

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

AGENDA REGULAR MEETING WATER BOARD

Tuesday, September 9, 2025 – 9:30 a.m.

MARGARET H. CHANDLER WATER RECLAMATION PLANT
399 CHANDLER PLACE
San Bernardino, California

WATER BOARD

TONI CALLICOTT
President

Commissioners

WAYNE HENDRIX, P.E.
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.

General Manager

ROBIN L. OHAMA

Deputy General Manager

STEVE R. MILLER

Director of Water Utility

KEVIN T. STEWART, P.E.

Director of Water Reclamation

CYNTHIA J. MOUSER

Director of Finance

JENNIFER L. SHEPARDSON

Director of Environmental &
Regulatory Compliance

“Trusted, Quality Service since 1905”

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 INCLUDED IN THE WRITTEN RECORD.

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 4E be adopted, except for _____.

MOTION: _____ SECONDED: _____

A. PAYROLL

MOTION: Approve the payroll for the pay period beginning August 25, 2025 through September 7, 2025.

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 August 26, 2025, of the Water Board.

D. REVISED JOB DESCRIPTION FOR PRINCIPAL ENGINEER (2120): Because of difficulties filling the Construction Services Manager position, staff would like to inactivate this position, change the job description for Principal Engineer to allow incumbents to handle either planning and design or construction management, and add a Principal Engineer position that will be added to the Engineering budget. This change will provide the necessary flexibility to handle the needs of the Department.

The Construction Project Manager is Range 268 and the Principal Engineer is Range 270 resulting in a minor increase of approximately 5% or \$9,000 difference for the fiscal year which is covered by salary savings due to vacancies.

MOTION: Approve the revised job description for Principal Engineer (2120); and

Inactivate the Construction Services Manager job description and position in the FY 25/26 budget; and

Add one Principal Engineer position to the fiscal year 25/26 budget, as submitted.

E. ANNUAL POLICY REVIEW – NEW, DELETED, AND REVISED POLICIES:

A comprehensive yearly review of existing policies and procedures has been conducted per Policy 10.020 – *Review of Policies and Procedures*.

New and existing policies with either legislatively mandated or substantive content changes will be approved by the Water Board. Existing policies and procedures with minor editorial changes will be approved by the General Manager. All employees must review the policies and procedures after each yearly review and will sign an acknowledgement form.

There is no fiscal impact as a result of these changes.

MOTION: Approve revised Policy No. 51.030 Purchasing; and

Approve revised Policy No. 31.050 Return to Work/Modified Duty Policy; and

Approve revised Policy No. 33.035 Drug, Alcohol and Substance Use, as submitted.

DISCUSSION ITEMS

5. PRESENTATION OF SERVICE AWARDS: Employee service awards will be presented acknowledging employees for their years of service to the Department.
6. APPROVE MEMORANDUM OF UNDERSTANDING WITH CITY OF SAN BERNARDINO FOR WATER DEPARTMENT PROPERTY LOCATED ON THE WATER RECLAMATION PLANT (APN 0141-291-23) FOR USE AS A TEMPORARY PARKING FACILITY: Recently, the City of San Bernardino Animal Shelter has expanded its operations and has constructed structures and facilities on all available land within their property boundaries. In May 2024, City staff requested a meeting with the Department to discuss potential use of a portion of the Department's Water Reclamation Plant (WRP) for use as a temporary staff parking facility until a permanent solution could be established. The City and the Department evaluated land on the WRP that would be suitable for a temporary parking facility.

City and Department Staff identified an approximately 27,790 square foot area of the WRP (the "Property") located south of the existing animal shelter property located at 333 Chandler Place, north of West Century Avenue, and east of the Durham School Services ("bus yard") property that would serve the City's needs for the temporary parking facility. It is the practice of the City and Department to document transfers between City funds, such as the General Fund, Water Fund, and Sewer Fund with Memorandums of Understanding between the City Council and the Water Board.

On July 29, 2025, an appraisal of the Property was performed by an independent appraiser contracted by the Department. The fair market rental value was established at \$0.20 per square foot per month on a triple net basis. The Property is not necessary for use in the immediate future by the Department.

Lease of the Water Department property will result in financial gain for the Water Department. The City will approve annual transfers from the General Fund to the Sewer Fund in the amount of \$66,696.00 (the "Annual Rent"), subject to annual escalation as provided for in the MOU.

MOTION: Adopt a Resolution approving the Lease Agreement for real property owned by the San Bernardino Municipal Water Department, generally located on the Water Reclamation Plant south of the existing animal shelter located at 333 Chandler Place, east of the Durham School Services property located at 1355 South E Street, and north of West Century Avenue (APN 0141-291-23); and authorize the General Manager to execute the Memorandum of Understanding.

MOTION:_____ SECONDED:_____

7. APPROVAL OF PURCHASE – TWO (2) JOHN DEERE 35G MINI EXCAVATORS – ONE (1) DITCH WITCH HX40G – TWO (2) PRES TECH PT26-G VALVE EXERCISE MACHINES: On June 24, 2025, the Water Board approved the Fiscal Year (FY) 2025/2026 Budget, which includes funding for critical equipment purchases to support the operational needs of the Water Utility Distribution Section.

These equipment acquisitions are critical for maintaining service reliability and improving crew efficiency, while also reducing manual labor demands in field operations, directly lowering the risk of work-related injuries. Considering the benefits, the staff proposes purchasing new John Deere 35G Mini Excavators and Ditch Witch HX40G Vacuum Excavator equipment to support the Department's operations.

Purchasing Policy 51.030, Part V (E), Exceptions, allows for deviations from routine purchasing procedures in special circumstances when such deviations are in the Department's best interest. Sourcewell, formerly known as the National Joint Powers Alliance (NJPA), has cooperative contracts in place that allow governmental agencies to procure goods, services, and equipment that have been nationally bid.

The funding sources for the following equipment is as follows:

- The funding source for two (2) 2025 John Deere 35G mini excavators for \$121,254.58 is the Fiscal Year 2025/2025 Service and Repair Section 3021 *Capital Outlay 103021-6008*; and
- The funding source for one (1) Ditch Witch HX40G for \$87,276.84 is the Fiscal Year 2025/2026 Distribution Maintenance 3023 *Capital Outlay 6008*; and
- The funding source for two (2) Pres Tech PT-26G Valve Exercisers for \$200,936.67 is the Fiscal Year 2025/2026 Distribution Maintenance 3023 *Capital Outlay 6008*.

MOTION: Authorize staff to issue a purchase order for two (2) 2023 John Deere 35G mini excavators at \$121,254.58; and

Authorize staff to issue a purchase order for one (1) Ditch Witch HX40G Vacuum Excavator at \$87,276.84; and

Authorize staff to issue a purchase order for two (2) Pres Tech Valve PT26-G Valve Exerciser at \$200,936.67.

MOTION:_____ SECONDED:_____

8. 2025-P2: E STREET VALVE REPLACEMENT PROJECT: One (1) of the three (3) primary sources of flow to the Water Reclamation Plant (WRP) comes from the E Street Lift Station located at 1302 S. E Street. As a part of the pumping system, seven (7) 18" plug valves, and three (3) 18" check valves were installed. The purpose of these valves is to allow for isolation and maintenance of the three (3) centrifugal pumps that pump raw sewage to the WRP.

Throughout the years of operating this system, it has become a challenge to maintain the pumps due to the failure of the valves. The valves are now 25 years old and have exceeded their useful design life, and staff recommend these be replaced with new equipment.

A Request for Quote (RFQ) No. 2025-P2 for Procurement of 18" Valves for E Street replacement project was issued and staff received seven (7) responses on August 8, 2025. Staff reviewed the submitted quotation and recommend the issuance of a Purchase Order to CS-AMSCO to replace all 7 plug valves and all 3 check valves.

The funding source for this project is the FY 2025/2026 Sewer Fund Capital Project titled *Annual R/R- WRP Mechanical* (C.O. M2600345), with an approved budget of \$707,000, of which sufficient funds remain for this project.

MOTION: Approve the issuance of a Purchase Order to CS Associated Municipal Sales Company in the amount of ONE HUNDRED TWO THOUSAND FOUR HUNDRED EIGHTEEN AND 59/100 (\$102,418.59) for the purchase of the equipment for the E Street Valve Replacement Project.

MOTION:_____ SECONDED:_____

9. REPORTS:

- A. Report of the President
- B. Report of the Commissioners
- C. Report of the Directors
- D. Report of the General Manager

10. PUBLIC COMMENT ON CLOSED SESSION ITEMS: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board. No member of the public shall be permitted to “share” his or her three minutes with any other member of the public.

11. CLOSED SESSION:

Pursuant to Government Code Section(s):

- A. Conference with legal counsel – existing litigation – pursuant to Government Code Section 54956.9 (a) and (d)(1): *United States District Court - Civil Docket Case No. 2:96-cv-08867-MRP-JG.*

12. ADJOURNMENT

The next regular meeting of the Water Board is scheduled for *9:30 a.m., September 23, 2025*, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.



**City of San Bernardino
Municipal Water Department**

399 Chandler Place
San Bernardino, CA 92408
<http://www.sbcitywater.org>

*President Cecilia "Toni"
Callicott*

Commissioners

*Wayne Hendrix
David Mlynarski
Rikke Johnson
Thomas Brickley*

MINUTES

FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

AUGUST 26, 2025

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, August 12, 2025, in-person and livestream via YouTube.

ROLL CALL

Attendee Name	Title	Status	Arrived
Cecilia "Toni" Callicott	President	Present	9:30 AM
Wayne Hendrix	Vice President	Present	9:30 AM
David Mlynarski	Board Member	Present	9:30 AM
Rikke Johnson	Board Member	Present	9:30 AM
Thomas Brickley	Board Member	Present	9:30 AM
Miguel Guerrero	General Manager	Present	9:30 AM

- ANNOUNCEMENTS BY THE BOARD:** President Callicott welcomed Heather Dyer, San Bernardino Valley Chief Executive Officer/General Manager, to the Water Board meeting and stated it was a pleasure to have her give a presentation today.
- PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** None.
- PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

4. CONSENT CALENDAR – ITEMS 4A THROUGH 4C:**A. PAYROLL:**

	<u>Water Fund</u>	<u>Sewer Treatment</u>	<u>Total</u>
Claims:3013688- 3013831			
Accounts Payable	\$2,961,811.29	\$1,821,308.81	\$4,783,120.10
Gross Payroll	<u>\$502,840.03</u>	<u>\$467,212.54</u>	<u>\$970,052.57</u>
07/28/25-08/10/25			
TOTALS	<u>\$3,464,651.32</u>	<u>\$2,288,521.35</u>	<u>\$5,753,172.67</u>

Payroll for the pay period beginning August 11, 2025 through August 24, 2025.

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

C. MINUTES: August 12, 2025.

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

DISCUSSION ITEMS**5. SITES RESERVOIR AND DELTA CONVEYANCE PROJECT PRESENTATION:**

San Bernardino Valley Chief Executive Officer/General Manager, Heather Dyer, gave a presentation to the Water Board on the Sites Reservoir and Delta Conveyance Project.

President Callicott thanked Ms. Dyer for an informative presentation on the Sites Reservoir and Delta Conveyance Project.

Ms. Dyer thanked the Water Board and staff for their time and encouraged the Water Board to tour the State Water Project and Sites project in the Spring.

6. OGDEN PUMP STATION BOOSTER PIPE TRAIN IMPROVEMENTS – CLA-VAL:

The City of San Bernardino Municipal Water Department (SBMWD) owns and operates the Ogden Pump Station (OPS). The original system configuration was designed as an inline booster network.

In January 2019, a 12-inch meter flange failure caused damage to the OPS facility and the neighboring property. In May 2023, the engineering firm LEE + RO was awarded the contract for the project and provided services that included data collection, pump station evaluation, condition assessment, and preparing a preliminary design report (PDR).

LEE + RO evaluated the OPS and specifically identified the need for booster control equipment in their design and surge modeling. The proposed system was designed around Cla-Val's proprietary booster control technology to ensure proper operation, compatibility, and pump station performance improvements. Cla-Val was the original equipment manufacturer and single source provider of this system and offered the Department a 50% discount on the equipment, available only through purchase from the manufacturer. Department staff was also trained and experienced in servicing and maintaining Cla-Val equipment within the water production and treatment system.

Staff recommended approval of this expenditure of \$384,363.10 from existing funds in the Fiscal Year 2025/2026 Capital Budget under *Ogden Pump Station Evaluation & Site Improvements*, with available funding of approximately \$1,140,328.00.

MOTION: Approve the issuance of a Purchase Order to Cla-Val, as outlined in Purchasing Policy 51.030 on a single source basis in the amount of THREE HUNDRED EIGHTY-FOUR THOUSAND THREE HUNDRED SIXTY-THREE DOLLARS AND TEN CENTS (\$384,363.10).

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

7. REPORTS:

A. Report of the President – None.

B. Report of the Commissioners – Commissioner Johnson stated that the Mt. Vernon Bridge Grand Opening was held on Saturday, August 23, 2025.

Commissioner Johnson stated that this project began in 2004 and was the City's oldest CIP project.

C. Report of the Directors –

1. Director Stewart stated that the City's Animal Shelter draft MOU between the Department and the City was prepared and would be presented to the Water Board at a future meeting.
2. Deputy General Manager Ohama stated that a policies and procedures update agenda item would be presented to the Water Board at the September 9, 2025 meeting.
3. Deputy General Manager Ohama stated that Water Conservation was present at the Mt. Vernon Bridge Grand Opening.

Deputy General Manager stated that Water Conservation would be attending the following events on October 11, 2025:

- Neighborhood Association Council 2nd Annual Pickleball Tournament - 8:00 a.m. to 12:00 p.m. at Perris Hill Park.
- Free Shade Tree Giveaway – 10:00 a.m. – 12:00 p.m. at the Baker Family Learning Center (2818 N. Macy Street, Muscoy, CA 92407)

Deputy General Manager Ohama stated that the tree giveaway was hosted by the University of California and Master Gardeners and was open to all residents in the San Bernardino area.

D. Report of the General Manager –

1. General Manager Guerrero stated that tour of the septic to sewer project at Arrowhead Farms with Supervisor Baca and Nichole Morgan from the State Water Board went very well.

General Manager Guerrero stated that Ms. Morgan was a big supporter of septic to sewer projects and suggested possibly seeing these changes with schools in need or other areas of the County.

General Manager Guerrero stated that the Department looked forward to continuing this work with the State Water Board and Supervisor Baca, beyond the Arrowhead Farms area.

2. General Manager Guerrero stated that he met with the new City Manager, Eric Levitt, on Wednesday, August 12, 2025, and gave an overview of the Department and discussed the Department's current CIP projects.

General Manager Guerrero stated that he would continue to meet with Mr. Levitt and also be attending the City Manager staff meetings in the future.

8. PUBLIC COMMENT ON CLOSED SESSION ITEMS: None.

9. CLOSED SESSION:

Pursuant to Government Code Section(s):

- A. Conference with legal counsel – anticipated litigation – pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: Claim #25-113.

Upon motion by Commissioner Brickley, and seconded by Commissioner Mlynarski, the Water Board voted 4-0 with Commissioner Johnson absent, to deny Claim #25-113 and refer the matter to the Department's insurer.

10. ADJOURNMENT

The next regular meeting of the Water Board was scheduled for 9:30 *a.m.*, *September 9, 2025*, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.

By: _____
Miguel J. Guerrero
General Manager

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

Received 09-02-25
SBMWD AS
General Manager

TO: Miguel J. Guerrero, P.E., General Manager 
FROM: Robin L. Ohama, Deputy General Manager
SUBJECT: REVISED JOB DESCRIPTION FOR PRINCIPAL ENGINEER (2120)
DATE: September 2, 2025
COPIES: Steve Miller, Human Resources

BACKGROUND:

The Principal Engineer job description was originally approved by the Board on May 27, 2003, and most recently revised on August 15, 2017.

The Construction Services Manager position has been vacant since June 7, 2023. A continuous recruitment was opened on July 17, 2023, which remained open until April 30, 2024. During that time a total of 23 applications were received, and 3 applicants met the minimum qualifications and were invited to an interview. None of the candidates were successful in the interview process.

As a result of the unsuccessful recruitment, the Director of Water Utility and Engineering Manager reviewed the job description and determined that the minimum experience qualifications did not reflect the scope of experience necessary to be successful in the position. The job description was revised on July 23, 2024, with the intent to improve the candidate pool, but unfortunately, the Construction Services Manager position continues to remain vacant.

Because of difficulties filling the Construction Services Manager position, the Director of Water Utility and Engineering Manager reviewed the section's needs and staffing. It was determined that revising the Principal Engineer job description to allow the incumbents to handle either planning and design or construction management will provide the necessary flexibility to handle the needs of the Department. Distinctions between the requirements of the planning and design program versus the construction management program have been outlined in the job description. The education and experience requirements for assignment to the construction management program comports with education and experience-based pathways under state requirements. The Construction Services Manager position and job description will be inactivated, and a Principal Engineer position will be added to the section budget.

SUBJECT: REVISED JOB DESCRIPTION FOR PRINCIPAL ENGINEER (2120)

FISCAL IMPACT:

The Construction Project Manager is Range 268 and the Principal Engineer is Range 270 resulting in a minor increase of approximately 5% or \$9,000 difference for the fiscal year which is covered by salary savings due to vacancies.

RECOMMENDATION:

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

- Approve the revised job description for Principal Engineer (2120)
- Inactivate the Construction Services Manager job description and position in the FY 25/26 budget
- Add one Principal Engineer position to the fiscal year 25/26 budget

Respectfully submitted,

Robin Ohama

Robin Ohama (Sep 2, 2025 15:57:26 PDT)

Robin L. Ohama

Deputy General Manager

Attachments: Revised job description for Principal Engineer, redline and final draft versions

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT CLASSIFICATION SPECIFICATION

TITLE: PRINCIPAL ENGINEER

DATE: 9/9/2025~~8/24/2017~~

JOB CODE: 51764~~2120~~

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

For staff assigned to the Planning and Design Group, under general direction, to manage the planning and design of all Water Utility, Water Reclamation, and Sewer Collection capital improvement designed in-house or by outside consultants; to assist in the planning, scheduling, supervision and administration of engineering personnel, resources, projects, and processes; to supervise and participate in the gathering and compiling of data and the preparation and review of designs, plans, estimates, specifications and reports for the construction, alteration and maintenance of water utility, water reclamation, sewer collection, hydro-generation and geothermal systems; and to perform related work as required.

For staff assigned to the Construction Services Group, under the general direction of the Engineering Manager, to plan, direct, supervise, and review the activities of staff engaged in the construction management, inspection, constructability review, and assist in the planning and scheduling for the construction, or alteration of water utility, water reclamation, sewer collections, power generation, and geothermal systems; gather and compile data, prepare, and review design plans for constructability, preparation or review of construction cost estimates, specifications, and reports; direct and assist engineering personnel with matters associated with construction management and construction inspection; oversee the management and coordination of contractor/developer-installed projects; and perform other related duties as assigned.

DISTINGUISHING CHARACTERISTICS

The class of Principal Engineer is the advanced professional level class in the engineering series. Supervision is received from the Engineering Manager. Supervision may be exercised over Engineering Section staff. In the absence of the Engineering Manager, the Principal Engineer may act as his or her designee.

This class is distinguished from the Engineering Manager by the latter's full management authority in planning, organizing, and directing the full scope of programs, projects, and related engineering activities for the entire Engineering Section, including GIS and mapping services, development services, planning and design services, and construction services.

EXAMPLES OF DUTIES

For staff assigned to the Planning and Design Group, ~~The~~ 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 Department staff;
- Routinely adhere to and maintain a positive attitude toward City and department goals;
- Plan, schedule, supervise, and administer engineering personnel resources, projects, and processes;
- Supervise and participate in planning, design and construction for water/wastewater/sewer collection system and geothermal additions and improvements such as reservoirs, pumping plants, pressure reducing/sustaining stations, water distribution and transmission mains, sewer lift stations, wastewater/water reclamation treatment processes (preliminary treatment, advanced primary treatment, biological nutrient removal secondary treatment, tertiary filtration, anaerobic digesters, sludge dewatering, cogeneration, oxidation ponds, chlorine contact basins, UV disinfection, etc.), buildings, and hydro generation installations;
- Formulate program definition and policy;
- Prepare design drawings in AutoCAD format in accordance with Department standards;
- Check design work in progress for accuracy and calculations and conformance with established engineering methods and procedures;
- Prepare technical specifications;
- Review completed designs, specifications, cost estimates, legal descriptions and related documents;
- Direct the preparation and maintenance of maps, drawings, engineering records and files;
- Calculate cost estimates;
- Calculate elevations and approve legal descriptions;
- Write construction orders and purchase requisitions;
- Provide engineering information to contractors, engineers and members of the public;
- Coordinate the compilation of data for audit reports;
- Resolve technical opinion conflicts of engineering personnel;
- Assist the construction management section with construction related issues;
- Take a lead role in management and coordination of consultants and/or sub-consultants; manage consultants who perform professional design services for accuracy of calculations and conformance with established engineering methods, procedures, and Department standards;
- Coordinate utility conflicts with other agencies and sub-consultants; coordinate field site visits to verify survey data;
- Ensure accurate documentation of designs and as-built drawings are to Department standards and placed on appropriate server and Document Management System (DMS);

- Assist the Engineering Manager in the maintenance and updates of Department AutoCAD standards and drawings;
- Work with the GIS Manager on design drawing archiving, GIS mapping updates, and website postings;
- Review and approve the work of engineering staff;
- Develop, explain and implement policies, procedures and objectives of the unit to staff by written directive and by oral communications;
- Conduct staff meetings;
- Instruct assigned staff in work methods;
- Perform the more difficult work of the section;
- Conduct studies and investigations, preparing reports of findings and recommendations;
- Compose correspondence requiring use of judgment based upon a thorough knowledge of the functions and procedures for review by supervisor;
- Temporarily carry out responsibilities and duties of the Engineering Manager when the Engineering Manager is unavailable;
- Operate Department vehicles; and
- Perform related work as required.

For staff assigned to the Construction Services Group, 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;
- Establish and maintain effective relationships with those contacted in the course of work;
- Plan, organize, control, integrate, and evaluate the work of assigned Construction Project Managers, Engineering staff, and support staff; develop, implement, and monitor work plans; supervise and participate in developing, implementing, and evaluating plans, work processes, systems, and procedures;
- Participate in the selection of staff; provide or coordinate staff training;
- Plan, direct, and evaluate the performance of assigned staff; regularly monitor performance and provide coaching for performance improvement and development; recommend/implement disciplinary action to address performance deficiencies in accordance with Department policies and MOUs;
- Participate in planning, developing, implementing, and monitoring the Department's capital improvement budget;
- Participate in the constructability review of design plans and technical specifications for water utility, water reclamation, and sewer collections systems additions;

- Check design work in progress for accuracy of calculations and conformance with established engineering methods and procedures;
- Serve as project manager and/or oversee the construction, renovation, and repair of Department facilities; develop project budget estimates, review and approve plans, specifications, and estimates for capital improvement projects;
- Review and evaluate daily job status reports prepared by subordinate or consultant staff;
- Provide day-to-day leadership and work with staff to ensure a high performance, customer service oriented work environment;
- Oversee and/or perform inspections of engineering projects to determine conformance to plans and specifications and compliance with city, state, and federal standards of construction and safety;
- Coordinate construction meetings; prepare RFPs and RFQs, related invoices, and bid documents; verify that all contract work is completed per the plans, specifications, and other contract documents and make recommendation to issue a Notice of Completion for all facilities and improvement projects;
- Review construction plans, submittals, specifications, reports, work logs, permits, and files with engineering staff;
- Review and comment on completed designs, technical specifications, and cost estimates from a constructability perspective;
- Prepare or review construction cost estimates;
- Conduct studies and investigations and prepare reports of findings and recommendations;
- Compose correspondence requiring use of judgment based upon a thorough knowledge of functions and procedures;
- Recommend implementation of contractual enforcement provisions for inadequate performance of contractors;
- Identify, investigate, and resolve project related problems to keep construction activities on track and moving forward;
- Prepare a variety of reports;
- Prepare interoffice memoranda and other routine correspondence;
- Provide technical assistance regarding specifications, special conditions, and compliance methods to contractors, engineers, developers, architects, and staff;
- Recommend appropriate action on issues of noncompliance;
- Keep informed of changes and new legislation pertaining to laws, codes, and regulations and recommend changes as appropriate;
- Coordinate, delegate, and follow up on work of assigned staff to ensure completion;
- Set work priorities, coordinate and schedule assignments, and maintain records of activities for the Construction Services Group within the Engineering Section;

- Maintain regular contact with consulting engineers, construction project managers, engineering staff, city, county, state, and federal agencies, professional and technical groups, and the general public regarding construction activities as appropriate;
- Visit job sites to inspect progress on projects; provide technical and operations assistance to staff;
- Respond to and resolve difficult and sensitive inquiries and complaints;
- Identify and recommend contract change orders where appropriate;
- Negotiate and mediate contract disputes between the Department and contractors;
- Prepare periodic reports on the progress of projects; compile and maintain statistics and records on project status and contractor performance; perform inspections in the field on special and more complex inspection assignments;
- Coordinate site safety of construction projects; make final acceptance inspections and close projects;
- Confer with engineering staff on design problems;
- Represent the Department at various meetings;
- Maintain a clean and safe work area and adhere to all safety requirements;
- Communicate effectively both orally and in writing;
- Operate Department vehicles;
- Evaluate and document contractual issues during the course of construction and make recommendations to modify or append to the General Conditions, the General Requirements, or other construction contract documents with the goal to eliminate or reduce these issues for future projects.
- Must be able to respond to call-outs or emergencies; and
- Perform related work as required.

QUALIFICATIONS

For staff assigned to the Planning and Design Group, aAny combination of education, training, and experience that would likely provide the knowledge, skills, and abilities to successfully perform in the position is qualifying. AA typical combination includes:

Knowledge of:

- Basic principles of supervision;
- Methods of water utility, water reclamation, and sewer collection engineering and construction;
- Federal and State safety water, wastewater, sewer collection, and environmental laws and regulations;
- Types and variety of equipment, tools, and materials used in water utility construction;
- Basic surveying;

- Appropriate safety precautions and procedures;
- Computer Aided Design and Drafting (CAD);
- Geographical Information System (GIS);
- Personal Computer Operation and standard office word processing, spreadsheet and database;
- Public relations and customer assistance;

Ability to:

- Assist in the Supervision, scheduling, and training of water utility/reclamation/sewer collection engineering staff;
- Read, understand and prepare complex engineering drawings, data, specifications, and contracts;
- Prepare clear and concise technical reports and cost estimates;
- Plan, organize, and administer the work of Engineering Section staff;
- Conduct thorough investigations, organize data, and draw sound conclusions;
- Work in a CAD or GIS environment;
- Review and comment on environmental documents;
- Delegate responsibility to employees at the technical and professional level;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out complex oral and written instructions;
- Establish and maintain effective relationships with those contacted in the course of work;
- Stoop, bend, lift, and transport materials and supplies weighing up to 50 pounds;
- Climb in and out of construction project excavations;
- Work predominately inside; however, subject to a variety of outdoor environmental conditions of noise, vibrations, fumes, odors, dust, including inclement changing outdoor weather conditions.

For staff assigned to the Construction Services Group, 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 of supervision, training, and performance evaluation;
- Construction standards;

- Pertinent federal, state and local laws, codes, and regulations, in particular Public Contract Code requirements as they pertain to Public Works projects;
- Administrative and technical report preparation principles;
- Principles and practices of budget preparation and administration with an emphasis on budgeting for capital projects;
- Principles and practices of purchasing and maintenance of public records;
- Clean Water Act and relevant EPA regulations;
- Advanced principles of capital program design, construction, planning, and management;
- Advanced principles of project management, organizing, coordinating, planning, and scheduling;
- Advanced working knowledge of construction management software, that may include but not be limited to, construction document management and construction scheduling software or platforms;
- Appropriate safety rules and methods applicable to construction sites; safety principles, practices, and procedures of engineering and construction inspection and related facilities, equipment, and materials used in water operations and distribution, wastewater treatment, and sewer collections systems;
- Drafting, surveying, and engineering practices and terminology;
- Technical principles and practices of engineering design, specification, and cost estimate preparation;
- Defects and faults in construction;
- Principles of mathematics and their applicability to engineering work;
- Methods and techniques of conflict resolution and negotiation;
- Principles and applications of critical thinking and analysis;
- Trends and technologies in “green” design and construction;
- Personal computer operations and applicable software applications;
- Proper English usage, including spelling, grammar, vocabulary, and punctuation.

Ability to:

- Supervise, plan, organize, schedule, review, and evaluate the work of professional and technical staff;
- Prepare clear and concise technical, financial, and administrative reports;
- Administer a budget;
- Review and interpret engineering plans, specifications, and estimates of capital projects;
- Communicate clearly, concisely, and effectively, both orally and in writing;

- Operate a personal computer and database, spreadsheet and word processing programs, including project management, construction management, CAD, and permit tracking;
 - Work independently, planning day-to-day activities while maintaining deadlines;
 - Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner;
 - Anticipate work performance and construction problems and determine appropriate course of action;
 - Communicate complex technical ideas clearly and effectively to both technical and non-technical audiences;
 - Participate in all phases of the design process in order to provide input from a constructability perspective;
 - Review and evaluate engineering plans for constructability and provide recommendations to address potential constructability concerns;
 - Evaluate materials, workmanship, and construction methods;
 - Read, analyze, and interpret contract data and information, including legal agreements;
 - Analyze and make sound recommendations on complex management and administrative issues;
 - Exercise tact and diplomacy in dealing with sensitive, complex, and confidential situations;
 - Perform highly detailed work under changing, intensive deadlines on multiple concurrent tasks;
 - Interpret and apply federal, state, and local construction regulations and standards for water utility, water reclamation, and sewer collections projects;
 - Exercise sound independent judgment within general policy guidelines;
 - Apply critical thinking and analysis to a broad range of situations;
 - Read and understand technical drawings and specifications;
 - Recognize and properly deal with hazardous materials/environments;
 - Delegate responsibility to employees at the technical and professional level;
 - Operate a vehicle observing legal and defensive driving practices;
 - Understand and carry out complex oral and written instructions;
 - Work under moderate or high stress conditions;
 - Evaluate Contractor's baseline schedule and identify potential concerns for resolution prior to approval; Be able to perform complex review of baseline schedule, schedule updates, and Time Impact Analysis (TIA);
 - Prepare for and successfully negotiate change orders, construction claims, claims mitigation or other contractual concerns with the General Contractor in a fair and equitable manner while representing the Department to protect the rate payers;
-
- Maintain a driving record which meets Vehicle Code Standards and is acceptable to the Department and its insurance carrier.

MINIMUM QUALIFICATIONS

For staff assigned to the Planning and Design Group, the following minimum qualifications shall apply:

Education: Bachelor of Science degree in Civil Engineering, Mechanical Engineering, or other related discipline

Experience: Four (4) years of civil engineering experience

Certification: Must possess a valid Professional Engineer License (Civil) in the State of California at the time of application

And

Must obtain and maintain a State of California State Water Resources Control Board (SWRCB) Distribution Operator Grade 2 Certificate and a SWRCB Water Treatment Operator Grade 2 Certificate within 36 months of hire date.

For staff assigned to the Construction Services Group, the following minimum qualifications shall apply:

Education: Bachelor's degree in engineering, construction, architecture, Water Technology, Wastewater Technology, or closely related field.

And

Experience: SixFour (46) years of increasingly responsible experience in construction management or project management handling multiple large and complex Public Works projects involving pipes and complex process facilities, wastewater collection systems, mechanical equipment, medium voltage and instrumentation systems, tenant improvements, or new facilities, including experience in a lead or supervisory role.

OR

Education: Graduation from high school or equivalent3 years of postsecondary engineering education;

And

Experience: Twelve (12) years of increasingly responsible experience in construction management or project management handling multiple large and complex Public Works projects involving pipes and complex process facilities, wastewater collection systems, mechanical equipment, medium voltage and instrumentation systems, tenant improvements, or new facilities, including experience as a lead or supervisory role.

OR

Education: Graduation from high school or equivalent3 years of postsecondary engineering education;

And

Experience: Current employment with the Department as a Construction Project Manager for three (3) years; and experience in a lead or supervisory role.

And

~~**Certificates:** Must have and maintain a California State Water Resources Control Board (SWRCB) Water Distribution Operator Grade 1 certificate or higher at the time of application;~~

~~And~~

~~Must have and maintain a California State Water Resources Control Board (SWRCB) Water Treatment Operator Grade 1 certificate or higher at the time of application.~~

Certification: Must possess a valid Professional Engineer License (Civil) in the State of California at the time of application

And

Must obtain and maintain a California State Water Resources Control Board (SWRCB) Water Distribution Operator Grade 2 or higher and an SWRCB Water Treatment Operator Grade 2 or higher within 36 months of appointment;

General contractor license is highly desirable.

Certified Construction Manager certification is highly desirable.

Obtaining and maintaining required certification is a condition of employment. Failure to obtain and maintain any required certifications noted within the stipulated timeframes shall be considered grounds for termination. The responsibility for obtaining and maintaining certifications is the sole responsibility of the employee.

This position is primarily responsible for overseeing the construction management and inspection of Public Works projects, **not** performing operations, maintenance, construction, repair, or installation of Department assets or systems, therefore, experience in the performance of these tasks shall not be considered as meeting the minimum experience qualifications.

NECESSARY SPECIAL REQUIREMENTS

Must be able to respond to call-outs or emergencies including being on-call

Possession of a valid California Class "C: driver's license is required upon application. For out-of-state applicants, a valid driver's license is required and a valid California driver's license is required within ten (10) days of appointment (CA Vehicle Code 12505c).

PHYSICAL TASKS AND ENVIRONMENTAL CONDITIONS

Work involves exposure to potential physical harm, hazardous chemicals, and infectious disease. There is frequent need to stand, sit, stoop, walk, and perform other similar actions during the course of the workday. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

Incumbents require sufficient mobility to work in an office setting and operate office equipment, transport materials and supplies weighing up to 50 pounds, and to travel to various locations. 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. Must be able to hear in the normal audio range with or without correction. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

CAREER LADDER

From: Principal Engineer

To: Engineering Manager

Job Description:

BOWC Approved:

Rev:

5/27/2003

9/5/2006

12/15/2009

8/15/2017

Testing Standards: App Review/ Supp App Review

:

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT CLASSIFICATION SPECIFICATION

TITLE: PRINCIPAL ENGINEER

DATE: 9/9/2025

JOB CODE: 2120

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

For staff assigned to the Planning and Design Group, under general direction, to manage the planning and design of all Water Utility, Water Reclamation, and Sewer Collection capital improvement designed in-house or by outside consultants; to assist in the planning, scheduling, supervision and administration of engineering personnel, resources, projects, and processes; to supervise and participate in the gathering and compiling of data and the preparation and review of designs, plans, estimates, specifications and reports for the construction, alteration and maintenance of water utility, water reclamation, sewer collection, hydro-generation and geothermal systems; and to perform related work as required.

For staff assigned to the Construction Services Group, under the general direction of the Engineering Manager, to plan, direct, supervise, and review the activities of staff engaged in the construction management, inspection, constructability review, and assist in the planning and scheduling for the construction, or alteration of water utility, water reclamation, sewer collections, power generation, and geothermal systems; gather and compile data, prepare, and review design plans for constructability, preparation or review of construction cost estimates, specifications, and reports; direct and assist engineering personnel with matters associated with construction management and construction inspection; oversee the management and coordination of contractor/developer-installed projects; and perform other related duties as assigned.

DISTINGUISHING CHARACTERISTICS

The class of Principal Engineer is the advanced professional level class in the engineering series. Supervision is received from the Engineering Manager. Supervision may be exercised over Engineering Section staff. In the absence of the Engineering Manager, the Principal Engineer may act as his or her designee.

This class is distinguished from the Engineering Manager by the latter's full management authority in planning, organizing, and directing the full scope of programs, projects, and related engineering activities for the entire Engineering Section, including GIS and mapping services, development services, planning and design services, and construction services.

