgment, conflicts with any provision of this MOU, the Judgment documents
90 shall apply.

91 3. *Schedule for the Completion of the Framework Agreement.* The Parties agree that they
92 will use their best efforts to complete the Framework Agreement and obtain approval by
93 governing boards no later than December 31, 2016.

94 4. *Water Rights and Prior Agreements.* Nothing in this MOU shall be construed to create or
95 confer any new rights to the groundwater basin to any of the Parties or to interfere with or
96 divest any non-Party of any right to the groundwater basin that may exist as of the
97 effective date of this MOU. This MOU shall not operate to validate or invalidate, modify
98 or affect any Party's water rights or any Party's obligations under any agreement,
99 contract or memorandum of understanding/agreement entered into prior to the effective
100 date of this MOU. Each Party to this MOU reserves any and all claims and causes of
101 action respecting its water rights and/or any agreement, contract or memorandum of
102 understanding/agreement; any and all defenses against any water rights claims or claims
103 under any agreement, contract or memorandum of understanding/agreement; and any
104 claims arising from contamination or water quality degradation.

105 5. *Cost-Sharing.* Each Party agrees that it will devote sufficient staff time and other
106 resources to actively participate in the development of the GSC Framework Agreement.
107 If a Party wishes to involve counsel in the review or development of the GSC Framework
108 Agreement, all such costs will be borne only by that Party. While not currently
109 contemplated, should consultants be needed, the Parties shall agree on how
110 technical/consultant costs associated with developing the GSC Framework Agreement
111 will be funded.

- 112 6. *Withdrawal.* Any Party may withdraw by providing the other Parties with sixty days'
113 written notice of withdrawal. Such Party's withdrawal shall be conditioned upon the
114 Party's payment of its proportionate share of the costs of this effort, as described in
115 paragraph ___ above, up through and including the date of its notice of withdrawal.
- 116 7. *General Provisions*
- 117 a. *Authority.* Each signatory of this MOU represents that s/he is authorized to
118 execute this MOU on behalf of the Party for which s/he signs. Each Party
119 represents that it has legal authority to enter into this MOU and to perform all
120 obligations under this MOU.
- 121 b. *Amendment.* This MOU may be amended or modified only by a written
122 instrument executed by each of the Parties to this MOU.
- 123 c. *Jurisdiction and Venue.* This MOU shall be governed by and construed in
124 accordance with the laws of the State of California, except for its conflicts of law
125 rules. Any suit, action, or proceeding brought under the scope of this MOU shall
126 be brought and maintained to the extent allowed by law in the County of San
127 Bernardino, California.
- 128 d. *Headings.* The paragraph headings used in this MOU are intended for
129 convenience only and shall not be used in interpreting this MOU or in
130 determining any of the rights or obligations of the Parties to this MOU.
- 131 e. *Construction and Interpretation.* This MOU has been arrived at through
132 negotiations and each Party has had a full and fair opportunity to revise the terms
133 of this MOU. As a result, the normal rule of construction that any ambiguities are
134 to be resolved against the drafting Party shall not apply in the construction or
135 interpretation of this MOU.
- 136 f. *Entire Agreement.* This MOU constitutes the entire agreement of the Parties with
137 respect to the subject matter of this MOU and supersedes any prior oral or written
138 agreement, understanding, or representation relating to the subject matter of this
139 MOU.
- 140 g. *Partial Invalidity.* If, after the date of execution of this MOU, any provision of
141 this MOU is held to be illegal, invalid, or unenforceable under present or future
142 laws effective during the term of this MOU, such provision shall be fully
143 severable. However, in lieu thereof, there shall be added a provision as similar in
144 terms to such illegal, invalid or unenforceable provision as may be possible and
145 be legal, valid and enforceable.
- 146 h. *Successors and Assigns.* This MOU shall be binding on and inure to the benefit
147 of the successors and assigns of the respective Parties to this MOU. No Party
148 may assign its interests in or obligations under this MOU without the written

149 consent of the other Parties, which consent shall not be unreasonably withheld or
150 delayed.

151 i. *Waivers.* Waiver of any breach or default hereunder shall not constitute a
152 continuing waiver or a waiver of any subsequent breach either of the same or of
153 another provision of this MOU and forbearance to enforce one or more of the
154 remedies provided in this MOU shall not be deemed to be a waiver of that
155 remedy.

156 j. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action
157 to enforce or interpret this MOU shall be entitled to reasonable attorneys' fees,
158 expert witnesses' fees, costs of suit, and other and necessary disbursements in
159 addition to any other relief deemed appropriate by a court of competent
160 jurisdiction.

161 k. *Necessary Actions.* Each Party agrees to execute and deliver additional
162 documents and instruments and to take any additional actions as may be
163 reasonably required to carry out the purposes of this MOU.

164 l. *Compliance with Law.* In performing their respective obligations under this
165 MOU, the Parties shall comply with and conform to all applicable laws, rules,
166 regulations and ordinances.

167 m. *Third Party Beneficiaries.* This MOU shall not create any right or interest in any
168 non-Party or in any member of the public as a third party beneficiary.

169 n. *Counterparts.* This MOU may be executed in one or more counterparts, each of
170 which shall be deemed to be an original, but all of which together shall constitute
171 but one and the same instrument.

172 o. *Notices.* All notices, requests, demands or other communications required or
173 permitted under this MOU shall be in writing unless provided otherwise in this
174 MOU and shall be deemed to have been duly given and received on: (i) the date
175 of service if served personally or served by electronic mail or facsimile
176 transmission on the Party to whom notice is to be given at the address(es)
177 provided below, (ii) on the first day after mailing, if mailed by Federal Express,
178 U.S. Express Mail, or other similar overnight courier service, postage prepaid, and
179 addressed as provided below, or (iii) on the third day after mailing if mailed to the
180 Party to whom notice is to be given by first class mail, registered or certified,
181 postage prepaid, addressed as follows:

182

183

[SIGNATURES ON SUBSEQUENT PAGE]

Dated: _____

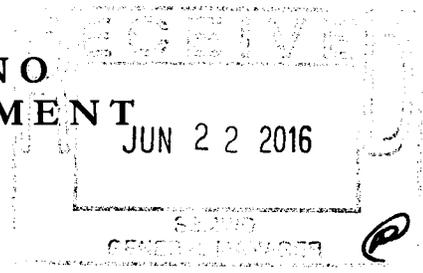
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

By: _____
President, Board of Water Commissioners

Attest: _____

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**BOARD OF WATER COMMISSIONERS
STAFF REPORT**



TO: Stacey R. Aldstadt, General Manager

FROM: Miguel J. Guerrero, P.E.

SUBJECT: ESTABLISH A DATE AND TIME FOR A PUBLIC HEARING ON THE 2016 PUBLIC HEALTH GOALS IN COMPLIANCE WITH SECTION 116470 OF THE HEALTH AND SAFETY CODE

DATE: June 22, 2016

COPIES: Robin Ohama, Jennifer Shepardson, Mike Garland, Con Arrieta

BACKGROUND:

California Health and Safety Code, Section 116470 (2)(B) mandates the preparation of a report that is intended to inform the public concerning any drinking water Public Health Goals (PHG) exceedances that occur, and specifies that a public hearing be held for the purpose of “accepting and responding” to public comment.

PHG are non-enforceable goals established by CAL-EPA’s Office of Environmental Health Hazard Assessment (OEHHA). As indicated in the attached “*Report on Water Quality Relative to Public Health Goals*”, the domestic drinking water served to the City of San Bernardino residents by the Department meets all state and federal drinking water standards set to protect public health.

Copies of our laboratory test results will be available to the public at the Water Department’s Customer Service Office, located at 300 North “D” Street, 5th floor of City Hall Monday through Thursday, 7:30 a.m. to 5:30 p.m. and Fridays, 7:30 a.m. to 4:30 p.m. starting July 1, 2016. The report indicates what PHGs were exceeded, what health risks are associated with the exceedances, and what is the cost of the best treatment technology available.

Stacey R. Aldstadt, General Manager

Page 2

June 22, 2016

**SUBJECT: ESTABLISH A DATE AND TIME FOR A PUBLIC HEARING ON THE
2016 PUBLIC HEALTH GOALS IN COMPLIANCE WITH SECTION
116470 OF THE HEALTH AND SAFETY CODE**

RECOMMENDATION:

Staff recommends that the Board of Water Commissioners make the following motion:

Establish the date of August 2, 2016 at 9:30 a.m. in the Water Department Boardroom located at 399 Chandler Place, San Bernardino, California as the date, time, and location for a Public Hearing, to give concerned water consumers an opportunity to discuss PHG exceedances, possible health affects caused by these exceedances, and the cost of the best available treatment technology required to meet specific PHG exceedances.

Respectfully submitted,



Miguel J. Guerrero, P.E.
Director, Water Utility

MJG:swd
Attach.

