



Helendale Community Services District

BOARD OF DIRECTORS MEETING
September 5, 2019 at 6:30 PM
26540 Vista Road, Suite C, Helendale, CA 92342

Call to Order - Pledge of Allegiance

1. Approval of Agenda

- 2. Public Participation** - *Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member may speak on any agenda item at the time the agenda item is discussed by the Board of Directors.*

3. Consent Items

- a. Approval of Minutes: August 15 Regular Board Meeting
- b. Bills Paid and Presented for Approval

4. Reports

- a. Directors' Reports
- b. General Manager's Report

Regular Business:

5. Discussion Only Regarding two Potential Eagle Scout Projects at the Helendale Community Park
6. Discussion and Possible Action Regarding Farmers Market for 2019 – 2020
7. Discussion and Possible Action Regarding Review and Possible Modification of the District Purchasing Policy
8. Discussion and Possible Action Regarding the Purchase of Centro Water Rights
9. Discussion and Possible Action Regarding Modification to the Tuition Reimbursement Policy
10. Discussion and Possible Action Regarding Increased Cost for the Smithson Lift Station Rebuild Project.

Other Business

11. Requested items for next or future agendas (Directors and Staff only)
12. Adjournment

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agendaized public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.

Providing:

- Water
- Wastewater
- Park & Recreation
- Solid Waste Management
- Street lighting
- Graffiti Abatement for the Helendale Community

OFFICE HOURS:
Monday-Friday
8:00 – 5:30 p.m.

PHONE:
760-951-0006

FAX:
760-951-0046

ADDRESS:
26540 Vista Road
Suite B
Helendale, CA
92342

MAILING ADDRESS:
PO BOX 359
Helendale, CA
92342

Visit us on the Web
at:
www.helendalecsd.org





Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop / Cheryl Vermette
SUBJECT: Agenda item #3
Consent Items

CONSENT ITEMS

- a. Approval of Minutes: August 15 Regular Board Meeting
- b. Bills Paid and Presented for Approval



Minutes of the Helendale Community Services District
REGULAR BOARD OF DIRECTORS MEETING FOR
August 15, 2019 at 6:30 PM
26540 Vista Road, Suite C. Helendale, CA 92342

Board Members Present:

Ron Clark - President; Tim Smith - Vice President; Sandy Haas, Secretary; Craig Schneider – Director; Henry Spiller – Director

Board Members Not Present:

Staff Members Present:

Kimberly Cox, General Manager
Craig Carlson, Water Operations Manager
Cheryl Vermette, Program Coordinator
Sharon Kreinop, Senior Account Specialist
Andrea Chavis, Senior Customer Service Representative

Consultants:

Steve Kennedy, Legal Counsel
Mark Roberts, Consultant

Members of the Public:

There were five (5) members of the public present.

Call to Order and Pledge of Allegiance

The meeting was called to order at 6:30 by President Ron Clark, after which the Pledge of Allegiance was recited.

1. Approval of Agenda

Discussion: General Manger Cox announced there were no changes to the agenda but noted that Staff handed out a revised agenda item #5.

Action: A motion was made by Director Schneider to approve the agenda with the notation regarding item #5. The motion was seconded by Director Haas.

Vote: Motion carried by the following vote: 5 Yes – 0 No – 0 Absent

2. Public Participation

Battalion Chief Steve Tracy – Assigned one additional staff person to Station 4, they are now fully staffed with 5 people. On August 9th there was a structure fire on the 1400 block of Ironsides. Station 4 responded within 6 minutes and eradicated the fire in under 10 minutes.

Joseph Brady from Bradco Company and Trustee at Victor Valley College – Gave information on the High Desert Survey and encouraged everyone to take the survey at www.highdesertsurvey.com.

3. Consent Items

- a. Approval of Minutes: Approval of Minutes: August 1, 2019 Regular Board Meeting
- b. Bills Paid and Presented for Approval

Action: A motion was made by Vice President Smith to approve the consent items as presented. The motion was seconded by Director Spiller.

Vote: Motion carried by the following vote: 5 Yes – 0 No – 0 Absent

4. Reports

a. Directors' Reports

Director Schneider reported that he is glad to be back after being gone for six weeks.

b. General Manager's Report

GM Cox reported that Cal Rural Water Association sent out an income survey on behalf of the District. This survey will help determine the MHI for Helendale, and if Helendale is determined to be a disadvantaged community it could help with grant funding.

Program & Solid Waste Report

Program Coordinator Vermette reported that the next Concert in the Park will be held on September 14th. We have an essential oils class coming up on August 27th at 6:00 pm. There will be a Senior Resource Connection workshop on September 20th. The total recycling collection for the month of June was 54.78 tons; total refuse collection for the month of June was 307.19 tons; e-waste picked up for the month of July was 3,918 pounds; metal recycling for July was 3.13 tons; green waste recycled for July was 8.48 tons; 126 mattresses were recycled for the month of May; and there were 38 bulky item pickups for the month of July.

Wastewater Report

General Manager Cox reported that Alex and Bill are at a five-day class to prepare for their grade IV and V exams. Compressor #2 had a low oil level ceasing air flow, Bill and Robert fixed the oil leak and returned it to service. Craig and Robert pulled a duck from the alfalfa feedlines that was preventing flow from reaching pumps.

Administration Update

There were 39 account transfers for the month of July. A graph was shown comparing the current month account transfers to monthly account transfers by year. The average consumption for July 2019 was 21 HCF. The Thrift Store revenue for the month of July was \$27,285.14. UIA payments were at \$6,346.21.

Regular Business

5. Public Hearing to Receive Comment and Possible Adoption of Ordinance 2019-02: An Ordinance of the Board of Directors of the Helendale Community Services District Setting Compensation for Its Board of Directors and Authorizing Staff to Publish a Summary of the Ordinance

Discussion: This item was reviewed with the Board on May 2, 2019. Direction was given to publish the public notice and schedule a hearing for further discussion/action. Upon consultation with Legal Counsel, modifications to the staff report have been made. Based upon the actual date of the last increase in 2017 the previous calculation was incorrect. CSD law allows for 6 meetings/month and the water code allows for 10 meetings per month. Initial compensation was \$100/meeting until 2016 and increased to \$125/meeting for 6 meetings/month. In 2016, the \$125 reset the rate on which the 5% increase is calculated. The 5% is not compounding. The maximum increase for consideration is \$137.50. The proposed Ordinance contemplates increase in per meeting stipend from \$125 to \$137.50 and increasing the number of compensable meetings from 6 to 10 per month. If approved by the Board an increase would be effective October 16, 2019. Staff has no recommendation as this matter is purely at the discretion of the Board.

Public Hearing: President Clark opened the Public Hearing at 7:02 pm, hearing no comments the public hearing was closed at 7:02 pm.

Action: Director Spiller made the motion to adopt Ordinance 2019-02 setting compensation for the Board of Directors. Director Schneider seconded the motion.

Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No – 0 Absent

Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

6. Discussion and Possible Action Regarding Award of Construction Contract for Test Hole and Water Sampling Project

Discussion: This project has been in the works for quite some time. The main cause for delay was Staff's due diligence in wanting to make the best possible decision. The Board expressed support for the concept of test holes in October of 2017. In September 2018 the Board approved the circulation of an RFP for up to three test holes. The estimated cost per hole: \$70-90,000. Staff in consultation with our hydrogeologist consultant developed bid materials and published the announcement in the Green Sheet and Daily Press. Information was emailed to a list of potential bidders. There were two RFI's during the bidding process and the responses were posted on the District's website. The bid opening was held on Monday, August 2 in the Board room. Minutes of bid opening are attached to staff report. The bids were: Cascade Drilling at \$544,635.00; Southwest Pump & Drilling at \$345,000.00 and ABC Liovin at \$228,000.00. Based upon review of bid documents the lowest responsible bidder is ABC Liovin. If awarded, Staff and Counsel will work with the contractor on contract documents.

Action: A motion was made by Director Schneider to award the contract to ABC Liovin for the Test Hole and Water Sampling Project in an amount not to exceed \$228,500. The motion was seconded by Director Haas.

Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No – 0 Absent

Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

7. Discussion and Possible Action Regarding Award of Construction Contract for Monitoring Well Construction and Water Sampling Project

Discussion: Staff, in consultation with our hydrogeologist consultant, developed bid materials. The bid materials were published in the Green Sheet and Daily Press. Information was emailed to list of potential bidders. There were two applicable RFI's during the bidding process and responses were posted on the District website. The bid opening was held on Monday, August 2nd in the Board room. Minutes of the bid opening are attached to the staff report. The Monitoring well project is a requirement from the Regional Water Quality Control Board's approved Waste Discharge Requirement. The Board order has a commencement date for the project of March 2019 and completion March 2020. Award of a contract will allow the District to meet the March 2020 deadline. The bid results were: Cascade Drilling at \$62,076.00 and ABC Liovin at \$63,025.00. Staff is requesting award to ABC Liovin. Section 1 of the Bid Forms Base Bid Schedule States: "*Helendale CSD reserves the right to reject any and all proposals, to waive any irregularities, or to award the contract to other than the lowest bidder.*" This statement is signed by all bidders. Based upon the following factors Staff recommends that the bid from ABC Liovin be selected for the project: there are potential efficiencies to be gained by utilizing a single contractor for both projects and the signed acknowledgment by all bidders that the District reserves the right to

reject any and all proposals, to waive any irregularities, or to award the contract to other than the lowest bidder.

Action: A motion was made by Director Spiller award contract for monitoring well project to ABC Liovin for and amount not to exceed \$63,025.00. Director Haas seconded the motion.

Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No – 0 Absent
Director Schneider: Yes; Director Yes: Absent; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

Other Business

8. Requested items for next or future agendas (Directors and Staff only)
Director Haas requested Staff to invite the CHP to come to a Board meeting.

At 7:17 President Clark announced there would be a brief recess followed by a closed session discussion. Closed session opened at 7:32 pm.

Closed Session

9. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation
Pursuant to Government Code Section 54956.9 (d)(2)
One Potential Case

At 7:50 President Clark adjourned the closed session.

10. Announcements from Closed Session
President Clark called to order the Open Session of the Board meeting at 7:50 pm at which time Legal Counsel announced there was no reportable action resulting from closed session items.

11. Adjournment

Action: President Ron Clark adjourned the meeting at 7:50 pm

Submitted by:

Approved By:

Ron Clark, President

Tim Smith, Vice-President

The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop, Senior Account Specialist
SUBJECT: Agenda item # 3 b.
Consent Item: Updated Bills Paid and Presented for Approval

STAFF RECOMMENDATION:

Report Only. Receive and File

STAFF REPORT:

Staff issued 65 checks and 13 EFT's totaling \$256,110.08

Total cash available:	<u>8/29/19</u>	<u>8/12/19</u>
Cash	\$ 4,611,475.64	\$ 4,605,875.71
Checks/EFT's Issued	\$ 256,110.08	\$ 1,041,272.43

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 2.27% for CalTRUST Short-Term and 1.98% for Medium-Term Investments, 2.45% for LAIF, and 0.25% for the CBB Sweep Account for Jul 2019. Interest earned in July 2019 on the CalTrust investments and the CBB Sweep Account is \$7,261.85.



