



# BOARD PACKAGE

February 2, 2022

Regular Board Meeting – 6:00 p.m.

## REGULAR BOARD MEETING AGENDA

February 2, 2022 – 6:00 P.M.  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Via Conference Call (see below)

### **THIS MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF AB361, WHICH EFFECTIVE OCTOBER 1, 2021, MODIFIED CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT WITH RESPECT TO REMOTE TELECONFERENCE BOARD MEETINGS DURING PERIODS OF STATE-DECLARED EMERGENCIES.**

The Phelan Pinon Hills Community Services District is continuing to hold Board meetings to conduct essential District business. Pursuant to AB361, members of the Board may attend the meeting via teleconference or video conference and will participate in the meeting to the same extent as if they were present. Members of the public may watch and participate electronically in the meetings via Zoom or telephone conference. Guidelines from the County of San Bernardino allow for in-person attendance.

#### **REMOTE PARTICIPATION INFORMATION:**

##### **Dial-in**

(253) 215-8782  
Meeting ID: 844 5772 8886  
Passcode: 246770

##### **Zoom**

<https://us06web.zoom.us/j/84457728886?pwd=eml4ekJMdlpGenZDZlckR3k2d0JTdz09>  
Meeting ID: 844 5772 8886  
Passcode: 246770

##### **One-Tap Mobile**

+12532158782,,84457728886#

#### **Remote Comment Procedure:**

- You will be muted until you are called on during the public comment period.
- You will be recognized by the last 4 digits of your phone number or Zoom ID and asked if you have a comment.
  - If you do not have a comment, state “no comment.”
  - If you do have a comment, please state your name, where you live, and limit your comment to 5 minutes. After 5 minutes you may be muted so that others can comment.
- You may also email your public comment to the Board Secretary at [kward@pphcsd.org](mailto:kward@pphcsd.org) by 6:00 p.m. on February 2, 2022. Your comment will be added to the record by the Board Secretary.

Please check the District website for updates on this meeting. We encourage you to sign up for our email notifications by emailing [kward@pphcsd.org](mailto:kward@pphcsd.org) or by visiting our website and completing the signup form at [www.pphcsd.org](http://www.pphcsd.org) under the “Agendas and Minutes” tab.



#### **Mission Statement:**

*The Mission of the Phelan Piñon Hills Community Services District is to efficiently provide authorized services and maximize resources for the benefit of the community.*

#### **Authorized Services:**

- Water
- Parks & Recreation
- Street Lighting
- Solid Waste & Recycling

**REGULAR BOARD MEETING – 6:00 P.M.**

**Call to Order** – Pledge of Allegiance

**Roll Call**1) **Approval of Agenda**

2) **Public Comment** – Under this item, any member of the public wishing to directly address the Board on any item of interest that may or may not be within the subject matter jurisdiction of the Board, but not listed on the agenda, may do so at this time. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. *If you wish to address the Board, please do so by the method listed on the first page of this agenda.* Speakers are requested to be brief in their remarks. The Chair may limit each speaker to a comment period of five (5) minutes.

a) **General Public**b) **Community Reports**

- C.E.R.T.
- County Supervisor
- Fire
- Mojave Water Agency
- School District
- Sheriff

3) **Consent Items**

- a) Approval of Board Minutes
- b) Approval of Board Stipends/Reimbursements
- c) Acceptance of Quarterly Financials
- d) Adoption of Resolution No. 2022-04; Authorizing Remote Teleconference Meetings for the Period of February 4, 2022, to March 5, 2022
- e) Approval of Committee Roles & Responsibilities

4) **Matters Removed from Consent Items**5) **Presentations/Appointments** – None Scheduled6) **Continued/New Agenda Items**

- a) Discussion & Possible Adoption of First Amendment to the Exclusive Franchise Agreement between the Phelan Piñon Hills Community Services District and CR&R Incorporated for the Solid Waste Handling and Recycling Services
- b) Review of Draft Strategic Plan
- c) Discussion & Possible Adoption of Resolution No. 2022-05; Establishing a Purchasing Policy
- d) Discussion & Possible Action Regarding Prioritization of Phelan Park Expansion Project Elements for Development
- e) Discussion & Possible Action Regarding Applications for Loan to Fund Phelan Park Expansion Projects
- f) Discussion & Possible Action Regarding District Boundaries
- g) Update on the Proposed Civic Center & Phelan Park Expansion Projects
- h) Update on the Status of Negotiations for the Consolidation of Sheep Creek Mutual Water Company into the District

- 7) **Committee Reports/Comments**
- a) Antelope Valley Adjudication Committee (Ad Hoc)
  - b) Engineering Committee (Standing)
  - c) Finance Committee (Standing)
  - d) Legislative Committee (Standing)
  - e) Parks, Recreation & Street Lighting Committee (Standing)
  - f) Waste & Recycling Committee (Standing)
- 8) **Staff and General Manager's Report**
- 9) **Reports**
- a) Director's Report
  - b) President's Report
- 10) **Correspondence/Information**
- 11) **Review of Action Items**
- a) Prior Meeting Action Items
  - b) Current Meeting Action Items
- 12) **Set Agenda for Next Meeting**
- Regular Board Meeting – February 16, 2022
- 13) **Recess to Closed Session**

**Closed Session:** Conference with Legal Counsel  
 Significant Exposure to Litigation  
 Pursuant to Government Code Section 54956.9(d)(2)  
 Two Potential Cases

Conference with Legal Counsel  
 Real Property Negotiations  
 Pursuant to Government Code Section 54956.8  
 Property: Water Rights  
 District Negotiator: Don Bartz, General Manager  
 Negotiating Parties: Sheep Creek Mutual Water Company  
 Negotiation: Consolidation

Conference with Legal Counsel  
 Real Property Negotiations  
 Pursuant to Government Code Section 54956.8  
 Property: APNs 0457-102-01, 0457-102-07, 0457-102-08, 0457-102-04  
 0457-271-04, 0457-041-16, 17, 18, 19  
 District Negotiator: Don Bartz, General Manager  
 Negotiating Parties: Hein Hettinga  
 Negotiation: Price and Terms of Purchase

- 14) **Return to Open Session** – Announcement of Reportable Action

- 15) **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-agendized public meeting should be directed to the District's General Manager at (760) 868-1212 at least 24 hours prior to said meeting.*

Agenda materials can be viewed online at <http://www.pphcsd.org>

# Agenda Item 3a

Approval of Board Minutes

## **REGULAR BOARD MEETING MINUTES**

January 19, 2022  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

**Board Members Present:** Rebecca Kujawa, President  
Deborah Philips, Vice President  
Kathy Hoffman, Director  
Charlie Johnson, Director  
Mark Roberts, Director

**Board Members Absent:** None

**Staff Present:** Don Bartz, General Manager  
George Cardenas, Engineering Manager  
Kim Ward, HR Manager/Executive Secretary  
Sean Wright, Water Operations Manager (Zoom)  
Jennifer Oakes, Executive Management Analyst (Zoom)

**District Counsel:** Steve Kennedy, General Counsel (Zoom)

**Public:** Cheryl Rhoden  
Gabriel Kujawa

### **Call to Order**

President Kujawa called the meeting to order at 6:00 p.m. and the Pledge of Allegiance was conducted.

### **Roll Call**

All Directors were present at roll call.

#### 1) **Approval of Agenda**

Mr. Bartz requested to remove Item 6d from the agenda. Director Hoffman moved to approve the Agenda as amended. Vice President Philips seconded the motion. Motion carried 5-0.

#### 2) **Public Comment**

##### a) **General Public**

Cheryl Rhoden will have comments on Item 5 and Item 6b.

##### b) **Community Reports**

None

**3) Consent Items**

Director Roberts moved to approve the Consent Items. Director Philips seconded the motion. Motion carried 5-0.

**4) Matters Removed from Consent Items**

None

**5) Presentations/Appointments - Presentation of Draft Community Survey**

Mr. Collier presented the draft survey for Board review.

**6) Continued/New Agenda Items****a) Discussion & Possible Adoption of Ordinance No. 2022-01; Establishing Guidelines for the Conduct of District Public Meetings and Activities**

Staff Recommendation: For the Board to adopt Ordinance No. 2022-01; Establishing Guidelines for Conduct of District Public Meetings and Activities.

Mr. Bartz presented this item.

Director Johnson moved to approve the staff recommendation. Vice President Philips seconded the motion. Motion carried 5-0.

**b) Discussion & Possible Adoption of First Amendment to the Exclusive Franchise Agreement between the Phelan Piñon Hills Community Services District and CR&R Incorporated for the Solid Waste Handling and Recycling Services**

Staff Recommendation: For the Board to review the First Amendment to the Exclusive Franchise Agreement between the Phelan Piñon Hills Community Services District and CR&R Incorporated for the Solid Waste Handling and Recycling Services ("Amendment").

Ms. Ward introduced this item. The Board discussed the Agreement & took comments from Cheryl Rhoden.

This item will be brought back to the next meeting.

**c) Discussion & Possible Action Regarding the District's Purchasing Policy**

Staff Recommendation: Staff recommends for the Board to review the District's purchasing policy and determine if any modifications are desired.

Mr. Bartz presented this item.

The Board discussed the policy and came to a consensus for Staff to amend the policy and bring it back to the Board for review and possible approval.

**d) Discussion & Possible Action Regarding District Boundaries**

Staff Recommendation: None

This item was removed from the agenda.

**e) Update on the Proposed Civic Center & Phelan Park Expansion Projects**

Staff Recommendation: None

Mr. Cardenas reported that the District heard back from the CEQA consultant; the draft CEQA should be ready for Staff review tomorrow. A notification letter is pending for San Manuel Band of Mission Indians to inform them of our project in compliance with AB 52.

No action taken; not an action item.

**f) Update on the Status of Negotiations for the Consolidation of Sheep Creek Mutual Water Company into the District**

Staff Recommendation: None

Mr. Bartz reported that there are not a lot of updates at this time. Information is still being gathered on what consolidation looks like, including the funding of water rights.

No action taken; not an action item.

**7) Committee Reports/Comments**

- a) **Antelope Valley Adjudication Committee (Ad Hoc)** – None.
- b) **Engineering Committee (Standing)** – Meets next week.
- c) **Finance Committee (Standing)** – Meets next week.
- d) **Legislative Committee (Standing)** – Reviewed draft poll.
- e) **Parks, Recreation & Street Lighting Committee (Standing)** – Reviewed events for 2022.
- f) **Waste & Recycling Committee (Standing)** – Met last week. Reviewed Franchise Amendment.

**8) Staff and General Manager's Report**

None

**9) Reports**

- a) **Director's Report**
  - Hoffman** – Nothing further to report.
  - Philips** – ASBCSD Board election upcoming.
  - Roberts** – Nothing further to report.
  - Johnson** – Inquired about seeking the District of Distinction award from CSDA.
- b) **President's Report** – Nothing further to report.

**10) Correspondence/Information** – The items in the packet were noted.**11) Review of Action Items**

- a) **Prior Meeting Action Items**
  - None
- b) **Current Meeting Action Items**
  - None



12) **Set Agenda for Next Meeting**

- **Special Board Meeting** – January 26, 2022
  - Report on Community Survey
- **Regular Board Meeting** – February 2, 2022
  - Draft Strategic Plan
  - Franchise Agreement Amendment
  - Purchasing Policy

13) **Adjournment**

With no further business before the Board, the meeting was adjourned at 7:35 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>

\_\_\_\_\_  
Rebecca Kujawa, President of the Board

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kim Ward, HR Manager/Executive Secretary

\_\_\_\_\_  
Date

# Agenda Item 3b

Approval of Board  
Stipends/Reimbursements



# Agenda Item 3c

Acceptance of Quarterly  
Financials



Phelan Pinon Hills Community Services District

# Revenue and Expense - Ent & Gvmt Funds

## Summary

For the Period Ending 12/31/2021

	Total ENTERPRISE FUNDS			Total GOVERNMENT FUNDS			TOTAL			Annual Budget
	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	
<b>Operational</b>										
<b>Revenue</b>										
<b>Total 40 - Water Consumption</b>	2,294,403.48	2,380,773.02	86,369.54	0.00	0.00	0.00	2,294,403.48	2,380,773.02	86,369.54	4,041,878.41
<b>Total 41 - Water Meter Charges</b>	1,229,957.22	1,382,983.63	153,026.41	0.00	0.00	0.00	1,229,957.22	1,382,983.63	153,026.41	2,460,899.29
<b>Total 44 - Special Assessments</b>	293,588.88	288,848.90	-4,739.98	0.00	0.00	0.00	293,588.88	288,848.90	-4,739.98	291,071.09
<b>Total 47 - Parks</b>	0.00	0.00	0.00	7,497.00	7,570.00	73.00	7,497.00	7,570.00	73.00	15,000.00
<b>Total 48 - Other Income</b>	33,259.80	38,697.75	5,437.95	108,597.62	145,502.04	36,904.42	141,857.42	184,199.79	42,342.37	318,359.06
<b>Total Revenue</b>	3,851,209.38	4,091,303.30	240,093.92	116,094.62	153,072.04	36,977.42	3,967,304.00	4,244,375.34	277,071.34	7,127,207.85
<b>Expense</b>										
<b>Total 50 - Water</b>	7,382.07	-126,870.01	134,252.08	0.00	0.00	0.00	7,382.07	-126,870.01	134,252.08	20,800.00
<b>Total 51 - Salary &amp; Benefits</b>	1,398,936.12	1,440,960.10	-42,023.98	142,192.68	148,013.17	-5,820.49	1,541,128.80	1,588,973.27	-47,844.47	3,083,484.31
<b>Total 52 - Board</b>	47,801.52	31,531.44	16,270.08	4,009.38	3,432.30	577.08	51,810.90	34,963.74	16,847.16	103,663.58
<b>Total 53 - Professional Fee</b>	215,761.43	246,092.42	-30,330.99	6,489.76	5,542.73	947.03	222,251.19	251,635.15	-29,383.96	439,014.19
<b>Total 54 - Service and Supplies</b>	612,021.66	723,100.39	-111,078.73	140,466.77	69,061.55	71,405.22	752,488.43	792,161.94	-39,673.51	1,509,060.53
<b>Total 58 - Utilities</b>	524,498.12	392,110.41	132,387.71	20,189.39	17,026.19	3,163.20	544,687.51	409,136.60	135,550.91	949,892.60
<b>Total 59 - Other Expenses-Depreciation/Amort/Other</b>	946,820.36	883,535.85	63,284.51	52,118.01	44,239.37	7,878.64	998,938.37	927,775.22	71,163.15	1,991,312.27
<b>Total Expense</b>	3,753,221.28	3,590,460.60	162,760.68	365,465.99	287,315.31	78,150.68	4,118,687.27	3,877,775.91	240,911.36	8,097,227.48
<b>Net Operational Income</b>	97,988.10	500,842.70	402,854.60	-249,371.37	-134,243.27	115,128.10	-151,383.27	366,599.43	517,982.70	-970,019.63
<b>Non-Operational</b>										
<b>70 - Property Tax Revenue</b>										
<b>Total 71 - Property Tax Revenue - Current</b>	0.00	0.00	0.00	828,824.44	759,764.73	-69,059.71	828,824.44	759,764.73	-69,059.71	1,307,347.38
<b>Total 72 - Property Tax Revenue - Prior Years</b>	0.00	0.00	0.00	25,055.25	21,878.75	-3,176.50	25,055.25	21,878.75	-3,176.50	38,029.56
<b>Total 73 - Property Tax Revenue - Other</b>	6,464.68	12,488.68	6,024.00	5,373.36	5,637.27	263.91	11,838.04	18,125.95	6,287.91	26,908.31
<b>Total 70 - Property Tax Revenue</b>	6,464.68	12,488.68	6,024.00	859,253.05	787,280.75	-71,972.30	865,717.73	799,769.43	-65,948.30	1,372,285.25
<b>80 - Other Revenue</b>										
<b>Total 82 - Meter Installation/Fees/Connection</b>	523,867.53	386,127.25	-137,740.28	0.00	0.00	0.00	523,867.53	386,127.25	-137,740.28	1,032,660.12
<b>Total 86 - Penalty &amp; Other Fees</b>	53,223.84	88,509.43	35,285.59	0.00	0.00	0.00	53,223.84	88,509.43	35,285.59	106,490.38
<b>Total 88 - Other</b>	439,684.84	417,465.49	-22,219.35	110,211.20	104,242.54	-5,968.66	549,896.04	521,708.03	-28,188.01	1,137,188.09
<b>Total 89 - Other Revenue</b>	0.00	18,395.00	18,395.00	0.00	0.00	0.00	0.00	18,395.00	18,395.00	0.00
<b>Total 80 - Other Revenue</b>	1,016,776.21	910,497.17	-106,279.04	110,211.20	104,242.54	-5,968.66	1,126,987.41	1,014,739.71	-112,247.70	2,276,338.59
<b>Total Revenue</b>	1,023,240.89	922,985.85	-100,255.04	969,464.25	891,523.29	-77,940.96	1,992,705.14	1,814,509.14	-178,196.00	3,648,623.84