EXAMPLES OF DUTIES

For staff assigned to the Planning and Design Group, 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 Department staff;
- Routinely adhere to and maintain a positive attitude toward City and department goals;
- Plan, schedule, supervise, and administer engineering personnel resources, projects, and processes;
- Supervise and participate in planning, design and construction for water/wastewater/sewer collection system and geothermal additions and improvements such as reservoirs, pumping plants, pressure reducing/sustaining stations, water distribution and transmission mains, sewer lift stations, wastewater/water reclamation treatment processes (preliminary treatment, advanced primary treatment, biological nutrient removal secondary treatment, tertiary filtration, anaerobic digesters, sludge dewatering, cogeneration, oxidation ponds, chlorine contact basins, UV disinfection, etc.), buildings, and hydro generation installations;
- Formulate program definition and policy;
- Prepare design drawings in AutoCAD format in accordance with Department standards;
- Check design work in progress for accuracy and calculations and conformance with established engineering methods and procedures;
- Prepare technical specifications;
- Review completed designs, specifications, cost estimates, legal descriptions and related documents;
- Direct the preparation and maintenance of maps, drawings, engineering records and files;
- Calculate cost estimates;
- Calculate elevations and approve legal descriptions;
- Write construction orders and purchase requisitions;
- Provide engineering information to contractors, engineers and members of the public;
- Coordinate the compilation of data for audit reports;
- Resolve technical opinion conflicts of engineering personnel;
- Assist the construction management section with construction related issues;
- Take a lead role in management and coordination of consultants and/or sub-consultants; manage consultants who perform professional design services for accuracy of calculations and conformance with established engineering methods, procedures, and Department standards;
- Coordinate utility conflicts with other agencies and sub-consultants; coordinate field site visits to verify survey data;
- Ensure accurate documentation of designs and as-built drawings are to Department standards and placed on appropriate server and Document Management System (DMS);

- Assist the Engineering Manager in the maintenance and updates of Department AutoCAD standards and drawings;
- Work with the GIS Manager on design drawing archiving, GIS mapping updates, and website postings;
- Review and approve the work of engineering staff;
- Develop, explain and implement policies, procedures and objectives of the unit to staff by written directive and by oral communications;
- Conduct staff meetings;
- Instruct assigned staff in work methods;
- Perform the more difficult work of the section;
- Conduct studies and investigations, preparing reports of findings and recommendations;
- Compose correspondence requiring use of judgment based upon a thorough knowledge of the functions and procedures for review by supervisor;
- Temporarily carry out responsibilities and duties of the Engineering Manager when the Engineering Manager is unavailable;
- Operate Department vehicles; and
- Perform related work as required.

For staff assigned to the Construction Services Group, 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;
- Establish and maintain effective relationships with those contacted in the course of work;
- Plan, organize, control, integrate, and evaluate the work of assigned Construction Project Managers, Engineering staff, and support staff; develop, implement, and monitor work plans; supervise and participate in developing, implementing, and evaluating plans, work processes, systems, and procedures;
- Participate in the selection of staff; provide or coordinate staff training;
- Plan, direct, and evaluate the performance of assigned staff; regularly monitor performance and provide coaching for performance improvement and development; recommend/implement disciplinary action to address performance deficiencies in accordance with Department policies and MOUs;
- Participate in planning, developing, implementing, and monitoring the Department's capital improvement budget;
- Participate in the constructability review of design plans and technical specifications for water utility, water reclamation, and sewer collections systems additions;

- Check design work in progress for accuracy of calculations and conformance with established engineering methods and procedures;
- Serve as project manager and/or oversee the construction, renovation, and repair of Department facilities; develop project budget estimates, review and approve plans, specifications, and estimates for capital improvement projects;
- Review and evaluate daily job status reports prepared by subordinate or consultant staff;
- Provide day-to-day leadership and work with staff to ensure a high performance, customer service oriented work environment;
- Oversee and/or perform inspections of engineering projects to determine conformance to plans and specifications and compliance with city, state, and federal standards of construction and safety;
- Coordinate construction meetings; prepare RFPs and RFQs, related invoices, and bid documents; verify that all contract work is completed per the plans, specifications, and other contract documents and make recommendation to issue a Notice of Completion for all facilities and improvement projects;
- Review construction plans, submittals, specifications, reports, work logs, permits, and files with engineering staff;
- Review and comment on completed designs, technical specifications, and cost estimates from a constructability perspective;
- Prepare or review construction cost estimates;
- Conduct studies and investigations and prepare reports of findings and recommendations;
- Compose correspondence requiring use of judgment based upon a thorough knowledge of functions and procedures;
- Recommend implementation of contractual enforcement provisions for inadequate performance of contractors;
- Identify, investigate, and resolve project related problems to keep construction activities on track and moving forward;
- Prepare a variety of reports;
- Prepare interoffice memoranda and other routine correspondence;
- Provide technical assistance regarding specifications, special conditions, and compliance methods to contractors, engineers, developers, architects, and staff;
- Recommend appropriate action on issues of noncompliance;
- Keep informed of changes and new legislation pertaining to laws, codes, and regulations and recommend changes as appropriate;
- Coordinate, delegate, and follow up on work of assigned staff to ensure completion;
- Set work priorities, coordinate and schedule assignments, and maintain records of activities for the Construction Services Group within the Engineering Section;

- Maintain regular contact with consulting engineers, construction project managers, engineering staff, city, county, state, and federal agencies, professional and technical groups, and the general public regarding construction activities as appropriate;
- Visit job sites to inspect progress on projects; provide technical and operations assistance to staff;
- Respond to and resolve difficult and sensitive inquiries and complaints;
- Identify and recommend contract change orders where appropriate;
- Negotiate and mediate contract disputes between the Department and contractors;
- Prepare periodic reports on the progress of projects; compile and maintain statistics and records on project status and contractor performance; perform inspections in the field on special and more complex inspection assignments;
- Coordinate site safety of construction projects; make final acceptance inspections and close projects;
- Confer with engineering staff on design problems;
- Represent the Department at various meetings;
- Maintain a clean and safe work area and adhere to all safety requirements;
- Communicate effectively both orally and in writing;
- Operate Department vehicles;
- Evaluate and document contractual issues during the course of construction and make recommendations to modify or append to the General Conditions, the General Requirements, or other construction contract documents with the goal to eliminate or reduce these issues for future projects.
- Must be able to respond to call-outs or emergencies; and
- Perform related work as required.

QUALIFICATIONS

For staff assigned to the Planning and Design Group, 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:

- Basic principles of supervision;
- Methods of water utility, water reclamation, and sewer collection engineering and construction;
- Federal and State safety water, wastewater, sewer collection, and environmental laws and regulations;
- Types and variety of equipment, tools, and materials used in water utility construction;
- Basic surveying;

- Appropriate safety precautions and procedures;
- Computer Aided Design and Drafting (CAD);
- Geographical Information System (GIS);
- Personal Computer Operation and standard office word processing, spreadsheet and database;
- Public relations and customer assistance;

Ability to:

- Assist in the Supervision, scheduling, and training of water utility/reclamation/sewer collection engineering staff;
- Read, understand and prepare complex engineering drawings, data, specifications, and contracts;
- Prepare clear and concise technical reports and cost estimates;
- Plan, organize, and administer the work of Engineering Section staff;
- Conduct thorough investigations, organize data, and draw sound conclusions;
- Work in a CAD or GIS environment;
- Review and comment on environmental documents;
- Delegate responsibility to employees at the technical and professional level;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out complex oral and written instructions;
- Establish and maintain effective relationships with those contacted in the course of work;
- Stoop, bend, lift, and transport materials and supplies weighing up to 50 pounds;
- Climb in and out of construction project excavations;
- Work predominately inside; however, subject to a variety of outdoor environmental conditions of noise, vibrations, fumes, odors, dust, including inclement changing outdoor weather conditions.

For staff assigned to the Construction Services Group, 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 of supervision, training, and performance evaluation;
- Construction standards;
- Pertinent federal, state and local laws, codes, and regulations, in particular Public Contract Code requirements as they pertain to Public Works projects;

- Administrative and technical report preparation principles;
- Principles and practices of budget preparation and administration with an emphasis on budgeting for capital projects;
- Principles and practices of purchasing and maintenance of public records;
- Clean Water Act and relevant EPA regulations;
- Advanced principles of capital program design, construction, planning, and management;
- Advanced principles of project management, organizing, coordinating, planning, and scheduling;
- Advanced working knowledge of construction management software, that may include but not be limited to, construction document management and construction scheduling software or platforms;
- Appropriate safety rules and methods applicable to construction sites; safety principles, practices, and procedures of engineering and construction inspection and related facilities, equipment, and materials used in water operations and distribution, wastewater treatment, and sewer collections systems;
- Drafting, surveying, and engineering practices and terminology;
- Technical principles and practices of engineering design, specification, and cost estimate preparation;
- Defects and faults in construction;
- Principles of mathematics and their applicability to engineering work;
- Methods and techniques of conflict resolution and negotiation;
- Principles and applications of critical thinking and analysis;
- Trends and technologies in “green” design and construction;
- Personal computer operations and applicable software applications;
- Proper English usage, including spelling, grammar, vocabulary, and punctuation.

Ability to:

- Supervise, plan, organize, schedule, review, and evaluate the work of professional and technical staff;
- Prepare clear and concise technical, financial, and administrative reports;
- Administer a budget;
- Review and interpret engineering plans, specifications, and estimates of capital projects;
- Communicate clearly, concisely, and effectively, both orally and in writing;
- Operate a personal computer and database, spreadsheet and word processing programs, including project management, construction management, CAD, and permit tracking;

- Work independently, planning day-to-day activities while maintaining deadlines;
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner;
- Anticipate work performance and construction problems and determine appropriate course of action;
- Communicate complex technical ideas clearly and effectively to both technical and non-technical audiences;
- Participate in all phases of the design process in order to provide input from a constructability perspective;
- Review and evaluate engineering plans for constructability and provide recommendations to address potential constructability concerns;
- Evaluate materials, workmanship, and construction methods;
- Read, analyze, and interpret contract data and information, including legal agreements;
- Analyze and make sound recommendations on complex management and administrative issues;
- Exercise tact and diplomacy in dealing with sensitive, complex, and confidential situations;
- Perform highly detailed work under changing, intensive deadlines on multiple concurrent tasks;
- Interpret and apply federal, state, and local construction regulations and standards for water utility, water reclamation, and sewer collections projects;
- Exercise sound independent judgment within general policy guidelines;
- Apply critical thinking and analysis to a broad range of situations;
- Read and understand technical drawings and specifications;
- Recognize and properly deal with hazardous materials/environments;
- Delegate responsibility to employees at the technical and professional level;
- Operate a vehicle observing legal and defensive driving practices;
- Understand and carry out complex oral and written instructions;
- Work under moderate or high stress conditions;
- Evaluate Contractor's baseline schedule and identify potential concerns for resolution prior to approval; Be able to perform complex review of baseline schedule, schedule updates, and Time Impact Analysis (TIA);
- Prepare for and successfully negotiate change orders, construction claims, claims mitigation or other contractual concerns with the General Contractor in a fair and equitable manner while representing the Department to protect the rate payers;
- Maintain a driving record which meets Vehicle Code Standards and is acceptable to the Department and its insurance carrier.

MINIMUM QUALIFICATIONS

For staff assigned to the Planning and Design Group, the following minimum qualifications shall apply:

Education: Bachelor of Science degree in Civil Engineering, Mechanical Engineer, or other related discipline

Experience: Four (4) years of civil engineering experience

Certification: Must possess a valid Professional Engineer License (Civil) in the State of California at the time of application

And

Must obtain and maintain a State of California State Water Resources Control Board (SWRCB) Distribution Operator Grade 2 Certificate and a SWRCB Water Treatment Operator Grade 2 Certificate within 36 months of hire date.

For staff assigned to the Construction Services Group, the following minimum qualifications shall apply:

Education: Bachelor's degree in engineering, construction, architecture, Water Technology, Wastewater Technology, or closely related field.

And

Experience: Four (4) years of increasingly responsible experience in construction management or project management handling multiple large and complex Public Works projects involving pipes and complex process facilities, wastewater collection systems, mechanical equipment, medium voltage and instrumentation systems, tenant improvements, or new facilities, including experience in a lead or supervisory role.

Certification: Must possess a valid Professional Engineer License (Civil) in the State of California at the time of application

And

Must obtain and maintain a California State Water Resources Control Board (SWRCB) Water Distribution Operator Grade 2 or higher and an SWRCB Water Treatment Operator Grade 2 or higher within 36 months of appointment;

General contractor license is highly desirable.

Certified Construction Manager certification is highly desirable.

Obtaining and maintaining required certification is a condition of employment. Failure to obtain and maintain any required certifications noted within the stipulated timeframes shall be considered grounds for termination. The responsibility for obtaining and maintaining certifications is the sole responsibility of the employee.

This position is primarily responsible for overseeing the construction management and inspection of Public Works projects, **not** performing operations, maintenance, construction, repair, or installation of Department assets or systems, therefore, experience in the performance of these tasks shall not be considered as meeting the minimum experience qualifications.

NECESSARY SPECIAL REQUIREMENTS

Must be able to respond to call-outs or emergencies including being on-call

Possession of a valid California Class "C: driver's license is required upon application. For out-of-state applicants, a valid driver's license is required and a valid California driver's license is required within ten (10) days of appointment (CA Vehicle Code 12505c).

PHYSICAL TASKS AND ENVIRONMENTAL CONDITIONS

Work involves exposure to potential physical harm, hazardous chemicals, and infectious disease. There is frequent need to stand, sit, stoop, walk, and perform other similar actions during the course of the workday. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

Incumbents require sufficient mobility to work in an office setting and operate office equipment, transport materials and supplies weighing up to 50 pounds, and to travel to various locations. 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. Must be able to hear in the normal audio range with or without correction. Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis.

CAREER LADDER

From: Principal Engineer

To: Engineering Manager

Job Description:

BOWC Approved:
Rev:

5/27/2003

9/5/2006

12/15/2009

8/15/2017

Testing Standards: App Review/ Supp App Review

:

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**WATER BOARD
STAFF REPORT**

Received 09-03-25
SBMWD AS
General Manager

TO: Miguel J. Guerrero, P.E., General Manager 
FROM: Robin Ohama, Deputy General Manager
SUBJECT: **ANNUAL POLICY REVIEW - NEW, DELETED, AND REVISED POLICIES**
DATE: September 3, 2025
CC: Human Resources

BACKGROUND:

A comprehensive yearly review of existing policies and procedures has been conducted per Policy 10.020 - Review of Policies and Procedures. This review is conducted every July by Department Administration and Human Resources to: 1) Determine if a policy or procedure is still relevant or if it should be rescinded or combined with another; 2) Determine if the policy or procedure is being implemented as intended; 3) Determine if the policy is having the desired effect; 4) Determine if revisions are necessary due to legislative changes; and 5) Ensure that appropriate employee education, monitoring, and ongoing review of policies is occurring on a regular basis. New and existing policies with either legislatively mandated or substantive content changes will be approved by the Water Board. Existing policies and procedures with minor editorial changes will be approved by the General Manager and are not included herein. All employees must review all policies and procedures after each yearly review and sign an acknowledgement form. Please refer to the attached Exhibit A for a complete listing of Administrative/Human Resources policies reviewed and recommended actions. As part of this review, staff recommends the following changes:

Revised Policies:

- Policy No. 51.030 – Purchasing has been revised to comport with the authorization level of the General Manager (or designee) at \$100,000 for informal bid and sole source purchases. Formal bid purchases under \$100,000 will not require submission through Planet Bids.
- Policy No. 31.050 – Return to Work/Modified Duty has been revised to include undue hardship to Department operations when considering granting leave as a reasonable accommodation. Criteria include length and frequency of requested leave, leave already taken, impact to coworkers and to operations and the ability to serve customers in an appropriate and timely manner.

September 3, 2025

SUBJECT: ANNUAL POLICY REVIEW -NEW, DELETED, AND REVISED POLICIES

- Policy No. 33.035 – Drug, Alcohol and Substance Use has been revised to specify that employees shall not consume alcoholic beverages, illegal drugs or marijuana at lunch or during break periods or when subject to on-call duty.

There are no new or deleted policies.

GOALS AND OBJECTIVES:

These revised policies align with the Department's Strategic Plan – Values - *Integrity*. This supports the specific action to ensure transparency, accountability and ethical standards by maintaining up-to-date policies/procedures.

FISCAL IMPACT:

There is no fiscal impact due to these changes.

RECOMMENDATION:

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

- Approve revised Policy No. 51.030 Purchasing
- Approve revised Policy No. 31.050 Return to Work/Modified Duty Policy
- Approve revised Policy No. 33.035 Drug, Alcohol and Substance Use

Respectfully submitted,

Robin Ohama

Robin Ohama (Sep 3, 2025 15:26:32 PDT)

Robin Ohama

Deputy General Manager

Attachments – Exhibit A -Administrative/Human Resources Policies review recommendations

Revised policies - Policy No. 51.030 Purchasing, Policy No. 31.050 Return to Work/Modified Duty Policy, Policy No. 33.035 Drug, Alcohol and Substance Use (redline and final draft versions).

Exhibit A
Administrative/Human Resources Policies HR Review and Recommendations 2025

Substantive Changes Board Approval	Administrative Changes GM Approval	Spacing/Grammar/Spelling Only No Approval	No Changes
31.050 Return to Work/Modified Duty	54.050 – Grant Management and Administration		Code of Ethics
33.035 Drug, Alcohol, and Substance Use	61.030 Department Communication Systems/ Equipment		Fleet Policy
51.030 Purchasing Policy	61.040 Passwords		Policy Introduction
	62.010 Dept Issued Cell/Smart Phones		Acknowledgement of Safe Driving Rules
			10.010 Public Information Officer
			10.020 Review of Policies and Procedures
			10.120 Investment Policy
			10.130 Investment Policy Statement Other Post-Employment Benefit Trust
			10.20 Debt Management
			20.010 Adoption/Amendment Human Relations Policy
			20.030 Personal Mail/Packages
			20.050 Records Retention Policy
			20.055 Email Retention Policy
			20.060 Cash Handling Procedures
			20.070 Solicitation
			20.080 Posting - Bulletin Boards
			20.090 Claims Handling
			20.100 Naming of SBMWD Properties/Facilities
			21.020 Employee Confidentiality
			21.110 Fraud Prevention, Reporting, and Investigation
			31.010 Equal Opportunity - Affirmative Action
			31.020 Seniority Transfer from City Dept.
			31.030 New Employee Orientation
			31.060 Acceptance of Gifts, Favors, and/or Other Considerations
			31.080 Employee Consultation
			31.085 Work Rules
			31.090 Mandatory Retirement Contributions for PST Employees
			31.100 Voluntary Training Conducted on Water Department Time
			31.110 Personnel Records and Release of Information
			31.120 Outside Employment
			31.130 Higher Acting Classification
			31.140 Business Casual Attire
			31.160 Classification/Compensation Plan Maintenance
			31.170 Tattoos, Piercings, and Body Jewelry
			32.020 Lactation Accommodation
			32.025 Transfer of Benefit Hours
			32.030 Jury Duty Compensation

			32.050 Special Performance Evaluation
			32.070 Family, Medical, and Pregnancy Disability Leave
			32.080 Paid Sick Leave Part-Time Temp Employees
			32.110 Temporary Telecommuting Assignment
			32.120 Reproductive Loss Leave
			33.020 Prohibition Against Smoking/Use of Smokeless Tobacco Dept Vehicles and Facilities
			33.050 Sexual Harassment
			33.060 Nepotism
			33.070 Non Discrimination /Harassment
			33.080 Anti-Bullying
			43.020 Access to Department Facilities and/or Properties
			45.020 Drug/Alcohol Policy for Employees who Drive Commercial Vehicles
			51.010 Petty Cash Procedures
			51.020 Modifications to Professional Services and Competitively Bid Contract
			51.035 Vehicle Equipment Replacement Policy
			51.040 Purchasing Card Policy
			51.050 Fixed Assets
			51.080 Criteria for Bill Messages and Inserts
			51.090 Budget Amendments
			52.010 Payroll Distribution
			52.020 Overtime
			53.010 Reimbursable/Allowable Travel Expenses
			54.010 Reserve Policy
			54.020 Write-Off of Uncollectible Accounts Receivable
			54.030 Disclosure Policy and Procedure
			54.040 Tax-Exempt Bonds Compliance Policy for City of San Bernardino Municipal Water Department Water and Sewer Obligations
			54.060 Unclaimed Property
			61.050 Security Awareness Training
			62.020 Personal Use of Dept Telephones
			62.070 Social Media
			70.010 Department Furnished Uniforms
			90.020 Resignations/Retirements Water Board Resolutions
			100.010 Newmark Groundwater Superfund Site Institutional Controls Implementation Policy

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 51.030 - PURCHASING

Date: ~~September~~ August 2025
Revision No.: ~~2019~~
Supersedes: ~~August 22, July~~ 2023
First Adopted: January 1993

POLICY:

It is the policy of the Department to promote competition, impartiality, conservation of funds, and fair and open purchasing completed in a manner that ensures accountability, while seeking to realize the maximum value:

Quality Service and Responsible Spending

RESPONSIBILITY:

The Purchasing section ("Purchasing") is dedicated to providing excellent, responsive and courteous service to the Department and community by:

1. following state laws, local ordinances, and administrative procedures, assuring the legality of the purchasing process;
2. coordinating a uniform procurement system to supply Department operations with an uninterrupted flow of materials and services;
3. buying competitively and wisely to obtain maximum value for the ratepayers;
4. promoting vendor relations, as well as reliable alternate sources of supply; and
5. keeping inventory losses due to deterioration or obsolescence to a minimum.

PURCHASING METHODS:

The following policies are established to provide methods for purchasing supplies, general services, equipment and special equipment/supplies. A "purchase" shall include renting, leasing, or purchasing the above items.

Part I. PURCHASE ORDER:

Purchases of supplies, general services, special equipment/supplies, general equipment and construction contract

or public work specification of \$2,500 or more shall be made by purchase orders issued by the Purchasing Manager, after award by Purchasing or the Water Board (Board). Appropriate documentation on the expected scope of work and contracts are required as part of the purchase order.

Exemptions from the purchasing system include:

- Utility Payments
- Grants
- Payments to Other Governmental Units (Federal, state, county or municipal agencies)
- Lawsuit Settlement payments
- Postage
- Payments to temporary agencies for temporary staffing needs
- Memberships, subscriptions, conference registrations, trainings and related travel costs
- Refunds and utility rebates to customers
- Payment associated to CalPERS, health insurance providers, and other routine payments associated with the City's payroll operations
- Debt-related payments
- Insurance premiums
- Legal invoices
- Items paid via a purchasing card or credit card
- Emergency purchases (See Section F below)

Part II. PURCHASE ORDER CHANGES:

A purchase order is a contract between the Department and a vendor. Any change to a purchase order shall be documented appropriately.

Part III. PURCHASING CARDS:

Purchases of goods in the amount of \$2,500 and under may be procured by Department staff by utilizing their assigned purchasing card. For further information on the use of purchasing cards, please reference the Department's Purchasing Card Policy.

Part IV. UNAUTHORIZED PURCHASES:

A purchase order is required for all purchases over \$2,500, unless specifically identified as exempt in the above section.

1. Unauthorized purchases are void and not considered an obligation of the Department.
2. Invoices without an authorized purchase order may be returned to the vendor.
3. The person ordering the unauthorized purchase may be held personally responsible for the costs of the purchase or contract.
4. Purchase orders shall be issued to a vendor when ordering supplies and services and not **"after the fact"** for work

already done or materials already ordered or received.

PART V. HOW TO PURCHASE:

A. Creating a Purchase Requisition:

The following steps will be required of the requesting section to obtain a purchase order:

1. Establish a need for a determined good or service;
2. Determine that budgeted funds are available to support purchase. No purchase order shall be issued without an unencumbered appropriation for such purchase. All requisitions must have a valid account number. The annual budget may be used for a source document in determining the account to be charged. Should an account number not exist for the type of material or service being requested, funds must be located from a similar expenditure within each section's budget or a Budget Transfer Form must be completed and sent to Finance for approval as noted in the Budget Amendment Policy (#51-090);
3. Determine authorization level required up to the following dollar amounts:

a. General Manager (or designee)	\$100,000
b. Deputy General Manager, Department Directors (or designee)	\$40,000
c. Department Managers/Superintendents	\$20,000
d. Executive Assistant to the General Manager	\$15,000
e. Department Supervisors	\$7,500
f. Administrative Coordinator	\$5,000
4. Determine type of procurement:
 - a. Requisition purchases - inventory, goods and services (over \$2,500) automatically convert to a Purchase Order;
 - b. Contracts - goods/services over \$100,000 that have a contract/professional services agreement and for public works contracts approved by the Board;
 - c. Other direct requisitions deemed appropriate by the General Manager or Deputy General Manager;
 - d. Request for payment or Request for Check (RFC) - purchases of goods under \$2,500, professional services and recurring monthly services (i.e., pest control or cable), monthly recurring fees (i.e., copier lease), subscriptions, memberships, conferences, etc.

All requirements must be completed by the requesting section and submitted with appropriate approvals to Purchasing.

B. Federal/State Funding:

Requisitions for goods or services which involve federal or state funding must be noted as "Federal/State Funding" in the description and assigned to a specific project number to ensure compliance with appropriate regulations.

C. Preferences:

The Department encourages the maximum opportunity to compete for services and contracts for the organizations listed below. The Department allows a one percent (1%) preference for the following types of vendors:

1. Businesses located in the city limits of San Bernardino;
2. Businesses owned by minorities;
3. Businesses owned by women;
4. Businesses owned by disadvantaged; and
5. Businesses offering an environmental option.

Any certification or license documents provided by vendor will be verified by Purchasing. Upon verification, a vendor file will be created and maintained by Purchasing. This file will be used for granting the one percent (1%) credit on all qualifying bids.

D. Dollar Limits:

1. Purchases in excess of \$100,000 require:

- a. formal written contract (if applicable);
- b. sealed bids for goods and services (public works projects);
- c. Request for Proposal (RFP)
- d. award by the Board; and
- e. purchases may not be divided into small lots to keep individual orders under \$100,000.

2. Purchases between \$50,000 and \$99,999 require:

- a. formal written contract (if applicable);
- b. sealed bids for goods and services (public works projects);
- c. Request for Proposal (RFP)
- d. purchases may not be divided into small lots to keep individual orders under \$99,999.

3. Purchases between \$10,000 and \$49,999 require:

- a. informal, written quotes for purchases;
- b. contact with a minimum of three (3) vendors;

4. Purchases between \$2,500 and \$9,999 require:

- a. Informal verbal quotes for purchases;
- b. contact with a minimum of three (3) vendors;
and

E. Exceptions:

1. Intergovernmental cooperative purchases allow governmental agencies to utilize other entities contracts without going to bid when the following criteria is met:

- a. agreement approved by a governing body and signed by both parties;
- b. current contract;
- c. advertised and competitively bid;
- d. vendor will accept current contract price;
- e. bid award within eighteen months of Department Purchase Order P/O; and
- f. contract is available for review by the Department's Purchasing section.

F. Emergency Purchases:

Emergency purchases are allowed when unforeseen situations arise, and remedy must be immediate.

1. Time permitting, Emergency purchases must abide by California Public Contract Code Section 22050.
2. If immediate action is necessary and abidance by California Public Contract Code Section 22050 is not feasible, the General Manager or designee may authorize Purchasing to secure in the open market at the lowest obtainable price any supplies, materials, equipment or contractual services necessary. In all instances, a full explanation of the emergency circumstances will be presented to the Board at the earliest possible time.
3. All procurements made under this provision shall be made by:
 - i. Emergency Purchase order number issued by Purchasing Manager
 - ii. Emergency Purchase order is completed by following the requisition process associated with the Emergency Purchase Order number

G. Sole Source Purchase:

The bid or quote requirements may be waived in the case of a "**sole source**" purchase. One of the following conditions must exist to claim "**sole source**":

1. Vendor is the original equipment manufacturer and there are no regional distributors;
2. Parts or equipment are not interchangeable with similar parts or equipment available from another manufacturer;
3. No other equipment meets the specialized needs that performs the intended function; or
4. Other justification is available which establishes the vendor to be the only source available to provide the item or service requested.

The Board must approve "**sole source**" transactions in excess of \$~~50,000~~100,000.

H. Negotiated Purchases:

At the discretion of the General Manager, the Purchasing Manager may authorize the purchase of technical or specialized supplies and equipment by competitive negotiation when such a method of purchase would be more advantageous to the Department and any one of the following conditions exists:

1. The supplies or equipment are such that suitable technical or performance specifications are not readily available;
2. The Department is not able to develop descriptive specifications; or
3. The quality of the supplies and equipment cannot be accurately determined by reference to their specifications alone.

The Board must approve these purchases over \$100,000.

I. Petty Cash Purchases:

Petty cash is established to facilitate the efficient procurement of low-cost supplies, materials or services, unavailable from the storeroom where the purchase requisition process is not practical.

J. Procurement of Professional Services:

Professional Services shall mean any specially trained and experienced individual, firm or corporation, in areas such as, but not limited to, financial, economic, accounting, engineering, information services, technical, architectural, or other similar disciplines.

Procurement of such professional services with costs less than \$100,000 may be approved by the General Manager. While services under \$100,000 do not require a Request for Proposal or Qualification, it is recommended that a competitive quote or informal quote is obtained from multiple sources, when available, to ensure the Department receives the best value for the service provided.

A Request for Proposal or Qualifications shall be prepared and solicited where practical from more than one service provider for professional services exceeding \$100,000 unless a provider has been prequalified by the Department. The Department shall solicit a Request for Qualifications for purposes of establishing and maintaining the prequalified list of providers which shall be utilized for common and routinely used professional services. Services with costs greater than \$100,000 shall be initiated in accordance with this section and approved by the Board.

Notwithstanding the foregoing, procurement of legal services, including special counsel services, up to the Department's self-insured retention (for any insured matter) or through the City Attorney's Office shall occur at the discretion of the General Manager without regard for the other limits set forth in this Policy.

K. Purchases of Goods Less Than \$2,500:

Purchases of goods less than \$2,500 do not require a purchase order, but should follow the guidelines listed below:

- a. An employee must obtain authorization from a supervisor for the purchase of items under \$2,500.
- b. Purchases can be made through: Request for Check (RFC), request for payment form (found on the Water Web under the Finance Division, "Documents and Forms") or using the Purchasing Credit Card (P-Card). Backup documentation (i.e., invoice, packing slips, receipts, etc.) should be attached to whichever above process is used.

Part VII. BID PROCESS (NOT APPLICABLE TO PROFESSIONAL SERVICES):

1. Formal Bid:

- A. After the proper approval has been received, the requesting employee, project manager, or designee, shall prepare draft specification(s) for submittal to Finance. The Contracts Administrator, or designee, working in cooperation with the requesting employee, project manager, or designee, shall prepare the final fully detailed formal specification(s). The formal specification(s) shall contain, at a minimum, instructions for preparing the Bid; a detailed description of the goods and/or services required, including a statement of work if necessary; a performance delivery schedule; any special contract provisions, general contract provisions, basis of award, and proposed contract terms and conditions; and the type of contract to be awarded. Formal specification(s) shall be as complete as possible so as to provide the bidding contractor or vendor as much information as possible.

~~For formal bid purchases under \$100,000.00, the purchase order, when completed shall meet the~~

~~requirements of a contract.~~

~~Requirements for insurance, performance bonds, warranty bonds and other contractual necessities shall be attached to, and indicated in, the body of the purchase order.~~

~~Formal bids must be submitted electronically through the Department's bid management system, Planet Bids.~~

- B. The request for bids or proposals shall be electronically sent to qualified and responsible bidders in sufficient quantity to obtain as much competition as possible and reasonable.

- C. Notice Inviting Bids:

Notice inviting bids shall include a general description of the supplies, materials, or services to be purchased, shall state where bid blanks and specifications may be secured, the date and time for electronic bid opening and what type bonds are required, if any.

- D. Published Notice

The notice inviting bids shall be published at least ten days prior to the bid opening date. Notice shall be published at least once in a newspaper of general circulation printed and published in the City or posted on the Department's electronic bid management system, Planet Bids. The Contracts Administrator or designee shall publish the notice inviting bids in newspapers and trade publications outside the City as determined by the scope of the specification, in addition to publishing in local publications or electronic posting.

- E. Determining Factor

When advertising for competitive bids is required, the lowest price bid shall be the determining factor in contract awards, providing the contractor or vendor is qualified, responsible, responsive, meets the quality standards of the specification, and best meets the needs of the Department.

- F. Bidder's Security

Each bid or proposal may be required to be accompanied by a bidder's bond, a certified check, or a cashier's check in the amount not less than ten percent (10%) of the total bid. A bidder's security shall be required in order to protect the interests of the Department. When deemed necessary by established standards, bidder's security may be prescribed in the public notices inviting bids. When bid security is required, bidders shall be entitled to the return of bid security, provided that a successful bidder has been selected and the contract approved. A bidder shall forfeit his bid security upon

refusal or failure to execute the contract within fifteen (15) days after the notice of award of a contract has been mailed, unless and to the extent the Department is responsible for the delay. The Board may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest and best bidder. If the Board awards the contract to the next lowest and best bidder, the amount of the lowest bidder's required security shall be applied by the Department to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

G. Bid Opening Procedure

Bids shall be submitted electronically via the Department's electronic bid management software. The software tabulates all bids received. The results are automatically posted and made public on the bid deadline date and time, as stated in the public notices.

H. Rejection of Bids

At its discretion, the Board shall have the power to reject any and all bids presented and re-advertise for bids.

I. Waiver of Bid Irregularities and Informalities

At its discretion, the Board shall have the power to waive any and all bid irregularities and informalities.

J. Tie bids

If two or more bids received are for the same total amount or unit price, quality and service being equal, The Board may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of bid opening.

K. Bid Protest Procedure

In the event a bid award results in a protest of the award by one or more of the other bidders, the following steps must be followed:

1. The protest must be submitted to the Board in writing by the protesting bidder within fifteen (15) days of the bid award.
2. The protest letter shall contain the reason for the protest, any evidence supporting the protesting bidder's position, and a request for review by the Board.
3. The protest shall be placed on the agenda of the next available scheduled Board meeting following receipt of the protest, but no later than two

scheduled meetings of the Board of Water Commissioners.

4. The protesting bidder, or representative, shall present to the Board their reason for the protest and their evidence supporting their position. This may be presented via written communication or in person.
5. After hearing the protesting bidder, the Board may consider the evidence presented, review the bid award and specification requirements, consult with Water Department staff and/or legal counsel, and determine if the bid shall remain as awarded, be awarded to another bidder, or be rejected and re-advertised. The decision of the Board shall be final.

2. Informal, Written Purchases Over \$10,000.00:

- A. After the proper approval has been received, the Purchasing section, working in cooperation with the requesting employee, shall prepare detailed specification (s). Specification(s) shall contain, at a minimum, a detailed description of the goods and/or services required, including a statement of work if necessary, a delivery schedule, proposed contract terms and conditions, and the type of contract to be awarded. Specification(s) and a request for informal bid shall be as complete as possible so as to provide the proposing contractor or vendor as much information as possible.

For informal bid purchases over \$10,000.00 and under ~~\$50,000.00~~100,000.00, the purchase order, when completed shall meet the requirements of a formal contract. Additional requirements for insurance, performance bonds, warranty bonds and other contractual necessities may be attached to, and indicated in, the body of the purchase order.

- B. The request for informal bid shall be sent, in writing, to a minimum of three (3) qualified and responsible bidders, when possible. In the event three (3) bidders are not available, an explanation should be provided in the body of the purchase order.
- C. When informal bids are required, the lowest price quoted shall be the determining factor in the award, providing the contractor or vendor is qualified, responsible, responsive, meets the quality standards of the items requested, and best meets the needs of the Department.

D. Upon review of the responses from the bidders, the informal purchase for items or services over \$10,000.00, but under ~~\$50,000.00~~100,000, shall be awarded by the Purchasing section, with the proper approval thresholds met per this policy. All submitted informal bids must be attached to the requisition. Upon an award, a purchase order shall be prepared and signed by the Purchasing Manager. Any and all contractual conditions shall be appended to the purchase order, as necessary.

3. Informal Purchases Under \$10,000.00:

Informal purchases shall be awarded by the appropriate Purchasing staff, subject to the dollar limits consistent with this policy. When possible, a minimum of three (3) vendors shall be contacted by the Purchasing section and quotes must be attached to, or noted on, the requisition.

Upon an award, a purchase order shall be prepared by the Purchasing section.

4. Contract Completion:

1. Upon completion of the contract, Purchasing, in cooperation with the requesting party or Project Manager, shall ensure that all goods and/or services have been delivered as required by the contract, and that any defective materials be repaired or replaced as directed. If required, the Contracts Administrator and/or the Purchasing Manager shall then obtain affidavits or certificates of payment and/or release from any subcontractor, laborer, or material supplier.
2. Upon the satisfactory completion of a contract, the Contracts Administrator, the Project Manager, and the Purchasing Manager shall prepare all necessary documents for the final payment to the contractor. Receipts for material and services rendered, signed by the receiving employee, shall be included with the request for payment or purchase order.

Part VIII. Procurement Using Government Funds:

In certain cases, procurement may be made using government funds. In these instances, the following requirements apply:

1. All contracts shall be reviewed by the Water Department Legal Counsel, the Contracts Administrator, Purchasing Manager or designee and the Project Manager to ensure that all contract clauses and requirements are included.

2. For all negotiated procurement and change orders, in excess of \$100,000.00, the following minimum requirements must be met:
 - A. The contractor must submit a detailed cost and price proposal.
 - B. The contractor must submit a signed Certificate of Current Cost and Pricing Data twice, once at the time of proposal submission, and again at the conclusion of price negotiations.
3. In the source selection process, specific attention shall be given to ensure that small business enterprises, minority business enterprises, and women's business enterprises are encouraged to submit proposals and are given every opportunity to win contract awards. The instructions contained in the federal contract shall be followed.
4. Copies of all documentation and written records shall be filed, stored and safeguarded for future reference by federal audit.