Helendale CSD

Bills Paid and Presented for Approval Transaction Detail

Issued Date Range: 08/13/2019 - 08/29/2019

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
Bank Account: 251229590 - CBB Checking					
08/14/2019	22203	TAMERIA RUSSELL	-91.79	Check	Utility Billing
08/15/2019	22204	Southern California Edison	-1,388.79	Check	Accounts Payable
08/15/2019	22205	Southern California Edison	-1,476.08	Check	Accounts Payable
08/15/2019	22206	Southern California Edison	-32,083.46	Check	Accounts Payable
08/15/2019	22207	Southern California Edison	-356.63	Check	Accounts Payable
08/15/2019	22208	Southern California Edison	-249.40	Check	Accounts Payable
08/15/2019	22209	Tyler Technologies, Inc.	-10,646.58	Check	Accounts Payable
08/15/2019	22210	Aqua-Metric Sales Co.	-10,153.93	Check	Accounts Payable
08/15/2019	22211	Custom Truck One Source, L.P.	-1,665.00	Check	Accounts Payable
08/15/2019	22212	Fedak & Brown LLP	-6,606.00	Check	Accounts Payable
08/15/2019	22213	Beck Oil Inc	-1,630.19	Check	Accounts Payable
08/15/2019	22214	Boot Barn Inc.	-167.00	Check	Accounts Payable
08/15/2019	22215	Burrtec Waste Industries Inc	-1,450.00	Check	Accounts Payable
08/15/2019	22216	Burrtec Waste Industries, Inc.	-53,403.55	Check	Accounts Payable
08/15/2019	22217	Choice Builder	-931.11	Check	Accounts Payable
08/15/2019	22218	County of San Bernardino	-16.00	Check	Accounts Payable
08/15/2019	22219	Daily Press	-419.86	Check	Accounts Payable
08/15/2019	22220	DOS COSTAS COMMUNICATIONS	-400.00	Check	Accounts Payable
08/15/2019	22221	DR & G Services	-1,175.55	Check	Accounts Payable
08/15/2019	22222	Employment Development Department	-80.01	Check	Accounts Payable
08/15/2019	22223	Frontier Communications	-125.07	Check	Accounts Payable
08/15/2019	22224	Frontier Communications	-47.43	Check	Accounts Payable
08/15/2019	22225	G.A. Osborne Pipe & Supply Inc.	-1,491.33	Check	Accounts Payable
08/15/2019	22226	Governemnt Finance Officers Association	-185.00	Check	Accounts Payable
08/15/2019	22227	Harbor Freight Tools	-284.75	Check	Accounts Payable
08/15/2019	22228	Home Depot Credit Services	-48.53	Check	Accounts Payable
08/15/2019	22229	Infosend	-1,839.51	Check	Accounts Payable
08/15/2019	22230	Lowe's	-2,968.56	Check	Accounts Payable
08/15/2019	22231	O'Reilly Auto Parts	-856.18	Check	Accounts Payable
08/15/2019	22232	Parkhouse Tire, Inc.	-558.59	Check	Accounts Payable
08/15/2019	22233	Paul Harvey	-1,615.00	Check	Accounts Payable
08/15/2019	22234	Print Mart	-124.03	Check	Accounts Payable
08/15/2019	22235	Ryan Herco Flow Solutions	-274.48	Check	Accounts Payable
08/15/2019	22236	Top Notch Networking, LLC	-813.98	Check	Accounts Payable
08/15/2019	22237	Tyler Technologies, Inc.	-137.50	Check	Accounts Payable
08/15/2019	22238	Uline	-111.79	Check	Accounts Payable
08/15/2019	22239	United Site Services	-128.38	Check	Accounts Payable
08/15/2019	22240	USA of So. California	-109.00	Check	Accounts Payable
08/15/2019	22241	BRADLEY GRAHAM	-39.26	Check	Utility Billing
08/15/2019	22242	Platinum Consulting Group LLC	-3,152.50	Check	Accounts Payable
08/15/2019	22243	Global Equipment Company, Inc	-10,736.12	Check	Accounts Payable
08/15/2019	EFT0002865	To record Sales Tax Pmt	-107.64	EFT	General Ledger
08/16/2019	EFT0002858	To record CalPERS Pmt Classic PP 7/8/19 - 7/21/19	-6,267.62	EFT	General Ledger
08/16/2019	EFT0002859	To record CalPERS Pmt PEPPA PP 7/8/19 - 7/21/19	-1,079.33	EFT	General Ledger
08/16/2019	EFT0002860	To record CalPERS Pmt 457 Contribution PP 7/8/19 - 7/21	-675.00	EFT	General Ledger
08/16/2019	EFT0002866	To record payroll fee payment	-183.99	EFT	General Ledger
08/19/2019	EFT0002867	To record CalPERS Pmt Classic PP 7/8/19 - 7/21/19	-6,267.62	EFT	General Ledger
08/19/2019	EFT0002868	To record CalPERS Pmt PEPPA PP 7/8/19 - 7/21/19	-1,079.33	EFT	General Ledger
08/19/2019	EFT0002869	To record CalPERS Pmt 457 Contribution PP 7/8/19 - 7/21	-675.00	EFT	General Ledger
08/22/2019	EFT0002870	To post Payroll pmt - Dir Deposit PP 8/5/19 - 8/18/19	-42,275.38	EFT	General Ledger
08/22/2019	EFT0002871	To post Payroll pmt - PR Tax Pmt	-12,341.37	EFT	General Ledger
08/22/2019	EFT0002873	To record Bank Account Analysis Fees	-439.77	EFT	General Ledger

Bank Transaction Report

Bank Account	Count	Amount
251229590 CBB Checking	78	-256,110.08
Report Total:	78	-256,110.08

Cash Account	Count	Amount
99 99-111000 Cash in CBB - Checking	78	-256,110.08
Report Total:	78	-256,110.08

Transaction Type	Count	Amount
Check	65	-182,195.46
EFT	13	-73,914.62
Report Total:	78	-256,110.08



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Cheryl Vermette, Program Coordinator
SUBJECT: Agenda item #5
Discussion Only Regarding Two Potential Eagle Scout Projects at the Helendale Community Park

STAFF REPORT:

Two projects have been proposed by local Eagle Scout candidates for the Helendale Community Park – two tetherball courts and two horseshoe pits. These projects will be completed by the Eagle Scout candidates and volunteers. Some materials will be provided by the Helendale CSD.

Both of these projects are in the Prop 68 grant application and any expenses incurred will be reimbursable if the District is awarded.

Kaleb Child and Sam Palmer will be presenting their projects to the Board.

FISCAL IMPACT: Not Determined



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Cheryl Vermette, Program Coordinator
SUBJECT: Agenda item #6
Discussion and Possible Action Regarding Farmers Market for 2019-2020

STAFF REPORT:

The District must renew our permits for the Market annually. The required permits include the Department of Agriculture Certified Farmers Market Certificate (\$330.00) and the San Bernardino County Health Department permit (\$505.00). Both of these certificates are expiring soon.

Since October 2018, the market has run every Wednesday from 3:00 -7:00 pm or 2:00 pm - 6:00 pm during the winter. Market attendance during the summer months has been low due to the heat. The Board may wish to consider changing the time or day of the market, adjusting the summer hours to later in the evening, changing to a seasonal market (September through December and March through May), or having the market bi-weekly or monthly. The community seems to enjoy the market; however, weather seems to be a major factor in the attendance.

The schedule for the remainder of the year will be:

October 16 – Fall Festival at the Market
October 23 – Fall Festival at the Market
October 30 – Trick or Treating at the Market
November 13 – Christmas at the Market
November 20 – Christmas at the Market
November 27 – Closed for Thanksgiving
December 25 – Closed for Christmas
January 1 – Closed for New Years Day

Fiscal Impact: \$835.00 for annual permits plus quarterly ag department fees



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #7
Discussion and Possible Action Regarding Review and Possible Modification of the District Purchasing Policy

STAFF RECOMMENDATION:

Staff has no recommended changes.

STAFF REPORT:

The purchasing policy was discussed with the Board on December 2007 when it was initially adopted. Revisions of the policy occurred in September 2009 and October 2010. The policy provides guidance for certain district expenditures related primarily to construction of capital projects, purchase of supplies. Many of the elements of the policy are statutory while there is discretion in some areas of the policy. The policy also outlines emergency purchasing procedures and the General Manager's authority. A copy of the policy is attached for the Board's review.

During a Board meeting in May with a discussion of the purchase of water rights, it was requested that the District's purchasing policy be brought back to the Board for review and discussion. In 2010, the Board included provision 9(E) which authorized the General Manager to purchase up to \$1,000,000. The threshold of water rights purchases has been reached and this clause can be removed from the policy at the pleasure of the Board.

FISCAL IMPACT: None

POSSIBLE MOTION: None unless changes are made to policy

ATTACHMENTS: Purchasing Policy

HELENDALE COMMUNITY SERVICES DISTRICT
Purchasing Policy and Procedures
(Revised October 21, 2010)

Section 1. Purpose

The purposes of this policy are to standardize the purchasing procedures of the Helendale Community Services District, thereby securing for the District the advantages of a centralized and uniform purchasing policy saving the taxpayers money and increasing public confidence in the procedures for District purchasing; to promote the fair and equitable treatment of all consumers and suppliers of goods and services; and to set forth the duties and responsibilities of the General Manager and District staff.

Section 2. Definitions

- A) Approved Vendors** – means those vendors approved by the General Manager for bidding purposes after satisfactory compliance with the Pre-Qualification Program contained in Section 7 below. The detailed list of Approved Vendors shall be on file at the District office at all times.
- B) Bid Most Advantageous To The District** – means the Lowest Responsible bidder on a District project that is subject to Competitive Bidding from among those bids that are deemed to be Responsive to the Specifications.
- C) Board** – means the Board of Directors of the District.
- D) Capital Expenditure** – means all major expenditures of a non-recurring nature such as new buildings, major remodeling projects and major equipment Purchases. Excluded from this definition shall be all in-house projects unless the cost of the materials alone exceeds \$5,000.
- E) Competitive Bidding** – means the process of obtaining the “Bid Most Advantageous To The District” for any Purchase conducted through a Formal Bid or Informal Bid.
- F) District** – means the Helendale Community Services District.
- G) Formal Bid** – means a written quotation obtained in a sealed envelope from an Approved Vendor, or through District direct solicitation, public announcement, or published advertisement and opened at a specific day, place, and time. Bidders can be from the Approved Vendor’s list or from bidders responding to advertisements or openly solicited requests for bids. Notice inviting bids for any contract requiring Competitive Bidding shall be published at least one time in a local newspaper of general circulation within the District.
- H) Informal Bid** – means a written or oral quotation obtained from an Approved Vendor, but not required to be opened publicly at a specified day, place, and time.

HELENDALE COMMUNITY SERVICES DISTRICT
Purchasing Policy and Procedures

- I) Lowest** – means the smallest bid in monetary terms received by the District for the cost of a project subject to Competitive Bidding.
- J) Plans** – means drawings or diagrams made to scale showing the structure or arrangement of a construction project, or a method or program showing a level of service or benefit defined within a contract. Plans will become part of the awarded contract. All bidders will be afforded an opportunity to examine the Plans.
- K) Purchase** – means buying, renting, leasing or otherwise acquiring Supplies or Services for a price.
- L) Responsible** – means the Lowest bidder who possesses the trustworthiness, quality, fitness, ability, capacity, and experience to satisfactorily perform a District project subject to Competitive Bidding. When the Lowest bidder is found not to be Responsible, the District must notify the bidder of this finding and the evidence upon which the finding was based, and the District must afford the bidder an opportunity to rebut such adverse evidence, and permit the bidder to present evidence that the bidder is Responsible.
- M) Responsive** – means a bid received by the District for a project subject to Competitive Bidding that substantially conforms to the bid Specifications and all applicable statutory requirements. A bidder is not entitled to a hearing on the question of Responsiveness, but is entitled to notice and the right to submit materials to the Board or the District’s General Manager before a decision is made.
- N) Services** – means all labor furnished to the District by persons, firms, individuals or corporations not part of or connected with the District.
- O) Sole Source Contractor** – means a contractor or consultant that has been evaluated to provide unique or specialized Services or Supplies that cannot be obtained from other contractors or consultants. Such designation must be approved by the Board.
- P) Specifications** – means standards, including quality, set by the General Manager, supervisory staff or consultants as a guide and as a measure of that which successful vendors must achieve. Specifications shall be either technical specifications for bids, which shall state formulations as broadly as practicable, yet shall be specific enough to describe the requirements of the District or non-technical specification for bids, which shall state the quality required in general terms. Specifications will become part of the awarded contract. All bidders will be afforded an opportunity to examine the specifications.
- Q) Splitting Purchases** – means the intentional separation of a District project into smaller portions in order to avoid any of the Purchasing limits established by this policy.
- R) Supplies** – means all materials and equipment.