	Total ENTERPRISE FUNDS			Total GOVERNMENT FUNDS			TOTAL			Annual Budget
	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	Budget	Jul - Per	\$ (Unfav) Budget	
<b>90 - Other Expense</b>										
<b>Total 91 - Interest Expense</b>	112,636.20	23,461.33	89,174.87	0.00	0.00	0.00	112,636.20	23,461.33	89,174.87	225,362.64
<b>Total 92 - Loan Expense</b>	17,905.24	17,905.24	0.00	0.00	0.00	0.00	17,905.24	17,905.24	0.00	17,905.24
<b>Total 93 - Other Expense - Tax Processing</b>	0.00	0.00	0.00	1,638.12	1,946.40	-308.28	1,638.12	1,946.40	-308.28	3,277.60
<b>Total 94 - Other Expense - CIP</b>	412,432.26	0.00	412,432.26	0.00	0.00	0.00	412,432.26	0.00	412,432.26	825,194.64
<b>Total 95 - Fair Market Value</b>	0.00	1,528.83	-1,528.83	0.00	0.00	0.00	0.00	1,528.83	-1,528.83	82,293.43
<b>Total 99 - Other</b>	0.00	-87,806.94	87,806.94	0.00	87,806.94	-87,806.94	0.00	0.00	0.00	0.00
<b>Total 90 - Other Expense</b>	542,973.70	-44,911.54	587,885.24	1,638.12	89,753.34	-88,115.22	544,611.82	44,841.80	499,770.02	1,154,033.55
<b>Total Expense</b>	542,973.70	-44,911.54	587,885.24	1,638.12	89,753.34	-88,115.22	544,611.82	44,841.80	499,770.02	1,154,033.55
<b>Net Non-Operational Income</b>	480,267.19	967,897.39	487,630.20	967,826.13	801,769.95	-166,056.18	1,448,093.32	1,769,667.34	321,574.02	2,494,590.29
<b>Net Income</b>	578,255.29	1,468,740.09	890,484.80	718,454.76	667,526.68	-50,928.08	1,296,710.05	2,136,266.77	839,556.72	1,524,570.66



# Balance Sheet - Consolidated

## Account Summary

As Of 12/31/2021

	Beginning Balance 07/01/2021	12/31/2021	Change
<b>Assets</b>			
<b>Current Assets</b>			
<b>11 - Cash</b>			
11000 - Cash in Bank	9,624,556.47	8,843,176.22	-781,380.25
11201 - Cash-Operating Reserves	1,680,611.00	1,680,611.00	0.00
11202 - Cash-Replacement Reserves	4,730,873.76	4,914,327.23	183,453.47
11203 - Cash-Disaster Reserves	3,545,737.00	3,729,190.47	183,453.47
11204 - Cash-Debt Service	930,160.00	930,160.00	0.00
11400 - Rate Stabilization Cash Fund	287,286.00	287,286.00	0.00
<b>Total 11 - Cash</b>	<b>20,799,224.23</b>	<b>20,384,750.92</b>	<b>-414,473.31</b>
<b>12 - Accounts Receivable</b>			
12010 - Accounts Receivable - Water	1,060,016.31	817,899.89	-242,116.42
12020 - AR Accounts Receivable	0.00	1,685.49	1,685.49
12150 - A/R - Accrual	44,930.23	59,620.22	14,689.99
12200 - Accounts Receivable - Parks	17,655.52	1,295.00	-16,360.52
12610 - Delinquent Accounts to Tax Rc	42,330.16	105,900.71	63,570.55
12630 - Water Availability Receivable -	76,332.56	184,642.36	108,309.80
12640 - Water Availability Receivable -	34.80	34.80	0.00
12740 - Tax Receivable - PPHCSD	27,264.39	0.00	-27,264.39
12800 - Other Receivable	38,217.68	29,575.47	-8,642.21
12910 - Accrued Interest Receivable-G	14,891.15	0.00	-14,891.15
<b>Total 12 - Accounts Receivable</b>	<b>1,321,672.80</b>	<b>1,200,653.94</b>	<b>-121,018.86</b>
<b>13 - Inventory</b>			
13010 - Inventory - Water Field Parts	301,285.28	485,518.38	184,233.10
<b>Total 13 - Inventory</b>	<b>301,285.28</b>	<b>485,518.38</b>	<b>184,233.10</b>
<b>14 - Other Current Assets</b>			
14100 - Prepaid Expense	234,609.21	176,142.02	-58,467.19
14120 - Prepaid - Worker's Comp	28,533.88	12,554.55	-15,979.33
14130 - Pre Paid Benefit	36,061.45	17,005.78	-19,055.67
14300 - Deferred Outflows of Resourc	378,249.00	378,249.00	0.00
<b>Total 14 - Other Current Assets</b>	<b>677,453.54</b>	<b>583,951.35</b>	<b>-93,502.19</b>
<b>Total Current Assets</b>	<b>23,099,635.85</b>	<b>22,654,874.59</b>	<b>-444,761.26</b>
<b>Fixed Assets</b>			
<b>15 - Fixed Assets</b>			
15100 - Land	1,283,009.00	1,315,885.87	32,876.87
15110 - Land	1,828,390.36	1,828,390.36	0.00
15120 - Land - Parks - Phelan	1,504,729.22	1,504,729.22	0.00
15130 - Land - Parks - Pinon Hills	53,892.65	53,892.65	0.00
15150 - Water Rights	16,371,782.80	16,371,782.80	0.00
15160 - Planning and Development	3,838,725.82	3,878,260.87	39,535.05
15200 - Bldg & Facilities -Pump Stator	4,114,807.94	4,114,807.94	0.00
15230 - Bldg & Facilities	6,695,176.48	6,770,922.08	75,745.60
15250 - Water Shares - SCWC	8,400.00	8,400.00	0.00
15320 - Improvement - Phelan	714,266.09	714,266.09	0.00
15330 - Improvement - Pinon Hills	621,073.45	621,073.45	0.00
15340 - Improvement - Parks Develop	57,834.16	57,834.16	0.00
15410 - Wells	5,302,534.90	5,450,979.52	148,444.62
15420 - Reservoirs	4,187,496.00	4,187,496.00	0.00
15430 - Tanks	2,281,723.29	2,281,723.29	0.00
15440 - Hydrants Telemetry & Control	191,669.94	191,669.94	0.00
15450 - Transmission & Dist. Mains	18,570,561.64	18,570,561.64	0.00
15480 - Meters	2,064,366.78	2,064,366.78	0.00

Balance Sheet - Consolidated

As Of 12/31/2021

	Beginning Balance 07/01/2021	12/31/2021	Change
<b>Total 15 - Fixed Assets</b>	<b>69,690,440.52</b>	<b>69,987,042.66</b>	<b>296,602.14</b>
<b>16 - Equipment</b>			
16620 - Equipment - Computer	1,189,215.63	1,189,215.63	0.00
16630 - Equipment-Office Furnitures &	24,914.92	24,914.92	0.00
16640 - Equipment - Operation	148,371.93	195,537.53	47,165.60
16650 - Equipment - P	12,845.00	12,845.00	0.00
16730 - Trucks	609,831.72	632,520.26	22,688.54
16740 - Backhoe & Trailer	151,064.94	151,064.94	0.00
16750 - Dump Truck	190,800.59	190,800.59	0.00
16800 - Other Equipment	82,940.01	82,940.01	0.00
<b>Total 16 - Equipment</b>	<b>2,409,984.74</b>	<b>2,479,838.88</b>	<b>69,854.14</b>
<b>17 - CIP</b>			
17000 - CIP -	1,510,551.50	1,770,016.75	259,465.25
<b>Total 17 - CIP</b>	<b>1,510,551.50</b>	<b>1,770,016.75</b>	<b>259,465.25</b>
<b>19 - Accumulated Depreciation</b>			
19010 - Accm. Depreciation - ADM	-282,107.89	-300,840.46	-18,732.57
19040 - Accm. Depreciation - Parks	-1,479,320.93	-1,521,125.74	-41,804.81
19050 - Accm. Depreciation - OP	-1,088,067.44	-1,228,145.39	-140,077.95
19200 - Accm. Depreciation - Bldg & F.	-3,242,745.19	-3,290,512.16	-47,766.97
19410 - Accm. Depreciation - Wells	-2,275,732.63	-2,360,820.55	-85,087.92
19420 - Accm. Depreciation - Reservoir	-3,214,099.38	-3,291,260.23	-77,160.85
19430 - Accm. Depreciation - Tanks	-814,600.68	-848,257.34	-33,656.66
19440 - Accm. Depreciation - Hydrant:	-191,669.94	-191,669.94	0.00
19450 - Accm. Depreciation - Transmis	-13,621,929.92	-13,798,586.46	-176,656.54
19470 - Accm. Depreciation - Meters	-1,549,851.15	-1,567,391.43	-17,540.28
19620 - Accm. Depreciation - Equipme	-1,182,548.73	-1,184,287.51	-1,738.78
19630 - Accm. Depreciation - Office Fu	-24,914.92	-24,914.92	0.00
19640 - Accm. Depreciation - Equipme	-108,754.07	-115,263.31	-6,509.24
19730 - Accm. Depreciation - Truck	-431,563.96	-439,641.86	-8,077.90
19740 - Accm. Depreciation - Backhoe	-91,919.19	-99,016.68	-7,097.49
19750 - Accm. Depreciation - Dump Tr	-80,670.50	-96,403.37	-15,732.87
19800 - Accm. Depreciation - Other Eq	-55,242.01	-56,186.26	-944.25
19900 - Accm. Amortization	-1,893,778.57	-2,111,454.00	-217,675.43
<b>Total 19 - Accumulated Depreciation</b>	<b>-31,629,517.10</b>	<b>-32,525,777.61</b>	<b>-896,260.51</b>
<b>Total Fixed Assets</b>	<b>41,981,459.66</b>	<b>41,711,120.68</b>	<b>-270,338.98</b>
<b>Other Assets</b>			
<b>18 - Other Assets</b>			
18100 - Deposits	500.00	500.00	0.00
<b>Total 18 - Other Assets</b>	<b>500.00</b>	<b>500.00</b>	<b>0.00</b>
<b>Total Other Assets</b>	<b>500.00</b>	<b>500.00</b>	<b>0.00</b>
<b>Total Assets</b>	<b>65,081,595.51</b>	<b>64,366,495.27</b>	<b>-715,100.24</b>
<b>Liability</b>			
<b>Current Liabilities</b>			
<b>21 - Accounts Payable</b>			
21100 - Accounts Payable - Trade	1,972,358.56	146,135.76	-1,826,222.80
21130 - Accounts Payable - Other	587,351.04	79,790.00	-507,561.04
21150 - Accounts Payable - Unclaimed	536.43	2,749.42	2,212.99
<b>Total 21 - Accounts Payable</b>	<b>2,560,246.03</b>	<b>228,675.18</b>	<b>-2,331,570.85</b>
<b>22 - Accrued Payable</b>			
22150 - Accrued Interest Payable	68,509.75	0.00	-68,509.75
22210 - Deferred Revenue	38,648.38	4,177.96	-34,470.42
<b>Total 22 - Accrued Payable</b>	<b>107,158.13</b>	<b>4,177.96</b>	<b>-102,980.17</b>
<b>23 - Deposit</b>			
23310 - Customer Deposits	17,501.00	17,501.00	0.00
23320 - Customer Deposit - Meter	21,000.00	20,500.00	-500.00
23330 - Customer Deposit - Maint. Boi	9,875.00	12,525.00	2,650.00