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**REPORT ON
WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS**



**REPORT PREPARED BY
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

JULY 1, 2016

Report Prepared Under Supervision:

**Miguel J. Guerrero, P.E.
Director, Water Utility**

EXECUTIVE SUMMARY:

The City of San Bernardino Municipal Water Department (SBMWD) meets or exceeds all United States Environmental Protection Agency (USEPA) and State Water Resources Control Board, Division of Drinking Water (SWRCB) standards. These two agencies govern the water quality of public drinking water systems.

For the purposes of this report, the amounts of contaminants in drinking water fall into two categories: one category involves "Maximum Contaminant Level" (MCL), which is the regulatory definition of what is considered "safe" and the criterion used to determine a water system's compliance; the other is a "Public Health Goal" (PHG). Unlike an MCL that demands corrective procedures, a PHG is a non-enforceable drinking water quality goal set by the California Office of Environmental Health Hazard Assessment (OEHHA), and is not required to be met by any public water system. A Maximum Contaminant Level Goal (MCLG) is the federal equivalent to a state PHG.

This report emphasizes the following three important realities of drinking water safety:

1. SBMWD water is in full compliance with existing drinking water quality standards.
2. There can be significant costs per resident and technology limitations associated with water treatment to reduce constituents to meet PHG or MCLG levels.
3. No public water supply can meet all PHG and MCLG levels. SBMWD routinely monitors its water supplies for over 250 constituents and contaminants, of which, 115 have enforceable standards. For calendar years 2013 through 2015 only 6 of the 250 contaminants were detected above PHG or MCLG levels in the City's water supply. All were at levels far below enforceable drinking water standards.

BACKGROUND:

Provisions of the California Health and Safety Code (Reference No. 1) specify that larger (>10,000 service connections) water utilities prepare a special report by July 1, 2016, if their water quality measurements have exceeded any PHGs. PHGs are non-enforceable goals established by the CAL-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, water suppliers are to use the MCLGs adopted by USEPA. Only constituents which have a California Primary Drinking Water Standard and for which either a PHG or MCLG has been set are to be addressed. Reference No. 2 is a list of all regulated constituents with an MCL and PHG or MCLG.

There are a few constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG or MCLG has been adopted by OEHHA or USEPA, including Total Trihalomethanes. These will be addressed in a future report after a PHG or MCLG has been adopted.

If a constituent was detected in SBMWD's water supply in 2013, 2014, or 2015 at a level exceeding an applicable PHG or MCLG, this report provides the information required by law as follows:

- List of constituent MCL, PHG or MCLG exceeded during the reporting period.
- The numerical public health risk associated with the MCL, PHG or MCLG.
- The category or type of risk to health that could be associated with each constituent.
- The best treatment technology available that could be used to reduce the constituent level.
- An estimate of the cost to install that treatment if it is appropriate and feasible.

WHAT ARE PHGs?

PHGs are set by the OEHHA, which is part of CAL-EPA, and are based solely on public health risk considerations. None of the practical risk management factors that are considered by the USEPA or the SWRCB in setting drinking water standards (MCL) are considered in setting PHGs. These factors include analytical detection capability, treatment technology available, benefits, and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

WATER QUALITY DATA CONSIDERED:

All of the water quality data collected by the Department from 2013-2015 or the last sample taken during the previous three-year period (2013-2015), for purposes of determining compliance with drinking water standards, was considered. This data has also been summarized in the SBMWD's 2013, 2014, and 2015 Annual Consumer Confidence Reports (CCR).

GUIDELINES FOLLOWED:

The Association of California Water Agencies (ACWA) formed a workgroup which prepared guidelines for water utilities to use in preparing these required reports. The ACWA guidelines were used in the preparation of our report. No guidance was available from state regulatory agencies.

BEST AVAILABLE TREATMENT TECHNOLOGY AND COST ESTIMATES:

Both the USEPA and SWRQCB adopt what are known as BATs, or Best Available Technologies, which are the best known methods of reducing contaminant levels below the MCL. Costs can be estimated for such technologies. However, since many PHGs

and all MCLGs are set much lower than the MCL, it is not always possible or feasible to determine what treatment is needed to further reduce a constituent to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible, because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

CONSTITUENTS DETECTED THAT EXCEED A PHG OR A MCLG:

The following is a discussion of the constituents that were detected in one or more of SBMWD's drinking water sources and distribution system at levels above the PHG, or, if no PHG exist, above the MCLG.

Arsenic

Arsenic is a naturally occurring metalloid element found in the earth's crust. It is widely distributed and commonly associated with ores of metals like copper, lead, and gold. Arsenic is present in all sources of water. It has generally been assumed that surface waters, including the sea are "self-purifying" with respect to arsenic, i.e., that the arsenic is removed from solution by deposition with sediments.

Arsenic has been detected at levels ranging from non - detect (ND) to 6.8 ug/L in four groundwater wells supplying SBMWD's water system. The MCL for arsenic is 10.0 ug/L, while the PHG is 0.004 ug/L or 0.004 parts per billion (ppb). The levels detected in SBMWD wells were never above the MCL, but are over the level identified by OEHHA as the PHG.

The numerical health risk for arsenic is 1×10^{-6} (1 per million). This is set at a level considered to pose no significant risk of cancer; this is usually a no more than one-in-a-million excess cancer risk level for a life time of exposure at the PHG. The category of health risk associated from ingestion of arsenic is identified by OEHHA as carcinogenicity, capable of producing cancer.

The best available technology identified to lower arsenic is reverse osmosis (RO). The most effective treatment system would be to use RO at the four wells that exceed the 0.004 ug/L PHG. The annualized capital and operation and maintenance costs are estimated at \$12,382,715. The estimated cost per water service customer per year is \$281.43. This is an estimate based on the expected annual production from the four wells. Because these wells are not centrally located and cannot produce into one treatment plant, the cost to construct and operate four individual RO plants could easily become far more expensive than the estimate above. Therefore, this cost estimate is not meant to be an in-depth analysis for the installation of this type of treatment.

Coliform Bacteria:

Coliform bacteria are an indicator organism that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease in monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow-up sampling taken. It is not at all unusual for a system to have an occasional positive sample. It is difficult, if not impossible, to assure that a system will never get a positive sample.

During 2013, 2014, and 2015 SBMWD collected between 275 and 281 distribution system samples each month for coliform analysis. Occasionally, a sample was found to be positive for coliform bacteria and all re-check samples were negative. A maximum of 0.7% of these samples were positive in any one month.

The MCL for coliform is 5% positive samples of all samples per month and the MCLG is zero. The reason for the coliform drinking water standard is to minimize the possibility of the water containing pathogens which are organisms that cause waterborne disease.

Because coliform is only a surrogate indicator of the potential presence of pathogens, it is not possible to state a specific numerical health risk. While USEPA normally sets an MCLG "at a level where no known or anticipated adverse effects on persons would occur", they indicate that they cannot do so with coliforms.

SBMWD has already taken all of the steps described by SWRCB as "best available technology" for coliform bacteria in California Code of Regulations (CCR), Title 22, Section 64447.

Steps include the addition of disinfectant chlorine at all sources to assure that the water served is microbiologically safe. The chlorine residual levels are carefully controlled to provide the best health protection without causing the water to have undesirable taste and odor or increasing the disinfection byproduct levels. This careful balance of treatment processes is essential to continue supplying our customers with safe drinking water.

Other equally important measures that SBMWD has implemented into its operation and maintenance routine include: an effective cross-connection control program, maintenance of a disinfectant residual throughout the distribution system, proper steps taken when pipeline repairs are made, an effective monitoring, and surveillance program and maintaining positive pressures in our distribution system.

Fluoride:

Fluoride is one of the most plentiful elements on earth, and it occurs naturally in water supplies throughout California and elsewhere. When fluoride is present in drinking water at optimal levels, it has been shown to promote oral health by preventing tooth decay. Water systems are considered naturally fluoridated when the natural level of fluoride is greater than 0.7 mg/L or 0.7 parts per million (ppm).

Fluoride has been detected at levels ranging from 0.3 to 1.7 mg/L in groundwater wells supplying the Department's water system. The MCL for fluoride is 2.0 mg/L, while the PHG is 1.0 mg/L. The levels detected in our system were never above the MCL, but are over the level identified by OEHHA as the PHG.

The numerical public health risk associated with the fluoride PHG is presently undetermined. The category of health risk associated from ingestion of fluoride is musculoskeletal toxicity (causes tooth mottling).