HELENDALE COMMUNITY SERVICES DISTRICT
Purchasing Policy and Procedures

Section 3. Applicability

This policy shall apply to all Purchases made by the District, except as otherwise specified herein. In implementing this policy, District employees are prohibited from Splitting Purchases.

Section 4. Purchase of Construction Supplies

The District must comply with the following Competitive Bidding requirements with respect to the Purchase of Supplies for the construction or completion of any building, structure, or improvement when the cost exceeds \$25,000:

- A) **Formal Bids.** Contracts for Supplies for the construction or completion of any building, structure, or improvement, when the cost exceeds \$25,000, shall be contracted for and let to the Bid Most Advantageous To The District after notice. If two or more bids are the same and the Lowest, the Board may accept the one it chooses.
- B) **Notice.** The District shall publish a notice inviting bids for any contract for which Competitive Bidding is required at least one time in a newspaper of general circulation in the District at least one week before the time specified for receiving bids. The notice inviting bids shall set a date for opening the bids and distinctly state the Supplies to be Purchased.
- C) **Alternate Publication.** If the District's General Manager recommends, and the Board determines, that the publication of advertisements of the notice in trade journals and papers in lieu of publication in a newspaper of general circulation will increase the number of business enterprises receiving that notice, the Board may by resolution declare that those notices shall be published in trade journals and papers at least ten days prior to the time specified for receiving bids.
- D) **Rejection of Bids.** At its discretion, the Board may reject any bids presented and readvertise. The Board may also waive a minor bid irregularity that does not give an unfair advantage to another bidder. However, the Board is under no obligation to waive bid irregularities.
- E) **Emergencies.** In the case of an emergency, the District may proceed in accordance with Section 8 below.

Section 5. Construction Contracts

The District must comply with the following Competitive Bidding requirements with respect to the construction or completion of any building, structure, or improvement when the cost exceeds \$25,000:

- A) **Formal Bids.** All contracts for the construction or completion of any building, structure, or improvement, when the cost exceeds \$25,000, shall be contracted for and let to the Bid

HELENDALE COMMUNITY SERVICES DISTRICT
Purchasing Policy and Procedures

Most Advantageous to the District after notice. If two or more bids are the same and the Lowest, the Board may accept the one it chooses.

- B) Notice.** The District shall publish a notice inviting bids for any contract for which Competitive Bidding is required at least one time in a newspaper of general circulation in the District at least ten days before the time specified for receiving bids. The notice inviting bids shall set a date for opening the bids and distinctly state the work to be done.
- C) Alternate Publication.** If the District's General Manager recommends, and the Board determines, that the publication of advertisements of the notice in trade journals and papers in lieu of publication in a newspaper of general circulation will increase the number of business enterprises receiving that notice, the Board may by resolution declare that those notices shall be published in trade journals and papers at least ten days prior to the time specified for receiving bids.
- D) Plans and Specifications.** If Plans and Specifications are prepared describing the work, all bidders shall be afforded an opportunity to examine the Plans and Specifications, and the Plans and Specifications shall be attached to and become a part of the contract, if one is awarded.
- E) Bid Security.** All bids for construction work shall be presented under sealed cover and shall be accompanied by bidder's security in the form of either cash, a cashier's check made payable to the District, a certified check made payable to the District, or a bidder's bond executed by an admitted surety insurer made payable to the District. Upon an award to the bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the District beyond 60 days from the time the award is made.
- F) Rejection of Bids.** At its discretion, the Board may reject any bids presented and readvertise. The Board may also waive a minor bid irregularity that does not give an unfair advantage to another bidder. However, the Board is under no obligation to waive bid irregularities.
- G) Emergencies.** In the case of an emergency, the District may proceed in accordance with Section 8 below.
- H) Bonds.** The Board may, subject to Civil Code Section 3247 et seq., require the posting of those bonds it deems desirable as a condition to the filing of a bid or the letting of a contract.
- I) Record.** The District shall keep cost records of the work in the manner provided in Government Code Section 4000 et seq.

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Section 6. Purchasing Limits for Other Contracts

The District must comply with the following requirements with respect to Purchases that are not subject to the provisions of Sections 4 and 5 above:

A) Formal Bids. Purchases shall be made by Formal Bid whenever such method is feasible and practical under existing conditions and circumstances.

B) Record of Bids. The District's General Manager shall keep a record of all bids submitted, and such record shall be open to proper inspection by any interested party within a reasonable amount of time.

C) Approval

1) No Purchase of Supplies or Services exceeding \$250 shall be made by any District staff without the approval of the General Manager. Notwithstanding the above, District staff may Purchase Supplies or Services in excess of the limit if the Supplies or Service has been approved on an open purchase order ("P.O.") and the staff person is identified as an authorized purchaser on the P.O. A Verbal Approval List shall be kept by the General Manager containing the date, employee name, vendor name, and amount of approval. All Purchases exceeding the \$250 limit shall be compared to the list. (See attached form)

2) No single Purchase of Supplies or Services exceeding \$25,000 shall be made by the District's General Manager without the approval of the Board.

D) Exemptions to Competitive Bidding. Notwithstanding the basic policy that the procurement of Services and Supplies shall be on a Competitive Bidding basis to the maximum practical extent, Purchases may be negotiated when one of the following circumstances is present:

- 1) When the total dollar value of the Purchase does not exceed \$15,000.
- 2) When an emergency exists, the District may proceed in accordance with Section 8 below.
- 3) When a Sole Source Contractor has been designated.
- 4) When Competitive Bidding would fail to produce an advantage and/or when the advertisement for Competitive Bidding would be undesirable, impractical, or impossible.
- 5) **When the Board of Directors has determined that time is of the essence.**
- 6) **When the contract is for professional services.**

E) Purchasing Procedures & Policies. The Purchase of Services and Supplies shall be on the basis of Competitive Bidding to the maximum practical extent. However, whenever Supplies

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or Services are procured by Competitive Bidding, negotiation, price quotations or other evidence of reasonable prices and other vital matters deemed necessary by the District's General Manager shall be solicited by the maximum number of qualified sources of Supplies or Services consistent with the nature of and requirements for the Supplies or Services to be Purchased, in accordance with the basic policies set forth below:

- 1) **Purchases - Not to Exceed \$5,000.** When the General Manager considers prices to be fair and reasonable and when the total amount of the Purchase does not exceed \$5,000, procedures and documentation will be simplified to the maximum degree possible. The General Manager shall establish such rules of procedures for such Purchases as he/she feels necessary to insure against abuse of the public interest. Procedures shall include verbal authorization, fax authorization, or other form of written authorization as required **from the General Manager or the Finance Manager.**

- 2) **Purchases - \$5,000 to \$15,000.** Purchases exceeding \$5,000 but not exceeding \$15,000 in total cost will be supported by a record of price quotations from three (3) different sources or an adequate explanation justifying the absence of such alternate quotes. Such quotations may be obtained in writing, verbally or by such other means as may be prescribed by the General Manager as appropriate to the circumstances. **General Manager or Finance Manager** approval shall be written and become part of the supporting documentation for the Purchase.

- 3) **Purchases - \$15,000 to \$25,000.** Purchases exceeding \$15,000 but not exceeding \$25,000 in total cost will be supported by a record of price quotations and Informal Bids or Formal Bids at the discretion of the General Manager. Criteria to be used for Formal Bid shall be whether or not the Purchase is a Capital Expenditure, a contract for professional services or lease, or an annual purchase order for Supplies, and/or maintenance and repair services. General Manager approval shall be written and become part of the supporting documentation for the Purchase.

- 4) **Purchases Exceeding \$25,000 to \$100,000.** Purchases exceeding \$25,000 to **\$100,000** in value must be approved by the Board prior to award. Request for such approval will be accompanied by a full statement of facts justifying the recommendation for award. The District may advertise at least once in any appropriate industry publications or periodicals or bids may be solicited directly from known vendors via mail or fax. Specifications, Plans, and bid procedures shall be provided to vendors responding to the advertisement or to the direct solicitation to bid. Bid responses to these bids must be made in a written format. The Specifications and Plans shall become part of the awarded contract.

- 5) **Purchases Exceeding \$100,000.** Purchases exceeding \$100,000 in value must be approved by the Board prior to award. Request for such approval will be accompanied by a full statement of facts justifying the recommendation for award. Purchases with potential values that may exceed \$100,000 will be advertised at least once in a newspaper of general circulation within the District and at least ten (10) days before the time specified to receive bids. The District may advertise at least once in any appropriate industry publications or periodicals. Bids may also be solicited directly from known vendors via mail or fax. Specifications, Plans, and bid

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procedures shall be provided to vendors responding to the advertisement or to the direct solicitation to bid. Bid responses to these bids must be made in a written format. The Specifications and Plans shall become part of the awarded contract.

F) Rejection of Bids. The Board shall have the authority to reject any and all bids received in response to invitations for bids. The Board may also waive a minor bid irregularity that does not give an unfair advantage to another bidder. However, the Board is under no obligation to waive bid irregularities.

G) Requisitions. Purchases involving the immediate encumbrance of District funds shall be made only on a written requisition submitted by supervisory staff in such form as required by and approved by the General Manager in accordance with the procedures in this policy. Approval of the requisition shall result in the issuance of a P.O. or District check made payable to the vendor for the materials and supplies or services requested. For purchases where a P.O. is not necessary or accepted by the vendor, but a check is required, a request for a check shall be completed by District staff and approved by the General Manager. (See attached Requisition and Check Request Forms.) The General Manager shall examine each requisition and check request and shall have the authority to revise it as to quantity, quality, or estimated cost upon discussion with the requesting District staff.

H) Open Purchase Orders.

1) Limit under \$25,000. The General Manager shall have the authority to issue an open P.O. for Services and Supplies to any Approved Vendor in an amount not to exceed \$25,000. All open P.O.'s shall expire at 5:00 p.m. on June 30 of each fiscal year. District staff authorized to purchase on the open P.O. shall be identified on the P.O. and provide District identification to the Approved Vendor for every Purchase.

2) Limit exceeding \$25,000. Open P.O.'s exceeding \$25,000 shall be approved by the Board. Approval by the Board can be made during annual budget adoption process when individual open P.O.'s are identified within the budget and made part of the budget adoption resolution. Additional open P.O.'s exceeding \$25,000 opened during the fiscal year must have Board approval before issuance. All open P.O.'s shall expire at 5:00 p.m. on June 30 of each fiscal year. District staff authorized to purchase on the open P.O. shall be identified on the P.O. and provide District identification to the vendor for every Purchase.