Balance Sheet - Consolidated

As Of 12/31/2021

	Beginning Balance 07/01/2021	12/31/2021	Change
<b>Total 23 - Deposit</b>	<b>48,376.00</b>	<b>50,526.00</b>	<b>2,150.00</b>
<b>24 - Payroll Liability</b>			
24410 - Accrued Payroll	81,881.03	0.00	-81,881.03
24510 - Payroll Tax Payable	0.00	18,543.26	18,543.26
24530 - Retirement W/H Payable	0.00	13,494.98	13,494.98
24535 - Retirement W/H Payable-Prio	23,563.76	23,563.76	0.00
24540 - Worker's Compensation Payal	4,112.75	0.00	-4,112.75
24560 - Retirement 457 W/H Payable	0.00	351.03	351.03
24580 - Supplemental Ins W/H Payabl	0.00	551.09	551.09
24650 - Current P- Compensated abse	97,214.65	97,214.65	0.00
<b>Total 24 - Payroll Liability</b>	<b>206,772.19</b>	<b>153,718.77</b>	<b>-53,053.42</b>
<b>25 - Other Current Liabilities</b>			
25500 - Deferred Inflows of Resources	54,891.00	54,891.00	0.00
<b>Total 25 - Other Current Liabilities</b>	<b>54,891.00</b>	<b>54,891.00</b>	<b>0.00</b>
<b>Total Current Liabilities</b>	<b>2,977,443.35</b>	<b>491,988.91</b>	<b>-2,485,454.44</b>
<b>Long Term Liabilities</b>			
<b>29 - Long Term Liability</b>			
29720 - CIEDB Loan	5,968,413.79	5,756,715.92	-211,697.87
29740 - Loan Payable - CalTrans	84,642.94	78,220.54	-6,422.40
29750 - MFC Loan 2021	5,567,100.78	5,419,308.48	-147,792.30
29800 - Compensated absences	97,214.65	97,214.65	0.00
29850 - Net Pension Liability	-20,746.00	-20,746.00	0.00
<b>Total 29 - Long Term Liability</b>	<b>11,696,626.16</b>	<b>11,330,713.59</b>	<b>-365,912.57</b>
<b>Total Long Term Liabilities</b>	<b>11,696,626.16</b>	<b>11,330,713.59</b>	<b>-365,912.57</b>
<b>Total Liability</b>	<b>14,674,069.51</b>	<b>11,822,702.50</b>	<b>-2,851,367.01</b>
<b>Equity</b>			
<b>31 - Board Designated Reserves</b>			
31110 - Operating Reserve - Water&A	1,524,014.00	1,524,014.00	0.00
31150 - Operating Reserve - Govt Func	156,597.00	156,597.00	0.00
31210 - Debt Service Reserve - CEIDB	930,160.00	930,160.00	0.00
31220 - Water Rate Stabilization Fund	287,286.00	287,286.00	0.00
31310 - Replacement Reserve - Water	4,457,723.76	4,641,177.23	183,453.47
31350 - Replacement Reserve - Govt F	273,150.00	273,150.00	0.00
31410 - Disaster Reserve-Water&Adm	3,335,887.00	3,519,340.47	183,453.47
31450 - Disaster Reserve - Govt Fund	209,850.00	209,850.00	0.00
<b>Total 31 - Board Designated Reserves</b>	<b>11,174,667.76</b>	<b>11,541,574.70</b>	<b>366,906.94</b>
<b>32 - Unrestricted</b>			
32000 - Unrestricted Net Assets	13,322,938.05	12,956,031.11	-366,906.94
<b>Total 32 - Unrestricted</b>	<b>13,322,938.05</b>	<b>12,956,031.11</b>	<b>-366,906.94</b>
<b>33 - Investment in Plant</b>			
33110 - Investments in Utility Plant-Of	23,764,129.39	23,764,129.39	0.00
33120 - Investments in Utility Plant-P	2,145,790.80	2,145,790.80	0.00
<b>Total 33 - Investment in Plant</b>	<b>25,909,920.19</b>	<b>25,909,920.19</b>	<b>0.00</b>
<b>Total Beginning Equity</b>	<b>50,407,526.00</b>	<b>50,407,526.00</b>	<b>0.00</b>
Total Revenue	0.00	6,058,884.48	6,058,884.48
Total Expense	0.00	3,922,617.71	3,922,617.71
<b>Total Equity and Current Surplus (Deficit):</b>	<b>50,407,526.00</b>	<b>52,543,792.77</b>	<b>2,136,266.77</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b>65,081,595.51</b>	<b>64,366,495.27</b>	<b>-715,100.24</b>



# Revenue and Expense - Consolidated Summary

For the Period Ending 12/31/2021

	CURRENT			YEAR TO DATE			Annual Budget	%	
	Budget	Per	\$ (Unfav) Budget	YTD Budget	Jul - Per	\$ (Unfav) Budget			
<b>Operational</b>									
<b>Revenue</b>									
<b>Total 40 - Water Consumption</b>	172,156.41	242,477.04	70,320.63	2,294,403.48	2,380,773.02	86,369.54	4,041,878.41	58.90%	2.14%
<b>Total 41 - Water Meter Charges</b>	204,992.87	230,645.25	25,652.38	1,229,957.22	1,382,983.63	153,026.41	2,460,899.29	56.20%	6.22%
<b>Total 44 - Special Assessments</b>	0.00	0.00	0.00	293,588.88	288,848.90	-4,739.98	291,071.09	99.24%	-1.63%
<b>Total 47 - Parks</b>	1,249.50	1,105.00	-144.50	7,497.00	7,570.00	73.00	15,000.00	50.47%	0.49%
<b>Total 48 - Other Income</b>	23,703.70	32,620.32	8,916.62	141,857.42	184,199.79	42,342.37	318,359.06	57.86%	13.30%
<b>Total Revenue</b>	402,102.48	506,847.61	104,745.13	3,967,304.00	4,244,375.34	277,071.34	7,127,207.85	59.55%	3.89%
<b>Expense</b>									
<b>Total 50 - Water</b>	416.50	3,073.90	-2,657.40	7,382.07	-126,870.01	134,252.08	20,800.00	-609.95%	645.44%
<b>Total 51 - Salary &amp; Benefits</b>	256,854.80	366,077.61	-109,222.81	1,541,128.80	1,588,973.27	-47,844.47	3,083,484.31	51.53%	-1.55%
<b>Total 52 - Board</b>	8,635.15	5,497.09	3,138.06	51,810.90	34,963.74	16,847.16	103,663.58	33.73%	16.25%
<b>Total 53 - Professional Fee</b>	36,822.46	19,229.41	17,593.05	222,251.19	251,635.15	-29,383.96	439,014.19	57.32%	-6.69%
<b>Total 54 - Service and Supplies</b>	125,215.22	96,549.50	28,665.72	752,488.43	792,161.94	-39,673.51	1,509,060.53	52.49%	-2.63%
<b>Total 58 - Utilities</b>	42,357.75	4,093.04	38,264.71	544,687.51	409,136.60	135,550.91	949,892.60	43.07%	14.27%
<b>Total 59 - Other Expenses-Depreciation/Amort/Other</b>	165,574.46	153,165.09	12,409.37	998,938.37	927,775.22	71,163.15	1,991,312.27	46.59%	3.57%
<b>Total Expense</b>	635,876.34	647,685.64	-11,809.30	4,118,687.27	3,877,775.91	240,911.36	8,097,227.48	47.89%	2.98%
<b>Net Operational Income</b>	-233,773.86	-140,838.03	92,935.83	-151,383.27	366,599.43	517,982.70	-970,019.63	-37.79%	-53.40%
<b>Non-Operational</b>									
<b>70 - Property Tax Revenue</b>									
<b>Total 71 - Property Tax Revenue - Current</b>	592,930.65	519,570.25	-73,360.40	828,824.44	759,764.73	-69,059.71	1,307,347.38	58.11%	-5.28%
<b>Total 72 - Property Tax Revenue - Prior Years</b>	2,915.23	2,007.75	-907.48	25,055.25	21,878.75	-3,176.50	38,029.56	57.53%	-8.35%
<b>Total 73 - Property Tax Revenue - Other</b>	2,420.99	4,102.66	1,681.67	11,838.04	18,125.95	6,287.91	26,908.31	67.36%	23.37%
<b>Total 70 - Property Tax Revenue</b>	598,266.87	525,680.66	-72,586.21	865,717.73	799,769.43	-65,948.30	1,372,285.25	58.28%	-4.81%
<b>80 - Other Revenue</b>									
<b>Total 82 - Meter Installation/Fees/Connection</b>	78,537.45	70,819.67	-7,717.78	523,867.53	386,127.25	-137,740.28	1,032,660.12	37.39%	-13.34%
<b>Total 86 - Penalty &amp; Other Fees</b>	8,870.64	13,374.58	4,503.94	53,223.84	88,509.43	35,285.59	106,490.38	83.11%	33.14%
<b>Total 88 - Other</b>	94,787.98	81,047.79	-13,740.19	549,896.04	521,708.03	-28,188.01	1,137,188.09	45.88%	-2.48%
<b>Total 89 - Other Revenue</b>	0.00	0.00	0.00	0.00	18,395.00	18,395.00	0.00	0.00%	0.00%
<b>Total 80 - Other Revenue</b>	182,196.07	165,242.04	-16,954.03	1,126,987.41	1,014,739.71	-112,247.70	2,276,338.59	44.58%	-4.93%
<b>Total Revenue</b>	780,462.94	690,922.70	-89,540.24	1,992,705.14	1,814,509.14	-178,196.00	3,648,623.84	49.73%	-4.88%

	CURRENT			YEAR TO DATE					
	Budget	Per	\$ (Unfav) Budget	YTD Budget	Jul - Per	\$ (Unfav) Budget	Annual Budget	%	
<b>90 - Other Expense</b>									
<b>Total 91 - Interest Expense</b>	18,772.70	0.00	18,772.70	112,636.20	23,461.33	89,174.87	225,362.64	10.41%	39.57%
<b>Total 92 - Loan Expense</b>	0.00	0.00	0.00	17,905.24	17,905.24	0.00	17,905.24	100.00%	0.00%
<b>Total 93 - Other Expense - Tax Processing</b>	273.02	1,306.55	-1,033.53	1,638.12	1,946.40	-308.28	3,277.60	59.38%	-9.41%
<b>Total 94 - Other Expense - CIP</b>	68,738.71	0.00	68,738.71	412,432.26	0.00	412,432.26	825,194.64	0.00%	49.98%
<b>Total 95 - Fair Market Value</b>	0.00	0.00	0.00	0.00	1,528.83	-1,528.83	82,293.43	1.86%	-1.86%
<b>Total 99 - Other</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
<b>Total 90 - Other Expense</b>	87,784.43	1,306.55	86,477.88	544,611.82	44,841.80	499,770.02	1,154,033.55	3.89%	43.31%
<b>Total Expense</b>	87,784.43	1,306.55	86,477.88	544,611.82	44,841.80	499,770.02	1,154,033.55	3.89%	43.31%
<b>Net Non-Operational Income</b>	692,678.51	689,616.15	-3,062.36	1,448,093.32	1,769,667.34	321,574.02	2,494,590.29	70.94%	12.89%
<b>Net Income</b>	458,904.65	548,778.12	89,873.47	1,296,710.05	2,136,266.77	839,556.72	1,524,570.66	140.12%	55.07%



# Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

**01 - WATER FUND**

**Cash Flows From Operating Activities**

Total Revenue	5,014,289.15
Total Expense	3,545,549.06
<b>Net Income</b>	<b>1,468,740.09</b>

**Adjustments to Net Income**

Depr Amort Exp Accts - Depreciation & Amortization Expense Account	871,561.30
--	------------

<b>Net Income After Adjustments</b>	<b>2,340,301.39</b>
-------------------------------------	---------------------

**Adjustments to reconcile Net Income to net cash provided by Operating Activities**

12010 - Accounts Receivable - Water	-242,116.42
12150 - A/R - Accrual	14,689.99
12610 - Delinquent Accounts to Tax Roll	63,570.55
12630 - Water Availability - WC13	108,309.80
12910 - Accrued Interest Receivable-GF	-14,891.15
13010 - Inventory - Water Field Parts	184,233.10
14100 - Prepaid Expense	-58,467.19
14120 - Prepaid - Workers Comp	-15,979.33
14130 - Prepaid Benefit	-19,055.67
21100 - Accounts Payable - Trade	1,752,931.96
21150 - Accounts Payable - Unclaimed	-2,212.99
22150 - Accrued Interest Payable	68,509.75
22210 - Deferred Revenue	35,375.37
23320 - Customer Deposit - Meter	500.00
23330 - Customer Deposit - Maint. Bond	-2,650.00
24410 - Accrued Payroll	74,692.57
24510 - Payroll Tax Payable	-18,543.26
24530 - Retirement W/H Payable	-12,268.30
24540 - Workers Comp Payable	4,112.75
24560 - Retirement 457 W/H Payable	-345.28
24580 - Supplemental Ins Payable	-551.09
<b>Net cash provided by Operating Activities</b>	<b>420,456.23</b>

**Cash Flows From Investing Activities**

15230 - Bldg & Facilities	-75,745.60
16730 - Trucks	19,540.16
17000 - CIP	-259,705.23
<b>Net cash provided by Investing Activities</b>	<b>-315,910.67</b>

**Cash Flows From Financing Activities**

29720 - CIEDB Loan 2012	-211,697.87
29740 - Loan Payable Cal Trans	-6,422.40
<b>Net cash provided by Financing Activities</b>	<b>-218,120.27</b>

<b>Net Change in Cash</b>	<b>-113,574.71</b>
---------------------------	--------------------

<b>Beginning Cash Balance</b>	<b>13,346,297.35</b>
-------------------------------	----------------------

<b>Ending Cash Balance</b>	<b>13,232,722.64</b>
----------------------------	----------------------

Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

20 - GOV'T GENERAL FUND

Cash Flows From Operating Activities

Total Revenue	104,554.94
Total Expense	90,782.40
<b>Net Income</b>	<b>13,772.54</b>

Adjustments to Net Income

Depr Amort Exp Accts - Depreciation & Amortization Expense Account	2,575.11
<b>Net Income After Adjustments</b>	<b>16,347.65</b>

Adjustments to reconcile Net Income to net cash provided by Operating Activities

12800 - Other Receivable	-8,642.21
<b>Net cash provided by Operating Activities</b>	<b>24,989.86</b>

**Net Change in Cash** **24,989.86**

**Beginning Cash Balance** **522,817.65**

**Ending Cash Balance** **547,807.51**

## Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

## 22 - PARKS &amp; RECREATION

## Cash Flows From Operating Activities

Total Revenue	7,348.49
Total Expense	269,008.10
<b>Net Income</b>	<b>-261,659.61</b>

## Adjustments to Net Income

Depr Amort Exp Accts - Depreciation & Amortization Expense Account	41,664.26
<b>Net Income After Adjustments</b>	<b>-219,995.35</b>

## Adjustments to reconcile Net Income to net cash provided by Operating Activities

12200 - Accounts Receivable - Gov't	715.00
21100 - Accounts Payable - Trade	72,537.58
22210 - Deferred Revenue	-904.95
24530 - Retirement W/H Payable	-1,161.44
24560 - Retirement 457 W/H Payable	-5.75
<b>Net cash provided by Operating Activities</b>	<b>-291,175.79</b>

## Cash Flows From Investing Activities

16730 - Trucks	-42,228.70
17000 - CIP	239.98
<b>Net cash provided by Investing Activities</b>	<b>-41,988.72</b>

**Net Change in Cash** **-333,164.51**

**Beginning Cash Balance** **4,748,317.32**

**Ending Cash Balance** **4,415,152.81**

Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

23 - STREET LIGHTING

Cash Flows From Operating Activities

Total Revenue	-9.79
Total Expense	1,554.99
<b>Net Income</b>	<b>-1,564.78</b>
<b>Adjustments to reconcile Net Income to net cash provided by Operating Activities</b>	
21100 - Accounts Payable - Trade	-15.62
<b>Net cash provided by Operating Activities</b>	<b>-1,549.16</b>
<b>Net Change in Cash</b>	<b>-1,549.16</b>
<b>Beginning Cash Balance</b>	<b>24,213.50</b>
<b>Ending Cash Balance</b>	<b>22,664.34</b>

Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

24 - GOV'T PROPERTY TAX

Cash Flows From Operating Activities

Total Revenue	787,196.69
Total Expense	1,946.40
<b>Net Income</b>	<b>785,250.29</b>

Adjustments to reconcile Net Income to net cash provided by Operating Activities

12740 - Tax Receivable - PPHCSD	-27,264.39
<b>Net cash provided by Operating Activities</b>	<b>812,514.68</b>

**Net Change in Cash** **812,514.68**

**Beginning Cash Balance** **2,079,017.41**

**Ending Cash Balance** **2,891,532.09**



Statement of Cash Flows - Phelan Pinon Hills

07/01/2021 - 12/31/2021

25 - SOLID WASTE

Cash Flows From Operating Activities

Total Revenue	145,505.00
Total Expense	13,776.76
<b>Net Income</b>	<b>131,728.24</b>

Adjustments to reconcile Net Income to net cash provided by Operating Activities

12200 - Accounts Receivable - Gov't	-17,075.52
21100 - Accounts Payable - Trade	768.88
24530 - Retirement W/H Payable	-65.24
<b>Net cash provided by Operating Activities</b>	<b>148,100.12</b>

**Net Change in Cash** 148,100.12

**Beginning Cash Balance** 78,561.00

**Ending Cash Balance** 226,661.12



Revenue Code - Description	Current Amount	+ 1 Month	+2 Months	+ 3 Months	+ 4 Months	Balance
500 - Payment Agreement Contract	1,374.10	850.62	634.76	302.01	302.01	3,463.50
600 - Misc Charges - Water	2,170.00	837.73	353.32	105.00	816.76	4,282.81
600 LIEN - Misc Charges - Water LIEN	0.00	245.00	105.00	0.00	140.00	490.00
995 - Amp - Avg Mnthly Pymnt	212.97	0.00	0.00	0.00	0.00	212.97
996 - Utility Unapplied Credits	-35,724.00	-1,182.80	-298.02	0.00	-833.44	-38,038.26
C-001 - Consumption - Residential	210,026.75	39,716.85	24,418.34	17,739.66	46,236.41	338,138.01
C-001 LIEN - Consumption - Residential LIEN	0.00	5,842.45	2,503.47	0.00	4,129.21	12,475.13
C-002 - Consumption - Commercial	1,573.94	522.01	226.11	35.85	0.00	2,357.91
C-002 LIEN - Consumption - Commercial LIEN	0.00	67.40	0.00	0.00	0.00	67.40
C-007 - Consumption - Multiple Res	245.15	67.36	5.82	4.56	9.16	332.05
C-007 LIEN - Consumption - Multiple Res LIEN	0.00	0.00	0.00	0.00	3.43	3.43
C-009 - Consumption - School	15,760.67	17,391.46	0.00	0.00	0.00	33,152.13
C-011 - Consumption - Construction	1,854.59	142.15	51.24	0.00	0.00	2,047.98
C-012 - Consumption - Fill Station	2,413.07	764.46	0.00	0.00	0.00	3,177.53
C-100 - Cutoff	0.00	270.00	0.00	0.00	0.00	270.00
C-100 LIEN - Cutoff LIEN	0.00	90.00	0.00	0.00	0.00	90.00
CHROM 6-001 - Chromium 6 Surcharge	66,258.01	12,156.72	6,145.29	3,205.42	8,524.58	96,290.02
CHROM-001LIEN - CHROM -6 LIEN	0.00	531.98	0.00	0.00	235.98	767.96
LIEN CHARGE - Lien Filing Charge	0.00	0.00	0.00	0.00	20.00	20.00
M-001 - Meter Charge - Residential	211,802.02	37,916.75	19,651.23	10,070.69	24,194.03	303,634.72
M-001 LIEN - Meter Chrg - Residential LIEN	0.00	2,871.62	891.57	0.00	1,876.18	5,639.37
M-002 - Meter Charge - Commercial	1,712.87	571.33	125.59	57.61	47.24	2,514.64
M-002 LIEN - Meter Charges - Commercial LIEN	0.00	67.98	0.00	0.00	22.28	90.26
M-003 - Meter Charge - Fire	243.00	162.00	0.00	0.00	0.00	405.00
M-007 - Meter Charge - Multiple Res	226.97	125.00	91.01	91.01	182.02	716.01
M-007 LIEN - Meter Charge - Multiple Res LIEN	0.00	0.00	0.00	0.00	85.85	85.85
M-009 - Meter Charge - School	2,844.91	2,844.91	0.00	0.00	0.00	5,689.82
M-011 - Meter Charges - Construction	1,265.32	562.93	25.84	0.00	0.00	1,854.09
M-012 - Meter Charge - Fill Station	1,421.20	131.78	0.00	0.00	0.00	1,552.98
M-015 - MISC MAN HOURS CUSTOMER SERVICE/METER	0.00	96.00	0.00	0.00	0.00	96.00
M-017 - MISC PARTS USED CUSTOMER SERVICE/METER	0.00	1,469.44	0.00	0.00	0.00	1,469.44

Revenue Code - Description	Current Amount	+ 1 Month	+2 Months	+ 3 Months	+ 4 Months	Balance
P-001 - Penalty	0.00	11,343.49	6,754.50	4,193.35	11,217.46	33,508.80
P-001 LIEN - Penalty LIEN	0.00	1,010.99	404.35	7.40	713.52	2,136.26
P-002 - Penalty-Adjustment	0.00	205.12	30.00	4.88	0.00	240.00
P-003 - Miscellaneous Charges	0.00	185.00	0.00	0.00	107.69	292.69
P-003 LIEN - Miscellaneous Charges LIEN	0.00	100.00	0.00	0.00	0.00	100.00
<b>Revenue Totals:</b>	<b>485,681.54</b>	<b>137,977.73</b>	<b>62,119.42</b>	<b>35,817.44</b>	<b>98,030.37</b>	<b>819,626.50</b>



# Open Payable Report

As Of 12/31/2021

Summarized by Payable Account

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
<b>Payable Account:</b> <a href="#">99-0-0-21100 - Accounts Payable - Trade</a>							
<b>Vendor:</b> <a href="#">AVCOM</a> <b>AVCOM Services Inc.</b>						<b>Payable Count: (1)</b>	<b>72.00</b>
<a href="#">18089</a>	Answering Svc. - Dec.	12/31/2021	72.00	0.00	0.00	0.00	72.00
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-1-53150	Outside Service		72.00			
<b>Vendor:</b> <a href="#">CHAJOH</a> <b>Charlie Johnson</b>						<b>Payable Count: (1)</b>	<b>15.46</b>
<a href="#">123121</a>	Dec. Mileage - Regular Board Meetings	12/31/2021	15.46	0.00	0.00	0.00	15.46
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-1-52213	Board - Auto Expense/Johnson		15.46			
<b>Vendor:</b> <a href="#">CONUTI</a> <b>Concord Environmental Energy, Inc</b>						<b>Payable Count: (3)</b>	<b>10,772.50</b>
<a href="#">3663</a>	Meters Replaced (11) 3/4", (57) 1"	12/31/2021	4,726.00	0.00	0.00	0.00	4,726.00
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-0-17000	CIP Enterprise Funds	C0084 OUTSIDE SVCS	4,726.00			
<a href="#">3672</a>	Meters Replaced (7) 3/4", (46) 1"	12/31/2021	3,683.50	0.00	0.00	0.00	3,683.50
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-0-17000	CIP Enterprise Funds	C0084 OUTSIDE SVCS	3,683.50			
<a href="#">3678</a>	Meters Replaced (21) 3/4", (13) 1"	12/31/2021	2,363.00	0.00	0.00	0.00	2,363.00
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-0-17000	CIP Enterprise Funds	C0084 OUTSIDE SVCS	2,363.00			
<b>Vendor:</b> <a href="#">CORE</a> <b>Core &amp; Main</b>						<b>Payable Count: (1)</b>	<b>178.28</b>
<a href="#">Q105323</a>	Order: 489 1x3 Clamps S-18 Qty. (5)	12/31/2021	165.45	0.00	0.00	12.83	178.28
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-1-0-13010	Inventory - Water Field Parts		178.28			
<b>Vendor:</b> <a href="#">EVANS</a> <b>David Evans and Associates, Inc.</b>						<b>Payable Count: (1)</b>	<b>3,100.00</b>
<a href="#">500840</a>	Civk Center Street Improvements Traffic Study	12/31/2021	3,100.00	0.00	0.00	0.00	3,100.00
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-0-17000	CIP Enterprise Funds	C0002 OUTSIDE SVCS	3,100.00			
<b>Vendor:</b> <a href="#">PHEEXP</a> <b>Davy R Feller</b>						<b>Payable Count: (3)</b>	<b>2,140.31</b>
<a href="#">32494</a>	Trk #14 - Front Suspension Repairs	12/31/2021	1,119.76	0.00	0.00	0.00	1,119.76
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-1-8-54710	Vehicle Maintenance		1,119.76			
<a href="#">32513</a>	Trk #21 Front & Rear Brakes Replaced	12/31/2021	951.97	0.00	0.00	0.00	951.97
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-1-8-54710	Vehicle Maintenance		951.97			
<a href="#">32554</a>	Trk #18 - Oil Change	12/31/2021	68.58	0.00	0.00	0.00	68.58

Open Payable Report

As Of 12/31/2021

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-8-54710	Vehicle Maintenance		68.58				
<b>Vendor:</b> <a href="#">DEBPHI</a>	<b>Deborah Jeanne Philips</b>				<b>Payable Count: (1)</b>		<b>29.68</b>
<a href="#">123121</a>	Dec. Mileage-Board Meeting, CR&R Tour, Solid Waste	12/31/2021	29.68	0.00	0.00	0.00	29.68
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-1-52210	Board Exp - Auto Expense		-11.20				
01-0-1-52219	Board - Auto Expense/Philips		29.68				
25-5-1-52210	Board Exp - Auto Expense		11.20				
<b>Vendor:</b> <a href="#">EWIDEV</a>	<b>Ewing Development</b>				<b>Payable Count: (1)</b>		<b>250.00</b>
<a href="#">6101</a>	Water Heater Wiring Replaced - Phelan CC Unit B	12/31/2021	250.00	0.00	0.00	0.00	250.00
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-2-2-54620	Repair & Maintenance		250.00				
<b>Vendor:</b> <a href="#">FASTEN</a>	<b>Fastenal Company</b>				<b>Payable Count: (1)</b>		<b>256.42</b>
<a href="#">CAVIC81727</a>	Safety Gloves	12/31/2021	237.98	0.00	0.00	18.44	256.42
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-2-54620	Repair & Maintenance		256.42				
<b>Vendor:</b> <a href="#">GENPUM</a>	<b>General Pump Company, Inc.</b>				<b>Payable Count: (2)</b>		<b>11,332.47</b>
<a href="#">28979</a>	Back-Up Pump - 6A, 2B, L1	12/31/2021	7,161.43	0.00	0.00	0.00	7,161.43
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-5-54620	Repair & Maintenance		7,161.43				
<a href="#">29022</a>	Well 6B, Super Chlorinate with Sterilene Additive	12/31/2021	4,171.04	0.00	0.00	0.00	4,171.04
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-0-17000	CIP Enterprise Funds	C0096 OUTSIDE SVCS	4,171.04				
<b>Vendor:</b> <a href="#">BAQAI</a>	<b>H. A. Baqai, P.E.</b>				<b>Payable Count: (3)</b>		<b>45,441.32</b>
<a href="#">8-01-2021-1</a>	Homefiled Mitigation - Professional Svcs. June	07/31/2021	7,656.00	0.00	0.00	0.00	7,656.00
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-0-17000	CIP Enterprise Funds	C0093 OUTSIDE SVCS	7,656.00				
<a href="#">9-01-2021-2</a>	Homefiled Mitigation - Professional Svcs. July	07/31/2021	15,959.52	0.00	0.00	0.00	15,959.52
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-0-17000	CIP Enterprise Funds	C0093 OUTSIDE SVCS	15,959.52				
<a href="#">9-01-2021-3</a>	Homefiled Mitigation - Professional Svcs. Aug.	08/31/2021	21,825.80	0.00	0.00	0.00	21,825.80
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-0-17000	CIP Enterprise Funds	C0093 OUTSIDE SVCS	21,825.80				
<b>Vendor:</b> <a href="#">INLWAT</a>	<b>Inland Water Works Supply Co.</b>				<b>Payable Count: (3)</b>		<b>13,076.26</b>
<a href="#">S1052299-001</a>	Non-Inv. Parts for Well #14 16" Mainline	12/30/2021	3,337.64	66.75	0.00	292.04	3,629.68
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-3-54620	Repair & Maintenance		3,629.68				
<a href="#">S1050692-001</a>	Order: 490 (8) Dual Check Valves, (2) 1x16 Saddles	12/31/2021	1,154.00	23.08	0.00	89.44	1,243.44

Open Payable Report

As Of 12/31/2021

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
<a href="#">51052062-001</a>	Order:490 PVC Pipe, Ring Kits, Saddles, Clamps	12/31/2021	7,613.12	152.26	0.00	590.02	8,203.14
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-0-13010	Inventory - Water Field Parts		543.06				
01-1-0-13010	Inventory - Water Field Parts		700.38				
<b>Vendor:</b> <a href="#">LES SCH</a>	<b>Les Schwab Tire Centers of Central CA, INC.</b>					<b>Payable Count: (1)</b>	<b>310.79</b>
<a href="#">58100112096</a>	Trk #23 - New Battery	12/31/2021	310.79	0.00	0.00	0.00	310.79
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-0-13010	Inventory - Water Field Parts		959.40				
01-1-0-13010	Inventory - Water Field Parts		1,597.63				
01-1-0-13010	Inventory - Water Field Parts		668.05				
01-1-0-13010	Inventory - Water Field Parts		161.63				
01-1-0-13010	Inventory - Water Field Parts		1,293.00				
01-1-0-13010	Inventory - Water Field Parts		2,198.10				
01-1-0-13010	Inventory - Water Field Parts		387.90				
01-1-0-13010	Inventory - Water Field Parts		937.43				
<b>Vendor:</b> <a href="#">LILBURN</a>	<b>Lilburn Corp.</b>					<b>Payable Count: (2)</b>	<b>5,494.75</b>
<a href="#">21-1042</a>	Civic Center Park Environmental - Professional Svc	10/31/2021	2,040.00	0.00	0.00	0.00	2,040.00
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-2-0-17000	CIP - Parks & Rec	C0078 OUTSIDE SVCS	2,040.00				
<a href="#">21-1226</a>	Civic Center Park Environmental - Professional Svc	12/31/2021	3,454.75	0.00	0.00	0.00	3,454.75
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-2-0-17000	CIP - Parks & Rec	C0078 OUTSIDE SVCS	3,454.75				
<b>Vendor:</b> <a href="#">MWA-ALTO</a>	<b>Mojave Basin Area Watermaster</b>					<b>Payable Count: (1)</b>	<b>3.95</b>
<a href="#">43390</a>	1st. Qtr. Admin/Bio Fees	12/31/2021	3.95	0.00	0.00	0.00	3.95
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-3-50010	MWA/AVW Admin. & Bio Fee		3.95				
<b>Vendor:</b> <a href="#">MWA-OESTE</a>	<b>Mojave Basin Area</b>					<b>Payable Count: (1)</b>	<b>3,069.95</b>
<a href="#">43389</a>	1st. Qtr. Admin/Bio Fees	12/31/2021	3,069.95	0.00	0.00	0.00	3,069.95
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-3-50010	MWA/AVW Admin. & Bio Fee		3,069.95				
<b>Vendor:</b> <a href="#">NAPA</a>	<b>NAPA Auto Parts</b>					<b>Payable Count: (1)</b>	<b>623.27</b>
<a href="#">123121</a>	Month-End Statement	12/31/2021	577.22	0.00	0.00	46.05	623.27
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-2-54500	Operating Supplies		6.44				
01-1-8-54710	Vehicle Maintenance		9.24				
01-1-8-54710	Vehicle Maintenance		195.64				
01-1-8-54710	Vehicle Maintenance		31.17				
01-1-8-54710	Vehicle Maintenance		39.85				
01-1-8-54710	Vehicle Maintenance		2.47				
01-1-8-54710	Vehicle Maintenance		47.38				
01-1-8-54710	Vehicle Maintenance		107.71				
01-1-8-54710	Vehicle Maintenance		9.69				