Policy Review

Established:

	1/1993
Revision Board approved:	8/3/1993
Revision Board approved:	5/21/1996
Revision Board approved:	5/6/1997
Revision Board approved:	10/19/1999
Revision Board approved:	12/7/1999
Revision Board approved:	4/18/2000
Revision Board approved:	2/20/2001
Revision Board approved:	3/19/2002
Revision Board approved:	6/24/2003
Revision Board approved:	11/12/2003
Revision Board approved:	5/11/2004
Revision:	1/1/2017
Revision Board approved:	8/14/2018
No changes:	7/2019
Revision Board approved:	7/14/2020
Minor changes GM approved:	7/2021
Revision Board approved:	5/10/2022
Minor changes (HR) GM approved:	7/2022
Revision Board approved:	8/22/2023
No changes (HR):	7/2024
<u>Revision Board approved:</u>	

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 51.030 - PURCHASING

Date: September 2025
Revision No.: 20
Supersedes: August 22, 2023
First Adopted: January 1993

POLICY:

It is the policy of the Department to promote competition, impartiality, conservation of funds, and fair and open purchasing completed in a manner that ensures accountability, while seeking to realize the maximum value:

Quality Service and Responsible Spending

RESPONSIBILITY:

The Purchasing section ("Purchasing") is dedicated to providing excellent, responsive and courteous service to the Department and community by:

1. following state laws, local ordinances, and administrative procedures, assuring the legality of the purchasing process;
2. coordinating a uniform procurement system to supply Department operations with an uninterrupted flow of materials and services;
3. buying competitively and wisely to obtain maximum value for the ratepayers;
4. promoting vendor relations, as well as reliable alternate sources of supply; and
5. keeping inventory losses due to deterioration or obsolescence to a minimum.

PURCHASING METHODS:

The following policies are established to provide methods for purchasing supplies, general services, equipment and special equipment/supplies. A "purchase" shall include renting, leasing, or purchasing the above items.

Part I. PURCHASE ORDER:

Purchases of supplies, general services, special equipment/supplies, general equipment and construction contract

or public work specification of \$2,500 or more shall be made by purchase orders issued by the Purchasing Manager, after award by Purchasing or the Water Board (Board). Appropriate documentation on the expected scope of work and contracts are required as part of the purchase order.

Exemptions from the purchasing system include:

- Utility Payments
- Grants
- Payments to Other Governmental Units (Federal, state, county or municipal agencies)
- Lawsuit Settlement payments
- Postage
- Payments to temporary agencies for temporary staffing needs
- Memberships, subscriptions, conference registrations, trainings and related travel costs
- Refunds and utility rebates to customers
- Payment associated to CalPERS, health insurance providers, and other routine payments associated with the City's payroll operations
- Debt-related payments
- Insurance premiums
- Legal invoices
- Items paid via a purchasing card or credit card
- Emergency purchases (See Section F below)

Part II. PURCHASE ORDER CHANGES:

A purchase order is a contract between the Department and a vendor. Any change to a purchase order shall be documented appropriately.

Part III. PURCHASING CARDS:

Purchases of goods in the amount of \$2,500 and under may be procured by Department staff by utilizing their assigned purchasing card. For further information on the use of purchasing cards, please reference the Department's Purchasing Card Policy.

Part IV. UNAUTHORIZED PURCHASES:

A purchase order is required for all purchases over \$2,500, unless specifically identified as exempt in the above section.

1. Unauthorized purchases are void and not considered an obligation of the Department.
2. Invoices without an authorized purchase order may be returned to the vendor.
3. The person ordering the unauthorized purchase may be held personally responsible for the costs of the purchase or contract.
4. Purchase orders shall be issued to a vendor when ordering supplies and services and not **"after the fact"** for work

already done or materials already ordered or received.

PART V. HOW TO PURCHASE:

A. Creating a Purchase Requisition:

The following steps will be required of the requesting section to obtain a purchase order:

1. Establish a need for a determined good or service;
2. Determine that budgeted funds are available to support purchase. No purchase order shall be issued without an unencumbered appropriation for such purchase. All requisitions must have a valid account number. The annual budget may be used for a source document in determining the account to be charged. Should an account number not exist for the type of material or service being requested, funds must be located from a similar expenditure within each section's budget or a Budget Transfer Form must be completed and sent to Finance for approval as noted in the Budget Amendment Policy (#51-090);
3. Determine authorization level required up to the following dollar amounts:

a. General Manager (or designee)	\$100,000
b. Deputy General Manager, Department Directors (or designee)	\$40,000
c. Department Managers/Superintendents	\$20,000
d. Executive Assistant to the General Manager	\$15,000
e. Department Supervisors	\$7,500
f. Administrative Coordinator	\$5,000
4. Determine type of procurement:
 - a. Requisition purchases - inventory, goods and services (over \$2,500) automatically convert to a Purchase Order;
 - b. Contracts - goods/services over \$100,000 that have a contract/professional services agreement and for public works contracts approved by the Board;
 - c. Other direct requisitions deemed appropriate by the General Manager or Deputy General Manager;
 - d. Request for payment or Request for Check (RFC) - purchases of goods under \$2,500, professional services and recurring monthly services (i.e., pest control or cable), monthly recurring fees (i.e., copier lease), subscriptions, memberships, conferences, etc.

All requirements must be completed by the requesting section and submitted with appropriate approvals to Purchasing.

B. Federal/State Funding:

Requisitions for goods or services which involve federal or state funding must be noted as "Federal/State Funding" in the description and assigned to a specific project number to ensure compliance with appropriate regulations.

C. Preferences:

The Department encourages the maximum opportunity to compete for services and contracts for the organizations listed below. The Department allows a one percent (1%) preference for the following types of vendors:

1. Businesses located in the city limits of San Bernardino;
2. Businesses owned by minorities;
3. Businesses owned by women;
4. Businesses owned by disadvantaged; and
5. Businesses offering an environmental option.

Any certification or license documents provided by vendor will be verified by Purchasing. Upon verification, a vendor file will be created and maintained by Purchasing. This file will be used for granting the one percent (1%) credit on all qualifying bids.

D. Dollar Limits:

1. Purchases in excess of \$100,000 require:

- a. formal written contract (if applicable);
- b. sealed bids for goods and services (public works projects);
- c. Request for Proposal (RFP)
- d. award by the Board; and
- e. purchases may not be divided into small lots to keep individual orders under \$100,000.

2. Purchases between \$50,000 and \$99,999 require:

- a. formal written contract (if applicable);
- b. sealed bids for goods and services (public works projects);
- c. Request for Proposal (RFP)
- d. purchases may not be divided into small lots to keep individual orders under \$99,999.

3. Purchases between \$10,000 and \$49,999 require:

- a. informal, written quotes for purchases;
- b. contact with a minimum of three (3) vendors;

4. Purchases between \$2,500 and \$9,999 require:

- a. Informal verbal quotes for purchases;
- b. contact with a minimum of three (3) vendors;
and

E. Exceptions:

1. Intergovernmental cooperative purchases allow governmental agencies to utilize other entities contracts without going to bid when the following criteria is met:

- a. agreement approved by a governing body and signed by both parties;
- b. current contract;
- c. advertised and competitively bid;
- d. vendor will accept current contract price;
- e. bid award within eighteen months of Department Purchase Order P/O; and
- f. contract is available for review by the Department's Purchasing section.

F. Emergency Purchases:

Emergency purchases are allowed when unforeseen situations arise, and remedy must be immediate.

- 1. Time permitting, Emergency purchases must abide by California Public Contract Code Section 22050.
- 2. If immediate action is necessary and abidance by California Public Contract Code Section 22050 is not feasible, the General Manager or designee may authorize Purchasing to secure in the open market at the lowest obtainable price any supplies, materials, equipment or contractual services necessary. In all instances, a full explanation of the emergency circumstances will be presented to the Board at the earliest possible time.
- 3. All procurements made under this provision shall be made by:
 - i. Emergency Purchase order number issued by Purchasing Manager
 - ii. Emergency Purchase order is completed by following the requisition process associated with the Emergency Purchase Order number

G. Sole Source Purchase:

The bid or quote requirements may be waived in the case of a "**sole source**" purchase. One of the following conditions must exist to claim "**sole source**":

1. Vendor is the original equipment manufacturer and there are no regional distributors;
2. Parts or equipment are not interchangeable with similar parts or equipment available from another manufacturer;
3. No other equipment meets the specialized needs that performs the intended function; or
4. Other justification is available which establishes the vendor to be the only source available to provide the item or service requested.

The Board must approve "**sole source**" transactions in excess of \$100,000.

H. Negotiated Purchases:

At the discretion of the General Manager, the Purchasing Manager may authorize the purchase of technical or specialized supplies and equipment by competitive negotiation when such a method of purchase would be more advantageous to the Department and any one of the following conditions exists:

1. The supplies or equipment are such that suitable technical or performance specifications are not readily available;
2. The Department is not able to develop descriptive specifications; or
3. The quality of the supplies and equipment cannot be accurately determined by reference to their specifications alone.

The Board must approve these purchases over \$100,000.

I. Petty Cash Purchases:

Petty cash is established to facilitate the efficient procurement of low-cost supplies, materials or services, unavailable from the storeroom where the purchase requisition process is not practical.

J. Procurement of Professional Services:

Professional Services shall mean any specially trained and experienced individual, firm or corporation, in areas such as, but not limited to, financial, economic, accounting, engineering, information services, technical, architectural, or other similar disciplines.

Procurement of such professional services with costs less than \$100,000 may be approved by the General Manager. While services under \$100,000 do not require a Request for Proposal or Qualification, it is recommended that a competitive quote or informal quote is obtained from multiple sources, when available, to ensure the Department receives the best value for the service provided.

A Request for Proposal or Qualifications shall be prepared and solicited where practical from more than one service provider for professional services exceeding \$100,000 unless a provider has been prequalified by the Department. The Department shall solicit a Request for Qualifications for purposes of establishing and maintaining the prequalified list of providers which shall be utilized for common and routinely used professional services. Services with costs greater than \$100,000 shall be initiated in accordance with this section and approved by the Board.

Notwithstanding the foregoing, procurement of legal services, including special counsel services, up to the Department's self-insured retention (for any insured matter) or through the City Attorney's Office shall occur at the discretion of the General Manager without regard for the other limits set forth in this Policy.

K. Purchases of Goods Less Than \$2,500:

Purchases of goods less than \$2,500 do not require a purchase order, but should follow the guidelines listed below:

- a. An employee must obtain authorization from a supervisor for the purchase of items under \$2,500.
- b. Purchases can be made through: Request for Check (RFC), request for payment form (found on the Water Web under the Finance Division, "Documents and Forms") or using the Purchasing Credit Card (P-Card). Backup documentation (i.e., invoice, packing slips, receipts, etc.) should be attached to whichever above process is used.

Part VII. BID PROCESS (NOT APPLICABLE TO PROFESSIONAL SERVICES):

1. Formal Bid:

- A. After the proper approval has been received, the requesting employee, project manager, or designee, shall prepare draft specification(s) for submittal to Finance. The Contracts Administrator, or designee, working in cooperation with the requesting employee, project manager, or designee, shall prepare the final fully detailed formal specification(s). The formal specification(s) shall contain, at a minimum, instructions for preparing the Bid; a detailed description of the goods and/or services required, including a statement of work if necessary; a performance delivery schedule; any special contract provisions, general contract provisions, basis of award, and proposed contract terms and conditions; and the type of contract to be awarded. Formal specification(s) shall be as complete as possible so as to provide the bidding contractor or vendor as much information as possible.

- B. The request for bids or proposals shall be

electronically sent to qualified and responsible bidders in sufficient quantity to obtain as much competition as possible and reasonable.

C. Notice Inviting Bids:

Notice inviting bids shall include a general description of the supplies, materials, or services to be purchased, shall state where bid blanks and specifications may be secured, the date and time for electronic bid opening and what type bonds are required, if any.

D. Published Notice

The notice inviting bids shall be published at least ten days prior to the bid opening date. Notice shall be published at least once in a newspaper of general circulation printed and published in the City or posted on the Department's electronic bid management system, Planet Bids. The Contracts Administrator or designee shall publish the notice inviting bids in newspapers and trade publications outside the City as determined by the scope of the specification, in addition to publishing in local publications or electronic posting.

E. Determining Factor

When advertising for competitive bids is required, the lowest price bid shall be the determining factor in contract awards, providing the contractor or vendor is qualified, responsible, responsive, meets the quality standards of the specification, and best meets the needs of the Department.

F. Bidder's Security

Each bid or proposal may be required to be accompanied by a bidder's bond, a certified check, or a cashier's check in the amount not less than ten percent (10%) of the total bid. A bidder's security shall be required in order to protect the interests of the Department. When deemed necessary by established standards, bidder's security may be prescribed in the public notices inviting bids. When bid security is required, bidders shall be entitled to the return of bid security, provided that a successful bidder has been selected and the contract approved. A bidder shall forfeit his bid security upon refusal or failure to execute the contract within fifteen (15) days after the notice of award of a contract has been mailed, unless and to the extent the Department is responsible for the delay. The Board may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest and best bidder. If the Board awards the contract to the next lowest and best bidder, the amount of the lowest bidder's required security shall be applied by the Department to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be

returned to the lowest bidder.

G. Bid Opening Procedure

Bids shall be submitted electronically via the Department's electronic bid management software. The software tabulates all bids received. The results are automatically posted and made public on the bid deadline date and time, as stated in the public notices.

H. Rejection of Bids

At its discretion, the Board shall have the power to reject any and all bids presented and re-advertise for bids.

I. Waiver of Bid Irregularities and Informalities

At its discretion, the Board shall have the power to waive any and all bid irregularities and informalities.

J. Tie bids

If two or more bids received are for the same total amount or unit price, quality and service being equal, The Board may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of bid opening.

K. Bid Protest Procedure

In the event a bid award results in a protest of the award by one or more of the other bidders, the following steps must be followed:

1. The protest must be submitted to the Board in writing by the protesting bidder within fifteen (15) days of the bid award.
2. The protest letter shall contain the reason for the protest, any evidence supporting the protesting bidder's position, and a request for review by the Board.
3. The protest shall be placed on the agenda of the next available scheduled Board meeting following receipt of the protest, but no later than two scheduled meetings of the Board of Water Commissioners.
4. The protesting bidder, or representative, shall present to the Board their reason for the protest and their evidence supporting their position. This may be presented via written communication or in person.
5. After hearing the protesting bidder, the Board may consider the evidence presented, review the bid award and specification requirements, consult with

Water Department staff and/or legal counsel, and determine if the bid shall remain as awarded, be awarded to another bidder, or be rejected and re-advertised. The decision of the Board shall be final.

2. Informal, Written Purchases Over \$10,000.00:

- A. After the proper approval has been received, the Purchasing section, working in cooperation with the requesting employee, shall prepare detailed specification (s). Specification(s) shall contain, at a minimum, a detailed description of the goods and/or services required, including a statement of work if necessary, a delivery schedule, proposed contract terms and conditions, and the type of contract to be awarded. Specification(s) and a request for informal bid shall be as complete as possible so as to provide the proposing contractor or vendor as much information as possible.

For informal bid purchases over \$10,000.00 and under \$100,000.00, the purchase order, when completed shall meet the requirements of a formal contract. Additional requirements for insurance, performance bonds, warranty bonds and other contractual necessities may be attached to, and indicated in, the body of the purchase order.

- B. The request for informal bid shall be sent, in writing, to a minimum of three (3) qualified and responsible bidders, when possible. In the event three (3) bidders are not available, an explanation should be provided in the body of the purchase order.
- C. When informal bids are required, the lowest price quoted shall be the determining factor in the award, providing the contractor or vendor is qualified, responsible, responsive, meets the quality standards of the items requested, and best meets the needs of the Department.

- D. Upon review of the responses from the bidders, the informal purchase for items or services over \$10,000.00, but under \$100,000, shall be awarded by the Purchasing section, with the proper approval thresholds met per this policy. All submitted informal bids must be attached to the requisition. Upon an award, a purchase order shall be prepared and signed by the Purchasing Manager. Any and all contractual conditions shall be appended to the purchase order, as necessary.

3. Informal Purchases Under \$10,000.00:

Informal purchases shall be awarded by the appropriate Purchasing staff, subject to the dollar limits consistent with this policy. When possible, a minimum of three (3) vendors shall be contacted by the Purchasing section and quotes must be attached to, or noted on, the requisition.

Upon an award, a purchase order shall be prepared by the Purchasing section.

4. Contract Completion:

1. Upon completion of the contract, Purchasing, in cooperation with the requesting party or Project Manager, shall ensure that all goods and/or services have been delivered as required by the contract, and that any defective materials be repaired or replaced as directed. If required, the Contracts Administrator and/or the Purchasing Manager shall then obtain affidavits or certificates of payment and/or release from any subcontractor, laborer, or material supplier.
2. Upon the satisfactory completion of a contract, the Contracts Administrator, the Project Manager, and the Purchasing Manager shall prepare all necessary documents for the final payment to the contractor. Receipts for material and services rendered, signed by the receiving employee, shall be included with the request for payment or purchase order.

Part VIII. Procurement Using Government Funds:

In certain cases, procurement may be made using government funds. In these instances, the following requirements apply:

1. All contracts shall be reviewed by the Water Department Legal Counsel, the Contracts Administrator, Purchasing Manager or designee and the Project Manager to ensure that all contract clauses and requirements are included.

2. For all negotiated procurement and change orders, in excess of \$100,000.00, the following minimum requirements must be met:
 - A. The contractor must submit a detailed cost and price proposal.
 - B. The contractor must submit a signed Certificate of Current Cost and Pricing Data twice, once at the time of proposal submission, and again at the conclusion of price negotiations.
3. In the source selection process, specific attention shall be given to ensure that small business enterprises, minority business enterprises, and women's business enterprises are encouraged to submit proposals and are given every opportunity to win contract awards. The instructions contained in the federal contract shall be followed.
4. Copies of all documentation and written records shall be filed, stored and safeguarded for future reference by federal audit.

Policy Review

Established:

	1/1993
Revision Board approved:	8/3/1993
Revision Board approved:	5/21/1996
Revision Board approved:	5/6/1997
Revision Board approved:	10/19/1999
Revision Board approved:	12/7/1999
Revision Board approved:	4/18/2000
Revision Board approved:	2/20/2001
Revision Board approved:	3/19/2002
Revision Board approved:	6/24/2003
Revision Board approved:	11/12/2003
Revision Board approved:	5/11/2004
Revision:	1/1/2017
Revision Board approved:	8/14/2018
No changes:	7/2019
Revision Board approved:	7/14/2020
Minor changes GM approved:	7/2021
Revision Board approved:	5/10/2022
Minor changes (HR) GM approved:	7/2022
Revision Board approved:	8/22/2023
No changes (HR):	7/2024
Revision Board approved:	

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 31.050 - RETURN TO WORK/MODIFIED DUTY POLICY

Date: July 1, 202~~3~~⁵⁴
Revision No.: ~~56~~
Supersedes: July 1, 202~~2~~³
First Adopted: September 1994

POLICY:

The goal of the San Bernardino Municipal Water Department (Department) is to return employees to productive work as soon as medically possible following an injury or illness. Prior to returning to work, the employee must provide a medical release from their treating provider and specific guidelines regarding medical work restrictions, if any.

This policy works in conjunction with applicable leave provisions in the Memoranda of Understanding for all units as well as applicable State and Federal regulations. If an employee is out of work due to a work-related or personal injury/illness and the absence meets the criteria, the absence will count toward the employee's Family Medical Leave Act (FMLA) and/or California Family Rights Act (CFRA) entitlements.

This policy covers an employee's ability to return to work after experiencing an industrial injury/illness or a personal injury/illness. The policy covers scenarios including, but not limited to:

- Returning to work on a regular schedule with no restrictions
- Returning to work on a regular schedule with temporary work restrictions and receiving a modified duty assignment, if available
- Returning to work on a reduced schedule with or without temporary work restrictions and potentially being placed in a modified duty assignment, if applicable
- Inability to return to work

Temporary Modified Duty:

By definition, modified duty work assignments are temporary. In no way should a modified duty work assignment be perceived as permanent work activity.

[Employees returning from an industrial or non-industrial injury](#)

may request reasonable accommodations to work. For a request to be considered reasonable, it generally cannot cause an undue burden or hardship on the employer.

Employees who are released to return to work on a reduced schedule basis or on a regular or reduced schedule basis with temporary job restrictions may be eligible for a modified duty assignment for industrial injury/illness as supported by medical evidence from a treating physician recognized by the workers' compensation carrier as documented on a return to work order. For nonindustrial injury/illness, the temporary modified duty restriction must be documented by a licensed treating provider on a return to work order.

The Department will provide temporary modified duty assignments whenever possible, for a period of up to 90 days. At the end of that time frame, each individual case will be evaluated if the employee has not been medically cleared to return to normal work duties. An extension of temporary modified duty for up to 30 days may be offered on a case-by-case basis if the employee is anticipated to return to work in the usual and customary assignment within a reasonably short period of time and/or if the employee shows improvement and continues to have medical restrictions modified or removed. Any extensions of temporary modified duty will be reviewed every 30 days thereafter based on the above criteria. Employees may not participate in the modified duty program for longer than one (1) year without approval from the Human Resources Manager.

Modified duty is a temporary assignment which is for a specified and limited period of time. Modified duty must fulfill a necessary job function appropriate to the employee's skills and level of experience as determined by the employer, and which the employee can perform without violating any medical restriction imposed as a result of a temporary disability, sickness, or injury.

Modified duty assignments are not a matter of right. Modified/alternate tasks will be developed on a case-by-case basis. The Department will make a reasonable attempt to return the employee to his/her regular position, including potential modifications to the job. However, the Department reserves the right to offer temporary modified duty employees any job within the Department that meets the medical restrictions set by the treating provider and does not place the employee in the situation of potentially exacerbating his/her injury/illness. Therefore, a modified duty assignment may result in a change to work location, work hours, shift, etc. The availability and duration of such assignments are limited by departmental needs. Employees working modified duty must communicate any problems or concerns to their supervisor immediately.

During a modified duty assignment, the employee will be compensated

at his/her normal rate of pay and the salary will be charged to the employee's regular division/section regardless of the location of the assignment. Employees working temporary modified duty shall not be permitted to work overtime. A modified duty assignment does not in any way create a right for the employee to occupy that or any other position on a regular basis.

If at any time the injured employee's medical restrictions change, he/she must notify supervision as soon as practicable and provide a copy of the new medical release including any revised medical restrictions.

Temporary modified duty restrictions must be written in the form of specific physical work restrictions and include the probable length of time the restrictions will be in place. Work restrictions such as "light duty" are not specific/descriptive as to actual physical limitations and cannot be accommodated. Examples of specific restrictions include, but are not limited to:

- Limitations on lifting (no lifting over 10 lbs.), walking (walk 50% of shift), stooping, bending, sitting, etc.
- Restricted number of hours to be worked per day or per week, with or without limitations on the duties performed.

Assignments may not be available at all times nor to all employees. While working a modified duty assignment, the employee must make sure that he/she complies with the restrictions outlined by his/her treating physician and notify supervision immediately of any problems or concerns. If the employee's restrictions change at any time, he/she must notify his/her supervisor immediately and give the supervisor and Human Resources a copy of the revised medical release order including any restrictions.

Refusal of a modified duty assignment that complies with the employee's restrictions as specified by the treating provider, or failure to report for a temporary modified duty assignment, may result in the termination of leave benefits and/or separation from employment.

The employee may be required to provide periodic updates from his/her treating physician. Temporary restrictions will be reviewed after 90 consecutive days by the Department, workers' compensation carrier and/or treating physician.

If a modified duty assignment is not available, Human Resources will determine what remaining leave benefits are available to the employee, if any, and/or initiate the Interactive Process (IAP) as necessary.

Modified duty assignments end at or on the earliest of:

- The date the employee is released to his/her regular schedule

with no restrictions.

- The date the physician determines the employee has permanent restrictions.
- The date the maximum assignment period ends as specified in this policy.
- The date the employee fails to report for a modified duty assignment.
- The date the employee fails to complete a required medical evaluation without good cause.
- The date the Department is no longer able to provide such duty.
- The employee is terminated due to resignation, retirement, or other such occurrence.

If the restrictions provided on the return to work form from the treating provider are determined to be permanent, the employee is not eligible for a modified duty assignment and the Department will initiate the IAP process to determine whether reasonable accommodation can be offered.

Maximum Medical Improvement (MMI) with Permanent Work Restrictions

If the employee has reached MMI per the treating provider and no work restrictions are noted on the return to work order, or the noted permanent restrictions do not conflict with the usual and customary duties of the employee's regular position, the employee may be returned to his/her regular position.

If permanent restrictions that conflict with the usual and customary duties of the employee's regular position are noted on a treating provider's return to work form, whether an industrial or non-industrial injury/illness, the employee is not eligible for a modified duty assignment. The Department will initiate the IAP process to determine if reasonable accommodation can be offered. The employee will be released from work pending the IAP and will be placed on FMLA leave, if applicable. The employee will be required to use his/her accrued leave during this time and may be eligible for Workers' Compensation benefits or to apply for Short-Term and/or Long-Term Disability benefits depending on the circumstances and type of injury/illness (industrial or non-industrial).

Inability to Return to Work

If an employee is unable to return to work with or without restrictions as noted by a treating physician, the employee must notify Human Resources immediately, and may be required to provide periodic updates from his/her physician every thirty (30) days. In conjunction with this review, the employee may be required to submit to a periodic physical examination as a condition of continued leave.

It is the employee's responsibility while off work to provide Human Resources with a current telephone number, email address, and a

mailing address where the employee can be reached.

The employee must notify his/her supervisor immediately of any changes in medical condition.

When assessing whether to grant leave as reasonable accommodation, the Department will consider whether such leave would cause undue hardship. If undue hardship is determined, the Department may not grant the leave. Determining undue hardship may involve consideration of the following:

- The amount/and or length of leave required. Leave required indefinitely or without a specified or estimated end date may cause undue hardship; indefinite leave, meaning that an employee cannot say whether or when they will be able to return to work at all, will constitute an undue hardship and is not considered a reasonable accommodation.
- Leave already taken whether pursuant to Workers' Compensation, FMLA, or leave provided as reasonable accommodation.
- The impact of the employee's absence on coworkers and whether specific job duties are being performed in an appropriate and timely manner;
- The impact on the employer's operations and its ability to serve customers appropriately and in a timely manner;
- Additional considerations if the leave is intermittent:
 - o The frequency of the leave
 - o Whether there is any flexibility with respect to the days on which leave is taken.
 - o Whether the need for leave on specific dates is predictable or unpredictable;

If an employee has exhausted all protected leave benefits and is still unable to return to work, the employee may request a Leave of Absence for consideration by the General Manager per the respective MOU.

Once an approved Leave of Absence expires, ~~or~~ the General Manager denies a requested extension, or continued leave is determined to be an undue hardship, the Department will initiate the IAP process to determine if a reasonable accommodation can be offered.

If it is determined that a reasonable accommodation cannot be offered, the Department will apply for a disability retirement on behalf of the employee if he/she so qualifies. If the employee does not qualify for a disability retirement or cancels a disability retirement application filed on his/her behalf, he/she will be separated from employment.

Interactive Process (IAP)

When needed to identify or implement an effective, reasonable, accommodation for an employee with a disability, or once available leave programs are exhausted for employees unable to return to work, the Department will initiate the IAP process in accordance with State and Federal laws/regulations.

The Department shall initiate an IAP when:

- (1) An employee with a known physical or mental disability or medical condition requests reasonable accommodations, or
- (2) The Department otherwise becomes aware of the need for an accommodation through a third party or by observation, or
- (3) The Department becomes aware of the possible need for an accommodation because the employee with a disability has exhausted leave under the California Workers' Compensation Act, for the employee's own serious health condition under the CFRA (California Family Rights Act) and/or the FMLA (Family Medical Leave Act), or other federal, state, employer or other covered entity leave provisions and yet the employee or the employee's health care provider indicates that further accommodation is still necessary for recuperative leave or other accommodation for the employee to perform the essential functions of the job.
- (4) The employee has reached MMI and either cannot return to work or has permanent work restrictions as specified by the employee's health care provider.

The Department shall engage in a timely, good faith, interactive process as follows:

- (1) The Department shall either grant the employee's requested accommodation, or reject it after due consideration, and initiate discussion with the employee regarding alternative accommodations.
- (2) The employee may be required to provide reasonable medical documentation in a timely manner. The documentation may include a description of physical and/or mental limitations that affect potential workplace accommodation. Such an explanation should include a description of the employee's functional limitation(s) to perform the essential job functions.
- (3) If information provided by the employee requires clarification, the Department shall identify the issues requiring clarification, specify any necessary further information, and allow the employee a reasonable time to produce the clarified/supplemental information.

(4) In order to assess a requested accommodation, or to advance the interactive process, the Department shall analyze the job involved and the essential functions of the job. The Department may consult experts.

(5) If reassignment to an alternate position is considered as an accommodation, the Department may ask the employee to provide information about his or her educational qualifications and/or work experience that may help find a suitable alternative position for which the employee is qualified and can perform the essential functions. If the employee is reassigned to a classification/position at a lower salary level than his/her previous position, he/she shall be placed at the rate in the new range nearest to, but no greater than, his/her previous rate. There shall be no freezing of an employee's previous salary at a rate greater than the rate for the classification to which the employee is reassigned on a permanent basis. If the employee is reassigned to another position, he/she will be subject to a new probationary period. Reassignments as a result of reasonable accommodation shall not result in promotion.

(6) Supervisors, managers, and safety personnel may be informed of restriction(s) on the work or duties of employees with necessary reasonable accommodations.

Employees who are offered reasonable accommodation on a permanent basis in their regular position or reassignment to another position will receive confirmation in the form of a memo similar to the samples at the end of this policy.

If the determination is made that an employee may not or cannot be reasonably accommodated in accordance with State and Federal laws/regulations on a long term basis, accommodation is determined to be an undue hardship, the employee cannot be returned to his/her regular assignment because of medical limitations and/or work restrictions, and/or the employee is not qualified for any vacant positions within the Department in which any medical limitations and/or work restrictions can be reasonably accommodated, the Department shall file for disability retirement on behalf of the employee if he/she so qualifies. If the employee does not qualify for disability retirement or cancels a disability retirement application filed on his/her behalf, the employee will be separated from employment.

PROCEDURE:

Human Resources will coordinate modified duty assignments with Division Directors, and either the attending physician or workers' compensation carrier.

The employee's time sheet shall be maintained by the employee's regular division.

Policy Review

Title change From "Light Duty Program", and other substantive changes, Board approved:

5/12/2020

Substantive changes Board approved:

8/24/2021

Minor changes GM approved:

7/2022

Revision Board approved:

6/27/2023

No changes:

7/2023

No changes:

7/2024

Substantive changes Board approved

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: TEMPORARY MODIFIED DUTY

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following temporary restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

The Department has determined that the above restrictions can be accommodated in your current position, JOB TITLE, in the DIVISION /SECTION.

These restrictions are in effect until DATE. You are required to provide additional documentation from your treating provider of your work status on or before this date.

~~These restrictions are in effect indefinitely.~~ You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: TEMPORARY MODIFIED DUTY

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following temporary restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

Your current position, JOB TITLE, in the DIVISION /SECTION requires you to routinely perform the types of duties from which you are restricted and, therefore, in order to accommodate these restrictions, you are being temporarily assigned to DIVISION/SECTION. Please report to NAME on DATE and TIME.

These restrictions are in effect until DATE. You are required to provide additional documentation from your treating provider of your work status on or before this date.

You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: MEDICAL WORK RESTRICTIONS

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following permanent restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

Your current position, JOB TITLE, in the DIVISION /SECTION does not routinely include the types of duties from which you are restricted and, therefore, complies with the above restrictions. However, should you find yourself in a situation which does require performance of one of the above restricted activities, please contact your supervisor immediately for accommodation. Do not attempt to perform duties exceeding your restrictions.

~~These restrictions are in effect indefinitely.~~ You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

SAMPLE

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CITY OF SAN BERNARDINO
WATER BOARD

TONI CALLICOTT
President

Commissioners
WAYNE HENDRIX
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.
General Manager
ROBIN L. OHAMA
Deputy General Manager
STEVE R. MILLER
Director of Water Utility
KEVIN T. STEWART, P.E.
Director of Water Reclamation
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance
CYNTHIA J. MOUSER
Director of Finance

“Trusted, Quality Service since 1905”

DATE

NAME

ADDRESS

CITY, STATE, ZIP

RE: RELEASE FROM WORK

MR/MS:

The Department received notification from TREATING PROVIDER on DATE that you have the following permanent work restrictions: LIST RESTRICTIONS. In light of your permanent restrictions you are not able to perform the essential functions of your position and the Deputy General Manager and your supervisor have determined that the Department cannot accommodate these restrictions on a permanent basis.

If applicable, your time will be counted as Family Medical Leave Act (“FMLA”). You will be required to use your accrued leave during this time. You may also be eligible to apply for Short-Term Disability benefits.

The Department will initiate the Interactive Process to determine if any reasonable accommodation(s) can be made. We will schedule a meeting as soon as possible and notify you in writing of the date and time.

IF WORK RELATED: The Department will notify the Department's Workers' Compensation administrator, [Admisure York RSG](#), of your release from work. If you have questions regarding your eligibility for Workers' Compensation benefits during this time, please contact WC ADMINISTRATOR.

In the meantime, if you believe there are any available positions within the Department for which you qualify and are able to perform without violating your restrictions, please let me know so that we may consider whether such a position would constitute a reasonable accommodation. In addition, if there is any work that can be performed without violating your work restrictions, we will contact you.

In order to protect both parties, please do not to come into the Water Department Yards or other Water Department facilities during this process until further notified. Therefore, you will be asked to surrender your identification card and any other Water Department issued property pending the outcome of this process.

Sincerely,

Robin L. Ohama
Deputy General Manager

SAMPLE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CITY OF SAN BERNARDINO
WATER BOARD

TONI CALLICOTT
President

Commissioners
WAYNE HENDRIX
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.
General Manager
ROBIN L. OHAMA
Deputy General Manager
STEVE R. MILLER
Director of Water Utility
KEVIN T. STEWART, P.E.
Director of Water Reclamation
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance
CYNTHIA J. MOUSER
Director of Finance

“Trusted, Quality Service since 1905”

DATE

NAME

ADDRESS

CITY, STATE, ZIP

MR./MS.:

As a result of the following permanent and stationary restrictions received from your doctor: LIST RESTRICTIONS, which could not be accommodated in your current position of JOB TITLE, you were placed on Family Medical Leave Act (FMLA) leave effective DATE pending the Interactive Process (IAP) and an IAP meeting was held with you and your representative on DATE.

During the IAP meeting it was determined that there is no reasonable accommodation that would allow you to perform the essential duties of your current position. It was also determined that you do not meet the experience, education, and/or certification requirements for the following positions open at that time: LIST OF OPEN POSITIONS. In addition, your permanent work restrictions could not be reasonably accommodated in the following positions also open at that time: LIST POSITIONS since the physical requirements of these positions are essentially the same as your current position.

During the IAP meeting, there were ADD NUMBER additional open positions

discussed for which you may meet the education and experience requirements (LIST POSITIONS) that the Department agreed to review to determine if there were any reasonable accommodations that would allow you to perform the essential duties of these positions. It has been determined that the physical requirements of these positions exceed your permanent work restrictions and cannot be reasonably accommodated to allow you to perform the essential functions. IF NO OPEN POSITIONS WERE DISCUSSED AS THE EMPLOYEE DID NOT MEET MINIMUM QUALIFICATIONS USE FOLLOWING LANGUAGE:

During the IAP meeting you were provided with a list of open positions, and it was determined that there are no open positions for which you meet the minimum qualifications.

This letter is also to advise you that your FMLA leave expires on DATE. FMLA leave protects your job and maintains your health insurance(s) in the same manner as if you were actively at work. If you would like to request continuation of your job protection once FMLA leave expires, you would need to submit a request for a Leave of Absence for consideration by the General Manager.

Due to the expiration of your FMLA leave, the Department contribution toward your medical, dental, and vision expires on DATE (the last day of the month in which your FMLA expires). Therefore, your coverage in the Department's medical, dental, and vision plans will be terminated effective DATE. You will be offered COBRA (Consolidated Omnibus Budget Reconciliation Act) continuation coverage. You will receive a COBRA information and enrollment packet from Benefit Coordinators Corporation (BCC) in the mail. If you elect to enroll in COBRA, you will be responsible for the entire premium(s) plus administration fees.

For the reasons stated above, the Department is filing a disability retirement application on your behalf with CalPERS. The application is being mailed to CalPERS and they will be contacting you for further information.

Please feel free to contact Human Resources at (909)453-6090 if you have any questions.

Sincerely,

Robin L. Ohama
Deputy General Manager

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: ACCOMMODATION OF PERMANENT WORK RESTRICTIONS

DATE:

COPIES:

This memorandum is to confirm that an Interactive Process (IAP) Meeting was held with you on DATE regarding the following permanent work restrictions received from your doctor:

- Restriction #1;
- Restriction #2;
- Restriction #3, etc.

Your current position, JOB TITLE, requires that you perform these types of tasks in the performance of your daily duties and therefore, your restrictions cannot be reasonably accommodated on a permanent basis in your current position.

The Department has determined that your restrictions can be reasonably accommodated in the currently open position of JOB TITLE in the DIVISION/SECTION. The salary range for this position is RANGE and your hourly rate will be HOURLY RATE. The Department is offering you this position effective DATE.