Section 7. Pre-Qualification Program

A) Adoption. All Approved Vendors must be pre-qualified prior to submitting bids for the District's public works projects. It is mandatory that all Approved Vendors who intend to submit bids fully complete the pre-qualification questionnaire, provide all materials requested herein, and be approved by the District to be on the Approved Vendors list.

B) Applications. Pre-qualification applications may be submitted four times each year: (1) from January 1 through January 10; (2) from April 1 through April 10; (3) from July 1 through July 10; and (4) from October 1 through October 10. Contractors who submit a complete pre-

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qualification package will be notified by first class mail of their qualification status, such notice to be mailed no later than fifteen business days after submission of the information.

C) Questionnaire. Answers to questions contained in the District's pre-qualification questionnaire, information about current bonding capacity on an aggregate and per project limit, notarized statement from surety, and the most recent reviewed or audited financial statements, with accompanying notes and supplemental information, are required. The District will use these documents as the basis of rating Approved Vendors in respect to the size and scope of contracts upon which each Approved Vendor is qualified to bid. The District reserves the right to check other sources available. Each questionnaire must be signed under penalty of perjury in the manner designated at the end of the form, by an individual who has the legal authority to bind the Contractor on whose behalf that person is signing. If any information provided by a Contractor becomes inaccurate, the Contractor must immediately notify the District and provide updated accurate information in writing, under penalty of perjury.

D) Approval. Pre-qualification approval will remain valid for one (1) calendar year from the date of notice of qualification, except that the District reserves the right during that calendar year to adjust, increase, limit, suspend, or rescind the pre-qualification ratings based on subsequently learned information and after giving notice of the proposed action to the Contractor and an opportunity for a hearing consistent with the hearing procedures described below for appealing a pre-qualification determination.

E) Selection. While it is the intent of the pre-qualification questionnaire and documents required therewith to assist the District in determining bidder responsibility prior to the submission of bids and to aid the District in selecting the Bid Most Advantageous To The District, neither the fact of pre-qualification, nor any pre-qualification rating, will preclude the District from a post-bid consideration and determination on a specific project of whether a bidder has the quality, fitness, capacity, and experience to satisfactorily perform the proposed work, and has demonstrated the requisite trustworthiness. Contractors are encouraged to submit pre-qualification packages as soon as possible, so that they may be notified of pre-qualification status well in advance of upcoming projects. The District reserves the right to waive minor irregularities and omissions in the information contained in the pre-qualification application submitted, to make all final determinations, and to determine at any time that the pre-qualification procedures will not be applied to a future public works project. A contractor may be found not pre-qualified for bidding on a specific public works contract to be let by the District, or on all contracts to be let by the District, until the contractor meets the District's requirements. In addition, a contractor may be found not pre-qualified for either omission of requested information or falsification of information.

F) Appeal. A contractor who has submitted a completed application form, and who receives a rating of "not qualified" from the District, may appeal that determination. There is no appeal from a finding that a contractor is not pre-qualified because of a failure to submit required information, but reapplication during one of the designated time periods is permitted. A contractor may appeal the District's decision with respect to its request for pre-qualification, and request a hearing by giving notice to the District no later than ten (10) business days after receipt of notice of its qualification status. Unless a Contractor files a timely appeal, the Contractor

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waives any and all rights to challenge the qualification decision of the District, whether by administrative process, judicial process, or any other legal process or proceeding.

G) Hearing. If the Contractor gives the required notice of appeal and requests a hearing, the hearing shall be conducted so that it is concluded no later than ten (10) business days after the District's receipt of its Notice of Appeal. The hearing so provided shall be an informal process conducted by a panel to whom the Board has delegated responsibility to hear such appeals (the "Appeals Panel"). At or prior to the hearing, the Contractor will be given the opportunity to present information and present reasons in opposition to the pre-qualification determination. At the conclusion of the hearing or no later than one day after completion of the hearing, the Appeals Panel will render its decision. The date for submission and opening of bids for a specific project will not be delayed or postponed to allow for completion of an appeal process.

Section 8. Emergencies

A) Vote. In the case of an emergency, the District, pursuant to a four-fifths vote of the Board, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary Services and Supplies for those purposes, without giving notice for bids to let contracts.

B) Findings. Before the Board takes any action pursuant to paragraph A) above, it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

C) Delegation. The Board, by four-fifths vote, may delegate, by resolution or ordinance, to the District's General Manager the authority to order any action pursuant to paragraph A) above.

D) Report. If the District's General Manager, pursuant to the authority delegated by the Board under paragraph C) above, orders any action specified in paragraph A) above, that person shall report to the Board, at its next meeting, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

E) Review.

1) If the Board orders any action specified in paragraph A) above, the Board shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue this action.

2) If the District's General Manager, pursuant to the authority delegated by the Board under paragraph C) above, orders any action specified in paragraph A) above, the Board shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to

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determine, by a four-fifths vote, that there is a need to continue the action, unless the District's General Manager has terminated that action prior to the Board reviewing the emergency action and making a determination pursuant to this paragraph.

3) When the Board reviews the emergency action pursuant to paragraph E)1) or E)2) above, it shall terminate the action at the earliest possible date completed by giving notice for bids to let contracts.

Section 9. Scope of General Manager's Authority

The District's General Manager shall purchase or contract for all Supplies, Services, and Capital Equipment needed in accordance with procedures prescribed by this adopted policy and such additional lawful rules, not inconsistent herewith, as the District Manger shall employ for the efficient internal management and operation of the District.

A) Exceptions

1) **Exceptions Prohibited.** The authority of the General Manager to make all purchases for the District shall not be abridged unless, by order of the Board, such exception is granted for a specific purpose.

2) **Temporary Absences.** During periods of temporary absences of the General Manager, the authority to implement the provisions of these regulations will be held by a District staff member so appointed by the General Manager and approved by the Board for the period of the absence.

B) Tax Exemptions. The General Manager shall act to procure for the District all Federal and State tax exemptions to which the District is entitled.

C) Cooperative Purchasing. The General Manager shall have the authority to join other units of government including Federal, State, County, Municipal and Municipal sub-divisions, such as Water Districts, Sewer Districts, School Districts, Special Districts and Councils of Government in cooperative purchasing plans when the best interests of the District would be served thereby and when such action is in accordance with and pursuant to law.

D) Other Duties. The District's General Manager shall perform such other duties related to the functions, duties, and authorities set forth herein, as may be prescribed by the Board and by any applicable state or local laws or ordinances.

E) Water Rights Purchases. The District General Manager shall have special authority for the purchase of permanent water rights up to an aggregate dollar amount of one million dollars (\$1,000,000.00).

1) **Renewal.** This special right shall be renewed at the beginning of each fiscal year by resolution of the Board of Directors for the remaining balance of the unspent funds so approved by the Board and subsequently earmarked in each fiscal year budget.

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2) **Revocation.** The special authority for the purchase of permanent water rights can be revoked at any time by a majority vote of the Board of Directors.

3) **Purchases.** Upon completion of a water rights purchase, all details of the purchase shall be brought to the Board of Directors for ratification and approval at the next regularly scheduled meeting of the Board of Directors.

4) **Debt Service.** At the Board of Directors' discretion, the General Manager shall be authorized to solicit a loan to repay the District for the aggregate amount of expended funds for the purpose of purchasing permanent water rights.

Section 10. Miscellaneous

A) Local Purchases. The District will make every effort to Purchase from businesses located within the District's service area if the Purchase provides the best overall value for the District.

B) Conflict of Interest. No District employee or Board member authorized to act on behalf of the District shall enter into any agreement, contract, or P.O. with any individual, firm, corporation, or organization in which said employee, Board member, or relative of same has a financial interest. This shall also include the acceptance of any gift or gratuity, directly or indirectly, from any person, firm, corporation, or organization to which any P.O. or contract is, or might be, awarded, any rebate, gift, or anything of value whatsoever, except where given for the express use of benefit of the District. Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.

C) Supersedes Other Policies. This purchasing policy and procedures supersedes any inconsistent prior policies adopted by the Board.



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #8
 Discussion and Possible Action Regarding the Purchase of Centro Water Rights

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding this matter.

STAFF REPORT:

In October 2018, the District purchased 200-acre feet of permanent water rights from the Centro subarea to be used for the annual make up obligation. At that time, it was thought that we would monitor the make-up obligation that changes each year to see if additional water rights were needed.

In a surprise move the Ninth Circuit Court which oversees the Mojave Basin Area Adjudication ramped down every subarea including the Centro subarea that would continue every year until each basin is in balance. For Centro that would be a reduction to approximately 40%. The rampdown causes a reduction in available water that can be used for the make up obligations thus minimizing the amount of market water available to meet the annual requirement. As of last Watermaster Annual Report there was a total of 37,288 acre-feet of unused FPA in the Centro subarea. This amount would be reduced significantly if the rampdowns continue to 40%. This is based upon the best information available including the court's decision (attached) and a current estimated Centro safe yield.

For the obligation last water year, the District had to lease an additional 20-acre feet to meet the obligation in addition to the 219 acre-feet of FPA the District owns. Below is a chart that provides the comparisons of prior make up obligations and projected scenario for 18/19 pumping year.

WY	MU	2for1	AF Req'd	\$45/AF	\$65/AF	
16/17	68.68	137.36	164.4	\$ 7,398.00	\$ 10,686.00	80%FPA
17/18	98.17	196.34	235.608	\$ 10,602.36	\$ 15,314.52	80%FPA
18/19	98.17	196.34	245.425	\$ 11,044.13	\$ 15,952.63	75% FPA
18/19	103.0785	206.157	257.6963	\$ 11,596.33	\$ 16,750.26	75% FPA

No MU increase
 5% increase MU

The projection is that in less than 10 years the District could need an additional 138 acre-feet if the 5% rampdowns continue.

FISCAL IMPACT: \$1000/acre-foot for Base Annual Production Rights

POSSIBLE MOTION: At the pleasure of the Board

ATTACHMENTS: Court Order
Water rights summary for Carryover and Permanent

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE

CASE TITLE: City of Barstow v. City of Adelanto	Department 5	RIVERSIDE SUPERIOR COURT OF CALIFORNIA COUNTY OF RIVERSIDE JUL 23 2019 J. Castillo
CASE NO.: CIV208568		
DATE: July 15, 2019		

PROCEEDING: Order (1) Granting as Modified the Watermaster's Motion to Adjust Free Production Allowance for Water Year 2019-2020, (2) Continuing the Hearing on the Johnsons' Motion to Direct the Watermaster to Consider Alternatives, and (3) Inviting Further Briefing

The Watermaster's Motion

The Watermaster's Motion to Adjust Free Production Allowance for Water Year 2019-2020 was heard on June 26, 2019. After considering the motion, the various briefs responding to the motion, and the oral argument of counsel, the Court grants the motion in part and grants the balance as modified. Specifically:

Alto:

The Court finds that the current differential between agricultural producers and municipal and industrial producers is contrary to the term of the judgment that prohibits distinctions between types of producers. (Judgment, ¶ B.23(a).) It is also contrary to the legislative determination in Water Code section 106 that residential use is the highest use, particularly if the FPA for M&I producers were to be reduced while the FPA for agricultural producers were to be left unchanged, as the Watermaster has proposed. Moreover, that differential was presumably put into place to cushion the impact of the judgment on the agricultural producers. The time for such a graduated implementation of the physical solution is over. The Court intends to eliminate that differential, so that all types of producers in the area are subject to the same FPA limits.

