Welcome to a meeting of the Water Board 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 at 1350 South “E” Street, San Bernardino or may be accessed online at https://www.sbmwd.org/agendacenter

- Please turn off or mute your cell phone while the meeting is in session.

- Any member of the public desiring to speak to the Water Board concerning any matter not on the agenda, but which is within the subject matter jurisdiction of the Water Board, may address the body 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 Water Board. A three-minute limitation shall apply to each member of the public unless such time limit is extended by the Water Board. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public.

- The Water Board may refer any item raised by the public to staff for appropriate action or have the item placed on the next agenda of the Water Board. However, no other action shall be taken nor discussion held by the Water Board 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.
THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT ENCOURAGES THE PUBLIC TO VIEW THIS WATER BOARD MEETING ONLINE. THE MEETING WILL BE LIVE STREAMED VIA YOUTUBE AT: https://bit.ly/YouTubeSBWater

MEMBERS OF THE PUBLIC WHO WISH TO COMMENT ON MATTERS BEFORE THE WATER BOARD MAY PARTICIPATE IN THE FOLLOWING WAYS:

1. IF ATTENDING IN PERSON, MAY PROVIDE COMMENT AT THE APPROPRIATE TIME DICTATED BY THE AGENDA AND WATER BOARD PRESIDENT.

2. COMMENTS AND CONTACT INFORMATION MAY BE E-MAILED TO Comments@sbmwd.org BY 8:30 A.M. THE DAY OF THE SCHEDULED MEETING TO BE READ ALOUD AND INCLUDED IN THE WRITTEN RECORD.

3. CALLING 909-453-6340, LEAVING A RECORDED MESSAGE BY 8:30 A.M. THE DAY OF THE SCHEDULED MEETING, NOT TO EXCEED THREE (3) MINUTES, WHICH WILL THEN BE PLAYED DURING THE PUBLIC COMMENT SECTION OF THE AGENDA.

CALL TO ORDER

ROLL CALL

1. ANNOUNCEMENTS BY MEMBERS OF THE WATER BOARD

2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item not listed on the agenda. There is no limit on the number of items that may be discussed within the three-minute time limit. To be called by the Water Board President, please see special public comments instructions above.

3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item listed on the agenda, excluding public hearings. There is no limit on the number of items that may be discussed within the three-minute time limit. To be called by the Water Board President, please see special public comment instructions above.
4. **CONSENT CALENDAR**

**MOTION:** That the motions indicated by consent calendar items 4A through 4D be adopted, except for ______________.

**MOTION:_____________ SECONDED:______________

A. **PAYROLL**

**MOTION:** Approve the payroll for the pay periods beginning March 13, 2023 through March 26, 2023.

B. **CONTRACTS AND BILLS**

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

C. **MINUTES**

**MOTION:** Approve the minutes of March 14, 2023, of the Water Board.

D. **REVISED JOB DESCRIPTION FOR SENIOR NETWORK AND SYSTEMS ADMINISTRATOR:** The job description for Senior Network and Systems Administrator has been updated to reflect changes within the Information Technology section since 2019, including increased support duties for systems and applications.

**MOTION:** Approve the revised job description for Senior Network and Systems Administrator (51847), as submitted.

**DISCUSSION ITEMS**

5. **STATE WATER PROJECT PRESENTATION:** Bob Tincher, Chief Water Resources Officer/Deputy General Manager for San Bernardino Valley Municipal Water District, will provide project updates to the Water Board with a presentation titled “Modernizing the State Water Project to Improve Wet Year Deliveries and Protect Against Earthquakes and Climate Change.” (PRESENTATION ONLY)

6. **SALE OF SURPLUS WATER DEPARTMENT PROPERTY LOCATED ON GLEN HELEN ROAD (APN 0349-191-08) TO TDC WALKER LAND LLC – REQUEST FOR BIDS NO. 1787:** The San Bernardino Municipal Water Department (Department) owns a 2.82-acre parcel located on Glen Helen Road, northwest of I-215 North and parallel to the Southern Pacific Railroad, in the Devore area of unincorporated San Bernardino County.

Due to its irregular triangular shape and its location on the west side of the Cajon Wash, it was ruled out as a possible well site and declared surplus by the Water Board and subsequently by the Mayor and City Council in April 2021.
In preparation of establishing a fair market value for any potential sale, a property appraisal was conducted by Steven R. Smith to estimate the value of the property based on current market conditions. The report concluded that the estimated market value of the property as of September 26, 2022, was $49,150.00 based on six (6) comparable sales in the general area.

Staff issued a Request for Bids (RFB) No. 1787 through its PlanetBids system for surplus property sale for property located on Glen Helen Road (APN 0349-191-08). On January 12, 2023, a response to the RFB was received from RDC Walker Land LLC bidding $52,000.00 for the property.

The Department will receive $52,000 for the sale of the Glen Helen Road property.

**MOTION:** Approve a Purchase and Sale Agreement with TDC Walker LLC for the sale of Department surplus property located on Glen Helen Road (APN 0349-191-08) fixing the sale price at $52,000; and authorize the General Manager to execute the Agreement.

**MOTION:** ________________ SECONDED: ___________

7. **AMENDMENT OF RULE AND REGULATION NO. 5 - NEW SERVICE AND INSTALLATIONS AND WATER CAPACITY CHARGES AND RULE AND REGULATION NO. 25 - CONNECTION WITH SANITARY SEWER COLLECTION SYSTEM AND ASSOCIATED FEES/CHARGES:** On March 8, 2020, the Water Board approved Resolution No. 973 and implemented the various Department service fees and charges and amended Rule and Regulation Nos. 5, 6, 8, 10, 16, 18, 20, and 22 and Sewer Service Application.

Proposition 4 outlined limits on “fee services” that state that fee services cannot exceed the “costs reasonably borne” by the agency (Department) to provide the related service and became Article XIIIIB of the State Constitution on July 1, 1980. This proposition addressed all revenues and established a limit on the growth of tax revenues.

Department staff has modified its existing Rule and Regulation Nos. 5 and 25 to include an Easement by Separate Instrument Process fee consistent with the Resolution No. 973, Proposition 4, and Article XIIIIB.

There is no fiscal impact to the Department.

**MOTION:** Adopt Resolution amending Rule and Regulation No. 5 - New Service and Installations and Water Capacity Charges and Rule and Regulation No. 25 - Connection with Sanitary Sewer Collection System and Associated Fees/Charges including the Easement by Separate Instrument Process fee.

**MOTION:** ________________ SECONDED: ___________
8. AWARD OF CONTRACT – EMERGENCY DRYING BEDS LINING PROJECT – SPECIFICATION NO. 1767: In April 2021, the Santa Ana Regional Water Quality Control Board (SARWQCB) conducted an inspection of the Department’s Water Reclamation Plant (WRP), including the existing sludge drying beds. The Department was advised by SARWQCB that the use of these drying beds was not in compliance with California Code of Regulations, Title 27, which requires a double lined containment system.

Specifications were advertised on January 27, 2023, for Specification No. 1767, to “Furnish all Labor, Equipment, and Materials for the Emergency Drying Beds Lining Project, located in San Bernardino, CA.” Two (2) bids were received and opened on February 27, 2023.

The funding source for this project is the FY 2022/2023 Sewer Treatment Fund Capital Improvement Project titled Emergency Drying Beds Lining Project (C.O. 00286) which currently has a total of $7,500,000.00 in unencumbered funds.

MOTION: Accept the bid of Pacific Hydrotech Corporation as the lowest responsive, responsible bidder and award a contract in the amount of SIX MILLION SEVEN HUNDRED SIXTEEN THOUSAND THREE HUNDRED AND 00/100 DOLLARS ($6,716,300.00) for the EMERGENCY DRYING BEDS LINING PROJECT, retain the bid securities in accordance with Specification No. 1767; and authorize the General Manager to execute the contract and sign and verify a Notice of Completion.

MOTION: ___________ SECONDED: ___________

9. REPLACEMENT OF DIGESTERS C & D MIXING PUMPS: In 1985, a plant expansion known as the Solids Handling Improvements commenced at the Water Reclamation Plant (WRP) which included the installation of two new digesters (Digesters C & D), along with the ancillary equipment to operate the digesters. Each digester has its own mixing equipment which is original to the installation and consists of pumps, conveyance piping, and mixing nozzles. The mixing pumps are now 34 years old and are beyond their useful life and need replacement.

Rockwell Engineering & Equipment Co. is the sole source provider for the State of California for Vaughan Co, Inc. The quoted amount for a complete pump assembly for Digester D and a replacement base assembly for the relocated/rebuilt pump at Digester C totals $78,119.31.

The funding source for this project is the FY 2022/2023 Sewer Fund Capital Project titled Annual R/R- Solids Handling System (C.O. 00277), with an approved budget of $350,000 of which sufficient funds remain for this project.

MOTION: Approve the expenditure as outlined in Purchasing Policy 51.030 for the 2023 Replacement of the Digesters C & D Mixing Pumps, for the issuance of a Purchase Order to Rockwell Engineering as outlined above in an amount initially estimated not to exceed SEVENTY-EIGHT THOUSAND ONE HUNDRED NINETEEN AND 31/100 dollars ($78,119.31).

MOTION: ___________ SECONDED: ___________
10. **AMENDMENT NO. 1 TO CONTRACT NO. 1669 – BI-ANNUAL CONTRACT FOR BULK LIQUID FERRIC CHLORIDE – KEMIRA WATER SOLUTIONS, INC.:** The Water Reclamation Plant (WRP) uses Ferric Chloride (FeCl₃) to control the production of Hydrogen Sulfide (H₂S) as part of the wastewater treatment process. The Department utilizes approximately 775 dry tons of FeCl₃ each year.

The Water Board entered into a two-year contract, Contract No. 1669, with Kemira Water Solutions, Inc. (Kemira), to furnish and deliver bulk liquid ferric chloride to the Water Reclamation Facility. This contract had a provision for two (2) additional two (2) year extensions. Extension No. 1 was approved by the Water Board on July 23, 2019 and expired on July 31, 2021. Extension No. 2 was approved by the Water Board on September 14, 2021 and is set to expire on July 31, 2023. Extension No. 2 set the cost at $675.00 per dry ton.

Kemira has requested to amend the existing contract from $675.00 per dry ton to $1,248.00 per dry ton due to marketplace conditions and extend the contract through July 31, 2024. In recognition of the Department's agreement to this request, Kemira offers to provide the FeCl₃ at the then current rate, capped at $1,435.20, which is a maximum of 15% (fifteen percent) increase from the current rate. This rate would be provided at the Department's sole option to renew from August 1, 2024 through July 31, 2025.

The funding source for this contract is the FY 2022/2023 Sewer Operations and Maintenance Budget (Account 200-4020-540-6830).

**MOTION:** Approve Amendment No. 1 to Contract No. 1669 with Kemira Water Solutions, Inc.; and authorize the General Manager to execute the Amendment.

**MOTION:** ____________ SECONDED: ____________

11. **REPORTS:**
   
   A. Report of the President
   B. Report of the Commissioners
   C. Report of the Directors
   D. Report of the General Manager

12. **ADJOURNMENT**

**NOTE:** The next regular meeting of the Water Board is scheduled for 9:30 a.m., April 11, 2023, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.
MINUTES
FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO
MARCH 14, 2023

CALL TO ORDER
The Regular Meeting of the Water Board of the City of San Bernardino was called to order by President Toni Callicott at 9:30 AM, Tuesday, March 14, 2023, in-person and livestream via YouTube.

ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cecilia “Toni” Callicott</td>
<td>President</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Wayne Hendrix</td>
<td>Vice President</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>David Mlynarski</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Rikke Johnson</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Thomas Brickley</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Miguel Guerrero</td>
<td>General Manager</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
</tbody>
</table>

1. ANNOUNCEMENTS BY THE BOARD: N/A

2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: None.

3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA: None.
4. CONSENT CALENDAR – ITEMS 4A THROUGH 4E:

A. PAYROLL:

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<th></th>
<th>Water Fund</th>
<th>Sewer Treatment</th>
<th>Sewer Collections</th>
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<td>$17,395.30</td>
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<tr>
<td>Accounts Payable</td>
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<td></td>
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<tr>
<td>Gross Payroll 02/13/23-02/26/23</td>
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<tr>
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</tbody>
</table>

Payroll for the pay period beginning February 27, 2023 through March 12, 2023.

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


D. REVISED JOB DESCRIPTIONS FOR WATER UTILITY WORKER I, WATER UTILITY WORKER II, WATER UTILITY WORKER III, WATER UTILITY LEAD WORKER, AND WATER UTILITY SUPERVISOR: The job description for Water Utility Worker I was revised to change experience in a water system from a minimum requirement to highly desirable. The certification requirement remained the same.

Incumbents in the Water Utility Worker I, Water Utility Worker II, Water Utility Worker III, Water Utility Lead Worker, and Water Utility Supervisor classifications were performing installation, testing, and repair of Advanced Meter Infrastructure (AMI) endpoints, therefore, these tasks were added to the job descriptions.

MOTION: Approve the revised job descriptions for Water Utility Worker I (21840), Water Utility Worker II (21842), Water Utility Worker III (21844), Water Utility Lead Worker (21846), and Water Utility Supervisor (51762), as submitted.

E. WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE INVOICES: Throughout the year, Finance staff invoices various customers for a variety of charges and has reviewed invoices that remain unpaid through January 2022 and that are determined to be uncollectible. Additionally, staff performed a general review of all delinquent accounts and their status. Staff recommends that these invoices, totaling $7,459.05, be written off as uncollectible to avoid overstating the Department’s receivable amount.

Under policy 54.020 – Write-Off of Uncollectible Accounts Receivable, Water Board approval is needed for any write-off amounts over $1,000.
MOTION: Approve the write-off of the invoices listed on the Accounts Receivable Invoice Analysis, as submitted.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE
MOVER: T. Brickley
SECONDER: D. Mlynarski
ABSTAINED: N/A
ABSENT: N/A

DISCUSSION ITEMS

5. MODIFICATION TO RESOLUTIONS APPROVING AUTHORIZATION AND REIMBURSEMENT FOR SYSTEMWIDE 2 PIPELINE REPLACEMENT PROJECT FROM THE STATE WATER RESOURCES CONTROL BOARD: The Water Facilities Master Plan evaluated the existing water distribution system and identified deficiencies in several pipeline segments. In September 2019, the Water Board adopted two resolutions approving the submission of an application for financial assistance and the Department’s reimbursement intent for the State Water Resources Control Board’s (SWRCB) Drinking Water State Revolving Fund program (DWSRF) to fund pipeline replacement projects. The initial pipeline project application to the DWSRF program included the replacement of approximately 9,800 lineal feet of pipeline totaling $3,405,990.

Staff submitted the DWSRF application following Water Board approval and worked with SWRCB staff to complete the funding process. Some modifications were required, increasing the estimated construction costs at that time from $3,405,990 to $5,738,523. As a result, the Water Board approved modifying the Department’s DWSRF pipeline replacement application and reimbursement resolution in 2021 to incorporate the project changes and to increase the funding request to cover the anticipated costs.

In 2022, staff received updated cost estimates which included federal Build American Buy American (BABA) requirements passed in November of 2021 as a part of the Federal Infrastructure Investments and Jobs Act. The new estimates increased substantially from $5,738,523 to $11,234,350, which included a 25% increase for BABA costs as well as costs of inflation and updated construction estimates.

There was no fiscal impact at this time associated with this action.

Commissioner Mlynarski asked what the interest rate was for those platforms.

Director Miller stated that the interest rate was 2.1% over twenty (20) years.

General Manager Guerrero stated that the estimated cost was for the application, but the Department could apply for a waiver for BABA requirements.

Commissioner Johnson stated that this was a good opportunity to address the aging infrastructure.
MOTION: Adopt Resolution No. 2023-003 and Resolution No. 2023-004, approving modifications to the financial assistance application and reimbursement for the Systemwide 2 Pipeline Replacement Project from the State Water Resources Control Board.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE
MOVER: R. Johnson
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: N/A

6. APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH S. VERDEMONT, LLC (GFR) FOR A FAIR SHARE CONTRIBUTION TO BUILD THE VERDEMONT PHASE II WATER INFRASTRUCTURE PROJECT: Verdemont Phase II (Phase II) outlined the required facilities to convey water from the Meyers Reservoir to the proposed 2300 Pressure Zone. The design was completed in 2009, shortly after the housing bust and economic downturn. Housing construction halted and Phase II was consequently shelved.

Since 2012, the Water Department met with a group of developers (Verdemont Consortium) and the City about once a quarter to discuss development in the Verdemont area, specifically the future 2300 Pressure Zone. The meetings were intended to facilitate planning and financing requirements for water infrastructure to serve the proposed developments.

The Department presented various analyses and updates to the 2300 Pressure Zone design infrastructure from 2015-2021 to the Verdemont Consortium. In late 2021, there was a concept that was presented by the Water Department where one of the Verdemont Consortium developer, GFR, could build a portion of the 2300 Pressure Zone infrastructure equivalent to their fair share of the costs. In January 2022, a Developer Agreement between the Water Department, City, and GFR was started that incorporated this concept as an option for GFR’s fair share of Phase II.

GFR requested a separate Memorandum of Understanding (MOU) between the Department and GFR specifically for their entitled tract and their fair share allocation for the 2300 Pressure Zone infrastructure.

Commissioner Brickley asked if the costs are shared for this project if estimates come in higher than expected.

General Manager Guerrero stated that the MOU covered this area regarding estimated costs versus actual costs and that if estimated costs were more than 10% of the estimated cost, staff and GFR would meet and confer before proceeding.

General Manager Guerrero stated that at the end of the project cost would be reconciled with GFR.
Commissioner Mlynarski asked if the City was involved or if the Department was the main party in control of the project.

General Manager Guerrero stated that the Department is in control of the project and the City would have a separate agreement.

President Callicott stated that she believed the development was coming along nicely and stated that she appreciated the support of GFR very much and the support to the community.

Commissioner Johnson stated that he knew GFR for a number of years when he worked at the City and appreciated the partnership that they had with the City and its development.

General Manager Guerrero introduced Felix Robles and Fernando Dutra from GFR to the Water Board.

Mr. Dutra thanked the Water Board for having the item come before them and for the confidence in the area.

Mr. Dutra thanked the Water Board for their professional, highly competent, and courteous staff and appreciated the tenacity of the Water Board throughout the process.

Mr. Robles stated that this was twelve (12) years in the making and it came together and thanked the Water Board and staff for the completion of the MOU.

**MOTION:** Approve the MOU with S. Verdemont LLC (GFR) for fair share contribution to build Verdemont Phase II Water Infrastructure Project. The General Manager was authorized to execute the MOU.

**RESULT:** APPROVED 5-0 BY ROLL CALL VOTE

**MOVER:** R. Johnson

**SECONDER:** D. Mlynarski

**ABSTAINED:** N/A

**ABSENT:** N/A

7. **APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND MICHAEL BAKER INTERNATIONAL, INC. FOR ENGINEERING DESIGN SERVICES FOR MULTIPLE CIP WATER PIPELINE REPLACEMENT PROJECTS (SPECIFICATION 1777):** On September 19, 2022, Staff issued a public Request for Proposal (RFP) through its PlanetBids system for professional design services for multiple budgeted CIP pipeline replacement projects.

Several of these pipelines were identified for replacement in the Department’s 2015 Water Facilities Master Plan. Staff decided to bundle multiple pipeline designs as one RFP to receive numerous competitive proposals from qualified professional design engineering firms.
On October 21, 2022, ten (10) responses to the RFP were received and as a result of the staff review and ranking of the proposals, the firm with the highest overall score was Michael Baker International. Staff recommended that Michael Baker International be awarded a Professional Services Agreement for the Engineering Design Services for Multiple CIP Pipeline Replacement Projects.

The funding source for this project was a combination of eight (8) pipeline projects, each from the FY 2022/2023 Water Fund Capital Improvement Budget. The Construction Orders (COs) had a combined total of $1,365,000.00 in unencumbered funds to design the pipeline replacement projects.

Commissioner Brickley asked what the linear footage was for this project.

Director Miller stated that it was 21,000 linear feet.

MOTION: Approve the Professional Services Agreement with Michael Baker International, Inc. for the Engineering Design Services for Multiple CIP Pipeline Replacement Projects, for an amount not-to-exceed $999,125.00. The General Manager was authorized to execute the agreement.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE

MOVER: D. Mlynarski
SECONDER: T. Brickley
ABSTAINED: N/A
ABSENT: N/A

8. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND TKE ENGINEERING, INC. FOR ENGINEERING DESIGN SERVICES FOR SHANDIN HILLS BOOSTER STATION PLANT SITE IMPROVEMENTS (SPECIFICATION 1784): On October 13, 2022, Staff issued a public Request for Proposal (RFP) through its PlanetBids system for professional design services for the design of site improvements to the Shandin Hills Booster Station Plant Site, located at 3480 North Circle Road, San Bernardino, CA. The project site was subject to localized stormwater flooding during high intensity storms.

On October 31, 2022, a response to the RFP was received from TKE Engineering. Staff recommended that TKE Engineering be awarded a Professional Services Agreement for Engineering Design Services for Shandin Hills Booster Station Plant Site Improvements.

The total cost for engineering design services for the project was $73,900.00. The Department had sufficient funds budgeted in the FY 2022/2023 Water Fund Capital Improvement Project titled Annual R/R - Plant Site Improvements (C.O. 11072) to cover the cost of those services.
MOTION: Approve the Professional Services Agreement with TKE Engineering, Inc. for *Engineering Design Services for Shandin Hills Booster Station Plant Site Improvements*, for an amount not-to-exceed $73,900.00. The General Manager was authorized to execute the agreement.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE
MOVER: T. Brickley
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: N/A

9. APPROVAL OF PURCHASE ORDER FOR THE INSTALLATION OF ONE (1) 6-INCH FIRE HYDRANT AND ONE (1) 1.5-INCH DOMESTIC/IRRIGATION COMBINATION SERVICE AT 776 W. MILL STREET: Two bids were received and opened on February 23, 2023, from the Department’s on-call contractors to install one (1) 6-inch fire hydrant and one (1) 1.5 inch domestic/irrigation combination service for Joseph E. Bonadiman & Associates, Inc. at 776 W. Mill Street.

Staff recommended that the Water Board approve the issuance of a Purchase Order in the amount of $58,450.00 to Kirtley Construction, Inc. (dba TK Construction).

The funding source for this contract was a construction order assigned for FY 2022/23, No. 11089 Fire Hydrants and No. 11091 Combination Domestic/Irrigation Services. A series of construction orders were generated each fiscal year to capture costs for the installation of typical service requests, including fire hydrants and domestic/irrigation combination services. Collected installation fees would be deposited into the account for COs No. 11089 and No. 11091.

MOTION: Approve the purchase order for the installation of one (1) 6-inch fire hydrant and one (1) 1.5 inch domestic/irrigation combination by Kirtley Construction, Inc. (dba TK Construction) in the amount of $58,450.00.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE
MOVER: D. Mlynarski
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: N/A

10. REPORTS:

A. Report of the President – President Callicott welcomed Susan Longville, San Bernardino Valley Municipal Water District, Board Member, to the Water Board meeting.

B. Report of the Commissioners – None.
C. **Report of the Directors –**

1. Director Stewart stated that the Department was receiving the CWEA Engineering Achievement Award for their participation in the Digester B Beneficial Gas Program at the state level.

Director Stewart stated that Department staff would be accepting that award at a CWEA Annual Conference in April 2023.

General Manager Guerrero stated that a CWEA Board Member would present the award to the Water Board and Mayor & City Council at each entity’s meeting in the May 2023.

2. Deputy General Manager Ohama stated that Devin Arciniega attended a variety of community events and local neighborhood association meetings and would continue to be a Department presence in the community.

President Callicott stated that Devin continued to do a wonderful job.

D. **Report of the General Manager –**

1. General Manager Guerrero stated that the School of Hope item and the audit item were both on the Consent Calendar on the March 15, 2023 Mayor & City Council (M&CC) meeting agenda.

General Manager stated that he would be attending the M&CC meeting in the event there were any questions regarding either item.

President Callicott stated that she would be in attendance and encouraged the Water Board’s presence.

2. General Manager Guerrero stated that Bob Tincher, Chief Water Resources Officer/Deputy General Manager for San Bernardino Valley Municipal Water District, would be updating the Water Board with a presentation on the Sites Reservoir Project and Delta Conveyance at March 28, 2023 Water Board meeting.

11. **ADJOURNMENT:**

The next regular meeting of the Water Board was scheduled for 9:30 a.m., March 28, 2023 at the Margaret H. Chandler Water Reclamation Plant, located at 399 Chandler Place, San Bernardino, CA, 92408.

   By: __________________________
   Miguel J. Guerrero, P.E.
   General Manager
11. ADJOURNMENT:

The next regular meeting of the Water Board was scheduled for 9:30 a.m., March 28, 2023 at the Margaret H. Chandler Water Reclamation Plant, located at 399 Chandler Place, San Bernardino, CA, 92408.

By: _______________________
    Miguel J. Guerrero, P.E.
    General Manager
TO: Miguel J. Guerrero, P.E., General Manager  
FROM: Robin L. Ohama, Deputy General Manager  
SUBJECT: REVISED JOB DESCRIPTION FOR SENIOR NETWORK AND SYSTEMS ADMINISTRATOR  
DATE: March 15, 2023  
COPIES: Frank Rich, Human Resources  

BACKGROUND:  
The Senior Network and Systems Administrator job description was originally approved by the Water Board on July 1, 2019, and has not been revised since that time.  
This position became vacant due to a lateral transfer effective March 7, 2023. This position is vital to Water Department operations and as such there is an immediate need to recruit and fill this position.  
The job description has been updated to reflect changes within the Information Technology section since 2019 including increased support duties for systems and applications. This has allowed the section to align with industry standards improving productivity, efficiency and timeliness by separation of duties as well as providing the necessary internal support for new software applications coming online within the next two years. These changes should also assist with recruitment.  
The updated job description removes references to application specific requirements and aligns the years of experience requirement with other Department Information Technology positions in the same range.  

FISCAL IMPACT:  
There is no impact as a result of this change.
SUBJECT: REVISED JOB DESCRIPTION FOR SENIOR NETWORK AND SYSTEMS ADMINISTRATOR (51847)

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Approve the revised job description for Senior Network and Systems Administrator (51847)

Respectfully submitted,

Robin L. Ohama
Deputy General Manager

Attachments: Revised job description for Senior Network and Systems Administrator, redline and final draft versions
SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
CLASSIFICATION SPECIFICATION

TITLE: SENIOR NETWORK AND SYSTEMS ADMINISTRATOR

FLSA STATUS: EXEMPT UNIT REPRESENTATION: MID-MGMT

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

DUTIES SUMMARY

Under general direction to lead, guide, train, instruct, correct, and participate in/perform fully the work of assigned staff in a variety of moderate to complex duties related to Information Technology equipment and services; analyze, plan, coordinate, and support a section of the Department's information systems and/or technical infrastructure; administer networks, applications, services, and hardware assigned to the position; manage third parties performing technical work for the Department; perform moderate to complex programming duties, and perform related duties as assigned.