The best available technology identified to treat fluoride is reverse osmosis (RO). The most effective and economical treatment system would be to use RO treatment at the five wells exceeding the 1.0 mg/L PHG. The annualized capital and operation and maintenance costs are estimated at \$14,457,490. The estimated cost per water service customer per year is \$328.58. However, these exceedance values are based on source monitoring and are not representative of the water in the distribution system. SBMWD conducted distribution entry point sampling in 2000, and data based on actual water delivered to the customer in the distribution system lowers the level of fluoride to well below the 1.0 mg/L PHG set by OHHEA. Based on this information, the money that would be required for these additional treatment processes might provide greater public health protection benefits if spent on other water system operation, surveillance, and/or monitoring programs.

The Department collected source water samples for fluoride in July 2014 for regulatory compliance with Title 22. Levels have remained consistent and there have been no significant operational changes since the last PHG report, negating any need for additional distribution system monitoring.

Hexavalent Chromium:

Hexavalent chromium, also known as chromium 6, is a heavy metal that is commonly found at low levels in drinking water. It can occur naturally but can also enter drinking water sources by historic leaks from industrial plants' hazardous waste sites. Various other sources also contribute to the amount of hexavalent chromium in groundwater. Chromium 6 is known to be a potent carcinogen when inhaled. It was recently found to also cause cancer in laboratory mice and rats that were exposed through drinking water.

The PHG for hexavalent chromium is 0.02 ug/L or 0.02 ppb. The drinking water standard or MCL for hexavalent chromium is 10 ug/L. When all SBMWD wells were sampled during calendar years 2013 through 2015, hexavalent chromium was detected above the PHG at 25 of them. The levels of hexavalent chromium ranged from ND to 3.6 ug/L, all below the hexavalent chromium MCL.

The numerical health risk for this PHG is 1×10^{-6} . This is set at a level considered to pose no significant risk of cancer; this is usually a no more than one-in-a-million excess cancer

risk (1×10^{-6}) level for a life time of exposure at the PHG. The category of health risk associated with hexavalent chromium is carcinogenicity, capable of producing cancer.

The best available technology to lower the Hexavalent Chromium level to the PHG (0.02 ug/L) would be reverse osmosis (RO) at the 25 groundwater wells sampled during this reporting period. The annualized capital and operation and maintenance costs to install multiple RO treatment systems is estimated at \$30,717,956 to theoretically reduce the Hexavalent Chromium levels to less than 0.02 ug/L. The estimated cost per water service customer per year would be \$698.14.

Gross Alpha:

Gross Alpha is used as a screening tool by which to measure radioactive isotopes in drinking water. In practice, if the screening levels are exceeded, then additional analyses are performed to determine specific radioisotope levels in the drinking water sample such as Uranium.

Gross Alpha activity has been detected above the MCLG of zero (0) at levels ranging from 1.6 to 5.0 pCi/L in 23 of SBMWD's groundwater wells that were monitored in 2013, 2014, and 2015. The MCL for Gross Alpha is 15 pCi/L. The levels detected were below the MCL at all times.

The numerical health risk data for Gross Alpha is zero (0) at the MCLG. The category of health risk associated from ingestion of Gross Alpha is identified by OEHHA as carcinogenicity, capable of producing cancer.

The best available technology to lower the Gross Alpha particle activity level to the loosely defined theoretical MCLG of zero (0) would be reverse osmosis (RO) at the 23 groundwater wells sampled during this reporting period. The annualized capital and operation and maintenance costs to install multiple RO treatment systems is estimated at \$15,512,390 to reduce the Gross Alpha levels to a theoretical level of less than 0 pCi/L. The estimated cost per water service customer per year would be \$352.55.

It is important to note that all of SBMWD's 55 active wells have measured some level of Gross Alpha activity that are not required to be taken into consideration in this reporting period. As with the 23 wells taken into consideration, the majority of the remaining wells do not pump into a centrally located treatment plant, increasing the cost of treatment exponentially from the estimate above.

When considering treatment to lower Gross Alpha, it needs to be emphasized that Gross Alpha is a screening tool only. Further analysis would have to be conducted to identify which in the group of radionuclides make up the gross alpha particle level in order to design effective treatment systems.

Tetrachloroethylene (PCE)

PCE has been detected above the PHG at levels ranging from ND to 4.4 ug/L in four of the Department's groundwater wells supplying water to the distribution system. The MCL for PCE is 5.0 ug/L. The levels detected were below the MCL at all times. The PHG for PCE is 0.06 ug/L.

The numerical health risk for PCE is 1×10^{-6} at the PHG. This is set at a level considered to pose no significant risk of cancer; this is considered a no more than one-in-a-million excess cancer risk level for a life time of exposure. The health risk associated from ingestion of PCE is identified by OEHHA as carcinogenicity, capable of producing cancer.

The best available technology to lower the level of PCE below its respective MCL is either granular activated carbon (GAC) or packed tower aeration (PTA). Since the PCE levels in the Department's 10th and J Street, 27th and Acacia Street (this well is currently being blended), Olive and Garner, and Mill & "D" Street groundwater wells are already below the MCL, GAC with a long, empty-bed, contact time would likely be required to lower the PCE levels to less than the PHG set at 0.06 ug/L. The annualized capital and operation and maintenance costs to install GAC treatment systems is estimated at \$5,232,284 to reduce the PCE levels to less than 0.06 ug/L. The estimated cost per water service customer per year is \$118.92.

It should be noted and taken into consideration that these wells are not centrally located and cannot produce into one treatment plant; the cost to construct and operate four individual GAC plants could easily become far more expensive than the estimate above. Therefore, this cost estimate is not meant to be an in-depth analysis for the installation of this type of treatment.

RECOMMENDATIONS FOR FURTHER ACTION:

The drinking water quality of SBMWD meets all State of California, Regional Water Quality Control Board, Division of Drinking Water, and USEPA drinking water standards set to protect public health. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based MCLs established to provide "safe drinking water", additional costly treatment processes would be required. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed at this time.

REFERENCES:

- No. 1 Excerpt from California Health & Safety Code: Section 116470 (b).
- No. 2 Table of Regulated Constituents with MCLs, PHGs or MCLGs.
- No. 3 City of San Bernardino Municipal Water Department's 2013, 2014, and 2015 Consumer Confidence Reports.

ATTACHMENTS:

- No. 1 Exceedance Summary
- No. 2 Treatment Cost Summary

REFERENCE NO. 1

HEALTH AND SAFETY CODE

Section 116470. (b)

- (b) On or before July 1, 1998, and every three years thereafter, public water systems serving more than 10,000 service connections that detect one or more contaminants in drinking water that exceed the applicable public health goal, shall prepare a brief written report in plain language that does all of the following:
- (1) Identifies each contaminant detected in drinking water that exceeds the applicable public health goal.
 - (2) Discloses the numerical public health risk, determined by the office, associated with the maximum contaminant level for each contaminant identified in paragraph (1) and the numerical public health risk determined by the office associated with the public health goal for that contaminant.
 - (3) Identifies the category of risk to public health, including, but not limited to, carcinogenic, mutagenic, teratogenic, and acute toxicity, associated with exposure to the contaminant in drinking water, and includes a brief, plainly- worded description of these terms.
 - (4) Describes the best available technology, if any is then available on a commercial basis, to remove the contaminant or reduce the concentration of the contaminant. The public water system may, solely on its own discretion, briefly describe actions that have been taken on its own, or by other entities, to prevent the introduction of the contaminant into drinking water supplies.
 - (5) Estimates the aggregate cost and the cost per customer of utilizing the technology described in paragraph (4), if any, to reduce the concentration of that contaminant in drinking water to a level at or below the public health goal.
 - (6) Briefly describes what action, if any, the local water purveyor intends to take to reduce the concentration of the contaminant in public drinking water supplies and the basis for that decision.
- (c) Public water systems required to prepare a report pursuant to subdivision (b) shall hold a public hearing for the purpose of accepting and responding to public comment on the report. Public water systems may hold the public hearing as part of any regularly scheduled meeting.

- (d) The department shall not require a public water system to take any action to reduce or eliminate any exceedance of a public health goal.
- (e) Enforcement of this section does not require the department to amend a public water system's operating permit.
- (f) Pending adoption of a public health goal by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c) of Section 116365, and in lieu thereof, public water systems shall use the national maximum contaminant level goal adopted by the United States Environmental Protection Agency for the corresponding contaminant for purposes of complying with the notice and hearing requirements of this section.
- (g) This section is intended to provide an alternative form for the federally required consumer confidence report as authorized by 42 U.S.C. Section 300g-3(c).