However, the elimination of the differential in a single year without advance notice would impose a hardship on the agricultural producers. Therefore, the Court will impose a rampdown on the agricultural producers of only 5% at this time. By this Order, the Court notifies the agricultural producers that the Court intends to implement a rampdown for agricultural producers of at least 5% per year until the differential between agricultural producers and M&I producers is eliminated. If there is no rampdown in M&I producers in a particular year, the rampdown for agricultural producers may be more than 5%.

In short, the FPA for agricultural producers is reduced from 80% of BAP to 75% of BAP for Water Year 2019-2020.

The Watermaster recommends that the M&I FPA be reduced to 55% of BAP. The Court approves that recommendation. The FPA for municipal and industrial producers is reduced from 60% of BAP to 55% of BAP for Water Year 2019-2020.

Baja:

The Watermaster recommends that the FPA be reduced to 30% of BAP. The Court approves that recommendation. The FPA for all producers in Baja is reduced from 35% of BAP to 30% of BAP for Water Year 2019-2020.

Centro:

The Watermaster recommends that the FPA remain at 80% of BAP. The Court rejects that recommendation.

The Court finds that, although the current FPA greatly exceeds PSY, the area is not being overdrafted because verified production is below PSY. Therefore, no immediate rampdown is necessary to reduce overdrafting. Nevertheless, given that the Judgment limits rampdowns to 5% per year, the FPA should be ramped down now so that, if production increases in the future, the FPA will be low enough to ensure that the increased pumping does not exceed PSY. **By this Order, the Court notifies all producers in Centro that the Court intends to impose a rampdown of 5% per year until FPA is approximately equal to PSY.**

The FPA for the producers in Centro is reduced from 80% of BAP to 75% of BAP for Water Year 2019-2020.

Este:

The Watermaster recommends that the FPA remain at 80% of BAP. The Court rejects that recommendation.

The Court finds that, although the current FPA greatly exceeds PSY, the area is not being overdrafted because verified production is below PSY. Therefore, no immediate rampdown is necessary to reduce overdrafting. Nevertheless, given that the Judgment limits rampdowns to 5% per year, the FPA should be ramped down now so that, if production increases in the future, the FPA will be low enough to ensure that the increased pumping does not exceed PSY. By this Order, the Court notifies the producers in Este that the Court intends to impose a rampdown of 5% per year until FPA is approximately equal to PSY.

The FPA for the producers in Este is reduced from 80% of BAP to 75% of BAP for Water Year 2019-2020.

Oeste:

The Court approves the Watermaster's recommendation to eliminate the differential between agricultural producers and municipal and industrial producers. The Court also approves of the recommendation to implement a 5% rampdown to a uniform rate of 75%, because verified production is more than twice the PSY. This does not result in increased FPA for the M&I producers, because the imposition of the prior reductions in FPA to 60% had been stayed.

The FPA for all types of producers in Oeste is reduced from 80% of BAP to 75% of BAP for Water Year 2019-2020.

Future Hearing on October 3, 2019

The Court sets a further hearing on October 3, 2019, at 1:30 P.M in Department 1. No later than August 22, 2019, the Watermaster shall, and any other parties may, file and serve additional

declarations and briefing on the questions listed below. Any party wishing to respond to that evidence or that briefing shall file and serve additional evidence or argument no later than September 12, 2019.

1. With regard to the calculation of PSY:
 - a. Is the method of calculating PSY, as the difference between total pumping in a subarea and the deficit between total water supply and consumptive use and outflow, consistent with the definition of PSY in the Judgment at Part II, Section A, ¶4(aa)?
 - b. Is there verified production that is not being included in figures for consumptive use and supply?
 - c. If there is production occurring outside the consumptive use / supply figures, how does that affect the calculation of PSY?
 - d. Are there better methods of calculating PSY that take into account all verified production and supply, and what would PSY be for each region if production not reflected in the consumptive use / supply figures were included in the calculation of PSY?
2. To the extent that this issue is not covered in Question 1 above, is the Watermaster's estimate of subsurface water flowing into Baja reliable? Specifically:
 - a. How is the estimate calculated?
 - b. On what evidence is that estimate based?
 - c. How is the accuracy of the estimate verified? For instance, to what extent is the actual flow monitored to determine the accuracy of the estimate?
3. Are the measures taken to manage storm flow causing a decrease in supply to downstream Subareas that would not be occurring if the storm water were to be distributed according to the naturally occurring hydrologic regime?

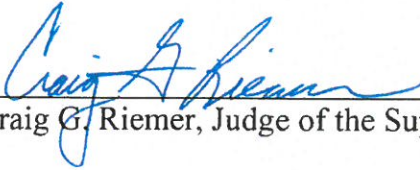
The Johnsons' Motion

The motion is continued to that same date and time. The Johnsons shall, and any other party may, provide further briefing as to whether the Judgment should be modified as follows:

1. To allow producers whose proportional share of FPA has been reduced below the 10 AFY definition of Minimal Producers to be allowed to take the 10 AFY allowed Minimal Producers before having to pay for replacement water.
2. To allow the Watermaster to impose a fee on transfers of FPA, and to use the funds raised by this fee to buy back production rights under the Judgment.

Service of this Order

The Watermaster is ordered to serve copies of this Order on all parties forthwith.



Craig G. Riemer, Judge of the Superior Court

PROOF OF SERVICE

STATE OF CALIFORNIA }
COUNTY OF SAN BERNARDINO}

I am employed in the County of the San Bernardino, State of California. I am over the age of 18 and not a party to the within action; my business address is 13846 Conference Center Drive, Apple Valley, California 92307.

On July 24, 2019, the document(s) described below were served pursuant to the Mojave Basin Area Watermaster's Rules and Regulations paragraph 8.B.2 which provides for service by electronic mail upon election by the Party or paragraph 10.D, which provides that Watermaster shall mail a postcard describing each document being served, to each Party or its designee according to the official service list, a copy of which is attached hereto, and which shall be maintained by the Mojave Basin Area Watermaster pursuant to Paragraph 37 of the Judgment. Served documents will be posted to and maintained on the Mojave Water Agency's internet website for printing and/or download by Parties wishing to do so.

Document(s) filed with the court and served herein are described as follows:

ORDER GRANTING AS MODIFIED THE WATERMASTER'S MOTION TO ADJUST FREE PRODUCTION ALLOWANCE FOR WATER YEAR 2019-2020; CONTINUING THE HEARING ON THE JOHNSON'S MOTION TO DIRECT THE WATERMASTER TO CONSIDER ALTERNATIVES AND; INVITING FURTHER BRIEFING

 X (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 24, 2019 at Apple Valley, California.



Valerie Wiegstein

The current PSY estimate includes long-term hydrology as specified in the Judgment, consumptive uses for 2017-18, phreatophyte use as indicated in the Judgment, Subarea subsurface obligations and surface obligations between Alto and Centro (there are no other surface obligations in the Judgment). Table 5-1 shows the current PSY calculation.

The following table shows the current FPA for each Subarea and the estimated PSY based on the updated consumptive use analysis by the Watermaster engineer for 2017-18 and the proposed Production Safe Yield update as shown on Table 5-1.

<u>Subarea</u>	<u>Base Annual Production</u>	<u>2018-19 FPA</u>	<u>Production Safe Yield</u>	<u>Percent Difference¹</u>	<u>2017-18 Verified Production</u>
Alto	116,412	72,645	64,406	7.1%	74,317
Baja	66,157	24,682	12,189	18.9%	22,296
Centro	51,030	41,155	21,088	39.3%	19,112
Este	20,205	16,376	4,728	57.6%	4,101
Oeste	7,095	5,725	1,712	56.6%	3,706

¹This value represents the percent of BAP that PSY departs from FPA.

In addition to comparing FPA and PSY there is consideration of such factors such as long-term water level trends in a Subarea and the magnitude of total Subarea pumping reduction in relation to the available supply.

The Judgment provides that producers can pump, without replacement water obligations to Watermaster an amount up to the producers' share of the Subarea FPA. Producers who pump in excess of their FPA are required to buy replacement water from Watermaster or purchase unused FPA from another party in the Subarea. The transfer provision of the Judgment, one of the fundamental underpinnings, allows producers who chose to not pump to sell FPA to those parties who over-pump. This provision allows parties who stipulated to the Judgment the option of compensation in lieu of pumping. The transfer market is a means of equitably allocating the limited supply within a Subarea.

The following summarizes the status of each Subarea and provides the recommendation for setting FPA for Water Year 2019-20.

Subject to Revision

Mojave Basin Area Watermaster Summary of Temporary Water Transfers by Subarea October 2018 - August 2019

Transferee (Transferred To:)	Transferor (Transferred From:)	Type of Transfer	Amount Transferred (Acre-feet)	Price per Acre-foot	Total Cost of Transfer	Date Accepted by Watermaster	Subarea
Adelanto, City Of	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	72	\$50.00	\$3,600.00	05/22/19	C/A
Adelanto, City Of	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	365	\$50.00	\$18,250.00	05/22/19	C/A
Ades, John and Devon	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
Agcon, Inc.	Hanify, Michael D., dba - White Bear Ranch	Temp.-FPA in Lieu of Makeup	30	\$30.00	\$900.00	05/22/19	C/A
Apple Valley Foothill County Water District	Apple Valley Heights County Water District	Temp.-Carryover in Lieu of Makeup	11	\$37.50	\$412.50	05/22/19	C/A
Apple Valley Foothill County Water District	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
Apple Valley Heights County Water District	Apple Valley Heights County Water District	Temp.-Carryover in Lieu of Makeup	12	\$0.00	\$0.00	05/22/19	C/A
Apple Valley View Mutual Water Company	Golden State Water Company	Temp.-Carryover in Lieu of Makeup	3	\$25.00	\$75.00	05/22/19	C/A
Apple Valley, Town Of	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	65	\$50.00	\$3,250.00	05/22/19	C/A
Beinsbroth Family Trust	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	6	\$50.00	\$300.00	05/22/19	C/A
Box, Geary S. and Laura	Frates, D. Cole	Temp.-FPA in Lieu of Makeup	1	\$45.00	\$45.00	05/22/19	C/A
Brown, Jennifer	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
Bunnell, Dick	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
CalMat Company	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
CalPortland Company - Oro Grande Plant	Kasner Family Limited Partnership	Temp.-Carryover in Lieu of Makeup	98	\$30.00	\$2,940.00	05/22/19	C/A
CDFW - Mojave Narrows Regional Park	Atchison, Topeka, Santa Fe Railway Company	Temp.-Carryover in Lieu of Makeup	50	\$30.00	\$1,500.00	05/22/19	C/A
CDFW - Mojave Narrows Regional Park	Atchison, Topeka, Santa Fe Railway Company	Temp.-FPA in Lieu of Makeup	96	\$30.00	\$2,880.00	05/22/19	C/A
CDFW - Mojave Narrows Regional Park	Hanify, Michael D., dba - White Bear Ranch	Temp.-FPA in Lieu of Makeup	1	\$30.00	\$30.00	05/22/19	C/A
CDFW - Mojave Narrows Regional Park	Werner, Andrew J.	Temp.-FPA in Lieu of Makeup	15	\$30.00	\$450.00	05/22/19	C/A
Cemex, Inc.	Kasner Family Limited Partnership	Temp.-Carryover in Lieu of Makeup	115	\$30.00	\$3,450.00	05/22/19	C/A
Golden State Water Company	Golden State Water Company	Temp.-Carryover in Lieu of Makeup	72	\$25.00	\$1,800.00	05/22/19	C/A
Helendale Community Services District	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	21	\$45.00	\$945.00	05/22/19	C/A
Helendale Community Services District	Helendale Community Services District	Temp.-FPA in Lieu of Makeup	176	\$0.00	\$0.00	05/22/19	C/A