DISTINGUISHING CHARACTERISTICS

The Senior Network and Systems Administrator is the working lead level within the Information Technology series. The incumbent routinely assigns specific tasks to subordinate staff and leads, guides, trains, instructs, and corrects assigned staff. This classification is responsible for administering a grouping of applications, service, networks and/or hardware, performs the most complex tasks and project assignments and manages projects that may span divisions and may include multiple staff and contractors. The Senior Network and Systems Administrator classification is distinguished from the Network and Systems Administrator in that the former performs lead supervision and complex programming analysis. The incumbent is expected to exercise sound and independent judgment in the performance of duties.

EXAMPLES OF DUTIES

The following duties are typical essential duties for positions in this classification. Any single position may not perform all of these duties and/or may perform similar related duties not listed here:

- Provide courteous and expeditious customer service to the general public and City and Department staff;
- Routinely adhere to and maintain a positive attitude toward City and Department goals;
- Participate, oversee, lead, direct, train, guide, check, monitor, inspect, assign, and report on (collectively referred to as "lead") the work of assigned staff engaged in a variety of routine to complex duties related to Information Technology network administration, applications, services, and hardware;
- Perform moderate to complex programming including, but not limited to, Microsoft Visual Studio, C#, Transact SQL, and other coding tools related to the development of applications;

- Develop, direct, and coordinate the implementation of goals, objectives, policies, procedures, standards, and work programs for assigned systems; prepare and present long-range plans and status reports for stakeholders including, but not limited to, the General Manager, Deputy General Manager, Division Directors, Water Board, and Information Technology Manager;

- Develop training and presentation materials for end users covering new and existing technologies;

- Conduct training classes in support of new and updated systems and services;

- Serve as a system technical resource to all Department divisions/sections; identify, design, and develop system applications;

- Review contracts and specifications for conformity and integration requirements;

- Assist with the preparation of the system program budget; monitor approved budget; review budget requests for hardware, software, and services related to assigned systems; advise appropriate personnel on budget matters;

- Maintain awareness of current advances in technology and information security as they relate to Department and/or Division needs and objectives; coordinate pertinent information, resources, and work teams necessary to support a positive and productive environment;

- Represent the Department in inter-agency coordination activities relating to technology infrastructure;

- Design, analyze, plan, coordinate, support, and administer various networks throughout the Department, including wireless, convergent, local area VOIP, and wide area networks.

- Analyze, plan, coordinate, support, administer, and upgrade various network, hardware, and software systems throughout the Department, including design, implementation, change management, and operational support.

- Work with and support application team(s) throughout project lifecycles;

- Maintain expertise in Department standard hardware, software, wireless, middleware, mobile, and security products;

- Develop and design security solutions, including firewall, anti-virus and intrusion detection systems as well as accessibility of the network, servers, and applications; perform related security audits;

- Lead the planning, support, administration, and testing of disaster recovery business continuity planning and processes;

- Provide assistance to staff in resolving difficult technical problems;

- Act as a project manager for implementation of technology related programs and services;

- Participate in negotiations with vendors, outsourcers, and contractors to secure hardware and/or software products and services;

- Interact with vendors to identify and resolve hardware and software problems;

- Participate in planning for infrastructure and information systems including needs assessment, budgeting, and capacity planning;
• Compile and maintain software, server, and network documentation and establish appropriate procedures;

• Analyze, extract, combine, interpret, and summarize data for operational management or executive decisions;

• Maintain awareness of current network, databases, and system administration advances in technology as they relate to department needs and objectives;

• Manage complex projects that may include multiple divisions and/or contractors;

• Provide confidentiality, support, and positive attitude necessary to meet all Department goals and maintain employee morale;

• Act in the absence of the Information Technology Manager

• Perform other related duties as assigned.

QUALIFICATIONS

Any combination of education, training, and experience that would likely provide the knowledge, skills, and abilities to successfully perform in the position is qualifying. A typical combination includes:

Knowledge of:

• Principles, practices, and techniques of systems management including: application design, system analysis, database management, quality control, performance metrics, and hardware and software options for systems applications;

• Principles and methods used in Local Area Networks, Wide Area Networks, Voice Over Internet Protocol (VOIP) phone systems, and Microsoft Exchange Email systems, 365 application suite;

• Project management techniques, methodologies, and software tools;

• Research techniques, methods, and procedures;

• Record keeping, report preparation and writing, including knowledge of proper English, spelling, and grammar;

• Principles and practices of program and budget development, administration, and evaluation;

• Networking concepts, principles, and best practices, including wired and wireless;

• Design, implementation, and management of Microsoft server, virtualization, and networks;

• Diagnostic utilities used in a multi-platform environment;

• Database design, installation, configuration, implementation, and administration in a networked server environment, for custom or commercial off-the-shelf systems;

• Relational databases and platforms and associated query languages;

• Administration of remote access processes including VPN and remote desktop applications;

• Microsoft Windows server architecture;
• Microsoft Active Directory, Federated Services, and Azure AD;

• Principles and practices of supervision.

• Programming languages including, but not limited to Microsoft Visual Studio, C#, Transact SQL, and other coding tools related to the development of applications;

Ability to:

• Plan, organize, administer, review, and evaluate system development, and computer operations activities including data entry and control function;

• Oversee, lead, direct, train, guide, check, monitor, inspect, assign, and report on the work performed by Information Technology staff;

• Plan and schedule work assignments, set priorities for and train subordinates;

• Effectively convey oral and written directives from superiors to subordinates;

• Develop, implement, and interpret goals, objectives, policies, procedures, standards, work programs, and internal controls;

• Learn and utilize a variety of programming languages;

• Exercise sound independent judgment within policy guidelines;

• Analyze complex problems, evaluate alternative solutions, and make creative recommendations;

• Assess system user needs, set priorities, and meet such needs in a timely and effective manner;

• Represent the Department effectively in meetings with other businesses and agencies;

• Establish and maintain effective working relationships with representatives of community organizations, state and local agencies and associations, Department staff, the public, and others encountered in the course of work, exercising patience, tact, diplomacy, and courtesy;

• Configure and manage a virtual environment;

• Administer VPNs (virtual private networks), firewalls, and intrusion prevention and detection, and associated software;

• Evaluate and resolve complex technical problems and make critical decisions under time constraints;

• Successfully manage and prioritize multiple tasks and projects;

• Read, understand, and apply complex materials;

• Communicate effectively, orally and in writing, including communicating technical information in business-friendly and user-friendly (non-technical) terms;

• Budget and procure licenses, goods, and services;

• Observe safety principles and work in a safe manner;
• Work under moderate to high stress conditions;

• Maintain a driving record which meets Vehicle Code standards and is acceptable to the Department and its insurance carrier.

**MINIMUM QUALIFICATIONS**

**Education/Experience:**

Bachelor’s degree in Information Systems, Computer Science, or a closely related field; And

**Five-Two (52) years of progressively responsible experience in network administration or systems administration, operation, and support depending upon area of assignment and two (2) years of project management experience of either infrastructure or software application related projects.**

OR

Associate’s degree in Information Systems, Computer Science, or a closely related field; And

**Eight-Five (85) years of progressively responsible experience in network administration or systems administration, operation, and support depending upon area of assignment and three (3) years of project management experience of either infrastructure or software application related projects.**

OR

Graduation from high school, or equivalent; And

**Ten-Eight (128) years of progressively responsible experience in network administration or systems administration, operation, and support depending upon area of assignment and five (5) years of project management experience of either infrastructure or software application related projects.**

**Desirable:**

Proficiency in the design, configuration, and setup of a Microsoft network and server environment; experience configuring, maintaining, and backing up MSSQL; experience in two or more scripting/programming languages: Transact-SQL (preferred), and MS PowerShell, MS Visual Studio C# (preferred), MS Windows Script Host, JavaScript, Shell Script, Perl, ASP, Crystal, C, or C++; knowledge and experience in installing, deploying, and supporting VMware; experience with applications streaming and VMware vSphere environments; experience with applications streaming and VMware desktop virtualization; knowledge of network security principles; and understanding of project management principles.

**NECESSARY SPECIAL REQUIREMENTS**

Possession of a valid Class “C” California driver’s license. For out of state applicants, a valid driver’s license is required and a valid Class “C” California driver’s license must be obtained within ten (10) days of appointment (CA Vehicle Code 12505c).

Offsite travel, attendance at multi-day off-site training sessions, weekend and evening work, and after hours emergency callouts may be required.
PHYSICAL TASKS AND ENVIRONMENTAL CONDITIONS

This position requires prolonged sitting, standing, walking on uneven surfaces, squatting, stooping, crouching, kneeling, and reaching in the performance of daily activities; repetitive hand movements and fine coordination of hands and fingers to efficiently operate a computer keyboard, mouse, and other computer installation and repair components. The need to lift, carry, drag, and push equipment and materials weighing up to 40 pounds is required. Work may involve exposure to hazardous chemical and infectious disease. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

Must be able to see in the normal visual range with or without correction with vision sufficient to read small print, computer screens and other printed documents and color vision to accurately interpret visual displays. Must be able to hear in the normal audio range with or without correction, acute hearing is required when providing phone and personal service. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

CAREER LADDER

From: Senior Network and Systems Administrator
To: Information Technology Manager

Testing Standards: App Review/Supp App Review

Job Description:

BOWC Approved: 6/25/2019
Rev:
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• Project management techniques, methodologies, and software tools;
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• Database installation, configuration, implementation, and administration in a networked server environment, for custom or commercial off-the-shelf systems;
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And
Two (2) years of progressively responsible experience in network administration or systems administration, operation, support and project management.

OR

Associate’s degree in Information Systems, Computer Science, or a closely related field;
And
Five (5) years of progressively responsible experience in network administration or systems administration, operation, support and project management.

OR

Graduation from high school, or equivalent;
And
Eight (8) years of progressively responsible experience in network administration or systems administration, operation, support and project management.

Desirable: Proficiency in the design, configuration, and setup of a Microsoft network and server environment; experience configuring, maintaining, and backing up MSSQL; experience in Transact-SQL and MS PowerShell; knowledge and experience in installing, deploying, and supporting VMware; experience with VMware vsphere environments; experience with VMware desktop virtualization; knowledge of network security principles; and understanding of project management principles.

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CAREER LADDER

From: Senior Network and Systems Administrator
To: Information Technology Manager

Testing Standards: App Review/Supp App Review

Job Description:
BOWC Approved: 6/25/2019
Rev:
Modernizing the State Water Project to **Improve** Wet Year Deliveries and **Protect** Against Earthquakes and Climate Change
Current 2023 State Water Project Supply for Valley District with and without Delta Conveyance and Sites Reservoir

<table>
<thead>
<tr>
<th>Supply</th>
<th>2023</th>
<th>2023 with DC and Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWP (35%)</td>
<td>35,910</td>
<td>35,910</td>
</tr>
<tr>
<td>Delta Conveyance</td>
<td></td>
<td>6,400</td>
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<tr>
<td>Sites Reservoir</td>
<td></td>
<td>30,560</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>35,910</strong></td>
<td><strong>72,870</strong></td>
</tr>
</tbody>
</table>

Through February, Delta Conveyance and Sites would have more than doubled our SWP allocation this year!
Cost to Your/Our Customers

- Paid through their property taxes
- We have reserves that will offset some of the cost
Background
State Water Project History

- **1931** – State Water Plan
- **1960** – Burns Porter Act
- **1973** – First Water to Southern California

Delta Conveyance and Sites Reservoir were included in the initial plans for the SWP
Our Region’s Investment in the SWP is Foundational to Helping Us Overcome Uncertainty
Return on Investment in SWP Without Delta Conveyance is Uncertain
History of Regulatory Restrictions
Our Future Rainfall is Uncertain

A 200-year drought? Evidence from tree rings shows that drought was historically much more widespread in the American West than now, while the 20th century was wetter than normal. Percentage of the West affected by drought from 800 A.D. to 2000:

Medieval megadroughts: The West experienced two abnormally dry periods lasting close to 200 years each during the Middle Ages.

1850: California becomes state

Source: E.R. Cook et al, Earth-Science Reviews

KARL KAHLER/BAY AREA NEWS GROUP
Projected Decline in Exports Due to Climate Change
Total Delta Exports Long-Term Average (TAF)\textsuperscript{1,2,3,4}

- 2020 Existing Conditions: 4939 TAF
- 2040 No Project: 4156 TAF

\textbf{\textcolor{red}{\sim800 TAF reduction in exports due to climate change}}

\textsuperscript{1}2040 scenarios discussed include No Project and Proposed Project (Bethany Alternative). \textsuperscript{2}HH++ corresponds to OPC's extreme scenario resulting from loss of West Antarctic ice sheet
\textsuperscript{3}Total Delta Exports includes Interstate Water Exchange and Creation Well exports, amounts. Source: Table 1.2.1 of ORG for HEP.
Uncertainties in demand alone consumed our original 10% reliability factor
Region Now Has an Adaptable Reliability Factor (Currently 15%) to cover uncertainty
Bottom Line…We Need to…

Increase Supplies

Reduce Demand
Delta Conveyance Project

Our Generation's Turn to Invest in the State Water Project
Delta Conveyance
Investors/Beneficiaries

18 Beneficiaries (97.2%)
- South Bay Area
- San Joaquin Valley
- Central Coast
- Southern California

5 Non-Beneficiaries (2.8%)
- Upper Feather River
- North Bay Area
<table>
<thead>
<tr>
<th>The Project Purposes</th>
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<tbody>
<tr>
<td><strong>CLIMATE RESILIENCY</strong></td>
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<td><strong>SEISMIC RESILIENCY</strong></td>
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<tr>
<td><strong>WATER SUPPLY RELIABILITY</strong></td>
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<tr>
<td><strong>OPERATIONAL FLEXIBILITY</strong></td>
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</tbody>
</table>
Dual Conveyance Through the Delta

1. Sac River
2. San Joaquin River
3. Sac River / West Delta

SWP Pumps
CVP Pumps
Delta Conveyance Alternatives

Three Alignments
- Central
- Eastern
- **Bethany**

Four Capacity Options
- 3,000 cfs
- 4,500 cfs
- **6,000 cfs (based on investors needs)**
- 7,500 cfs
Bethany Alignment Overview

- **Downstream** of existing SWP pumps
- Provides **Dual** Intakes: Can be used with, or without, existing SWP diversion
- **Added** protection against potential sea level rise
- **Added** protection against earthquake/levee failure
Estimated Supply Benefits
Better in All Hydrologic Year Types

- Without DCP
- Increment with DCP

Average | Wet | Above Normal | Below Normal | Dry | Critical
Better in All Plausible Climate and Regulatory Scenarios

- Without DCP
- Increment with DCP

Existing Scenarios:
- 2019 BiOp
- 2020 ITP
- Current Trends
- More Restrictive South Delta
- Increased Delta Outflow Requirements
- Extreme Sea Level Rise
- Seismic and Delta Levee Integrity

Future Scenarios:
Who Benefits?

Your/Our Customers
Preliminary Cost
Cost Estimate – Refinement Over Time

- Class 5
- Class 4
- Class 3
- Class 2
- Class 1

Expected Cost

0 - 2%
1 - 15%
19 - 40%
30 - 70%
50 - 100%

Less Definition
Design Progress
More Definition
Valley District’s Estimated Cost and Benefit

- Approximate benefit: 15,000 AF
- Approximate cost: $445 million (2.8% x $15.9 billion)

\[
\frac{\$445 \text{ million}}{15,000 \text{ AF} \times 55 \text{ years}} = \$540/\text{AF}, \text{ north of Delta}
\]

Current Average Table A: 60,000 AFY
With DC: 75,000 AFY (15% increase)
Schedule
<table>
<thead>
<tr>
<th>Delta Conveyance Project Schedule</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<tr>
<td><strong>DWR Major Planning Milestones</strong></td>
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<td>Withdrawal of WaterFix</td>
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<td>Water Rights (CPOD)</td>
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<td>Delta Plan Consistency</td>
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<tr>
<td><strong>DCA Major Planning Activities</strong></td>
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<td>Program Set-up (Org, Systems, Procedures, etc.)</td>
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<td>Review Existing Information</td>
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<td>Central/East Alternative</td>
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<td>Bethany Alternative</td>
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<td>Geotechnical Program</td>
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<td>Requests for Information/Change (from DWR)</td>
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<td>Support DWR in Hearings/Permit Preparation</td>
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Current Date
Sites Reservoir

Our Generation’s Turn to Invest in the State Water Project
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Sacramento Valley</strong></td>
</tr>
<tr>
<td>City of American Canyon</td>
</tr>
<tr>
<td>Colusa County</td>
</tr>
<tr>
<td>Colusa County Water Agency</td>
</tr>
<tr>
<td>Cortina Water District</td>
</tr>
<tr>
<td>Davis Water District</td>
</tr>
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<td>Dunnigan Water District</td>
</tr>
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<td>Glenn County</td>
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<td>Glenn-Colusa Irrigation District</td>
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<td>Tehama-Colusa Canal Authority</td>
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<td><strong>San Joaquin Valley</strong></td>
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<td>Rosedale-Rio Bravo Water Storage District</td>
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<tr>
<td>Antelope Valley – East Kern Water Agency</td>
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</tr>
<tr>
<td>Desert Water Agency</td>
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<tr>
<td>Irvine Ranch Water District</td>
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<td>Metropolitan Water District</td>
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<tr>
<td><strong>San Bernardino Valley Municipal Water District</strong></td>
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<tr>
<td>San Gorgonio Pass Water Agency</td>
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<td>Santa Clarita Valley Water Agency</td>
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<td><strong>Waiting List</strong></td>
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<tr>
<td>Cal-Am Sacramento</td>
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<tr>
<td>City of Napa</td>
</tr>
<tr>
<td>Delta View WUA</td>
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<tr>
<td>Glenn County</td>
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<tr>
<td>La Cumbre MWC</td>
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<tr>
<td>Madera County</td>
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<tr>
<td>Pacific Resources MWC</td>
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<tr>
<td>Palmdale WD</td>
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<tr>
<td>Western Municipal WD</td>
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<tr>
<td>Westlands WD</td>
</tr>
<tr>
<td>Wheeler Ridge Maricopa WSD</td>
</tr>
<tr>
<td>Woodland Davis CWA</td>
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</table>
Project Facilities
What We Get From Our Investment in Sites

1. Share of Storage Space – our own bucket
2. Access to Proportionate Share of Water Diverted to Storage

Investor Decides - Local control of storage space and stored water
<table>
<thead>
<tr>
<th>Participant</th>
<th>Participation $^1$ (AF of yield)</th>
<th>% Participation</th>
<th>Storage Allocation $^2$ (AF)</th>
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<tr>
<td>Antelope Valley-East Kern WA</td>
<td>500</td>
<td>0.30%</td>
<td>3,117</td>
</tr>
<tr>
<td>Carter MWC</td>
<td>300</td>
<td>0.18%</td>
<td>1,870</td>
</tr>
<tr>
<td>City of American Canyon</td>
<td>4,000</td>
<td>2.39%</td>
<td>24,936</td>
</tr>
<tr>
<td>Coachella Valley WD</td>
<td>10,000</td>
<td>5.97%</td>
<td>62,340</td>
</tr>
<tr>
<td>Colusa County</td>
<td>10,000</td>
<td>5.97%</td>
<td>62,340</td>
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<tr>
<td>Colusa County WD</td>
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<td>6.01%</td>
<td>62,795</td>
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<td>Cortina WD</td>
<td>450</td>
<td>0.27%</td>
<td>2,805</td>
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<td>Davis WD</td>
<td>2,000</td>
<td>1.19%</td>
<td>12,460</td>
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<td>Desert WD</td>
<td>6,500</td>
<td>3.88%</td>
<td>40,523</td>
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<td>Dunnigan WD</td>
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<td>1.77%</td>
<td>18,527</td>
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<td>Irvine Ranch WD</td>
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<td>La Grande WD</td>
<td>1,000</td>
<td>0.60%</td>
<td>6,234</td>
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<td>Metropolitan Water District of Southern CA</td>
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<td>29.83%</td>
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<td>Reclamation District 108</td>
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<td>Rosarito, Baja California WD</td>
<td>500</td>
<td>0.30%</td>
<td>3,117</td>
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<tr>
<td>San Bernardino County Municipal WD</td>
<td>21,400</td>
<td>12.77%</td>
<td>133,408</td>
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<tr>
<td>San Gorgonio Pass WA</td>
<td>14,000</td>
<td>8.55%</td>
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<td>Santa Clara Valley WD</td>
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<td>0.30%</td>
<td>3,117</td>
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<td>Santa Clara Valley WD</td>
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<td>Westside WD</td>
<td>5,375</td>
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<td>Wheeler Ridge - Maricopa WSD</td>
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<td>1.82%</td>
<td>19,014</td>
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<td>Zone 7 WA</td>
<td>10,000</td>
<td>5.97%</td>
<td>62,340</td>
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<td><strong>Public Water Agency Total</strong></td>
<td>167,620</td>
<td>100.00%</td>
<td>1,044,943</td>
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<td><strong>State of California</strong></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Bureau of Reclamation (7% investment)</strong></td>
<td></td>
<td></td>
<td>244,000</td>
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<tr>
<td><strong>Bureau of Reclamation (7% investment)</strong></td>
<td></td>
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<td>91,000</td>
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</tbody>
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Valley District Benefits

Storage: 133,415 AF
Yield: 12,000 AFY (min)
Cost: $374 million
Cost/AF: $625
Project Funding Sources

Project

- State, $875M
- Federal WIIN Act, $718M**
- Participants, $2.9B

Participant Funding Sources

- WIFIA Loan, $2.2B
- USDA Loan, $450M
- Bonds/Cash, $250M

**WIIN Act funding is based on 16% Reclamation investment under Alternative 3 (Preferred Project) and is reported in future dollars.
Project Schedule
The Time is Now…What Could Our Region Do With Another 37,000 AF This Year?

<table>
<thead>
<tr>
<th>Supply</th>
<th>2023</th>
<th>2023 with DC and Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWP (35%)</td>
<td>35,910</td>
<td>35,910</td>
</tr>
<tr>
<td>Delta Conveyance</td>
<td></td>
<td>6,400</td>
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<tr>
<td>Sites Reservoir</td>
<td></td>
<td>30,560</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>35,910</strong></td>
<td><strong>72,870</strong></td>
</tr>
</tbody>
</table>
Action Step
The Region Needs Your Help

- It is our generation’s turn to invest in the SWP for water supply reliability and quality of life
- Help us get the word out
  - There will be negative press about these projects
  - Your/our customers are depending on us to build these projects
  - You/we can make a presentation(s) to your service club(s) or group(s)
  - …
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

TO: Water Board Commissioners

FROM: Miguel J. Guerrero, P.E., General Manager

SUBJECT: SALE OF SURPLUS WATER DEPARTMENT PROPERTY LOCATED ON GLEN HELEN ROAD (APN 0349-191-08) TO TDC WALKER LAND LLC – REQUEST FOR BIDS NO. 1787

DATE: March 16, 2023

CC: Steve Miller, Cynthia Mouser, Sydney Morrison, Warren Huang

BACKGROUND:

The San Bernardino Municipal Water Department (Department) owns a 2.82-acre parcel located on Glen Helen Road, northwest of I-215 North and parallel to the Southern Pacific Railroad, in the Devore area of unincorporated San Bernardino County. This parcel was acquired in 1973 as a possible expansion site. However, due to its irregular triangular shape and its location on the west side of the Cajon Wash, it was ruled out as a possible well site. Since the Department had no use for the property, it was declared surplus by the Water Board and subsequently the Mayor and City Council in April 2021.

Following the procedures set forth in the Surplus Land Act, staff issued the required Notices of Availability to public entities and housing sponsors and received no response. In preparation of establishing a fair market value for any potential sale, a property appraisal was conducted by Steven R. Smith to estimate the value of the property based on current market conditions. The report concluded that the estimated market value of the property as of September 26, 2022, was $49,150.00 based on six (6) comparable sales in the general area in compliance with the Uniform Appraisal Standards for Federal Land Acquisitions, the State of California Standards for Acquisitions of Land, USPAP, and the Appraisal Institute.

Since the appraised value of the land is greater than $25,000.00, sale of this property must go through a competitive bid process, in accordance with the City of San Bernardino Municipal Code Section 2.65, Sale of Real Property.

Staff issued a Request for Bids (RFB) No. 1787 through its PlanetBids system for surplus property sale for property located on Glen Helen Road (APN 0349-191-08). On January 12, 2023, a response to the RFB was received from RDC Walker Land LLC bidding $52,000.00 for the property. Staff is recommending that TDC Walker Land LLC be declared the highest and best bidder and an Agreement of Purchase and Sale be approved and executed.
SUBJECT: SALE OF SURPLUS WATER DEPARTMENT PROPERTY LOCATED ON GLEN HELEN ROAD (APN 0349-191-08) TO TDC WALKER LAND LLC – REQUEST FOR BIDS NO. 1787

GOALS AND OBJECTIVES:

The recommended action aligns with the Department’s Strategic Plan under Target #2: Relationships and Partnerships, Goal #2 Collaborate with ratepayers and the community. The sale of the property supports growth and expansion of development in the area.

FISCAL IMPACT:

The Department will receive $52,000 for the sale of the Glen Helen Road property.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Approve a Purchase and Sale Agreement with TDC Walker LLC for the sale of Department surplus property located on Glen Helen Road (APN 0349-191-08) fixing the sale price at $52,000; and authorize the General Manager to execute the Agreement.

Respectfully submitted,

Miguel J. Guerrero, P.E.
General Manager

Attachments: Location Map
Purchase and Sale Agreement
TDC Walker Bid
Glen Helen Road (APN 0349-191-08) Appraisal
AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

_______________________  Escrow No: _____________
_______________________  Title Order No.: _____________
Attention: ________________
(“Escrow Holder”)

THIS AGREEMENT OF PURCHASE AND SALE AND ESCROW INSTRUCTIONS
(“Agreement”) is dated for reference purposes as of this 28th day of March 2023. (the
“Effective Date”), by and between the CITY OF SAN BERNARDINO, a charter city and
municipal corporation organized and operating under the laws of the State of California with its
principal place of business at Vanir Tower, 290 North D Street, San Bernardino, CA 92401
(“Seller”), and TDC Walker Land LLC, a Delaware limited liability company (“Buyer”).
Buyer and Seller are sometimes individually referred to herein as “Party” and collectively as
“Parties”. This Agreement is made with reference to the following facts:

RECITALS

A. Seller is the owner in fee of certain real property designated as Assessor Parcel
Number 0349-191-08, in the County of San Bernardino, State of California (“Property”), as
more fully described in Exhibit “A” attached hereto and incorporated herein by reference.
Reference herein to the “Property” shall include all of Seller’s right, title and interest in and to
any and all improvements, fixtures, rights-of-way, utility rights, entitlements, claims or other
benefits in any way connected with the Property.