REFERENCE NO. 2

2016 PHG Triennial Report: Calendar Years 2013-2014-2015				
MCLs, DLRs, and PHGs for Regulated Drinking Water Contaminants (Units are in milligrams per liter (mg/L), unless otherwise noted.)				
Last Update: December 29, 2015 (Reference last update 9/23/2015: http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/MCLsandPHGs.shtml)				
This table includes:				
<ul style="list-style-type: none"> • DDW's maximum contaminant levels (MCLs) • DDW's detection limits for purposes of reporting (DLRs) • Public health goals (PHGs) from the Office of Environmental Health Hazard Assessment (OEHHA) • PHGs for NDMA and 1,2,3-Trichloropropane (both are unregulated) are at the bottom of this table • The federal MCLG for chemicals without a PHG, microbial contaminants, and the DLR for 1,2,3-TCP 				
Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
Chemicals with MCLs in 22 CCR §64431 —Inorganic Chemicals				
Aluminum	1	0.05	0.6	2001
Antimony	0.006	0.006	0.02	1997
Antimony	--	--	0.0007	2009 draft
Arsenic	0.010	0.002	0.000004	2004
Asbestos (MFL = million fibers per liter; for fibers >10 microns long)	7 MFL	0.2 MFL	7 MFL	2003
Barium	1	0.1	2	2003
Beryllium	0.004	0.001	0.001	2003
Cadmium	0.005	0.001	0.00004	2006
Chromium, Total - OEHHA withdrew the 1999 0.0025 mg/L PHG in Nov 2001	0.05	0.01	(0.100)	
Chromium, Hexavalent (Chromium-6)	0.01	0.001	0.00002	2011
Cyanide	0.15	0.1	0.15	1997
Fluoride	2	0.1	1	1997
Mercury (inorganic)	0.002	0.001	0.0012	1999 (rev2005)*
Nickel	0.1	0.01	0.012	2001
Nitrate (as N)	10 as N	0.4	45 as NO3 (=10 as N)	1997
Nitrite (as N)	1 as N	0.4	1 as N	1997
Nitrate + Nitrite (as N)	10 as N	0.4	10 as N	1997
Perchlorate	0.006	0.004	0.001	2015
Selenium	0.05	0.005	0.03	2010
Thallium	0.002	0.001	0.0001	1999 (rev2004)
Copper and Lead, 22 CCR §64672.3				
Values referred to as MCLs for lead and copper are not actually MCLs; instead, they are called "Action Levels" under the lead and copper rule				
Copper	1.3	0.05	0.3	2008
Lead	0.015	0.005	0.0002	2009

REFERENCE NO. 2

Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
Radionuclides with MCLs in 22 CCR §64441 and §64443—Radioactivity				
[units are picocuries per liter (pCi/L), unless otherwise stated; n/a = not applicable]				
Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical	15	3	(zero)	n/a
Gross beta particle activity - OEHHA concluded in 2003 that a PHG was not practical	4 mrem/yr	4	(zero)	n/a
Radium-226	--	1	0.05	2006
Radium-228	--	1	0.019	2006
Radium-226 + Radium-228	5	--	(zero)	--
Strontium-90	8	2	0.35	2006
Tritium	20,000	1,000	400	2006
Uranium	20	1	0.43	2001
Chemicals with MCLs in 22 CCR §64444—Organic Chemicals				
(a) Volatile Organic Chemicals (VOCs)				
Benzene	0.001	0.0005	0.00015	2001
Carbon tetrachloride	0.0005	0.0005	0.0001	2000
1,2-Dichlorobenzene	0.6	0.0005	0.6	1997 (rev2009)
1,4-Dichlorobenzene (p-DCB)	0.005	0.0005	0.006	1997
1,1-Dichloroethane (1,1-DCA)	0.005	0.0005	0.003	2003
1,2-Dichloroethane (1,2-DCA)	0.0005	0.0005	0.0004	1999 (rev2005)
1,1-Dichloroethylene (1,1-DCE)	0.006	0.0005	0.01	1999
cis-1,2-Dichloroethylene	0.006	0.0005	0.1	2006
trans-1,2-Dichloroethylene	0.01	0.0005	0.06	2006
Dichloromethane (Methylene chloride)	0.005	0.0005	0.004	2000
1,2-Dichloropropane	0.005	0.0005	0.0005	1999
1,3-Dichloropropane	0.0005	0.0005	0.0002	1999 (rev2006)
Ethylbenzene	0.3	0.0005	0.3	1997
Methyl tertiary butyl ether (MTBE)	0.013	0.003	0.013	1999
Monochlorobenzene	0.07	0.0005	0.07	2014
Styrene	0.1	0.0005	0.0005	2010
1,1,2,2-Tetrachloroethane	0.001	0.0005	0.0001	2003
Tetrachloroethylene (PCE)	0.005	0.0005	0.00006	2001
Toluene	0.15	0.0005	0.15	1999
1,2,4-Trichlorobenzene	0.005	0.0005	0.005	1999
1,1,1-Trichloroethane (1,1,1-TCA)	0.2	0.0005	1	2006
1,1,2-Trichloroethane (1,1,2-TCA)	0.005	0.0005	0.0003	2006
Trichloroethylene (TCE)	0.005	0.0005	0.0017	2009
Trichlorofluoromethane (Freon 11)	0.15	0.005	1.3	2014
1,1,2-Trichloro-1,2,2-Trifluoroethane (Freon 113)	1.2	0.01	4	1997 (rev2011)
Vinyl chloride	0.0005	0.0005	0.00005	2000
Xylenes	1.75	0.0005	1.8	1997

REFERENCE NO. 2

Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
Chemicals with MCLs in 22 CCR §64533—Disinfection Byproducts				
Total Trihalomethanes	0.080	--		
Total Trihalomethanes	--	--	0.0008	2010 draft
Bromodichloromethane	--	0.0010	(zero)	--
Bromoform	--	0.0010	(zero)	--
Chloroform	--	0.0010	(0.07)	--
Dibromochloromethane	--	0.0010	(0.06)	--
Haloacetic Acids (five) (HAA5)	0.060	--	--	--
Monochloroacetic Acid	--	0.0020	(0.07)	--
Dichloroacetic Acid	--	0.0010	(zero)	--
Trichloroacetic Acid	--	0.0010	(0.02)	--
Monobromoacetic Acid	--	0.0010	--	--
Dibromoacetic Acid	--	0.0010	--	--
Bromate	0.010	0.0050 or 0.0010 ^a	0.0001	2009
Chlorite	1.0	0.020	0.05	2009
Microbiological Contaminants (TT = Treatment Technique)				
Coliform % positive samples	%	5	(zero)	
<i>Cryptosporidium</i> **		TT	(zero)	
<i>Giardia lamblia</i> **		TT	(zero)	
<i>Legionella</i> **		TT	(zero)	
Viruses**		TT	(zero)	
Chemicals with PHGs established in response to DDW requests. These are not currently regulated drinking water contaminants.				
N-Nitrosodimethylamine (NDMA)	--	--	0.000003	2006
1,2,3-Trichloropropane	--	0.000005	0.0000007	2009

Notes:

^a DDW will maintain a 0.0050 mg/L DLR for bromate to accommodate laboratories that are using EPA Method 300.1. However, laboratories using EPA Methods 317.0 Revision 2.0, 321.8, or 326.0 must meet a 0.0010 mg/L MRL for bromate and should report results with a DLR of 0.0010 mg/L per Federal requirements.

*OEHHA's review of this chemical during the year indicated (rev20XX) resulted in no change in the PHG

** Surface water treatment = TT

ATTACHMENT NO. 1

2016 PHG Exceedance Summary - PHG Constituent List

CONSTITUENT	WELL
ARSENIC	10th & J Street Well
	Lytle Creek #2
	Newmark #4
	Olive and Garner
FLUORIDE	10th & J Street Well
	Kenwood Well
	Kenwood #2 Well
	Lynwood Well
TETRACHLOROETHYLENE (PCE)	Olive and Garner
	10th & J Street Well
	27th Street Well
	Mill & "D" Street Well
ALPHA ACTIVITY, GROSS	Olive and Garner
	16th Street Well
	27th Street Well
	31st Street Well
	Baseline & Calif. Well
	Cajon Canyon
	Devil Canyon Well #2
	EPA #001 Well
	EPA #002 Well
	EPA #003 Well
	EPA #004 Well
	EPA #005 Well
	EPA #006 Well
	EPA #108 Well
	EPA #108S Well
	EPA #109 Well
	EPA #110 Well
	EPA #111 Well
	EPA #112 Well
	Kenwood Well
Kenwood #2 Well	
Leroy Well	
Vincent Well	
Waterman Well	
CHROMIUM, HEXAVALENT	10th & J Street Well
	16th Street Well
	19th Street #2 Well
	27th Street Well
	30th Street Well
	31st Street Well
	Baseline & Calif. Well
	Cajon #2 Well
	Devil Canyon #2 Well
	EPA #001 Well
	EPA #002 Well

ATTACHMENT NO. 1

2016 PHG Exceedance Summary - PHG Constituent List

CONSTITUENT	WELL
CHROMIUM, HEXAVALENT	EPA #003 Well
	EPA #004 Well
	EPA #005 Well
	EPA #006 Well
	EPA #007 Well
	EPA #108 Well
	EPA #108S Well
	EPA #109 Well
	EPA #110 Well
	EPA #111 Well
	EPA #112 Well
	Gilbert Street Well
	Olive and Garner
	Waterman Well