Subject to Revision

Mojave Basin Area Watermaster Summary of Temporary Water Transfers by Subarea October 2018 - August 2019

Transferee (Transferred To:)	Transferor (Transferred From:)	Type of Transfer	Amount Transferred (Acre-feet)	Price per Acre-foot	Total Cost of Transfer	Date Accepted by Watermaster	Subarea
Hesperia - Golf Course, City of	Golden State Water Company	Temp.-Carryover in Lieu of Makeup	52	\$25.00	\$1,300.00	05/22/19	C/A
Hesperia Water District	Contratto, Ersula	Temp.-Carryover in Lieu of Makeup	120	\$25.00	\$3,000.00	05/22/19	C/A
Hesperia Water District	Golden State Water Company	Temp.-Carryover in Lieu of Makeup	637	\$25.00	\$15,925.00	05/22/19	C/A
Hesperia Water District	Jordan Family Trust	Temp.-Carryover in Lieu of Makeup	364	\$25.00	\$9,100.00	05/22/19	C/A
Hesperia Water District	Kim, Jin S. and Hyun H.	Temp.-Carryover in Lieu of Makeup	152	\$25.00	\$3,800.00	05/22/19	C/A
Hi-Grade Materials Company	Hanify, Michael D., dba - White Bear Ranch	Temp.-FPA in Lieu of Makeup	3	\$30.00	\$90.00	05/22/19	C/A
Jess Ranch Water Company	Hill Family Trust and Hill's Ranch, Inc.	Temp.-Carryover in Lieu of Makeup	183	\$15.00	\$2,745.00	05/22/19	C/A
Johnson, Carlean	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	3	\$50.00	\$150.00	05/22/19	C/A
Kemper Campbell Ranch	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	19	\$45.00	\$855.00	05/22/19	C/A
Liberty Utilities (Apple Valley Ranchos Water)	Chittil Family Trust and Hill's Ranch, Inc.	Temp.-Carryover in Lieu of Makeup	1,056	\$15.00	\$15,840.00	05/22/19	C/A
Mariana Ranchos County Water District	Brommer Family Trust	Temp.-Carryover in Lieu of Makeup	19	\$65.00	\$1,235.00	05/22/19	C/A
McInnis, William S.	Apple Valley Heights County Water District	Temp.-Carryover in Lieu of Makeup	1	\$37.50	\$37.50	05/22/19	C/A
Navajo Mutual Water Company	Brommer Family Trust	Temp.-Carryover in Lieu of Makeup	4	\$65.00	\$260.00	05/22/19	C/A
Phelan Piñon Hills Community Services District	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	21	\$50.00	\$1,050.00	05/22/19	C/A
Rancheritos Mutual Water Company	Brommer Family Trust	Temp.-Carryover in Lieu of Makeup	14	\$65.00	\$910.00	05/22/19	C/A
San Bernardino County Service Area 42	Brommer Family Trust	Temp.-Carryover in Lieu of Makeup	9	\$45.00	\$405.00	05/22/19	C/A
San Bernardino County Service Area 64	Golden State Water Company	Temp.-Carryover in Lieu of Makeup	342	\$25.00	\$8,550.00	05/22/19	C/A
San Bernardino County Service Area 70J	Brommer Family Trust	Temp.-Carryover in Lieu of Makeup	213	\$45.00	\$9,585.00	05/22/19	C/A
Sapp, Robert D. and Lee, Teresa J.	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
Silver Lakes Association	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	466	\$45.00	\$20,970.00	05/22/19	C/A
Spring Valley Lake Association	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	289	\$50.00	\$14,450.00	05/22/19	C/A
Spring Valley Lake Country Club	Dorrance, David W. and Tamela L.	Temp.-FPA in Lieu of Makeup	16	\$25.00	\$400.00	05/22/19	C/A
Spring Valley Lake Country Club	Frates, D. Cole	Temp.-FPA in Lieu of Makeup	10	\$25.00	\$250.00	05/22/19	C/A

Subject to Revision

Mojave Basin Area Watermaster Summary of Temporary Water Transfers by Subarea October 2018 - August 2019

Transferee (Transferred To:)	Transferor (Transferred From:)	Type of Transfer	Amount Transferred (Acre-feet)	Price per Acre-foot	Total Cost of Transfer	Date Accepted by Watermaster	Subarea
Spring Valley Lake Country Club	Hanify, Michael D., dba - White Bear Ranch	Temp.-Carryover in Lieu of Makeup	10	\$25.00	\$250.00	05/22/19	C/A
Spring Valley Lake Country Club	Hanify, Michael D., dba - White Bear Ranch	Temp.-FPA in Lieu of Makeup	49	\$25.00	\$1,225.00	05/22/19	C/A
Spring Valley Lake Country Club	Western Development and Storage, LLC	Temp.-FPA in Lieu of Makeup	5	\$25.00	\$125.00	05/22/19	C/A
Thompson Living Trust, R.L. and R.A.	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1	\$50.00	\$50.00	05/22/19	C/A
Thrasher, Gary	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	2	\$50.00	\$100.00	05/22/19	C/A
Thunderbird County Water District	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	10	\$50.00	\$500.00	05/22/19	C/A
Victor Valley Community College District	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	19	\$50.00	\$950.00	05/22/19	C/A
Victorville Water District, ID#1	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	8	\$50.00	\$400.00	05/22/19	C/A
Victorville Water District, ID#1	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	1,170	\$50.00	\$58,500.00	05/22/19	C/A
Victorville Water District, ID#1	Victorville Water District, ID#1	Temp.-FPA in Lieu of Makeup	637	\$0.00	\$0.00	05/22/19	C/A
Victorville Water District, ID#2	Aqua Capital Management, LP	Temp.-FPA in Lieu of Makeup	225	\$50.00	\$11,250.00	05/22/19	C/A
Ward, Ken and Barbara	Aqua Capital Management, LP	Temp.-Carryover in Lieu of Makeup	3	\$45.00	\$135.00	05/22/19	C/A
C/A Subtotal:			7,347		\$225,520.00		
Barstow Community Developers, LLC	Soppeland Revocable Trust	Temp.-Carryover in Lieu of Replacement	17	\$55.00	\$935.00	05/22/19	Centro
Grilli, Nicholas P. and Millie D.	Van Dam Revocable Trust, E and S	Temp.-Carryover in Lieu of Replacement	116	\$50.00	\$5,800.00	05/22/19	Centro
Ruisch Trust, Dale W. and Nellie H.	Pacific Gas and Electric Company	Temp.-Carryover FPA	200	\$1.00	\$200.00	05/22/19	Centro
Synagrow-WWT, Inc. (dba Nursury Products, LLC)	Soppeland Revocable Trust	Temp.-Carryover in Lieu of Replacement	8	\$55.00	\$440.00	05/22/19	Centro
Centro Subtotal:			341		\$7,375.00		
Total for all Subareas:			7,688		\$232,895.00		

Subject To Revision

Mojave Basin Area Watermaster Permanent Transfers of Base Annual Production Right October 2018 - August 2019

Transferee (Transferred To:)	Transferor (Transferred From:)	Type of Transfer	Amount Transferred (Acre-feet)	Price per Acre-foot	Total Cost of Transfer	Date Accepted by Watermaster	Subarea
Helendale Community Services District Fourfree USA, Inc.	Aqua Capital Management, LP Chong, Joan	Permanent Permanent	200 42	\$1,000.00 \$0.00	\$200,000.00 \$0.00	01/23/19 07/24/19	Centro Centro
		Centro Subtotal:	242		\$200,000.00		
		Total for all Subareas:	242		\$200,000.00		



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Robert Manley
SUBJECT: Agenda item #9
Discussion and Possible Action Regarding Modification to the Tuition Reimbursement Policy

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding this matter.

STAFF REPORT:

Tuition reimbursement policies can provide a multitude of benefits including: increased retention rates, better movement throughout the District as well as a powerful recruiting tool. There were two specific concerns regarding the enforcement and compensation of the District's tuition reimbursement policy when recently reviewed on 5-16-2019. The first concern was related to employee retention after their education is completed and the second related to reimbursement based upon academic achievement. Below are the results of staff research on those points.

Background: The Tuition Reimbursement Policy was recently reviewed in May. In 2009 the original policy was adopted and the reimbursement was set at \$1000. Currently, there are several employees who are interested in taking additional courses. In May the Board conversation focused on employee retention after education is acquired and if a sliding scale should be applied based upon the final grade.

Retention: The first concern, how can the District enforce the collection of any tuition debt owed to the District if early separation or termination of employment were to occur. It appears that the ultimate determining factor in preventing early separation of employment is to ensure that their hard work, time and efforts are recognized. Several recent studies have found that 80% of employees who take part in such programs stay regardless of any clause. Currently there is little recourse for the District in the event a former employee elects not to reimburse the District without revising the reimbursement agreement. However, it would be recommended to require an employee to sign a clear and concise contract, which is separate from the initial tuition loan agreement, to help ensure retention. However, forming such a contract would require the District Council's assistance in developing.

Reimbursement on Academic Achievement: Although sixty percent of employers require their employees to initially pay out of pocket, the direct effects of tuition reimbursement on employee turnover has received little attention. Several studies have found that ninety percent of employers

require a grade of C/or GPA of 2.0 or higher in order to qualify for any form of reimbursement. The notion of implementing a policy in which an employee who receives a grade of C/2.0 will receive 80% reimbursement upon completion of their course was brought forward, whereas employees who receive an A would receive 100% reimbursement. This notion, however, appears to be unpopular amongst a majority of employers. There are some employers that elect to require a C/2.0 or better for certifications and associate's degrees, and a grade of B or higher for post graduate degrees. However, it is widely believed that employees may feel less incentivized to take classes out of fear of being penalized, and some may underperform as a result of worrying about their grades. It is important to note that 85% of those who participate in such programs see it as a positive benefit, and 36% of those participants use such programs for advancement in their place of employment.

Staff did an internet search of several other public agencies to gather information as to what the typical amount of tuition reimbursement currently is. The following chart outlines those results.

Agency Name	Reimbursement Amount	Comments
Apple Valley	\$3,000	Must retain employment for 36 months
Barstow	\$1,000	
Hesperia	\$3,000	
Cucamonga Valley Water District	\$5,250	Must retain employment for 12 months
El Dorado Irrigation District (sp dist)	\$5,000	
High Desert Water	\$2,500-\$5,000	\$2,500 for C \$5,000 for B or higher
Palmdale	\$3,000	B or better for a graduate course/ C or better for a undergraduate course
Phelan-Pinon Hills CSD	No set limit	
San Bernardino County	\$1,000-\$3,000	
City of Victorville	\$3,000	

It is typically viewed as a benefit to the organization for employees to pursue additional education, particularly education that enhances current job skills and/or leads to a degree applicable to the District's operations.

FISCAL IMPACT: \$3000 per employee for annual tuition reimbursement

Possible Motion: Approve a reimbursement of \$_____ for tuition reimbursement and modify the policy accordingly

ATTACHMENTS: Tuition Reimbursement Policy

HELENDALE COMMUNITY SERVICES DISTRICT

Policy and Procedure for Tuition Reimbursement

Section 1. Purpose

The purpose of this policy and related procedures is to formalize the Tuition Reimbursement for employees of the Helendale Community Services District who seek additional education to further their knowledge and professional education relevant to the powers of the District. This policy has been adopted by the Board of Directors and is administered by the General Manager.