B. The City has dedicated the Seller Parcel to the Water Board of the City of San
Bernardino (“Water Board”) for the Water Board’s use.

C. Buyer desires to purchase the Property from Seller and Seller desires to sell the
Property to Buyer pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the above facts and for the covenants and
agreements contained herein, the Buyer and Seller agree as follows:

AGREEMENT

1. Purchase and Sale. Upon the terms and conditions described below, Buyer
agrees to purchase the Seller’s fee interest in the Property and Seller agrees to sell its fee
interests in the Property to Buyer.

1.1 Purchase Price. The total purchase price for the Property is FIFTY-TWO
THOUSAND DOLLARS ($52,000.00) (“Purchase Price”).

1.2 Payment of Purchase Price. Buyer will pay the Purchase Price to Seller
through Escrow as follows: within three (3) days from Escrow Opening, Buyer will deposit with
Escrow Holder ten percent (10%) of the Purchase Price (“Deposit”) in immediately available
funds. Buyer may, at its option, direct Escrow Holder to invest the Deposit in an interest bearing
account designated by Buyer. At the Close of Escrow (as defined in Section 5.3 below), Buyer shall deposit with Escrow Holder in immediately available funds the balance of the Purchase Price, together with such other amounts as may be required in order to pay Buyer's share of closing costs and prorations.

1.3 Application of Deposit. If Buyer does not terminate this Agreement prior to the expiration of the Due Diligence Period (defined below), the Deposit will become nonrefundable except as otherwise expressly provided in this Agreement. Upon the Close of Escrow, the Deposit will be credited against the Purchase Price. If Buyer terminates this Agreement prior to the expiration of the Due Diligence Period, the Deposit will be returned to Buyer. In the event Buyer approves the feasibility of the Property on or prior to the expiration of the Due Diligence Period (as defined in Section 3.1 below), and thereafter Buyer elects to terminate this Agreement as a result of a Seller default hereunder, or the failure of a Buyer condition to close or as otherwise expressly provided in this Agreement, the Deposit shall be refunded to Buyer, and the parties shall have no further obligations under this Agreement except those that expressly survive the termination of this Agreement. In the event the Property is destroyed or materially damaged by an uninsured casualty, after the termination of the Due Diligence Period, but before the Close of Escrow, the Deposit shall be refunded to the Buyer, less the Buyer’s share of the title and escrow cancellation fees as outlined in Section 5.9.

1.4 No CEQA Approval. The execution of this Agreement does not constitute Seller’s approval of any project or Seller’s commitment to approve any project within the meaning of the California Environmental Quality Act. Nothing in this Agreement shall be considered to restrict Seller’s full and complete consideration of the potential environmental impacts that might result from development of the Property. Seller expressly reserves the right to impose mitigation measures or alternatives to address environmental impacts, including expressly reserving the right to adopt a “no project/no build” alternative in accordance with processes authorized by California law and the charter and Municipal Code of the City.

2. Title.

2.1 Preliminary Title Report. Upon execution of this Agreement by both parties, Seller will order from Chicago Title Company (Title Company of California (through its office located at 560 E. Hospitality Ln, San Bernardino, CA 92408–“Title Company”) a preliminary title report, together with hyperlinks to legible copies of all title exception documents described therein and easements plotted (collectively the “Report”). Buyer shall have until five (5) business days after receipt of the Report to notify Seller and the Escrow Holder, in writing, of Buyer’s disapproval of any exceptions or items shown on the Report and to obtain at Buyer’s sole cost and expense the commitment of the Title Company to issue the Title Policy (as defined in Section 2.2 below), including such endorsements as Buyer may reasonably require. If Buyer does not give Seller written notice of disapproval of any of the foregoing items within the prescribed time, the Report shall be deemed approved (and all exceptions therein shall be deemed “Permitted Exceptions” and this condition shall be deemed satisfied). Buyer may at any time prior to the Close of Escrow object in writing to any unrecorded items that may be discovered in the course of Buyer’s investigation of the Property. Seller may thereafter elect, at its option and at its sole cost and expense, either to eliminate such title objections prior to or at the Close of Escrow or not to do so. If Seller is unable or unwilling to eliminate any such title objections, Buyer may elect to terminate this Agreement, in which case the Deposit will be returned to Buyer. If Buyer does not give Seller written notice of disapproval of such matters prior to Close of Escrow such matters shall thereafter be deemed Permitted Exceptions. Notwithstanding anything to the contrary in this Section 2.1 or elsewhere in this Agreement,
Seller will be obligated to cure exceptions to title to the Property (and in no event shall such exceptions be deemed Permitted Exceptions) relating to (A) liens and security interests securing loans obtained by Seller, (B) all taxes and assessments due and payable for any period prior to the Close of Escrow, and (C) all exceptions or matters created by Seller after Effective Date without the prior written consent of Buyer (which consent may be withheld in Buyer’s sole and absolute discretion).

2.2 **Title Policy.** At Close of Escrow (as defined below), Seller will convey good and marketable title to the Property to Buyer as evidenced by an ALTA Non-Extended Form Owners Policy of Title Insurance ("**Title Policy**"), issued by the Title Company in an amount equal to the Purchase Price, and with endorsements requested and paid for by Buyer, and subject only to the Permitted Exceptions.

3. **Due Diligence Inspections.**

3.1 **Due Diligence Period.** As used in this Agreement, the term “**Due Diligence Period**” means the period commencing on the Escrow Opening date and expiring ten (10) days thereafter. In the event that any environmental inspections, governmental approvals, survey and/or inspections are not completed and/or received by Buyer prior to the end of the Due Diligence Period, including any governmental approvals necessary for Buyer’s intended use of the Property, Buyer shall have the option to extend the Due Diligence Period for an additional five (5) days upon delivery of written notice to Seller.

3.2 **Inspections.** During the Due Diligence Period, with reasonable advance written notice to Seller, which written notice (including e-mail and facsimile) shall describe in reasonable detail the nature and scope of Buyer’s proposed inspections, Buyer, its agents, representatives and consultants may enter onto the Property during reasonable business hours to perform inspections and tests of the Property. All such tests and inspections will be at Buyer’s sole cost.

3.3 **Restoration.** After performing such tests and inspections under Section 3.2, Buyer shall promptly restore the Property to the condition that existed prior to such tests and inspections (which obligation will survive the Close of Escrow or any termination of this Agreement). Buyer shall keep the Property free from all liens, and shall indemnify, defend, and hold harmless Seller and its officers, employees, and agents (collectively, the “**Seller Parties**”), from and against all claims, actions, losses, liabilities, damages, costs and expenses (including attorneys’ fees and costs) incurred, suffered by, or claimed against Seller Parties, or any of them, by reason of any damage to the Property or injury to persons arising out of or in any way related to Buyer and/or its agents, representatives or consultants exercise of any rights under this Section 3.3; provided, however, that Buyer's indemnity hereunder shall not include any claims or demands resulting from Buyer’s discovery of pre-existing conditions. Notwithstanding anything to the contrary contained in this Agreement, the defense, indemnity and hold harmless provision contained in this Section 3.3 shall not apply to the extent such liabilities arise in connection with the sole negligence or willful misconduct of Seller. The foregoing provisions will survive the Close of Escrow or any termination of this Agreement for a period of twelve (12) months.

3.4 **Buyer’s Right to Terminate During Due Diligence Period.** At any time prior to the expiration of the Due Diligence Period, Buyer may terminate this Agreement in its sole and absolute discretion by delivering to Seller and Escrow Holder written notice of such termination. If Buyer terminates this Agreement in accordance with this Section, Escrow Holder
shall return the Deposit to Buyer, less Buyer’s share of any title and escrow cancellation fees as set forth in Section 5.9 below. If Buyer fails to terminate this Agreement prior to the expiration of the Due Diligence Period in accordance with the provisions of Section 3.1, Buyer will be deemed to have approved the Property.

4. **As Is Acceptance of Property.** Buyer acknowledges that prior to Close of Escrow, it will have had the opportunity to conduct such tests and evaluations as it deems reasonably necessary in order to investigate the condition of the Property, including its environmental status. Buyer acknowledges that, at Close of Escrow, it shall acquire the Property in its “as is” condition with no warranty or representation from Seller regarding the physical condition of the Property, its environmental condition or its suitability for Buyer’s intended purposes and shall be responsible for any defects in the Property, Buyer acknowledges that it is acquiring the Property based solely in reliance on its own inspections and examination and its own evaluation of the Property. Buyer agrees that no representations, statements or warranties have at any time been made by Seller or its agents regarding the physical condition of the Property except as expressly stated in this Agreement. Buyer acknowledges that there may be conditions affecting the Property unknown to Buyer that may adversely affect its value or use for Buyer’s intended purposes. Buyer nevertheless waives any rights or recourse it may have with respect to such unknown conditions and any damage, loss, costs or expense related thereto, including rights accruing under California Civil Code § 1542, which provides:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Buyer acknowledges that it has either consulted with or had an opportunity to consult with legal counsel regarding the above waiver. Notwithstanding the foregoing, this Section 4 shall not apply with respect to (i) the breach of this Agreement or any representation or warranty set forth in this Agreement by Seller or in any document signed by Seller and delivered to Buyer at the Close of Escrow, (ii) any fraud on the part of Seller as proven in a court of law, or (iii) breach by Seller of any obligation which this Agreement states survives Close of Escrow. The provisions of this Section 4 will survive Close of Escrow. The undersigned being aware of this Code Section, hereby expressly waives any rights it may have thereunder, as well as under any other statutes or common law principles of similar effect except as described.

__________________________
Buyer Initials

5. **Escrow.**

5.1 **Escrow Instructions.** This Agreement shall constitute instructions of Buyer and Seller to Escrow Holder. The parties agree to execute such additional pro forma instructions as Escrow Holder may reasonably require, however, in the event of a conflict, the terms and provisions of this Agreement shall govern unless otherwise expressly consented or agreed to in writing by the Parties.
5.2 Opening of Escrow. Upon execution of this Agreement, Buyer and Seller shall cause an escrow to be opened with Escrow Holder by depositing with Escrow Holder a fully executed copy of this Agreement. Escrow shall be deemed opened as of the date this Agreement is deposited with Escrow Holder (“Escrow Opening”). Escrow Holder shall notify Buyer and Seller, in writing, of the Escrow Opening date.

5.3 Close of Escrow; Closing Date. “Close of Escrow” shall mean the date on which the Grant Deed conveying title from Seller to Buyer is recorded in the Official Records of the County Recorder of San Bernardino County, California. The form of the Grant Deed will be as set forth in Exhibit B attached hereto. Provided that this Agreement is not earlier terminated pursuant to the terms and provisions hereof, and provided that all of the conditions precedent to the Close of Escrow set forth in this Agreement have been approved, deemed approved or waived as herein provided, Escrow shall close on or before fifteen (15) days following satisfaction of all the conditions precedent to Closing (“Closing Date”). Seller may terminate this Agreement if Seller has performed its obligations hereunder, and failure to close Escrow results from a material default by Buyer (after the expiration of applicable notice and cure periods). Buyer may terminate this Agreement if Buyer has performed its obligations hereunder, and failure to close Escrow results from a material default by Seller (after the expiration of applicable notice and cure periods). Buyer may also terminate this Agreement if after the expiration of the Due Diligence Period, but prior to the Close of Escrow, the Property is materially damaged or destroyed by an uninsured casualty. By causing the Close of Escrow to occur, Escrow Holder shall be deemed to have irrevocably committed to cause the Title Company to issue the Title Policy to Buyer. If the County Recorder of San Bernardino County, California is closed on the last day for closing Escrow, then the parties agree that Escrow Holder shall have until the next day the Recorder is open to record the Grant Deed and close Escrow.

(a) Adjustment of Closing Date. Buyer and Seller may mutually agree to change the Closing Date by joint written notice to Escrow Holder. The Closing shall be conditioned upon satisfaction, or waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto.

5.4 Documents and Funds from Buyer. On or prior to the Closing Date, Buyer will deliver or will assure that the following documents and funds have been delivered to Escrow Holder:

(a) Purchase Price. The Purchase Price, as described in Section 1.1 above.

(b) Preliminary Change of Ownership Statement. A Preliminary Change of Ownership Statement or in lieu thereof, the appropriate fee, to be provided to the Recorder’s office at Close of Escrow.

(c) Other Sums and Documents. All other sums and documents required by Escrow Holder according to this Agreement to carry out and close the Escrow.

5.5 Documents and Funds from Seller. Not later than one (1) business day prior to the Closing Date, Seller will deliver or will assure that the following documents and funds have been delivered to Escrow Holder:
(a) **Grant Deed.** A fully executed and acknowledged Grant Deed conveying the Property to Buyer, or Buyer’s nominees or assigns, in fee simple.

(b) **FIRPTA Affidavit.** An original affidavit, using Escrow Holder’s standard forms, certifying that Seller and this transaction are not subject to the withholding requirements of the Foreign Investment in Real Property Tax Act and equivalent California legislation.

(c) **Other Sums and Documents.** All other documents and sums required by Escrow Holder according to this Agreement to carry out the Escrow and to issue the Title Policy to Buyer in the form required by Buyer.

5.6 **Conditions to the Close of Escrow.** Close of Escrow shall not take place unless and until:

(a) **Seller’s Obligation.** Seller’s obligation to sell the Property to Buyer is contingent on the following:

(i) Buyer shall have delivered the Purchase Price, less any credits described in this Agreement, for the Property.

(ii) All of the representations and warranties of Buyer contained in this Agreement shall have been true and correct and all material respects when made and shall be true and correct and all material respects on the Closing Date with the same effect as if made on and as of such date.

(iii) Buyer shall have timely performed all other obligations of Buyer under this Agreement.

In the event that any of the foregoing conditions have not occurred or been satisfied or waived by the Closing Date, either Seller or Buyer shall be entitled to terminate this Agreement and, subject to the provisions of Section 5.9 below, any funds deposited by Buyer and any interest thereon will be returned to Buyer.

(b) **Buyer’s Obligation.** Buyer’s obligation to purchase the Property is contingent on the following:

(i) Buyer shall have approved or shall be deemed to have approved the Report for the Property pursuant to Section 2.1.

(ii) Seller shall have delivered insured title to the Property on the terms required by Section 2, and the Title Company shall be committed to issue the Title Policy to Buyer in the form required by Buyer pursuant to Section 2 of this Agreement.
(iii) No loss or damage to the Property shall have occurred which would permit Buyer to terminate this Agreement pursuant to the provisions herein below.

(iv) All of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date with the same effect as if made on and as of such date.

(v) Seller shall have performed all of its other obligations under this Agreement.

In the event that any of the foregoing conditions have not occurred or been satisfied or waived by the date(s) specified, Buyer shall be entitled to terminate this Agreement and, subject to the provisions of Section 5.9 below, any funds deposited by Buyer, including the Deposit, and any interest thereon, will be returned to Buyer.

(c) Delivery of Sums and Documents. Both parties have deposited with Escrow Holder all sums and documents required by this Agreement.

(d) Title Policy. The Title Company is prepared to issue the Title Policy to Buyer with title as described in Section 2 above.

5.7 Closing Procedure. Upon receipt of all funds and instruments described in this Section 5, and upon satisfaction or waiver of all contingencies and conditions set forth in this Agreement, Escrow Holder shall perform all the following and in the order listed below:

(a) Record the Grant Deed. Record the Grant Deed in the Official Records of San Bernardino County, California.

(b) Title Policy. Cause the Title Policy to be issued.

(c) Purchase Price. Deliver the Purchase Price to Seller, less any costs and expenses shown on the closing statements approved by Seller and Buyer, which costs and expenses shall be disbursed as instructed by Seller and Buyer in escrow instructions delivered to Escrow Holder prior to the Closing Date.

5.8 Electronic/Counterpart Documents. In the event Buyer or Seller utilizes “facsimile” or other electronically transmitted signed documents, the parties hereby agree to accept and instruct Escrow Holder to rely upon such documents as if they bore original signatures. Buyer and Seller hereby agree, if requested by Escrow Holder, to provide to Escrow Holder within seventy-two (72) hours after transmission, such documents bearing the original signatures. Buyer and Seller further acknowledge and agree that electronically transmitted documents bearing non-original signatures will not be accepted for recording and that the parties will provide originally executed documents to Escrow Holder for such purpose. Escrow Holder is authorized to utilize documents which have been signed by Buyer and Seller in counterparts.
5.9 **Costs of Escrow.** At the Close of Escrow, Buyer will pay the Escrow Holder’s fee, all costs and expenses associated with the Title Policy, and other costs shall be allocated by Escrow Holder in accordance with common escrow practices in San Bernardino County. If this Agreement and the Escrow created hereunder are terminated prior to the Close of Escrow and not as a result of a default by either party, any title and escrow cancellation fees will be shared equally by Buyer and Seller. If Escrow fails to close as a result of a default by either party hereunder, the defaulting party will be solely liable for any such escrow and title cancellation fees. Escrow Holder is authorized to withhold any such cancellation fees in accordance with this Section 5.9 from funds on deposit with Escrow Holder by the party responsible for such payment.

5.10 **Property Taxes and Assessments.** Under Seller’s ownership, the Property has not been subject to real property taxes or assessments. Under Buyer’s ownership, the property should not be subject to real property taxes or assessment. Notwithstanding the forgoing, at the Close of Escrow, Buyer will become liable for all applicable real property taxes and assessments allocable to the Property after the Close of Escrow.

5.11 **Brokers’ Commissions.** Each of the parties shall indemnify, defend, and hold the other party harmless from any and all loss, damage, liability or expense, including costs and reasonable attorneys’ fees, which the other party may incur or sustain by reason of or in connection with any misrepresentation or breach of warranty by the indemnifying party with respect to the forgoing each party will bear any commissions or brokers’ fees which are based upon their action.

5.12 **Possession.** Possession of the Property shall be surrendered to Buyer at the Close of Escrow. All risk of loss or damage to the Property will pass from the Seller to the Buyer at the Close of Escrow. If the Property is materially damaged or destroyed prior to Close of Escrow due to an insured casualty, Seller will assign to Buyer all insurance proceeds and the Purchase Price will be reduced by the amount of any deductible. Seller covenants and agrees that it will keep the Property fully insured through Close of Escrow. If the Property is materially damaged or destroyed prior to Close of Escrow due to an uninsured casualty, Buyer may elect to terminate this Agreement.

5.13 **Report to IRS.** After Close of Escrow and prior to the last date on which such report is required to be filed with Internal Revenue Service (“IRS”), and if such report is required pursuant to Section 6045(e) of the Internal Revenue Code, Escrow Holder shall report the gross proceeds of the purchase and sale of the Property to the IRS on Form 1099-B, W-9 or such other form(s) as may be specified by the IRS pursuant to said Section 6045(e). Concurrently with such filing, Escrow Holder shall deliver a copy thereof to Buyer and Seller.

6. **Representations, Warranties and Covenants.**

6.1 **Seller Representations, Warranties and Covenants.** Seller represents, warrants and acknowledges to Buyer and covenants with Buyer as of the Effective Date and the Closing Date, as follows:

(a) **Authority.** Seller has the requisite power and authority to execute, deliver and perform this Agreement. Seller has duly authorized the execution, delivery and performance of this Agreement.
(b) **No conflict.** This Agreement, and Seller’s sale of the Property hereunder, do not violate any material terms or provisions of any contract to which Seller is a party, and the consummation of the transactions contemplated by this Agreement will not result in a breach of, or constitute a default under, any mortgage, deed of trust, bank loan, credit agreement or other instrument to which Seller is a party or by which Seller may be bound or affected.

(c) **Bankruptcy.** Seller has not made a general assignment for the benefit of creditors nor been adjudicated a bankrupt or insolvent, nor has a receiver, liquidator, or trustee for any of Seller’s properties (including the Property) been appointed or a petition filed by or against Seller for bankruptcy, reorganization, or arrangement pursuant to the Federal Bankruptcy Act or any similar federal or state statute, or any proceeding instituted for the dissolution or liquidation of Seller.

(d) **Contracts.** During the period from the Effective Date to the earlier of the Close of Escrow or termination of this Agreement, Seller shall not enter into any new leases, contracts or other agreements or understandings which would be binding on the Property after the Close of Escrow or result in any liability to Buyer upon or after Buyer’s purchase of the Property, unless Buyer provides its written consent to Seller entering into such agreements,

(e) **No Other Agreements to Sell.** Seller is not bound by any existing agreement which remains in effect to sell the Property or any portion thereof to any third party other than Buyer.

(f) **Suits and Proceedings.** Seller has not received any written notice of any legal actions, suits, or similar proceedings pending, or, to the best of Seller’s actual knowledge, threatened, against the Property.

(g) **Condemnation.** Seller has not received any written notice of any condemnation or other taking by eminent domain of the Property or any portion thereof, no proceeding has been instituted or is pending, and, to Seller’s actual knowledge, there are no threatened condemnation or eminent domain proceedings (or proceedings in the nature or in lieu thereof) affecting the Property or any portion thereof or its use.

6.2 **Buyer Representations and Warranties.** Buyer represents, warrants and acknowledges to Buyer as of the Effective Date and the Closing Date, as follows:

(a) **Authority.** Buyer has the power and authority to enter into and to perform all of Buyer’s obligations pursuant to this Agreement and to purchase the Property on the terms and conditions set forth herein.

(b) **No Conflict.** This Agreement and Buyer’s purchase of the Property hereunder do not violate any material terms or provisions of any contract to which Buyer is a party or any instrument by which Buyer is bound.

(c) **Bankruptcy.** Buyer has not made a general assignment for the benefit of creditors nor been adjudicated a bankrupt or insolvent, nor has a receiver, liquidator or trustee for any of Buyer’s properties been appointed or a petition filed by or against Buyer for bankruptcy, reorganization or arrangement pursuant to the Federal Bankruptcy Act or any
similar federal or state statute or any preceding institute for the dissolution or liquidation of Buyer.

7. Remedies for Default.

7.1 Seller Default. In the event of a breach of this Agreement by Seller, which is not cured within thirty (30) business days after receipt of written notice from Buyer, Buyer may, at its option, terminate this Agreement (in which case the Deposit will be returned by Escrow Holder to Buyer), and Seller shall reimburse Buyer for all due diligence costs incurred by Buyer not to exceed Ten Thousand Dollars ($10,000), otherwise, if Seller fails to pay said amounts, Buyer may initiate an action for specific performance of this Agreement.

7.2 Buyer Default. IN THE EVENT THE CLOSE OF ESCRROW DOES NOT OCCUR AS A RESULT OF A BREACH BY BUYER WHICH IS NOT CURED WITHIN THIRTY (30) BUSINESS DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM SELLER, SELLER'S REMEDY SHALL BE TO TERMINATE THE AGREEMENT AND TO RETAIN THE DEPOSIT AS FULL, AGREED AND LIQUIDATED DAMAGES, PLUS ANY TERMINATION COSTS, AND SELLER'S RETENTION OF THE DEPOSIT IS SELLER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO SUCH BUYER DEFAULT. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT IN THE EVENT OF A DEFAULT BY BUYER IN ITS OBLIGATION TO CLOSE THE PURCHASE OF THE PROPERTY, SELLER'S ACTUAL DAMAGES WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN, THAT THE AMOUNT OF THE DEPOSIT PLUS ANY TERMINATION COSTS REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES, AND THAT SUCH AMOUNT IS NOT UNREASONABLE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT WAS MADE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING: (1) SELLER WILL INCUR ADMINISTRATIVE COSTS IN THE NEGOTIATION AND REVIEW OF THIS AGREEMENT AND OTHER DOCUMENTS RELATING TO THIS TRANSACTION, AND WILL INCUR DAMAGES BY WITHDRAWING THE PROPERTY FROM THE OPEN MARKET; (2) CERTAIN COSTS AND OTHER DAMAGES IN AN AMOUNT SUBSTANTIALLY IN EXCESS OF THE DEPOSIT MAY BE INCURRED BY SELLER IF THE SALE OF THE PROPERTY CONTEMPLATED HEREBY IS NOT COMPLETED; AND (3) SELLER IS ENTERING INTO THIS AGREEMENT WITH BUYER IN RELIANCE UPON BUYER'S COMMITMENT TO PURCHASE THE PROPERTY FROM SELLER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 7.2, THIS LIQUIDATED DAMAGES PROVISION IS NOT INTENDED AND SHALL NOT BE DEEMED OR CONSTRUED TO LIMIT IN ANY WAY BUYER'S INDEMNITY, RESTORATION OR CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT.

SELLER'S INITIALS: ____  BUYER'S INITIALS: ____

8. Mutual Indemnification. Buyer and Seller hereby each indemnifies and agrees to hold each other, their directors, officers, employees and agents, harmless from and against any and all loss, expense (including without limitation reasonable attorneys’ fees), liability, cost, claim, demand, action, cause of action or suit arising out of or in any way related to any breach of or failure to perform any representation, warranty, covenant or agreement in this Agreement.
9. **Notices.** Any and all notices required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) sent by recognized overnight delivery service, mailed by certified or registered mail, return receipt requested, postage prepaid, or (iii) by telecopy or electronic correspondence (e-mail), with an original to follow by regular mail. Any such notice or communication shall be effective when received by the addressee or upon refusal of such delivery to the parties at the addresses indicated below:

**To Seller:**
City of San Bernardino  
Attn: General Manager  
1350 S. E Street  
PO Box 710  
San Bernardino, CA 92402

**With Copy to:**
City of San Bernardino  
Attn: City Attorney  
Vanir Tower  
290 North D Street  
San Bernardino, CA 92401

**To Buyer:**
Attn: ____________________________

______________________________

Telephone: ____________________________  
Facsimile: ____________________________  
e-mail: ____________________________

**With Copy to:**
Attn: ____________________________

______________________________

Telephone: ____________________________  
Facsimile: ____________________________  
e-mail: ____________________________

**To Title Company:**
Attn: ____________________________

______________________________

Telephone: ____________________________  
Facsimile: ____________________________  
e-mail: ____________________________

Any party may change its address by a written notice given to the other party in the manner set forth above.