ATTACHMENT NO. 1

2016 PHG Exceedance Summary

10TH & "J" STREET WELL	Units	State MCL	DLR	MCLG	PHG	Results	Date
ARSENIC	ug/L	10	2		0.004	3.7	1/8/2013
						4.7	2/5/2013
						4.3	3/5/2013
						<2	4/2/2013
						3.8	6/4/2013
						3.6	7/2/2013
						4.4	8/6/2013
						<2	9/10/2013
						3.9	10/8/2013
						<2	11/12/2013
						<2	12/10/2013
						2	1/7/2014
						<2	2/4/2014
						<2	3/27/2014
						<2	4/1/2014
						4.5	5/8/2014
						4.2	6/3/2014
						4.2	7/8/2014
						4	7/29/2014
						3.5	8/5/2014
						3.2	9/9/2014
						4.3	10/7/2014
						<2	11/4/2014
						<2	12/2/2014
<2	1/6/2015						
<2	2/17/2015						
<2	3/4/2015						
<2	3/10/2015						
<2	4/7/2015						
<2	5/12/2015						
3.3	6/9/2015						
<2	7/7/2015						
2.6	8/11/2015						
4.4	9/4/2015						
<2	10/6/2015						
<2	11/3/2015						
<2	12/1/2015						
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	2.4	7/29/2014
FLUORIDE	mg/L	2	0.1	NA	1	1.7	7/29/2014
TETRACHLOROETHYLENE (PCE)	ug/L	5	0.5	NA	0.06	0.62	7/29/2014
						0.6	10/28/2014
						0.66	11/20/2014
						0.73	1/13/2015
						0.8	4/28/2015
						0.85	7/23/2015
						0.87	7/28/2015
						0.86	10/13/2015
						0.78	10/13/2015
						0.62	7/29/2014
						0.6	10/28/2014
						0.66	11/20/2014
						0.73	1/13/2015
						0.8	4/28/2015
						0.85	7/23/2015
						0.87	7/28/2015
0.86	10/13/2015						
0.78	10/13/2015						

ATTACHMENT NO. 1

2016 PHG Exceedance Summary

<u>16TH STREET WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	0.56	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.62	1/29/2013
<u>19TH STREET #2 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1	7/29/2014
<u>27TH STREET WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	3.6	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	3.4	1/29/2013
TETRACHLOROETHYLENE (PCE)	ug/L	5	0.5	NA	0.06	0.54	7/30/2014
<u>30TH STREET WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.7	9/5/2014
<u>31ST STREET WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.2	10/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	4	1/29/2013
<u>BASELINE WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.2	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	3.2	1/29/2013
<u>CAJON #2 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	0.5	7/29/2014
<u>CAJON CANYON WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
GROSS ALPHA	pCi/L	15	3	0	NA	2.6	1/28/2014
<u>DEVIL CANYON #2 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	5	1/29/2013
<u>EPA #001 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.8	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.2	1/28/2014
<u>EPA #002 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.5	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	3.4	1/29/2013
<u>EPA #003 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.2	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	4.1	1/29/2013

ATTACHMENT NO. 1

2016 PHG Exceedance Summary

<u>EPA #004 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.1	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.83	1/29/2013
<u>EPA #005 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.6	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.61	5/30/2013
<u>EPA #006 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	2.5	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	3.5	1/29/2013
<u>EPA #007 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.1	7/29/2014
<u>EPA #108 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	2.8	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.6	1/28/2014
<u>EPA #108S WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.9	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	4.4	1/28/2014
<u>EPA #109 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	3.2	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	4.1	1/28/2014
<u>EPA #110 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.6	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	1.8	1/28/2014
<u>EPA #111 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.8	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	4.1	1/28/2014
<u>EPA #112 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.7	7/29/2014
GROSS ALPHA	pCi/L	15	3	0	NA	1.62	1/28/2014
<u>GILBERT WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	0.84	3/10/2014
						<1.0	7/29/2014

ATTACHMENT NO. 1

2016 PHG Exceedance Summary

<u>KENWOOD WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
FLUORIDE	mg/L	2	0.1	NA	1	1.5	7/29/2014
GROSS ALPHA	pCl/L	15	3	0	NA	3.7	3/5/2013
<u>KENWOOD #2 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
FLUORIDE	mg/L	2	0.1	NA	1	1.5	7/29/2014
GROSS ALPHA	pCl/L	15	3	0	NA	2.59	1/29/2013
<u>LEROY WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
GROSS ALPHA	pCl/L	15	3	0	NA	2.75	1/29/2013
<u>LYNWOOD WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
FLUORIDE	mg/L	2	0.1	NA	1	1.5	7/29/2014
<u>LYTLE CREEK #2 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
ARSENIC	ug/L	10	2		0.004	5	1/22/2013
						4.9	4/9/2013
						4.6	7/23/2013
						4.1	10/15/2013
						4.9	1/14/2014
						4	4/8/2014
						4.5	7/29/2014
						3.5	10/21/2014
						4.6	4/28/2015
						4.6	7/28/2015
						4.8	10/13/2015
<u>MILL & D WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
TETRACHLOROETHYLENE (PCE) PUMPS DIRECTLY INTO THE DISTRIBUTION SYSTEM	ug/L	5	0.5	NA	0.06	0.65	7/22/2014
<u>NEWMARK #4 WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
ARSENIC	ug/L	10	2		0.004	<2	1/22/2013
						<2	4/9/2013
						2.1	7/23/2013
						2.1	10/15/2013
						<2	1/14/2014
						<2	4/8/2014
						<2	7/29/2014
						<2	10/21/2014
						<2	4/8/2015
						<2	7/28/2015
						<2	10/13/2015
<u>OLIVE & GARNER WELL</u>	Units	State MCL	DLR	MCLG	PHG	Results	Date
ARSENIC	ug/L	10	2		0.004	<2	1/8/2013
						<2	2/5/2013
						<2	3/5/2013
						<2	4/2/2013
						<2	5/7/2013
						2.1	6/4/2013
						5.1	7/2/2013
						6.8	8/6/2013
						5	9/10/2013
						6.7	10/8/2013
						6.4	11/12/2013
						<2	12/10/2013
						6.2	1/7/2014
						<2	2/4/2014

ATTACHMENT NO. 1

2016 PHG Exceedance Summary

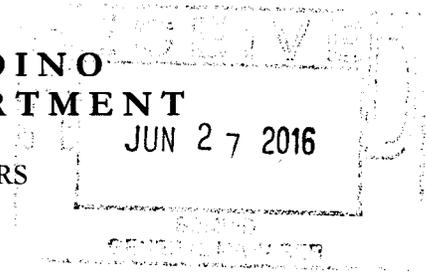
OLIVE & GARNER WELL	Units	State MCL	DLR	MCLG	PHG	Results	Date
ARSENIC	ug/L	10	2		0.004	<2	3/27/2014
						<2	4/1/2014
						<2	5/8/2014
						5.8	6/3/2014
						6.1	7/8/2014
						5.9	7/29/2014
						<2	8/5/2014
						<2	9/9/2014
						<2	10/7/2014
						<2	11/4/2014
						<2	12/2/2014
						<2	1/6/2015
						<2	2/17/2015
						<2	3/4/2015
						<2	3/10/2015
						<2	4/7/2015
						<2	5/12/2015
						<2	6/11/2015
						<2	7/7/2015
						<2	9/28/2015
						<2	10/6/2015
						<2	11/3/2015
						<2	12/1/2015
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.5	7/29/2014
FLUORIDE	mg/L	2	0.1	NA	1	1.7	7/29/2014
TETRACHLOROETHYLENE (PCE)	ug/L	5	0.5	NA	0.06	0.82	7/22/2014
PUMPS DIRECTLY INTO THE DISTRIBUTION SYSTEM							
VINCENT WELL	Units	State MCL	DLR	MCLG	PHG	Results	Date
GROSS ALPHA	pCi/L	15	3	0	NA	3.5	1/29/2013
WATERMAN WELL	Units	State MCL	DLR	MCLG	PHG	Results	Date
CHROMIUM, HEXAVALENT	ug/L	10	1	NA	0.02	1.2	9/5/2014
GROSS ALPHA	pCi/L	15	3	0	NA	2.63	1/15/2015

ATTACHMENT NO. 3
 2016 PHG Treatment Cost Summary - Estimate by Constituent - Source: ACWA Guidance Document, 2012 cost estimates adjusted by CPI for 2015