Section 2. Definitions

- A) **Tuition Reimbursement** – means repayment of a certain monetary sum relevant to pre-approved job-related educational expenses.
- B) **Board** – means the Board of Directors of the District.
- C) **Reimbursement** – means repayment of previously expended personal funds
- D) **District** – means the Helendale Community Services District.
- E) **Eligibility** – means that which qualifies an employee for tuition reimbursement
- F) **Relevancy** – means job related qualifications for tuition reimbursement

Section 3. Applicability

This policy shall apply to all employees of the District who pursue educational opportunities directly related to his/her job duties and required by current employment. Determination of relevancy is at the sole discretion of the General Manager.

Minimum certification requirements are established for each job classification. Any certification level beyond that which is required by an employee's job classification, water system or wastewater system regulatory requirements will not be covered by this program.

Section 4. Job Relevancy

Relevant education can include:

- Education such as continuing education units (CEU's) that are required to maintain professional, job-related certifications.
- Education that is required for an employee to meet the minimum requirements of his/her job within the timeframe specified to meet the terms of employment.
- Education that will lead to additional certifications appropriate within an employee's job Classification.

In all cases job relevancy is determined by the General Manager.

Section 5. Educational Seminars

The District may pay for a refresher seminar for an employee prior to the certification examination. The seminar must meet specific requirements related to the examination and must have prior approval by the General Manager. A copy of the syllabus or seminar description must be provided prior to approval.

Section 6. Continuing Educational Requirements

Several options are available for maintaining the appropriate number of CEU's on an annual basis. It is the employee's responsibility to maintain CEU's for certifications that are a required part of his/her job functions. The General Manager will evaluate the cost-effectiveness of various options presented by the employees and provide authorization based upon this parameter.

Section 7. Payment Schedule

The District will reimburse eligible employees for 100% of tuition expenses paid to accredited schools, colleges and universities, or appropriate professional organizations, as set forth in this policy, if the employee satisfactorily completes course work with a grade of C or better. No reimbursement will be made for grades lower than a "C" grade. Fees and/or supplies are non-reimbursable expenses. The cost of text books, study guides or workbooks can be eligible for reimbursement, but becomes property of the District and kept in the District reference library. The employee may elect to keep the course text book, study guide or workbook, but will not be reimbursed for its cost. Any request for an exception to this payment schedule can be discussed with the General Manager. Reimbursements will be limited to no more than \$1000 in a calendar year.

The District will not reimburse employees for courses in which the employee can receive a grade of only "PASS" or "FAIL," unless no other grade option is available for the course.

Section 8. Eligibility

To be eligible for the tuition reimbursement program under this policy an employee must:

- Submit form and receive approval prior to enrollment in class(es) for which the employee seeks reimbursement.
- Be a full-time employee
- Be on the payroll when the course is completed
- Employee must submit a report card and an employee expense form with appropriate receipts attached. (This can include a bursar's receipt or a copy of a cancelled check-front & back)

Section 9. Separation of employment

If the reimbursement is approved and paid to the employee, and the employee

leaves the employment of the Helendale Community Services District prior to completing two years of CSD service after completing the job-related education or coursework, the employee will reimburse the CSD according to the following schedule:

Job-related education/course completion date	Reimbursement
Within 9 months	100%
After 9 months, but before 18 months	50%
After 18 months, but before 24 months	25%
After 24 months	0%

Section 10. Scope of General Manager’s Authority

The District’s General Manager shall have the authority to approve or deny payment of tuition for which the Tuition Reimbursement Policy was not followed.

Section 11. Miscellaneous

- A) **Supersedes Other Policies.** This tuition reimbursement policy and procedures supersedes any inconsistent prior policies adopted by the Board.



Helendale Community Services District

Date: September 5, 2019
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #10
Discussion and Possible Action Regarding Increased Cost for Smithson Lift Station Rebuild Project

STAFF RECOMMENDATION:

Staff seeks approval for this item.

STAFF REPORT:

On February 21, 2019, the District the Board approved an amount of up to \$60,000 for emergency repairs at the Smithson Lift Station. Flo Systems responded and removed Pump #3 for repairs. Upon further evaluation, it was determined that there was more extensive work that needs to be completed. Attached is the quote from Flo Services that provides detailed explanation of the issues. In general, the repairs fall into four categories:

- Pump issues
- Horsepower of motors due to force main changes
- Overload headers and connectors for larger motors
- Replacement of valves for all three pumps

The revised estimate for lift station repairs is \$110,000 an increase of \$50,000 over the Board's prior approval of \$60,000. Attached for the Board's review is a copy of the work estimate with notation in red that provides clarification on new elements that have been added to the quote. Based upon the long lead time for some of the parts, staff is requesting that the Board approve the proposed increase.

FISCAL IMPACT: \$110,000

POSSIBLE MOTION: Approve an emergency contract to Flo Systems in an amount not to exceed \$110,000.



August 12, 2019
Proposal #19-022
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Helendale CSD
PO Box 359
Helendale CA 92342

Attention: Alex Aviles
Email: AAviles@HelendaleCSD.org
Telephone: 760-221-1661

Re: Smithson Pump Station Repairs
To include repair of Pump #3, Pump SN: 9011185-3,
50 Horsepower Motor, Valve Replacements
and Miscellaneous items listed below

Dear Alex,

During our service call to Smithson Lift Station, we found multiple problems with this station and we would like to address each item as follows:

Item #1 - Pump #3 to not be running properly. Per your request our service crew removed this unit and brought it back to our facility for teardown, inspection and evaluation. After teardown, inspection and evaluation, we found the following:

- a) The impeller bolt snapped causing the impeller to slide down the shaft damaging the liner. The impeller liner and impeller hardware require replacement.
- b) The motor is operating above its amperage service factor and requires a larger horsepower motor to operate at a safe amp draw. We assume this was caused by the district increasing the size of the force main.
- c) The pump requires a complete rebuild to include: bearing, seals, O-rings, gaskets, soft washers, etc.
- d) The pump suction bracket is worn and requires replacement.
- e) The pump handhole cover is worn on the inside of the volute and requires replacement.
- f) The volute, impeller, and pump shaft can be utilized in the pump rebuild.

Flo-Services is pleased to present our proposal to repair the above referenced Pump #3 as well as provide motor replacement, valve replacement and miscellaneous work as follows:

1-Lot-Disassemble the existing pump. Clean up all parts. Inspect all the existing pump components. Check all the pump tolerances. Rebuild the above referenced pump utilizing the existing volute, pump shaft, and impeller. Reassemble the pump with new: bearings, gaskets, shims, snap rings, seals, and O rings. Furnish and install a new Hi Chrome pump liner. Test the pump after assembly. Adjust and set all pump clearances. Paint the exterior of the pump.

Price for Item #1 shop repairing the existing Pump #3 as listed above \$15,640.62 original
(This price includes parts freight to our facility, sales tax, and shop labor.) Initial

Delivery is approximately 17 weeks. Due to the suction liner is 16 weeks out. In order to get a good operating pump back into service, we suggest rebuilding this unit and installing this unit onto Pump #2 volute and suction liner. We would bring Pump #2 rotating assembly back to our facility for rebuild due to Pump #2 has a bad mechanical seal and also needs to be rebuilt.

Item #2 – All three motors are all under rated due to the force main changes which were made by others to your existing pump station. In order to rectify this issue, we would need to upgrade these motors from the existing 40HP to a new 50HP motor. The existing heaters on the existing pump overload blocks will also need to be replaced. We are assuming all the rest of the electrical/mechanical are still in good operating condition and can be reused.

3-Three-New 50 HP,1775 RPM, Horizontal Motor to replace the current 40 HP motor to include shop painting of the exterior of the motors.

Price for Item #2 one new 50HP motor \$6,164.61 EACH
x 3 motors \$18,493.83 original
(This price includes freight to our facility and sales tax. Initial
Field labor is not included in this price and is estimated below.)

Delivery is approximately 2 weeks.

Item #3 - 1-Lot-New set of overload heaters and terminal connectors for the 50HP motor

Price for Item #3 each set of heaters, motor
connectors and new rubber coupling inserts \$502.60
x 3 pumps \$ 1,507.80 New upon inspection
(This price includes parts freight to our facility and sales tax. Initial
Field labor is not included in this price and is estimated below.)

Note: The new horizontal 50HP motors do not have anti-reversing clutch, the class insulation of the windings is different, but the motors have the same frame size, shaft sizes, etc. We will be utilizing the existing couplings and coupling guards which seem to be in good condition. It looks like your existing starters with overload blocks, breakers, electrical wiring with conduits will handle the 50 horsepower frame motors but there is a chance some of existing electrical could require repair and/or replacement. Flo-Services will not know until we install the new motors. If any replacement of the electrical is required than Flo-Services provide this on a time and material basis. We have included in Item #3 new overload block heaters, new motor termination connectors and new rubber insert coupling elements (See Item #3 above).

Item #4 – In order to perform any field installation and removal of these (3) pumps, the existing pump suction gate valve, discharge gate valve and discharge check valve are bad and will require replacement on all three pumps (one of set of each of these valves for each of the three pumps).

Price for Item #4 one set of pump valves for each three

Pumps to include shop painting of the exterior of the valves \$5,393.22

x 3 motors \$16,179.66 Newly added

(This price includes freight to our facility and sales tax.

Initial

Field labor is not included in this price and is estimated below.)

Note: As we discussed onsite with Alex Aviles, it will be the responsibility of Helendale CSD to maintain the flow to the pump station, drain the wetwell and isolate and drain the existing force main for Flo-Services to perform the pump/valve replacements.

Item #5 – 1st Trip to the jobsite-estimated field labor, travel, mileage, per diem, confine space entry etc. Travel to/from the site. Enter the dry well utilizing confined space entry personnel and equipment.

A) Remove and replace the suction and discharge gate valves on pump #1, #2 and #3. Remove and replace the existing pump discharge check valve on pump #1, #2 and #3. A. New

B) Remove pump power frame # 2 and install the newly rebuilt pump power frame #3 in place of pump power frame #2 utilizing pump #2's existing pump volute, suction lines, hardware piping etc. Load pump #2 rotating assembly onto the back of our service truck and bring it back to our facility for teardown, evaluation and estimate of repair. B. New

C) Remove the existing 40 Horsepower motors #1 and #2 to include lock out/tag out, disconnecting the existing conduit flex and wiring with connectors. Bring them out of the can type pump station drywell for the district to reuse or recycle.

D) Install and align the new 50 Horsepower motors onto the existing pump skid #1 and #2. Align with newly rebuilt power frame pump #2 and the existing pump #1. Tighten the existing couplings utilizing new coupling rubber elements.

E) Attach the existing electrical flex conduit and wire to the new motor connection box. Connect the existing wire to the new motor utilizing new terminal connectors. Install the new overload heaters onto the existing overload block. Check for proper pump rotation and test the pumps #1 and #2 running amps under load.