Open Payable Report

As Of 12/31/2021

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
	01-1-8-54710	Vehicle Maintenance			14.30		
	01-1-8-54710	Vehicle Maintenance			159.38		
<b>Vendor:</b> <a href="#">PREACC</a>	<b>Premier Access Insurance Company</b>					<b>Payable Count: (1)</b>	<b>46.37</b>
<a href="#">123121</a>	Dental - Final Bill	12/31/2021	46.37	0.00	0.00	0.00	46.37
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-0-14130	Prepaid Benefit		46.37			
<b>Vendor:</b> <a href="#">REBKUJ</a>	<b>Rebecca A. Kujawa</b>					<b>Payable Count: (1)</b>	<b>85.79</b>
<a href="#">123121</a>	Dec. Mileage - Regular Meetings & CR&R Tour	12/31/2021	85.79	0.00	0.00	0.00	85.79
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-0-1-52210	Board Exp - Auto Expense		-74.37			
	01-0-1-52212	Board - Auto Expense/Kujawa		85.79			
	25-5-1-52210	Board Exp - Auto Expense		74.37			
<b>Vendor:</b> <a href="#">REBEL</a>	<b>Rebel Oil Company, Inc.</b>					<b>Payable Count: (2)</b>	<b>4,509.72</b>
<a href="#">7000531</a>	Fuel - 400 Gl.	12/31/2021	1,812.66	0.00	0.00	0.00	1,812.66
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-1-8-54410	Fuel Costs		1,812.66			
<a href="#">7000559</a>	Fuel - 300 Gl., DSL- 300 Gl.	12/31/2021	2,697.06	0.00	0.00	0.00	2,697.06
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	01-1-8-54410	Fuel Costs		2,697.06			
<b>Vendor:</b> <a href="#">ROSE</a>	<b>Rose Noir Chocolates LLC</b>					<b>Payable Count: (1)</b>	<b>196.25</b>
<a href="#">225</a>	Kids Baking Class - Dec.	12/31/2021	196.25	0.00	0.00	0.00	196.25
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	22-2-2-54800	Programs (Park & Rec)		196.25			
<b>Vendor:</b> <a href="#">SCE 2439-1773</a>	<b>Southern California Edison</b>					<b>Payable Count: (1)</b>	<b>18.32</b>
<a href="#">122721</a>	Electricity - Phelan Park 11/24 - 12/26	12/31/2021	18.32	0.00	0.00	0.00	18.32
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	22-0-2-58110	Utilities		18.32			
<b>Vendor:</b> <a href="#">SCE 1613-6373</a>	<b>Southern California Edison</b>					<b>Payable Count: (1)</b>	<b>15.62</b>
<a href="#">123121q</a>	Electricity - R/R Crossings 12/1 - 12/31	12/31/2021	15.62	0.00	0.00	0.00	15.62
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	23-0-2-58210	Utilities - Street Lights		15.62			
<b>Vendor:</b> <a href="#">SCE 5917-6455</a>	<b>Southern California Edison</b>					<b>Payable Count: (1)</b>	<b>23.85</b>
<a href="#">123121</a>	Electricity - Phelan Park St. Lights 12/1 - 12/31	12/31/2021	23.85	0.00	0.00	0.00	23.85
	<b>Distributions</b>						
	<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>			
	22-2-2-58110	Utilities		23.85			
<b>Vendor:</b> <a href="#">SWRCB</a>	<b>SWRCB-DWOCF</b>					<b>Payable Count: (1)</b>	<b>33,541.24</b>
<a href="#">LW-1035416</a>	Water System Fees 7/1/21 - 6/30/22	07/31/2021	33,541.24	0.00	0.00	0.00	33,541.24

Open Payable Report

As Of 12/31/2021

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-3-53160	Permits & Fees		33,541.24				
<b>Vendor:</b> <a href="#">THEGAS</a>	<b>The Gas Company</b>				<b>Payable Count: (4)</b>		<b>603.06</b>
<a href="#">123021-6056</a>	Gas - Pinon Hills CC 11/30 - 12/30	12/30/2021	122.02	0.00	0.00	0.00	122.02
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-0-2-58110	Utilities		122.02				
<a href="#">123021-6781</a>	Gas - Pinon Hills Fire 11/30 - 12/30	12/30/2021	14.79	0.00	0.00	0.00	14.79
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-0-2-58110	Utilities		14.79				
<a href="#">122221-4084</a>	Gas Phelan Sr. Ctr. 11/22 - 12/22	12/31/2021	221.90	0.00	0.00	0.00	221.90
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-0-2-58110	Utilities		221.90				
<a href="#">122221-4585</a>	Gas - Phelan CC 11/22 - 12/22	12/31/2021	244.35	0.00	0.00	0.00	244.35
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
22-0-2-58110	Utilities		244.35				
<b>Vendor:</b> <a href="#">TURSEC</a>	<b>Turner Security, Inc</b>				<b>Payable Count: (1)</b>		<b>8,464.00</b>
<a href="#">208725</a>	Alarm System & Door Access - Pinon Hills CC	12/31/2021	8,464.00	0.00	0.00	0.00	8,464.00
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-1-53150	Outside Service		6,300.00				
22-2-2-53150	Outside Service		2,164.00				
<b>Vendor:</b> <a href="#">TYLTEC</a>	<b>Tyler Technologies, Inc</b>				<b>Payable Count: (1)</b>		<b>150.00</b>
<a href="#">025-361833</a>	AP 1099 Process Webinar - A. Romero	12/31/2021	150.00	0.00	0.00	0.00	150.00
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-1-54260	Education & Training		150.00				
<b>Vendor:</b> <a href="#">USA</a>	<b>Underground Service Alert of So. Cal.</b>				<b>Payable Count: (1)</b>		<b>232.75</b>
<a href="#">1220210528</a>	(135) Tickets	12/31/2021	232.75	0.00	0.00	0.00	232.75
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-2-53150	Outside Service		232.75				
<b>Vendor:</b> <a href="#">UNI SITE</a>	<b>United Site Services of California, Inc.</b>				<b>Payable Count: (1)</b>		<b>2,067.23</b>
<a href="#">0374393, 415912</a>	Porta Potties Rental for Covid Sites	11/30/2021	2,067.23	0.00	0.00	0.00	2,067.23
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-1-1-53150	Outside Service	C0086 OUTSIDE SVCS	2,067.23				
<b>Vendor:</b> <a href="#">WENO</a>	<b>Weno Office Solutions</b>				<b>Payable Count: (1)</b>		<b>14.15</b>
<a href="#">6723</a>	Printer Usage	12/31/2021	14.15	0.00	0.00	0.00	14.15
<b>Distributions</b>							
<b>Account Number</b>	<b>Account Name</b>	<b>Project Account Key</b>	<b>Distribution Amount</b>				
01-0-1-53150	Outside Service		14.15				
			<b>Payable Account 99-0-0-21100</b>	<b>Payable Count: (45)</b>	<b>Total:</b>	<b>146,135.76</b>	



**Payable Account Summary**

<b>Account</b>	<b>Count</b>	<b>Amount</b>
99-0-0-21100 - Accounts Payable - Trade	45	146,135.76
<b>Report Total:</b>	<b>45</b>	<b>146,135.76</b>

**Payable Fund Summary**

<b>Fund</b>	<b>Count</b>	<b>Amount</b>
99 - POOLED CASH	45	146,135.76
<b>Report Total:</b>	<b>45</b>	<b>146,135.76</b>



Project Number	Project Name	Group	Type	Status	
<a href="#">C0002</a>	ADMINISTRATIVE PROPERTY	Administration	Construction in Prog...	Active	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0002 ARCHITECT</a>	C0002 ARCHITECT	OUTSIDE SERVICES	0.00	180,970.95	180,970.95
<a href="#">C0002 BUILD</a>	C0002 MODULAR BUILDING	Buildings	0.00	93.34	93.34
<a href="#">C0002 COUNTY FEES</a>	C0002 COUNTY FEES	Fees/License	0.00	55,859.42	55,859.42
<a href="#">C0002 IMPROVE</a>	C0002 IMPROVEMENTS	OUTSIDE SERVICES	0.00	47,744.26	47,744.26
<a href="#">C0002 LABOR</a>	C0002 LABOR - ADMIN BUILDING	LABOR	0.00	3,875.19	3,875.19
<a href="#">C0002 OUTSIDE SVCS</a>	C0002 OUTSIDE SVCS	OUTSIDE SERVICES	0.00	47,036.31	47,036.31
	<b>Total Expenses:</b>		<b>0.00</b>	<b>335,579.47</b>	<b>335,579.47</b>
	<b>Total C0002:</b>		<b>0.00</b>	<b>335,579.47</b>	<b>335,579.47</b>
<a href="#">C0036</a>	HWY 138 (PPHCSD) PIPELINE REL...	Water Distribution	Construction in Prog...	COMPLETE	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0036 LABOR</a>	C0036 LABOR FOR HWY 138-PPHCSD	LABOR	0.00	-8,956.25	-8,956.25
<a href="#">C0036 LEGAL</a>	C0036 LEGAL FOR HWY 138-PPHCSD	OUTSIDE SERVICES	0.00	8,956.25	8,956.25
	<b>Total Expenses:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total C0036:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<a href="#">C0072</a>	Mountain Well	Wells	Construction in Prog...	Active	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0072 OUTSIDE SVCS</a>	C0072 OUTSIDE SVCS - MOUNTAIN WELL	OUTSIDE SERVICES	0.00	52,484.50	52,484.50
	<b>Total Expenses:</b>		<b>0.00</b>	<b>52,484.50</b>	<b>52,484.50</b>
	<b>Total C0072:</b>		<b>0.00</b>	<b>52,484.50</b>	<b>52,484.50</b>
<a href="#">C0075</a>	Reservoir 6A Pneumatic Tank	Water Distribution	Construction in Prog...	COMPLETE	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0075 LABOR</a>	C0075 LABOR - Reservoir 6A Pneumatic ...	LABOR	0.00	979.20	979.20
<a href="#">C0075 OUTSIDE SVCS</a>	C0075 OUTSIDE SVCS - Reservoir 6A Pn...	OUTSIDE SERVICES	0.00	-979.20	-979.20
	<b>Total Expenses:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total C0075:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<a href="#">C0078</a>	Phelan Park Expansion	Parks	Construction in Prog...	Active	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0078 ENGINEERING</a>	C0078 ENGINEERING - Phelan Park Expa...	ENGINEERING	0.00	7.94	7.94
<a href="#">C0078 LABOR</a>	C0078 LABOR - Phelan Park Expansion	LABOR	0.00	6,045.26	6,045.26
<a href="#">C0078 OUTSIDE SVCS</a>	C0078 OUTSIDE SVCS - Phelan Park Exp...	OUTSIDE SERVICES	0.00	325,129.31	325,129.31
	<b>Total Expenses:</b>		<b>0.00</b>	<b>331,182.51</b>	<b>331,182.51</b>
	<b>Total C0078:</b>		<b>0.00</b>	<b>331,182.51</b>	<b>331,182.51</b>
<a href="#">C0080</a>	Water Master Plan Update 2020	Source of Supply	Construction in Prog...	Active	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>
<a href="#">C0080 LABOR</a>	C0080 LABOR - Water Master Plan Upda..	LABOR	0.00	1,662.72	1,662.72
<a href="#">C0080 OUTSIDE SVCS</a>	C0080 OUTSIDE SVCS - Water Master Pl...	OUTSIDE SERVICES	0.00	89,830.00	89,830.00
	<b>Total Expenses:</b>		<b>0.00</b>	<b>91,492.72</b>	<b>91,492.72</b>
	<b>Total C0080:</b>		<b>0.00</b>	<b>91,492.72</b>	<b>91,492.72</b>
<a href="#">C0083</a>	Meter System Infrastructure & Sof..	Water Distribution	Construction in Prog...	Active	
<b>Expenses</b>					
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>	<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>

**Project Balance Report**

**Report Dates: 07/01/2008 - 12/31/2021**

Project Number	Project Name	Group	Type	Status			
<a href="#">C0083 OUTSIDE SVCS</a>		C0083 OUTSIDE SVCS - Meter Infrastuct...	OUTSIDE SERVICES		0.00	38,541.45	38,541.45
			<b>Total Expenses:</b>		<b>0.00</b>	<b>38,541.45</b>	<b>38,541.45</b>
			<b>Total C0083:</b>		<b>0.00</b>	<b>38,541.45</b>	<b>38,541.45</b>

<a href="#">C0084</a>		Meters & Installation	Water Distribution	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0084 OUTSIDE SVCS</a>	C0084 OUTSIDE SVCS - Meters & Installa...	OUTSIDE SERVICES		0.00	40,789.90	40,789.90	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>40,789.90</b>	<b>40,789.90</b>	
		<b>Total C0084:</b>		<b>0.00</b>	<b>40,789.90</b>	<b>40,789.90</b>	

<a href="#">C0087</a>		Well 9A - Re-development / Chro...	Wells	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0087 OUTSIDE SVCS</a>	C0087 OUTSIDE SVCS - WELL 9A Redvlp...	OUTSIDE SERVICES		0.00	193,410.17	193,410.17	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>193,410.17</b>	<b>193,410.17</b>	
		<b>Total C0087:</b>		<b>0.00</b>	<b>193,410.17</b>	<b>193,410.17</b>	