10. **Prevailing Wages.** Buyer acknowledges that Seller has not made any representation, express or implied, to the Buyer or any person associated with the Buyer regarding whether or not laborers employed relative to the construction of any project on Property must be paid the prevailing per diem wage rate for their labor classification, as
determined by the State of California, pursuant to Labor Code Sections 1720, et seq. The Buyer agrees with the Seller that the Buyer shall assume the responsibility and be solely responsible for determining whether or not laborers employed relative to the construction of any project on Property must be paid the prevailing per diem wage rate for their labor classification.

10.1 The Buyer, on behalf of itself, its successors, and assigns, waives and releases the Seller from any right of action that may be available to it pursuant to Labor Code Sections 1726 and 1781. The Buyer acknowledges the protections of Civil Code Section 1542 relative to the waiver and release contained herein, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Buyer Initials

Additionally, Buyer shall indemnify, defend with counsel acceptable to Seller and hold the Seller harmless against any claims pursuant to Labor Code Sections 1726 and 1781 arising from this Agreement or the construction or operation of any project.

10.2 Possession; Risk of Loss. Buyer shall be entitled to sole possession, of the Property immediately upon Close of Escrow. All risk of loss or damage to the Property will pass from the Seller to the Buyer at the Close of Escrow.

11. Miscellaneous.

11.1 Integration. This Agreement supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. Neither of the parties has relied upon any oral or written representation or oral or written information given to it by any representative of the other party.

11.2 Binding Effect. This Agreement shall bind and inure to the benefit of the parties, their respective heirs, successors and assigns.

11.3 Amendment/Modification. No change or modification of the terms or provisions of this Agreement shall be deemed valid unless in writing and signed by both parties.

11.4 Governing Law/Venue. All questions with respect to this Agreement, and the rights and liabilities of the Parties and venue hereto, shall be governed by the laws of the State of California, without application of conflicts of law principles. Any and all legal actions sought to enforce the terms and provisions of the Agreement shall be brought in the courts of the County of San Bernardino.

11.5 Business Days. Reference herein to “business days” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of California or in the City of San Bernardino.
11.6 **Severability.** If any term or provisions of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

11.7 **Waiver.** No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any provision contained in this Agreement.

11.8 **Legal Fees.** Each Party shall be responsible for payment of its own attorney’s fees and expenses with respect to negotiation and preparation of this Agreement and processing of the Escrow. In the event of any action or proceeding to enforce or construe any of the provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to reasonable attorneys’ fees and costs.

11.9 **Assignability.** Any assignment of Buyer’s rights under this Agreement to a third party shall require the prior written consent of Seller, which Seller may grant or withhold in its sole discretion. Any assignment of Buyer’s rights under this Agreement to an affiliate of Buyer shall require the prior written consent of Seller, which shall not be unreasonably withheld or delayed.

11.10 **Time of the Essence.** Time is of the essence of this Agreement.

11.11 **Survival.** Unless otherwise expressly stated in this Agreement, the warranties, representations and covenants of Seller and Buyer shall terminate as of the Close of Escrow and shall be deemed to have merged with the Grant Deed, provided, however, that the warranties, representations and covenants of Seller set forth in Section 6.1 hereof shall survive the Close of Escrow for a period of twelve (12) months.

11.12 **Escrow Holder.** Escrow Holder shall conduct the Close of Escrow in accordance with the terms and provisions of the escrow instructions to be given to Escrow Holder by the parties in a form consistent with this Agreement. To the extent of any conflict or inconsistency between the terms and provisions of this Agreement and the escrow instructions, the terms of this Agreement shall control.

11.13 **Exhibits.** All Exhibits which are referred to herein and which are attached hereto or bound separately and initialed by the parties are expressly made and constitute a part of this Agreement.

11.14 **Counterparts.** This Agreement may be executed in counterparts and when so executed by the parties, shall become binding upon them and each such counterpart will be an original document.

11.15 **Water Rights.** Water rights do NOT convey with the sale. Seller will reserve, to Seller, all water rights in the subject property.

11.16 **Construction.** This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly
understood and agreed that the Parties have participated equally or have had equal opportunity to participate in the drafting thereof.

11.17 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision

11.18 Electronic Signature. Each Party acknowledges and agrees that this Agreement may be executed by electronic or digital signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature

[SIGNATURES ON FOLLOWING PAGE]
SIGNATURE PAGE TO
REAL ESTATE SALE AGREEMENT
BETWEEN CITY OF SAN BERNARDINO AND
TDC WALKER LAND, LLC

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

SELLER

CITY OF SAN BERNARDINO

APPROVED BY:

______________________________
Charles E. McNeely
Interim City Manager

ATTESTED BY:

______________________________
Genoveva Rocha
City Clerk

APPROVED AS TO FORM:

______________________________
Best Best & Krieger LLP
City Attorney

BUYER

TDC WALKER LAND, LLC

Signature

Name

Title
CONSENT AND ACKNOWLEDGMENT OF ESCROW HOLDER

Escrow Holder hereby agrees to (i) accept the foregoing Agreement, (ii) act as the Escrow Holder under said Agreement and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder.

Escrow Holder acknowledges receipt on the date hereof of originals or counterparts of the foregoing Agreement fully executed by Seller and Buyer.

Escrow Holder advises the parties that the date of the Escrow Opening is ________________, 2023.

Dated: ______________, 2023

TITLE COMPANY OF CALIFORNIA

By: ____________________________
Its: Escrow Officer
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That certain real property located in the City of San Bernardino, San Bernardino County, California, described as follows:


APN: 0349-191-08-0-000
EXHIBIT B

GRANT DEED

[See Attached]
GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITY OF SAN BERNARDINO, a charter city and municipal corporation organized and operating under the laws of the State of California ("Grantor"), hereby grants to the TDC WALKER LAND, LLC, a Delaware limited liability company ("Grantee"), the following described real property (the “Property”) situated in the City of San Bernardino, County of San Bernardino, State of California, as described in Exhibit “1” attached hereto.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its duly authorized officer.

Date: ___________________________ GRANTOR:

________________________________________

a ______________________________________

By: _________________________________
Name: _______________________________
Name: _______________________________
ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA   
COUNTY OF ____________________

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

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________ (Seal)
EXHIBIT “1” TO GRANT DEED

LEGAL DESCRIPTION

That certain real property located in the City of San Bernardino, San Bernardino County, California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF , IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS: THAT PORTION OF THE Rancho Muscupiabe, in the County of San Bernardino, State of California, as per plat recorded in Book 7, Page 23 of Maps, Records of Said County, as set forth in Parcel No. 5, in the deed to the City of San Bernardino, a Municipal Corporation, recorded June 16, 1950 in Book 2591, Page 579 of Official Records. Except therefrom that portion lying northeasterly of the southwesterly line of the property condemned to the Southern Pacific Company, a corporation by final order of condemnation No. 129556, recorded June 14, 1966 in Book 6645, Page 511 of Official Records

APN: 0349-191-08-0-000
Sydney Morrison  
Contracts Administrator  
City of San Bernardino  
Municipal Water Dept.  
397 Chandler Place  
San Bernardino, CA. 92408

To whom it may concern:

TDC WALKER LAND, L.L.C., a Delaware limited liability company is interested in placing a bid for SURPLUS PROPERTY SALE: PROPERTY LOCATED ON GLEN HELEN ROAD in the amount of $52,000.00

Attached you will find a Completed Bid Form, the Due Diligence Certification along with evidence that demonstrates we, TDC WALKER LAND, L.L.C., have the financial ability to purchase the property.

The Bid Security Deposit in the amount of $5,200.00 has been overnighted to Sydney Morrison’s attention at 397 Chandler Place, Building B, San Bernardino, CA 92408 and should arrive no later than 10:30am on Thursday, January 12th. We do not intend to develop residential on the property.

Thank you for taking the time to review our bid. Looking forward to hearing from you soon.

Sincerely,

B. Jeff Knowles
Authorized Signatory
Jeff.knowles@transwestern.com
713.270.7700
PROPERTY BID FORM

Each row must be completed with either a bid amount or a √ indicating no bid is placed for that property. Print and Sign name below. For each property in which a bid amount is extended, all submittal requirements apply.

To: City of San Bernardino Municipal Water Department ("Department")

From: TDC WALKER LAND, L.L.C., a Delaware limited liability company
(Proper Name of Bidder)

The undersigned agrees to purchase the "Property," as defined in RFB No. 1787, for the amount indicated below and, if awarded a contract the purchase of the Property, Bidder will enter into a contract with the Department in that amount on the form provided in in RFB No. 1787:

<table>
<thead>
<tr>
<th>PARCEL ID</th>
<th>ZONING</th>
<th>LOT SIZE (SQ. FT)</th>
<th>APPRAISED AMOUNT (USD $)</th>
<th>QUALIFYING BID AMOUNT (USD $)</th>
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<tr>
<td>0349-191-08</td>
<td>Glen Helen Specific Plan Destination Recreation Zone</td>
<td>122,839</td>
<td>$49,150.00</td>
<td>$ 52,000.00</td>
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It is understood that the Department reserves the right to reject this bid and that the bid shall remain open to acceptance and is irrevocable for a period of Ninety (90) days. Bidder expressly acknowledges that it is aware that if a false claim is knowingly submitted (as the terms “claim” and “knowingly” are defined in the California False Claims Act, Cal. Gov. Code, §12650 et seq.), the Department will be entitled to civil remedies set forth in the California False Claim Act. It may also be considered fraud and the Bidder may be subject to criminal prosecution.

Name of Bidder: TDC Walker Land, L.L.C., a Delaware limited liability company

Mailing Address: 1900 West Loop South, Suite 1300 Houston, TX 77027

Email: jeff.knowles@transwestern.com

Phone Number: 713-270-7700

Signature: 

Printed Name: B. Jeff Knowles

Title: Authorized Signatory

If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the firm. If a corporation, state legal name of corporation, and names of President, Secretary, Treasurer and Manager, thereof.
DUE DILIGENCE CERTIFICATION / RELEASE AND DISCHARGE

The TDC WALKER LAND, L.L.C., a Delaware limited liability company ("Bidder") does hereby expressly agree to the following in connection with RFB No. 1786, which is incorporated herein by reference as though fully set forth herein ("RFB"), for the sale of the "Property," as that term is defined in the RFB:

1. The party signing this Due Diligence Certification / Release and Discharge on behalf of Bidder is aware of all the facts described below and is legally authorized to bind the Bidder.

2. Bidder has performed all Due Diligence Activities required by RFB in furtherance of Bidder’s purchase of the Property, has acquainted itself with all conditions of the Property and is aware of all such conditions to the extent that a reasonable diligent and examination of the Property would disclose them, and Bidder has satisfied itself that the Property is suitable for Bidder’s intended use of the Property and/or any development thereon.

3. No council and/or board member, officer, employee, agent, consultant or representative of the City of San Bernardino, or its Municipal Water Department (collectively, "City Parties"), has made any representations to Bidder related to the Property, including, without limitation, representations regarding conditions of the Property or its suitability for Bidder’s intended use and/or development thereon. In submitting its bid to purchase the Property, Bidder has relied solely on the information developed by Bidder, including, without limitation, information developed during Due Diligence Activities, and has not relied on any information from any of the City Parties to determine whether to submit a bid.

4. To the furthest extent permitted by law, Bidder hereby expressly agrees to forever release and discharge all City Parties from any and all claims, debts, liabilities, demands, causes of action, obligations, liens, promises, acts, agreements, costs, expenses and damages, of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, claimed or unclaimed, fixed or contingent, or apparent or concealed (collectively referred to as "claims") that in any way relate to Bidder’s decision to purchase the Property or the bidding process, and further agrees to indemnify, defense, and hold the City Parties harmless from any such claims.

I declare, under the penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Dated: Jan 11, 2023

Signature: ______________________

Print Name: B. Jeff Knowles

Title: Authorized Signatory
## Account Activity

Use this page to view your account activity, including pending and processed transactions.

### Account Information

- **Account ID**: *******8888
- **Nickname**: TDC Walker Land LLC
- **Interim 2 + Day Float**: No Information to Display

### Search Criteria

- **Closing Ledger**: $11,871.23 as of 01/16/2023 00:00
- **Closing Available**: $11,871.23 as of 01/16/2023 00:00
- **Interim Available**: No Information to Display

### In Process and Cleared Transactions

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<th>Date</th>
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<th>Reference Text</th>
<th>Status</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
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<td>Incoming Payment Transfer</td>
<td>Wire Credit Withdraw Ref: Soc Code: 814 Time Received: 11-16-20</td>
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<td>$11,800.00</td>
<td>$12,871.23</td>
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<tr>
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<td>Cleared</td>
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### Account Activity

**Account**

TDC Walker Land LLC - ****6880

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<th>Interim 2 + Day Float</th>
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</table>

**Closing Ledger**

- $11,871.23 as of 01/10/2023 00:00

**Interim Ledger**

- No Information to Display

---

**Search on**

- **Date**
- **From** 11/12/2022
- **To** 03/12/2023

---

**TDC Walker Land LLC - ****6880 as of 01/11/2023 15:06**

**View**

- Last 30 Days
- Last 60 Days
- Last 90 Days

---

**In Process and Cleared Transactions**

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<tr>
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<th>Transaction Type</th>
<th>Reference Text</th>
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<th>Images</th>
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<tr>
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<td><strong>Incoming Money Transfer</strong></td>
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**Scheduled Transactions**

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</tbody>
</table>
Glen Helen Road, San Bernardino, California 92407
(Accessor’s Parcel Number: 0349-191-08)

Prepared for
City of San Bernardino Municipal Water Department

Effective Date of Value
September 26, 2022

Prepared by
Steven R. Smith, MSREA, MAI, SRA
800 Community College 114
San Jacinto, CA 92583

http://srsrea.com
steves@srsrea.com
909 856 6841
September 28, 2022

**Purpose:**
The purpose of the appraisal is to formulate and express our opinion of the estimated market value of the subject property, in addition to its monthly land lease value.

**Intended Use/Client and Intended Users:**
The intended use of this restricted appraisal report is to update the valuation dated June 20, 2022 to assist our client in determining a market-derived lease value for the subject parcel, as of the effective date of this report. Our client, the intended user of this report, is City of San Bernardino Municipal Water Department. This report may not be used for any other purpose than expressed above, nor by any other party, than to whom it is addressed, and the appraisers specifically disclaim any liability to such unauthorized third parties.

**Scope of Work:**
The scope of work included an on-line inspection of the subject property, the neighborhood and environs, the local market area, the IMRMLS MLS, Realist, CoStar Comps, LoopNet and NDC Data, for market data.

I found no market data for this type of property that would indicate any value change from the June 20, 2020 estimate of value.

**Property Rights Appraised:**
The Fee Simple Estate of the subject property being appraised.

**Effective Date of Value:**
September 26, 2022

**Market Value Estimates:**
- Indicated As Is Market Value of Subject Property: **$49,150** (rounded)
- Indicated Monthly Land Lease Value of Subject Property: **$245.00** (rounded)

Respectfully,

[Signature]

Steven R. Smith, MSREA, MAI, SRA,
AG 2123, expires 5/20/21
THE INTRODUCTION

CURRENT OWNERSHIP/PROPERTY HISTORY
According to our review of public records, title to the subject parcels is currently vested in the City of San Bernardino. Our research indicates that there have been no market transfers within the last three years reflected in public records. Furthermore, there are no indications that the property is or has recently been listed for sale.

MARKETING AND EXPOSURE TIME
Exposure period is the amount of time the real property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Marketing period is an opinion of the amount of time it might take to sell the real property interest after the effective date of the appraisal.

Sales of similar type properties, including the sale comparables used in this report were analyzed and had a wide range of exposure periods. According to knowledgeable professionals, the marketing time for properties like the subject varies considerably. According to a CoStar survey for ground lease sales, the average marketing/exposure time is ±7 months. Based on our findings, we believe an exposure and marketing time of six to twelve months for the subject property, if properly priced, is considered reasonable and appropriate.

HYPOTHETICAL CONDITION/EXTRAORDINARY ASSUMPTION
There are no hypothetical conditions or extraordinary assumptions utilized for this appraisal report.

SUBJECT OCCUPANCY
The subject property is vacant.

LAND DESCRIPTION

Address: San Bernardino, California 92407 San Bernardino

APN Info/Land Size: 0349-191-08 / 122,839 SF (2.82 acres)

Zone: GH/SP (Glen Helen Specific Plan)

Irregular

The subject property appears to be located on the Glen Helen Fault line
The subject property is located in flood zone X and mandatory flood insurance requirements do not apply.

The subject parcel is located within the County of San Bernardino’s Glen Helen Specific Plan Destination Recreation (GH/SP-DR) zone.

Per the County’s website, the GH/SP-DR zone is intended to accommodate residential land uses, low-intensity service commercial and recreation entertainment uses that are sensitive to the physical and environmental constraints of the area. The DR designation will also allow planned development residential uses that incorporate mixed use or recreational amenities. This designation provides for the continued use of existing single-family residential uses on large parcels. Land uses allowed within this designation include recreation vehicle parks, private campgrounds, residential uses, bed and breakfast establishments, restaurants, and limited retail commercial, as well as a full range of recreation-oriented activities.

Single-family dwelling, residential care facility (6 or fewer clients), and crop production (vineyard, nurseries, etc.) are the only expressly permitted uses in the zone. Other uses are considered to be conditional and/or subject to a Minor Use Permit (MUP).

EASEMENTS/ENCROACHMENTS

A preliminary report was provided for review (see addendum). While there are public utility easements that are considered typical, we note that there are two a-typical easements: a 30-foot-wide pipeline easement and an ingress-egress easement for an
adjacent property. Due to the subject property’s irregular shape, these easements can be considered detrimental to the development potential of the subject property and, thus, are considered to be adversely encumbering. Our valuation process will include analysis related to these easements.

No adverse conditions, easements or encroachments, other than those noted above, were observed during the inspection of the site. Identification of any easement/encroachment is of a legal nature and an attorney specializing in this field should be consulted for their opinion concerning these items. This report is not intended to render any opinion whatsoever regarding any adverse title conditions, easements or encroachments that may affect the subject property. Our value estimate is, however, predicated upon there being no adverse title conditions, easements or encroachments that would cause a loss in value or prohibit development and no responsibility is assumed for any such conditions or for any expertise or knowledge required to discover them.

At this time, due to the rapidly changing landscape.
HIGHEST AND BEST USE

Highest and best use is defined as:

“The reasonably, probable legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.”

The above definition of the “Highest and Best Use” is in reference to land that is unimproved. In cases of improved land, a determination of the contributory value of the improvements to the land must be made. The improvements found on a site may be of inappropriate use but will usually continue until the land value in its highest and best use exceeds the total value of the property in its existing use. The subject property is vacant and, therefore, its highest and best use will be solely analyzed as if unimproved and available for development. It should be noted that a highest and best use determination represents an appraiser's opinion based on their judgment and the application of several forms of analyses. Like value, it is not a fact that can be found.

The highest and best use of land as though vacant and property as improved must meet four basic tests. These tests consist of the following (see addendum for supportive definitions):

1. Is the use legally permissible or reasonably possible?
2. Is the use physically possible on the site?
3. Is the use economically and financially feasible under proposed and projected market conditions?
4. Is the use estimated to be the most productive among the alternatives that are legally permissible, physically possible, and economically feasible?

Highest and Best Use - As Is (Vacant)
Highest and Best Use of the site as vacant assumes that a parcel of land is vacant or could be vacant by demolishing the improvements. Given this assumption, this analysis determines the size, quality, and function that would provide the highest return to the land. The four criteria of the Highest and Best Use (see above) provide a basis for analysis.

To form an opinion as to the Highest and Best Use as if vacant, we considered the physical attributes of the subject property, its zoning, location and known governmental influences, and the uses of surrounding properties. An in-depth feasibility analysis on the possible alternative uses of the site is beyond the scope of this appraisal assignment. However, in analyzing the subject property, we have investigated the regional, city, and neighborhood characteristics, as well as overall market conditions. Details regarding each category are presented in respective sections of this appraisal report.

Conclusion - As Is (Vacant)

After reviewing the subject’s overall market conditions (refer to Market Analysis), the subject’s location characteristics, and competing developments, it is our opinion that the highest and best use of the subject site, as vacant and available for development, would likely be to hold for single-family residential development until market conditions have improved and the impact of the Covid-19 outbreak has been fully realized, allowing for appropriate financial feasibility. The most likely buyer would be a land speculator, however, there hasn’t been any recent development activity within the subject’s neighborhood.
APPRAISER'S CERTIFICATIONS

We do hereby certify that, except as otherwise noted in this report:

We have made a personal inspection of the property that is the subject of this report.

We have no past, present or prospective interest or bias in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

To the best of our knowledge and belief, the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.

The analysis, opinions, and conclusions contained in this report are limited only by the reported assumptions and limiting conditions imposed by the terms of our assignment or by the undersigned and are our personal, impartial, and unbiased professional analysis, opinions, and conclusions.

The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and in conformity conforms to the requirements of the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The Appraisal Institute has a voluntary program of continuing education requirements. Steven R. Smith is certified through 2020 with his education requirement.

In accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP), We have verified that our knowledge and experience is sufficient to allow us to competently complete this appraisal unless stated otherwise within this report.

The appraisers further certify and agree that:

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

We have not appraised this property in the last three years.

Steven R. Smith, MSREA, MAI, SRA
AG 2123, expires 5/13/21
ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.

We have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property.

The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound, and all components are in working condition.

We will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.

We have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal.

Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. We obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that we believe to be true and correct.

We will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.

The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship.

Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
APPRAISER QUALIFICATIONS

STEVEN R. SMITH, MSREA, MAI, SRA, AG 2123

MS in Real Estate Appraisal, BA in Real Estate Finance

Full time appraiser since 1976. Part time University Instructor in Real Estate at Cal State University 2005-2015.

Prior Work Experience included loan servicing, loan origination, loan administration, title insurance sales, real estate sale, mortgage lending, and real estate sales management.

Appraisal experience includes performing Appraisals and Market Studies on existing, proposed and distressed properties, Non-Performing or Destabilized Project.

Court Testimony experience includes a range of civil and criminal cases, professional liability cases, mortgage fraud and real estate fraud cases; as both an Expert Witness or as a Rebuttal Witness. Deposition Testimony has also included IRS and Eminent Domain cases. No court testimony has been provided in either of these types of cases as everyone has settled.

Seminars Created and Delivered include:

Mortgage Fraud and the Appraiser's Role- AI-2005,
Building Transferable Skill-sets, AI – 2005,
Predator Lending, Client Pressures & Appraisal Fraud, 2004,
Mortgage Fraud, Cases & Consequences, 2002,
Real Estate Fraud, Appraisers Liabilities & Responsibilities, 2000,
Mortgage Bankers of America-Appraisal Review - 1984-86.

Specialties include: Luxury Homes, and Forensic Appraisal Review

Contact: 909-856-6841, Web Page: http://srsrea.com, Email: steve@srsrea.com
THOMAS C. WOOD, AT 3004032

FULL TIME APPRAISER SINCE 2016, PROVIDING COMMERCIAL AND RESIDENTIAL PROPERTY VALUATION SERVICES IN LOS ANGELES AND ORANGE COUNTIES AND THE INLAND EMPIRE AREA OF THE SOUTHERN CALIFORNIA REGION. MY EXPERIENCE HAS A FOCUS ON COMMERCIAL PROPERTIES, EMINENT DOMAIN, AND EASEMENT VALUATION.

EDUCATION:

MCKISSOCK – FEBRUARY/MARCH 2020

2020-2021 USPAP UPDATE COURSE – 7 HOURS
ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES – 15 HOURS
LAWS AND REGULATIONS FOR CALIFORNIA APPRAISERS – 4 HOURS
STATISTICS, MODELING, AND FINANCE – 15 HOURS

SOUTH TEXAS COLLEGE - AUGUST 2019

ASSOCIATE OF ARTS IN BUSINESS ADMINISTRATION

APPRAISAL INSTITUTE - FEBRUARY 2017- FEBRUARY 2018

BASIC APPRAISAL PRINCIPALS – 30 HOURS
BASIC APPRAISAL PROCEDURES – 30 HOURS
GENERAL APPRAISER INCOME APPROACH PART 1 – 30 HOURS
GENERAL APPRAISER INCOME APPROACH PART 2 – 30 HOURS
GENERAL APPRAISER SALES COMPARISON APPROACH – 30 HOURS
GENERAL APPRAISER SITE VALUATION AND COST APPROACH – 30 HOURS
REAL ESTATE APPRAISAL TRAINEE/SUPERVISOR – 30 HOURS
ONLINE BUSINESS PRACTICES AND ETHICS – 5 HOURS
2018-2019 USPAP UPDATE COURSE – 7 HOURS

ALLIED SCHOOLS - JUNE 2016

REAL ESTATE APPRAISAL PRINCIPALS AND PRACTICES – 60 HOURS
RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES – 30 HOURS
RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH – 15 HOURS
RESIDENTIAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE – 15 HOURS
REAL ESTATE APPRAISAL REPORT WRITING – 15 HOURS
2016-2017 USPAP UPDATE COURSE – 15 HOURS
REAL ESTATE APPRAISAL TRAINEE/SUPERVISOR – 4 HOURS
ADDENDUM

Definition of Market Value:
In accordance with USPAP 2018-2019, Market Value is defined as a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraisers as applicable in an appraisal.

Market Value is further defined by agencies that regulate federally insured financial institutions in the United States as follows: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales commissions granted by anyone associated with the sale.

Definition of As Is Market Value:

Supportive Definitions for Highest and Best Use Analysis:

Legally Permissible
Legal permissibility depends on public restrictions such as zoning, building codes, as well as the private or contractual restrictions found in deeds and long-term leases. Current information regarding private restrictions was not provided in this assignment. However, there appears to be no deed or easement restrictions on the property that could affect development. A restriction or long-term ground lease does not encumber the land. Therefore, legal restrictions as they apply to the subject property are primarily the public restrictions of zoning. An industrial development would be considered a legally allowed use and consistent with those of the surrounding area.
Physically Possible
The size, shape, terrain, soil conditions, accessibility, and availability of utilities for a parcel of land affect its utility and adaptability. The physical characteristics of the subject site appear to be adequate in terms of shape, size, topography, available utilities and accessibility. Although the exact soil composition is unknown, it appears that the soil is also adequate to support building improvements. Therefore, it appears that the physical characteristics would allow for the legally permissible uses.

Financially Feasible and Maximally Productive
According to the Real Estate Terminology Handbook, a real estate project is feasible when the analysis indicates that there is a likelihood of satisfying the explicit objectives and when a selected course of action is tested in the context of specific constraints and limited resources. The feasibility of a real estate project is normally related to its economic potential.
PRELIMINARY TITLE REPORT
Preliminary Report

In response to the application for a policy of title insurance referenced herein, Chicago Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner’s Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Company

By: [Signature]

Authorized Signature
PRELIMINARY REPORT

EFFECTIVE DATE: June 3, 2020 at 7:30 a.m.