I hereby accept the Department's offer of the JOB TITLE position effective DATE as an accommodation of my permanent work restrictions as outlined in this memorandum. I understand and acknowledge that I must notify my supervisor immediately if I experience any problems or find myself in a situation that requires the performance of duties that exceed my work restrictions, and I will not attempt to perform duties that exceed my work restrictions.

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 31.050 - RETURN TO WORK/MODIFIED DUTY POLICY

Date: July 1, 2025
Revision No.: 6
Supersedes: July 1, 2023
First Adopted: September 1994

POLICY:

The goal of the San Bernardino Municipal Water Department (Department) is to return employees to productive work as soon as medically possible following an injury or illness. Prior to returning to work, the employee must provide a medical release from their treating provider and specific guidelines regarding medical work restrictions, if any.

This policy works in conjunction with applicable leave provisions in the Memoranda of Understanding for all units as well as applicable State and Federal regulations. If an employee is out of work due to a work-related or personal injury/illness and the absence meets the criteria, the absence will count toward the employee's Family Medical Leave Act (FMLA) and/or California Family Rights Act (CFRA) entitlements.

This policy covers an employee's ability to return to work after experiencing an industrial injury/illness or a personal injury/illness. The policy covers scenarios including, but not limited to:

- Returning to work on a regular schedule with no restrictions
- Returning to work on a regular schedule with temporary work restrictions and receiving a modified duty assignment, if available
- Returning to work on a reduced schedule with or without temporary work restrictions and potentially being placed in a modified duty assignment, if applicable
- Inability to return to work

Temporary Modified Duty:

By definition, modified duty work assignments are temporary. In no way should a modified duty work assignment be perceived as permanent work activity.

Employees returning from an industrial or non-industrial injury

may request reasonable accommodations to work. For a request to be considered reasonable, it generally cannot cause an undue burden or hardship on the employer.

Employees who are released to return to work on a reduced schedule basis or on a regular or reduced schedule basis with temporary job restrictions may be eligible for a modified duty assignment for industrial injury/illness as supported by medical evidence from a treating physician recognized by the workers' compensation carrier as documented on a ~~return to work~~return-to-work order. For nonindustrial injury/illness, the temporary modified duty restriction must be documented by a licensed treating provider on a ~~return to work~~return-to-work order.

The Department will provide temporary modified duty assignments whenever possible, for a period of up to 90 days. At the end of that time frame, each individual case will be evaluated if the employee has not been medically cleared to return to normal work duties. An extension of temporary modified duty for up to 30 days may be offered on a case-by-case basis if the employee is anticipated to return to work in the usual and customary assignment within a reasonably short period of time and/or if the employee shows improvement and continues to have medical restrictions modified or removed. Any extensions of temporary modified duty will be reviewed every 30 days thereafter based on the above criteria. Employees may not participate in the modified duty program for longer than one (1) year without approval from the Human Resources Manager.

Modified duty is a temporary assignment which is for a specified and limited period of time. Modified duty must fulfill a necessary job function appropriate to the employee's skills and level of experience as determined by the employer, and which the employee can perform without violating any medical restriction imposed as a result of a temporary disability, sickness, or injury.

Modified duty assignments are not a matter of right. Modified/alternate tasks will be developed on a case-by-case basis. The Department will make a reasonable attempt to return the employee to his/her regular position, including potential modifications to the job. However, the Department reserves the right to offer temporary modified duty employees any job within the Department that meets the medical restrictions set by the treating provider and does not place the employee in the situation of potentially exacerbating his/her injury/illness. Therefore, a modified duty assignment may result in a change to work location, work hours, shift, etc. The availability and duration of such assignments are limited by departmental needs. Employees working modified duty must communicate any problems or concerns to their supervisor immediately.

During a modified duty assignment, the employee will be compensated

at his/her normal rate of pay and the salary will be charged to the employee's regular division/section regardless of the location of the assignment. Employees working temporary modified duty shall not be permitted to work overtime. A modified duty assignment does not in any way create a right for the employee to occupy that or any other position on a regular basis.

If at any time the injured employee's medical restrictions change, he/she must notify supervision as soon as practicable and provide a copy of the new medical release including any revised medical restrictions.

Temporary modified duty restrictions must be written in the form of specific physical work restrictions and include the probable length of time the restrictions will be in place. Work restrictions such as "light duty" are not specific/descriptive as to actual physical limitations and cannot be accommodated. Examples of specific restrictions include, but are not limited to:

- Limitations on lifting (no lifting over 10 lbs.), walking (walk 50% of shift), stooping, bending, sitting, etc.
- Restricted number of hours to be worked per day or per week, with or without limitations on the duties performed.

Assignments may not be available at all times nor to all employees. While working a modified duty assignment, the employee must make sure that he/she complies with the restrictions outlined by his/her treating physician and notify supervision immediately of any problems or concerns. If the employee's restrictions change at any time, he/she must notify his/her supervisor immediately and give the supervisor and Human Resources a copy of the revised medical release order including any restrictions.

Refusal of a modified duty assignment that complies with the employee's restrictions as specified by the treating provider, or failure to report for a temporary modified duty assignment, may result in the termination of leave benefits and/or separation from employment.

The employee may be required to provide periodic updates from his/her treating physician. Temporary restrictions will be reviewed after 90 consecutive days by the Department, workers' compensation carrier and/or treating physician.

If a modified duty assignment is not available, Human Resources will determine what remaining leave benefits are available to the employee, if any, and/or initiate the Interactive Process (IAP) as necessary.

Modified duty assignments end at or on the earliest of:

- The date the employee is released to his/her regular schedule

with no restrictions.

- The date the physician determines the employee has permanent restrictions.
- The date the maximum assignment period ends as specified in this policy.
- The date the employee fails to report for a modified duty assignment.
- The date the employee fails to complete a required medical evaluation without good cause.
- The date the Department is no longer able to provide such duty.
- The employee is terminated due to resignation, retirement, or other such occurrence.

If the restrictions provided on the return to work form from the treating provider are determined to be permanent, the employee is not eligible for a modified duty assignment and the Department will initiate the IAP process to determine whether reasonable accommodation can be offered.

Maximum Medical Improvement (MMI) with Permanent Work Restrictions

If the employee has reached MMI per the treating provider and no work restrictions are noted on the return to work order, or the noted permanent restrictions do not conflict with the usual and customary duties of the employee's regular position, the employee may be returned to his/her regular position.

If permanent restrictions that conflict with the usual and customary duties of the employee's regular position are noted on a treating provider's return to work form, whether an industrial or non-industrial injury/illness, the employee is not eligible for a modified duty assignment. The Department will initiate the IAP process to determine if reasonable accommodation can be offered. The employee will be released from work pending the IAP and will be placed on FMLA leave, if applicable. The employee will be required to use his/her accrued leave during this time and may be eligible for Workers' Compensation benefits or to apply for Short-Term and/or Long-Term Disability benefits depending on the circumstances and type of injury/illness (industrial or non-industrial).

Inability to Return to Work

If an employee is unable to return to work with or without restrictions as noted by a treating physician, the employee must notify Human Resources immediately, and may be required to provide periodic updates from his/her physician every thirty (30) days. In conjunction with this review, the employee may be required to submit to a periodic physical examination as a condition of continued leave.

It is the employee's responsibility while off work to provide Human Resources with a current telephone number, email address, and a

mailing address where the employee can be reached.

The employee must notify his/her supervisor immediately of any changes in medical condition.

When assessing whether to grant leave as reasonable accommodation, the Department will consider whether such leave would cause undue hardship. If undue hardship is determined, the Department may not grant the leave. Determining undue hardship may involve consideration of the following:

- The amount/and or length of leave required. Leave required indefinitely or without a specified or estimated end date may cause undue hardship; indefinite leave, meaning that an employee cannot say whether or when they will be able to return to work at all, will constitute an undue hardship and is not considered a reasonable accommodation.
- Leave already taken whether pursuant to Workers' Compensation, FMLA, or leave provided as reasonable accommodation.
- The impact of the employee's absence on coworkers and whether specific job duties are being performed in an appropriate and timely manner;
- The impact on the employer's operations and its ability to serve customers appropriately and in a timely manner;
- Additional considerations if the leave is intermittent:
 - The frequency of the leave
 - Whether there is any flexibility with respect to the days on which leave is taken.
 - Whether the need for leave on specific dates is predictable or unpredictable;

If an employee has exhausted all protected leave benefits and is still unable to return to work, the employee may request a Leave of Absence for consideration by the General Manager per the respective MOU.

Once an approved Leave of Absence expires, the General Manager denies a requested extension, or continued leave is determined to be an undue hardship, the Department will initiate the IAP process to determine if a reasonable accommodation can be offered.

If it is determined that a reasonable accommodation cannot be offered, the Department will apply for a disability retirement on behalf of the employee if he/she so qualifies. If the employee does not qualify for a disability retirement or cancels a disability retirement application filed on his/her behalf, he/she will be separated from employment.

Interactive Process (IAP)

When needed to identify or implement an effective, reasonable, accommodation for an employee with a disability, or once available

leave programs are exhausted for employees unable to return to work, the Department will initiate the IAP process in accordance with State and Federal laws/regulations.

The Department shall initiate an IAP when:

- (1) An employee with a known physical or mental disability or medical condition requests reasonable accommodations, or
- (2) The Department otherwise becomes aware of the need for an accommodation through a third party or by observation, or
- (3) The Department becomes aware of the possible need for an accommodation because the employee with a disability has exhausted leave under the California Workers' Compensation Act, for the employee's own serious health condition under the CFRA (California Family Rights Act) and/or the FMLA (Family Medical Leave Act), or other federal, state, employer or other covered entity leave provisions and yet the employee or the employee's health care provider indicates that further accommodation is still necessary for recuperative leave or other accommodation for the employee to perform the essential functions of the job.
- (4) The employee has reached MMI and either cannot return to work or has permanent work restrictions as specified by the employee's health care provider.

The Department shall engage in a timely, good faith, interactive process as follows:

- (1) The Department shall either grant the employee's requested accommodation, or reject it after due consideration, and initiate discussion with the employee regarding alternative accommodations.
- (2) The employee may be required to provide reasonable medical documentation in a timely manner. The documentation may include a description of physical and/or mental limitations that affect potential workplace accommodation. Such an explanation should include a description of the employee's functional limitation(s) to perform the essential job functions.
- (3) If information provided by the employee requires clarification, the Department shall identify the issues requiring clarification, specify any necessary further information, and allow the employee a reasonable time to produce the clarified/supplemental information.
- (4) In order to assess a requested accommodation, or to advance the interactive process, the Department shall analyze

the job involved and the essential functions of the job. The Department may consult experts.

(5) If reassignment to an alternate position is considered as an accommodation the Department may ask the employee to provide information about his or her educational qualifications and/or work experience that may help find a suitable alternative position for which the employee is qualified and can perform the essential functions. If the employee is reassigned to a classification/position at a lower salary level than his/her previous position, he/she shall be placed at the rate in the new range nearest to, but no greater than, his/her previous rate. There shall be no freezing of an employee's previous salary at a rate greater than the rate for the classification to which the employee is reassigned on a permanent basis. If the employee is reassigned to another position, he/she will be subject to a new probationary period. Reassignments as a result of reasonable accommodation shall not result in promotion.

(6) Supervisors, managers, and safety personnel may be informed of restriction(s) on the work or duties of employees with necessary reasonable accommodations.

Employees who are offered reasonable accommodation on a permanent basis in their regular position or reassignment to another position will receive confirmation in the form of a memo similar to the samples at the end of this policy.

If the determination is made that an employee may not or cannot be reasonably accommodated in accordance with State and Federal laws/regulations on a long term basis, accommodation is determined to be an undue hardship, the employee cannot be returned to his/her regular assignment because of medical limitations and/or work restrictions, and/or the employee is not qualified for any vacant positions within the Department in which any medical limitations and/or work restrictions can be reasonably accommodated, the Department shall file for disability retirement on behalf of the employee if he/she so qualifies. If the employee does not qualify for disability retirement or cancels a disability retirement application filed on his/her behalf, the employee will be separated from employment.

PROCEDURE:

Human Resources will coordinate modified duty assignments with Division Directors, and either the attending physician or workers' compensation carrier.

The employee's time sheet shall be maintained by the employee's

regular division.

Policy Review

Title change From "Light Duty Program", and other substantive changes, Board approved:

5/12/2020

Substantive changes Board approved:

8/24/2021

Minor changes GM approved:

7/2022

Revision Board approved:

6/27/2023

No changes:

7/2023

No changes:

7/2024

Substantive changes Board approved

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: TEMPORARY MODIFIED DUTY

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following temporary restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

The Department has determined that the above restrictions can be accommodated in your current position, JOB TITLE, in the DIVISION /SECTION.

These restrictions are in effect until DATE. You are required to provide additional documentation from your treating provider of your work status on or before this date.

You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: TEMPORARY MODIFIED DUTY

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following temporary restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

Your current position, JOB TITLE, in the DIVISION /SECTION requires you to routinely perform the types of duties from which you are restricted and, therefore, in order to accommodate these restrictions, you are being temporarily assigned to DIVISION/SECTION. Please report to NAME on DATE and TIME.

These restrictions are in effect until DATE. You are required to provide additional documentation from your treating provider of your work status on or before this date.

You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: MEDICAL WORK RESTRICTIONS

DATE:

COPIES:

As of DATE your doctor has indicated that you must work with the following permanent restrictions:

- Restriction #1
- Restriction #2
- Restriction #3, etc.

Your current position, JOB TITLE, in the DIVISION /SECTION does not routinely include the types of duties from which you are restricted and, therefore, complies with the above restrictions. However, should you find yourself in a situation which does require performance of one of the above restricted activities, please contact your supervisor immediately for accommodation. Do not attempt to perform duties exceeding your restrictions.

You are the best person to recognize your limitations; please notify me or your supervisor immediately if you experience any problems.

I have read, understand, and acknowledge receipt of this memorandum:

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

SAMPLE

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CITY OF SAN BERNARDINO
WATER BOARD

TONI CALLICOTT
President

Commissioners
WAYNE HENDRIX
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.
General Manager
ROBIN L. OHAMA
Deputy General Manager
STEVE R. MILLER
Director of Water Utility
KEVIN T. STEWART, P.E.
Director of Water Reclamation
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance
CYNTHIA J. MOUSER
Director of Finance

“Trusted, Quality Service since 1905”

DATE

NAME

ADDRESS

CITY, STATE, ZIP

RE: RELEASE FROM WORK

MR/MS:

The Department received notification from TREATING PROVIDER on DATE that you have the following permanent work restrictions: LIST RESTRICTIONS. In light of your permanent restrictions you are not able to perform the essential functions of your position and the Deputy General Manager and your supervisor have determined that the Department cannot accommodate these restrictions on a permanent basis.

If applicable, your time will be counted as Family Medical Leave Act (“FMLA”). You will be required to use your accrued leave during this time. You may also be eligible to apply for Short-Term Disability benefits.

The Department will initiate the Interactive Process to determine if any reasonable accommodation(s) can be made. We will schedule a meeting as soon as possible and notify you in writing of the date and time.

IF WORK RELATED: The Department will notify the Department's Workers' Compensation administrator, Adminsure, of your release from work. If you have questions regarding your eligibility for Workers' Compensation benefits during this time, please contact WC ADMINISTRATOR.

In the meantime, if you believe there are any available positions within the Department for which you qualify and are able to perform without violating your restrictions, please let me know so that we may consider whether such a position would constitute a reasonable accommodation. In addition, if there is any work that can be performed without violating your work restrictions, we will contact you.

In order to protect both parties, please do not to come into the Water Department Yards or other Water Department facilities during this process until further notified. Therefore, you will be asked to surrender your identification card and any other Water Department issued property pending the outcome of this process.

Sincerely,

Robin L. Ohama
Deputy General Manager

SAMPLE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CITY OF SAN BERNARDINO
WATER BOARD

TONI CALLICOTT
President

Commissioners
WAYNE HENDRIX
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.
General Manager
ROBIN L. OHAMA
Deputy General Manager
STEVE R. MILLER
Director of Water Utility
KEVIN T. STEWART, P.E.
Director of Water Reclamation
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance
CYNTHIA J. MOUSER
Director of Finance

“Trusted, Quality Service since 1905”

DATE

NAME

ADDRESS

CITY, STATE, ZIP

MR./MS.:

As a result of the following permanent and stationary restrictions received from your doctor: LIST RESTRICTIONS, which could not be accommodated in your current position of JOB TITLE, you were placed on Family Medical Leave Act (FMLA) leave effective DATE pending the Interactive Process (IAP) and an IAP meeting was held with you and your representative on DATE.

During the IAP meeting it was determined that there is no reasonable accommodation that would allow you to perform the essential duties of your current position. It was also determined that you do not meet the experience, education, and/or certification requirements for the following positions open at that time: LIST OF OPEN POSITIONS. In addition, your permanent work restrictions could not be reasonably accommodated in the following positions also open at that time: LIST POSITIONS since the physical requirements of these positions are essentially the same as your current position.

During the IAP meeting, there were ADD NUMBER additional open positions

discussed for which you may meet the education and experience requirements (LIST POSITIONS) that the Department agreed to review to determine if there were any reasonable accommodations that would allow you to perform the essential duties of these positions. It has been determined that the physical requirements of these positions exceed your permanent work restrictions and cannot be reasonably accommodated to allow you to perform the essential functions. IF NO OPEN POSITIONS WERE DISCUSSED AS THE EMPLOYEE DID NOT MEET MINIMUM QUALIFICATIONS USE FOLLOWING LANGUAGE:

During the IAP meeting you were provided with a list of open positions, and it was determined that there are no open positions for which you meet the minimum qualifications.

This letter is also to advise you that your FMLA leave expires on DATE. FMLA leave protects your job and maintains your health insurance(s) in the same manner as if you were actively at work. If you would like to request continuation of your job protection once FMLA leave expires, you would need to submit a request for a Leave of Absence for consideration by the General Manager.

Due to the expiration of your FMLA leave, the Department contribution toward your medical, dental, and vision expires on DATE (the last day of the month in which your FMLA expires). Therefore, your coverage in the Department's medical, dental, and vision plans will be terminated effective DATE. You will be offered COBRA (Consolidated Omnibus Budget Reconciliation Act) continuation coverage. You will receive a COBRA information and enrollment packet from Benefit Coordinators Corporation (BCC) in the mail. If you elect to enroll in COBRA, you will be responsible for the entire premium(s) plus administration fees.

For the reasons stated above, the Department is filing a disability retirement application on your behalf with CalPERS. The application is being mailed to CalPERS and they will be contacting you for further information.

Please feel free to contact Human Resources at (909)453-6090 if you have any questions.

Sincerely,

Robin L. Ohama
Deputy General Manager

**SAMPLE
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
INTEROFFICE MEMORANDUM**

TO:

FROM:

SUBJECT: ACCOMMODATION OF PERMANENT WORK RESTRICTIONS

DATE:

COPIES:

This memorandum is to confirm that an Interactive Process (IAP) Meeting was held with you on DATE regarding the following permanent work restrictions received from your doctor:

- Restriction #1;
- Restriction #2;
- Restriction #3, etc.

Your current position, JOB TITLE, requires that you perform these types of tasks in the performance of your daily duties and therefore, your restrictions cannot be reasonably accommodated on a permanent basis in your current position.

The Department has determined that your restrictions can be reasonably accommodated in the currently open position of JOB TITLE in the DIVISION/SECTION. The salary range for this position is RANGE and your hourly rate will be HOURLY RATE. The Department is offering you this position effective DATE.

I hereby accept the Department's offer of the JOB TITLE position effective DATE as an accommodation of my permanent work restrictions as outlined in this memorandum. I understand and acknowledge that I must notify my supervisor immediately if I experience any problems or find myself in a situation that requires the performance of duties that exceed my work restrictions, and I will not attempt to perform duties that exceed my work restrictions.

Employee Signature

Date

Supervisor Signature

Date

Director Signature

Date

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 33.035 - DRUG, ALCOHOL, AND SUBSTANCE USE

Effective Date: ~~July 2023~~ September 2025
Revision No: ~~67~~
Supersedes: 33.035 - July 2023
33.035 - July 2022
33.030 - January 4, 1993 and
33.040 - April 18, 1994
31.150 - June 22, 1993
First Adopted: April 13, 2004 - BOWC Resolution 634

1. POLICY

1.1 The City of San Bernardino Municipal Water Department has a vital interest in maintaining a safe, healthy, and efficient working environment. Being under the influence of a drug or alcohol on the job poses serious safety and health risks to the user and to all those who work with the user. The use, sale, purchase, transfer, or possession of an illegal drug or marijuana (regardless of prescription) in the workplace, and the use, possession, or being under the influence of alcohol also poses unacceptable risks for safe, healthy, and efficient operations.

1.2 The Water Department has the right, and obligation, to protect the organization's property, information, equipment, operations and reputation.

1.3 The Water Department recognizes its obligations to the public for providing services, which are free of the influence of illegal drugs, marijuana, and alcohol and will endeavor through this policy to provide drug- and alcohol-free services.

1.4 The Water Department further expresses its intent through this policy to comply with federal and state rules, regulations or laws that relate to the maintenance of a workplace free from illegal drugs, marijuana, and alcohol.

1.5 As a condition of employment, all employees are required to abide by the terms of this policy. Employees are to notify the Water Department's management no later than five days after any criminal drug statute conviction arising from a violation occurring in the workplace.

2. PURPOSE

This policy outlines the goals and objectives of the Water Department's drug and alcohol testing program and provides guidance to supervisors and employees concerning their responsibilities for carrying out the program.

3. **SCOPE**

This policy applies to all sections of the Department, all employees and all job applicants. The term "employee" includes contracted employees.

4. **DEFINITIONS**

4.1 **Accident** means a sudden unexpected event that causes injury to a person or damage to property.

4.2 **Injury** means any damage to a person's body which requires medical treatment beyond basic first aid, as defined by Cal/OSHA.

4.3 **Property damage** means any physical damage that must be repaired, or causes loss of use or destruction of, vehicles, equipment, or facilities. This policy applies only to damage to capital items and physical damage costing in excess of \$1,000.

4.4 **Alcohol** means any beverage that contains ethyl alcohol (ethanol), including but not limited to beer, wine and distilled spirits.

4.5 **Alcohol Impaired** means confirmed breath testing result with an alcohol concentration of below 0.08 and above 0.02, except for commercial licensed drivers who are under the requirement to be below 0.04 and above 0.02 or between 0.03 to 0.07. Because alcohol has the potential to impair an employee's physical and mental capabilities, an impaired employee has the potential of being a safety hazard to themselves, co-workers and the general public.

4.6 **Contraband** means any article possessed while at the Water Department workplace/worksites or while on Water Department business, that causes an employee to be in violation of this policy or the law. Contraband includes illegal drugs, marijuana, alcoholic beverages, and drug paraphernalia.

4.7 **Drug testing** means the scientific analysis of urine, blood, breath, saliva, hair, tissue, and other specimens of the human body for the purpose of detecting a drug or alcohol.

4.8 **Illegal drug** means any drug which is not legally obtainable and/or is prohibited by federal law; any drug which is legally obtainable but has not been legally obtained; any prescribed drug not legally obtained; any prescribed drug not being used for the prescribed purpose; any over-the-counter drug being used at a dosage level other than recommended by the manufacturer or being used for a purpose other than intended by the manufacturer; and any drug being used for a purpose not in accordance with bona fide medical therapy. Examples of illegal drugs are, cocaine, heroin, methamphetamine, phencyclidine (PCP), and so-called designer drugs and look-alike drugs.

4.9 **Injury** means any harm, hurt, impairment, or damage done to a person, person's health or property by way of an accident,

incident or wrongful action.

4.10 **Legal drug** means any prescribed drug or over-the-counter drug that has been legally obtained and is being used as prescribed or for its manufactured purpose.

4.11 **Reasonable belief** means a belief based on objective facts sufficient to lead a prudent person to conclude that a particular employee is unable to satisfactorily perform his or her job duties due to drug or alcohol impairment. Such inability to perform may include, but is not limited to, decreases in the quality or quantity of the employee's productivity, judgment, reasoning, concentration and psychomotor control, and marked changes in behavior. Accidents, deviations from safe working practices and erratic conduct indicative of impairment are examples of "reasonable belief" situations.

4.12 **Under the influence** means a condition in which a person has tested positive for drugs and/or alcohol. A positive under the influence test for drugs is any amount that exceeds the established laboratory cutoff levels. A positive under the influence test for marijuana for non-commercial drivers is a saliva test positive for psychoactive agents of marijuana or the presence of marijuana metabolites for commercial drivers. A positive test for alcohol is an alcohol concentration of 0.08 or higher for all employees who are not licensed commercial drivers and 0.04 or higher for commercial drivers. The symptoms of influence are not confined to those consistent with misbehavior, or to obvious impairment of physical or mental ability, such as slurred speech or difficulty in maintaining balance. A determination of being under the influence will be established first by the identification of a reasonable belief that the employee is under the influence by a trained person, confirmed by either the Director, Safety Manager, General Manager or designee and then verified by a scientifically valid test.

4.13 **Workplace/Worksite** means all Water Department buildings, facilities, property, or vehicles, as well as any location where an employee is on duty.

4.14 **5 Panel Drug Test** means the standard DOT drug testing protocol, which will be the primary method used for drug testing. This test covers the five categories of drugs established by the federal government, which fall under "controlled substances." They are amphetamines, cocaine, marijuana, opiates and phencyclidine (PCP). The Department will not test for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

5. **TRAINING**

5.1 Supervisors and other management personnel are to be trained in:

A. detecting the signs and behavior of employees who

may be using drugs or alcohol in violation of this policy;

B. intervening in situations that may involve violations of this policy;

C. recognizing the above activities as a direct job responsibility.

5.2 Employees are to be informed of:

A. the health and safety dangers associated with drug and alcohol use;

B. the provisions of this policy.

5.3 Unless waived in writing by the President of each Employee Association/Union, no fewer than three (3) members of the Executive Boards of each Employee Association/Union will receive training in the identification of behavior that constitutes a reasonable belief of being under the influence at the expense of the Water Department. In the event that an employee is under suspicion, that employee may request that a trained representative from his or her association/union be present during the investigation phase when an employee is identified as under suspicion. The employee representative shall not participate in the investigation in any fashion but shall be permitted to be present.

5.4 After receiving training, all employees are required to sign and turn-in the Acknowledgment Form, which is found at Attachment 4.

6. PROHIBITED ACTIVITIES

6.1 Legal Drugs

A. The use or being under the influence of any legally prescribed controlled substance (including marijuana impairment regardless of prescription) or drug by an employee while on duty, on Department property, on Department business, or while on call is prohibited to the extent that such use or influence may affect the safety of the employee, coworkers, members of the public, the employee's job performance, or the safe and efficient operation of Department business. An employee may continue to work, even though under the influence of a legal drug, if the Safety Manager or designee has determined, after consulting with competent medical authority, that the employee does not pose a threat to his or her own safety, safety of coworkers, or safety of the public and the employee's job performance is not significantly affected by the use of the legal drug. Otherwise, the employee shall be required to take appropriate leave.

B. The undisclosed use of any legal drug that affects the employee's capabilities to safely perform Water Department business is prohibited. Each employee must evaluate their capabilities to determine that such use does not pose a threat to safely perform their job. Employees must notify their supervisor

if they have any concerns about safely performing their assigned work.

C. Employees may continue to work while taking a legal drug if, after consulting with the Water Department's safety and/or human resources officials, management has determined it is safe to do so. Otherwise, the employee may be required to take leave or other appropriate action, as determined by the Water Department management.

D. The Water Department at all times reserves the right to judge the effect that a legal drug may have on job performance or safety and to restrict the use during the employee's work activity or presence at the workplace accordingly.

6.2 Illegal Drugs and Alcohol: The use, sale, purchase, transfer, or possession of an illegal drug, marijuana, or of alcohol by any employee while on the premises of Water Department workplaces/ work sites is ~~prohibited~~. Employees shall not consume alcoholic beverages or illegal drugs at lunch or when on break periods. For alcohol, employees shall not be under the influence nor alcohol impaired while on duty or subject to on call duty. For marijuana, employees shall not be under the influence nor marijuana impaired while on duty or subject to on call duty.

7. DISCIPLINE

7.1 Any employee who possesses, distributes, sells, attempts to sell, or transfers illegal drugs or marijuana on Water Department workplaces/work sites will be discharged.

7.2 Any employee who is found to be in possession of or under the influence of alcohol in violation of this policy will be subject to discipline up to, and including, discharge.

7.3 Any employee who is found to be alcohol impaired is in violation of this policy. The situation shall be documented, and the employee may be subject to discipline.

7.4 Any employee who is found to be using illegal drugs, marijuana, or consuming alcohol while on duty will be subject to discipline up to and including termination. On Duty includes paid and unpaid breaks, meal periods, and while on call.

7.5 Any employee who is found to be in possession of contraband in violation of this policy will be subject to discipline up to and including discharge.

7.6 Any employee who has a positive drug test result, including marijuana (non-psychoactive metabolites will not be screened, unless otherwise required to do so by state or federal law) or alcohol, will be subject to discipline up to and including discharge; however, depending on the circumstances of the case and the employee involved, the employee may be offered a one-time opportunity to enter into a Last Chance Agreement.

7.7 Employees with a Last Chance Agreement will be subject

to unannounced drug or alcohol testing. Upon return to work, following execution of a Last Chance Agreement, the employee will be subject to unannounced drug or alcohol testing for a period of 24 months. Any test that is confirmed as positive after signing a Last Chance Agreement will result in discharge.

8. DRUG AND ALCOHOL TESTING OF JOB APPLICANTS

8.1 All applicants for employment, including applicants for part-time and seasonal positions and applicants who are former employees, are subject to drug and alcohol testing. Testing will not include a screening for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

8.2 An applicant must have a negative drug and alcohol test to be considered for employment.

8.3 An applicant will be notified of the Water Department's drug and alcohol testing policy prior to being tested; will be informed in writing of his or her right to refuse to undergo such testing; and will be informed that the consequence of refusal is termination of the pre-employment process.

8.4 An applicant will be provided written notice of this policy, and by signature will be required to acknowledge receipt and understanding of the policy.

8.5 If an applicant refuses to take a drug or alcohol test, or if evidence of the use of illegal drugs, marijuana impairment, or alcohol by an applicant is discovered, either through testing or other means, the pre-employment process will be terminated.

9. DRUG AND ALCOHOL TESTING OF EMPLOYEES

Any testing under this section shall not include a screening for non-psychoactive metabolites from cannabis, unless otherwise required to do so by state or federal law.

9.1 The Water Department will notify employees of this policy by:

A. Providing to each employee a copy of the policy and obtaining a written acknowledgement from each employee that the policy has been received and read.

B. Announcing the policy in various written communications and making presentations at employee meetings.

9.2 The Water Department may perform drug or alcohol testing:

A. Of any employee who manifests "reasonable belief" behavior. (See Attachment 1)

B. Of any employee who is involved in an accident resulting in injury or property damage, as defined in this policy.

C. Of any employee who is subject to drug or alcohol

testing pursuant to federal or state rules, regulations, or laws.

9.3 Immediate reporting of accidents, as defined by this policy, is a critical aspect of investigation and of drug or alcohol testing.

A. Employees must immediately report accidents to their supervisor, within 5 minutes of the accident. Medical treatment of the injured and securing an accident site are the only priorities over notification of the supervisor.

B. Supervisors must inform their Director or manager, as well as Safety, within 30 minutes of the supervisor's discovery of, or notification by an employee, of an accident.

C. Failure to report accidents as required by this policy may result in disciplinary action.

9.4 An employee's consent to submit to drug or alcohol testing, as specified herein, is required as a condition of employment. The employee's refusal to consent may result in disciplinary action, including discharge, for a first refusal or any subsequent refusal. The Consent Form is found at Attachment 2.

9.5 An employee who is tested in a "reasonable belief" situation may be placed on administrative leave pending receipt of written test results and whatever inquiries may be required.

9.6 In the event that an employee is under suspicion, that employee may request that a trained representative from his or her association/union be present during the investigation phase when an employee is identified as being under suspicion. The employee representative shall not participate in the investigation in any fashion, but shall be permitted to be present as an observer.

9.7 To the extent reasonably possible, the confirmation of reasonable belief shall be conducted in a fashion so as to minimize disruption to the Department and to ensure employee confidentiality.

10. DRUG TESTING PROCEDURES

10.1 Drug testing will primarily be done through urine specimens, collected under highly controlled conditions at a medical facility, in a location that affords privacy to the person being tested. Specimen collection procedures require security for the collection site; chain of custody documentation; integrity and identity of the specimen; and transportation to the certified laboratory.

10.2 The urine specimen will be collected and placed into two containers, which is called the "split sample" method. One of the containers is forwarded to the laboratory where the tests are performed. The initial test is the immunoassay test, a simple screening test to determine the presence of drugs.

10.3 If the result of the initial immunoassay test is

"negative", no additional tests on the specimen will be done. The testing laboratory will advise the medical facility that the drug test was negative. The medical facility will then notify the Water Department.

10.4 If the initial immunoassay test results exceed the established cutoff levels for any of the five drug classes, the test is identified as "positive" for substance abuse and a second "confirmation" test must be performed. This confirmation test is done using a sophisticated gas chromatography/mass spectrometry technique.

10.5 Only specimens that are confirmed as "positive" on the confirmation test will be reported as positive.

10.6 If the first container specimen tested as positive, an employee may request that the second container specimen be sent to a different certified lab for testing. The employee must advise the Water Department within 72 hours of being notified of the positive test, if the second container testing is desired.

10.7 If the second container specimen testing result is negative, the Department shall accept that the testing for drugs was negative.

10.8 The Water Department reserves the right to use alternative forms of drug testing such as saliva, hair, tissue, and other specimens of the human body for the purpose of detecting a drug.

11. ALCOHOL TESTING PROCEDURES

11.1 Most alcohol testing is done by breath testing, because breath is an easily obtained bodily substance and the results are known within minutes.

11.2 The testing device is a scientific instrument that determines the concentration of alcohol in a person's blood.

11.3 The person giving the test must be trained and be documented as proficient on the device being utilized.

11.4 The alcohol testing will be done at a medical facility in a location that affords privacy to the person being tested.

11.5 A test may have two separate parts. The initial test called a screening test may be done on a non-evidential screening device such as a "breath analyzer" or device that measures alcohol content in the saliva.

11.6 If the initial test shows a reading of 0.02 or less, the test is recorded as "negative" and no additional alcohol tests will be conducted.

11.7 If the initial test result is greater than 0.02, a confirmation test will be done. The confirmation test must be done on an evidential breath-testing (EBT) device.

11.8 The device will immediately read the results of the test and will print out copies of the test results.

11.9 If the confirmation test result is less than 0.08 for non-commercial or 0.04 for commercial licensed drivers, the test is also recorded as a "negative" test for being under the influence.

11.10 If the confirmation test is 0.08 or higher for non-commercial or 0.04 or higher for commercial licensed drivers, the test is deemed as positive for being under the influence of alcohol. Because employees under the influence of alcohol are a potential safety hazard to themselves, co-workers and the general public, they shall not be allowed to remain on duty. The employee shall immediately be placed on administrative leave and shall not be allowed to drive home.

11.11 If the confirmation test results are at or between 0.03 and 0.07, above 0.02 and below 0.08 for non-commercial or 0.04 for commercial drivers, the test is deemed as a potential for alcohol impairment. The employee will meet with the supervisor before returning to work and review the test results. The employee and supervisor will discuss the possible level of impairment, the safety requirements of that employee's job and attempt to reach a consensus on the advisability of returning to work. The employee may opt to use available leave balances to not return to work. If the employee believes that he or she can safely return to work, but the supervisor and director disagree with the employee, the employee may be placed on administrative leave, will not be allowed to continue working, shall not be allowed to drive home and will be placed in a "no pay" status for the remainder of that workday. Discussion about alcohol impairment and decisions on return to work shall be documented on an Employee Consultation Form.

12. APPEAL OF A DRUG OR ALCOHOL TEST RESULT

12.1 An applicant or employee whose drug or alcohol test reported positive will be offered the opportunity to give an explanation. The purpose will be to determine if there is any plausible reason that a positive finding could have resulted from some cause other than drug or alcohol use. The Water Department, through its safety and/or human resource officials, will judge whether an offered explanation merits further inquiry.

12.2 An employee whose drug or alcohol test is reported positive will be offered the opportunity to:

A. Obtain and independently test, at the employee's expense, the remaining portion of the urine specimen that yielded the positive result.

B. Obtain the written test result and submit it to an independent medical review at the employee's expense.

12.3 During the period of an appeal and any resulting inquiries, the pre-employment selection process for an applicant will be placed on hold, and an employee may be placed on administrative leave.

13. REHABILITATION AND EMPLOYEE ASSISTANCE

13.1 Rehabilitation assistance in lieu of discharge may be offered to:

A. Any employee who has requested rehabilitation assistance, provided that the request is unrelated to an identification of the employee as a violator of this policy.

B. Any employee who has violated this policy, provided that the violation does not involve selling or transferring illegal drugs, or serious misconduct.

13.2 Rehabilitation assistance given by The Water Department will be:

A. Limited to those medical benefits that may be available in the employee's medical benefits plan.

B. Obtained by the employee during times that will not conflict with the employee's work time, except that the employee may use any available sick leave, annual leave to be absent from the job in a pay status or may use FMLA in a non-pay status.