<a href="#">C0088</a>		Well 6A - Re-development / Chro...	Wells	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0088 OUTSIDE SVCS</a>	C0088 OUTSIDE SVCS - WELL 6A Redvlp...	OUTSIDE SERVICES		0.00	179,191.37	179,191.37	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>179,191.37</b>	<b>179,191.37</b>	
		<b>Total C0088:</b>		<b>0.00</b>	<b>179,191.37</b>	<b>179,191.37</b>	

<a href="#">C0092</a>		Generators (3) - CA Emergency se...	Water Distribution	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0092 OUTSIDE SVCS</a>	C0092 OUTSIDE SVCS - Generator Grant	OUTSIDE SERVICES		0.00	269,724.15	269,724.15	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>269,724.15</b>	<b>269,724.15</b>	
		<b>Total C0092:</b>		<b>0.00</b>	<b>269,724.15</b>	<b>269,724.15</b>	

<a href="#">C0093</a>		Modular Building @ Oasis yard	Adminstration	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0093 OUTSIDE SVCS</a>	C0093 OUTSIDE SVCS - Modular Bldg Oa...	OUTSIDE SERVICES		0.00	101,565.74	101,565.74	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>101,565.74</b>	<b>101,565.74</b>	
		<b>Total C0093:</b>		<b>0.00</b>	<b>101,565.74</b>	<b>101,565.74</b>	

<a href="#">C0095</a>		Well 15 - Development / Chromi...	Wells	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0095 OUTSIDE SVCS</a>	C0095 OUTSIDE SVCS - WELL 15 Dvlpmn...	OUTSIDE SERVICES		0.00	14,148.00	14,148.00	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>14,148.00</b>	<b>14,148.00</b>	
		<b>Total C0095:</b>		<b>0.00</b>	<b>14,148.00</b>	<b>14,148.00</b>	

<a href="#">C0096</a>		Well 6B - Re-development / Chro...	Wells	Construction in Prog...	Active		
<b>Expenses</b>				<b>Beginning Balance</b>	<b>Activity</b>	<b>Ending Balance</b>	
<b>Account Key</b>	<b>Account Name</b>	<b>Category</b>					
<a href="#">C0096 OUTSIDE SVCS</a>	C0096 OUTSIDE SVCS - WELL 6B Redvlp...	OUTSIDE SERVICES		0.00	124,063.11	124,063.11	
		<b>Total Expenses:</b>		<b>0.00</b>	<b>124,063.11</b>	<b>124,063.11</b>	
		<b>Total C0096:</b>		<b>0.00</b>	<b>124,063.11</b>	<b>124,063.11</b>	

## Summary

## Project Summary

Project Number	Project Name	Beginning Balance	Activity	Ending Balance
<a href="#">C0002</a>	ADMINISTRATIVE PROPERTY	0.00	335,579.47	335,579.47
<a href="#">C0036</a>	HWY 138 (PPHCSD) PIPELINE RELOCAT	0.00	0.00	0.00
<a href="#">C0072</a>	Mountain Well	0.00	52,484.50	52,484.50
<a href="#">C0075</a>	Reservoir 6A Pneumatic Tank	0.00	0.00	0.00
<a href="#">C0078</a>	Phelan Park Expansion	0.00	331,182.51	331,182.51
<a href="#">C0080</a>	Water Master Plan Update 2020	0.00	91,492.72	91,492.72
<a href="#">C0083</a>	Meter System Infrastructure & Softwa	0.00	38,541.45	38,541.45
<a href="#">C0084</a>	Meters & Installation	0.00	40,789.90	40,789.90
<a href="#">C0087</a>	Well 9A - Re-development / Chromiun	0.00	193,410.17	193,410.17
<a href="#">C0088</a>	Well 6A - Re-development / Chromiun	0.00	179,191.37	179,191.37
<a href="#">C0092</a>	Generators (3) - CA Emergency service	0.00	269,724.15	269,724.15
<a href="#">C0093</a>	Modular Building @ Oasis yard	0.00	101,565.74	101,565.74
<a href="#">C0095</a>	Well 15 - Development / Chromium M	0.00	14,148.00	14,148.00
<a href="#">C0096</a>	Well 6B - Re-development / Chromiun	0.00	124,063.11	124,063.11
<b>Project Totals:</b>		<b>0.00</b>	<b>1,772,173.09</b>	<b>1,772,173.09</b>

## Group Summary

Group	Beginning Balance	Activity	Ending Balance
Adminstration	0.00	437,145.21	437,145.21
Parks	0.00	331,182.51	331,182.51
Source of Supply	0.00	91,492.72	91,492.72
Water Distribution	0.00	349,055.50	349,055.50
Wells	0.00	563,297.15	563,297.15
<b>Group Totals:</b>	<b>0.00</b>	<b>1,772,173.09</b>	<b>1,772,173.09</b>

## Type Summary

Type	Beginning Balance	Activity	Ending Balance
Construction in Progress	0.00	1,772,173.09	1,772,173.09
<b>Type Totals:</b>	<b>0.00</b>	<b>1,772,173.09</b>	<b>1,772,173.09</b>

## Solar Project and Credits Report

					<u>Running Balance</u>
<b>Cost of Solar Project:</b>	\$	5,239,947.43			\$ 5,239,947.43
<b>Loan Received:</b>	\$	5,000,000.00			\$ (5,000,000.00)
<b>Loan Payments:</b>		Principal	Interest	Total	
Total Pmts 01/2015-06/2020	\$	1,028,328.62	\$ 909,777.59	\$ 1,938,106.21	
07/13/2020	12 \$	104,326.80	\$ 74,468.84	\$ 178,795.64	
01/04/2021	\$	106,282.93	\$ 72,512.71	\$ 178,795.64	
08/13/2021	\$	147,792.30	\$ 21,689.89	\$ 169,482.19	
<b>Total</b>	\$	1,386,730.65	\$ 1,078,449.03	\$ 2,465,179.68	\$ 2,465,179.68
OM Expenses					\$ 273,550.73
			<b>Total Cost to Date</b>		<b>\$ 2,978,677.84</b>

### Edison Credits Received:

		Credits Received		
2015/2016	\$	102,606.65	Total Received for Fiscal Year	
2016/2017	\$	363,593.28	Total Received for Fiscal Year	
2017/2018	\$	370,590.41	Total Received for Fiscal Year	
2018/2019	\$	268,733.30	Total Received for Fiscal Year	
2019/2020	\$	1,075,131.15	Total Received for Fiscal Year	Incl Settlement
July - Sept 2020	\$	33,950.47		
Oct - Dec 2020	\$	16,908.31		
Jan -Mar 2021	\$	30,457.73		
Apr - Jun 2021	\$	41,883.47	Not all credits received for June	
2020/2021	\$	123,199.98	Total Received for Fiscal Year	
July - Sept 2021	\$	84,363.39	Credits not received for Jun - Sept	
Oct - Dec 2021	\$	28,863.71		
Jan -Mar 2022	\$	-		
Apr - Jun 2022	\$	-		
2021/2022	\$	113,227.10	Total Received for Fiscal Year	
<b>Total</b>	\$	2,417,081.87	<b>Total Credits to Date</b>	<b>\$ (2,417,081.87)</b>
			<b>Total Cost (Income)</b>	<b>\$ 561,595.97</b>

Scenario 09/11/2014 Revised 09/2021

Terms Turnkey System, Annual O&M, 10 Year Performance Guarantee @90%

Terms 25 Year Module Warranty, 10 Year Balance of System Warranty, 30 Year Lifecycle

Financing Structure 20 Yr Loan Term, 3.75% interest rate, Origination Fees and Financing Fees May Apply, \$0 Annual Payment Escalation

Estimate

EOY	Utility Savings	REC Sales	O&M Expense	Pre-COD	Net Operating Savings	Principal Balance	Principal Payment	Interest Payment	Total Debt Service	DSCR	Net Cash Flow
Y0	\$ -	\$ -	\$ -	\$ (198,821)	\$ (198,821)	\$ 5,000,000					\$ (198,821)
2016	\$ 416,265	\$ 3,484	\$ (35,575)	\$ -	\$ 384,174	\$ 4,828,314	\$ (171,686)	\$ (185,905)	\$ (357,591)	107%	\$ 26,583
2017	\$ 431,833	\$ 3,623	\$ (35,575)	\$ -	\$ 399,882	\$ 4,650,130	\$ (178,184)	\$ (179,407)	\$ (357,591)	112%	\$ 42,290
2018	\$ 447,984	\$ 3,768	\$ (35,575)	\$ -	\$ 416,177	\$ 4,465,201	\$ (184,929)	\$ (172,662)	\$ (357,591)	116%	\$ 58,586
2019	\$ 464,738	\$ 3,919	\$ (35,575)	\$ -	\$ 433,082	\$ 4,273,272	\$ (191,929)	\$ (165,662)	\$ (357,591)	121%	\$ 75,491
2020	\$ 482,119	\$ 4,076	\$ (35,575)	\$ -	\$ 450,620	\$ 4,074,078	\$ (199,194)	\$ (158,398)	\$ (357,591)	126%	\$ 93,029
2021	\$ 500,151	\$ 4,239	\$ (35,575)	\$ -	\$ 468,815	\$ 3,867,345	\$ (206,733)	\$ (150,858)	\$ (357,591)	131%	\$ 111,223
2022	\$ 318,788	\$ 12,212	\$ (35,575)	\$ -	\$ 295,425	\$ 3,652,786	\$ (214,559)	\$ (143,033)	\$ (357,591)	136%	\$ (62,166)
2023	\$ 333,890	\$ 12,790	\$ (35,575)	\$ -	\$ 311,105	\$ 3,430,106	\$ (222,680)	\$ (134,911)	\$ (357,591)	142%	\$ (46,486)
2024	\$ 349,708	\$ 13,396	\$ (35,575)	\$ -	\$ 327,529	\$ 3,198,997	\$ (231,109)	\$ (126,482)	\$ (357,591)	148%	\$ (30,062)
2025	\$ 366,276	\$ 14,031	\$ (35,575)	\$ -	\$ 344,732	\$ 2,959,140	\$ (239,857)	\$ (117,735)	\$ (357,591)	153%	\$ (12,859)
2026	\$ 383,628	\$ 14,696	\$ (31,946)	\$ -	\$ 366,378	\$ 2,710,205	\$ (248,936)	\$ (108,656)	\$ (357,591)	161%	\$ 8,786
2027	\$ 401,803	\$ 15,392	\$ (32,905)	\$ -	\$ 384,290	\$ 2,451,847	\$ (258,358)	\$ (99,233)	\$ (357,591)	167%	\$ 26,699
2028	\$ 420,838	\$ 16,121	\$ (33,892)	\$ -	\$ 403,067	\$ 2,183,709	\$ (268,137)	\$ (89,454)	\$ (357,591)	173%	\$ 45,476
2029	\$ 440,775	\$ 16,885	\$ (34,909)	\$ -	\$ 422,751	\$ 1,905,422	\$ (278,287)	\$ (79,304)	\$ (357,591)	179%	\$ 65,160
2030	\$ 461,657	\$ 17,685	\$ (167,208)	\$ -	\$ 312,134	\$ 1,616,602	\$ (288,820)	\$ (68,771)	\$ (357,591)	150%	\$ (45,457)
2031	\$ 483,528	\$ 18,522	\$ (37,035)	\$ -	\$ 465,015	\$ 1,316,849	\$ (299,753)	\$ (57,838)	\$ (357,591)	193%	\$ 107,424
2032	\$ 506,435	\$ 19,400	\$ (38,146)	\$ -	\$ 487,689	\$ 1,005,750	\$ (311,099)	\$ (46,492)	\$ (357,591)	201%	\$ 130,098
2033	\$ 530,427	\$ 20,319	\$ (39,290)	\$ -	\$ 511,456	\$ 682,875	\$ (322,874)	\$ (34,717)	\$ (357,591)	208%	\$ 153,865
2034	\$ 555,556	\$ 21,282	\$ (40,469)	\$ -	\$ 536,369	\$ 347,780	\$ (335,096)	\$ (22,495)	\$ (357,591)	216%	\$ 178,778
2035	\$ 581,876	\$ 22,290	\$ (41,683)	\$ -	\$ 562,483	\$ (0)	\$ (347,780)	\$ (9,812)	\$ (357,591)	224%	\$ 204,892
2036	\$ 609,442	\$ 23,346	\$ (42,933)	\$ -	\$ 589,855	\$ (0)	\$ (0)	\$ 0	\$ -	0%	\$ 589,855
2037	\$ 638,315	\$ 24,452	\$ (44,221)	\$ -	\$ 618,546	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 618,546
2038	\$ 668,555	\$ 25,610	\$ (45,548)	\$ -	\$ 648,617	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 648,617
2039	\$ 700,227	\$ 26,823	\$ (46,914)	\$ -	\$ 680,136	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 680,136
2040	\$ 733,401	\$ 28,094	\$ (48,322)	\$ -	\$ 713,173	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 713,173
2041	\$ 768,146	\$ 29,425	\$ (49,771)	\$ -	\$ 747,800	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 747,800
2042	\$ 804,536	\$ 30,819	\$ (51,265)	\$ -	\$ 784,090	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 784,090
2043	\$ 842,651	\$ 32,279	\$ (52,802)	\$ -	\$ 822,128	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 822,128
2044	\$ 882,572	\$ 33,808	\$ (54,387)	\$ -	\$ 861,993	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 861,993
2045	\$ 924,384	\$ 35,410	\$ (56,018)	\$ -	\$ 903,776	\$ (0)	\$ -	\$ -	\$ -	0%	\$ 903,776
TOTAL	\$ 16,450,503	\$ 548,196	\$ (1,345,410)	\$ (198,821)	\$ 15,454,468	\$ (5,000,000)	\$ (2,151,826)	\$ (7,151,826)			\$ 8,302,643

Actual

FYE	Utility Savings	REC Sales	O&M Expense	Other Exp	Net Operating Savings	Principal Balance	Principal Payment	Interest Payment	Total Debt Service	DSCR	Net Cash Flow
Y0	\$ -	\$ -	\$ -	\$ (239,947)	\$ (239,947)	\$ 5,000,000	\$ (85,046)	\$ (65,104)	\$ (150,150)		\$ (390,097)
2016	\$ 102,607	\$ -	\$ (35,575)	\$ 67,032	\$ 134,064	\$ 4,914,954	\$ (174,905)	\$ (182,686)	\$ (357,591)	19%	\$ (290,559)
2017	\$ 363,593	\$ -	\$ (35,575)	\$ (24,528)	\$ 303,491	\$ 4,740,049	\$ (181,525)	\$ (176,066)	\$ (357,591)	85%	\$ (54,101)
2018	\$ 370,590	\$ -	\$ (35,575)	\$ -	\$ 335,016	\$ 4,558,524	\$ (188,396)	\$ (169,195)	\$ (357,591)	94%	\$ (22,576)
2019	\$ 268,733	\$ -	\$ (35,575)	\$ -	\$ 233,159	\$ 4,370,127	\$ (195,528)	\$ (162,064)	\$ (357,591)	0%	\$ (124,433)
2020	\$ 1,075,131	\$ -	\$ (35,575)	\$ -	\$ 1,039,556	\$ 4,174,600	\$ (202,929)	\$ (154,663)	\$ (357,591)	0%	\$ 681,965
2021	\$ 123,200	\$ -	\$ (35,575)	\$ -	\$ 87,625	\$ 3,971,671	\$ (210,610)	\$ (146,982)	\$ (357,591)	0%	\$ (269,966)
2022	\$ 113,227	\$ -	\$ (35,575)	\$ -	\$ 77,652	\$ 3,761,062	\$ (147,792)	\$ (21,690)	\$ (169,482)	0%	\$ (91,830)
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
TOTAL	\$ 2,417,082	\$ -	\$ (249,023)	\$ (264,475)	\$ 1,903,584	\$ (1,386,731)	\$ (1,078,449)	\$ (2,465,180)			\$ (561,596)

# Agenda Item 3d

Adoption of Resolution No. 2022-04; Authorizing Remote Teleconference Meetings for the Period of February 4, 2022, to March 5, 2022

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Adoption of Resolution No. 2022-04; Authorizing Remote Teleconference Meetings for the Period of February 4, 2022, to March 5, 2022

### STAFF RECOMMENDATION

For the Board to adopt Resolution No. 2021-25; Authorizing Remote Teleconference Meetings for the Period of February 4, 2022, to March 5, 2022, should the Board desire to continue holding remote teleconference meetings.