ORDER NO.: 00131657-987-OC1-K27

The form of policy or policies of title insurance contemplated by this report is:

   CLTA Standard Coverage Owners Policy (04-08-14)

1. THE ESTATE OR INTEREST IN THE LAND HEREAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:
   A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:
   CITY OF SAN BERNARDINO, a municipal corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS follows:
   See Exhibit A attached hereto and made a part hereof.
EXHIBIT “A”

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF , IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE RANCHO MUSCUPIABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY, AS SET FORTH IN PARCEL NO. 5, IN THE DEED TO THE CITY OF SAN BERNARDINO, A MUNICIPAL CORPORATION, RECORDED JUNE 16, 1950 IN BOOK 2591, PAGE 579 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF THE PROPERTY CONDEMNED TO THE SOUTHERN PACIFIC COMPANY, A CORPORATION BY FINAL ORDER OF CONDEMNATION NO. 129556, RECORDED JUNE 14, 1966 IN BOOK 6645, PAGE 511 OF OFFICIAL RECORDS.

APN(s): 0349-191-08-0-000
EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.

B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.

2. All easements, offers and dedications as shown on the Official Map
   Tract of: Rancho Muscupiabe

3. Easement(s) in favor of the public over any existing roads lying within said Land.

4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
   Granted to: General Telephone Company of California, a corporation
   Purpose: Public utilities
   Recording Date: September 22, 1958
   Recording No: in Book 4610, Page 69 of Official Records
   Affects: A portion of said land as more particularly described in said document.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
   Granted to: Southern California Gas Company, a corporation, 70% interest and Southern Counties Gas Company, a corporation, 30% interest
   Purpose: Public utilities
   Recording Date: October 8, 1958
   Recording No: in Book 4624, Page 133 of Official Records
   Affects: A portion of said land as more particularly described in said document.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
   Granted to: Calnev Pipe Line Company, a Delaware Corporation
   Purpose: Pipelines
   Recording Date: March 3, 1961
   Recording No: in Book 5367, Page 433 of Official Records
   Affects: A portion of said land as more particularly described in said document.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
   Granted to: John E. and Faith A. Finfrock, husband and wife, as joint tenants
   Purpose: Ingress and egress and utilities
   Recording Date: May 19, 1961
   Recording No: in Book 5435, Page 530 of Official Records
   Affects: A portion of said land as more particularly described in said document.
8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

   Granted to: Southern California Gas Company, a corporation
   Purpose: Public utilities
   Recording Date: December 2, 1965
   Recording No: in Book 6524, Page 720 of Official Records
   Affects: A portion of said land as more particularly described in said document.

9. Notwithstanding the Covered Risks as set forth in the policy, the Company does not insure against loss or damage by reason of a lack of a right of access to and from the Land.

10. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

11. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

12. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

13. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

PLEASE REFER TO THE “INFORMATIONAL NOTES” AND “REQUIREMENTS” SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS
REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: City of San Bernardino, a municipal corporation

a) A Copy of the corporation By-laws and Articles of Incorporation

b) An original or certified copy of a resolution authorizing the transaction contemplated herein

c) If the Articles and/or By-laws require approval by a ‘parent’ organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

END OF REQUIREMENTS
INFORMATIONAL NOTES SECTION

1. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

   Tax Identification No.: 0349-191-08-0-000
   Fiscal Year: 2019-2020
   1st Installment: $145.56
   2nd Installment: $145.55
   Exemption:
   Code Area: 107-155

2. None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.

3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

John Balassi/Jason Silva (OC/Comm)/ry5
Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.

- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.

- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.

- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

<table>
<thead>
<tr>
<th>FNF Underwritten Title Company</th>
<th>Underwritten by FNF Underwriters</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTC – Chicago Title company</td>
<td>CTIC – Chicago Title Insurance Company</td>
</tr>
<tr>
<td>CLTC – Commonwealth Land Title Company</td>
<td>CLTIC - Commonwealth Land Title Insurance Company</td>
</tr>
<tr>
<td>FNTC – Fidelity National Title Company of California</td>
<td>FNTIC – Fidelity National Title Insurance Company</td>
</tr>
<tr>
<td>FNTCCA - Fidelity National Title Company of California</td>
<td>FNTIC - Fidelity National Title Insurance Company</td>
</tr>
<tr>
<td>TICOR – Ticor Title Company of California</td>
<td>CTIC – Chicago Title Insurance Company</td>
</tr>
<tr>
<td>LTC – Lawyer's Title Company</td>
<td>CLTIC – Commonwealth Land Title Insurance Company</td>
</tr>
<tr>
<td>SLTC – ServiceLink Title Company</td>
<td>CTIC – Chicago Title Insurance Company</td>
</tr>
</tbody>
</table>

Available Discounts

**DISASTER LOANS (CTIC, CLTIC, FNTIC)**
The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

**CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.
FIDELITY NATIONAL FINANCIAL, INC.
PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

Collection of Personal Information
FNF may collect the following categories of Personal Information:
- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:
- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information
FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:
- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics
Cookies. When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information
FNF uses Personal Information for three main purposes:
- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others’ products and services, jointly or independently.

When Information Is Disclosed
We may disclose your Personal Information and Browsing Information in the following circumstances:
- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
• to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
• to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
• in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices With Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information
We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information
If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the “California Privacy” link on our website (https://fnf.com/pages/californiaprivacy.aspx) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children
The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users
FNF’s headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNW Website Services for Mortgage Loans
Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the “Service Websites”). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender’s privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender’s privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.
Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice’s effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys’ fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the property or the interest thereunder.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors’ rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys’ fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.
This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
c. that result in no loss to You; or
d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner’s Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

   The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<table>
<thead>
<tr>
<th>Covered Risk</th>
<th>Your Deductible Amount</th>
<th>Our Maximum Dollar Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>18</td>
<td>1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>19</td>
<td>1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>21</td>
<td>1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

(Except as provided in Schedule B - Part II,[ t]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees or expenses, that arise by reason of:

Attachment One – CA (Rev. 05-06-16)
(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
4. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records.
5. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

2006 ALTA OWNER’S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land;
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10);
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
4. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records.
5. Any lien or right to a lien for services, labor or material not shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R’s, etc. shown here.

Attachment One – CA (Rev. 05-06-16)
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys’ fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.
This map/plot is being furnished as an aid in locating the herein described land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.
OWNER'S DECLARATION

Escrow No.: 00131657-987-OC1-K27
Property Address: APN 0349-191-08

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at APN 0349-191-08, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
   b. Declarant is the ______________________________ of ____________________________________ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at APN 0349-191-08, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)
   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with ___________________________ upon the Land in the approximate total sum of $__________, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: ___________________________________________. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Chicago Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.

5. The Land is currently in use as _____________________; _______________________ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.

7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Chicago Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at __________________________.

Signature: ________________________________
TO: Miguel J. Guerrero, P.E., General Manager
FROM: Cynthia Mouser, Director of Finance
SUBJECT: AMENDMENT OF RULE AND REGULATION NO. 5 - NEW SERVICE AND INSTALLATIONS AND WATER CAPACITY CHARGES AND RULE AND REGULATION NO. 25 - CONNECTION WITH SANITARY SEWER COLLECTION SYSTEM AND ASSOCIATED FEES/CHARGES
DATE: March 20, 2023
CC: Steve Miller, Robin Ohama, Warren Huang, Ted Brunson

BACKGROUND/DISCUSSION:

On March 8, 2020, the Water Board approved Resolution No. 973 and implemented the various Department service fees and charges and amended Rule and Regulation Nos. 5, 6, 8, 10, 16, 18, 20, and 22 and Sewer Service Application. These services are supported by fees charged to the public for services provided, and it is considered a best practice that the Department periodically reviews in order to ensure that the corresponding fees are appropriate.

After the passage of Proposition 13, the California Taxpayers Association, the California Chamber of Commerce, the National Tax Limitation Committee, and the California Association of Realtors put Proposition 4 before the voters. This proposition passed on November 6, 1979, and became Article XIIIB of the State Constitution which was effective on July 1, 1980. This proposition addressed all revenues and established a limit on the growth of tax revenues. Additionally, Proposition 4 outlined limits on “fee services” that state that fee services cannot exceed the “costs reasonably borne” by the agency (Department) to provide the related service. If the fee exceeds the cost, the excess fee is defined to be a special tax and must be approved by two-thirds of the voters. As Article XIIIB was written by various business groups, they applied business-oriented approaches and principles to the cost of governmental services.

Department staff has modified its existing Rule and Regulation Nos. 5 and 25 to include an Easement by Separate Instrument Process fee consistent with the Resolution No. 973, Proposition 4, and Article XIIIB. The fee was approved by the Water Board through the Resolution but was not reflected in the Department Rules and Regulations.
GOALS AND OBJECTIVES:

This plan aligns with the Department’s Strategic Plan under Target #3 - Customer Service/Public Relations, Goal #8 - Meet and exceed internal and external customer expectations including responsiveness and timelines. This also aligns with Fiscal Responsibility, Goal #13 - Rate Setting. This supports key values to exercise responsible financial management, provide responsible stewardship of public funds, and ensure transparency.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

- Adopt Resolution amending Rule and Regulation No. 5 - New Service and Installations and Water Capacity Charges and Rule and Regulation No. 25 - Connection with Sanitary Sewer Collection System and Associated Fees/Charges including the Easement by Separate Instrument Process fee.

Respectfully submitted,

Cynthia J. Mouser
Director of Finance

Attachments: Attachment 1 - Resolution
Attachment 1, Exhibit A - Resolution No. 973
Attachment 1, Exhibit B - Amended Rule and Regulation Nos. 5 and 25
Attachment 2 - Amended Rule and Regulation Nos. 5 and 25 Redlines
RESOLUTION NO._____

RESOLUTION OF THE WATER BOARD OF THE CITY OF SAN BERNARDINO, CALIFORNIA, AMENDING RULE AND REGULATION NO. 5 - NEW SERVICE AND INSTALLATIONS AND WATER CAPACITY CHARGES AND RULE AND REGULATION NO. 25 - CONNECTION WITH SANITARY SEWER COLLECTION SYSTEM AND ASSOCIATED FEES/CHARGES

WHEREAS, Section 603(a) of the City Charter empowers the Water Board to oversee and manage the City’s water supply, recycled water, wastewater collection and treatment functions (“Water and Wastewater Systems”) in accordance with the law; and

WHEREAS, Section 603 of the City Charter, empowers the Water Board to set and collect all rates, and fees for the operation of the Water and Wastewater Systems, and

WHEREAS, Section 603(h) of the City Charter, also empowers the Water Board to establish and periodically review and revise such rules and regulations as may be appropriate for managing the Water and Wastewater Systems; and

WHEREAS, the Water Department has established fees and charges for various services provided to its customers; and

WHEREAS, it is best practice for a public agency, such as the Water Department, to periodically review and update service fees and charges to ensure costs incurred for services are adequately recovered; and

WHEREAS, on March 10, 2020, the Water Board approved Resolution No. 973 attached as Exhibit “A”, updating and establishing various service fees as outlined in Rule and Regulations Nos. 5, 6, 8, 10, 16, 18, 20, and 22 and the Sewer Service Application; and

WHEREAS, Rule and Regulation No. 5 - New Service Installation and Water Capacity Charges and Rule and Regulation No. 25 - Connection With Sanitary Sewer Collection System and Associated Fees/Charges must be amended to include the Easement by Separate Instrument Process fee listed in the fee schedule approved through Water Board Resolution No. 973.

BE IT RESOLVED BY THE WATER BOARD OF THE CITY OF SAN BERNARDINO AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Water Board approves amended Rule and Regulation Nos. 5 and 25 to include the Easement by Separate Instrument Process fee, attached hereto to this Resolution as Exhibit “B”.

1
SECTION 3. CEQA. This Resolution is not subject to the California Environmental Quality Act (CEQA) in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty, as in this case, that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end, the provisions of this Resolution are declared to be severable.

SECTION 5. Effective Date. This Resolution shall become effective immediately.

APPROVED and ADOPTED by the Water Board and signed by the President of the Water Board and attested by the Deputy City Clerk & Ex Officio Secretary of the Water Board this 28th day of March, 2023.

Toni Callicott, President
City of San Bernardino Water Board

Attest:

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of the Water Board
CERTIFICATION

STATE OF CALIFORNIA )
COUNTY OF SAN BERNARDINO) ss
CITY OF SAN BERNARDINO )

I, Robin Ohama, Deputy City Clerk & Ex Officio Secretary of the Water Board, hereby certify that the attached is a true copy of Resolution No. adopted at a regular meeting held on the 28th day of March, 2023 by the following vote:

<table>
<thead>
<tr>
<th>Water Board Members</th>
<th>AYES</th>
<th>NAYS</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
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<tbody>
<tr>
<td>CALLICOTT</td>
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<td>JOHNSON</td>
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WITNESS my hand and official seal of the City of San Bernardino this 28th day of March, 2023.

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of the Water Board
RESOLUTION NO. 973

A RESOLUTION OF THE WATER BOARD OF THE CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT UPDATING AND ESTABLISHING VARIOUS
SERVICE FEES AND CHARGES AS SET FORTH IN RULE AND REGULATION NOS.
5, 6, 8, 10, 16, 18, 20, AND 22 AND SEWER SERVICE APPLICATION

WHEREAS, Section 603 of the City Charter, empowers the Water
Board to set and collect all rates, fees and charges for
operation of the Water and Wastewater Systems; and

WHEREAS; Section 603 of the City Charter, also empowers the
Water Board to establish and periodically review and revise such
rules and regulations as may be appropriate for managing the
City’s Water and Wastewater Systems; and

WHEREAS, the Water Department has established fees and
charges for various services provided to its customers; and

WHEREAS, it is best practice for a public agency, such as
the Water Department, to periodically review and update service
fees and charges to ensure costs incurred for services are
adequately recovered; and

WHEREAS, the December 2019 Revenue & Cost Specialists, LLC
study entitled “Cost of Services Study for the City of San
Bernardino Municipal Water Department,” attached hereto and
incorporated herein as Exhibit A, was conducted to review fees
and charges for various services provided by the Water
Department; and

WHEREAS, the study by Revenue and Cost Specialists
recommends updating several fee and charges to recover Department
costs and limit Department subsidy.

EXHIBIT A
NOW, THEREFORE, BE IT RESOLVED BY THE WATER BOARD OF THE
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AS FOLLOWS:

Section 1. The above recitals are true and correct and are
incorporated herein by this reference.

Section 2. The Water Board approves the fee schedule
attached as Exhibit B resulting from the Cost of Services Study,
effective April 1, 2020.

Section 2. The Water Board approves amended Rule and
Regulation Nos. 5, 6, 8, 10, 16, 18, 20, and 22 and Sewer Service
Application attached as Exhibit C, reflecting amendments to
various fees and charges resulting from the Cost of Services
Study, effective February 1, 2020.

Section 3. That the Water Board finds this Resolution is not
subject to the California Environmental Quality Act (CEQA) in
that the activity is covered by the general rule that CEQA
applies only to projects which have the potential for causing a
significant effect on the environment. Where it can be seen with
certainty, as in this case, that there is no possibility that the
activity in question may have a significant effect on the
environment, the activity is not subject to CEQA.

Section 4. Severability. If any provision of this
Resolution or the application thereof to any person or
circumstance is held invalid, such invalidity shall not affect
other provisions or applications, and to this end the provisions
of this Resolution are declared to be severable.

Section 5. Effective Date. This Resolution shall become
effective immediately.
I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City of San Bernardino Municipal Water Department Water Board at a regular meeting thereof held on the 10th of March 2020 by the following vote, to-wit:

AYES: Callicott, Hendrix, Mlynarski, Johnson, Brickley

NAYS: ________________________________

ABSTAIN: ________________________________

ABSENT: ________________________________

Robin L. Ohama
Clerk & Ex-Officio Secretary
(SEAL)
1.0 REQUEST FOR SERVICE:

There are two (2) categories of requests for service:

1. Request for service through an existing service connection; or
2. Application for a new service connection.

Requests for services will fall into the following subcategories:

1. Domestic Service
2. Landscape Service
3. Fire Service
4. Combination Domestic/Landscape Service
5. Combination Domestic/Fire Service
6. Fire Hydrant (Public)

The Water Department will require any Applicant requesting service to complete an Application for domestic water service located in Exhibit A and sign appropriate forms provided by the Water Department, and to pay all required fees, and charges. The Applicant may request a water commitment for service in the form of a Will Serve Letter. If a Will Serve Letter is desired, the Application located in Exhibit A shall be completed by the Applicant.

A separate landscape irrigation meter shall be required for all new service connections that serve a parcel containing more than 5,000 square feet of irrigated landscape area for all commercial and industrial developments.

Notwithstanding any provision in the Rules and Regulations, payment of fee or construction of water facilities at a developer or Water Department’s expense, the Water Department may deny any request for a water commitment or request for a service connection if the Water Department has an inadequate amount of water supply, or there are physical limitations in the system capacity to serve the proposed Applicant and simultaneously maintain an adequate
level of service to existing customers, or compromises public health and welfare.

1.1 Inaccurate/Insufficient Information

In the event information provided by the Applicant is found to be inaccurate or insufficient after work has commenced or service has been turned on, the Applicant will pay any and all costs and/or fees, and charges, necessary to effect corrective action and Rule and Regulation compliance. The above will also apply in instances of onsite changes necessitating corrective action or modification to the service connection.

1.2 Application/Request For Information (RFI) Fee

All Applicants will be required to pay the appropriate Application/Request For Information (RFI) fee prior to the Water Department processing any such RFI or Application. The Application/RFI form is attached to the end of this Rule and Regulation as Exhibit A or can be retrieved online at:

http://www.sbmwd.org/

2.0 WATER DEPARTMENT-INSTALLED SERVICES:

At time of application and payment of application fee, the Applicant shall request the size and type of service(s) desired and location(s) by address and Assessor's Parcel Number (APN). Customer Service will send receipt of application payment to Engineering where an Applicant service installation cost in the form of a work order invoice will be generated documenting total service installation costs by Water Department personnel to be paid by the Applicant.

Applicant shall pay the application fee required in Section 1.2 of this Rule and Regulation at the Water Department Customer Service prior to Water Department Engineering preparing the service work order invoice. The Applicant shall pay the fee documented on the service work order invoice at Water Department Customer Service for such service connection prior to service installation.

3.0 DEVELOPER-INSTALLED SERVICES:

The Applicant may, upon Water Department approval, have the service(s) installed by a licensed contractor acceptable to the Water Department if the Applicant will be entering into a Developer-Installed Agreement with the Water Department for water main extensions per Rule and Regulation No. 20. The Applicant for developer-installed services shall obtain
and adhere to the guidelines of the Developer-Installed Agreement (includes contractor insurance requirements, bonding, city street cut permit, Water Department’s Standards For Design and Construction For Water System Improvements (Design Standards), Water Department's Standard Specifications and Drawings for Construction of Domestic Water Systems (Standards), and inspection by Water Department personnel or assigned designee and pay all associated administration and engineering fees, capacity charges (except when a Payment Bond is posted in the amount of 25 percent of the capacity charge in advance per Rule and Regulation No. 20), and meter cost as established within this Rule and Regulation.

All developer-installed domestic, landscape, or any combination of meter services installed within dedicated City/Water Department right-of-way shall be conveyed fee-title to the Water Department prior to or at the time of service activation and shall conform to Water Department's Standards.

A. WATER CAPACITY CHARGE

1. The water Capacity Charge will apply to all new domestic and landscape meter service applications and/or service diameter increases and is based upon the instantaneous water demand that each service size imposes on the municipal water system.

2. Multiple family dwelling units, as defined in Rule and Regulation No. 1, shall be charged based on a 0.50 equivalent meter unit ratio (EMU), equivalent to 50 percent of the capacity charge for a single 5/8" x 3/4" service per dwelling unit or by meter size if property is to be master-metered, whichever is the greater amount.

3. All capacity charges shall be paid prior to any water service connection or at the time of application for any new construction and shall be in addition to all other charges imposed by the Water Department, except when entering into a developer-installed agreement per Rule and Regulation No. 20 and a Payment Bond is posted to cover 25 percent of the total water capacity charge in advance of the execution of the developer-installed agreement.

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
WATER CAPACITY CHARGE
DOMESTIC AND LANDSCAPE SERVICES(1)

<table>
<thead>
<tr>
<th>SIZE OF SERVICE</th>
<th>EMU</th>
<th>MAX FLOW (GPM)</th>
<th>WATER CAPACITY CHARGE 7/01/22(2)</th>
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<tr>
<td>5/8&quot;</td>
<td>1.00</td>
<td>20.00</td>
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<td>3/4&quot;</td>
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<td>1-1/2&quot;</td>
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<td>12&quot;</td>
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<td>5,500.00</td>
<td>To Be Determined</td>
</tr>
</tbody>
</table>

(1) Capacities for meters 3-inches and above are for the Department standard high-velocity meters. There are several applicable factors that are considered for site specific large meter installations, and since these specific operating criteria may affect the maximum meter capacity, the Water Capacity Charges for the 3-inch and larger installations are to be determined on a case-by-case basis.

(2) On July 1 of each calendar year, the Water Capacity Charge shall automatically increase in proportion to the published twelve-month increase measured in September each year in the Construction Cost Index. This index is published in “Engineering News Record,” a publication of McGraw-Hill, Inc. The Water Board may, at its option, determine by resolution adopted prior to November 1, that such an increase shall not be effective for the next succeeding fiscal year (always starting on July 1). In the event the Construction Cost Index has not changed or has decreased, the charge shall not be changed.

B. WATER CAPACITY CHARGE CREDIT

1. When an existing water service is increased in size, the amount of water capacity charge due is calculated from the difference between the requested larger capacity charge minus the existing service size capacity charge. Any existing capacity charge credit available for the parcel requesting upsizing may be utilized to offset the capacity charge amount due. If credit is larger than the amount due for the upgrade, the amount left over will remain indefinitely. If the credit does not cover the amount due, then the
difference is calculated and due prior to installation. For existing services that were installed prior to November 1, 2019, capacity charge credit will not exceed the EMU (previously referred to as EDU) of when the service was originally installed.

2. When an existing water service is decreased in size, the capacity charge credit is calculated by the difference in the current capacity charge of the larger service to the smaller service. This credit shall remain with the parcel indefinitely. However, the Department will not be solely responsible for tracking any remaining capacity charge credit. If the Department is unable to verify an existing credit, the owner shall be responsible for providing evidence of any remaining capacity charge credit balance.

3. The capacity charge credit may only be used to offset capacity charges for water service upgrades. No refunds of capacity charges will be made, no exceptions.

4. Capacity charge credits may only be applied toward the parcel utilizing the service and is non-transferable to other parcels held by the same or different owners.

5. Capacity charge credits from two or more separate parcels may be applied toward one parcel capacity charges if the individual parcels were legally merged into the one parcel.

6. All domestic, and landscape, service capacity credits are to be considered interchangeable within the same parcel when requesting a new service and utilizing any capacity credit.

**DEVELOPER-INSTALLED SERVICE(S) FEES & CHARGES**

Developer-installed service applications will only be considered with tract or parcel map developments with Developer-installed Agreements per Rule and Regulation No. 20. All other service requests will be installed by the Water Department.

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
C. DEVELOPER-INSTALLED SERVICES GENERAL RULES

1. Domestic, Landscape, or Fire Service Meter - Developer shall purchase meter from Water Department, no exceptions.

2. Capacity charge based upon size of meter being installed, except when multiple family dwelling units require service as listed in paragraph A of this Rule and Regulation.

3. Capacity charge for combination domestic/fire shall be based upon size of domestic meter as listed in paragraph A of this Rule and Regulation.

4. Minimum fire service meter size is 1”.

5. Capacity charge for combination domestic/landscape service shall be based upon size of largest meter being installed.

6. If an extension of the Department’s Network Water Distribution System is required through private property, an easement by separate instrument will be required. The applicant shall have a California-licensed Civil Engineer or Land Surveyor prepare the required easement documents for the Water Department’s review and approval. This will also require the applicant to pay the $1,180.00 Easement by Separate Instrument application fee listed within the fee table on page 2 of Exhibit A of this Rule & Regulation No. 5. An easement example is available on SBMWD’s website within the Engineering Standards section.

DEPARTMENT-INSTALLED SERVICE(S) FEES & CHARGES

D. DEPARTMENT-INSTALLED SERVICES

1. Water Service shall be executed by completing the attached Application/RFI Form in Exhibit A and payment of the application fee and total installation cost per the attached tables at Water Department Customer Service. If a service requested is not listed on the attached tables or has a total cost stated as "To Be Determined (TBD)", a work order will be issued to Water Department Engineering to calculate the total service installation fees and charges and provide a service work order invoice to the Applicant per Note 2 below.

2. Water Department Engineering shall prepare a service installation cost invoice to the applicant that

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

### DEPARTMENT-INSTALLED DOMESTIC METER SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot;</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>TBD</td>
<td>$31,030.00</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot;</td>
<td>TBD</td>
<td>$49,660.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>4&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>6&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>8&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>10&quot;</td>
<td>TBD</td>
<td>TBD</td>
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</tr>
<tr>
<td>12&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### DEPARTMENT-INSTALLED LANDSCAPE METER SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot;</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>TBD</td>
<td>$31,030.00</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot;</td>
<td>TBD</td>
<td>$49,660.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>4&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>6&quot;</td>
<td>TBD</td>
<td>TBD</td>
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<tr>
<td>8&quot;</td>
<td>TBD</td>
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<tr>
<td>10&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>12&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
DEPARTMENT-PERFORMED SERVICE ABANDONMENT **

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Service Sizes</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Note: Department-performed service abandonments are for upgrades or relocations only. Costs for all other abandonments to be determined.

DEPARTMENT PERFORMED MAIN TIE-IN FOR DEVELOPER-INSTALLED MAIN EXTENSION PER W3.5 AND W4.6

<table>
<thead>
<tr>
<th>Size of Tap/Tie-in</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All size Tie-ins</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Approved by Water Board: March 28, 2023
Effective: July 1, 2023
Supersedes: July 1, 2022

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
TYPE OF REQUEST:

CATEGORY (check all that apply):
☐ Request For Service Through An Existing Service Connection
☐ Application for a New Service Connection

Service Categories: If either of the two boxes is checked above, please indicate service category: For domestic/landscape services 1-1/2” and greater, please attach service demand calculations signed and stamped by a registered engineer/architect.