13.3 Affected employees may use the Water Department's Employee Support Services (ESS) plan on a no cost basis. Information regarding the ESS is available from Water Department Human Resources.

13.4 Employees offered rehabilitation assistance in lieu of discharge must sign a "Last Chance Agreement". This agreement is found at Attachment 3.

14. INSPECTIONS AND SEARCHES

14.1 The Water Department may conduct unannounced general inspections and searches for drugs or alcohol on Water Department workplaces/work sites, in areas where no reasonable expectation of privacy arises. Inspections and searches may include all workplaces/work sites and Water Department-owned office furniture, lockers, toolboxes, computers, vehicles or equipment, wherever located. It is not reasonable to expect that Water Department-owned property carry an expectation of privacy. Employees are expected to cooperate in any legal search.

14.2 An employee's consent to a search of those areas for which no reasonable expectation of privacy is warranted is required as a condition of employment. An employee's refusal to consent in this case may result in disciplinary action, including discharge, even for a first refusal.

14.3 Illegal drugs, drugs believed to be illegal and drug paraphernalia found on Water Department property will be turned over to the appropriate law enforcement agency and full cooperation given to any subsequent investigation. Substances that cannot be identified as an illegal drug by a layman's examination will be turned over to a forensic laboratory for scientific analysis.

14.4 Other forms of contraband, such as drug paraphernalia, will be subject to seizure during an inspection or search. An employee who is found to possess contraband on Water Department workplaces/work sites will be subject to discipline up to and including discharge.

14.5 If an employee is the subject of a drug-related investigation by the Water Department or by a law enforcement agency, the employee may be placed on administrative leave pending completion of the investigation.

15. CONFIDENTIALITY

All information relating to drug or alcohol testing or the identification of persons as users of drugs and alcohol will be protected by the Water Department as confidential unless otherwise required by law, there are overriding public health and safety concerns, or authorized in writing by the persons in question.

Policy Review

Substantive changes Board Approved	<u>5/8/2018</u>
No changes:	<u>7/2019</u>
No Changes:	<u>7/2020</u>
Substantive changes Board Approved:	<u>8/24/2021</u>
Minor changes GM Approved:	<u>7/2022</u>
Minor changes GM Approved:	<u>7/2023</u>

**SUPERVISOR'S CHECKLIST FOR MAKING
REASONABLE BELIEF DETERMINATION**

Employee's Name _____

Department _____

Date & Time _____

KNOWING THE SIGNS

The indicators listed below are "warning signs" of drug and/or alcohol abuse and may be observed by supervisors:

Moods:

- Depressed
- Anxious
- Irritable
- Suspicious
- Complains about others
- Emotional unsteadiness (e.g., outbursts of crying)
- Mood changes after lunch or break

Actions:

- Withdrawn or improperly talkative
- Spends excessive amount of time on the telephone
- Argumentative
- Has exaggerated sense of self-importance
- Displays violent behavior
- Avoids talking with supervisor regarding work issues

Absenteeism:

- Acceleration of absenteeism and tardiness, especially Mondays, Friday, before and after holidays
- Frequent unreported absences, later explained as "emergencies"
- Unusually high incidence of colds, flu, upset stomach, headaches
- Frequent use of unscheduled vacation time
- Leaving work area more than necessary (e.g., frequent trips to water fountain and bathroom)
- Unexplained disappearances from the job with difficulty in locating employee
- Requesting to leave work early for various reasons

Accidents:

- Taking of needless risks
- Disregard for safety of others
- Higher than average accident rate on and off the job

**SUPERVISOR'S CHECKLIST FOR MAKING
REASONABLE BELIEF DETERMINATION**

Work Patterns:

- Inconsistency in quality of work
- High and low periods of productivity
- Poor judgment/more mistakes than usual and general carelessness
- Lapses in concentration
- Difficulty in recalling instructions
- Difficulty in remembering own mistakes
- Using more time to complete work/missing deadlines
- Increased difficulty in handling complex situations

Relationship to Others on the Job:

- Overreaction to real or imagined criticism (paranoid)
- Avoiding and withdrawing from peers
- Complaints from co-workers
- Borrowing money from fellow employees
- Persistent job transfer requests
- Complaints of problems at home such as separation, divorce and child discipline problems

OBSERVING AND DOCUMENTING CURRENT INDICATORS

Patterns of any of the above conduct or combinations of conduct may occur but must be accompanied by indicators of impairment in order to establish "reasonable belief." Please check all indicators listed below that are **currently** present:

_____ Constricted pupils	_____ Drowsiness
_____ Dilated pupils	_____ Odor of alcohol
_____ Scratching	_____ Nasal secretion
_____ Red or watering eyes	_____ Dizziness
_____ Involuntary eye movements	_____ Muscular incoordination
_____ Sniffles	_____ Unconsciousness
_____ Excessively active	_____ Inability to verbalize
_____ Nausea or vomiting	_____ Irritable
_____ Flushed skin	_____ Argumentative
_____ Sweating	_____ Difficulty concentrating
_____ Yawning	_____ Slurred speech
_____ Twitching	_____ Bizarre behavior
_____ Violent behavior	_____ Needle marks

_____ Possession of paraphernalia (such as syringe, bent spoon, metal bottle cap, medicine dropper, glassine bag, paint can, glue tube, nitrite bulb, or aerosol can)

_____ Possession of substance that appears to possibly be a drug or alcohol

Other _____

SUPERVISOR'S CHECKLIST FOR MAKING

REASONABLE BELIEF DETERMINATION

DETERMINING REASONABLE BELIEF

If you are able to document one or more of the indicators above, ask yourself these questions to establish reasonable belief:

Y N

- ☐ ☐ Has some form of impairment been shown in the employee's appearance, actions or work performance?
- ☐ ☐ Does the impairment result from the possible use of drugs or alcohol?
- ☐ ☐ Are the facts reliable? Did you witness the situation personally, or are you sure that the witness(es) are reliable and have provided firsthand information?
- ☐ ☐ Are the facts capable of explanation?
- ☐ ☐ Are the facts capable of documentation?
- ☐ ☐ Is the impairment current, today, now?

Do NOT proceed with reasonable belief testing unless all of the above questions are answered with a YES.

TAKING ACTION

_____ Reasonable belief established

_____ Reasonable belief NOT established

Prepared by:

Supervisor's/Manager's Name:

Supervisor's/Manager's Signature:

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

APPLICANT'S CONSENT TO DRUG/ALCOHOL TESTING

I understand it is the policy of the Water Department to conduct drug and/or alcohol tests of job applicants for the purpose of detecting drug and/or alcohol abuse, and that one of the requirements for consideration of employment is the satisfactory passing of the drug and/or alcohol test(s). This testing will not include a screening for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

For the purpose of being further considered for employment, I hereby agree to submit to a drug and/or alcohol test.

I understand that favorable test results will not necessarily guarantee that the Water Department will employ me.

If I am accepted for employment, I agree to take drug and/or alcohol tests whenever requested by the Water Department, and I understand that the taking of such tests is a condition of my continued employment.

I also give consent to the testing agency to release to the Water Department and other officially interested parties the results of my tests.

At this time, I consent to a drug and/or alcohol test.

(Signature of applicant)

(Date signed)

(Printed name of applicant)

(Signature of witness)

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

LAST CHANCE AGREEMENT

I have received a copy of the City of San Bernardino Municipal Water Department's Policy 33.035 - DRUG, ALCOHOL AND SUBSTANCE USE. I fully understand the provisions and acknowledge that compliance with the Policy is a condition of continued employment.

I hereby acknowledge that I have entered or will enter a treatment or rehabilitation program for alcohol or drug abuse, in a program which is satisfactory to the City of San Bernardino Municipal Water Department. I agree to complete the program, perform the duties of my job in accordance with standards of performance reasonably expected, and comply with the Water Department's rules, including the City of San Bernardino Municipal Water Department Policies. I agree to consent, for up to 24 months, to undergo physical or psychological examinations, and/or to random testing of my blood, urine or other body specimens for alcohol, drugs or their metabolites. I understand that a violation of said Policy or a breach of this Agreement may result in disciplinary action, up to and including discharge.

Employee's Name (Printed)

Date

Employee's Signature

Witness Signature

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

EMPLOYEE NOTICE AND ACKNOWLEDGEMENT OF THE WATER DEPARTMENT'S TESTING REQUIREMENTS

PART 1: NOTICE

This is to inform you that the Water Department conducts testing to identify job applicants and current employees who may be abusing drugs and/or alcohol. Testing shall not include a screening for non-psychoactive metabolites from cannabis, unless otherwise required to do so by state or federal law.

A copy of the policy is either attached to this notice or will be given to you upon request.

You have the right to refuse to undergo testing. However, the consequences of refusal to undergo testing or a refusal to cooperate in testing by an applicant will result in the termination of the pre-employment selection process, and the consequences of refusal to undergo testing or a refusal to cooperate in the testing by an employee will result in disciplinary action, up to and including discharge.

An applicant who fails a test will not be hired, and an employee who fails a test will be subject to disciplinary action, up to and including discharge.

Remaining drug and/or alcohol-free and participation in the Water Department's drug and/or alcohol testing program is a condition of continued employment.

PART II: ACKNOWLEDGEMENT

I acknowledge receipt and understanding of the above written notice of the Water Department's Testing Requirements from Policy 33.035 - Drug, Alcohol, and Substance Use.

(Signature)

(Date signed)

(Printed name)

(Signature of witness)

(Date signed)

**ACKNOWLEDGEMENT OF MANDATORY COMPLIANCE WITH
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT POLICY ON
DRUG, ALCOHOL, AND SUBSTANCE USE**

I hereby acknowledge receipt of the City of San Bernardino Municipal Water Department Policy on Drug, Alcohol, and Substance Use (Policy No. 33.035). I understand that compliance with this policy is mandatory and violation of this policy may result in discipline up to and including termination.

DATE

Employee Signature

Employee Name (Print)

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 33.035 - DRUG, ALCOHOL, AND SUBSTANCE USE

Effective Date:	September 2025
Revision No:	7
Supersedes:	33.035 - July 2023 33.035 - July 2022 33.030 - January 4, 1993 and 33.040 - April 18, 1994 31.150 - June 22, 1993
First Adopted:	April 13, 2004 - BOWC Resolution 634

1. POLICY

1.1 The City of San Bernardino Municipal Water Department has a vital interest in maintaining a safe, healthy, and efficient working environment. Being under the influence of a drug or alcohol on the job poses serious safety and health risks to the user and to all those who work with the user. The use, sale, purchase, transfer, or possession of an illegal drug or marijuana (regardless of prescription) in the workplace, and the use, possession, or being under the influence of alcohol also poses unacceptable risks for safe, healthy, and efficient operations.

1.2 The Water Department has the right, and obligation, to protect the organization's property, information, equipment, operations and reputation.

1.3 The Water Department recognizes its obligations to the public for providing services, which are free of the influence of illegal drugs, marijuana, and alcohol and will endeavor through this policy to provide drug- and alcohol-free services.

1.4 The Water Department further expresses its intent through this policy to comply with federal and state rules, regulations or laws that relate to the maintenance of a workplace free from illegal drugs, marijuana, and alcohol.

1.5 As a condition of employment, all employees are required to abide by the terms of this policy. Employees are to notify the Water Department's management no later than five days after any criminal drug statute conviction arising from a violation occurring in the workplace.

2. PURPOSE

This policy outlines the goals and objectives of the Water Department's drug and alcohol testing program and provides guidance to supervisors and employees concerning their responsibilities for carrying out the program.

3. **SCOPE**

This policy applies to all sections of the Department, all employees and all job applicants. The term "employee" includes contracted employees.

4. **DEFINITIONS**

4.1 **Accident** means a sudden unexpected event that causes injury to a person or damage to property.

4.2 **Injury** means any damage to a person's body which requires medical treatment beyond basic first aid, as defined by Cal/OSHA.

4.3 **Property damage** means any physical damage that must be repaired, or causes loss of use or destruction of, vehicles, equipment, or facilities. This policy applies only to damage to capital items and physical damage costing in excess of \$1,000.

4.4 **Alcohol** means any beverage that contains ethyl alcohol (ethanol), including but not limited to beer, wine and distilled spirits.

4.5 **Alcohol Impaired** means confirmed breath testing result with an alcohol concentration of below 0.08 and above 0.02, except for commercial licensed drivers who are under the requirement to be below 0.04 and above 0.02 or between 0.03 to 0.07. Because alcohol has the potential to impair an employee's physical and mental capabilities, an impaired employee has the potential of being a safety hazard to themselves, co-workers and the general public.

4.6 **Contraband** means any article possessed while at the Water Department workplace/worksites or while on Water Department business, that causes an employee to be in violation of this policy or the law. Contraband includes illegal drugs, marijuana, alcoholic beverages, and drug paraphernalia.

4.7 **Drug testing** means the scientific analysis of urine, blood, breath, saliva, hair, tissue, and other specimens of the human body for the purpose of detecting a drug or alcohol.

4.8 **Illegal drug** means any drug which is not legally obtainable and/or is prohibited by federal law; any drug which is legally obtainable but has not been legally obtained; any prescribed drug not legally obtained; any prescribed drug not being used for the prescribed purpose; any over-the-counter drug being used at a dosage level other than recommended by the manufacturer or being used for a purpose other than intended by the manufacturer; and any drug being used for a purpose not in accordance with bona fide medical therapy. Examples of illegal drugs are, cocaine, heroin, methamphetamine, phencyclidine (PCP), and so-called designer drugs and look-alike drugs.

4.9 **Injury** means any harm, hurt, impairment, or damage done to a person, person's health or property by way of an accident,

incident or wrongful action.

4.10 **Legal drug** means any prescribed drug or over-the-counter drug that has been legally obtained and is being used as prescribed or for its manufactured purpose.

4.11 **Reasonable belief** means a belief based on objective facts sufficient to lead a prudent person to conclude that a particular employee is unable to satisfactorily perform his or her job duties due to drug or alcohol impairment. Such inability to perform may include, but is not limited to, decreases in the quality or quantity of the employee's productivity, judgment, reasoning, concentration and psychomotor control, and marked changes in behavior. Accidents, deviations from safe working practices and erratic conduct indicative of impairment are examples of "reasonable belief" situations.

4.12 **Under the influence** means a condition in which a person has tested positive for drugs and/or alcohol. A positive under the influence test for drugs is any amount that exceeds the established laboratory cutoff levels. A positive under the influence test for marijuana for non-commercial drivers is a saliva test positive for psychoactive agents of marijuana or the presence of marijuana metabolites for commercial drivers. A positive test for alcohol is an alcohol concentration of 0.08 or higher for all employees who are not licensed commercial drivers and 0.04 or higher for commercial drivers. The symptoms of influence are not confined to those consistent with misbehavior, or to obvious impairment of physical or mental ability, such as slurred speech or difficulty in maintaining balance. A determination of being under the influence will be established first by the identification of a reasonable belief that the employee is under the influence by a trained person, confirmed by either the Director, Safety Manager, General Manager or designee and then verified by a scientifically valid test.

4.13 **Workplace/Worksite** means all Water Department buildings, facilities, property, or vehicles, as well as any location where an employee is on duty.

4.14 **5 Panel Drug Test** means the standard DOT drug testing protocol, which will be the primary method used for drug testing. This test covers the five categories of drugs established by the federal government, which fall under "controlled substances." They are amphetamines, cocaine, marijuana, opiates and phencyclidine (PCP). The Department will not test for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

5. **TRAINING**

5.1 Supervisors and other management personnel are to be trained in:

A. detecting the signs and behavior of employees who

may be using drugs or alcohol in violation of this policy;

B. intervening in situations that may involve violations of this policy;

C. recognizing the above activities as a direct job responsibility.

5.2 Employees are to be informed of:

A. the health and safety dangers associated with drug and alcohol use;

B. the provisions of this policy.

5.3 Unless waived in writing by the President of each Employee Association/Union, no fewer than three (3) members of the Executive Boards of each Employee Association/Union will receive training in the identification of behavior that constitutes a reasonable belief of being under the influence at the expense of the Water Department. In the event that an employee is under suspicion, that employee may request that a trained representative from his or her association/union be present during the investigation phase when an employee is identified as under suspicion. The employee representative shall not participate in the investigation in any fashion but shall be permitted to be present.

5.4 After receiving training, all employees are required to sign and turn-in the Acknowledgment Form, which is found at Attachment 4.

6. PROHIBITED ACTIVITIES

6.1 Legal Drugs

A. The use or being under the influence of any legally prescribed controlled substance (including marijuana impairment regardless of prescription) or drug by an employee while on duty, on Department property, on Department business, or while on call is prohibited to the extent that such use or influence may affect the safety of the employee, coworkers, members of the public, the employee's job performance, or the safe and efficient operation of Department business. An employee may continue to work, even though under the influence of a legal drug, if the Safety Manager or designee has determined, after consulting with competent medical authority, that the employee does not pose a threat to his or her own safety, safety of coworkers, or safety of the public and the employee's job performance is not significantly affected by the use of the legal drug. Otherwise, the employee shall be required to take appropriate leave.

B. The undisclosed use of any legal drug that affects the employee's capabilities to safely perform Water Department business is prohibited. Each employee must evaluate their capabilities to determine that such use does not pose a threat to safely perform their job. Employees must notify their supervisor

if they have any concerns about safely performing their assigned work.

C. Employees may continue to work while taking a legal drug if, after consulting with the Water Department's safety and/or human resources officials, management has determined it is safe to do so. Otherwise, the employee may be required to take leave or other appropriate action, as determined by the Water Department management.

D. The Water Department at all times reserves the right to judge the effect that a legal drug may have on job performance or safety and to restrict the use during the employee's work activity or presence at the workplace accordingly.

6.2 **Illegal Drugs and Alcohol:** The use, sale, purchase, transfer, or possession of an illegal drug, marijuana, or of alcohol by any employee while on the premises of Water Department workplaces/ work sites is prohibited. Employees shall not consume alcoholic beverages or illegal drugs at lunch or when on break periods. For alcohol, employees shall not be under the influence nor alcohol impaired while on duty or subject to on call duty. For marijuana, employees shall not be under the influence nor marijuana impaired while on duty or subject to on call duty.

7. DISCIPLINE

7.1 Any employee who possesses, distributes, sells, attempts to sell, or transfers illegal drugs or marijuana on Water Department workplaces/work sites will be discharged.

7.2 Any employee who is found to be in possession of or under the influence of alcohol in violation of this policy will be subject to discipline up to, and including, discharge.

7.3 Any employee who is found to be alcohol impaired is in violation of this policy. The situation shall be documented, and the employee may be subject to discipline.

7.4 Any employee who is found to be using illegal drugs, marijuana, or consuming alcohol while on duty will be subject to discipline up to and including termination. On Duty includes paid and unpaid breaks, meal periods, and while on call.

7.5 Any employee who is found to be in possession of contraband in violation of this policy will be subject to discipline up to and including discharge.

7.6 Any employee who has a positive drug test result, including marijuana (non-psychoactive metabolites will not be screened, unless otherwise required to do so by state or federal law) or alcohol, will be subject to discipline up to and including discharge; however, depending on the circumstances of the case and the employee involved, the employee may be offered a one-time opportunity to enter into a Last Chance Agreement.

7.7 Employees with a Last Chance Agreement will be subject

to unannounced drug or alcohol testing. Upon return to work, following execution of a Last Chance Agreement, the employee will be subject to unannounced drug or alcohol testing for a period of 24 months. Any test that is confirmed as positive after signing a Last Chance Agreement will result in discharge.

8. DRUG AND ALCOHOL TESTING OF JOB APPLICANTS

8.1 All applicants for employment, including applicants for part-time and seasonal positions and applicants who are former employees, are subject to drug and alcohol testing. Testing will not include a screening for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

8.2 An applicant must have a negative drug and alcohol test to be considered for employment.

8.3 An applicant will be notified of the Water Department's drug and alcohol testing policy prior to being tested; will be informed in writing of his or her right to refuse to undergo such testing; and will be informed that the consequence of refusal is termination of the pre-employment process.

8.4 An applicant will be provided written notice of this policy, and by signature will be required to acknowledge receipt and understanding of the policy.

8.5 If an applicant refuses to take a drug or alcohol test, or if evidence of the use of illegal drugs, marijuana impairment, or alcohol by an applicant is discovered, either through testing or other means, the pre-employment process will be terminated.

9. DRUG AND ALCOHOL TESTING OF EMPLOYEES

Any testing under this section shall not include a screening for non-psychoactive metabolites from cannabis, unless otherwise required to do so by state or federal law.

9.1 The Water Department will notify employees of this policy by:

A. Providing to each employee a copy of the policy and obtaining a written acknowledgement from each employee that the policy has been received and read.

B. Announcing the policy in various written communications and making presentations at employee meetings.

9.2 The Water Department may perform drug or alcohol testing:

A. Of any employee who manifests "reasonable belief" behavior. (See Attachment 1)

B. Of any employee who is involved in an accident resulting in injury or property damage, as defined in this policy.

C. Of any employee who is subject to drug or alcohol

testing pursuant to federal or state rules, regulations, or laws.

9.3 Immediate reporting of accidents, as defined by this policy, is a critical aspect of investigation and of drug or alcohol testing.

A. Employees must immediately report accidents to their supervisor, within 5 minutes of the accident. Medical treatment of the injured and securing an accident site are the only priorities over notification of the supervisor.

B. Supervisors must inform their Director or manager, as well as Safety, within 30 minutes of the supervisor's discovery of, or notification by an employee, of an accident.

C. Failure to report accidents as required by this policy may result in disciplinary action.

9.4 An employee's consent to submit to drug or alcohol testing, as specified herein, is required as a condition of employment. The employee's refusal to consent may result in disciplinary action, including discharge, for a first refusal or any subsequent refusal. The Consent Form is found at Attachment 2.

9.5 An employee who is tested in a "reasonable belief" situation may be placed on administrative leave pending receipt of written test results and whatever inquiries may be required.

9.6 In the event that an employee is under suspicion, that employee may request that a trained representative from his or her association/union be present during the investigation phase when an employee is identified as being under suspicion. The employee representative shall not participate in the investigation in any fashion, but shall be permitted to be present as an observer.

9.7 To the extent reasonably possible, the confirmation of reasonable belief shall be conducted in a fashion so as to minimize disruption to the Department and to ensure employee confidentiality.

10. DRUG TESTING PROCEDURES

10.1 Drug testing will primarily be done through urine specimens, collected under highly controlled conditions at a medical facility, in a location that affords privacy to the person being tested. Specimen collection procedures require security for the collection site; chain of custody documentation; integrity and identity of the specimen; and transportation to the certified laboratory.

10.2 The urine specimen will be collected and placed into two containers, which is called the "split sample" method. One of the containers is forwarded to the laboratory where the tests are performed. The initial test is the immunoassay test, a simple screening test to determine the presence of drugs.

10.3 If the result of the initial immunoassay test is

"negative", no additional tests on the specimen will be done. The testing laboratory will advise the medical facility that the drug test was negative. The medical facility will then notify the Water Department.

10.4 If the initial immunoassay test results exceed the established cutoff levels for any of the five drug classes, the test is identified as "positive" for substance abuse and a second "confirmation" test must be performed. This confirmation test is done using a sophisticated gas chromatography/mass spectrometry technique.

10.5 Only specimens that are confirmed as "positive" on the confirmation test will be reported as positive.

10.6 If the first container specimen tested as positive, an employee may request that the second container specimen be sent to a different certified lab for testing. The employee must advise the Water Department within 72 hours of being notified of the positive test, if the second container testing is desired.

10.7 If the second container specimen testing result is negative, the Department shall accept that the testing for drugs was negative.

10.8 The Water Department reserves the right to use alternative forms of drug testing such as saliva, hair, tissue, and other specimens of the human body for the purpose of detecting a drug.

11. ALCOHOL TESTING PROCEDURES

11.1 Most alcohol testing is done by breath testing, because breath is an easily obtained bodily substance and the results are known within minutes.

11.2 The testing device is a scientific instrument that determines the concentration of alcohol in a person's blood.

11.3 The person giving the test must be trained and be documented as proficient on the device being utilized.

11.4 The alcohol testing will be done at a medical facility in a location that affords privacy to the person being tested.

11.5 A test may have two separate parts. The initial test called a screening test may be done on a non-evidential screening device such as a "breath analyzer" or device that measures alcohol content in the saliva.

11.6 If the initial test shows a reading of 0.02 or less, the test is recorded as "negative" and no additional alcohol tests will be conducted.

11.7 If the initial test result is greater than 0.02, a confirmation test will be done. The confirmation test must be done on an evidential breath-testing (EBT) device.

11.8 The device will immediately read the results of the test and will print out copies of the test results.

11.9 If the confirmation test result is less than 0.08 for non-commercial or 0.04 for commercial licensed drivers, the test is also recorded as a "negative" test for being under the influence.

11.10 If the confirmation test is 0.08 or higher for non-commercial or 0.04 or higher for commercial licensed drivers, the test is deemed as positive for being under the influence of alcohol. Because employees under the influence of alcohol are a potential safety hazard to themselves, co-workers and the general public, they shall not be allowed to remain on duty. The employee shall immediately be placed on administrative leave and shall not be allowed to drive home.

11.11 If the confirmation test results are at or between 0.03 and 0.07, above 0.02 and below 0.08 for non-commercial or 0.04 for commercial drivers, the test is deemed as a potential for alcohol impairment. The employee will meet with the supervisor before returning to work and review the test results. The employee and supervisor will discuss the possible level of impairment, the safety requirements of that employee's job and attempt to reach a consensus on the advisability of returning to work. The employee may opt to use available leave balances to not return to work. If the employee believes that he or she can safely return to work, but the supervisor and director disagree with the employee, the employee may be placed on administrative leave, will not be allowed to continue working, shall not be allowed to drive home and will be placed in a "no pay" status for the remainder of that workday. Discussion about alcohol impairment and decisions on return to work shall be documented on an Employee Consultation Form.

12. APPEAL OF A DRUG OR ALCOHOL TEST RESULT

12.1 An applicant or employee whose drug or alcohol test reported positive will be offered the opportunity to give an explanation. The purpose will be to determine if there is any plausible reason that a positive finding could have resulted from some cause other than drug or alcohol use. The Water Department, through its safety and/or human resource officials, will judge whether an offered explanation merits further inquiry.

12.2 An employee whose drug or alcohol test is reported positive will be offered the opportunity to:

A. Obtain and independently test, at the employee's expense, the remaining portion of the urine specimen that yielded the positive result.

B. Obtain the written test result and submit it to an independent medical review at the employee's expense.

12.3 During the period of an appeal and any resulting inquiries, the pre-employment selection process for an applicant will be placed on hold, and an employee may be placed on administrative leave.

13. REHABILITATION AND EMPLOYEE ASSISTANCE

13.1 Rehabilitation assistance in lieu of discharge may be offered to:

A. Any employee who has requested rehabilitation assistance, provided that the request is unrelated to an identification of the employee as a violator of this policy.

B. Any employee who has violated this policy, provided that the violation does not involve selling or transferring illegal drugs, or serious misconduct.

13.2 Rehabilitation assistance given by The Water Department will be:

A. Limited to those medical benefits that may be available in the employee's medical benefits plan.

B. Obtained by the employee during times that will not conflict with the employee's work time, except that the employee may use any available sick leave, annual leave to be absent from the job in a pay status or may use FMLA in a non-pay status.

13.3 Affected employees may use the Water Department's Employee Support Services (ESS) plan on a no cost basis. Information regarding the ESS is available from Water Department Human Resources.

13.4 Employees offered rehabilitation assistance in lieu of discharge must sign a "Last Chance Agreement". This agreement is found at Attachment 3.

14. INSPECTIONS AND SEARCHES

14.1 The Water Department may conduct unannounced general inspections and searches for drugs or alcohol on Water Department workplaces/work sites, in areas where no reasonable expectation of privacy arises. Inspections and searches may include all workplaces/work sites and Water Department-owned office furniture, lockers, toolboxes, computers, vehicles or equipment, wherever located. It is not reasonable to expect that Water Department-owned property carry an expectation of privacy. Employees are expected to cooperate in any legal search.

14.2 An employee's consent to a search of those areas for which no reasonable expectation of privacy is warranted is required as a condition of employment. An employee's refusal to consent in this case may result in disciplinary action, including discharge, even for a first refusal.

14.3 Illegal drugs, drugs believed to be illegal and drug paraphernalia found on Water Department property will be turned over to the appropriate law enforcement agency and full cooperation given to any subsequent investigation. Substances that cannot be identified as an illegal drug by a layman's examination will be turned over to a forensic laboratory for scientific analysis.

14.4 Other forms of contraband, such as drug paraphernalia, will be subject to seizure during an inspection or search. An employee who is found to possess contraband on Water Department workplaces/work sites will be subject to discipline up to and including discharge.

14.5 If an employee is the subject of a drug-related investigation by the Water Department or by a law enforcement agency, the employee may be placed on administrative leave pending completion of the investigation.

15. CONFIDENTIALITY

All information relating to drug or alcohol testing or the identification of persons as users of drugs and alcohol will be protected by the Water Department as confidential unless otherwise required by law, there are overriding public health and safety concerns, or authorized in writing by the persons in question.

Policy Review

Substantive changes Board Approved	<u>5/8/2018</u>
No changes:	<u>7/2019</u>
No Changes:	<u>7/2020</u>
Substantive changes Board Approved:	<u>8/24/2021</u>
Minor changes GM Approved:	<u>7/2022</u>
Minor changes GM Approved:	<u>7/2023</u>

**SUPERVISOR'S CHECKLIST FOR MAKING
REASONABLE BELIEF DETERMINATION**

Employee's Name _____

Department _____

Date & Time _____

KNOWING THE SIGNS

The indicators listed below are "warning signs" of drug and/or alcohol abuse and may be observed by supervisors:

Moods:

- Depressed
- Anxious
- Irritable
- Suspicious
- Complains about others
- Emotional unsteadiness (e.g., outbursts of crying)
- Mood changes after lunch or break

Actions:

- Withdrawn or improperly talkative
- Spends excessive amount of time on the telephone
- Argumentative
- Has exaggerated sense of self-importance
- Displays violent behavior
- Avoids talking with supervisor regarding work issues

Absenteeism:

- Acceleration of absenteeism and tardiness, especially Mondays, Friday, before and after holidays
- Frequent unreported absences, later explained as "emergencies"
- Unusually high incidence of colds, flu, upset stomach, headaches
- Frequent use of unscheduled vacation time
- Leaving work area more than necessary (e.g., frequent trips to water fountain and bathroom)
- Unexplained disappearances from the job with difficulty in locating employee
- Requesting to leave work early for various reasons

Accidents:

- Taking of needless risks
- Disregard for safety of others
- Higher than average accident rate on and off the job

**SUPERVISOR'S CHECKLIST FOR MAKING
REASONABLE BELIEF DETERMINATION**

Work Patterns:

- Inconsistency in quality of work
- High and low periods of productivity
- Poor judgment/more mistakes than usual and general carelessness
- Lapses in concentration
- Difficulty in recalling instructions
- Difficulty in remembering own mistakes
- Using more time to complete work/missing deadlines
- Increased difficulty in handling complex situations

Relationship to Others on the Job:

- Overreaction to real or imagined criticism (paranoid)
- Avoiding and withdrawing from peers
- Complaints from co-workers
- Borrowing money from fellow employees
- Persistent job transfer requests
- Complaints of problems at home such as separation, divorce and child discipline problems

OBSERVING AND DOCUMENTING CURRENT INDICATORS

Patterns of any of the above conduct or combinations of conduct may occur but must be accompanied by indicators of impairment in order to establish "reasonable belief." Please check all indicators listed below that are **currently** present:

_____ Constricted pupils	_____ Drowsiness
_____ Dilated pupils	_____ Odor of alcohol
_____ Scratching	_____ Nasal secretion
_____ Red or watering eyes	_____ Dizziness
_____ Involuntary eye movements	_____ Muscular incoordination
_____ Sniffles	_____ Unconsciousness
_____ Excessively active	_____ Inability to verbalize
_____ Nausea or vomiting	_____ Irritable
_____ Flushed skin	_____ Argumentative
_____ Sweating	_____ Difficulty concentrating
_____ Yawning	_____ Slurred speech
_____ Twitching	_____ Bizarre behavior
_____ Violent behavior	_____ Needle marks

_____ Possession of paraphernalia (such as syringe, bent spoon, metal bottle cap, medicine dropper, glassine bag, paint can, glue tube, nitrite bulb, or aerosol can)

_____ Possession of substance that appears to possibly be a drug or alcohol

Other _____

SUPERVISOR'S CHECKLIST FOR MAKING

REASONABLE BELIEF DETERMINATION

DETERMINING REASONABLE BELIEF

If you are able to document one or more of the indicators above, ask yourself these questions to establish reasonable belief:

Y N

- ☐ ☐ Has some form of impairment been shown in the employee's appearance, actions or work performance?
- ☐ ☐ Does the impairment result from the possible use of drugs or alcohol?
- ☐ ☐ Are the facts reliable? Did you witness the situation personally, or are you sure that the witness(es) are reliable and have provided firsthand information?
- ☐ ☐ Are the facts capable of explanation?
- ☐ ☐ Are the facts capable of documentation?
- ☐ ☐ Is the impairment current, today, now?

Do NOT proceed with reasonable belief testing unless all of the above questions are answered with a YES.

TAKING ACTION

_____ Reasonable belief established

_____ Reasonable belief NOT established

Prepared by:

Supervisor's/Manager's Name:

Supervisor's/Manager's Signature:

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

APPLICANT'S CONSENT TO DRUG/ALCOHOL TESTING

I understand it is the policy of the Water Department to conduct drug and/or alcohol tests of job applicants for the purpose of detecting drug and/or alcohol abuse, and that one of the requirements for consideration of employment is the satisfactory passing of the drug and/or alcohol test(s). This testing will not include a screening for non-psychoactive metabolites from cannabis unless otherwise required to do so by state or federal law.

For the purpose of being further considered for employment, I hereby agree to submit to a drug and/or alcohol test.

I understand that favorable test results will not necessarily guarantee that the Water Department will employ me.

If I am accepted for employment, I agree to take drug and/or alcohol tests whenever requested by the Water Department, and I understand that the taking of such tests is a condition of my continued employment.

I also give consent to the testing agency to release to the Water Department and other officially interested parties the results of my tests.

At this time, I consent to a drug and/or alcohol test.

(Signature of applicant)

(Date signed)

(Printed name of applicant)

(Signature of witness)

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

LAST CHANCE AGREEMENT

I have received a copy of the City of San Bernardino Municipal Water Department's Policy 33.035 - DRUG, ALCOHOL AND SUBSTANCE USE. I fully understand the provisions and acknowledge that compliance with the Policy is a condition of continued employment.

I hereby acknowledge that I have entered or will enter a treatment or rehabilitation program for alcohol or drug abuse, in a program which is satisfactory to the City of San Bernardino Municipal Water Department. I agree to complete the program, perform the duties of my job in accordance with standards of performance reasonably expected, and comply with the Water Department's rules, including the City of San Bernardino Municipal Water Department Policies. I agree to consent, for up to 24 months, to undergo physical or psychological examinations, and/or to random testing of my blood, urine or other body specimens for alcohol, drugs or their metabolites. I understand that a violation of said Policy or a breach of this Agreement may result in disciplinary action, up to and including discharge.

Employee's Name (Printed)

Date

Employee's Signature

Witness Signature

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

EMPLOYEE NOTICE AND ACKNOWLEDGEMENT OF THE WATER DEPARTMENT'S TESTING REQUIREMENTS

PART 1: NOTICE

This is to inform you that the Water Department conducts testing to identify job applicants and current employees who may be abusing drugs and/or alcohol. Testing shall not include a screening for non-psychoactive metabolites from cannabis, unless otherwise required to do so by state or federal law.

A copy of the policy is either attached to this notice or will be given to you upon request.

You have the right to refuse to undergo testing. However, the consequences of refusal to undergo testing or a refusal to cooperate in testing by an applicant will result in the termination of the pre-employment selection process, and the consequences of refusal to undergo testing or a refusal to cooperate in the testing by an employee will result in disciplinary action, up to and including discharge.

An applicant who fails a test will not be hired, and an employee who fails a test will be subject to disciplinary action, up to and including discharge.

Remaining drug and/or alcohol-free and participation in the Water Department's drug and/or alcohol testing program is a condition of continued employment.

PART II: ACKNOWLEDGEMENT

I acknowledge receipt and understanding of the above written notice of the Water Department's Testing Requirements from Policy 33.035 - Drug, Alcohol, and Substance Use.

(Signature)

(Date signed)

(Printed name)

(Signature of witness)

(Date signed)

**ACKNOWLEDGEMENT OF MANDATORY COMPLIANCE WITH
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT POLICY ON
DRUG, ALCOHOL, AND SUBSTANCE USE**

I hereby acknowledge receipt of the City of San Bernardino Municipal Water Department Policy on Drug, Alcohol, and Substance Use (Policy No. 33.035). I understand that compliance with this policy is mandatory and violation of this policy may result in discipline up to and including termination.