CONSTITUENT	WELL	GPM	Gallons Per Year GPM X 24x7x365	MGD	Gallons/L000	\$/1,000 gallons (Annualized Concentr. Cost/Cost)	Total Annual Cost	Acftu. Surfact.	Cost per Acftu. Surfact. Per Well	Treatment Technology	Constituent Min - Max	Constituent MCL	Constituent PHG	Source of Information					
															Constituent Min - Max	Constituent MCL	Constituent PHG		
ARSENIC (ppb)	10th & J Street Well	1,913.00	1,005,472,800.00	2.8	1,005,472.80	3.92	3,941,453.38	44,000	89.58	Reverse Osmosis	<2 - 4.7	10	0.004	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CHEM H&L for a 1.0 mgd plant operated at 100% of design capacity, Oct. 1991					
	Lytle Leak #2	438.00	240,794,880.00	0.7	240,794.88	3.92	944,741.92	44,000	21.45	Reverse Osmosis	3.3 - 2.0	10	0.004						
	Opalton #1	1,918.00	1,024,908,000.00	2.9	1,024,908.00	3.92	4,038,238.24	44,000	91.80	Reverse Osmosis	<2 - 2.1	10	0.004						
	Olives and Garner	1,635.00	869,868,000.00	2.4	869,868.00	3.92	3,406,187.36	44,000	77.50	Reverse Osmosis	<2 - 5.8	10	0.004						
Total							12,382,715.52		281.43										
FLUORIDE (mg/L)	10th & J Street Well	1,913.00	1,005,472,800.00	2.8	1,005,472.80	3.52	3,541,453.38	44,000	80.58	Reverse Osmosis	1.7	2	1	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CHEM H&L for a 1.0 mgd plant operated at 100% of design capacity, Oct. 1991					
	Lytle Leak #2	438.00	240,794,880.00	0.8	240,794.88	3.52	848,194.86	44,000	19.28	Reverse Osmosis	1.5	2	1						
	Opalton #1	1,918.00	1,024,908,000.00	2.9	1,024,908.00	3.52	3,591,482.42	44,000	81.60	Reverse Osmosis	1.5	2	1						
	Olives and Garner	1,635.00	869,868,000.00	2.4	869,868.00	3.52	3,062,822.56	44,000	70.00	Reverse Osmosis	1.7	2	1						
Total							14,457,489.98		328.58										
TETRACHLOROETHYLENE (PCE) (mg/L)	10th & J Street Well	1,913	1,005,472,800.00	2.8	1,005,472.80	2.08	2,091,383.42	44,000	47.53	GAC	0.60 - 0.87	5	0.06	Reference: Southern California Water Co. - actual data for "testes" GAC to remove VOCs (1,1-DCE), 1.5 mgd capacity facility, 1998					
	P77th Street Well	341	204,480,000.00	1.4	204,480.00	2.08	425,707.37	44,000	9.68	GAC	<0.3 - 2.4	5	0.06						
	10th & J Street Well	77	45,910,800.00	0.4	45,910.80	2.08	95,494.66	44,000	2.17	GAC	0.62 - 0.88	5	0.06						
	Olives and Garner	1,635.00	869,868,000.00	2.4	869,868.00	2.08	1,809,314.44	44,000	41.11	GAC	0.82 - 1.9	5	0.06						
Total							5,332,284.93		118.92										
Note: *27th and Acacia Well is currently being blended to lower NO3 and PCE Levels																			
Total														5,332,284.93		118.92			
USFPA MCLs																			
ALPHA ACTIVITY, GROSS (pCi/L)	16th Street Well	1,451	762,445,600.00	2.1	762,445.60	1.92	2,989,570.75	44,000	67.94	Reverse Osmosis	2.6	15	0	Note: Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical. MCLs for gross alpha and beta particles are screening standards for a group of radionuclides. Corresponding PHGs were not developed for gross alpha and beta particles. See the OEHHA memorandum discussing the cancer risks at these MCLs at http://oehha.mediaweb.com/oehha/download/water/chemicals/alphagp/alphahealth.pdf					
	27th Street Well	321	204,389,200.00	1.4	204,389.20	1.92	393,707.24	44,000	8.95	Reverse Osmosis	2.6	15	0						
	11th Street Well	1,014	529,538,200.00	1.4	529,538.20	1.92	1,018,124.32	44,000	23.28	Reverse Osmosis	2.6	15	0						
	Bandling & Calkin Well	457	240,199,200.00	0.7	240,199.20	1.92	461,180.62	44,000	10.48	Reverse Osmosis	2.6	15	0						
	10th Canyon	1,089	569,201,600.00	1.2	569,201.60	1.92	1,093,867.12	44,000	24.56	Reverse Osmosis	2.6	15	0						
	Opalton Canyon #2	1,093	569,201,600.00	1.2	569,201.60	1.92	1,093,867.12	44,000	24.56	Reverse Osmosis	2.6	15	0						
	PFA #01 Well	1,810	924,652,000.00	1.9	924,652.00	1.92	1,776,330.24	44,000	40.16	Reverse Osmosis	2.6	15	0						
	PFA #02 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #03 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #04 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #05 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #06 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #07 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #08 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #09 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #10 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #11 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	PFA #12 Well	1,432	705,355,200.00	1.9	705,355.20	1.92	1,354,390.48	44,000	30.82	Reverse Osmosis	2.6	15	0						
	Lytle Leak #2	438	240,794,880.00	0.7	240,794.88	1.92	461,180.62	44,000	10.48	Reverse Osmosis	2.6	15	0						
	Opalton Well	1,810	924,652,000.00	1.9	924,652.00	1.92	1,776,330.24	44,000	40.16	Reverse Osmosis	2.6	15	0						
	Waterman Well	2,832	1,492,212,000.00	3.3	1,492,212.00	1.92	2,865,247.28	44,000	65.12	Reverse Osmosis	2.6	15	0						
	Total							15,511,306.21		352.55									
	CHROMIUM, HEXAVALENT (ppb)	10th & J Street Well	1,013	1,005,472,800.00	2.8	1,005,472.80	6.78	6,817,105.58	44,000	154.93	Weak Base Anion Resin	2.4	10	0.02	Reference: February 28, 2013, Final Report Chromium Removal Research, City of Glendale, CA. 100-2000 ppm. Reduce Hexavalent Chromium to 1 ppb.				
10th Street Well		1,321	702,445,600.00	2.1	702,445.60	6.78	4,741,717.12	44,000	107.52	Weak Base Anion Resin	0.6	10	0.02						
9th Street #2 Well		379	195,207,200.00	0.5	195,207.20	6.78	1,323,504.22	44,000	30.10	Weak Base Anion Resin	1.0	10	0.02						
10th Street Well		941	494,589,200.00	1.2	494,589.20	6.78	3,353,814.24	44,000	75.11	Weak Base Anion Resin	2.6	10	0.02						
10th Street Well		1,024	529,538,200.00	1.2	529,538.20	6.78	3,591,118.92	44,000	81.60	Weak Base Anion Resin	1.0	10	0.02						
11th Street Well		1,014	529,538,200.00	1.2	529,538.20	6.78	3,591,118.92	44,000	81.60	Weak Base Anion Resin	1.0	10	0.02						
Bandling & Calkin Well		457	240,199,200.00	0.7	240,199.20	6.78	1,621,180.52	44,000	36.84	Weak Base Anion Resin	0.5	10	0.02						
10th Canyon		1,089	569,201,600.00	1.2	569,201.60	6.78	3,858,386.62	44,000	87.68	Weak Base Anion Resin	1.0	10	0.02						
Opalton Canyon #2		1,093	569,201,600.00	1.2	569,201.60	6.78	3,858,386.62	44,000	87.68	Weak Base Anion Resin	1.0	10	0.02						
PFA #01 Well		1,810	924,652,000.00	1.9	924,652.00	6.78	6,214,390.24	44,000	141.20	Weak Base Anion Resin	1.5	10	0.02						
PFA #02 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #03 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #04 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #05 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #06 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #07 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #08 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #09 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #10 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #11 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
PFA #12 Well		1,432	705,355,200.00	1.9	705,355.20	6.78	4,776,390.24	44,000	108.60	Weak Base Anion Resin	1.5	10	0.02						
Lytle Leak #2		438	240,794,880.00	0.7	240,794.88	6.78	1,621,180.62	44,000	36.84	Weak Base Anion Resin	0.84	10	0.02						
Opalton Well		1,810	924,652,000.00	1.9	924,652.00	6.78	6,214,390.24	44,000	141.20	Weak Base Anion Resin	1.5	10	0.02						
Waterman Well	2,832	1,492,212,000.00	3.3	1,492,212.00	6.78	10,012,005.12	44,000	227.44	Weak Base Anion Resin	1.5	10	0.02							
Total							30,717,956.16		698.14										

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**BOARD OF WATER COMMISSIONERS
STAFF REPORT**



TO: Stacey R. Aldstadt, General Manager

FROM: John A. Claus, Director of Water Reclamation

SUBJECT: **REQUEST TO EXTEND RIX ADMINISTRATION AGREEMENT**

DATE: June 22, 2016

Copies: Robin Ohama (w/attach), Sydney Morrison (w/attach), File

BACKGROUND:

On September 29, 1997, the RIX JPA Board of Directors (JPA) entered into an Administration Agreement with the City of San Bernardino Municipal Water Department (Department). The JPA found and determined that it was mutually beneficial to both parties to delegate the responsibilities of administration of the facility to the Department. Under the provisions of Section II (Covenants), Paragraph 8 (Commencement and Termination of Agreement) the Agreement became effective on the date of execution which was September 29, 1997, and was to continue for a two (2) year period. However, in the event that neither Party to the Agreement objected, the Agreement was to be renewed in two (2) year increments by the Authority. Further, under the provisions of Section II (Covenants) Paragraph 2 (a) (Authorizing Provisions), such services provided by the City of San Bernardino Municipal Water Department shall be in the form of a written Task Order.