☐ Domestic Service: Requested Service Size______ inch Quantity Desired:______ Service Demand:______ GPM
☐ Landscape Service: Requested Service Size______ inch Quantity Desired:______ Service Demand:______ GPM

☐ Combination Domestic/Fire Service: Requested Service Size______ inch Quantity Desired:______
☐ Combination Domestic/Landscape Service: Requested Service Size______ inch Quantity Desired:______
☐ Fire Service: Requested Service Size______ inch Quantity Desired:______
☐ Fire Hydrant (Public): Quantity Desired:______
☐ Service Abandonment Size______ Quantity Desired:______
☐ Service Relocation Size______ Quantity Desired:______
☐ Fire Flow Request
☐ Will-Serve Letter
☐ Other (Explain) __________________________________________

*A nonrefundable fee will be required to process all requests as listed in the schedule of fees below. Applicants shall fill out this form and submit payment to: SBMWD Customer Service for payment at 1350 “E” Street, San Bernardino, CA 92408. Upon receipt of payment, Customer Service shall issue a work order to SBMWD Engineering to initiate processing of the application. SBMWD will not process any request(s) without receipt of payment and confirmation of same by SBMWD Customer Service.

□ What is the intended use of the information being requested?

____________________________________________________________________

☐ Please indicate a desired media:
☐ Hard Copy  ☐ Computer file (CD Rom)  ☐ Email Copy

<table>
<thead>
<tr>
<th>SERVICE SIZE (IN)</th>
<th>APPLICATION FEE</th>
<th>OTHER CATEGORIES</th>
<th>APPLICATION FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; thru 3&quot;</td>
<td>$180.00</td>
<td>Will Serve Letter</td>
<td>$180.00</td>
</tr>
<tr>
<td>4&quot; thru 12&quot;</td>
<td>$445.00</td>
<td>Fire Flow Test (Modeled)</td>
<td>$175.00</td>
</tr>
<tr>
<td></td>
<td>$445.00</td>
<td>Fire Flow Test (Field)</td>
<td>$330.00</td>
</tr>
<tr>
<td>Easement by Separate Instrument</td>
<td>$1,180.00</td>
<td>Service Relocation</td>
<td>$180.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Service Abandonment</td>
<td>$180.00</td>
</tr>
</tbody>
</table>

Note: Payment for service is not a guarantee of service until service feasibility is verified by SBMWD. If a request is deemed infeasible, all fees shall be refunded to the Applicant except for nonrefundable application fee.

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
1.0 SEWER CONNECTION APPLICATION

1.1 Applicability

This Rule and Regulation shall apply to all users of the SBMWD (or “City’s”) Collection System and those persons who desire to utilize such system. It includes all users within the City, and to users outside the City who are, by permit, contract, or agreement with the City, users of the City's Collection System.

1.2 Connection Requirements

A. The owner of any property used for human occupancy, employment, recreation, or other purposes situated within the SBMWD service area may be required to connect the property directly to the City Collection System. At no time shall any person occupy a house or any other structure in the City, unless such structure is properly connected to the City Collection System or a waiver exists as identified herein.

B. The SBMWD may waive or modify the Collection System connection requirements where one or more of the following conditions exist:

(1) The proposed single family residential development will be constructed on property larger than one-half acre, or the proposed commercial/industrial development will generate less than 200 gallons of domestic sewage per day (based on fifteen (15) gallons of sewage per day per employee); there is a natural obstruction that prevents the property from being connected to the City Collection System.

(2) The proposed development is an expansion, is less than 25% in area of the existing structure and does not exceed one thousand (1,000) square feet.
(3) The proposed development will not generate any sewage.
(4) The existing premise is already served by a satisfactorily functioning and properly permitted septic system. Such waiver or modification shall be permitted to continue until the septic system for such premise fails.

C. A waiver to connect to the City Collection System shall not be construed as approval for the installation of a septic tank. Permits for construction of septic tanks shall be subject to the Santa Ana Region State Water Resources Control Board, San Bernardino County Department of Environmental Health, City of San Bernardino Building & Safety Section, and Economic Development’s environmental review and approval process. All waivers shall be considered temporary. The sewer connection waiver requires the property owner to waive all future property rights protesting the formation of a sewer assessment district which encompasses the property.

D. A connection permit is required before any person is authorized to connect and discharge any wastewater to the City Collection System. The connection permit authorizes the person to physically connect the property to the City Collection System. The connection permit is separate and distinct from the Industrial User discharge permit required which is required of Class I-V users.

E. Connection permits shall be issued by the SBMWD Engineering Section in accordance with applicable regulations which describe the permit conditions, required construction specifications, and the corresponding fees for the connection permit.

F. Each property shall be connected to the City Collection System through a separate connection; unless the General Manager determines that a single connection will adequately protect the interests of the City. Individual connection permits are required for each separate connection.

G. The property owner is required to seal all sewer connections upon abandonment of the property to prevent wastewater flow to the City Collection System.
H. No private sewer lateral shall be joined to the City Collection System unless the private sewer lateral is entirely located on the lot on which the building or structure is located unless it is impossible or impractical to make such connection. If a lot or parcel of land requiring a private sewer lateral is so situated that access to the City Collection System is not possible except across some other lot or parcel of land, a private sewer lateral may be constructed across some other lot or parcel of land. The application for the connection permit shall be accompanied by a recorded easement executed by the owner of the lot or parcel of land across which access is required. The issuance of a permit to construct a private sewer lateral across another lot or parcel of land shall not in any manner constitute an approval of the easement.

I. If an extension of the City Sewer Collection System is required through private property, an easement by separate instrument will be required. The applicant shall have a California-licensed Civil Engineer or Land Surveyor prepare the required easement documents for the Water Department’s review and approval. This will also require the applicant to pay the $1,180.00 Easement by Separate Instrument application fee listed within the fee table on page 8 of this Rule & Regulation No. 25. An easement example is available on SBMWD’s website within the Engineering Standards section.

1.3 Sewer Connection Application Requirement

It is unlawful for any person to connect any property with any public sewer without filing an application for and obtaining a connection permit from the SBMWD, and, concurrently with the application for the permit, pay to the SBMWD the required inspection, connection, and capacity charges.

1.4 Application Form

Any person desiring a permit under this Chapter shall present a written application to the SBMWD setting forth the following:

A. The name and address of the applicant.
B. The tract number if the permit is for a subdivision approved pursuant to the Subdivision Map Act.

C. A drawing showing the location where the connection is to be made.

D. The applicant shall submit and complete a Sewer Service Application Request for Information as included as Exhibit A.

1.5 **Process Flow Chart**

The information presented in the Application Form (Exhibit A from Paragraph 1.4) shall be evaluated with the flow chart in Exhibit B to determine the appropriate jurisdiction and connection fees.

2.0 **CONSTRUCTION OF COLLECTION SYSTEM EXTENSION**

Information regarding the extension of the existing collection system may be found in Rule and Regulation No. 20.

3.0 **SEWER COLLECTION SYSTEM FEES**

3.1 **Application Fees and Related Charges**

The necessary fees and charges for the implementation of a new connection are identified in Exhibit A. These fees and charges include the following:

A. Sewer Service Application Fee;

B. Outside City Sewer Service Permit Application Fee;

C. Sewer Lateral Repair Fee;

D. Sewer Lateral Permit Inspection Fee;

E. Sewer Main Extension Plan Check Fee;

F. Sewer Main Extension Inspection Fee;

G. Collection Capacity Charge;
   a. Residential
   b. Mobile Homes
   c. Motels and Hotels
   d. Commercial, Institutional; and Industrial
3.2 **Sewer Service Application Fee**

The Sewer Service Application will be accompanied by an application fee. The amount of the application fee shall depend on whether or not the sewer service is within the City limits as set forth in Exhibit A.

3.3 **Sewer Lateral Inspection Fee**

Each application for a permit shall be accompanied by an inspection fee which shall be established by resolution of the Water Board.

3.4 **Collection Capacity Charge**

A Collection Capacity Charge shall be required for each new sewer service application. The charge shall be based on land use type: residential (per bedroom); mobile home (per home); motel and hotel (per unit); and commercial/institutional/industrial (per square foot).

3.5 **Treatment Capacity Charge**

Each application for a permit to connect any property with the Collection System, in addition to all other fees, shall be accompanied by a Treatment Capacity Charge designated for construction and improvement of wastewater treatment facilities, to provide additional capacity to meet increased demand. The charge shall be deposited in the Sewer Treatment Fund of the SBMWD (or as amended), in an amount established by resolution of the Water Board.

3.6 **Application of Pro Rata Fees**

The fees/charges imposed in this Rule and Regulation shall also apply pro rata to any alteration or addition resulting in an additional dwelling unit in a hotel or motel, but shall not apply to alterations or additions to single-family residences. The connection fees imposed by Rule and Regulation No. 5 shall also apply pro rata to any alteration or addition to any commercial, institutional or industrial development requiring a new building permit for additional area, whether or not there are sewer facilities in the addition or enlargement.
4.0 **SEWER CONNECTION IMPLEMENTATION**

4.1 **Compliance with SBMWD Specifications**

All installations of private sewer laterals shall comply with the provisions and requirements of the current standard specifications of the SBMWD on file in the office of the SBMWD’s Engineering Manager, as related to the construction of sanitary sewers.

4.2 **Inspections**

Every person doing work under this Rule and Regulation shall cause all work to be inspected by the City Public Works Division before pipe is covered by backfill. The City Public Works Division shall be notified one business day in advance of the time the inspection is required. Any work completed without such inspection shall not be accepted.

Inspections include but are not limited to the following:

A. The number of the street cutting permit obtained in accordance with Ordinance 1879 (Chapter 12.03.060).

B. Sewer Lateral Inspections: Inspection of new lateral connections.

C. Sewer Lateral Repair Inspections: Inspection of any required repairs to lateral connections.

D. Sewer Main Extension Inspections: Inspection entail review and investigation of the extension of an existing sewer main to be accepted by SBMWD as set forth in Rule and Regulation 20.
□ Date of the Request:________________________
□ Project Title:______________________________________________________________________________
□ Address of Property to be Served:________________________________________________________________

PROJECT INFORMATION:
Number of Lots/Units: ______________ Gross Acres: ______________ Number of Services: ____________
Commercial □ Industrial □ Residential □

APPLICANT INFORMATION:
□ Name of Applicant: _________________________________________________________________________
□ Contact Name: _____________________________________________________________________________ Contact Phone: (_____) _____ - ____________
□ Mailing Address: __________________________________________________________________________
□ Phone: __________________________________ Fax: _____________________________________________
□ E-mail: _________________________________________________________________________________
□ Assessor’s Parcel Number of Parcel to be Served:______________________________________________
Is this property served by a well or other source of water? □ Yes □ No
□ Does Parcel Currently have a Water Service through SBMWD? □ Yes □ No □ Don’t know
   If Yes, SBMWD Account No. _______________________________

PROPERTY OWNER INFORMATION:
□ Name of Property Owner: ___________________________________________________________________
□ Address of Property Owner: __________________________________________________________________

□ Phone Number of Property Owner: (_____) _____ - ____________

CONTRACTOR INFORMATION:
□ Name of Contractor: _________________________________________________________________________
□ Address of Contractor: ______________________________________________________________________

□ Phone Number of Contractor: (_____) _____ - ____________
TYPE OF REQUEST*:

CATEGORY (check all that apply):
- □ ** Request Sewer Collection Main Extension
- □ ** Application for a New Sewer Service Connection
- □ Application to repair an Existing Sewer Service Connection
- □ Sewer Capacity Fee (Plan Submittal Required for Commercial / Industrial Use)
- □ Other: ___________________________________

**Plan Submittal Required

Required Permits: Have the required permits been acquired from the authorizing agency?
- □ Lane Closure (City of San Bernardino) Yes ______ No ______ Reception No.______
- □ Encroachment (City of San Bernardino) Yes ______ No ______ Reception No.______
- □ Excavation (City of San Bernardino) Yes _____ No ______ Reception No.______
  - Is the excavation depth greater than 5-foot, Yes ______ No ______
- □ San Bernardino County Yes _____ No ______ Reception No.______
- □ Other (Explain) _____________________________________________________________________

*A nonrefundable fee will be required to process all requests as listed in the schedule of fees below. Applicants shall fill out this form and submit payment to: SBMWD Customer Service at 1350 South “E” Street, San Bernardino, CA 92408. Upon receipt of payment, customer service shall issue a work order to SBMWD Engineering to initiate processing of the application. SBMWD will not process any request(s) without receipt of payment and confirmation of same by SBMWD Customer Service.

□ What is the intended use of the information being requested?

________________________________________________________________________________________

□ Please indicate a desired media:
  - □ Hard copy    □ Computer file (CD Rom)    □ Email electronic copy

________________________________________________________________________________________

APPLICATION FEES

<table>
<thead>
<tr>
<th>APPLICATION CATEGORY</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Service Application Fee</td>
<td>$180.00</td>
</tr>
<tr>
<td>Outside City Sewer Service Permit Application Fee</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>Easement by Separate Instrument Plan Check Fee</td>
<td>$1,180.00</td>
</tr>
</tbody>
</table>

POTENTIAL CHARGES (TO BE DETERMINED BY ENGINEERING)

<table>
<thead>
<tr>
<th>MISC SERVICE CHARGE</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Lateral Repair Inspection Fee</td>
<td>$130.00</td>
</tr>
<tr>
<td>Sewer Lateral Permit Inspection Fee</td>
<td>$415.00</td>
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<td>Sewer Main Extension Plan Check Fee</td>
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<tr>
<td>Sewer Main Extension Inspection Fee</td>
<td>TBD</td>
</tr>
<tr>
<td>Residential Collection Capacity Charge</td>
<td>$420.00/Bedroom</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MISC SERVICE CHARGE</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Homes Collection Capacity Charge</td>
<td>$420.00/ Mobile Home</td>
</tr>
<tr>
<td>Motel and Hotels Collection Capacity Charge</td>
<td>$167.00/Unit</td>
</tr>
<tr>
<td>Commercial, Institutional, and Industrial Collection Capacity Charge</td>
<td>$330.00/3,000 Sq. ft.</td>
</tr>
<tr>
<td>Residential Treatment Capacity Charge(Up to 3 units)</td>
<td>$3,500 Per Dwelling Unit</td>
</tr>
</tbody>
</table>

Note: Payment for service is not a guarantee of service until service feasibility is verified by SBMWD. If a request is deemed infeasible, all fees shall be refunded to the Applicant except for nonrefundable application fee.
Exhibit B
Rule and Regulation No. 25

SBMWD Sewer Service Process Flow Chart

Applicant contacts SBMWD Engineering Department at (909) 453-6175. Information required: property owner's name, property address and type, contact information, and Assessor's Parcel Number (APN).

Is this property within SBMWD sewer service boundary? (City of San Bernardino, Loma Linda, East Valley Water District, or limited unincorporated SB County area.)

SBMWD can not provide service

Is the sewer pipeline available?
- Property located in the SBMWD Service Area, confirm with SBMWD Engineering Section at (909) 453-6175
- Property located in the City of Loma Linda, confirm with Ll Public Works at (909) 798-4404
- Property located in the East Valley Water District's Service Area, confirm with EVWD at (909) 888-8986

Local Agency Formation Commission (LAFCO) approval likely required (215 N. "D" Street, Suite 204, San Bernardino, CA 92415 – (909) 383-8900)

Sewer Capacity Fee – Contact SBMWD Engineering Section for the fee estimate. Total Cost Includes: Sewer Capacity Fee (SBMWD) + Possible Connection Application Fee (City/EVWD) + Installation Cost (Owner's responsibility)

Information Required for Multiple Residential (4 units or more per parcel) or Non-residential application:
- Approved Building Plans
- County Assessor / Type of Property
- Other Required Information

Pay the amount specified in Sewer Capacity Worksheet (estimate) at Customer Service Counter (1350 S. "E" St, San Bernardino, CA 92408). Cash or check only.

Provide receipt to SBMWD Engineering Section.

Obtain the "Certificate of Payment" from SBMWD Engineering Section.

Contact City of San Bernardino Public Works Department, City of Loma Linda, or East Valley Water District for Sewer Connection Permits.

This chart is used only to illustrate the general process of sewer capacity fee for applicants with no existing service.
SBMWD Engineering Section: 397 Chandler Place, San Bernardino, CA 92408 – (909) 453-6175 – Last updated: July 2020
1.0 REQUEST FOR SERVICE:

There are two (2) categories of requests for service:

1. Request for service through an existing service connection; or

2. Application for a new service connection.

Requests for services will fall into the following subcategories:

1. Domestic Service
2. Landscape Service
3. Fire Service
4. Combination Domestic/Landscape Service
5. Combination Domestic/Fire Service
6. Fire Hydrant (Public)

The Water Department will require any Applicant requesting service to complete an Application for domestic water service located in Exhibit A and sign appropriate forms provided by the Water Department, and to pay all required fees, and charges. The Applicant may request a water commitment for service in the form of a Will Serve Letter. If a Will Serve Letter is desired, the Application located in Exhibit A shall be completed by the Applicant.

A separate landscape irrigation meter shall be required for all new service connections that serve a parcel containing more than 5,000 square feet of irrigated landscape area for all commercial and industrial developments.

Notwithstanding any provision in the Rules and Regulations, payment of fee or construction of water facilities at a developer or Water Department’s expense, the Water Department may deny any request for a water commitment or request for a service connection if the Water Department has an inadequate amount of water supply, or there are physical limitations in the system capacity to serve the proposed Applicant and simultaneously maintain an adequate
level of service to existing customers, or compromises public health and welfare.

1.1 Inaccurate/Insufficient Information

In the event information provided by the Applicant is found to be inaccurate or insufficient after work has commenced or service has been turned on, the Applicant will pay any and all costs and/or fees, and charges, necessary to effect corrective action and Rule and Regulation compliance. The above will also apply in instances of onsite changes necessitating corrective action or modification to the service connection.

1.2 Application/Request For Information (RFI) Fee

All Applicants will be required to pay the appropriate Application/Request For Information (RFI) fee prior to the Water Department processing any such RFI or Application. The Application/RFI form is attached to the end of this Rule and Regulation as Exhibit A or can be retrieved online at:

http://www.sbmwd.org/

2.0 WATER DEPARTMENT-INSTALLED SERVICES:

At time of application and payment of application fee, the Applicant shall request the size and type of service(s) desired and location(s) by address and Assessor's Parcel Number (APN). Customer Service will send receipt of application payment to Engineering where an Applicant service installation cost in the form of a work order invoice will be generated documenting total service installation costs by Water Department personnel to be paid by the Applicant.

Applicant shall pay the application fee required in Section 1.2 of this Rule and Regulation at the Water Department Customer Service prior to Water Department Engineering preparing the service work order invoice. The Applicant shall pay the fee documented on the service work order invoice at Water Department Customer Service for such service connection prior to service installation.

3.0 DEVELOPER-INSTALLED SERVICES:

The Applicant may, upon Water Department approval, have the service(s) installed by a licensed contractor acceptable to the Water Department if the Applicant will be entering into a Developer-Installed Agreement with the Water Department for water main extensions per Rule and Regulation No. 20. The Applicant for developer-installed services shall obtain

On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
and adhere to the guidelines of the Developer-Installed Agreement (includes contractor insurance requirements, bonding, city street cut permit, Water Department’s Standards For Design and Construction For Water System Improvements (Design Standards), Water Department's Standard Specifications and Drawings for Construction of Domestic Water Systems (Standards), and inspection by Water Department personnel or assigned designee and pay all associated administration and engineering fees, capacity charges (except when a Payment Bond is posted in the amount of 25 percent of the capacity charge in advance per Rule and Regulation No. 20), and meter cost as established within this Rule and Regulation.

All developer-installed domestic, landscape, or any combination of meter services installed within dedicated City/Water Department right-of-way shall be conveyed fee-title to the Water Department prior to or at the time of service activation and shall conform to Water Department's Standards.

### A. WATER CAPACITY CHARGE

1. The water Capacity Charge will apply to all new domestic and landscape meter service applications and/or service diameter increases and is based upon the instantaneous water demand that each service size imposes on the municipal water system.

2. Multiple family dwelling units, as defined in Rule and Regulation No. 1, shall be charged based on a 0.50 equivalent meter unit ratio (EMU), equivalent to 50 percent of the capacity charge for a single 5/8" x 3/4" service per dwelling unit or by meter size if property is to be master-metered, whichever is the greater amount.

3. All capacity charges shall be paid prior to any water service connection or at the time of application for any new construction and shall be in addition to all other charges imposed by the Water Department, except when entering into a developer-installed agreement per Rule and Regulation No. 20 and a Payment Bond is posted to cover 25 percent of the total water capacity charge in advance of the execution of the developer-installed agreement.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

## WATER CAPACITY CHARGE
### DOMESTIC AND LANDSCAPE SERVICES

<table>
<thead>
<tr>
<th>SIZE OF SERVICE</th>
<th>EMU</th>
<th>MAX FLOW (GPM)</th>
<th>WATER CAPACITY CHARGE 7/01/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>1.00</td>
<td>20.00</td>
<td>$6,210.00</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>1.50</td>
<td>30.00</td>
<td>$9,310.00</td>
</tr>
<tr>
<td>1&quot;</td>
<td>2.50</td>
<td>50.00</td>
<td>$15,510.00</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>5.00</td>
<td>100.00</td>
<td>$31,030.00</td>
</tr>
<tr>
<td>2&quot;</td>
<td>8.00</td>
<td>160.00</td>
<td>$49,660.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>25.00</td>
<td>500.00</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>4&quot;</td>
<td>50.00</td>
<td>1,000.00</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>6&quot;</td>
<td>80.00</td>
<td>1,600.00</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>8&quot;</td>
<td>140.00</td>
<td>2,800.00</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>10&quot;</td>
<td>275.00</td>
<td>5,500.00</td>
<td>To Be Determined</td>
</tr>
<tr>
<td>12&quot;</td>
<td>275.00</td>
<td>5,500.00</td>
<td>To Be Determined</td>
</tr>
</tbody>
</table>

(1) Capacities for meters 3-inches and above are for the Department standard high-velocity meters. There are several applicable factors that are considered for site specific large meter installations, and since these specific operating criteria may affect the maximum meter capacity, the Water Capacity Charges for the 3-inch and larger installations are to be determined on a case-by-case basis.

(2) On July 1 of each calendar year, the Water Capacity Charge shall automatically increase in proportion to the published twelve-month increase measured in September each year in the Construction Cost Index. This index is published in “Engineering News Record,” a publication of McGraw-Hill, Inc. The Water Board may, at its option, determine by resolution adopted prior to November 1, that such an increase shall not be effective for the next succeeding fiscal year (always starting on July 1). In the event the Construction Cost Index has not changed or has decreased, the charge shall not be changed.

## B. WATER CAPACITY CHARGE CREDIT

1. When an existing water service is increased in size, the amount of water capacity charge due is calculated from the difference between the requested larger capacity charge minus the existing service size capacity charge. Any existing capacity charge credit available for the parcel requesting upsizing may be utilized to offset the capacity charge amount due. If credit is larger than the amount due for the upgrade, the amount left over will remain indefinitely. If the credit does not cover the amount due, then the
difference is calculated and due prior to installation. For existing services that were installed prior to November 1, 2019, capacity charge credit will not exceed the EMU (previously referred to as EDU) of when the service was originally installed.

2. When an existing water service is decreased in size, the capacity charge credit is calculated by the difference in the current capacity charge of the larger service to the smaller service. This credit shall remain with the parcel indefinitely. However, the Department will not be solely responsible for tracking any remaining capacity charge credit. If the Department is unable to verify an existing credit, the owner shall be responsible for providing evidence of any remaining capacity charge credit balance.

3. The capacity charge credit may only be used to offset capacity charges for water service upgrades. No refunds of capacity charges will be made, no exceptions.

4. Capacity charge credits may only be applied toward the parcel utilizing the service and is non-transferable to other parcels held by the same or different owners.

5. Capacity charge credits from two or more separate parcels may be applied toward one parcel capacity charges if the individual parcels were legally merged into the one parcel.

6. All domestic, and landscape, service capacity credits are to be considered interchangeable within the same parcel when requesting a new service and utilizing any capacity credit.

**DEVELOPER-INSTALLED SERVICE(S) FEES & CHARGES**

Developer-installed service applications will only be considered with tract or parcel map developments with Developer-installed Agreements per Rule and Regulation No. 20. All other service requests will be installed by the Water Department.
C. DEVELOPER-INSTALLED SERVICES GENERAL RULES

1. Domestic, Landscape, or Fire Service Meter - Developer shall purchase meter from Water Department, no exceptions.

2. Capacity charge based upon size of meter being installed, except when multiple family dwelling units require service as listed in paragraph A of this Rule and Regulation.

3. Capacity charge for combination domestic/fire shall be based upon size of domestic meter as listed in paragraph A of this Rule and Regulation.

4. Minimum fire service meter size is 1".

5. Capacity charge for combination domestic/landscape service shall be based upon size of largest meter being installed.

5.6. If an extension of the Department’s Network Water Distribution System is required through private property, an easement by separate instrument will be required. The applicant will need to have a California-licensed Civil Engineer or Land Surveyor prepare the required easement documents for the Water Department’s review and approval. This will also require the applicant to pay the $1,180.00 Easement by Separate Instrument application fee listed within the fee table on page 2 of Exhibit A of this Rule & Regulation No. 5. An easement example is available on SBMWD’s website within the Engineering Standards section.

DEPARTMENT-INSTALLED SERVICE(S) FEES & CHARGES

D. DEPARTMENT-INSTALLED SERVICES

1. Water Service shall be executed by completing the attached Application/RFI Form in Exhibit A and payment of the application fee and total installation cost per the attached tables at Water Department Customer Service. If a service requested is not listed on the attached tables or has a total cost stated as "To Be Determined (TBD)", a work order will be issued to Water Department Engineering to calculate the total service installation fees and charges and provide a service work order invoice to the Applicant per Note 2 below.

2. Water Department Engineering shall prepare a service installation cost invoice documenting service
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

3. Department-Installed Services - Cost includes all labor, equipment, materials, administration, and engineering fees and capacity charges.