### BACKGROUND

Since the enactment of Governor Gavin Newsom's Executive Order N-29-20, local legislative bodies in California have been able to hold public meetings by "teleconference" (a term which includes videoconferencing) without complying with certain Brown Act requirements for teleconference meetings.

These provisions were set to expire September 30, 2021, with a return to full Brown Act compliance on October 1, 2021. AB 361 was enacted to extend the COVID-19 exceptions to the Brown Act's teleconference requirements in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

A local agency that holds a meeting under these circumstances is required by AB 361 to do all of the following, in addition to giving notice of the meeting and posting agendas as required under the Brown Act. These additional requirements are intended to protect the public's right to participate in the meetings of local agency legislative bodies:

- Allow the public to access the meeting and require that the agenda provide an opportunity for the public to directly address the legislative body pursuant to the Brown Act's other teleconferencing provisions;



- In each instance when the local agency provides notice of the teleconferenced meeting or posts its agenda, give notice for how the public can access the meeting and provide public comment;
- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option; the legislative body need not provide a physical location for the public to attend or provide comments;
- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public;
- Stop the meeting until public access is restored in the event of a service disruption that either prevents the local agency from broadcasting the meeting to the public using the call-in or internet-based service option, or is within the local agency's control and prevents the public from submitting public comments (any actions taken during such a service disruption can be challenged under the Brown Act's existing challenge provisions);
- Not require comments be submitted in advance (though the legislative body may provide that as an option), and provide the opportunity to comment in real time;
- Provide adequate time for public comment, either by establishing a timed public comment period or by allowing a reasonable amount of time to comment;
- If the legislative body uses a third-party website or platform to host the teleconference, and the third-party service requires users to register to participate, the legislative body must provide adequate time during the comment period for users to register, and may not close the registration comment period until the comment period has elapsed.

AB 361 also provides that, if the state of emergency remains active for more than 30 days, a local agency must make the following findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules:

- The legislative body has reconsidered the circumstances of the emergency; and
- Either of the following circumstances exist: The state of emergency continues to directly impact the ability of members to meet safely in person, or State or local officials continue to impose or recommend social distancing measures.

This means that local agencies will have to put an item on the agenda of a Brown Act meeting once every thirty days to make findings regarding the circumstances of the emergency and vote to continue using the law's exemptions.

### **FISCAL IMPACT**

None

### **ATTACHMENT(S)**

Resolution No. 2022-04

**RESOLUTION NO. 2022-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM, DECLARING THAT LOCAL EMERGENCY CONDITIONS PERSIST, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS AND ITS STANDING COMMITTEES FOR THE PERIOD FEBRUARY 4, 2022, TO MARCH 5, 2022, PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the Phelan Pinon Hills Community Services District (the “District”) is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

**WHEREAS**, all meetings of the District’s Board of Directors (the “Board”) and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950-54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

**WHEREAS**, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition for application of Government Code Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the State caused by conditions as described in Government Code Section 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency to exist in California as a result of the threat of COVID-19, and such proclamation has not yet been lifted; and

**WHEREAS**, it is further required under Government Code Section 54953(e) that state or local officials have imposed or recommended measures to promote social distancing or that the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, the Board previously adopted Resolution No. 2021-25 on December 1, 2021, finding that the requisite conditions exist for the Board and its standing committees to conduct remote teleconference meetings without compliance with Government Code Section 54953(b)(3); and

**WHEREAS**, as a condition of extending the use of the provisions set forth in Government Code Section 54953(e), the Board must reconsider the circumstances of the state of emergency that exists within the District, and the Board has done so; and

**WHEREAS**, emergency conditions persist within the District, specifically COVID-19 and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety, and well-being of the District's employees, directors, vendors, contractors, customers, visitors, and residents; and

**WHEREAS**, directions from the San Bernardino County Department of Public Health and regulations from the State of California impose various social distancing restrictions and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

**WHEREAS**, the Board does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19, which has caused, and will continue to cause, conditions of imminent risk to attendees of Board meetings, and has resulted in local, State, and federal social distancing orders and related guidance, and which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board desires to re-affirm that a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

**WHEREAS**, as a consequence of the local emergency persisting, the Board does hereby find that the Board and all standing committees thereof shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Government Code Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Government Code Section 54953; and

**WHEREAS**, the District will continue to provide proper notice to the public regarding all Board and standing committee meetings in accordance with Government Code Section 54953(e)(2) and shall continue to provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board hereby considers the conditions of the state of emergency within the District and proclaims that a local emergency persists throughout the District as a result of the continuing presence of COVID-19, which continues to cause conditions of imminent risk to

attendees of the District's Board and standing committee meetings, and which have resulted in local, State, and federal social distancing orders and guidance, and that continuing to conduct the District's Board and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-Ratification of Governor's Proclamation of a State of Emergency. The Board hereby re-ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her designee, and the Board and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including but not limited to continuing to conduct open and public meetings in accordance with Government Code Section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board adopts a subsequent resolution in accordance with Government Code Section 54953(e)(3) to extend the time during which the Board and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953.

**PASSED AND ADOPTED** by the Board of Directors of the Phelan Pinon Hills Community Services District this 2nd day of February, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

# Agenda Item 3e

Approval of Committee Roles &  
Responsibilities

# **Engineering Committee Roles and Responsibilities**

---

The Board of Directors established the Engineering Committee as a standing committee with the following roles and responsibilities:

## **Role**

The role of the Engineering Committee is to assist the District staff in review of operations and maintenance of the water system infrastructure, and engineering/construction of the District's buildings, parks, or other facilities.

## **Responsibility**

The responsibility of the Engineering Committee is to review and oversee the progress by staff of repairs, routine maintenance programs, District projects (Construction in Progress - CIP); work with staff in development of a sound engineering and construction program; and develop annual and long-term capital and maintenance budgets.

## **Specific Tasks/Goals**

- Represent the Board in an advisory capacity and report to the Board monthly.
- To review the monthly System Repair/Replacement/Update List.
- To review the status of all ongoing CIP activities.
- To update the Capital & Maintenance Ten Year Matrix, as needed.
- To recommend the annual budget assumptions related to engineering/construction projects to the Board of Directors.
- To assist the District staff in preparation and review of engineering related Requests for Proposals, and the evaluation of vendor proposals.
- To work with staff on engineering policies for recommendation to the Board of Directors.
- Attend training sessions or networking opportunities as they may come available and are pertinent to committee-related concerns.
- Make budget recommendations annually for committee-related activities.

## Finance Committee Roles and Responsibilities

The Board of Directors established the Finance Committee as a standing committee with the following roles and responsibilities:

### **Role**

The role of the Finance Committee is to assist District staff with the financial related processes and activities of the District.

### **Responsibility**

The responsibility of the Finance Committee is to review financial related reports and contracts, review the District's annual budget and audit, review finance-related RFPs, and to assist with development of financial plans and processes for the District.

### **Specific Tasks/Goals**

- Represent the Board in an advisory capacity and report to the Board quarterly.
- To review the quarterly District financial statements, including the Balance Sheet, the Income Statement, the Statement of Cash Flows, the Disbursements Statement, the Accounts Receivable Aging Statement, and the Accounts Payable Aging Statement.
- To work with District staff during the preparation of the annual budget.
- To review financial projects exceeding the General Manager's purchasing policy limits.
- To work with staff on financial policies, including reserves, multi-year forecast, rates, and fees for recommendation to the Board of Directors.
- To review audit process and maintain financial integrity for District.
- To evaluate the performance of the audit firm and make recommendations for renewal or replacement.
- To preview financial presentations to the Board for accuracy and presentibility.
- Attend training sessions or networking opportunities as they may come available and are pertinent to committee-related concerns.
- Make budget recommendations annually for committee-related activities.

Deleted: simplicity

Deleted: 2/18/2015

Approved by the Board on 2/2/2022

# **Legislative Committee Roles and Responsibilities**

---

The Board of Directors established the Legislative Committee as a standing committee with the following roles and responsibilities:

## **Role**

The role of the Legislative Committee is to assist District staff with legislative activities.

## **Responsibilities**

The responsibilities of the Committee are to study pending federal, state, and county legislation that has the potential to affect the District; to prepare Board authorized legislation or correspondence when needed; collaborate with other local agencies, such as ACWA, CSDA, and other similar special districts, concerning issues relevant to the powers vested to the District as a governing body; and to develop and maintain relationships with other local, county, state, and federal representatives and governmental agencies and their staff to foster awareness of the District.

## **Specific Tasks/Goals**

- Represent the Board in an advisory capacity and report to the Board quarterly.
- Work to maintain and improve relations with elected representatives, and to help foster good staff-to-staff relations.
- Assist the General Manager by working as a conduit from the District to the San Bernardino County First District Supervisor and vice-versa. This would include the county's CAO/COO and any relevant department heads.
- Work to maintain communication, personal contact, relay District concerns, and seek support with California's two U.S. Senators, U.S. Congresspersons, and California State Senators and Assemblypersons.
- Maintain awareness of the legislative needs and elections in the District and deliberate to achieve a level of comfort with the prospect of the District's best interests being served.
- Attend workshop and conferences when applicable to legislative and other affiliated matters.
- Gather legislative information of local interest and check pertinent websites for legislative updates.
- Make Committee reports quarterly during Board meetings or whenever else necessary.
- Set up a network for quick communication with other similar committee members in the surrounding Victor Valley jurisdictions.
- Attend legislative training sessions or networking opportunities as they may come available and are pertinent to committee-related concerns.
- Make budget recommendations annually for committee-related activities.



## Parks, Recreation & Street Lighting Committee Roles and Responsibilities

---

The Board of Directors established the Parks, Recreation & Street Lighting Committee as a standing committee with the following roles and responsibilities:

### **History of District Parks & Recreation**

Parks and recreation are vital components to any community. Parks not only add beauty but also provide safe areas for activities for individuals, families, and groups. In addition to parks, the District has two community centers and a senior center. These centers are utilized for a wide range of activities and are available to the community to rent for a small fee. The District currently offers several events and activities to the community, and continues to work on various recreation ideas.

Adjacent to the centers are two parks that have picnic tables and playgrounds. They are available from morning until dusk. The District is looking to develop larger parks that could have athletic fields or other features in addition to standard park integrity. The District owns several parcels throughout the District.

### **Role**

The role of the Committee is to assist District staff with the park, recreation, and street lighting activities and services in the District.

### **Responsibility**

The responsibility of the Committee is to review and work with staff to acquire, construct, improve, maintain and operate street lighting and landscaping on public property, public right-of-way, and public easements, to review quarterly staff reports at the public Committee meetings, and to develop annual and long-term capital and maintenance budgets.

Deleted: as outlined by LAFCO 3167

### **Specific Tasks/Goals**

- Represent the Board in an advisory capacity and report to the Board quarterly.
- Work with staff in accordance to the LAFCO report.
- Outreach to the community to promote current activities, programs, and projects, and seek community input through survey and workshops to attain future parks, recreation, and street lighting projects, maintenance ideas, and concepts.
- Develop MOU with Snowline Joint Unified School District to develop mutual use of lands and recreational programs that benefit the community.
- Work with San Bernardino County to develop mutual goals that benefit the community for park and recreation purposes.
- Work with Sheep Creek Water Company to promote park, recreation, and community information.
- Attend training sessions or networking opportunities as they may come available and are pertinent to committee-related concerns.
- Make budget recommendations annually for committee-related activities.

Approved by the Board on 2/2/2022

## **Waste & Recycling Committee Roles and Responsibilities**

---

The Board of Directors established the Waste & Recycling Committee as a standing committee with the following roles and responsibilities:

### **Role**

The role of the Waste & Recycling Committee is to assist District staff with the solid waste and recycling services and programs within the District.

### **Responsibility**

The responsibility of the Waste & Recycling Committee is to review and oversee the solid waste and recycling/diversion programs and contracts, and to develop annual and long-term capital and maintenance budgets.

### **Specific Tasks/Goals**

- Represent the Board in an advisory capacity and report to the Board quarterly.
- To monitor state laws and regulations concerning solid waste and recycling.
- To oversee and develop or enhance solid waste and recycling/diversion programs.
- To update the Capital & Maintenance Ten Year Matrix, as needed.
- To recommend the annual budget assumptions related to solid waste and recycling projects & programs to the Board of Directors.
- To assist the District staff in preparation and review of solid waste and recycling related Requests for Proposals, and the evaluation of vendor proposals.
- To work with staff on solid waste and recycling policies for recommendation to the Board of Directors.
- To come into compliance with state laws and regulations in a manageable timeframe.
- Attend training sessions or networking opportunities as they may come available and are pertinent to committee-related concerns.
- Make budget recommendations annually for committee-related activities.

# Agenda Item 4

Matters Removed from  
Consent Items

# Agenda Item 5

Presentations/Appointments

# Agenda Item 6a

Discussion & Possible Adoption of  
First Amendment to the Exclusive  
Franchise Agreement between the  
Phelan Piñon Hills Community  
Services District and CR&R  
Incorporated for the Solid Waste  
Handling and Recycling Services

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Discussion & Possible Adoption of First Amendment to the Exclusive Franchise Agreement between the Phelan Piñon Hills Community Services District and CR&R Incorporated for the Solid Waste Handling and Recycling Services

---

### STAFF RECOMMENDATION

For the Board to adopt the First Amendment to the Exclusive Franchise Agreement between the Phelan Piñon Hills Community Services District and CR&R Incorporated for the Solid Waste Handling and Recycling Services ("Amendment").