On September 9, 2003, the Board of Water Commissioners authorized extending the Administration Agreement through September 29, 2006; the RIX JPA Board of Directors approved the extension on September 3, 2003.

On June 5, 2007, the Board of Water Commissioners authorized extending the Administration Agreement through September 29, 2011; the RIX JPA Board of Directors approved the extension on June 6, 2007.

The agreement should have been extended again in September 2011 for another 5-year period that would expire September 29, 2016, but due to an administrative oversight this was not done. Staff prepared a new Administration Agreement covering the period of September 30, 2011, through September 29, 2016, to correct the administrative oversight, and on June 19, 2012, the Board of Water Commissioners authorized extending the Administration Agreement through September 29, 2016; the RIX JPA Board of Directors approved the extension on July 18, 2012.

Stacey R. Aldstadt, General Manager

June 22, 2016

Page 2

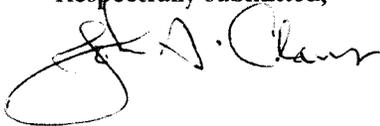
SUBJECT: REQUEST TO EXTEND RIX ADMINISTRATION AGREEMENT

RECOMMENDATION:

Staff recommends that the Board of Water Commissioners make the following motion:

- Approve the Administration Agreement for the Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority for the period September 30, 2016, through September 29, 2021, and authorize the President and Secretary to execute the agreement.

Respectfully submitted,



John A. Claus

Director of Water Reclamation

Attachment: Administration Agreement for the Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority

1
2
3 **ADMINISTRATION AGREEMENT**
4 **FOR THE**
5 **COLTON/SAN BERNARDINO REGIONAL TERTIARY TREATMENT**
6 **AND**
7 **WATER RECLAMATION AUTHORITY**

8 THIS AGREEMENT is made and entered into this _____ day of _____,
9 2016, and covers the period of September 30, 2016 through September 29, 2021 between the
10 Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority (the
11 “Authority”), a public agency, and the City of San Bernardino Municipal Water Department
12 (“San Bernardino”), a public agency, (sometimes collectively referred to herein as the “Parties).

13 **I.**

14 RECITALS

15 A. The Authority is a joint powers authority created August 2, 1994 pursuant to
16 California Government Code § 6500 et seq. by the Cities of San Bernardino and Colton.

17 B. The Authority was created to construct and operate a regional wastewater
18 treatment facility utilizing a treatment process called “Rapid Infiltration and Extraction.” The
19 wastewater treatment facility now in operation is known as the “RIX” Facility and is located at
20 1990 West Agua Mansa Road, Colton, County of San Bernardino.

21 C. The Authority has found and determined that it is mutually beneficial to the
22 Parties to delegate the responsibilities of administration of the “RIX” Facility to San
23 Bernardino and the purpose of this Agreement is to provide the terms and conditions by which
24 San Bernardino shall administer the Facility for the benefit of the Authority.

25 **II.**

26 COVENANTS

27 Now, therefore, based upon the foregoing, and in consideration of the mutual promises
28 of the PARTIES, it is hereby agree to as follows:

1 1. Incorporation of Recitals. The foregoing recitals, and each of them, are hereby
2 incorporated into this Agreement as though set forth in full.

3 2. Authorizing Provisions. For the time period specified herein at Paragraph Eight
4 (8), the Authority hereby authorizes San Bernardino to act as its agent and to perform all
5 services and/or assignments associated with administration of the "RIX" Facility. The actions
6 undertaken by San Bernardino pursuant to the Agreement shall be subject to the supervision,
7 direction, and control of the Authority, except to the extent that the Authority will not dictate
8 the methods or means of accomplishing the tasks associated with administration of the "RIX"
9 Facility.

10 (a) Such services and/or assignment shall be made in the form of written
11 Task Orders. Task Orders shall include a description of the nature and scope of work to be
12 performed by San Bernardino, the amount of compensation (if any), the identities of personnel
13 to be assigned, and the expected time of completion.

14 (b) Except as otherwise provided in each Task Order, San Bernardino shall
15 supply all personnel and equipment required to perform the assigned services.

16 3. Permits. San Bernardino is hereby expressly authorized to obtain all permits
17 necessary to fulfill objectives outlined in the Task Orders. All costs and expenses associated
18 with any and all permits shall be borne by the Authority in the same proportion as all other
19 costs and expenses are borne by the parties to the Authority for the "RIX" Facility.

20 4. Reports. In addition to the services described above, San Bernardino shall also
21 prepare and submit a monthly status report to the Authority summarizing the status of any work
22 conducted under the Task Orders and responding to inquiries regarding the Task Order work,
23 as determined at the discretion of the Parties. San Bernardino shall also provide such other
24 written or oral reports as may be reasonably requested by the Parties.

25 5. Contracting for Services. Except for emergencies essential to protect public
26 health and safety, San Bernardino shall obtain the prior approval of the Authority for the
27 following:

28 (a) to secure the services of any contractor or subcontractor for the purpose of

1 performing additional work if the total costs for services exceed \$10,000.00; or,
2 (b) to purchase additional materials if the cost of materials exceed \$10,000.00.

3 6. Best Efforts. San Bernardino shall use its best efforts and such time as is
4 necessary to properly fulfill its duties under this Agreement and to carry out the desires and
5 intentions of the Authority. San Bernardino shall require all of its employees, agents,
6 contractors and subcontractors to use their best efforts and such time as is necessary to
7 properly, timely and in a cost-effective manner fulfill their duties and to carry out the desires
8 and intentions of the Authority.

9 7. Compensation. The costs, expenses and liabilities of the Project shall be
10 assessed to the Authority. However, all costs attributable solely to administration of various
11 projects shall be borne by San Bernardino, unless otherwise authorized by the Authority.

12 8. Commencement and Termination of Agreement. This Agreement shall become
13 effective on the date of execution and shall continue in effect until September 29, 2016. In the
14 event that no Party to the Agreement objects, the Agreement shall be renewed in five (5) year
15 increments by the Authority. Notwithstanding the termination of this Agreement, the Parties
16 shall be required to carry out all provisions of this Agreement which contemplate performance
17 subsequent to such termination, and termination shall not affect any liability or other obligation
18 accrued prior to the date of termination. This agreement may be terminated, prior to the
19 expiration date of the Agreement, on request by any Party, provided that notice of the request to
20 terminate shall be given not less than thirty (30) days before the date of termination.

21 9. Compliance With Law. In performing the services required hereunder, San
22 Bernardino shall comply with all applicable federal, state, county and local statutes, ordinances,
23 laws and regulations. If such compliance is impossible for reasons beyond its control, San
24 Bernardino shall immediately notify the Parties of the fact and the reasons therefore.

25 10. Indemnification. The Authority shall indemnify and hold harmless the City of
26 San Bernardino Municipal Water Department and the City of San Bernardino for any and all
27 claims of injury or damage arising from the services to be provided in conjunction with this
28 Agreement, except to the extent that such claims are caused by the sole negligence of San

1 Bernardino.

2 11. Enforceability. If any one or more of the terms, provisions, promises, covenants
3 or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or
4 voidable, for any reasons whatsoever by a Court of competent jurisdiction, each and all of the
5 remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be
6 affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

7 12. Assignment. Neither party may assign or delegate its rights or obligations
8 pursuant to this Agreement. Any assignment or delegation in violation of this section shall be
9 void.

10 IN WITNESS WHEREOF, the PARTIES have caused this Agreement to be executed as
11 of the day and year first above written.