4. Capacity charge based upon size of meter and cannot be deferred.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

### DEPARTMENT-INSTALLED DOMESTIC METER SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot;</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>TBD</td>
<td>$31,030.00</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot;</td>
<td>TBD</td>
<td>$49,660.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>4&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>6&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>8&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>10&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>12&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### DEPARTMENT-INSTALLED LANDSCAPE METER SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; X 3/4&quot;</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot;</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>TBD</td>
<td>$31,030.00</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot;</td>
<td>TBD</td>
<td>$49,660.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>4&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>6&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>8&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>10&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>12&quot;</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

### DEPARTMENT-INSTALLED COMBINATION
#### DOMESTIC - LANDSCAPE METER SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Domestic x 5/8&quot; x 3/4&quot; Landscape</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; x 3/4&quot; Domestic x 3/4&quot; x 3/4&quot; Landscape</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot; Domestic x 1&quot; Landscape</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot; Domestic x 1-1/2&quot; Landscape</td>
<td>TBD</td>
<td>$31,030.00</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot; Domestic x 2&quot; Landscape</td>
<td>TBD</td>
<td>$49,660.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot; Domestic x 3&quot; Landscape</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Others</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### DEPARTMENT-INSTALLED COMBINATION
#### DOMESTIC - FIRE SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Domestic x 1&quot; Fire</td>
<td>TBD</td>
<td>$6,210.00</td>
<td>TBD</td>
</tr>
<tr>
<td>3/4&quot; x 3/4&quot; Domestic x 1&quot; Fire</td>
<td>TBD</td>
<td>$9,310.00</td>
<td>TBD</td>
</tr>
<tr>
<td>1&quot; Domestic x 1&quot; Fire</td>
<td>TBD</td>
<td>$15,510.00</td>
<td>TBD</td>
</tr>
<tr>
<td>Others</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Use Domestic Capacity Charge
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.

### DEPARTMENT-INSTALLED FIRE SERVICE

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Fire Service</td>
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<td>TBD</td>
</tr>
<tr>
<td>1-1/2&quot; Fire Service</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
<tr>
<td>2&quot; Fire Service</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
<tr>
<td>3&quot; Fire Service</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
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<td>4&quot; Fire Service</td>
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<tr>
<td>6&quot; Fire Service</td>
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<tr>
<td>8&quot; Fire Service</td>
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<td>Not Applicable</td>
<td>TBD</td>
</tr>
<tr>
<td>10&quot; Fire Service</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
<tr>
<td>12&quot; Fire Service</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
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</table>

### DEPARTMENT-INSTALLED FIRE HYDRANT

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6&quot; Fire Hydrant (Recommended For Industrial Use)</td>
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<td>TBD</td>
</tr>
<tr>
<td>6&quot; Fire Hydrant (Recommended For Residential Use)</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### DEPARTMENT-INSTALLED INDUSTRIAL FIRE HYDRANT REPAIRS

<table>
<thead>
<tr>
<th>Size of Hydrant</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Types of Fire Hydrant Repairs</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### DEPARTMENT-INSTALLED RESIDENTIAL FIRE HYDRANT REPAIRS

<table>
<thead>
<tr>
<th>Size of Hydrant</th>
<th>Installation Cost</th>
<th>Water Capacity Charge</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Types of Fire Hydrant Repairs</td>
<td>TBD</td>
<td>Not Applicable</td>
<td>TBD</td>
</tr>
</tbody>
</table>
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
On July 1 of each year the Water Capacity Charge will automatically increase in proportion to the published 12-month increase measured in September each year in the Construction Cost Index, unless the Water Board determines that such an increase shall not be effective for the next succeeding fiscal year, or if the index does not increase or change.
1.0 SEWER CONNECTION APPLICATION

1.1 Applicability

This Rule and Regulation shall apply to all users of the SBMWD (or “City’s”) Collection System and those persons who desire to utilize such system. It includes all users within the City, and to users outside the City who are, by permit, contract, or agreement with the City, users of the City's Collection System.

1.2 Connection Requirements

A. The owner of any property used for human occupancy, employment, recreation, or other purposes situated within the SBMWD service area may be required to connect the property directly to the City Collection System. At no time shall any person occupy a house or any other structure in the City, unless such structure is properly connected to the City Collection System or a waiver exists as identified herein.

B. The SBMWD may waive or modify the Collection System connection requirements where one or more of the following conditions exist:
   (1) The proposed single family residential development will be constructed on property larger than one-half acre, or the proposed commercial/industrial development will generate less than 200 gallons of domestic sewage per day (based on fifteen (15) gallons of sewage per day per employee); there is a natural obstruction that prevents the property from being connected to the City Collection System.
   (2) The proposed residential development of four (4) units or less is an infill project, where structures exist on at least 75% of the block and none of the properties are connected to the City Collection System.
(3)(2) The proposed development is an expansion, is less than 25% in area of the existing structure, and does not exceed one thousand (1,000) square feet.

(4)(3) The proposed development will not generate any sewage.

(5)(4) The existing premise is already served by a satisfactorily functioning and properly permitted septic system. Such waiver or modification shall be permitted to continue until the septic system for such premise fails.

C. A waiver to connect to the City Collection System shall not be construed as approval for the installation of a septic tank. Permits for construction of septic tanks shall be subject to the Santa Ana Region State Water Resources Control Board, San Bernardino County Department of Environmental Health, City of San Bernardino Building & Safety Section of the Community, and Economic Development’s environmental review and approval process. All waivers shall be considered temporary. Connection to the City Collection System will be required within one hundred twenty (120) days when the City Collection System is constructed less than three hundred (300) feet from the owner’s property line. The sewer connection waiver requires the property owner to waive all future property rights protesting the formation of a sewer assessment district which encompasses the property. An administrative fee of five hundred dollars ($500) is required for all requests to waive the sewer connection requirements.

D. A connection permit is required before any person is authorized to connect and discharge any wastewater to the City Collection System. The connection permit authorizes the person to physically connect the property to the City Collection System. The connection permit is separate and distinct from the Industrial User discharge permit required which is required of Class I-V users.

E. Connection permits shall be issued by the SBMWD Engineering Section in accordance with applicable regulations which describe the permit conditions, required construction specifications, and the corresponding fees for the connection permit.
F. Each property shall be connected to the City Collection System through a separate connection; unless the General Manager determines that a single connection will adequately protect the interests of the City. Individual connection permits are required for each separate connection.

G. The property owner is required to seal all sewer connections upon abandonment of the property to prevent wastewater flow to the City Collection System.

H. No private sewer lateral shall be joined to the City Collection System unless the private sewer lateral is entirely located on the lot on which the building or structure is located unless it is impossible or impractical to make such connection. If a lot or parcel of land requiring a private sewer lateral is so situated that access to the City Collection System is not possible except across some other lot or parcel of land, a private sewer lateral may be constructed across some other lot or parcel of land. The application for the connection permit shall be accompanied by a recorded easement executed by the owner of the lot or parcel of land across which access is required. The issuance of a permit to construct a private sewer lateral across another lot or parcel of land shall not in any manner constitute an approval of the easement.

H. I. If an extension of the City Sewer Collection System is required through private property, an easement by separate instrument will be required. The applicant will need to have a California-licensed Civil Engineer or Land Surveyor prepare the required easement documents for the Water Department’s review and approval. This will also require the applicant to pay the $1,180.00 Easement by Separate Instrument application fee listed within the fee table on page 8 of this Rule & Regulation No. 25. An easement example is available on SBMWD’s website within the Engineering Standards section.

1.3 Sewer Connection Application Requirement

It is unlawful for any person to connect any property with any public sewer without filing an application for and obtaining a connection permit from the SBMWD, and, concurrently with the application for the permit, pay to the
SBMWD the required inspection, connection, and capacity charges.

1.4 Application Form

Any person desiring a permit under this Chapter shall present a written application to the SBMWD setting forth the following:

A. The name and address of the applicant.

B. The tract number if the permit is for a subdivision approved pursuant to the Subdivision Map Act.

C. A drawing showing the location where the connection is to be made.

D. The number of the street cutting permit obtained in accordance with Ordinance 1879 (Chapter 12.04.

E. The applicant shall submit and complete a Sewer Service Application Request for Information as included as Exhibit A.

1.5 Process Flow Chart

The information presented in the Application Form (Exhibit A from Paragraph 1.4) shall be evaluated with the flow chart in Exhibit B to determine the appropriate jurisdiction and connection fees.

2.0 CONSTRUCTION OF COLLECTION SYSTEM EXTENSION

Information regarding the extension of the existing collection system may be found in Rule and Regulation No. 20.

3.0 SEWER COLLECTION SYSTEM FEES

3.1 Application Fees and Related Charges

The necessary fees and charges for the implementation of a new connection are identified in Exhibit A. These fees and charges include the following:

A. Sewer Service Application Fee;

B. Outside City Sewer Service Permit Application Fee;
C. Sewer Lateral Repair Fee;
D. Sewer Lateral Permit Inspection Fee;
E. Sewer Main Extension Plan Check Fee;
F. Sewer Main Extension Inspection Fee;
G. Collection Capacity Charge;
   a. Residential
   b. Mobile Homes
   c. Motels and Hotels
   d. Commercial, Institutional; and Industrial
H. Treatment Capacity Charge;
H.I. Easement by Separate Instrument (if required)

3.2 Sewer Service Application Fee

The Sewer Service Application will be accompanied by an application fee. The amount of the application fee shall depend on whether or not the sewer service is within the City limits as set forth in Exhibit A.

3.3 Sewer Lateral Inspection Fee

Each application for a permit shall be accompanied by an inspection fee which shall be established by resolution of the Water Board.

3.4 Collection Capacity Charge

A Collection Capacity Charge shall be required for each new sewer service application. The charge shall be based on land use type: residential (per bedroom); mobile home (per home); motel and hotel (per unit); and commercial/institutional/industrial (per square foot).
3.5 **Treatment Capacity Charge**

Each application for a permit to connect any property with the Collection System, in addition to all other fees, shall be accompanied by a Treatment Capacity Charge designated for construction and improvement of wastewater treatment facilities, to provide additional capacity to meet increased demand. The charge shall be deposited in the Sewer Treatment Fund of the SBMWD (or as amended), in an amount established by resolution of the Water Board.

3.6 **Application of Pro Rata Fees**

The fees/charges imposed in this Rule and Regulation shall also apply pro rata to any alteration or addition resulting in an additional dwelling unit in a hotel or motel, but shall not apply to alterations or additions to single-family residences. The connection fees imposed by Rule and Regulation No. 5 shall also apply pro rata to any alteration or addition to any commercial, institutional or industrial development requiring a new building permit for additional area, whether or not there are sewer facilities in the addition or enlargement.

4.0 **SEWER CONNECTION IMPLEMENTATION**

4.1 **Compliance with SBMWD Specifications**

All installations of private sewer laterals shall comply with the provisions and requirements of the current standard specifications of the SBMWD on file in the office of the SBMWD’s Engineering Manager, as related to the construction of sanitary sewers.

4.2 **Inspections**

Every person doing work under this Rule and Regulation shall cause all work to be inspected by the City Public Works Division before pipe is covered by backfill. The City Public Works Division shall be notified one business day in advance of the time the inspection is required. Any work completed without such inspection shall not be accepted.

Inspections include but are not limited to the following:

A. The number of the street cutting permit obtained in accordance with Ordinance 1879 (Chapter 12.03.060).
A-B. Sewer Lateral Inspections: Inspection of new lateral connections.

B-C. Sewer Lateral Repair Inspections: Inspection of any required repairs to lateral connections.

C-D. Sewer Main Extension Inspections: Inspection entail review and investigation of the extension of an existing sewer main to be accepted by SBMWD as set forth in Rule and Regulation 20.
**Exhibit A**
Rule and Regulation No. 25
(continued)

**TYPE OF REQUEST**: 

**CATEGORY (check all that apply):**
- [ ] **Request Sewer Collection Main Extension**
- [ ] **Application for a New Sewer Service Connection**
- [ ] **Application to repair an Existing Sewer Service Connection**
- [ ] Sewer Capacity Fee (Plan Submittal Required for Commercial / Industrial Use)
- [ ] Other:

**Plan Submittal Required**

Required Permits: Have the required permits been acquired from the authorizing agency?
- [ ] Lane Closure (City of San Bernardino) Yes No Receipt No.
- [ ] Encroachment (City of San Bernardino) Yes No Receipt No.
- [ ] Excavation (City of San Bernardino) Yes No Receipt No.
- [ ] San Bernardino County Yes No Receipt No.
- [ ] Other (Explain):

*A nonrefundable fee will be required to process all requests as listed in the schedule of fees below. Applicants shall fill out this form and submit payment to: SBMWD Customer Service at 1350 South “E” Street, San Bernardino, CA 92408. Upon receipt of payment, customer service shall issue a work order to SBMWO Engineering to initiate processing of the application. SBMWD will not process any request(s) without receipt of payment and confirmation of same by SBMWD Customer Service.*

- [ ] What is the intended use of the information being requested?

- [ ] Please indicate a desired media:
  - [ ] Hard copy
  - [ ] Computer file (CD Rom)
  - [ ] Email electronic copy

**APPLICATION FEES**

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<td>Outside City Sewer Service Permit Application Fee</td>
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**POTENTIAL CHARGES (TO BE DETERMINED BY ENGINEERING)**

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<td>Sewer Main Extension Inspect Fee</td>
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<tr>
<td>Residential Treatment Capacity Charge (All Others)</td>
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<td>Residential Treatment Capacity Charge (Up to 3 units)</td>
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<tr>
<td>Mobile Homes Collection Capacity Charge</td>
<td>$420.00/ Mobile Home</td>
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<tr>
<td>Motel and Hotels Collection Capacity Charge</td>
<td>$167.00/ Unit</td>
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<td>Commercial, Institutional, and Industrial Collection Capacity Charge</td>
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<tr>
<td>Residential Treatment Capacity Charge (Up to 3 units)</td>
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<tr>
<td>Mobile Homes Collection Capacity Charge</td>
<td>$420.00/ Bedroom</td>
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<tr>
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<tr>
<td>Residential Treatment Capacity Charge (Up to 3 units)</td>
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<tr>
<td>Mobile Homes Collection Capacity Charge</td>
<td>$420.00/ Mobile Home</td>
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<td>Motel and Hotels Collection Capacity Charge</td>
<td>$167.00/ Unit</td>
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<tr>
<td>Commercial, Institutional, and Industrial Collection Capacity Charge</td>
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<tr>
<td>Residential Treatment Capacity Charge (Up to 3 units)</td>
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<tr>
<td>Mobile Homes Collection Capacity Charge</td>
<td>$420.00/ Mobile Home</td>
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<tr>
<td>Commercial, Institutional, and Industrial Collection Capacity Charge</td>
<td>TBD</td>
</tr>
<tr>
<td>Residential Treatment Capacity Charge (Up to 3 units)</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Note:** Payment for service is not a guarantee of service until service feasibility is verified by SBMWD. If a request is deemed infeasible, all fees shall be refunded to the Applicant except for nonrefundable application fee.
Exhibit B
Rule and Regulation No. 25

SBMWD Sewer Service Process Flow Chart

Applicant contacts SBMWD Engineering Department at (909) 453-6175. Information required: property owner’s name, property address and type, contact information, and Assessor’s Parcel Number (APN).

Is this property within SBMWD sewer service boundary? (City of San Bernardino, Loma Linda, East Valley Water District, or limited Unincorporated SB County area.)

SBMWD can not provide service

Is the sewer pipeline available?

- Property located in the SBMWD Service Area, confirm with SBMWD Engineering Section at (909) 453-6175
- Property located in the City of Loma Linda, confirm with Ll Public Works at (909) 792-4404
- Property located in the East Valley Water District’s Service Area, confirm with EVWD at (909) 888-8586

Contact the respective Agency for options

Local Agency Formation Commission (LAPCO) approval likely required (215 N. “D” Street, Suite 204, San Bernardino, CA 92415 – (909) 389-8900)

Sewer Capacity Fee = Contact SBMWD Engineering Section for the fee estimate. Total Cost Includes: Sewer Capacity Fee (SBMWD) + Possible Connection Application Fee (City/EVWD) + Installation Cost (Owner's responsibility)

Information Required for Multiple Residential (4 units or more per parcel) or Non-residential application:

- Approved Building Plans
- County Assessor / Type of Property
- Other Required Information

Pay the amount specified in Sewer Capacity Worksheet (estimate) at Customer Service Counter (1350 S. "B" St, San Bernardino, CA 92408). Cash or check only.

Provide receipt to SBMWD Engineering Section.

Obtain the "Certificate of Payment" from SBMWD Engineering Section.

Contact City of San Bernardino Public Works Department, City of Loma Linda, or East Valley Water District for Sewer Connection Permits.

This chart is used only to illustrate the general process of sewer capacity fee for applicants with no existing service.

SBMWD Engineering Section: 397 Chandler Place, San Bernardino, CA 92408 – (909) 453-6175 – Last updated: July 2020
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

TO: Miguel J. Guerrero, P.E., General Manager

FROM: Kevin T. Stewart, P.E., Director of Water Reclamation

SUBJECT: AWARD OF CONTRACT – EMERGENCY DRYING BEDS LINING PROJECT - SPECIFICATION NO. 1767

DATE: March 20, 2023

CC: W. Huang, J. Stewart, J. Carrillo, F. Lopez, J. Hanford, T. Mendenhall, J. Branch, Laserfiche

BACKGROUND:

In April 2021, the Santa Ana Regional Water Quality Control Board (SARWQCB) conducted an inspection of the Department's Water Reclamation Plant (WRP), including the existing sludge drying beds. These beds were initially installed in 1958, however, the Department has not utilized them since 1985 when the dewatering system was upgraded. As a result of maintenance on Digester D in 2021, the beds were temporarily utilized to place digested solids to be hauled as Class B Biosolids. As such, the Department was advised by SARWQCB that the use of these drying beds was not in compliance with California Code of Regulations, Title 27, which requires a double lined containment system, like what is required in landfills. The Emergency Drying Bed Lining Project consists of lining two (2) existing drying beds with concrete and construction of associated improvements within WRP.

Specifications were advertised on January 27, 2023, for Specification No. 1767, FURNISH ALL LABOR, EQUIPMENT, AND MATERIALS FOR THE EMERGENCY DRYING BEDS LINING PROJECT, LOCATED IN SAN BERNARDINO, CALIFORNIA. Specifications were provided to contractors through newspapers and the Department's automated online bidding system, PlanetBids. The Engineering estimate for this project was $8,000,000.00. The two bids received and opened on February 27, 2023, are as follows:

<table>
<thead>
<tr>
<th>BIDDERS NAME</th>
<th>LOCATION</th>
<th>LUMP SUM</th>
<th>SUBS LISTED</th>
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</thead>
<tbody>
<tr>
<td>PACIFIC HYDROTECH CORPORATION</td>
<td>PERRIS</td>
<td>$6,716,300.00</td>
<td>YES</td>
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<tr>
<td>H&amp;H GENERAL CONTRACTORS, INC.</td>
<td>HIGHLAND</td>
<td>$6,775,900.00</td>
<td>YES</td>
</tr>
</tbody>
</table>
SUBJECT: AWARD OF CONTRACT – EMERGENCY DRYING BEDS LINING PROJECT - SPECIFICATION NO. 1767

All bidders submitted the appropriate bid bond with their proposal.

GOALS AND OBJECTIVES:

This project aligns with the Department’s Strategic Plan under Target 2: Infrastructure / Efficiencies, Goal #4: Address the Department’s aging infrastructure and Goal #5: Address the impact of regulatory requirements.

FUNDING SOURCE:

The funding source for this project is the FY 2022/2023 Sewer Treatment Fund Capital Improvement Project titled Emergency Drying Beds Lining Project (C.O. 00286) which currently has a total of $7,500,000.00 in unencumbered funds.

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

- Accept the bid of Pacific Hydrotech Corporation as the lowest responsive, responsible bidder and award a contract in the amount of SIX MILLION SEVEN HUNDRED SIXTEEN THOUSAND THREE HUNDRED AND 00/100 DOLLARS ($6,716,300.00) for the EMERGENCY DRYING BEDS LINING PROJECT, retain the bid securities in accordance with Specification No. 1767; and authorize the General Manager to execute the contract and sign and verify a Notice of Completion.

Respectfully submitted,

Kevin T. Stewart, P.E.
Director of Water Reclamation

Attachments – Bid Results Sheet

Sdm:kts
**City of San Bernardino Municipal Water Department**  
**Bid Results Data Sheet**

<table>
<thead>
<tr>
<th>Chronology</th>
<th>1767</th>
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<tr>
<td>Specification Title:</td>
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<tr>
<td>Previous BOWC actions/approvals:</td>
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<tr>
<td>Date Advertised:</td>
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<td>Where Advertised (Papers, Plan rooms):</td>
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<td>Number of contractors present:</td>
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<tr>
<td>Total number of bids received:</td>
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<tr>
<td>Number of bidders not responding:</td>
<td>751</td>
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<tr>
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<td>February 27, 2023</td>
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<td>Number of responsive bids:</td>
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<tr>
<th>Bidders Name</th>
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<tr>
<td>PACIFIC HYDROTECH CORPORATION</td>
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<td>H&amp;H GENERAL CONTRACTORS, INC.</td>
<td>$6,775,900.00</td>
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<td>BOND</td>
<td>HIGHLAND</td>
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</table>

SIGNED: Sydney Morrison, Contracts Administrator  
DATE: March 20, 2023
Emergency Drying Beds Lining Project

Spec 1728 – Design – Black & Veatch
Spec 1767 – Construction – Pacific Hydrotech
Drying Beds

- 1958 Construction
- 8 Beds (Used)
- 1985 Dewatering Bldg
- 6 Beds (Unused)
1985 Dewatering Building

- Stopped using drying beds
- Belt presses
- Centrifuges
- Conveyor belt & silo system
Temporary Use

- Class B Biosolids
- Storage until hauled
- Emergency use
- Temporary use during digester maintenance

- NOT routine
- NOT for dewatering
Proposed Project

- Concrete Channel w/ Metal Grating
- Relocate existing light pole to east side of push wall
- Relocate existing light pole to east side of push wall
- Future connections, flanged pipe spools
- Concrete channel with metal grating (1/3 or 1/5 bed length)
- Concrete channel with metal grating (1/2 or 1/3 of bed length)
- Relocate existing light pole to east side of push wall
- Future connections, flanged pipe spools
- Decant gate (downward opening gate) in drain box
- Decant gate (downward opening gate) in drain box
- Emergency budge, setting bed
- Summit: summit area
- Underground gas storage area

Diagram:
- Push wall
- Ramps
- Road
- 30'
Proposed Project
Thank You
TO: Miguel J. Guerrero, P.E., General Manager
FROM: Kevin T. Stewart, P.E., Director of Water Reclamation
SUBJECT: REPLACEMENT OF DIGESTERS C & D MIXING PUMPS
DATE: March 17, 2023
CC: Cindy Mouser, Finance Manager, Travis Mendenhall, Aaron Winchester, Jamie Laureano, Laserfiche

BACKGROUND:
The Water Reclamation Plant (WRP) was constructed in 1958. In 1985 a plant expansion known as the Solids Handling Improvements commenced. Part of this project included the installation of two new digesters (Digesters C & D), along with the ancillary equipment to operate the digesters. Each digester has its own mixing equipment which is original to the installation and consists of pumps, conveyance piping, and mixing nozzles.

The mixing pumps are now 34 years old and are beyond their useful life and need replacement. The current design of the pumps does not offer any cutting of debris which causes operational and maintenance issues by clogging the mixing system. Both pumps were included in the Asset Register for the 2019 WRP Master Plan. Digester C has a Probability of Failure (POF) score of “High/100%.” Digester D currently has a Probability of Failure score of “Medium/65%.” Both have a Consequence of Failure (COF) score of 6.4. Given that Digester B (as backup) is out of service, the COF scores are necessarily higher than previously scored at this time. The overall Risk Score for both pumps is 6.0 (High), which indicates the need for prioritized replacement.

Based upon the operational needs of the Plant, replacing the two digester mixing pumps with chopper-style pumps will greatly decrease the likelihood of trapping debris in the pumping systems. The new style of pumps have several engineering upgrades that result in increased equipment uptime, decreased maintenance efforts, and lower the Department’s overall operating costs. Currently, Digesters A & B have Vaughan chopper pumps installed in their mixing systems that are less than seven years old and have proven to reduce maintenance efforts and decrease the size of debris in the system. The pumps specified for Digesters C & D are identical to those installed at Digesters A & B as well as what is included in the design of the forthcoming Digester B Replacement Project. Having the same mixing pumps installed on all of the Department’s digesters increases equipment redundancy, decreases spare part procurement requirements, and offers operational flexibility. Staff recommends rebuilding the existing pump installed at Digester B in-house and relocating it to Digester C, which will require a new base assembly. Staff recommends purchasing a completely new pumping assembly for Digester D.
REPLACEMENT OF DIGESTERS C & D MIXING PUMPS

Rockwell Engineering & Equipment Co. is the sole source provider for the State of California for Vaughan Co, Inc. The quoted amount from Rockwell Engineering & Equipment Co. for a complete pump assembly (for Digester D), which includes a new pump, motor, base, sheaves, belts, and guards, and a replacement base assembly (for the relocated/rebuilt pump at Digester C) which includes a new base, motor, sheaves, belts, and guards totals $78,119.31.

GOALS AND OBJECTIVES:

This Project aligns with the Department’s Strategic Plan under Target #2: Infrastructure/Efficiencies, Goal #4: Address the Department’s aging infrastructure.

FISCAL IMPACT:

The funding source for this project is the FY 2022/2023 Sewer Fund Capital Project titled Annual R/R- Solids Handling System (C.O. 00277), with an approved budget of $350,000 of which sufficient funds remain for this project.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Approve the expenditure as outlined in Purchasing Policy 51.030 for the 2023 Replacement of the Digesters C & D Mixing Pumps, for the issuance of a Purchase Order to Rockwell Engineering as outlined above in an amount initially estimated not to exceed SEVENTY EIGHT THOUSAND ONE HUNDRED NINETEEN AND 31/100 dollars ($78,119.31).

Respectfully submitted,

Kevin T. Stewart, P.E.
Director of Water Reclamation

kts:TBM

Attachments - Quote - Rockwell
**QUOTE**

**ADDRESS**
City Of San Bernardino  
Municipal WD  
P.O. Box 710  
San Bernardino, CA 92402

**SHIP TO**  
City Of San Bernardino  
MWD  
Plant Facility Mce.  
397 Chandler Place  
San Bernardino, CA 92408

**SHIP METHOD**  
TRUCK

**MANUFACTURER**  
VAUGHAN

**TERMS**  
NET 30

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<td>• 12&quot; DISCHARGE</td>
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<td></td>
<td>• SIDE MOUNT BELT DRIVE</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>• 60 HP 1170 RPM PREM EFF MOTOR</td>
<td></td>
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<tr>
<td></td>
<td>• BELT DRIVE @ 525 RPM</td>
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<td>• PERFORMANCE: 4000 GPM @ 30' TDH</td>
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<tr>
<td>PUMP PART</td>
<td>COMPLETE SPARE BELT DRIVE SYSTEM</td>
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<td>• INCLUDES BASE, GUARDS, SHEAVES, BELTS</td>
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<td>AND 60 HP 1170 RPM PREM MOTOR</td>
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**QUOTE IS GOOD FOR 30 DAYS**

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<td></td>
<td>TOTAL</td>
<td><strong>$78,119.31</strong></td>
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</table>

Accepted By

Accepted Date

---

ROCKWELL ENGINEERING & EQ. CO., INC.
2913 El Camino Real STE #337  
Tustin, CA 92782  
(714) 509-9700  
www.rockwellengineering.com

PROUDLY SERVING OUR CUSTOMERS FOR OVER 30 YEARS!
TO: Miguel J. Guerrero, P.E., General Manager

FROM: Kevin T. Stewart, P.E., Director of Water Reclamation

SUBJECT: AMENDMENT NO. 1 TO CONTRACT NO. 1669 - BI-ANNUAL CONTRACT FOR BULK LIQUID FERRIC CHLORIDE - KEMIRA WATER SOLUTIONS, INC.