DATE

Employee Signature

Employee Name (Print)

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

Received 09-02-25
SBMWD AS
General Manager

MG

SERVICE AWARD PRESENTATION

September 9, 2025

(For the Periods of April 1, to June 30, 2025)

10 Year

Kevin Stewart

06/01/2015

15 Year

Francisco Lopez

04/19/2010

Signature:



Email: miguel.guerrero@sbmwd.org

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

TO: Water Board Commissioners

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

SUBJECT: **APPROVE MEMORANDUM OF UNDERSTANDING WITH CITY OF SAN BERNARDINO FOR WATER DEPARTMENT PROPERTY LOCATED ON THE WATER RECLAMATION PLANT (APN 0141-291-23) FOR USE AS A TEMPORARY PARKING FACILITY**

DATE: August 29, 2025

CC: C. Mouser, J. Shepardson, D. Andolsen, S. Morrison, J. Laureano, Laserfiche

BACKGROUND:

The Water Board, through the San Bernardino Municipal Water Department (“Department”), is responsible for oversight and management of the City of San Bernardino’s (“City”) water supply, recycled water, wastewater collection, and treatment functions (“Water and Wastewater Systems”). The Department manages and controls the Water and Wastewater Systems’ revenues, expenses, assets, and liabilities, which are accounted for in utility enterprise funds known as the Water Fund and Sewer Fund, which pursuant to the City Charter are kept separate and apart from the other revenues, expenses, assets, and liabilities of the City. It has been the practice of the City and Department to document transfers between City funds, such as the General Fund, Water Fund, and Sewer Fund with Memorandums of Understanding between the City Council and the Water Board.

The City owns and operates an existing animal shelter located at 333 Chandler Place, San Bernardino, CA 92408. Recently, the animal shelter has expanded its operations and has constructed structures and facilities on all available land within their property boundaries. In May 2024, City Staff requested a meeting with the Department to discuss potential use of a portion of the Department’s Water Reclamation Plant (WRP) for use as a temporary staff parking facility until a permanent solution could be established. The City and the Department evaluated land on the WRP that would be suitable for a temporary parking facility.

City and Department Staff identified an approximately 27,790 square foot area of the WRP (the “Property”) located south of the existing animal shelter property located at 333 Chandler Place, north of West Century Avenue, and east of the Durham School Services (“bus yard”) property that would serve the City’s needs for the temporary parking facility. Given the Property is a portion of an operational wastewater treatment facility permitted to treat and dispose of wastewater in compliance with National Pollutant Discharge Elimination System (NPDES) Permit No. CA0105392, among other regulatory permits, Department staff identified a list of requirements for use of the Property. Those requirements were included in the body and exhibits of the attached Memorandum of Understanding Regarding Lease of Certain Property (“MOU”).

August 29, 2025

**SUBJECT: APPROVE MEMORANDUM OF UNDERSTANDING WITH CITY OF
SAN BERNARDINO FOR WATER DEPARTMENT PROPERTY
LOCATED ON THE WATER RECLAMATION PLANT (APN 0141-291-23)
FOR USE AS A TEMPORARY PARKING FACILITY**

On July 29, 2025, an appraisal of the Property was performed by an independent appraiser contracted by the Department. The fair market rental value was established at \$0.20 per square foot per month on a triple net (“NNN”) basis. The Property is not necessary for use in the immediate future by the Department.

On August 25, 2025, the Department accepted a drawing identifying the planned elements to be constructed on the Property. The City intends to temporarily use the Property for the development, construction, and operation of an employee parking and dry goods storage area serving the existing animal shelter, including but not limited to parking, dry goods storage, security fencing, and solar-powered lighting (“Parking Facilities”).

If approved by the Water Board, this item will be taken to a meeting of the Mayor and City Council for approval.

GOALS AND OBJECTIVES:

Approving this agreement with the City aligns with the Department’s Strategic Plan under Goal 4: Build Strategic Partnerships. This Lease Agreement benefits the community by supporting the City’s efforts to effectively react to the changing needs of the community.

FISCAL IMPACT:

Lease of the Water Department property will result in financial gain for the Water Department. The City will approve annual transfers from the General Fund to the Sewer Fund in the amount of \$66,696.00 (the “Annual Rent”), subject to annual escalation as provided for in the MOU.

RECOMMENDATION:

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

- Adopt a Resolution approving the Lease Agreement for real property owned by the San Bernardino Municipal Water Department, generally located on the Water Reclamation Plant south of the existing animal shelter located at 333 Chandler Place, east of the Durham School Services property located at 1355 South E Street, and north of West Century Avenue (APN 0141-291-23) and authorize the General Manager to execute the Memorandum of Understanding.

Respectfully submitted,



Miguel J. Guerrero, P.E.
General Manager

mjg:KTS

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

Page 2

August 29, 2025

**SUBJECT: APPROVE MEMORANDUM OF UNDERSTANDING WITH CITY OF
SAN BERNARDINO FOR WATER DEPARTMENT PROPERTY
LOCATED ON THE WATER RECLAMATION PLANT (APN 0141-291-23)
FOR USE AS A TEMPORARY PARKING FACILITY**

Attachments:

- Resolution – Parking Lot Property
- Resolution Exhibit A – Parking Lot Property Memorandum of Understanding
- Animal Shelter Lease Appraisal

RESOLUTION NO. _____

**RESOLUTION OF THE WATER BOARD OF THE CITY OF
SAN BERNARDINO, CALIFORNIA, APPROVING LEASE
OF REAL PROPERTY GENERALLY LOCATED BETWEEN
CHANDLER PLACE AND WEST CENTURY AVENUE,
ALSO KNOWN AS A PORTION OF 0141-291-23**

WHEREAS, in accordance with Section 603 of the City Charter, the Water Board, through the City of San Bernardino Municipal Water Department (“Water Department”), is responsible for oversight and management of the City of San Bernardino’s (“City”) water supply, recycled water, wastewater collection and treatment functions (“Water and Wastewater Systems”); and

WHEREAS, the Water Department manages and controls the Water and Wastewater Systems’ revenues, expenses, assets, and liabilities, which are accounted for in utility enterprise funds known as the Water Fund and Sewer Fund, which pursuant to the City Charter are kept separate and apart from the other revenues, expenses, assets, and liabilities of the City; and

WHEREAS, the Mayor and City Council (the “City Council”) of the City, acting as the highest governing body of the City of San Bernardino, a charter city, with regards to general government services; and

WHEREAS, it has been the practice of the City and Water Department to document transfers between City funds, such as the General Fund, Water Fund, and Sewer Fund with Memorandums of Understanding between the City Council, acting as the highest governing body of the City with relation to the General Fund, and the Water Board, acting as the highest governing body of the City with relation to the Water Fund and Sewer Fund, to demonstrate compliance with Proposition 218 (Article XIII D, Section 6 of the Constitution of the State of California); and

WHEREAS, the Water Board has determined that approximately 27,790 square feet of real property located between Chandler Place and West Century Avenue in the City of San Bernardino, defined hereinafter as the Parking Lot Property, with a fair market rental value of Twenty Cents (\$0.20) per square foot per month on a triple net (“NNN”) basis as determined by an independent appraisal, is no longer necessary for use by the Water Department; and

WHEREAS, the City intends to develop the property to provide additional parking facilities in support of the existing animal shelter located at 333 Chandler Place, San Bernardino, CA 92408; and

WHEREAS, the City’s use of the Property for such purpose will necessitate transfers from the General Fund to the Sewer Fund.

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 shall, by resolution, temporarily allow the use of that certain real property and improvements comprising approximately 27,790 square feet of public facilities land that is a portion of the larger parcel known as APN 0141-291-23, more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference as though set forth in full (the “Parking Lot Property”).

SECTION 3. The City Council shall, by resolution, approve annual transfers from the General Fund to the Sewer Fund in the amount of \$66,696.00.

SECTION 4. The Water Board accepts annual transfers from the General Fund to the Sewer Fund.

SECTION 5. Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in this MOU. With respect to any conflict between such federal requirements and the terms of this MOU and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

SECTION 6. The General Manager of the Water Department is hereby authorized and directed to execute on behalf of the Water Board the Memorandum of Understanding attached hereto as Exhibit “A” and incorporated herein by this reference as though set forth in full.

SECTION 7. The General Manager of the Water Department is hereby authorized and directed to execute such further documents as may be necessary to carry out the purposes of this Resolution, including any documents necessary to effectuate the designation of properties contemplated by the Memorandum of Understanding, so long as such further documents are approved as to form and content by the City Attorney’s Office.

SECTION 8. 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 9. 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 10. 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 ____ day of _____, 2025.

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 ____ day of _____, 2025 by the following vote:

<u>Water Board Members:</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
CALLICOTT	_____	_____	_____	_____
HENDRIX	_____	_____	_____	_____
MLYNARSKI	_____	_____	_____	_____
BRICKLEY	_____	_____	_____	_____
JOHNSON	_____	_____	_____	_____

WITNESS my hand and official seal of the City of San Bernardino this ____ day of _____, 2025.

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

Exhibit "A"
Memorandum of Understanding
Regarding Lease of Certain Real Property

MEMORANDUM OF UNDERSTANDING REGARDING LEASE OF CERTAIN PROPERTY

This Memorandum of Understanding (“MOU”) is made and entered into this ____ day of August, 2025, By and Between:

the Mayor and City Council of the City of San Bernardino (“Council”), acting as the highest governing body of the City of San Bernardino, a charter city, with regards to general government services (the “City”);

and,

the Water Board Commissioners of the City of San Bernardino (“Water Board”), acting as the highest governing body of the San Bernardino Municipal Water Department, a department of the City of San Bernardino created by the Charter of the City of San Bernardino (the “Water Department”, “Lessor”) (individually the City and Water Department may be referred to as a “Party” and collectively the City and Water Department may be referred to as the “Parties”).

RECITALS:

WHEREAS, by the Charter of the City of San Bernardino, the Council is the highest governing body of the City of San Bernardino with respect to general tax revenues, expenditures, assets, and liabilities, collectively accounted for in the General Fund; and,

WHEREAS, by the Charter of the City of San Bernardino, the Water Board is the highest governing body of the City of San Bernardino with respect to water utility and sewer utility revenues, expenditures, assets, and liabilities, collectively accounted for in the Water Fund and Sewer Fund, respectively; and

WHEREAS, the Water Board Commissioners of the City of San Bernardino have determined that approximately 27,790 square feet of real property located between Chandler Place and West Century Avenue in the City of San Bernardino, defined hereinafter as the Parking Lot Property with a fair market rental value of Twenty Cents (\$0.20) per square foot per month on a triple net (“NNN”) basis as determined by an independent appraisal, is not necessary for use in the immediate future by the San Bernardino Municipal Water Department; and

WHEREAS, the Property is a portion of the Water Reclamation Plant, an operational wastewater treatment facility permitted to treat and dispose of wastewater in compliance with National Pollutant Discharge Elimination System (NPDES) Permit No. CA0105392, among other regulatory permits; and

WHEREAS, the City intends to temporarily use the Parking Lot Property for the development, construction and operation of an employee parking and dry goods storage area serving the existing animal shelter, including but not limited to parking, dry goods storage, security fencing, and solar-powered lighting (“Parking Facilities”); and

WHEREAS, the City's use of the Property for such purpose will necessitate transfers between the General Fund to the Water Fund; and,

WHEREAS, it has been the practice of the City of San Bernardino to document transfers between the General Fund, Water Fund, and Sewer Fund with Memorandums of Understanding between the Council and the Water Board to demonstrate compliance with Proposition 218 (Article XIII D, Section 6 of the Constitution of the State of California).

NOW, THEREFORE, the Parties agree as follows:

1. RECITALS. The recitals set forth in "RECITALS" are, by this reference, incorporated into and deemed a part of this MOU.
2. RESOLUTION. The Parties shall execute resolutions memorializing the following:
 - a. The Water Board shall, by resolution, temporarily allow the use of certain real property and improvements comprising approximately 27,790 square feet of public facilities land that is a portion of the larger parcel known as APN 0141-291-23, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference as though set forth in full (the "Parking Lot Property").
 - b. The Council shall, by resolution, approve annual transfers from the General Fund to the Sewer Fund in the amount of \$66,696.00 (the "Annual Rent"), subject to annual escalation as provided for in Section 5 below.
 - c. The Water Board accepts the Annual Rent from the General Fund to the Sewer Fund.
 - d. Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in this MOU. With respect to any conflict between such federal requirements and the terms of this MOU and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.
3. TERM. The initial term of this MOU (the "Initial Term") shall commence on the date the Resolution is approved by the Parties respective governing boards ("Commencement Date") and shall expire on the fifth (5th) anniversary of the Commencement Date ("Expiration Date"), unless sooner terminated as provided herein.
4. EXTENDED TERM. The City shall have one option to extend the Initial Term for an additional five (5) year period (an "Extended Term"). The Initial Term and the exercised Extended Term may be collectively referred to herein as the "Term." The option to extend will be deemed to be exercised immediately prior to the expiration of the then current Term without any action by Water Department or City, unless City provides prior written notice to Water Department of City's intention not to extend the Term no later than one hundred eighty (180) days prior to the expiration of the then current Term.

5. ANNUAL RENT. Commencing on the Commencement Date, City transfer to Water Department, on the first business day of each year during the Term, the Annual Rent. Annual Rent shall be prorated for any partial year. Commencing on the first anniversary of the Commencement Date and continuing annually, the Annual Rent shall increase by three percent (3%).
6. USE AND OCCUPANCY.
 - a. Use. Subject to the terms of this MOU and all matters of public record, City may use and occupy the Parking Lot Property for the design, planning, development, construction, installation, ownership, operation, maintenance, repair, inspection, security, and replacement of the Parking Facilities. The Parking Facilities shall be used by City solely as motor vehicle parking and dry goods storage for the City's existing animal shelter and purpose(s) incidental thereto. Animals, whether living or deceased, shall not be permitted to be kept, held, or stored on the Parking Facility for any duration. Generators powered by internal combustion engine and greater than 49 horsepower are not permitted to be operated or stored on the Property.
 - b. Design and Construction. City will have control over the planning, configuration, design, engineering, development, commissioning, construction, ownership, management, operation and maintenance of the Parking Facilities, with the assistance of such contractors, subcontractors and consultants as City may designate, all in its sole discretion; but subject to Lessor's rights to review and approve (which approval shall not be unreasonably withheld, conditioned or delayed) as set forth herein. City and Lessor agree that the Parking Facilities shall be a surface parking lot, a security gate for access, and solar-powered lighting. Upon completion of City's work, City shall provide to Lessor a complete set of construction drawings and "as built" plans for the Parking Facilities.
 - c. The Parties acknowledge and agree that prior to execution of the resolutions and this MOU, the Water Department has permitted City to begin construction activities on the Property. In connection with those activities, City has agreed to certain covenants regarding construction standards and obligations and provided certain deliverables to Water Department as set forth in Exhibit B attached hereto (the "City Construction Covenants").
 - d. Maintenance. Throughout the term of this MOU, City shall maintain the Property in a clean and sanitary condition with Parking Facilities in good working order and repair. The Parking Facilities shall be kept free of weeds and wind-blown dust or debris at all times. City shall take reasonable measures to prevent and minimize fugitive dust emissions and trackout that may arise from the construction, use or maintenance of the Parking Facilities.
7. COMPLIANCE WITH LAWS. During the Term, City shall comply with Applicable Law (including, without limitation, Environmental Laws) ("**Requirements**") applicable to the Premises in all material respects. City may, after prior written notice to Lessor, contest by appropriate legal proceedings (which must be conducted by City diligently and in good faith without cost or expense to Lessor) the validity or applicability of any Requirement affecting the Premises and Lessor shall reasonably cooperate with City in connection therewith. City shall immediately notify Lessor of any notice it receives respecting any violation of any Applicable Law regarding the Premises, and shall require its subtenants to notify City of the same. City shall not conduct or permit to be conducted any private or public nuisance on or about the Premises, nor commit any physical waste thereon. "**Applicable Law**" means any federal, state, or local statute, law, municipal charter

provision, regulation, ordinance, rule, mandate, judgment, order, decree, permit, code, or license requirement or other governmental requirement, standard, or restriction, or any interpretation or administration of any of the foregoing by any agency, court, or other Governmental Entity, that applies to the rights or obligations of either Party under this MOU. **“Governmental Entity”** means any court, arbitrator, federal, state or local government agency, regulatory body, or other governmental authority or other entity granted authority by a governmental authority to enact, enforce or interpret laws, rules and/or regulations.

8. UTILITIES. Commencing on the Commencement Date, City shall timely pay prior to delinquency for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises together with any taxes thereon. Throughout the term of this MOU, City shall promptly execute and deliver to Lessor after Lessor’s request therefore, and shall require in any sublease that any sublessee execute and deliver, any utility or other authorization or document reasonably necessary for Lessor to comply with California’s Energy Use Program or any other energy efficiency or similar program required by any governmental agency.
9. INSURANCE. During the Term, City shall obtain and maintain the following policies of insurance or self-insurance:
 - a. all-risk property insurance against fire, theft, vandalism, malicious mischief, sprinkler leakage and such additional perils as now are or hereafter may be included in Special Form (All Risk) Coverage in general use in the State of California, insuring the Premises in an amount equal to one hundred percent (100%) of the replacement cost thereof;
 - b. a commercial general liability policy, including insurance naming Lessor, as an additional insured, protecting against any and all claims for injury to persons or property occurring in or about the Premises and protecting against assumed or contractual liability under this MOU with respect to the Premises and the operations of City, and anyone holding through City, in, on or about the Premises, with such policy to be on an “occurrence basis” in the minimum amount of One Million Dollars (\$1,000,000.00) combined single limit coverage with a general aggregate of such coverage not less than Three Million Dollars (\$3,000,000.00);
 - c. With respect to the City’s or any subleases business operations on the Premises, worker’s compensation insurance as required by law and employer’s liability insurance with limits no less than One Million Dollars (\$1,000,000.00);
 - d. Prior to commencing any construction activities within the Property whose work costs greater than \$10,000.00, City shall obtain or require its contractor to obtain and thereafter maintain so long as such construction activity is occurring, at least the minimum insurance coverages set forth below:
 1. Workers’ Compensation at statutory limits;
 2. Employers’ Liability \$1,000,000;
 3. Builder’s Risk in the amount equal to the contract cost for the work;
 4. Commercial General Liability and Business Auto Liability as follows:
 - a. Bodily Injury - \$1,000,000 per occurrence;
 - b. Property Damage - \$1,000,000 per occurrence;

- e. Certificates of insurance evidencing all such insurance and acceptable to the Lessor shall be filed with Lessor prior to occupancy of the Premises. Such certificates of insurance must specifically show all the special policy conditions required in this paragraph, including “additional insured,” “waiver of subrogation,” “notice of cancellation,” and “primary insurance” wording applicable to each policy. Alternatively, a certified, true and complete copy of each properly endorsed policy may be submitted. All policies shall contain an undertaking by the insurers to notify Lessor in writing not less than thirty (30) days prior to any material change, reduction in coverage, cancellation, or other termination thereof. City shall furnish Lessor with proof of renewal or binders for new insurance at least thirty (30) days before the expiration date of each policy.

10. INDEMNIFICATION.

- a. Indemnification of Water Department. Except to the extent arising or resulting from the negligence or willful misconduct of Lessor or any of its agents, employees, vendors, or contractors, City shall indemnify, defend and hold harmless Lessor from and against all claims, costs, including reasonable attorney’s fees and costs, expenses and liabilities (collectively, “Losses”) to the extent arising or resulting in any manner whatsoever from (a) City’s (and anyone holding or acting through City’s) use and enjoyment of and interest in the Premises, (b) any breach or default in the performance of any obligation on City’s part to be performed under the terms of this MOU, or (c) any negligence or willful misconduct of City (and anyone holding or acting through City) resulting in any damage or harm to Lessor or the Property.
- b. Indemnification of City. Except to the extent arising or resulting from the negligence or willful misconduct of City or any of its agents, employees, vendors, or contractors, Lessor shall indemnify, defend and hold harmless City from and against all Losses to the extent arising or resulting in any manner whatsoever from (a) Lessor’s (and anyone holding or acting through Lessor’s) use and enjoyment of and interest in the Property, (b) any breach or default of the representations and warranties contained herein or in the performance of any obligation on Lessor’s part to be performed under the terms of this MOU, or (c) any negligence or willful misconduct of Lessor (and anyone holding or acting through Lessor) resulting in any damage or harm to City or the Premises.
- c. Survival and Insurance. All obligations of the Parties hereto to indemnify and defend the other as set forth in this MOU, shall survive termination of this MOU. The provisions of this Section shall not be construed so as to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

- 11. SURVIVAL. Upon the expiration or earlier termination of this MOU, City shall quit and surrender the Premises in its “as-is” condition, broom clean with all personal property removed. City shall have no right to hold over following the expiration of the Term except with the prior written consent of Lessor. City’s improvements which remain on the Premises following the expiration or the earlier termination of this MOU shall, at Lessor’s election, be deemed to have been surrendered to Lessor.

12. DEFAULTS AND REMEDIES.

- a. Defaults. Each of the following events shall be a default by City and a breach of this MOU, and shall constitute an “Event of Default” hereunder: (i) abandonment of the Premises, the Parking Facilities or any other improvements hereafter constructed thereon, where such abandonment continues for a period of thirty (30) consecutive days after notice thereof by Lessor to City; (ii) the subjection of any right or interest of City in the Premises to attachment, execution or other levy, or to seizure under legal process, if not released within ninety (90) days; (iii) City’s violation of the use restrictions set forth herein; (iv) failure of City to observe or perform any of its covenants, conditions or agreements under this MOU; or (v) such other events of default as are set forth under the terms this MOU.
 - b. Notice and Right to Cure. If the alleged default is monetary in nature, Lessor shall deliver written notice to City of the default and City will have ten (10) days after the receipt of such written notice to cure the default. As to any other non-monetary defaults, except as otherwise provided herein, City shall have thirty (30) days after written notice is given by Lessor specifying the nature of the default to cure the default; provided, however, that if after exercise of due diligence and its best efforts to cure such non-monetary default City is unable to do so within the thirty (30) day period, then the curing period shall be extended for such reasonable time as may be necessary for curing such default, so long as City continues to diligently prosecute to completion the curing of the default. As used herein, non-monetary defaults shall include, without limitation, a breach of any covenant of City hereunder, City’s failure to perform as required hereunder, and a breach of any warranty, representation or other agreement of City under this MOU.
 - c. Remedies. If any Event of Default by City shall continue uncured upon expiration of the applicable curing period, Lessor may, at Lessor’s election, terminate this MOU upon notice to City. All of City’s rights in the Premises, the Parking Facilities and all other improvements thereon shall terminate upon termination of this MOU. Promptly after any such termination, City shall surrender and vacate the Premises and Lessor may re-enter and take possession of the Premises and all such improvements. Termination under this Section shall not relieve City from the payment of any rent then due, or from any claim for damages previously accrued, or then accruing, against City.
13. **ASSIGNMENT.** Without Water Department’s written consent, which shall not be unreasonably withheld, City shall not assign or hypothecate this MOU or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than for the use permitted herein.
14. **CASUALTY.** If the Premises, or any part thereof shall be destroyed or damaged at any time during the Term, to the extent that, in City’s reasonable opinion, it would take more than nine (9) months to complete the necessary repairs or rebuilding to the Parking Facilities after the date of damage, or the continued construction or operation of the Parking Facilities has been rendered impractical in the opinion of City, then City shall have the right to terminate this MOU upon written notice to Lessor within sixty (60) days after the date of such damage or destruction. If City decides to repair or rebuild the Parking Facilities or fails to give notice of termination within such sixty (60) day period then (a) City shall repair, alter, restore, replace or rebuild the Parking Facilities to the condition existing prior to such damage or destruction (or with such changes thereto as may be elected by City (and subject to the terms of this MOU)), provided that all such restoration work shall be performed in accordance with the terms and conditions of this MOU, and (b) if the cost to so rebuild or reconstruct shall exceed the proceeds of any insurance, City shall be liable for any

such deficit. If, however, the proceeds of any insurance covering such damage or destruction exceed the cost of repair or reconstruction, such excess shall belong to City. All such repair, restoration or rebuilding required under this Section shall be commenced within six (6) months after the occurrence of the casualty and receipt of all permits and approvals (which City shall diligently pursue obtaining) and performed with due diligence in a good and workmanlike manner and in accordance with all applicable Laws.

15. ENVIRONMENTAL CONDITIONS.

- a. Prohibited Uses. No adverse environmental condition in violation of Environmental Laws shall be permitted to exist on any portion of the Premises, nor shall any Hazardous Substance (as defined below) be permitted to be disposed of, or otherwise deposited in or on or allowed to emanate from the Premises, including, without limitation, into the surface of any waters and subsurface waters thereof, by City or its agents or employees in violation of Environmental Laws (defined below). Throughout the term of this MOU, City shall be obligated to comply with all Environmental Laws with respect to (a) the use, enjoyment or occupancy of the Premises, or (b) the presence of any Hazardous Substance on the Premises, except with respect to: (i) any Hazardous Substances present on or under the Premises prior to the Commencement Date; (ii) any Hazardous Substances brought onto the Premises by Water Department or any of Water Department's agents, employees, or contractors; and (iii) any Hazardous Substances that migrate onto the Premises during the Term. Hazardous Substances may be transported to and from the Premises, and stored, generated, used and disposed of at the Premises by City and its agents and employees, so long as such transport, storage, generation, use and disposal is (i) ancillary to the ordinary course of business of an otherwise permitted use hereunder with the intent that such substances will be used in the ordinary course of business, and (ii) conducted in full compliance with all Environmental Laws. City covenants that it shall use the Property for the Parking Facilities only.
- b. Definitions.
 - i. **"Environmental Laws"** means any and all applicable laws and authorizations issued, promulgated or entered into by any Governmental Entity relating to the environment, preservation or reclamation of natural resources, or to the management, handling, use, generation, treatment, storage, transportation, disposal, manufacture, distribution, formulation, packaging, labeling, release or threatened Release of or exposure to Hazardous Substances, whether now existing or subsequently amended or enacted, including but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300(f) et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act 7 U.S.C. Section 136 et seq.; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq.; and any similar

or implementing federal, state or local law, and all amendments or regulations promulgated thereunder; and any common law doctrine, including but not limited to, negligence, nuisance, trespass, personal injury, or property damage related to or arising out of the presence, release, or exposure to Hazardous Substances.

- ii. **“Hazardous Substances”** means all explosive or regulated radioactive materials or substances, hazardous or toxic materials, wastes or chemicals, petroleum and petroleum products (including crude oil or any fraction thereof), asbestos or asbestos containing materials, and all other materials, chemicals or substances which are regulated by, form the basis of liability or are defined as hazardous, extremely hazardous, toxic or words of similar import, under any Environmental Law.

16. MISCELLANEOUS.

- a. Entire Agreement; Construction. All understandings and agreements between the Parties regarding the Premises, whether oral or written, are merged into this MOU and the Exhibits and Schedules hereto, which alone fully and completely expresses their understanding and supersedes all prior understandings, agreements, arrangements and representations between the Parties with respect to the Premises.
- b. Further Assurances. If either Lessor or City reasonably determines that any further instruments or any other acts are necessary or desirable to carry out the terms of this MOU, including any documents necessary for City to construct the Parking Facilities, the other Party will promptly execute and deliver all such instruments and assurances and do all things reasonably necessary and proper to carry out the terms of this MOU.
- c. Waiver. The failure of either Party hereto to enforce at any time any of the provisions of this MOU or to exercise any right which is herein provided will in no way be construed to be a waiver of such provision nor in any way to affect the validity of this MOU or any part thereof or the right of either Party to enforce thereafter each and every such provision and to exercise any such right. No waiver of any breach of this MOU will be held to be a waiver of any other or subsequent breach. Nothing will constitute, or have the effect of, a waiver except an instrument in writing signed by a duly authorized officer or representative of the Party against whom such waiver is sought to be enforced which expressly, and not impliedly, waives a right or rights under this MOU.
- d. Notices. Except as otherwise provided herein, all notices required or permitted to be given under this MOU must be in writing and addressed to the Party to whom it was sent at the address of such Party set forth below or at such other address as the Party may subsequently designate to the other by notice given in accordance with this Section, provided, Lessor and City may only change to a street address that allows for personal delivery. Notices shall be delivered by hand delivery or electronic mail or letter. Notice by hand delivery or electronic mail shall be deemed to have been received by the close of the business day on which it was hand delivered (unless hand delivered or emailed after close of business in which case it shall be deemed received at the close of the next business day). Notice by overnight mail or courier shall be deemed to have been received one (1) business day after it was sent.

If to Water Department:

San Bernardino Municipal Water Department
1350 South E Street
San Bernardino, CA 92408
Attn: Miguel Guerrero, General Manager
Email: Miguel.Guerrero@sbmwd.org

If to City:

City of San Bernardino
290 North D Street
San Bernardino, CA 92401
Attn: Eric Levitt
Email: levitt_er@sbcity.org

[Signature Page Follows]

MEMORANDUM OF UNDERSTANDING REGARDING LEASE OF CERTAIN PROPERTY

By and between the Mayor and Council of the City of San Bernardino and the Water Board of the City of San Bernardino for the lease of certain property.

MAYOR AND COUNCIL OF THE
CITY OF SAN BERNARDINO:

Date: _____

By: _____
Eric Levitt, City Manager

WATER BOARD OF THE
CITY OF SAN BERNARDINO:

Date: _____

By: _____
Miguel J. Guerrero, General Manager

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit "A"
Parking Lot Property

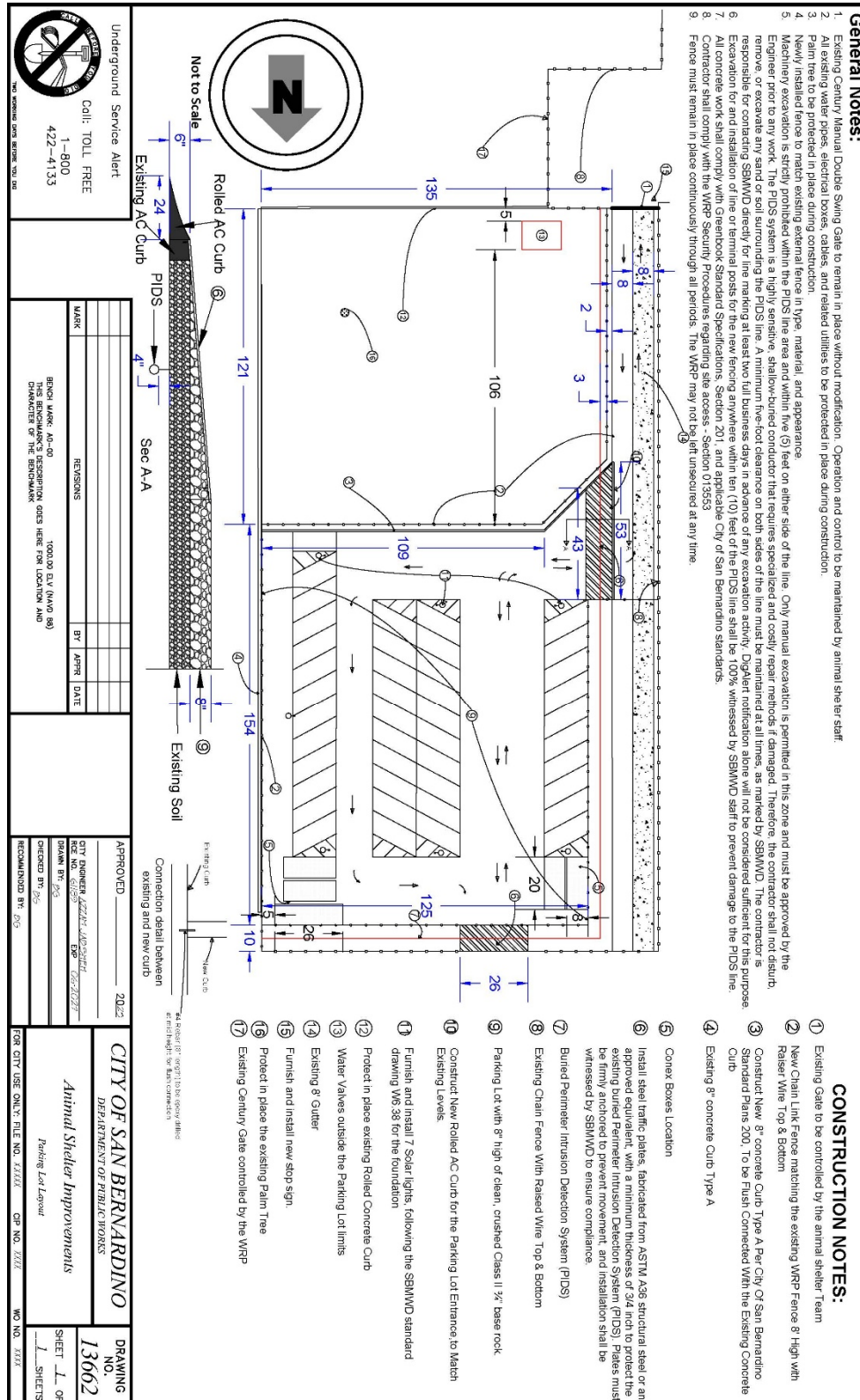


Exhibit "B"
City Construction Covenants

1. **Drawings / Plans**

- a. City to provide a copy of its construction-quality drawings and/or plans that adequately identify proposed installations.
- b. City to provide proof of contractor insurance documents for this project.
- c. City to provide draft, final, and list of pending environmental/regulatory documents.

2. **Stormwater requirements**

- a. City to be responsible for meeting any stormwater quality requirements for runoff from the Property.
- b. City shall extend the existing concrete curb on the east side of the proposed parking area to the asphalt curb on the west side of the proposed parking area, with the fifteen (15) foot clear distance to the water system on the south side such that any water runoff from the parking area does not flow to the SBMWD Sampling Point S-001.
- c. City shall perform routine maintenance on the existing drainage area on the westernmost edge of the Property that transmits runoff from 333 Chandler Place and 397 Chandler Place to West Century Ave.

3. **Buried Perimeter Intrusion Detection System (PIDS)**

- a. City to follow the specific requirements for protecting the shallow, expensive, sensitive buried PIDS.
- b. City to submit any changed plans to Water Department for approval.
- c. Both crossings of the PIDS line will be covered with a traffic-rated trench plate that is secured from sliding or concrete slab with appropriate reinforcement to prevent loading on the uncompactable sand layer surrounding the buried PIDS.
- d. K-rail or other form of barrier that is not easily moved to be placed at least 3 feet from the PIDS line. PIDS line will be located with a minimum of two (2) business days' notice for City upon request by SBMWD staff. K-rail, if used, does not need to be CalTrans rated.

4. **Fencing**

- a. North/South fence line on the east side of the parking lot to be aligned parallel to and west of the existing curb face.
- b. East/West fence line on the south side of the parking lot to be aligned such that a minimum of fifteen (15) foot clear distance exists from the potable water connection piping near the Century Gate.
- c. Double-panel gate adjacent to the bus yards may be used by City, so long as a continuous fence line blocks access into the WRP.
- d. The asphalt curb near the double-panel gate may be cut and removed, so long as the nearby PIDS line is not disturbed.
- e. Temporary and final fencing shall be of a secure type equal to or exceeding the 6' chain link with razor wire (top and bottom) that surrounds the animal shelter and WRP.

- f. A stop sign shall be placed at the Century Ave gate to reduce vehicle conflicts with vehicles exiting the WRP.
 - g. Fencing shall be kept in place in a continuous perimeter at all times. At no point shall the fence be allowed to remain unclosed and the WRP unsecure.
- 5. **Security Access List for WRP**
 - a. Adhere to Water Department's security specifications.
- 6. **WRP Liaison**
 - a. City to include Kevin Stewart (Water Reclamation Director) and Travis Mendenhall (Water Reclamation Superintendent) on all project communications.
 - b. City to include WRP liaison in construction meetings with its contractor.
- 7. **Clean Stone**
 - a. If City intends to pave the Property with an aggregate, City to ensure use of a clean, fresh, natural stone that is not recycled, nor does it contain unnatural metals. These materials warrant a problem with stormwater runoff.
- 8. **Palm Tree**
 - a. Base of palm tree shall not be excavated.
 - b. Any disturbance of the tree shall be approved by E&RC Director in compliance with any biological needs (bird nests).
- 9. **Grading**
 - a. City shall be aware that the County Fire Department performed trench rescue training in the applicable area over many years. This involved multiple excavations of up to 10 feet in depth with uncompacted backfill. These areas were pointed out during previous meetings. The holes have been backfilled for over a year and may be sufficiently compacted to support a gravel parking lot.
- 10. **Area Restoration**
 - a. The area shall be restored to its current condition or better at the completion of the lease.

**Appraisal Report Prepared on
40,716 SF of PF (Public Facilities) Zoned Land That Is A
Portion Of Larger 32.08-Acre Parcel APN 0141-291-23, in San
Bernardino, California 92408**



Prepared for:

Sydney Morrison – Contracts Administrator
City of San Bernardino Municipal Water Department

Effective Date of Value: July 21, 2025

Date of Report: July 29, 2025

Prepared by:

**Steven R. Smith, MSREA, MAI, SRA
And Benjamin Castro**

steves@srsrea.com

909 856 6841

Steven R. Smith, MSREA, MAI, SRA

• Real Estate Consultants • Market Studies • Risk Analysis • Appraisals •

800 Community College #114, San Jacinto, CA 92583

909-856-6841, SteveS@srsrea.com

7/20/25

Purpose: The purpose of the appraisal is to estimate the as-is value of the fee simple estate in the subject property and its rental potential.