Install rebuilt pump onto the existing piping.
 Estimated Field Labor and Travel (3 Men)
 40 Hours Regular Time @ \$375.00 Per Hour

\$ 15,000.00

Mileage – Portal to Portal (Utility Truck)
 269 Miles @ \$1.35 Per Mile X 1 Trip

\$ 363.15

Mileage – Portal to Portal (Service Truck)
 269 Miles @ \$1.55 Per Mile X 2 Trips

\$ 416.95

Confine Space Entry Fee (Per Day)
 5 days @ \$425.00 Per Day-Courtesy Discounted to 3 days
 (Per John Krukowski our principal)
 One Time Courtesy- Discounted
 to three days per John Krukowski our principal

\$ 2,125.00

\$ (850.00)

Per diem- 3 Men-
 4 nights @ 570.00 Per night

\$ 2,280.00

Items A,B,E New

**Estimated Field Labor Price
 For Item #5-Items A) through E)**

\$ 19,335.10

Initial

Item #7- 1-Lot-Estimate of repair on a standard rebuild of rotating assembly #2. Disassemble the existing rotating assembly. Clean up all parts. Inspect all the existing pump components. Check all the pump tolerances. Rebuild the above referenced pump utilizing the existing volute, pump shaft, and impeller. Reassemble the pump with new: bearings, gaskets, shims, snap rings, seals, and O rings. Install this rotating assembly onto the new liner with suction piece and the existing pump volute mentioned in item # 1 above. Adjust and set rotating assembly clearances. Paint the exterior of the pump.

Price for Item #7 shop standard repair of the existing rotating assembly #2 as listed above

\$10,866.22

New

**(This price includes parts freight to our facility, sales tax, and shop labor.
 Field labor is not included in this price and is estimated below.)**

Initial

Price may increase upon insp
 quoted price utilizing some
 existing parts from dry and wet
 side of pump.

Item #8 – 2nd Trip to the jobsite-estimated field labor, travel, mileage, per diem, confine space entry etc. Travel to/from the site. Enter the dry well utilizing confined space entry personnel and equipment.

Install rebuilt Pump #3 onto the existing piping. Estimated Field Labor and Travel (3 Men) 16 Hours Regular Time @ \$375.00 Per Hour	\$ 6,000.00
Mileage – Portal to Portal (Utility Truck) 269 Miles @ \$1.35 Per Mile X 1 Trip	\$ 363.15
Mileage – Portal to Portal (Service Truck) 269 Miles @ \$1.55 Per Mile X 1 Trip	\$ 416.95
Confine Space Entry Fee (Per Day) 2 days @ \$425.00 Per Day-Courtesy Discounted to 1 day (Per John Krukowski our principal)	\$ 850.00
One Time Courtesy- Discounted to one day per John Krukowski our principal	\$ (425.00)
Per diem- 3 Men- 1 nights @ 570.00 Per night	\$ 570.00
Estimated Field Labor Price For Item #8	\$ 7,775.10 New <u>Initial</u>

Estimated Price for the Items #1 Through #8 Specifically Mentioned Above	\$89,798.33 <u>Initial</u>
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Note: This is an estimated proposal. You will be invoiced for actual field labor and material required. We are assuming Pump #1 does need to be repaired.

Price Adder #1- Replace both 8-inch drywell pump station manifold discharge isolation valves during the trip to install Pump # 3 in item 8.

2 - Two - 8 inch discharge isolation valves to include shop painting of the exterior of the valves (This price includes freight to our facility and sales tax. Field labor is not included in this price and is estimated below.)	\$5,393.22 New, add to the \$89,798.33
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Install 2 - two 8-inch valves onto the existing drywell discharge manifold piping.

Estimated Field Labor (3 Men)

8 Hours Regular Time @ \$375.00 Per Hour \$ 3,000.00

Confine Space Entry Fee (Per Day)

1 day @ \$425.00 Per Day \$ 425.00

One Time Courtesy- No Charge

per John Krukowski our principal \$ (425.00)

Per diem- 3 Men-

1 nights @ 570.00 Per night \$ 570.00

**Price for Adder #1 Two - 8-inch discharge isolation valves to include
Shop painting of the exterior of the valves and estimated field labor.**

\$8,963.22

New
addition to the \$89,798.33

Initial

Note: The travel and mileage for this price adder #1 is included in Item #8 and this work must be completed during the 2nd trip.

THIS PROPOSAL EXPIRES IN 30 DAYS from the date of this proposal or bid opening date, if applicable.

The Sellers work and responsibility is expressly limited to providing materials and performing the services listed in this proposal. Design, application and direction for work and materials are to be provided by and responsibility of the Buyer. Flo- Services Total liability of the Seller for his purchase agreement including indemnity, liquidated damages, actual damages, special damages and consequential damages is limited to the coverage offered and paid by the Seller's insurance policies. Liquidated/Actual damages are further limited to what is assessed by the Owner, paid to Owner and assessed due to the sole cause of Seller's delays.

CUSTOMER agrees to pay all charges due hereunder. Terms are Net 30 days from the date of customer's receipt of invoice. Alterations to the equipment may require an increase in service rates.

FLO-SERVICES Contractor's license Number is: 988492

The expiration date of FLO-SERVICES Contractor's license is: 11/30/19

Asking for total \$110,000

\$89,798.33 + \$14,356.44 (adders) + \$5, 845.23(new parts item #7 if needed)

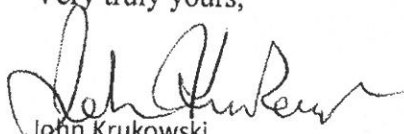
Bidder acknowledges that Section 7028.15 (e) of the Business and Professions Code provides as follows:

A license contractor shall not submit a bid to a public agency unless his or her contractor's license number appears clearly on the bid, the license expiration date is stated, and the bid contains a statement that the representations herein are made under penalty of perjury. Any bid not containing this information, or a bid containing the information which is subsequently proven false, shall be considered non-responsive and shall be rejected by the public agency."

The undersigned declares, under penalty of perjury, that the representations made by the undersigned in the bid proposal are true and correct.

Thank you for your consideration to this proposal.

Very truly yours,


John Krukowski
FLO-SERVICES, INC.

TERMS OF SALE

1. ACCEPTANCE. "SELLER" is Flo-Services, Inc. who may function as a SUB-CONTRACTOR, REPAIR AND SERVICE ORGANIZATION OR VENDOR. "BUYER" is the CUSTOMER who may function as a CONTRACTOR, OWNER, ETC. These terms govern the purchase and sale of equipment, contractor's services, etc., referred to in SELLER'S proposal or acknowledgement. SELLER rejects all additional or different terms in any of BUYER'S forms or documents unless specifically accepted by SELLER in writing.
2. PAYMENT. Terms are Net 10 days from date of shipment and invoice, subject to approval of credit. SELLER may proceed on a "when ready" basis and partial invoice for the equipment that has shipped and /or services rendered. Interest at one percent per month or at the legal maximum rate will be assessed for late payment.
3. RETENTIONS, unless herein authorized by SELLER, are not allowed.
4. BACK CHARGES The BUYER agrees to pay reasonable BACK CHARGES (based on actual cost plus profit, overhead and taxes) for any special services, additional equipment, repairs etc. made necessary by the omissions, mistakes, accidents, negligence or miscalculations of the BUYER, ENGINEER or OWNER. Commensurate with the urgency, nature and scope of the back charge, SELLER shall give BUYER advance notice of the intended back charge, but such advance notice shall not be a prerequisite for BACK CHARGES against the BUYER. Any BACK CHARGES from the intended BUYER, not authorized in writing by SELLER, will not be recognized.
5. DELIVERY. SELLER shall not be liable for delays due to fire, flood, labor issues, war, civil disorders, delay in transportation, inability to obtain materials, accidents, acts of God or other causes beyond SELLER'S reasonable control.
6. RESPONSIBILITY. SELLER shall not be responsible for damage to equipment if misused, improperly stored, installed or maintained. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL, LIQUIDATED OR OTHER INDIRECT DAMAGES. CONSEQUENTIAL DAMAGES FOR THE PURPOSES OF THIS AGREEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF USE, INCOME, PROFIT, LOSS OF OR DAMAGE TO PROPERTY, ETC. These limitations apply whether the liability is based upon contract, tort, strict liability or any other theory.
7. WARRANTY. For benefit of the original user, SELLER warrants all new equipment sold to be free from defects in material and workmanship, and will replace or repair, F.O.B. at its factories or other location designated by it, any part or parts returned to it which SELLERS examination shall show to have failed under normal use and service by the original user within one year following initial shipment to the BUYER. This warranty does not cover damage by decomposition from chemical action or wear caused by abrasive materials nor does it cover damage resulting from misuse, alteration, accident or neglect, or from improper operation, maintenance, installation, modification or adjustment. Such repair or replacement shall be free for all items except for those items that are consumable and normally replaced during maintenance. THIS WARRANTY IS EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED.
8. COMPLIANCE WITH LAWS. BUYER shall be solely responsible for securing any necessary permits and for compliance with all safety, health, sanitation and any other laws, ordinances and regulations in connection with the design, installation and operation of the equipment.
9. INDEMNIFICATION. It is understood that SELLER has relied upon data furnished by and on behalf of BUYER with respect to the safety aspects and application of the equipment and that it is BUYERS responsibility to assure that the equipment will, when installed and put in use, be in compliance with requirements fixed by law and otherwise legally adequate to safeguard against injuries or damage to persons or property. BUYER hereby agrees to defend, indemnify and hold harmless SELLER, its agents and employees against any and all losses, costs, damages, claims, liabilities or expenses, arising out of or resulting from any injury or damage to any person or property caused by the inadequacy of safety features, devices or characteristics in the equipment or in the installation, use or operation of the same, except claims for repair or replacement of defective parts are provided in Paragraph 7 hereof. Within the policy limitations of the SELLERS insurance policies, SELLER will indemnify, defend and hold BUYER harmless from any claim, cause of action or liability incurred by BUYER as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by SELLERS sole negligence. SELLER shall have the sole authority to direct the defense of and settle any indemnified claim. SELLER'S indemnification is conditioned on BUYER (a) promptly notifying SELLER of any claim, and (b) providing reasonable cooperation in the defense of any claim.
8. TITLE & LIEN RIGHTS. After delivery to Buyer, Seller will have all such rights, including security interests and liens, in the equipment as lawfully may be conferred upon Seller by contract under any applicable provision of law.
9. MISCELLANEOUS. Goods may not be returned without previous written permission and are subject to a restocking charge. The SELLER may cancel agreement only upon written notice and payment of reasonable cancellation charges, including anticipated profit. Attorney's fees and court costs necessary to enforce these terms of sale will be paid to the prevailing party. No part of the Agreement may be changed or cancelled except by a written document signed by SELLER and BUYER. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable and all other terms shall remain in full force and effect. BUYER may not assign or permit any other transfer of the Agreement without SELLERS prior written consent. The Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions.

Acceptance of this proposal with the terms referred to herein may be accomplished by executing this document or by providing a BUYERS purchase order/contract.

Accepted: SELLER

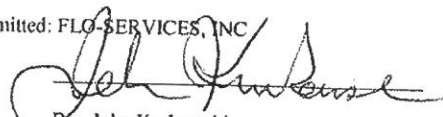
Accepted: BUYER

Submitted: FLO-SERVICES, INC

Flo-Service, Inc.

By: _____
Date: _____

By: _____
Date: _____



By: John Krukowski

Date: 8-12-19

NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceeding, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device that is appropriate under the circumstances, such as a contractor's payment bond.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTOR'S STATE LICENSE BOARD which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten years of the date of the alleged violation. Any questions concerning a contractor may be referred to:

Registrar Contractor's State License Board
P.O. Box 26000
Sacramento, California 95826

CONTRACTORS STATE LICENSE BOARD
STATE OF CALIFORNIA
DEPARTMENT OF
CONSUMER AFFAIRS
CONTRACTORS - LICENSE NO. 988492



FL -SERVICES, INC.



3010 FLOYD ST. *BURBANK, CA 91504-2599
TEL: (818) 847-2188 * FAX: (818) 847-2286
www.fl-servicesinc.com * LIC# 988492