DATE: March 20, 2023

COPIES: J. Hanford, S. Morrison, A. Winchester

BACKGROUND:

The Water Reclamation Plant (WRP) uses Ferric Chloride (FeCl₃) to control the production of Hydrogen Sulfide (H₂S) as part of the wastewater treatment process. H₂S damages concrete structures and is also heavily regulated by the South Coast Air Quality Management District (SCAQMD). The WRP is allowed to produce no greater than 5.0 pounds per day of H₂S from the anaerobic digesters. The Department utilizes approximately 775 dry tons of FeCl₃ each year to meet this requirement.

Following a competitive, public bidding process, the Water Board entered into a two-year contract, Contract No. 1669, with Kemira Water Solutions, Inc. (Kemira), to furnish and deliver bulk liquid ferric chloride to the Water Reclamation Facility. This contract had a provision for two (2) additional two (2) year extensions. Extension No. 1 was approved by the Water Board on July 23, 2019 and expired on July 31, 2021. Extension No. 2 was approved by the Water Board on September 14, 2021 and is set to expire on July 31, 2023. Extension No. 2 set the cost at $675.00 per dry ton.

As a result of marketplace conditions, the cost of the raw materials for FeCl₃ suppliers has more than doubled. Kemira has been providing and continues to provide the Department's FeCl₃ at a significant loss based upon the contract terms. However, Kemira has requested to amend the existing contract from $675.00 per dry ton to $1,248.00 per dry ton and extend the contract through July 31, 2024. In recognition of the Department’s agreement to this request, Kemira offers to provide the FeCl₃ at the then current rate, capped at $1,435.20, which is a maximum of 15% (fifteen percent) increase from the current rate. This rate would be provided at the Department’s sole option to renew from August 1, 2024 through July 31, 2025. The renewal option would be automatic unless declined in writing by the Department.

Staff conducted market research on the procurement of FeCl₃. Previously, three suppliers had been able to provide this chemical: Pencco (now eChempax), California Water Technologies, and Kemira. California Water Technologies no longer offers the product. On January 30, 2023, eChempax provided a written quotation of $1,375.00 per dry ton for one year with uncapped 6-month renewals.
at the then-current rate. Staff also contacted other comparable agencies to review recent contracts and quotes.

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<th>Provider</th>
<th>Agency</th>
<th>Cost per dry ton</th>
<th>Cost per gallon</th>
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<td>Inland Empire Utilities Agency (IEUA)</td>
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<td>Kemira</td>
<td>Bakersfield (Contract)</td>
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<td>$2.23</td>
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<td>California Water Technology</td>
<td>Bakersfield (proposed 3/22/22)</td>
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</tbody>
</table>

The global marketplace for chemicals is very volatile and the price for $\text{FeCl}_3$ has more than doubled in the last year. Staff sees no reason to believe this volatility and price will decrease. The Department is required to treat the wastewater in such a manner as to reduce the production of $\text{H}_2\text{S}$, which requires the addition of $\text{FeCl}_3$. Accepting Kemira’s proposed amendment allows the Department to continue operating the WRP in compliance with the regulations while limiting the cost increases as much as can be achieved and maintaining the ability to decline the extension should costs unexpectedly decline. Based upon these elements, Department staff recommends that the Water Board approve an Amendment to Contract 1669 as follows:

- Accept a price increase from $675.00 to $1,248.00 per dry ton from April 1, 2023 through July 31, 2023
- Amend the contractual expiration from July 31, 2023 to July 31, 2024
- The then-current rate shall be provided to SBMWD at least three (3) months in advance of the expiration of the prior rate
- Department, at its sole option, may elect to continue at the then-current rate per dry ton, not to exceed $1,435.20 (One Thousand Four Hundred Thirty Five and 20/100 Dollars) from August 1, 2024 through July 31, 2025
- The additional year (Extension No. 3) shall automatically renew without further action unless SBMWD delivers a written notice to Kemira noting that it intends to decline the option

**GOALS AND OBJECTIVES:**

This project aligns with the Department’s Strategic Plan under Target 2: Infrastructure/Efficiencies, Goal 2: Address the impact of regulatory requirements. This supports the specific action to address the wastewater treatment process to control hydrogen sulfide in the methane gas produced by the anaerobic digesters and as a coagulant/flocculant for sludge thickening in the primary clarifiers.

**FUNDING SOURCE:**

The funding source for this contract is the FY 2022/2023 Sewer Operations and Maintenance Budget (Account 200-4020-540-6830).
SUBJECT: AMENDMENT NO. 1 TO CONTRACT NO. 1669 – BI-ANNUAL CONTRACT FOR BULK LIQUID FERRIC CHLORIDE – KEMIRA WATER SOLUTIONS, INC.

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

➢ Approve Amendment No. 1 to Contract No. 1669 with Kemira Water Solutions, Inc., and authorize the General Manager to execute the Amendment.

Respectfully submitted,

Kevin T. Stewart, P.E.
Director of Water Reclamation

Attachments – Amendment No. 1 to Contract No. 1669
Contract No. 1669
Extension No. 1 to Contract No. 1669
Extension No. 2 to Contract No. 1669
AMENDMENT NO. 1
TO CONTRACT NO. 1669

BY AND BETWEEN

SAN BERNARDINO AND KEMIRA WATER SOLUTIONS, INC.
MUNICIPAL WATER DEPARTMENT 250 E. MANVILLE STREET
1350 S. E STREET COMPTON, CA 90220
SAN BERNARDINO, CA 92408

FURNISH, BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY PROJECT. All terms and conditions of Contract No. 1669 dated August 1, 2019 are to remain the same, except as follows:

Amendment No. 1 will extend the contract term for a period of one (1) year, commencing on the 1st day of August 2023 and ending on the 1st day of August 2024.

A price increase from $675.00 per dry ton to $1,248.00 per dry ton effective April 1, 2023 through July 31, 2024.

The San Bernardino Municipal Water Department (SBMWD) may elect, at its sole option, to continue for one (1) additional year with a variable cost increase capped at 15% or $1,435.20, including all fees (not including government-imposed taxes). This shall be effective for deliveries dated August 1, 2024 through July 31, 2025. This additional year shall automatically renew without further action unless SBMWD delivers a written notice to Kemira declining the option.

CITY OF SAN BERNARDINO
WATER BOARD

By: ________________________________
Miguel J. Guerrero, P.E.
General Manager

KEMIRA WATER SOLUTIONS, INC.

By: ________________________________
Christina M. Imbrogno
Commercial Support Manager

(SEAL) (SEAL)
August 8, 2017

Ms. Christina Imbrogno
Kemira Water Solutions, Inc.
4351 W. 6th Street
Lawrence, KS 66049

Reference: AUTHORIZATION TO PROCEED - CONTRACT NO. 1669
FURNISH BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY PROJECT

Dear Mr. Imbrogno:

Enclosed are two fully executed copies of the contract between your firm and the Board of Water Commissioners for the FURNISH BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY PROJECT, San Bernardino, California. Please forward one copy to your bonding company and retain the second copy for your files.

Please use this letter as Authorization to Proceed.

Sincerely,

CITY OF SAN BERNARDINO
BOARD OF WATER COMMISSIONERS

Robin Ohama
Deputy City Clerk & Ex-Officio Secretary

1350 South “E” Street, San Bernardino, California 92408  P.O. Box 710, 92402  Phone: (909) 384-5141
Corporate Yards: (909) 453-6389  Water Reclamation Plant: (909) 453-6395  Environmental & Regulatory Compliance: (909) 453-6391
THIS AGREEMENT, made and entered into this 3rd day of August 2017, by and between KEMIRA WATER SOLUTIONS, INC., hereinafter referred to as "Supplier", and the CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT, San Bernardino County, California, by and through its Board of Water Commissioners, hereinafter referred to as "Department".

RECITALS

At its regular meeting held July 11, 2017, the Board of Water Commissioners of the City of San Bernardino adopted certain specifications to furnish and deliver Ferric Chloride, and directed staff to advertise for bids; and

The Purchasing Agent advertised the bid in accordance with Specification No. 1669 and Bids were to be submitted on or before May 30, 2017, no later than 1:30 p.m., at which time they were opened; and

Pursuant to the advertisement, and in accordance with the requirements of Specification No. 1669, the Supplier filed its Bid, in writing, to Furnish and Deliver Bulk Ferric Chloride; and

WHEREAS, at a Board meeting held July 11, 2017, the Department declared that the bid of KEMIRA WATER SOLUTIONS, INC. was found to be the lowest and best bid in conformity with the Specifications and thereupon duly awarded the Contract.

NOW THEREFORE, in pursuance of the premises, and in consideration of the mutual covenants, promises, and agreements herein contained, the parties do hereby promise, covenant, and agree as follows:

FIRST: The Supplier agrees to furnish and deliver to the Department as follows:

COST PER DRY TON: $453.00
ESTIMATED YEARLY REQUIREMENT: 630 DRY TONS
ESTIMATED YEARLY PURCHASE

TERMS: NET 30 DAYS

SECOND: After delivery of the Ferric Chloride by the Supplier, and after acceptance of same by the Department, or its authorized agent, Supplier may submit invoices to the Department for
approval. Said invoice shall be based on the total of all Supplier’s product and services that have been supplied and performed to the Department’s sole satisfaction. The Department shall pay the Supplier’s invoice within thirty (30) days from the date the Department receives said invoice. Each invoice shall describe in detail the products supplied, the services performed, and the associated time for completion. The Department will withhold 5% of the invoiced amount through the current Contract period. Once the Contract period is complete retention for that period will be released.

THIRD: The Supplier shall pay or cause to be paid for all work or labor of any kind performed hereunder and for all materials and supplies furnished in the performance of this Contract prior to final payment being made to it hereunder, and if at any time before such final payment is made there shall be filed with the proper officer of the City any claim or claims for or on account of any labor performed or materials used or furnished to be used in the performance of the work provided, the amount of such claim or claims shall be deducted from the amount then or that may thereafter become due to the Supplier, and shall be paid to the claimant. If the claim is disputed, then the amount thereof, together with reasonable amount to cover costs in case action is brought thereon shall be retained until such time as action is determined. Any payment made under this action shall be accepted and considered as a payment to the Supplier and shall be deducted from the Contract price.

Any monies that shall become due to the Department from the Supplier from any cause shall be deducted from the Contract price before any payment shall be made to the Supplier.

FOURTH: This Agreement can be extended for two (2) additional two (2) year options to extend upon mutual agreement by the Department and Supplier.

WARRANTY: The Ferric Chloride manufacturer shall provide a written warranty to the Department containing at least the following provisions:

- Warranty/guarantee for all goods/services to be furnished.
- Manufacturer shall warrant all goods for a period of one (1) year from date of acceptance.
- Supplier shall repair or replace all defects in material or workmanship, which are discovered or exist during said period. All Labor, parts and transportation shall be at the Supplier/Manufacturer’s expense.
• The delivered chemical shall be of the nature, composition, concentration and purity as advertised.

• A Certificate of Analysis will be provided for each delivery to verify the nature, composition, concentration, and purity of the chemical solution.

• The Department reserves the right to reject any chemical solution not in compliance with the specification stated in the proposal.

• Any delivery of the chemical solution found not to be in compliance shall be returned to the supplier at no expense to the Department.

The warranty period herein shall not be in lieu of, but shall be in addition to any warranties or other obligations otherwise imposed by the Contract Documents and by law.

SUPPLIER:  Kamira Water Solutions, Inc.
SIGNED:  [Signature]
TITLE:  Customer Service Manager
DATE:  [Date]

INSURANCE:  The following insurance requirements have been adopted by the Department and shall be applicable to this Contract. These requirements supersede the insurance requirements set forth in any other reference of the Department, and to the extent of any conflict, the specified requirements herein shall prevail.

If you have any questions about the type of coverage we require, you may e-mail your questions to:

Sydney Morrison
Sydney.morrison@sbmwd.org

Insurance Requirement Summary:  The Supplier and all subcontractors shall purchase and maintain insurance through the life of the contract in the amounts equal to the requirements set forth in (A) through (D) below, and shall not commence work under this Contract until all insurance required under this heading is obtained and evidenced in a form acceptable to the Department, nor shall the Supplier allow any subcontractor to commence construction pursuant to a subcontract until all insurance required of the contractors has been obtained.
A.  **WORKERS’ COMPENSATION INSURANCE:** The Supplier and all subcontractors shall provide evidence of workers’ compensation insurance with statutory minimum amounts of coverage, as required by the Labor Code of the State of California, and including employer's liability insurance with a minimum limit of $1,000,000. Such workers’ compensation insurance shall be endorsed to provide for a waiver of subrogation against the Department.

B.  **GENERAL LIABILITY:** The Supplier and all subcontractors shall maintain during the life of this Contract, a standard form of Commercial General Liability insurance providing the following minimum limits of liability:

- Combined single limit of $5.0 million per occurrence for bodily injury, including death, personal injury, and property damage, with $5.0 million aggregate; or
- $2.0 million per location aggregate, as evidenced by endorsement.

The insurance shall include coverage for each of the following:

- Products and Completed Operations Coverage
- Owners and Suppliers Protection
- Broad form Property Damage
- Blanket Contractual Liability
- Severability of Interest or Cross-Liability
- Underground Explosion and Collapse Coverage
- Personal Injury - With the "Employee" Exclusion Deleted

C.  **AUTOMOTIVE/VEHICLE LIABILITY INSURANCE:** The Supplier shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability:

- Combined single limit of liability of $5.0 million per accident for Bodily Injury, Death, and Property Damage.

The insurance shall include coverage for contractual liability and pollution liability caused by vehicle upset, overturn and collision.

D.  **EXCESS LIABILITY:** The Supplier and all subcontractors may provide a policy providing excess coverage in a face amount necessary, when combined with the primary insurance, to equal the minimum requirements for General Liability and Automobile Liability.
The insurance shall include:

“Pay on behalf of” wording; blanket contractual liability; concurrency of effective dates with primary; and drop down feature

The insurance provided for in paragraphs (A), (B), (C), and (D) above are subject to the following conditions:

1. The insurance shall be issued and underwritten by insurance companies acceptable to the Department, and shall be licensed by the State of California to do business on the lines of insurance specified.

2. The Supplier may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

3. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of the Contractor and subsequent sub contractors, and the Department shall not be required to participate in any such loss. If any such programs exist, Supplier and subsequent sub contractors agree to protect and defend the Department in the same manner as if such cost provisions were not applicable.

4. The Supplier shall be responsible to establish insurance requirements for any subcontractor/suppliers hired by the Supplier. The insurance shall be in amounts and types reasonably sufficient to deal with the risk of loss involving the subcontractor’s operations and work.

5. Supplier shall have presented at the time of execution of the Contract, the original policies of insurance or have presented a certificate of insurance in the form as attached hereto evidencing such coverage as in force, and which complies with the terms and conditions outlined herein.

6. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Contract, as specified, and shall not be reduced by or impaired by any other claims arising against Supplier. These policy limits shall be set forth by separate endorsement to the policy.

7. Provide a Waiver of Subrogation against The City of San Bernardino Municipal
Water Department, its commissioners, officers, agents, employees, engineers, and consultants for this Contract, the City of San Bernardino, its officers, agents, and employees, and all public agencies from whom permits will be obtained and its Directors, officers, agents, and employees are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Supplier at or upon any of the premises of the Department in connection with the Contract with the Department.

8. Each such policy of General Liability and Automotive/Vehicle Liability insurance shall contain endorsements providing the following:

   a. The City of San Bernardino Municipal Water Department, their commissioners, officers, agents, employees, engineers, and consultants for this Contract, the City of San Bernardino, its officers, agents, and employees, and all public agencies from whom permits will be obtained and their Directors, officers, agents, and employees are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Supplier at or upon any of the premises of the Department in connection with the Contract with the Department.

   b. That provides that the insurance policy will not be cancelled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the Department of a written notice of such cancellation or reduction in coverage.

   c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy. The endorsements shall be on the forms supplied by the Department.

9. Insurers must be licensed to do business in the State of California. The insurers must also have an "A-" policyholder's rating and a financial rating of at least class VII in accordance with the current Best's Guide Rating. The State Compensation Insurance Fund of California is an acceptable Workers Compensation carrier.

RISK AND INDEMNIFICATION

All work covered by this Contract, performed at the site of construction or in preparing or delivering materials to the site, shall be at the risk of the Supplier and subcontractors alone. Supplier
agrees to save, indemnify, and keep the City of San Bernardino Municipal Water Department, its commissioners, officers, agents, employees, engineers, and consultants of this Contract, the City of San Bernardino, its officers, agents, and employees, and all public agencies from whom permits will be obtained and its directors, officers, agents, and employees harmless against any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (Suppliers' employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the Supplier, save and except claims or litigation arising through the sole negligence or sole willful misconduct of the Department and will make good to and reimburse the Department for any expenditures, including all expenses associated with any attempt to enforce this provision and reasonable attorneys' fees, that the Department may incur by reason of such matters, and if requested by the Department, will defend any such suits at the sole cost and expense of the Supplier

SAFETY AND HEALTH REQUIREMENTS

The Supplier shall fully comply with all applicable Federal and State safety, health, and environmental requirements, as specified in California Code of Regulations and the code of Federal Regulations. See certification page in the Bid Proposal.

In connection with the performance of this Contract, Department shall have the authority to enter the worksite at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger or hazard to any and all employees. Supplier agrees that Department, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the worksite.

Supplier acknowledges the provisions of Section 6400 of the Labor Code, which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event Department identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the worksite, Department is hereby authorized to order an immediate abatement of that condition.
NOTICES

Any notice required or permitted under this Contract may be given by ordinary mail at the address set forth below. Any party whose address changes shall notify the other party in writing.

TO THE DEPARTMENT:  
Robin L. Ohama  
Deputy General Manager  
1350 South “E” Street  
P.O. Box 710  
San Bernardino, CA 92402

TO THE SUPPLIER:  
Kernira Water Solutions  
4321 W. 6th St.  
Lawrence, KS 66049  
Christina M. Imbrogno

COPY TO:

Steven Graham  
City Attorney's Office  
City of San Bernardino

300 North "D" Street, 6TH Floor  
San Bernardino, CA 92418

WARRANTY

The Supplier will guarantee to the Department the DELIVERY OF BULK FERRIC CHLORIDE for a period of One (1) year from the date of acceptance. The Warranty shall include at least the following provisions:

- Warranty/guarantee for all goods/services to be furnished.
- Manufacturer shall warrant all goods for a period of one (1) year from date of acceptance.
- Supplier shall repair or replace all defects in material or workmanship, which are discovered or exist during said period. All Labor, parts and transportation shall be at the Supplier/Manufacturer's expense.
The delivered chemical shall be of the nature, composition, concentration and purity as advertised.

A Certificate of Analysis will be provided for each delivery to verify the nature, composition, concentration, and purity of the chemical solution.

The Department reserves the right to reject any chemical solution not in compliance with the specification stated in the proposal.

Any delivery of the chemical solution found not to be in compliance shall be returned to the supplier at no expense to the Department.

The Supplier shall agree that if any of the materials furnished by the Supplier should fail due to any reason other than improper operation, or should any portion of the work fail to fulfill any of the requirements of the Specifications, the Supplier will, within five (5) days after written notice of such defects, commence to repair or replace the same together with any other work which may be damaged or displaced in so doing at the Supplier’s sole expense.

In the event the Supplier fails to comply with the above-mentioned conditions within a reasonable time after being notified, or should the exigencies of the case require repairs or replacements to be made before the Supplier can be notified or respond to notifications, the Supplier does hereby authorize the Department to proceed to have the defect repaired and made good at the Supplier’s expense, and the Supplier will pay the cost therefore upon demand.

The warranty period herein shall not be in lieu of, but shall be in addition to any warranties or other obligations otherwise imposed by the Contract Documents and by law.

ATTORNEY’S FEES

If any action at law or in equity is necessary to enforce or interpret the terms of this Contract, or to enforce any provision in this Contract, the prevailing party shall be entitled to reasonable attorneys’ fees, costs, and necessary disbursements, in addition to any other relief to which he may be entitled. If any action is brought against the Supplier, or any subcontractor, to enforce a Stop Notice or Notice to Withhold, which names the Department and the City of San Bernardino as a party to said action, they shall be entitled to reasonable attorneys’ fees, costs, and necessary disbursements arising out of the defense of such action by them. They shall be entitled to deduct their costs for any Stop Notice filed,
whether court action is involved or not.

IN WITNESS WHEREOF, said Supplier and the City of San Bernardino, Board of Water Commissioners are duly authorized and have caused the names of said parties to be affixed hereto, the day and year first above written.

BOARD OF WATER COMMISSIONERS
CITY OF SAN BERNARDINO

By: 
Toni Callicott
President

By: 
Robin L. Ohama
Secretary

KEMIRA WATER SOLUTIONS, INC.

By: 
Christina M. Imbrogno
Customer Service Mgr.

By: 
Tommy Yergey
Mgr. Rates

SUPPLIER’s State
License No.: __________________________

(SEAL)
EXTENSION NO. 1
TO CONTRACT NO. 1669

BY AND BETWEEN

CITY OF SAN BERNARDINO AND KEMIRA WATER SOLUTIONS, INC.
MUNICIPAL WATER DEPARTMENT 250 E. MANVILLE STREET
1350 S. E STREET COMPTON, CA 90220
SAN BERNARDINO, CA 92408

FURNISH, BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY
PROJECT. All terms and conditions of Contract No. 1669 dated August 1, 2019 are to remain the
same, except as follows:

Extension No. 1 will extend the contract term for a period of two (2) years,
commencing on the 1st day of August 2019 and ending on the 1st day of August 2021.

A price increase from $453.00 per dry ton to $594.00 per dry ton for the duration of
the extension term.

CITY OF SAN BERNARDINO
WATER BOARD

By: [Signature]
Miguel J. Guerrero, P.E.
General Manager

KEMIRA WATER SOLUTIONS, INC.

By: [Signature]
Name
Title

(SEAL) (SEAL)
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

WATER BOARD
STAFF REPORT

TO: Miguel J. Guerrero, P.E., General Manager

FROM: Robin L. Ohama, Deputy General Manager

SUBJECT: EXTENSION NO. 1 TO CONTRACT NO. 1669 – BI-ANNUAL CONTRACT FOR BULK LIQUID FERRIC CHLORIDE – KEMIRA WATER SOLUTIONS, INC.

DATE: July 15, 2019

COPIES: C. Mouser, K. Stewart, A. Winchester

BACKGROUND:

The Water Board entered into a two-year contract, Contract No. 1669, with Kemira Water Solutions, Inc. (Kemira), to furnish and deliver bulk liquid ferric chloride to the Water Reclamation Facility. This contract has a provision for two (2) additional two (2) year extensions. Kemira has requested to increase the cost from $453 per dry ton to $560 per dry ton of ferric chloride due to changes in the market including cost of the raw materials which have affected the cost of manufacturing and delivery.

Staff has conducted market research and has reviewed comparable contracts recently awarded by other agencies. Results support Kemira’s request, indicating higher rates at comparable agencies with similar contracts for Ferric Chloride. Results of staff research are as follows: City of Santa Rosa $670/ton, City of San Diego $642/ton, City of Bakersfield $629/ton, City of Long Beach $520/ton.

Based upon this market survey, it would be in the Department’s best interests to extend the contract for two (2) years at the new contract price of $560 per dry ton. Extension No. 2 will extend the contract from August 1, 2019 to August 1, 2021. An additional two (2) year extension remains for Contract No. 1669.

FISCAL IMPACT:

The funding source for this contract is account 200-4020-540-6830 of the FY 2019/2020 Sewer Fund Operations Section budget. The annual budget incorporated this anticipated increase based upon prior notice from Kemira, and there are sufficient funds for this change.

Agenda Item ________
RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

➢ Approve Extension No. 1 to Contract No. 1669 with Kemira Water Solutions, Inc., extending the contract from August 1, 2019 to August 1, 2021 under the same terms and conditions except the price shall increase to $560 per dry ton, and authorize the General Manager to execute the extension.

Respectfully submitted,

Robin L. Ohama
Deputy General Manager
Attachments

sdm
EXTENSION NO. 1
TO CONTRACT NO. 1669

BY AND BETWEEN

CITY OF SAN BERNARDINO AND KEMIRA WATER SOLUTIONS, INC.
MUNICIPAL WATER DEPARTMENT 250 E. MANVILLE STREET
1350 S. E STREET COMPTON, CA 90220
SAN BERNARDINO, CA 92408

FURNISH, BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY PROJECT. All terms and conditions of Contract No. 1669 dated August 1, 2019 are to remain the same, except as follows:

Extension No. 1 will extend the contract term for a period of two (2) years, commencing on the 1st day of August 2019 and ending on the 1st day of August 2021.

A price increase from $453.00 per dry ton to $560.00 per dry ton.

CITY OF SAN BERNARDINO
WATER BOARD

By: ____________________________
    Miguel J. Guerrero, P.E.
    General Manager

KEMIRA WATER SOLUTIONS, INC.

By: ____________________________
    Christina M. Iimbrogno
    Commercial Support Manager

(SEAL)
EXTENSION NO. 2
TO CONTRACT NO. 1669

BY AND BETWEEN

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
1350 S. E STREET
SAN BERNARDINO, CA 92408

AND

KEMIRA WATER SOLUTIONS, INC.
250 E. MANVILLE STREET
COMPTON, CA 90220

FURNISH, BULK LIQUID FERRIC CHLORIDE TO THE WATER RECLAMATION FACILITY PROJECT. All terms and conditions of Contract No. 1669 dated August 1, 2019 are to remain the same, except as follows:

Extension No. 2 will extend the contract term for a period of two (2) years, commencing on the 1st day of August 2021 and ending on the 1st day of August 2023.

A price increase from $594.00 per dry ton to $675.00 per dry ton for the duration of the extension term.

This is the final extension under Contract No. 1669.

CITY OF SAN BERNARDINO
WATER BOARD

By: Miguel J. Guerrero, P.E.
General Manager

KEMIRA WATER SOLUTIONS, INC.

By: Christina M. Imbrogno
Name: Christina M. Imbrogno
Title: Commercial Support Manager

(SEAL) (SEAL)