Intended Use/Client and Intended Users: The intended use of this appraisal report is to provide asset value to our clients for the purpose of a land exchange transaction, as it relates to the subject property. Our client, the intended user of this report, is the **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 a full inspection of the subject property; research into the market conditions and market data using CoStar, Loopnet, the Multiple Listing Services (MLS), and broker and market participant interviews; and analysis of the data and preparation of the report.

Client: The City of San Bernardino Municipal Water Department

Property Rights Appraised: The unencumbered fee simple ownership interest.

As-Is Effective Date of Value: July 18, 2025

Concluded As-Is Market Value-Fee Simple Estate **\$1,060,000**

Concluded Market Rental Value: **\$0.20 per square foot per month, on a NNN basis or \$97,700 per year.**

Respectfully submitted,



Steven R. Smith, MSREA, MAI, SRA,
AG 2123, expires 7/20/25



Benjamin Castro, Certified General Appraiser
AG 040398, expires 8/30/2027

Table of Contents

THE INTRODUCTION4

THE LOCATION11

LAND DESCRIPTION12

HIGHEST AND BEST USE15

THE SALES COMPARISON APPROACH18

COMMENTS ON INDUSTRIAL LAND COMPARABLES.....22

RECONCILIATION23

SUPPLEMENTAL MARKET RENT AND NET OPERATING INCOME24

DEFINITIONS / ASSUMPTIONS / LIMITING CONDITIONS26

ASSUMPTIONS AND LIMITING CONDITIONS.....28

APPRAISER’S CERTIFICATIONS29

THE INTRODUCTION

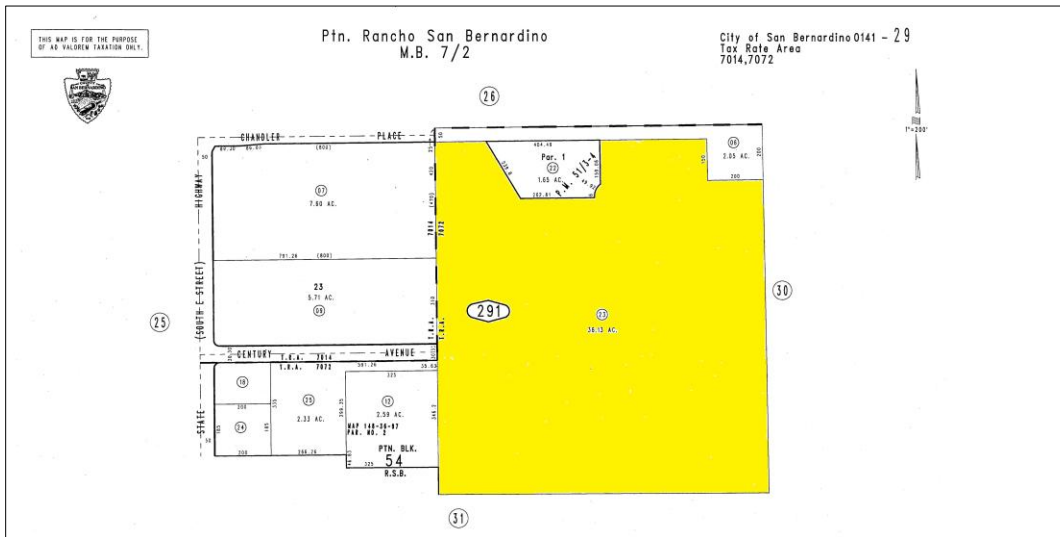
SUBJECT OCCUPANCY

The 0.93-acre portion of the subject's larger 32.08-Acre property being appraised (*see hypothetical condition section*) is currently vacant, unimproved land.

CURRENT OWNERSHIP / PROPERTY HISTORY

According to our review of public records, title to the subject parcel is currently vested in the **City of San Bernardino**. Per the property contact interview, the subject is not currently listed for sale or lease, and is not in escrow to be purchased. No additional transfers of the subject title are known to have occurred during the past three years.

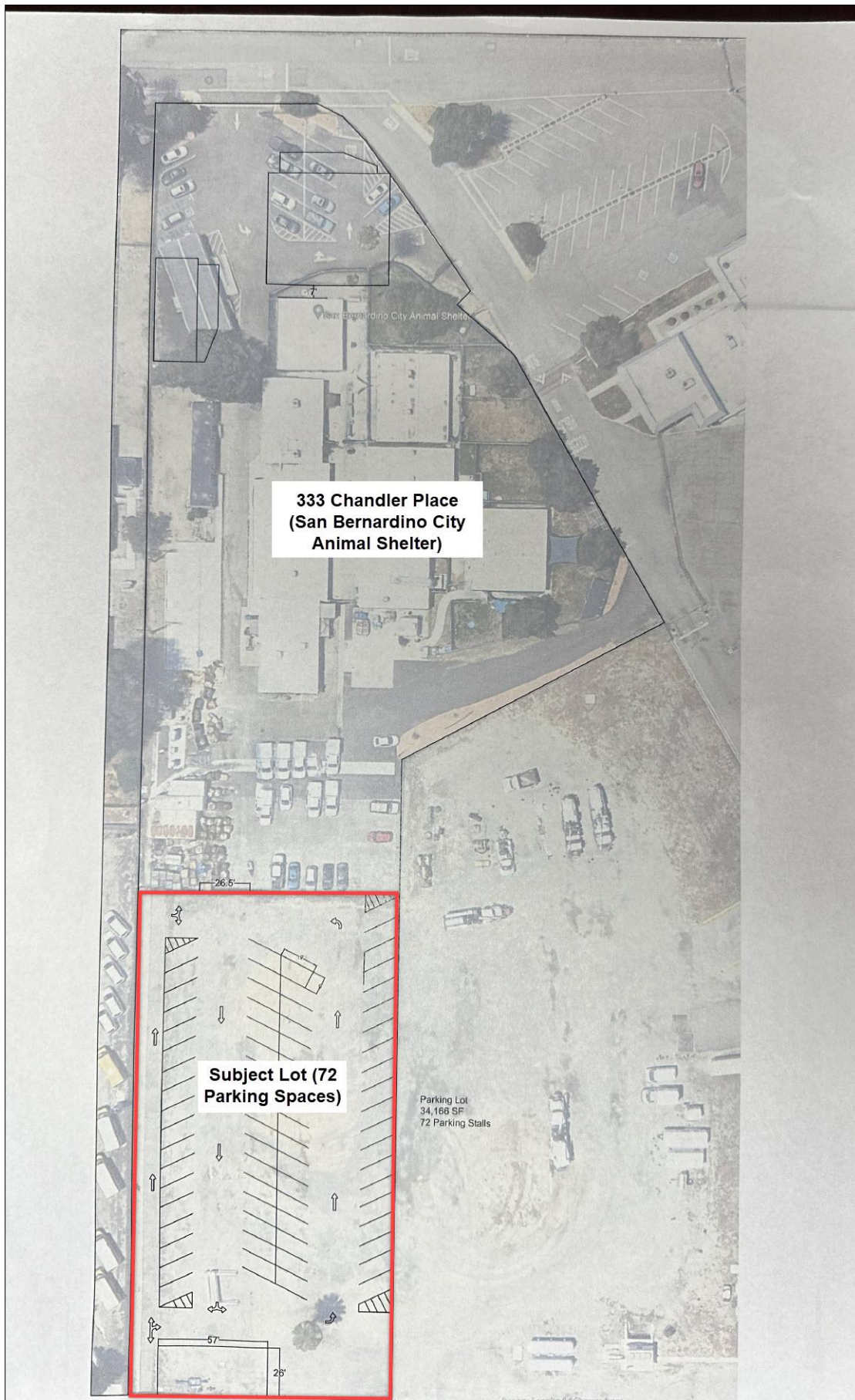
PROPERTY DESCRIPTION



The subject property is a 40,716 SF unimproved, rectangular shaped portion of a larger 32.08-Acre parcel centrally located along the west elevation of the lot line.







MARKET AND EXPOSURE TIME

Typically, 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.

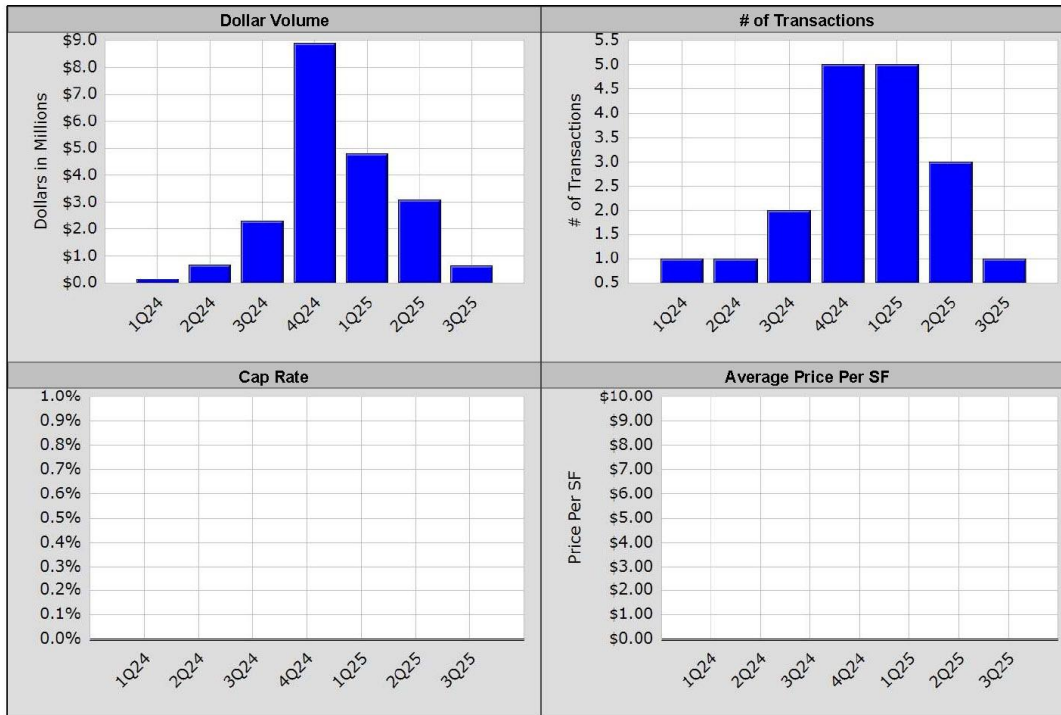
Sales of similar type properties, including the sale comparables used in this report, were analyzed and had a wide range of exposure periods. According to knowledgeable professionals, the marketing time for properties like the subject varies considerably. According to interviews with brokers and market participants involved in these transactions, an adequate exposure for the subject would be approximately six to nine months - if properly priced and marketed. Based on our findings, we believe an exposure and marketing time of six to nine months for the subject property is considered reasonable and appropriate.

MARKET TRENDS AND BROKER INTERVIEWS

Market trends for the industrial land market are based on recorded industrial zoned land sales in the city of San Bernardino from July 2023 to the present, excluding all non-arm's length transactions. Our search uncovered 18 closed sales that are summarized in the tables that follow.

Legend:		Report Time Frame: 1/1/2024 - 7/21/2025 Sale Date: from 7/21/2023	
Current Survey		Sold Transactions	
Sold Transactions	Number of Transactions	18	
	Total Dollar Volume	\$20,535,000	
	Total Bldg Square Feet	0	
	Total Land in Acres	20.45	
	Total Land in SF	890,802	
	Average Price	\$1,369,000	
	Average Number of SF	0	
	Average Price Per Bldg SF	-	
	Median Price Per SF	-	
	Average Number of Acres	1.14	
	Average Number of SF(Land)	49,489	
	Average Price Per Unit	-	
	Median Price Per Unit	-	
	Average Number of Units	-	
	Average Price Per Acre	\$1,101,663	
	Average Price Per SF(Land)	\$25.29	
	Median Price Per Acre	\$1,130,952	
	Median Price Per SF(Land)	\$25.96	
Survey Criteria			
basic criteria: Type of Property - Land ; Sale Date - from 7/21/2023 ; Sale Status - Sold, Under Contract/Pending ; Return and Search on Portfolio Sales as Individual Properties - Yes ; Exclude Non-Arms Length Comps - Yes			
geography criteria: City - San Bernardino, CA			

Trend Report



Trend Report

	1Q24 01/1-3/31/24	2Q24 04/1-6/30/24	3Q24 07/1-9/30/24	4Q24 10/1-12/31/24
	Sold Transaction	Sold Transaction	Sold Transaction	Sold Transaction
Number of Transactions	1	1	2	5
Total Dollar Volume	\$165,000	\$660,000	\$2,300,000	\$8,895,000
Total Bldg Square Feet	0	0	0	0
Total Land in Acres	0.49	0.52	2.13	9.58
Total Land in SF	21,344	22,651	92,783	417,305
Average Price	\$165,000	\$660,000	\$1,150,000	\$2,223,750
Average Number of SF	0	0	0	0
Average Price Per Bldg SF	-	-	-	-
Median Price Per SF	-	-	-	-
Average Number of Acres	0.49	0.52	1.07	1.92
Average Number of SF(Land)	21,344	22,651	46,391	83,461
Average Price Per Unit	-	-	-	-
Median Price Per Unit	-	-	-	-
Average Number of Units	-	-	-	-
Average Price Per Acre	\$336,735	\$1,269,231	\$1,079,812	\$1,036,713
Average Price Per SF(Land)	\$7.73	\$29.14	\$24.79	\$23.80
Median Price Per Acre	\$336,735	\$1,269,231	\$1,119,878	\$1,129,992
Median Price Per SF(Land)	\$7.73	\$29.14	\$25.71	\$25.94

	1Q25 01/1-3/31/25	2Q25 04/1-6/30/25	3Q25 07/1-7/21/25	
	Sold Transaction	Sold Transaction	Sold Transaction	
Number of Transactions	5	3	1	
Total Dollar Volume	\$4,795,000	\$3,070,000	\$650,000	
Total Bldg Square Feet	0	0	0	
Total Land in Acres	4.18	2.70	0.85	
Total Land in SF	182,081	117,612	37,026	
Average Price	\$1,198,750	\$1,535,000	\$650,000	
Average Number of SF	0	0	0	
Average Price Per Bldg SF	-	-	-	
Median Price Per SF	-	-	-	
Average Number of Acres	0.84	0.90	0.85	
Average Number of SF(Land)	36,416	39,204	37,026	
Average Price Per Unit	-	-	-	
Median Price Per Unit	-	-	-	
Average Number of Units	-	-	-	
Average Price Per Acre	\$1,362,216	\$1,203,922	\$764,706	
Average Price Per SF(Land)	\$31.27	\$27.64	\$17.56	
Median Price Per Acre	\$1,272,727	\$1,270,745	\$764,706	
Median Price Per SF(Land)	\$29.22	\$29.17	\$17.56	

ASSESSED VALUATION AND TAXES:

In California, government-owned property is generally not subject to property taxes. The general exemption from local, state, and federal taxes for government owned property is based on the idea that the sovereign shouldn't tax itself.

In general, the assessment of market value is limited to a maximum increase of two percent per year, unless the property is transferred or there is substantial new construction. Proposition 13 typically requires reassessment of real property upon a change of ownership. In either event, the property is re-appraised to current market value, usually as evidenced by the sale price or the construction costs.

Assessed value is generally not considered an accurate reflection of market value, as it is not particularly sensitive to economic fluctuations affecting the property. If the estimate of market value is higher than the sale price, then Proposition 8 provides for the reassessment of real property due to a decline in market value. A property owner must petition for a reassessment in order to lower property taxes or receive a tax refund. If the owner disputes the reassessed value, an appeals procedure is in place for a more detailed reassessment of market value in accordance with Proposition 8.

Broker Interviews

Brokers were interviewed and/or information furnished from firms active in the subject's market area. The interviews are as follows:

Michael Rademaker, MGR Realty. Mr. Rademaker is the founder of MGR Realty and has over 30 years of experience buying and leasing commercial properties throughout Southern California. He stated land sales have slowed and redevelopment projects have been delayed as investors wait and see where interest rates are headed. High borrowing and construction costs, combined with higher vacancy rates and lower demand, have made it financially unfeasible to develop a parcel to satisfy an investor's return expectations. Additionally, he states the most likely buyer for the subject parcel would be an owner-user whose motivation would be the location and utility of the site, rather than any type of cap rate consideration.

Robert Kirkpatrick, SVN. Mr. Kirkpatrick has over 50 years of experience in the Southern California real estate market. He remains optimistic that the market will rebound in the next two or three quarters if interest rates remain where they are at or decrease. Still, marketing times have increased, and concessions, including free rent and significant tenant improvement allowances, remain prevalent in order to close leases in the submarket.

Art Sanchez, Sanchez Realty: Mr. Sanchez specializes in commercial and industrial properties throughout the Inland Empire. He has seen both investors and owner-users attracted to the Inland Empire as an alternative to the pricier Los Angeles and Orange County industrial markets, as owner-operators continue moving further from more established markets due to

newer restrictions and development moratoriums placed in those cities for certain businesses. He remains optimistic about the long term prospects for the industrial and commercial markets in this area, based on the number of planned industrial projects that have been approved for future development in the area.

Mark Kegans, SIOR, Executive Managing Director, Newmark. Mr. Kegans is familiar with the subject property and has exclusively worked the Industrial/Development segment of the Inland Empire for over 35 years. He believes the subject has an ideal location and size for an entrepreneur rather than an institutional investor due to its smaller size and location. The type of use and development that would result in the highest value would be industrial or light-industrial, in his opinion. The market is currently bearish, with marketing times increasing for all property types, he explained. Additionally, he notes the reluctance of city planning departments to approve any new industrial projects.

Hector Benavidez, Keller Williams: Mr. Benavidez is the listing broker for Sale No. 6, which is currently in escrow. He has seen tremendous price appreciation for industrial zoned vacant land within the past several years, from both owner-users and investors. The recent trend has been for owner-users to acquire adjoining lots for plottage value, as premiums are being paid for larger lots that have more gated yard space for storage and truck/service vehicle parking.

The consensus opinion of other brokers and market participants we have interviewed for this assignment and previous assignments, is that there are many factors affecting the price both investors and owner-users are willing to pay for a parcel of land, with factors such as submarket location and surrounding development; lot shape/size/utility; egress/ingress (corner or interior parcel); topography; freeway proximity and exposure along primary arterials; and approvals or entitlements.

HYPOTHETICAL CONDITION / EXTRAORDINARY ASSUMPTIONS

This report utilizes the following two hypothetical conditions to reach our supportable opinion of the subject property's market value. Our client has engaged us to value the fee simple rights of a +/- 0.93-acre (40,716 SF) portion of a larger 32.08-acre parcel, for which we must utilize the hypothetical condition that the portion of the subject property being appraised has already been subdivided and can be marketed and sold off individually, containing its own fee simple rights. This report utilizes no extraordinary assumptions.

INSPECTION DATE: The subject property was inspected on July 21, 2025.

THE LOCATION

San Bernardino County / Inland Empire

The subject property is located in the city of San Bernardino, the seat of San Bernardino County, which together with Riverside County, makes up the region known as the “Inland Empire”, one of the fastest growing regions in the country.

As land prices in Orange County and parts of Los Angeles County have historically moved upward, the industrial and warehousing base has moved outward - resulting in a vast new marketplace for developers/builders to create industrial parks in areas with comparatively affordable housing. As a whole, the Inland Empire to the east of Los Angeles has become a positive growth area for both employment and construction.

The Inland Empire - combined counties of Riverside and San Bernardino - is one of the fastest growing regions in the country. Primary reasons for this growth were lower housing costs and lower land costs for commercial and industrial development. The two county area of Riverside-San Bernardino forms the largest Metropolitan Statistical Area (MSA) in the nation with over 27,308 square miles. A population exceeding 4.5 million in January 2023 ranks the Inland Empire as the 14th most populous MSA in the United States.

San Bernardino is geographically the largest county in the nation. Riverside County stretches from Orange County to the Arizona Border. In both counties, most of the population resides in the county's western portion.

The Inland Empire is still the fastest growing metropolitan area in Southern California and the second largest behind Los Angeles – having surpassed Orange and San Diego in population.

For the Month of June 2025, the unemployment rate for San Bernardino County was 5.9%, while the city of San Bernardino had an unemployment rate of 6.6 percent.

Neighborhood Surroundings

The subject's neighborhood consists primarily of industrial light zoning and includes some commercial general, commercial heavy, office industrial park, and public facilities/recreation zoning, as well. The neighborhood may be described as E Street to the west, Mill Street to the north, Waterman Avenue to the east, and the Santa Ana River to the south.

The subject property is located midblock along the south side of Chandler place, approximately 270 yards east of E Street. There are restaurants, retail buildings, major medical facilities, religious buildings, schools, public parks, and access to the I-10 & 215 Freeways – all within 2.6 miles of the subject.

Land Description

Reference Drawings/Documents

Soils Report: None Provided

Environmental
Site Assessment: None Provided

Hazardous Waste /
Toxic Studies: None Provided

Preliminary Title Report: None Provided

Site Details

Address: S/O 333 Chandler Place, San Bernardino, California 92408
(No Recorded Address)

TG# 606-H5 (San Bernardino County)

APN: 0141-291-23 (Larger Parcel)

County: San Bernardino

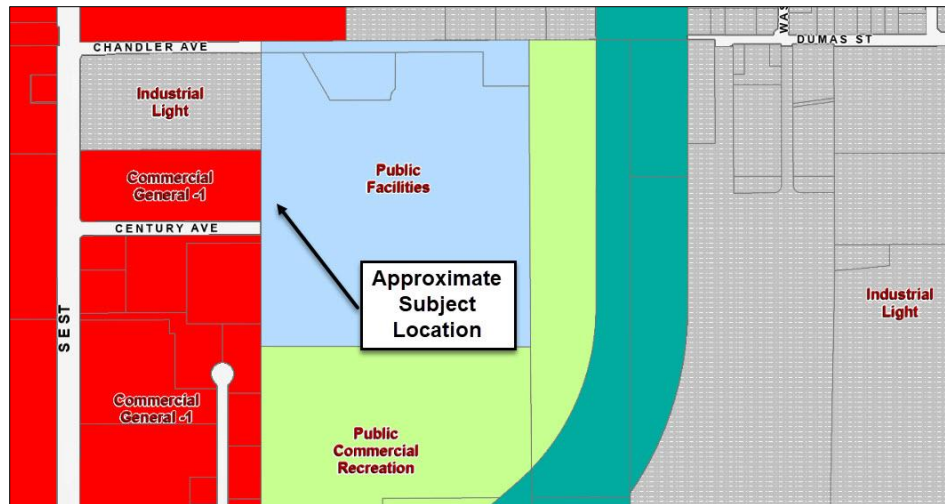
Land Size: 1,397,271 SF (32.08 Acres, Larger Parcel)

Shape: Irregular (see plat map)

Zone: The subject larger parcel is located within a pocket Public Facilities (PF) zoned district.

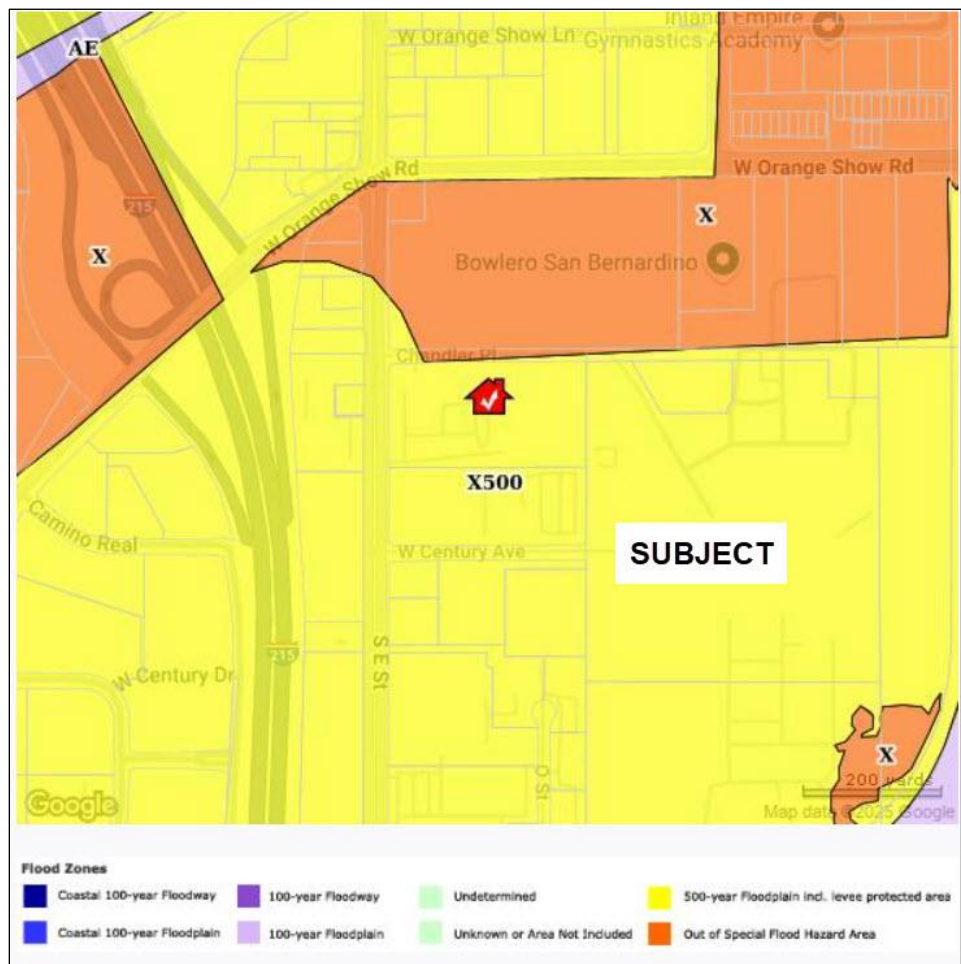
Per Chapter 19.10 of the City of San Bernardino's Development Code, The purpose of the PF zone is to provide for the continuation of existing and development of new schools, government administrative, police, fire, libraries, social service, and other public facilities.

See Zoning map on the following page.



Flood Zone:

The subject site is located within Flood Zone X500, community Panel No.060281-06071C-8683J; dated September 2, 2016. Zone X500 is not located within the 100-year flood zone. Flood insurance is generally *not required*. Please refer to the Flood Zone Map below.



Soils Condition:	A geo-technical investigation report was not submitted for review. This appraisal report assumes that all recommendations (for grading; compaction; and foundation design, construction, and maintenance of) provided by the soils engineer have been implemented, and that construction designs provided for adequate load-bearing capacity and structural engineering to support the existing subject structure(s).
Hazardous Waste/ Toxic Conditions:	None Provided
Title, Easements and Encroachments:	A preliminary title report was not provided for review. No adverse conditions, easements or encroachments were observed during the inspection of the site. Identification of these items 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. The 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. No responsibility is assumed for any such conditions, or for any expertise or knowledge required to discover them.
Utilities:	All public utilities are available and assumed adequate for industrial oriented use(s).

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.¹

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 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.

It should be noted that a highest and best use determination represents an appraiser's opinion based upon his or her judgment and the application of several forms of analyses. Like value, it is not a fact that can be found.

It is also important to note that the highest and best use of a site as if unimproved and available to put to its highest and best use may be different from the highest and best use of the property as improved. This is especially true when the property improvements are not the most appropriate use but still add value to the site. In such cases, unless additional improvements are possible and feasible, the existing improvements will probably remain in use until the value of the land exceeds the total value of the property with the improvements. Appraisal practice therefore dictates that highest and best use be analyzed from two standpoints: (1) the property as if unimproved and available for development; and (2) the property as improved.

The highest and best use of both land as though vacant and as improved must meet four basic tests:

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?

¹ Source: The Dictionary of Real Estate Appraisal, Appraisal Institute.

Highest and Best Use - As Vacant

Highest and Best Use of a 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 vacant, we considered the physical attributes of the subject property, its zoning, location and known governmental influences, and the uses of surrounding properties.

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.

No information regarding private restrictions has been provided. It appears that there are no deed or easement restrictions on the property that could negatively impact development. No long-term ground lease encumbers the land. Therefore, legal restrictions as they apply to the subject property are primarily the public restrictions of zoning.

The subject is zoned PF (Public Facilities). The legal allowed uses are compatible with the adjacent and surrounding neighborhood improved properties.

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.

An in-depth feasibility analysis on the possible alternative uses of the site is beyond the scope of this appraisal assignment. However, the regional, city, and neighborhood characteristics impacting the subject property, as well as overall market conditions have been investigated. Details regarding each category are presented in respective sections of this appraisal report.

Conclusion

After reviewing overall market conditions, 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 subsequent construction of light industrial zoned development dependent on feasibility study.

Highest and Best Use – As Improved

The subject is unimproved, vacant Public Facilities (PF) zoned land.

VALUATION METHODOLOGY

Typically, the process of appraising real property consists of compiling and analyzing data from three different perspectives; these approaches to value are:

- In the *Cost Approach*, the value of a property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e., deterioration and obsolescence) in the structures from all causes.
- The *Income Approach* is based upon the principle that the value of an income producing property is the present worth of anticipated future benefits, which are comprised of The Annual Income Stream (Cash Flow or Net Income) and the Reversion Benefits (Resale Value).
- The Sales Comparison Approach is a method of comparing recent sales of similar properties to the subject property. This approach is based on the principle of substitution in that a prudent investor would pay no more for the real property than the cost of acquiring a satisfactory alternative property that possesses physical, economic and financial comparability. The value of a particular property tends to coincide to the value indicated by the actions of informed buyers and sellers in the marketplace for similar properties.

In this report, the subject is unimproved vacant land, and the Cost Approach to value is excluded. The Income Approach is also excluded, as the property is vacant land with no leases encumbering it.

In the case of the subject appraisal, we have utilized the Sales Comparison Approach in estimating the Market Value As Is.

The valuation of the subject property follows.

THE SALES COMPARISON APPROACH

An investigation was undertaken to locate sales of similar commercial zoned land in the market area that could be used to provide direct market indications of the subject's value. This survey focused primarily on the most comparable facilities/use to the subject property, which were deemed useful indicators of value for the subject property. Each comparable was visited and we attempted to verify the sales information with one or more of the parties to the transaction.

In this section, we contrast each sale comparable to the subject in terms of previously defined elements of comparison. The relative similarity of a comparable to the subject is expressed through a percentage adjustment or a dollar adjustment. The adjustments involve the appraiser's judgment. Percentages are intended to reflect the magnitude and direction of the adjustment and should not be construed as a precise mathematical calculation based on quantifiable market evidence. In most instances, the large numbers of elements (or variables) that influence value in a real property transaction make it mathematically impossible to isolate and quantify a particular element's impact on the final price.

In the case of the subject, the most appropriate unit of comparison is the price per square foot of land area, which reflects the primary value in the property. The following table summarizes the most relevant comparables in the valuation analysis. Photographs of each improved sales comparable as well as a map denoting their location relative to the subject are located in the Addenda of this report.

Land Sale Comparables 1 Through 3				
Item	Subject	1	2	3
Location / Address:	S/O 333 Chandler Place San Bernardino	393 S. Sierra Way San Bernardino	19800 Cajon Boulevard San Bernardino	776 S. Lugo Avenue San Bernardino
Assessor Parcel Number	Portion of 0141-291-23	0136-221-10	0266-011-18	0136-321-19
Proximity to Subject	606-H5 (San Bernardino)	1.3 Miles NE	9.6 Miles NW	0.87 MI NE
Land SF	40,716	37,209	102,366	43,200
Sale Date	N/A	7-Jul-25	9-Jun-25	4-Feb-25
Document Number	N/A	148816	132274	23868
Source	Inspection	CoStar / Broker	CoStar / Broker	CoStar / Broker
Interest Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale Price	N/A	\$650,000	\$2,800,000	\$1,125,000
\$/Land SF:	N/A	\$17.47	\$27.35	\$26.04
Property Rights Conveyed	-	0.0%	0.0%	0.0%
Adjusted Price	-	\$17.47	\$27.35	\$26.04
Financing Terms	-	0.0%	0.0%	0.0%
Adjusted Price	-	\$17.47	\$27.35	\$26.04
Conditions of Sale / Listing	-	0.0%	0.0%	0.0%
Adjusted Price	-	\$17.47	\$27.35	\$26.04
Time (Market Conditions)	-	0.0%	0.0%	0.0%
Adjusted Price	-	\$17.47	\$27.35	\$26.04
Expenditures Adjusted	-	0.0%	0.0%	0.0%
Adjusted Price	-	\$17.47	\$27.35	\$26.04
Adjusted \$/SF	N/A	\$17.47	\$27.35	\$26.04
Financing: Terms	N/A	All Cash Sale	63% Cash - Private Party 1st TD	45% Cash-Conv. TD
COMPARABILITY/ADJUSTMENTS				
Property:				
Site Accessibility	Average	E	E	E
Zoning	PF (Public Facilities)	CH / Inferior 20%	IH (Industrial Heavy)	E
Land Area (SF)	40,716	37,209	102,366 7%	43,200
Shape / Utility	Rectangular	E	E	E
Topography	Level	E	E	E
Site / Building Improvements	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Overall Property Adjustment:	-	20%	7%	0%
Location:				
Market Identity	San Bernardino	E	E	E
Transportation Linkages	Conforming	E	E	E
Street Location / Exposure	Minor-Terminus of Minor Cul de sac Street	Minor-Interior	Primary-Interior -3%	Minor-Interior
Neighborhood Surroundings	Conforming	E	E	E
Overall Location Adjustment:	-	0%	-3%	0%
TOTAL ADJUSTMENT:	-	20%	4%	0%
INDICATED SUBJECT \$/LAND SF:	-	\$20.96	\$28.45	\$26.04

E = Equal; SI = Slightly Inferior; I = Inferior; SS = Slightly Superior; and S = Superior.

Land Sale Comparables 4 Through 6				
Item	Subject	4	5	6
Location / Address:	S/O 333 Chandler Place	10799 S. Artesia Street	0 Medical Center Drive	247 E. Ennis Street
Assessor Parcel Number	San Bernardino	San Bernardino	San Bernardino	San Bernardino
Proximity to Subject	Portion of 0141-291-23	0283-032-39, 45, 46	0268-453-12, 14	0136-431-33
Land SF	606-H5 (San Bernardino)	1.6 Miles SE	4.5 Miles NW	0.7 MI NE
Sale Date	40,716	76,666	73,181	27,181
Document Number	N/A	9-Jan-25	29-Oct-24	16-Oct-24
Source	N/A	6310	258499	233192
Interest Appraised	Inspection	CoStar / Broker	CoStar / Broker	CoStar / Broker
Sale Price	Fee Simple	Fee Simple	Fee Simple	Fee Simple
\$/Land SF:	N/A	\$2,500,000	\$1,900,000	\$700,000
Property Rights Conveyed	N/A	\$32.61	\$25.96	\$25.75
Adjusted Price	-	0.0%	0.0%	0.0%
Financing Terms	-	\$32.61	\$25.96	\$25.75
Adjusted Price	-	0.0%	0.0%	0.0%
Conditions of Sale / Listing	-	\$32.61	\$25.96	\$25.75
Adjusted Price	-	0.0%	0.0%	0.0%
Time (Market Conditions)	-	\$32.61	\$25.96	\$25.75
Adjusted Price	-	0.0%	0.0%	0.0%
Expenditures Adjusted	-	\$32.61	\$25.96	\$25.75
Adjusted Price	-	0.0%	0.0%	0.0%
Adjusted \$/SF	N/A	\$32.61	\$25.96	\$25.75
Financing: Terms	N/A	Conv. 1st TD	All Cash Sale	50% Cash-Seller Financing
COMPARABILITY/ADJUSTMENTS				
Property:				
Site Accessibility	Average	E	E	E
Zoning	PF (Public Facilities)	E	E	E
Land Area (SF)	40,716	76,666 3%	73,181 3%	27,181 -3%
Shape / Utility	Rectangular	E	E	E
Topography	Level	E	E	E
Site / Building Improvements	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Overall Property Adjustment:	-	3%	3%	-3%
Location:				
Market Identity	San Bernardino	E	E	E
Transportation Linkages	Conforming	E	E	E
Street Location / Exposure	Minor-Terminus of Minor Cul de sac Street	Minor-Cul de sac	Primary-Corner-Exposure to E/B 210 Freeway	Primary-Interior
Neighborhood Surroundings	Conforming	E	E	E
Overall Location Adjustment:	-	0%	-5%	-3%
TOTAL ADJUSTMENT:	-	3%	-2%	-6%
INDICATED SUBJECT	-	\$33.59	\$25.44	\$24.21
\$/LAND SF:				

E = Equal; SI = Slightly Inferior; I = Inferior; SS = Slightly Superior; and S = Superior.