12

13

COLTON/SAN BERNARDINO REGIONAL
TERTIARY TREATMENT AND WATER
RECLAMATION AUTHORITY

14

15

16 DATED: _____

By: _____
Stacey Aldstadt, President

17

18

CITY OF SAN BERNARDINO MUNICIPAL
WATER DEPARTMENT

19

20

21 DATED: _____

By: _____
Toni Callicott, President
Board of Water Commissioners

22

23

24 DATED: _____

By: _____
Robin Ohama, Secretary
Board of Water Commissioners

25

26

27

28

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
BOARD OF WATER COMMISSIONERS
STAFF REPORT

RECEIVED
JUN 27 2016
GENERAL MANAGER

TO: Stacey R. Aldstadt, General Manager

FROM: Terri A. Willoughby, Director of Finance

SUBJECT: **AUTHORIZATION TO SUBMIT A RESOLUTION TO JOIN THE CALIORNIA MUNICIPAL FINANCING AUTORITY TO THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO**

DATE: June 27, 2016

BACKGROUND:

At the April 5, 2016 meeting of the Board of Water Commissioners, the Board approved contracts with various team members to assist Finance staff in assessing the Department's options for issuing water and wastewater bonds to fund various capital projects. Part of this analysis includes assessing the cost and process of issuing debts through various financing authorities. The need to use a joint powers authority for the planned issuance of revenue bonds arises from the debt limit provisions of Article XVI, Section 18 of the California Constitution, which generally requires a 2/3 vote of the electorate before a city, county or school district may incur long-term debt (the "Constitutional Debt Limit"). One of the exceptions to the Constitutional Debt Limit relates to financings of an enterprise fund, such as the City's Water Fund or Sewer Fund. Essentially, the obligation to make payments from an enterprise fund to finance projects with a direct connection to such enterprise fund is not considered "debt" for purposes of the Constitutional Debt Limit, and therefore does not require voter approval. In reliance on this exception, it has become customary to structure city enterprise fund financings using a joint powers authority as a conduit issuer, with the authority issuing bonds solely payable from installment payments made by the city from net revenues of the enterprise fund. That customary structure is what the Department intends to use for its upcoming Water Fund financing.

Based on this analysis, it has been determined that the California Municipal Financing Authority (CMFA) is the most efficient and cost-effective financing authority available at this time. In order to accomplish this, the City of San Bernardino must become a member of CMFA. Membership in CMFA requires the adoption of the attached resolution by the Mayor and Common Council of the City of San Bernardino (City), as well an application. Membership in CMFA will allow both the City and the Water Department to utilize the authority for various financing opportunities.

CMFA was created on January 1, 2004 pursuant to the California Government Code Joint Exercise of Powers Act, to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. With the goal of giving back to California communities, the CMFA assists local governments, non-profits and businesses with the issuance of taxable and tax-exempt financing aimed at improving the quality of life in California.

The CMFA strives to maintain a fee structure that is lower than other conduit issuers. Annual fees are based on the outstanding balance of the bonds at the anniversary of the bond issuance, not the original balance. This results in considerable savings over the term of the financing. Also, a unique aspect of

AUTHORIZATION TO SUBMIT CMFA RESOLUTION

June 27, 2016

Page 2 of 2

CMFA is the sharing of the issuance fees with the host community for each project. Over \$10 million has been given back to municipalities and worthy California 501c3 non-profits from these fee-sharing arrangements.

Joint powers authorities have served as issuers in conduit bond issues for many years. In each case, the local agency in which the project is located is required to be a member the joint powers authority. The debts, liabilities and obligations of the CMFA are not debts, liabilities or obligations of the member agencies. The Department has used the San Bernardino Public Safety Authority in the past, and the City is currently a member of the California Statewide Communities Development Authority (CSCDA), a similar financing joint powers authority.

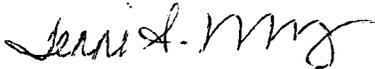
In addition to the benefits to the Water Department and the City, membership in CMFA offers benefits to other organizations in the community. Once the City becomes a member, other for-profit and nonprofit corporations within the City of San Bernardino may utilize the CMFA's services as well.

Staff is requesting the approval of the Board of Water Commissioners to submit the attached resolution to the Mayor and Common Council of the City of San Bernardino for adoption.

RECOMMENDATION:

Staff recommends that the Board of Water Commissioners approve the submission of the Resolution of the Common Council of the City of San Bernardino, California Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority to the Mayor and Common Council of the City of San Bernardino.

Respectfully submitted,



Terri A. Willoughby
Director of Finance

Attachments:

- Resolution – California Municipal Finance Authority
- How CMFA Financing Works
- Why Join CMFA



Existing clients [submit forms online](#) ↻



- [Application](#)
 - [Online Application](#)
 - [How CMFA Financing Works](#)
 - [Eligible Projects](#)
- [About Us](#)
 - [Why Choose CMFA?](#)
 - [Meet Our Board](#)
- [Private Activity Bond](#)
- [PACE](#)
- [Projects](#)
- [Charities](#)
- [Resources](#)
 - [News](#)
 - [Meetings](#)
 - [Financials](#)
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Why Choose CMFA?

Cost Effective, Responsive, Flexible and Community Focused [Apply Online](#)

Responsive, Flexible Service

We are here to serve. Borrowers are providing the public benefit to the community and we are focused on being responsive and flexible to help facilitate worthy public benefit projects.

Cost Effective

The CMFA strives to maintain a fee structure that is lower than other conduit issuers. In addition to lower borrowing costs with the CMFA, you get the best service and a partnership with the local community.

Annual fees are based on the outstanding balance of the bonds at the anniversary of bond issuance, not the original balance. This results in considerable savings over time when issuing amortizing debt.

While you will pay less using the CMFA, the communities where the projects are located benefit because of our fee sharing discussed below.

Community Focused

One of the unique aspects of CMFA is the sharing of issuance fees with the host community for each project. This fee sharing arrangement has been very well received by both municipalities and borrowers.

Over \$10 million has been given back to municipalities and worthy California 501c3 non-profits thanks to the CMFA fee sharing.

- [Why Choose CMFA?](#)
- [Meet Our Board](#)
- [Charitable Giving Learn more](#) ➔
- [Financing Programs Learn more](#) ➔
- [Past Projects Learn more](#) ➔



📍 2111 Palomar Airport Rd, Suite 320
Carlsbad, CA 92011
☎ (760) 930-1221 phone
📠 (760) 683-3390 fax

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Tax-exempt bond financing is a proven low-cost method of funding capital projects. The CMFA provides access to this market for qualified borrowers by acting as the conduit issuer. Eligible costs for a CMFA financing may include the purchase of land, project design costs, construction, rehabilitation, improvement, equipment purchase and installation and legal fees.

Up to 2% of the proceeds of a CMFA bond offering may be used to pay the cost of issuing bonds, such as for underwriter's and legal fees. In addition, the CMFA can issue taxable bonds to cover any additional costs of issuance or for additional undertakings that are not tax-exempt.

- [Online Application](#)
- [How CMFA Financing Works](#)
- [Eligible Projects](#)
- [Charitable Giving Learn more ↻](#)
- [Financing Programs Learn more ↻](#)
- [Past Projects Learn more ↻](#)



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RESOLUTION NO. _____

**RESOLUTION OF THE MAYOR AND COMMON COUNCIL
OF THE CITY OF SAN BERNARDINO, CALIFORNIA
APPROVING, AUTHORIZING, AND DIRECTING
EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of San Bernardino, California (the "City") has determined that it is in the public interest and for the public benefit that the City become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing and refinancing of certain improvements to the City's Municipal Water Department and other projects therefor by the Authority; and

WHEREAS, there is now before this Common Council the form of the Agreement; and

WHEREAS, the Agreement has been filed with the City, and the members of this Common Council, with the assistance of its staff, have reviewed said document;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY AS FOLLOWS:

Section 1. The Agreement is hereby approved and the Mayor, the City Manager, the General Manager of the City's Municipal Water Department or any designee thereof is hereby authorized and directed to execute said document, and the City Clerk or such Clerk's designee is hereby authorized and directed to attest thereto.

Section 2. The executing officers(s), the Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. The Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall, APLC
475 Sansome Street, Suite 1700
San Francisco, CA 94111

Section 4. The delegation of authority from this Common Council to the Board of Water Commissioners of the City's Municipal Water Department to govern, operate, maintain and improve the City's Municipal Water Department, including the financing and refinancing of any and all capital projects of the City's Municipal Water Department, and to take any and all actions deemed necessary or desirable in furtherance thereof, pursuant to the City Charter and prior and current actions of this Common Council, are hereby ratified, approved and confirmed in all respects.

Section 5. This Resolution shall take effect immediately upon its passage.

ADOPTED by the Common Council of the City of at a regular meeting of said Common Council held on the _____ day of August, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

[Mayor]

ATTEST:

Clerk

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligations.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

B. BOARD.

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Bonds.

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

Section 9. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the _____ has caused this Agreement to be
executed and attested by its duly authorized representatives as of the ___ day of _____,
20__.

Member:

[NAME OF MEMBER]

By _____

Name:

Title:

ATTEST:

Clerk