		Land Sale Comparables 7 And 8	
Item	Subject	7	8
Location / Address:	S/O 333 Chandler Place	892 E. Santa Fe Street	787 Orange Show Road
	San Bernardino	San Bernardino	San Bernardino
Assessor Parcel Number	Portion of 0141-291-23	0280-082-10, 11, 09	0281-031-39
Proximity to Subject	606-H5 (San Bernardino)	1.8 Miles NE	1.3 Miles E
Land SF	40,716	56,192	67,082
Sale Date	N/A	30-Sep-24	Listing
Document Number	N/A	233575	List Date: 5-23-25
Source	Inspection	CoStar / Broker	CoStar / Broker
Interest Appraised	Fee Simple	Fee Simple	Fee Simple
Sale Price	N/A	\$1,200,000	\$2,380,000
\$/Land SF:	N/A	\$21.36	\$35.48
Property Rights Conveyed	-	0.0%	0.0%
Adjusted Price	-	\$21.36	\$35.48
Financing Terms	-	0.0%	0.0%
Adjusted Price	-	\$21.36	\$35.48
Conditions of Sale / Listing	-	0.0%	-25.0%
Adjusted Price	-	\$21.36	\$26.61
Time (Market Conditions)	-	0.0%	0.0%
Adjusted Price	-	\$21.36	\$26.61
Expenditures Adjusted	-	0.0%	0.0%
Adjusted Price	-	\$21.36	\$26.61
Adjusted \$/SF	N/A	\$21.36	\$26.61
Financing: Terms	N/A	All Cash Sale	Negotiable
COMPARABILITY/ADJUSTMENTS			
Property:			
Site Accessibility	Average	E	E
Zoning	PF (Public Facilities)	E	E
Land Area (SF)	40,716	56,192	67,082 3%
Shape / Utility	Rectangular	E	Triangular / SI 3%
Topography	Level	E	E
Site / Building Improvements	Vacant Land	Vacant Land	Vacant Land
Overall Property Adjustment:	-	0%	6%
Location:			
Market Identity	San Bernardino	E	E
Transportation Linkages	Conforming	E	E
Street Location / Exposure	Minor-Terminus of Minor Cul de sac Street	Cul-de-sac street	Primary-Interior -3%
Neighborhood Surroundings	Conforming	E	E
Overall Location Adjustment:	-	0%	-3%
TOTAL ADJUSTMENT:	-	0%	3%
INDICATED SUBJECT \$/LAND SF:	-	\$21.36	\$27.41

E = Equal; SI = Slightly Inferior; I = Inferior; SS = Slightly Superior; and S = Superior.

Comments on Industrial Land Comparables

Our eight land sale comparables (seven closed, one active listing) are all located within a 10-mile radius submarket within the city of San Bernardino, and range in size from 27,181 to 102,366 SF, bracketing the subject at 40,716 square feet. Unadjusted sale rates range from \$17.47 to \$32.61 per land square foot, with sale dates ranging from September of 2024 to as recently as July of 2025.

A downward listing adjustment was applied to Land sale comparable No. 8 to reflect the likelihood of a lower negotiated selling price.

Additional comments on some of the comparables follow.

Sale No. 1 (\$17.47/Land SF) sold recently in July 2025 for \$650,000. The listing broker, Robert Bagley of KW Commercial, stated it was a straightforward deal with no conditions of sale. He also stated the CH (Heavy Commercial) zoning designation limited its marketability, since the city does not allow any type of industrial development within this zoning classification. If it was zoned industrial, he believes it would have sold at least in the low-to-mid \$20's per land square foot (Source of Zoning Adjustment). Opinion of lease rates: \$0.20-\$0.25/Land SF.

Sale 2 (\$27.35/Land SF) was also a straightforward sale to an owner-user who will utilize the yard for his transportation business, according to listing agent Ethan Flor of Macleod & Co. He believes lease rates on industrial land range from \$0.25 to \$0.27/Land SF asking, depending on the location (closer to on-and-off ramps is more desirable).

Sale No. 3 (\$26.04/Land SF) was sold to an owner-user who plans on utilizing the fenced and secured yard area for his trucking business. There were no entitlements or approvals at the time of sale, and the price paid was for the raw land only.

Sale No. 5 (\$25.96/Land SF) was sold to an owner-user who purchased the raw land without entitlements or conditions of sale, per listing broker Abraham Mendoza of DAUM Commercial. The buyer owns a trucking company and will utilize the property as a truck yard and contractor yard. A small upward adjustment was applied for its larger parcel size. **After adjustments, this comparable indicates a subject value of \$25.44/Land SF.**

Sale No. 6 (\$25.75/Land SF) sold as raw land to an owner-user and was partially seller financed (no impact on sale price, per broker Javier Castillo of RE Advisers). The owner will relocate his pallet business to the site. An upward adjustment for its larger parcel size was more than offset by downward adjustment for its superior street location/exposure to the 210-Freeway eastbound lanes. **After adjustments, this comparable indicates a subject value of \$25.44/Land SF.**

Sale No. 8 (\$26.61/Land SF, Listing Status Adjusted) is our active listing, which is currently being offered at \$2,380,000, or \$35.48/Land SF. We spoke directly with the listing agent, Jag Singh of KW Commercial, who stated there has been very little interest at the offering price, and that it will soon be lowered to \$2,100,000 (\$31.30/Land SF). He thinks the market will

remain soft for the foreseeable future, as tenants and owner-users watch worry about tariffs and high construction/borrowing costs.

Indicated Value - Sales Comparison Approach

After adjustments, the sales indicate a value range from \$20.96 to \$33.59/Land SF, and average \$25.72 per land square foot (closed sales).

Based on the valuation analysis, the indicated subject value at **\$26.00/Land SF (Rounded)** is considered reasonable and well supported by the comparable sales, and the market derived research.

Reconciliation

Our concluded price per land square foot at \$26.00 is applied to the entire parcel is considered reasonable and well supported by the market data and accepted appraisal methodology.

Concluded Market Value	
\$26.00/Land SF x 40,716 SF	\$1,058,616
Rounded To:	\$1,060,000

Supplemental Market Rent and Net Operating Income

At the request of the client, additional information on the subject property will be provided. This will include an estimate of projected market rent for industrial zoned land; and the subject potential net operating income.

The first step in this approach is to estimate the market rental rate for the property. The estimate of building market rent is based primarily on broker interviews. As previously mentioned, we interviewed several listing brokers active in the submarket to get their opinion about lease and sale prices for industrial building and land. This includes Robert Bagley of KW Commercial; Shawn O’Gorman of O’Gorman Pacific Realty; Ethan Flor and Chase MacLeod of MacLeod & Co.; Wes Klein of Keller Williams; and Kyle Williams of Ashwill Associates.

All agreed that leasing activity has decreased significantly since its peak in 2021, and that tariffs have also negatively impacted the market as tenants anticipate lower warehouse and truck parking space requirements.

The aforementioned leasing agents believe the subject yard would reasonably lease from \$0.20 to \$0.25/Land SF.

Based on the market data and research as well as the consensus of brokers interviewed and prior land appraisal assignments near the subject location, the concluded building market rental of \$0.20/Land SF (Net Basis) is considered reasonable and well supported by the market data and research.

Vacancy and Collection Loss Estimate

Based on CoStar Analytics and giving consideration to the Federal Reserve interest rate cycle, inflationary pressures, and opinions of brokers and other market participants in the submarket, the concluded vacancy-collection allowance of 10.0% over a stabilized operation (5 to 10-year holding period) is considered to be reasonable.

Operating Expenses

The subject has been owner occupied and no historical expenses were provided. Market evidence and interviews with brokers and professionals within the subject market area indicates that most properties with similar characteristics reflect a passive, net income expense basis, with the tenant paying any property taxes, insurance, management, and long-term capital items, including utilities and general property maintenance.

Management: We have estimated non-reimbursable management expenses at 1.5% of effective gross income, which considers the size of the project and responsibilities of the management and is typical of other similar sized properties.

Maintenance/reserves: In practice, most landlords do not include this as an operating expense; however, prudent management would set aside some amount for replacement of

long-lived items. For this analysis, we will apply maintenance/reserve expense at \$2,000 per year.

Projected gross income and operating expenses for the subject property are as shown in the table on the following page.

Description	SF	Rental (\$/Land SF)	Months	Rental Basis	Total
Land Market Rent	40,716	\$0.20	x 12	Market (Net)	\$97,718
Base Rental Income	40,716				\$97,718
Less Vacancy & Collection Loss				10.0%	-\$9,772
Effective Gross Income					\$87,947
Less: Operating Expenses					
Management - % of EGI	1.50%			\$1,319	
Reserves		\$0.05		\$2,000	
Total Expenses					(\$3,319)
\$/PSF Year / % EGI	\$0.08	3.8%			
Net Operating Income					\$84,627

Based on the market data and research, the concluded potential net operating income for the subject property is **\$84,627**

Capitalization Rate estimate

The consensus opinion of market participants interviewed, including the aforementioned listing agents as well as developers, is that investors would likely require a rate of return between 7.5% to 8.0% based on the subject risk profile. The table below shows the value based on overall rates from 7.00% to 8.25%.

Cap Rate:	Value:	\$/SF
7.00%	\$1,208,962	\$29.69
7.25%	\$1,167,274	\$28.67
7.50%	\$1,128,365	\$27.71
7.75%	\$1,091,966	\$26.82
8.00%	\$1,057,842	\$25.98
8.25%	\$1,025,786	\$25.19

Definitions / Assumptions / Limiting Conditions

Definition of Market Value:

"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 a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: Buyer and seller are typically motivated; Both parties are well informed or well advised, and acting in what they consider their own best interests; A reasonable time is allowed for exposure in the open market; Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." (Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42(g); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value As is:

"The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date." (Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Hypothetical Condition:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Retrospective Appraisals

The use of clear and concise language and appropriate terminology in appraisal reports helps to eliminate misleading reports. To avoid confusion, the appraiser must clearly establish the date to which the value opinion applies. In retrospective value opinions, use of a modifier for the term market value and past verb tenses increases clarity. If a report written in 2017 states, "On August 19, 2009 the value was \$X", the retrospective perspective is clear from the context. It would also be correct to state that "the retrospective value as of August 19, 2009 is \$X" because on August 19, 2009, the value opinion would not have been retrospective – it is retrospective because it has been developed now and looks back. The use of an appropriate qualifier is necessary for clear understanding.

A retrospective appraisal is complicated by the fact that the appraiser already knows what occurred in the market after the effective date of the appraisal. Data subsequent to the effective date may be considered in developing a retrospective value as a confirmation of trends that would reasonably be considered by a buyer or seller as of that date. The appraiser should determine a logical cut-off for the data to be used in the analysis because at some point distant from the effective date, the subsequent data will no longer provide an accurate representation of market conditions as of the effective date. This is a difficult determination to make. Studying the market conditions as of the date of the appraisal assists the appraiser in judging where to make this cut-off. With market evidence that data subsequent to the effective date was consistent with market expectations as of the effective date, the subsequent data should be used. In the absence of such evidence, the effective date should be used as the cut-off date for data considered by the appraiser.

When direct excerpts from then-current appraisal reports prepared at the time of the retrospective effective date are available and appropriate, they may help the appraiser and the intended users understand market conditions as of the retrospective effective date.

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.

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 2025 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 previously appraised the subject's larger parcel, with an effective date of value of November 5, 2024.

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.

Respectfully submitted,

A handwritten signature in black ink that reads "Steven R. Smith". The signature is fluid and cursive, with the first name being the most prominent.

Steven R. Smith, MSREA, MAI, SRA,
AG 2123, expires 7/20/25

A handwritten signature in blue ink that reads "Benjamin Castro". The signature is fluid and cursive, with the last name being the most prominent.

Benjamin Castro, Certified General Appraiser
AG 040398, expires 8/30/2025

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 APPRAISERS 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,

REAL ESTATE FRAUD & THE APPRAISERS ROLE, 2000, APPRAISAL REVIEW- SREA - 1989.

APPRAISER LIABILITY SEMINAR- SREA - 1988.

CAL LEAGUE OF SAVINGS INSTITUTIONS - APPRAISAL QUALITY CONTROL - 1988.

RESIDENTIAL APPRAISAL SEMINAR - AIREA - 1987.

BOSTON SAFE GUIDELINES - 1985-1988.

MORTGAGE BANKERS OF AMERICA-APPRAISAL REVIEW - 1984-86.

NARAMU-APPRAISAL REVIEW & FRAUD PREVENTION - 1984-1985.

UNIFORM APPRAISAL GUIDELINES - 1984-88.

99 POINT APPRAISAL REVIEW WORKSHOP - 1984-1986.

EXPERIENCE CREDIT WORKSHOP-USPAP COMPLIANCE, APPRAISAL INSTITUTE 1991.

USPAP COMPLIANCE, APMW, 1991.

ESTATE AND LUXURY HOME APPRAISAL REVIEW – APPRAISAL INSTITUTE - 1997.

SPECIALTIES INCLUDE: LUXURY HOMES, AND FORENSIC APPRAISAL REVIEW

CONTACT: 909-856-6841, WEB PAGE: [HTTP://SRSREA.COM](http://SRSREA.COM), EMAIL: steve@srsrea.com

PROFESSIONAL QUALIFICATIONS – BENJAMIN CASTRO

Have accumulated extensive experience in valuing all types of real property, including residential, commercial, retail, office, industrial, and vacant land. Clients include local lenders, law and CPA firms, insurance companies, state and local agencies, as well as private individuals.

EMPLOYMENT HISTORY

Certified General Appraiser

2017-2023

The Miller Company (Corona, CA.)

Worked with staff of experienced appraisers valuing real property throughout Southern California. Duties included identification of the appraisal problem; scope of work determination; data collection and property description, including broker interviews; developing highest and best use analysis; and reconciliation of value. Properties appraised primarily included retail, commercial, mixed-use, industrial, office, and vacant land, among others. Interests valued include fee simple and leased fee which include perspective and assignment conditions as well as discounting.

Staff Appraiser

2016-2017

The Doré Group (San Diego, CA.)

Prepared summary appraisal and lease analysis reports for various clients, including CPA's, banks, law firms, investors, developers, owner-users, credit retail tenants, and counties and agencies throughout the State of California, including eminent domain via condemnation and easement acquisition. Duties included the typical valuation process that resulted in credible, supportable value conclusions. Properties appraised included retail, commercial, industrial, office, agricultural, institutional, and vacant land, among others. Interests valued included fee simple, leased fee, leasehold, as well as partial interests.

Certified General Appraiser / Valuation Analyst

2015-2016

CBRE Valuation Services (San Diego, CA.)

As part of the Small Lending Solutions program at CBRE, worked with a team of salaried appraisers valuing a variety of retail, industrial, and small office properties.

Valuation Associate

2007-2014

Appraisal Pacific (San Marcos, CA.)

Responsibilities included field inspections and participating in all aspects of the appraisal process, including research, broker interviews, comparable selections and adjustments,

and reconciliation of values, among others.

EDUCATION

University of California, Los Angeles

Bachelor of Arts, Psychology

CERTIFICATION

Certified General Real Estate Appraiser

BREA Appraiser Identification No.: AG040398 (Expiration Date: August 30, 2027)

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

Received 08-27-25
SBMWD AS
General Manager

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

FROM: Steve R. Miller, Director of Water Utility

SUBJECT: **APPROVAL OF PURCHASE – TWO (2) JOHN DEERE 35G MINI EXCAVATORS – ONE (1) DITCH WITCH HX40G – TWO (2) PRES TECH PT26-G VALVE EXERCISE MACHINES**

DATE: August 27, 2025

CC: Cindy Mouser (w/attach), Miriam Sifuentes (w/attach), Tim Potter (w/attach), Aaron Winchester (w/ attach), Lauren Lujan (w/ attach), Diego Ortiz (w/attach)

BACKGROUND:

On June 24, 2025, the Water Board approved the Fiscal Year (FY) 2025/2026 Budget, which includes funding for critical equipment purchases to support the operational needs of the Water Utility Distribution Section. The approved budget allocates funds for the procurement of the following equipment:

- Two (2) John Deere 35G Mini Excavators
- One (1) Ditch Witch HX40G Vacuum Excavator
- Two (2) Pres Tech PT26-G Valve Exerciser

These equipment acquisitions are critical for maintaining service reliability and improving crew efficiency, while also reducing manual labor demands in field operations, directly lowering the risk of work-related injuries. The new mini excavators will allow for more responsive and controlled excavations in confined areas. The vacuum excavator will enhance damage prevention during potholing, excavation, and emergency repairs. The valve turning machines will support regular valve exercising and emergency isolation, which are critical for system reliability and compliance with asset management practices.

Considering the benefits, the staff proposes purchasing new John Deere 35G Mini Excavators and Ditch Witch HX40G Vacuum Excavator equipment to support the Department's operations. Purchasing Policy 51.030, Part V (E), Exceptions, allows for deviations from routine purchasing procedures in special circumstances when such deviations are in the Department's best interest. Sourcewell, formerly known as the National Joint Powers Alliance (NJPA), has cooperative contracts in place that allow governmental agencies to procure goods, services, and equipment that have been nationally bid.

August 27, 2025

SUBJECT: APPROVAL OF PURCHASE – TWO (2) JOHN DEERE 35G MINI EXCAVATORS – ONE (1) DITCH WITCH HX40G – TWO (2) PRES TECH PT26-G VALVE EXERCISE MACHINES

In evaluating options for a new valve exerciser machine, staff reviewed equipment from the two primary manufacturers, Pres Tech Equipment Company and Wachs Utility Products. The Department currently operates two Pres Tech valve exercisers. Following demonstrations of both products, staff determined that the Wachs valve exerciser did not meet the Department's operational requirements. In addition, the verbal estimate provided during the demonstration indicated that the purchase price and necessary retrofitting would exceed \$100,000 per valve truck. Based on functionality and cost, the staff recommends the purchase of the Pres Tech valve exerciser, which offers the required features at a lower cost.

GOALS AND OBJECTIVES:

This equipment purchase aligns with the Department's Strategic Plan under Goal #6 Champion Environmental Compliance & Sustainability Subgoal #6.6 Institutionalize Risk-Mitigation & Safety Programs, aiming for a 20 % reduction in accidents and liability claims.

FISCAL IMPACT:

- The funding source for two (2) 2025 John Deere 35G mini excavators for \$121,254.58 is the Fiscal Year 2025/2025 Service and Repair Section 3021 *Capital Outlay 103021-6008*
- The funding source for one (1) Ditch Witch HX40G for \$87,276.84 is the Fiscal Year 2025/2026 Distribution Maintenance 3023 *Capital Outlay 6008*
- The funding source for two (2) Pres Tech PT-26G Valve Exercisers for \$200,936.67 is the Fiscal Year 2025/2026 Distribution Maintenance 3023 *Capital Outlay 6008*

RECOMMENDATION:

It is recommended that the Water Board make the following motion(s):

- **Authorize staff to issue a purchase order for two (2) 2023 John Deere 35G mini excavators at \$121,254.58.**
- **Authorize staff to issue a purchase order for one (1) Ditch Witch HX40G Vacuum Excavator at \$87,276.84**
- **Authorize staff to issue a purchase order for two (2) Pres Tech Valve PT26-G Valve Exerciser at \$200,936.67**

Respectfully submitted,


Steve Miller (Aug 27, 2025 16:03:38 PDT)

Steve R. Miller
Director of Water Utility

SRM:tp:ms

Attach:

Purchase Proposals from RDO Equipment Co., Ditch Witch Corporate Accounts, and Press Tech Equipment Company



Retail Purchase Order

RDO Equipment Co.
20 Iowa Avenue
Riverside CA, 92507
Phone: (951) 778-3700 - Fax: (951) 778-3746



Bill To:
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
PO BOX 710
SAN BERNARDINO, CA, 924020710
SAN BERNARDINO ()
(909) 384-5192

Ship To:
CITY OF SAN BERNARDI
300 N D ST
SAN BERNARDINO, CA, 92418-0001
(909) 384-5192

Purchase Order Date: 3/11/2025
Purchase Order #: 1876421
Purchaser Account #: 5192004
Customer Purchase Order #: TBD

Customer Purchaser Type: Governmental - City/Town/Village
Customer Market Use: Underground - Gas/Water/Electric
Location of First Working Use: SAN BERNARDINO, CA, 92418-0001
Dealer Account Number: 177637
Sales Professional: Ryan Hernandez
Phone: (951) 778-3700
Fax: (951) 778-3746
Email: ARHernandez@rdoequipment.com

Equipment Information

Quantity	Serial Number Stock Number	Hours (approx.)	Status / Year / Make / Model Additional Items	Price Per Unit	Cash Price
2	TBD TBD	0	New 2025 JOHN DEERE 35P Other Sourcwell Prep / Reconditioning PDI/EINS/SET UP Freight in FACTORY FREIGHT Freight Out DELIVER TO CUSTOMER MFG Program Sourcwell Warranty -John Deere Power Train & Hyd.-48 Months, 3000 Hours,Deductible: 0, Exp Date: 3/11/2029	\$69,851.00 (\$18,859.77) \$850.00 \$775.00 \$395.00 \$0.00 \$688.00	\$139,702.00 (\$37,719.54) \$1,700.00 \$1,550.00 \$790.00 \$0.00 \$1,376.00
1	PXBU3XB010425 Z141005	0	New 2025 JOHN DEERE 35HD12	\$980.00	\$980.00
1	PXBU3XB009917 Z137679	0	New 2025 JOHN DEERE 35HD12	\$980.00	\$980.00
1	PXBU5XE008954 Z137683	0	New 2025 JOHN DEERE 35HD18	\$1,070.00	\$1,070.00
1	PXBU5XE000501 Z154265	0	New 2025 JOHN DEERE 35HD18	\$1,070.00	\$1,070.00
Equipment Subtotal:					\$111,498.46

Purchase Order Totals

Balance: \$111,498.46
CA STATE TAX: \$6,689.91
CA COUNTY TAX: \$278.75
CA CITY TAX: \$1,114.99
CA SPECIAL TAX: \$1,672.47
Sales Tax Total: \$9,756.12
Sub Total: \$121,254.58
Cash with Order: \$0.00
Balance Due: **\$121,254.58**

Equipment Options

Qty	Serial Number	Year / Make / Model	Description
2	TBD	2025 JOHN DEERE 35P	0150FF 35 P-Tier Compact Excavator 0202 Destination Code - United States 0259 English Customer Delivery Packet 0403 Configuration 3 - Canopy, Rubber, Susp, Long Arm + EX C/W
1	PXBU3XB010425	2025 JOHN DEERE 35HD12	None
1	PXBU3XB009917	2025 JOHN DEERE 35HD12	None
1	PXBU5XE008954	2025 JOHN DEERE 35HD18	None
1	PXBU5XE000501	2025 JOHN DEERE 35HD18	None

Legal Information

For the Construction Product(s)

ACKNOWLEDGMENTS - Purchaser offers to sell, transfer, and convey the item(s) listed as "Trade In" to the Dealer at or prior to the time of delivery of the above Product(s), as a "trade-in" to be applied against the cash price. Purchaser represents that each "trade-in" item shall be free and clear of all security interests, liens, and encumbrances at the time of transfer to the Dealer except to the extent shown below. The price to be allowed for each "trade-in" item is listed on this document. The Purchaser promises to pay the balance due shown hereon in cash, or to execute a Time Sale Agreement (Retail Installment Contract), or a Loan Agreement for the purchase price of the Product(s), plus additional charges shown thereon, or to execute a Lease Agreement, on or before delivery of the Product(s) ordered herein. Despite delivery of the Product(s) to the Purchaser, title shall remain with the Seller until one of the foregoing is accomplished. Except as provided herein and as necessary to protect RDO Equipment from the claims of a bankruptcy trustee or a buyer in the ordinary course of business, the Purchaser and the Dealer agree that this Purchase Order is not a security agreement and that delivery of the Product(s) to the Purchaser pursuant to this Purchase Order will not constitute possession of the Product(s) by the Purchaser, as a debtor, for the purposes of the purchase money security provisions in any statutes relating to personal property security or its equivalent. Purchaser understands that its rights in connection with this purchase are limited as set forth in this Purchase Order. I (we) hereby grant a security interest to RDO Equipment in the Product.

DISCLOSURE OF REGULATION APPLICABILITY - When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. More information is available on the California Air Resources Board website at <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>.

IMPORTANT WARRANTY NOTICE - The Standard Warranty for new John Deere construction and forestry products is set forth in a separate document provided by the dealer. Please read the Standard Warranty carefully before signing. No express warranty is made unless specified in the Warranty Statement. PURCHASER'S RIGHTS AND REMEDIES PERTAINING TO THIS PURCHASE ARE LIMITED AS INDICATED IN THE STANDARD WARRANTY AND PURCHASE ORDER. WHERE PERMITTED BY LAW, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.

Telematics: Orders of telematic devices include only the hardware. Where available, telematics software, including JDLink™ connectivity service, may be enabled from your local John Deere Operations Center or JDLink website. Please see your authorized John Deere dealer for assistance.

The undersigned purchaser(s) (the "Purchaser") hereby orders the product (the "Product") described above from the Dealer. The Dealer shall not be liable for failure to provide the Product or for any delay in delivery if such failure or delay is due to the Dealer's inability to obtain such Product from the manufacturer or supplier or other cause beyond the Dealer's control. The cash price shown above is subject to the Dealer receiving the Product from the manufacturer or supplier prior to any change in price by the manufacturer or supplier and is also subject to any new or increased taxes being imposed upon the sale of the Product after the date of this Purchase Order.

Upon signature of delivery acknowledgment, customer is accepting the equipment, including attachments, in "AS IS" condition, agreeing to notify RDO Equipment Co. within 24 hours of any damages or discrepancies found upon receipt of equipment.

Signature Area

Purchase Order Accepted By:

(Customer's Signature)

(Date Accepted)

(Authorized Signature of Dealer)

(Date Accepted)

Delivery of Equipment Acknowledgement:

(Customer's Signature)

Date Accepted

(Account Manager's Signature)

Date Accepted

Standard Warranty Acknowledgement:

(Delivered On)

(Warranty Begins)

(Customer's
Initials)

(Account
Manager's
Initials)

Extended Warranty Oil Sampling Acknowledgement:

(Customer's Initials)

(Account Manager's Initials)



The Charles Machine Works, Inc.
Ditch Witch Division
1959 West Fir Avenue
P.O.Box 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617
Email : global@ditchwitch.com

Sold-to Party Address

CITY OF SAN BERNARDINO
MEMBER #33000
444 W RIALTO AVE SUITE D
SAN BERNARDINO CA 92401-1923

Quotation

Information

Quotation No. 20222278
Document Date 03/13/2025
Customer No. 516027
Dealership DITCH WITCH WEST (CORONA, CA)
CORONA
PO _____
Created by Jon McLarty

Global Account Price Quote

Quote Valid until :

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Page 1 of 2

Quotation Details

Qty	Material Description	Unit Price	Discount	Amount
1EA	<i>SOURCEWELL CONTRACT</i> <i>110421-CMW</i> ***** <i>PER SOURCEWELL CONTRACT</i> <i>PLEASE ISSUE PURCHASE ORDER TO:</i> <i>CHARLES MACHINE WORKS</i> <i>1959 W FIR AVENUE</i> <i>PERRY, OK 73077</i> ***** HX40G - HX40G With the following configuration: Debris Tank 500 Gallon Water Tank 200 Gallons Reverse Flow No Hose and Tooling 4 Inch Filter Cyclonic Separator Controls Right Hand Traffic Water Heater No Options Rear Work Lights Options Traffic Cone Storage Options Trailer Tongue Tool Box Options Vac Suction Tool 4IN Options Water Air Gap			65,683.11

Confidentiality Notice:

This quote may contain confidential information. The information is intended only for the individual or entity named. If you are not the intended recipient, please immediately notify us at 1-800-654-6481 to arrange for return of the document.



The Charles Machine Works, Inc.
Ditch Witch Division
1959 West Fir Avenue
P.O.Box 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617

Sold-to Party Address

CITY OF SAN BERNARDINO
MEMBER #33000
444 W RIALTO AVE SUITE D
SAN BERNARDINO CA 92401-1923

Quotation

Information

Quotation No. 20222278
Document Date 03/13/2025
Customer No. 516027
Dealership DITCH WITCH WEST (CORONA, CA)
CORONA
PO _____
Created by Jon McLarty

Global Account Price Quote Quote Valid until : 04/17/2025

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Page 2 of 2

Quotation Details

Qty	Material Description	Unit Price	Discount	Amount
	HX Boom Jib Prospector Digging Lance Yes Water Air Gap Yes Traffic Cone Storage Yes Trailer Tongue Tool Box Yes Trailer Jack Hydraulic Hydraulic Oil Standard Color Standard			
1EA	HX40G-PREP - HX40G Vacuum Excavator Prep Ass embly			
1EA	190-2804 - REAR WORK LIGHTS			162.84
1EA	025-10005 - VT10 500 GAL STANDARD TRAILER			12,293.67
Corporate Account Price				78,139.62
Total Freight				2,300.00
Total Tax				6,837.22
Total Amount				\$ 87,276.84

Confidentiality Notice:

This quote may contain confidential information. The information is intended only for the individual or entity named. If you are not the intended recipient, please immediately notify us at 1-800-654-6481 to arrange for return of the document.



7552 Reynolds Circle
Huntington Beach, CA 92647
714-835-3440

Estimate

Estimate# : **EST-002674**
Estimate Date : **07-14-2025**
Expiry Date : **07-27-2025**

Freight/Shipping : **WILL CALL**
Lead Time : **30-42 Weeks Estimated ARO**
Payment Terms: : **Net20**

Bill To

City of San Bernardino Municipal Water Department
PO Box 710
San Bernardino, CA

Ship To

City of San Bernardino Municipal Water Department
7552 Reynolds Circle
Huntington Beach, CA 92647
Pres Tech Equipment Company - Will Call

Item No	Item & Description	Qty
1	PT26-G PT26-G Valve Exerciser Gas Engine Powered Valve Exerciser - Single hydraulic motor - Slide out reach - AI controller Auto and Manual safely cycle through exercising valves HYDRAULIC POWER - 14 HP electric start gas engine - Class II hydraulic gear pump direct drive powered	2
2	Swinger Kit - Includes: rack, frame, wheels, hardware. etc.	2
3	PV100-S • 100 Gallon Vac • Gas Engine • Remote Ignition Assembly • Skid • All Equipment Coated Safety Yellow	2
4	Small Drip Pan Steel Drip Pan - Small	2
5	Hydraulic Oil - Per Gallon Hydraulic Oil, per gallon	28
6	Pres Tech Labor Take off old PT26 and PV100 and install new	2
7	Delivery	2
8	Oil Disposal Fee	2

***RECOMMENDED TRACK WEIGHT Ford F450 or equal with 12' BED ***
PRES TECH NOT RESPONSIBLE FOR OVERWEIGHT VEHICLES

There will be a 2.9% service fee charge added to the total invoice amount if payment is made by credit card.
Shipping is subject to change at anytime

Terms & Conditions

Returns: All returns must be pre-approved by Pres Tech and returned to Pres Tech in resalable condition. Returns are subject to 45% restocking charge fee; freight charges are non-refundable. Trailers, skids and truck body units are non-returnable. No warranty will apply if the product has been subject to misuse, neglect, accident, modification, or altered in any way. Special orders are non-refundable. Any used equipment is not returnable and non-refundable.

Sub Total	188,798.00
Orange County - Huntington Beach 92647 (7.75%)	12,138.67
Total	\$200,936.67

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: 2025-P2: E STREET VALVE REPLACEMENT PROJECT
DATE: August 28, 2025
CC: Cindy Mouser, Dustin Andolsen, Travis Mendenhall, Aaron Winchester, Jamie Laureano, Laserfiche

BACKGROUND:

One (1) of the three (3) primary sources of flow to the Water Reclamation Plant (WRP) comes from the E Street Lift Station located at 1302 S. E Street. It was constructed in 1990 as a part of a major capital improvement project. As a part of the pumping system, seven (7) 18" plug valves, and three (3) 18" check valves were installed. The purpose of these valves is to allow for isolation and maintenance of the three (3) centrifugal pumps that pump raw sewage to the WRP.

Throughout the years of operating this system, it has become a challenge to maintain the pumps due to the failure of the valves. The valves are difficult to operate, no longer seal, and leak sewage by as the pumps are being repaired. The pumps at this lift station run 24 hours a day, 7 days a week and are an integral part of the Department's infrastructure. Isolating the pumps is mandatory for maintenance and properly working valves is the only way this can be performed.

These valves are now 25 years old and have exceeded their useful design life. Due to their age, coupled with their failure to operate properly, Staff recommends these be replaced with new equipment. These new valves will increase equipment uptime and allow for the proper maintenance to be performed on the sewage pumps. The new valves will be a direct replacement and configured in the same way as the existing equipment.

Staff issued Request for Quote (RFQ) No. 2025-P2 for Procurement of 18" Valves for E Street replacement project on Planetbids and 340 vendors were notified.

The Department received seven (7) responses on August 8, 2025, from the following firms

BIDDERS NAME	LOCATION	LUMP SUM
CS Associated Municipal Sales Co.	Fountain Valley, CA	\$102,418.59

August 28, 2025

SUBJECT: 2025-P2: E STREET VALVE REPLACEMENT PROJECT

Water Technology Resources	Bloomington, MN	\$106,700.00
B&K Valves & Equipment, Inc.	Carlsbad, CA	\$114,809.00
Ferguson Waterworks	Riverside, CA	\$119,464.16
Southwest Valve and Equipment	Irvine, CA	\$119,497.71
CAASI Flow Control	San Ramon, CA	\$195,232.00
Yardley-Orgill Co Inc	Stanton, CA	\$207,000.00

CS Associated Municipal Sales Company (CS-AMSCO) submitted the lowest quotation. Staff reviewed the submitted quotation and found that it was responsive to the RFQ. Staff recommends the issuance of a Purchase Order to CS-AMSCO to replace all 7 plug valves and all 3 check valves.

GOALS AND OBJECTIVES:

This Project aligns with the Department's Strategic Plan under Goal #2: Modernize & Secure Critical Infrastructure.

FISCAL IMPACT:

The funding source for this project is the FY 2025/2026 Sewer Fund Capital Project titled Annual R/R- WRP Mechanical (C.O. M2600345), with an approved budget of \$707,000, of which sufficient funds remain for this project.

RECOMMENDATION:

It is recommended that the Water Board make the following motion(s):

- Approve the issuance of a Purchase Order to CS Associated Municipal Sales Company in the amount of ONE HUNDRED TWO THOUSAND FOUR HUNDRED EIGHTEEN AND 59/100 (\$102,418.59) for the purchase of the equipment for the E Street Valve Replacement Project.

Respectfully submitted,



Kevin T. Stewart, P.E.
Director of Water Reclamation

Attachment: CS Associated Municipal Sales Company Quotation



CS-amsco / QUOTATION

To: San Bernardino Municipal Water District
Attn:
Phone:
Fax:
E-Mail:

Date: 8/7/2025
Quote # Q9202-JR-DZAP

Make Order To: CS-AMSCO
15842 Chemical Lane

PROCUREMENT OF 18" VALVES FOR E STREET
Ref: REPLACEMENT PROJECT
FOB: Factory - Full Freight Allowed
Terms: Net 30 Days

Huntington Beach, CA 92649
(714) 892-4200 Ph
(714) 892-4266 Fax

Lead Time: 45 Weeks

Please Send PO To: jrivera@csamsco.com

By:

Juan Rivera

ANY PURCHASE ORDER ISSUED AS A RESULT OF THIS QUOTATION IS SUBJECT TO ALL OF THE MANUFACTURER'S CONDITIONS AND FINAL ACCEPTANCE BY CS-amsco

Item	Quan.	Size	Description	Unit Price	Total
			<u>Product A1</u> - DeZUIRK PEC series Plug valve - Manually Operated		
1	7	18"	18" eccentric plug valves, ANSI class #125 flange ends, gearbox with handwheel actuator, cast iron body, Buna-N plug, coated inside and out w/ epoxy, rectangular port, nickel seat, manufactured in accordance with AWWA standards.	\$ 7,184	\$ 50,288
			<u>Product B1</u> - APCO series 250 Swing Check Valve - Air Cushion Closure Control Device		

2	3	18"	18" Swing check valves, ductile iron body, ANSI class 125/150# flanged end connections, epoxy coated interior and exterior, ductile iron disc, 304 SS shaft material & body seat material, Buna-N disc seat material, outside lever and weight complete with air cushion closure control device, manufactured in accordance with AWWA standards.	\$ 14,630	\$ 43,890
3	1	N/A	Sales Tax - 8.75%	\$ -	\$8,240.58
			<u>Start Up and/or Installation Assistance</u>		
			\$ 1,850.00/day (Port to Port) as required		
			<u>Training of Customer/City Personnel</u>		
			\$ 2,00.00/day (Port to Port) as required		
			<u>Accessories:</u> Extension stems, extension couplings, stem guides, valve boxes, ETC are not included in above line quotations, unless specifically noted in the line item description field.		

Notes:

- 1) Pricing does not include taxes. Terms are 100% Net 30 Days.
- 2) This proposal does not include any flange bolts, nuts, gaskets, valve boxes, floor stands, extension stems, position indicators, chain wheel chain, or other accessories.
- 3) Manually operated valves requiring a combination of sensors, limit switches, or controls which may be specified in other sections are not part of this quotation.
- 4) Pricing does not include any spare parts unless noted on the quotation.
- 5) Quotation is valid for 30 days from above date.
- 6) This quotation contains no provision for special tagging, field inspection, field adjustments, start-up, or training of personnel.
- 7) The above list of materials represents our interpretation of plans and specifications and is not guaranteed to be complete or correct. All material is quoted "Subject to Approval of Architect and/or Engineer."
- 8) This quotation contains no provisions for any costs associated with Factory onsite witness testing, factory inspection, or cost associated for travel and lodging with such requirements unless noted on above quotation.