### BACKGROUND

The District's current franchise agreement with CR&R was adopted on July 3, 2019. Since that time, final rule making for SB 1383 was completed and certain regulations went into effect on January 1, 2022. District staff has prepared a timeline for implementation as guidance for implementation of SB 1383. One of the initial steps in the process is to amend the District's franchise agreement to include service provisions related to SB 1383.

In order to begin the process to prepare for uniform collection and compliance with SB 1383, CR&R will incur significant capital expenses to add personnel, to purchase trucks and bins, and to help the District educate customers on upcoming requirements. Before CR&R outlays the capital, they have requested for the franchise agreement to be amended to demonstrate the intent of the District to implement uniform residential collection, proposed to begin July 1, 2023.

The Board reviewed the draft Amendment at the January 19, 2022, Board meeting. Additional modifications by the District, and further review by CR&R, were necessary. The Agreement has been modified by District staff and legal counsel, and has been reviewed by CR&R.

### FISCAL IMPACT

None

### ATTACHMENT(S)

Amendment

Amendment (with redlines from version presented 1/19/2022)

Franchise Agreement (for reference)

SB 1383 Uniform Collection Timeline

**FIRST AMENDMENT TO EXCLUSIVE FRANCHISE  
AGREEMENT BETWEEN PHELAN PINON HILLS  
COMMUNITY SERVICES DISTRICT AND CR&R  
INCORPORATED FOR SOLID WASTE HANDLING AND  
RECYCLING SERVICES**

This First Amendment to Exclusive Franchise Agreement between Phelan Piñon Hills Community Services District and CR&R Incorporated for Solid Waste Handling and Recycling Services (“First Amendment”) entered into this 2nd day of January, 2022, by and between the Phelan Piñon Hills Community Services District, organized under the laws of the State of California (“District”) and CR&R Incorporated, a California corporation (“Contractor”).

**RECITALS**

**WHEREAS**, on or about July 1, 2019, the District and Contractor entered into an Exclusive Franchise Agreement for Solid Waste Handling and Recycling Services; and

**WHEREAS**, the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing disposal capacity and interest in minimizing potential environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement aggressive integrated waste management programs. The State has, through enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000, et seq.) and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in landfill disposal and to maximize the use of feasible waste reduction, reuse, recycling, and composting options in order to reduce the amount of material that must be disposed; and,

**WHEREAS**, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, solid waste facilities, and other entities to support achievement of State-wide organic waste disposal reduction targets; and

**WHEREAS**, regulations implementing SB 1383 require the District to implement collection programs, meet processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the District has chosen to delegate some of its responsibilities to the Contractor, acting as the District’s designee, and Contractor desires to take on these responsibilities; and

**WHEREAS**, District and Contractor desire to amend the Agreement as set forth herein.

## **OPERATIVE PROVISIONS**

**NOW, THEREFORE**, in consideration of the promises made and recited herein, the parties hereto do hereby enter into this First Amendment pursuant to Section 14.10 of the Agreement as follows:

### 1. **DEFINITIONS.**

1.1 Attachment "A" (Definitions) of the Agreement is amended to delete the definitions of "Bin," "Cart," "Compost," and "Organic Material."

1.2 Attachment "A" (Definitions) of the Agreement is amended to add or amend, as applicable, the following definitions:

**"Back-Haul"** means generating and transporting Organic Waste to a destination owned and operated by the Generator using the Generator's own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

**"Blue Container or Lid"** has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials (SSBCOW).

**"California Code of Regulations"** or **"CCR"** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR, Division 7, Chapter 12" refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations).

**"CalRecycle"** means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on jurisdictions and other regulated entities.

**"Commercial Edible Food Generators"** includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

**"Compostable Plastics"** or **"Compostable Plastic"** means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

**"Diversion** (or any variation thereof including "Divert")" means activities which reduce or eliminate Discarded Materials from Disposal, including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.



**“Edible Food”** means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

**“Excluded Waste”** means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, and toxic substances or material that Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or District to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

**“Facility”** or **“System Facility”** or **“Solid Waste Facility”** means a Solid Waste Facility, as defined in Public Resources Code section 40194, that for the purposes of this Agreement is designated by the District to be used by the Contractor for the processing, recovery and/or disposal of Solid Waste, including Recyclable Materials and Organic Waste.

**“Food Recovery”** means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“Food Recovery Organization”** means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the Health and Safety Code;
- B. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
- C. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

**“Food Recovery Service”** means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food

Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).

**“Food Scraps”** means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. [Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.]

**“Food-Soiled Paper”** means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

**“Food Waste”** means Source Separated Food Scraps, Food-Soiled Paper, and Compostable Plastics. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

**“Generator”** means the owner or occupant of a premises, including residences or businesses, which initially produces Solid Waste, including Recyclable Materials and Organic Waste.

**“Gray/Black Container or Lid”** has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste.

**“Gray/Black Container Waste”** means Solid Waste that is collected in a Gray Container as specified in 14 CCR Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section 17402(a)(6.5). [Gray Container Waste may specifically include carpet, and textiles.]

**“Green Container or Lid”** has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste (SSGCOW).

**“Hauler Route(s)”** means the designated itinerary or sequence of stops for each segment of the District’s collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

**“Large Event”** means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

**“Large Venue”** means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter

12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

**“Non-Compostable Paper”** includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

**“Non-organic recyclables”** or **“Recyclable Material”** means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

**“Organic Waste”** means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**“Paper Products”** include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

**“Performance-based Compliance Approach”** means the method of complying with the SB 1383 Regulations through implementation of a collection system, programs, and policies in accordance with 14 CCR, Division 7, Chapter 12, Article 17, or as otherwise defined by 18982(a)(52.5), and all associated requirements.

**“Printing and Writing Papers”** include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

**“Process”** or **“Processing”** means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

**“Prohibited Container Contaminants”** means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the District’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the District’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or SSGCOW to be placed in District’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

**“Recycle”** or **“Recycling”** means the process of Collecting, sorting, cleansing, treating, and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. Recycling includes processes deemed to constitute a reduction of Landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

**“Reuse”** or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

**“SB 1383”** means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

**“SB 1383 Regulations”** or **“SB 1383 Regulatory”** refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

**“Service Level”** refers to the number and size of a Generator’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

**“Solid Waste”** has the same meaning as defined in PRC Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- (1) Hazardous waste, as defined in PRC Section 40141.

(2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

(3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14, commencing with Section 117600, of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a solid waste Landfill, as defined in PRC Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to PRC, Division 30.

As used in this Agreement, Solid Waste includes Organic Waste and Recyclable Materials, unless the context clearly indicates otherwise.

**“Source Separated”** means materials, including commingled Recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste and other Solid Waste for the purposes of Collection and Processing.

**“Source Separated Blue Container Organic Waste”** or **“SSBCOW”** means Source Separated Organic Wastes that can be placed in a Blue Container that is limited to the collection of those Organic Wastes and Non-Organic Recyclables as defined in Section 18982(a)(43), or as otherwise defined by Section 17402(a)(18.7).

**“Source Separated Green Container Organic Waste”** or **“SSGCOW”** means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate collection of Organic Waste by the Generator, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles.

**“Source Separated Recyclable Materials”** means Source Separated Non-Organic Recyclables and SSBCOW.

**“Standard Compliance Approach”** means the method for complying with the SB 1383 Regulations through implementation of a collection system pursuant to 14 CCR, Division 7, Chapter 12, Article 3, and all associated program and policy requirements

**“Tier One Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket.

- B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- C. Food Service Provider.
- D. Food Distributor.
- E. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

**“Tier Two Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- B. Hotel with an on-site food facility and 200 or more rooms.
- C. Health facility with an on-site food facility and 100 or more beds.
- D. Large Venue.
- E. Large Event.
- F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- G. A local education agency with an on-site food facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

**“Yard Trimmings”** means types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal that the Generators Source Separate and set out in Green Containers for Collection for the purpose of Processing by the Contractor.

2. **EXCLUSIVE FRANCHISE AGREEMENT.** All references to “Green Waste” in Section 3.01 (Grant of Franchise) and Section 3.02 (Limitations on Exclusive Franchise) of the Agreement shall be changed to “Organic Waste.”

3. **DISTRICT ELECTION TO PROVIDE BILLING SERVICES.** A new Section 6.04 (District Election to Provide Billing Services) is added to Article 6 (Other Services) of the Agreement to read as follows:

“At any time during the Term of this Agreement, the District may elect to assume the billing function under this Agreement (the “Election”). At any time following the Election, the District may, with 180 days notice, rescind the Election and billing functions will revert to the Contractor. The District will provide written notification to Contractor of the Election and/or any rescission thereof. A rate, as determined by separate resolution, will be paid by Contractor to the District for billing functions.”

4. **REQUIREMENTS FOR OPERATIONS.** All references to “Green Waste” in Section 7.01 (Collection Standards) and Section 7.03 (Containers) shall be changed to “Organic Waste.”

5. **CONTAINERS.** Section 7.03 (Containers) in Article 7 (Requirements for Operations) of the Agreement is replaced as follows:

- a. General. Contractor shall provide all Containers and Compactors, as appropriate, to all Customers as part of its obligations under the terms of this Agreement.

All Containers used in the performance of this Agreement shall remain the property of the Contractor.

- b. Contractor shall use the Contractor-provided Collection containers that are currently located at Generators’ premises or provide Generators with collection containers from Contractor’s current inventory.
- c. On or before January 1, 2022, (or if using Performance-based Compliance Approach, then until color compliant containers are provided), Contractor shall place a label on the body or lid of each new container that has been provided to a Generator that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each container. Prior to ordering labels for containers, Contractor shall submit a copy of its proposed label, proposed location(s) for placement of labels on each type of container, and its labeling plan to the District for approval.
- d. No later than January 1, 2036, Contractor shall provide all Generators with collection containers that comply with the container color requirements specified in this Agreement or as otherwise specified in the SB 1383 Regulations. If an existing container breaks or is otherwise rendered non-functional on or after January 1, 2022, the Contractor shall replace the non-functional container with a container that complies with the color requirements of the SB 1383 Regulations. Notwithstanding this paragraph, the Contractor is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Agreement prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.
- e. New Customer Containers. When required to do so, Contractor shall provide new Customers with Containers no later than the next regular service day following notification of subscription. New Customers shall receive containers that are new, or alternatively, used Containers that have been pressure washed.

- f. Container Repair and Replacement. Customer shall be responsible to maintain all containers in a clean and functional condition. Contractor shall be responsible to repair or replace lids, handles and/or wheels as necessary. Containers will only be provided at such time as a container is lost, unserviceable or incapable of routine repair. Contractor shall replace all lost, unserviceable or irreparable containers by the next service day following receipt of Customer's request. Containers damaged by Contractor, or from normal wear and tear, shall be replaced at no charge to Customer. Contractor may charge customers to replace missing containers or containers damaged by Customer. Contractor shall notify Customer by the next service day following receipt of Customer's request if charges shall apply and shall additionally notify District of its findings. Should District determine that the need for container replacement is the result of Contractor's actions and not the actions of Customer, District shall instruct Contractor to deliver a replacement container at no charge to Customer. District's decision shall be final.
- g. Temporary Containers. Contractor shall provide metal 3 cubic yard containers for temporary use by any premises in the District for removal of Solid Waste, Construction and Demolition Debris or Organic Waste. Contractor shall cover temporary containers during transport to prevent the release of litter and debris.
- h. Roll-Off Boxes. Contractor shall provide metal Roll-Off Boxes of 20 cubic yard and 40 cubic yard sizes for regular use by select Commercial and Industrial Premises and for temporary use by any Premises in District. Contractor shall cover Roll-Off Boxes during transport to prevent the release of litter and debris.
- i. Compactors. Contractor may provide, for a fee, stationary compactors for use by Customers or may service stationary compactors owned and provided by Customers provide that any stationary compactor provided by Customer shall meet the specifications of Contractor and be compatible with Contractor's collection vehicles.

6. **PROCUREMENT.** A new Section 7.06. (Procurement) is added to Article 7 (Requirements for Operations) of the Agreement to read as follows:

"Contractor agrees to coordinate and cooperate with the District to meet its Organic Waste procurement targets, as required by SB 1383 Regulations."

7. **IDENTIFICATION OF FACILITIES.** A new Section 7.07 (Identification of Facilities) is added to Article 7 (Requirements for Operations) of the Agreement to read as follows:

"If using a Standard Compliance Approach, Contractor shall identify the Facilities to which they will transport Organic Waste as required by the SB 1383



Regulations.”

8. **PROVIDED SERVICES.** The services to be performed by Contractor under the Agreement are amended to include the services set forth in Exhibit B-1 attached hereto and incorporated herein by this reference.

9. **INDEMNIFICATION.** A new paragraph “e” is added to Section 11.01 of the Agreement to read as follows:

“Contractor’s duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Contractor with respect to Solid Waste collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement, or, (ii) due to Contractor delays in providing information that prevents Contractor or District from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The foregoing indemnity is expressly conditioned upon the District’s implementation of required programs or activities, requested by the Contractor, which are within the District’s authority and ability to implement and which would be effective as a means to increase diversion and maintain compliance with State regulations. The provisions of this paragraph shall survive the termination or expiration of this Agreement.”

10. **GENERAL PROVISIONS.**

10.1 Remainder Unchanged. Except as specifically modified and amended in this First Amendment, the Agreement remains in full force and effect and binding upon the parties.

10.2 Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

10.3 Effective Date. This First Amendment shall be deemed effective as of January 1, 2022.

10.4 References. All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this First Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this First Amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment on the date and year first-above written.

**PHELAN PIÑON HILLS  
COMMUNITY SERVICES  
DISTRICT**

\_\_\_\_\_  
Don Bartz, District Manager

**ATTEST:**

\_\_\_\_\_  
Kimberly Ward, Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Steve Kennedy, District Counsel

**CR&R INCORPORATED**

By: \_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT B-1

### SCOPE OF SERVICES

#### I. Three-Container Collection Program

**A. General.** Upon District approval, Contractor shall provide a three-container Collection program for the separate Collection of Source Separated Recyclable Materials, Source Separated Organic Waste, and Solid Waste as specified in this Agreement, using containers that comply with the requirements of this Agreement and SB 1383 Regulations. Contractor shall not knowingly Collect Blue, Green, or Gray/Black Containers that include Prohibited Container Contaminants.

**B. Source Separated Recyclable Materials Collection (Blue Container or Lid).** Contractor shall provide Blue Containers to Generators for Collection of Source Separated Recyclable Materials and shall provide Source Separated Recyclable Materials Collection service, Contractor shall transport the Source Separated Recyclable Materials to a Facility that recovers the materials designated for Collection, in accordance with SB 1383 Regulations.

Source Separated Recyclable Materials that are to be accepted for Collection in the Source Separated Recyclable Materials Collection program include the following: (i) Non-Organic Recyclables such as: aluminum, glass bottles and jars, rigid plastics (marked # 1 through # 7), tin and bi-metal cans; and (ii) SSBCOW such as: Paper Products, Printing and Writing Papers.

**C. SSGCOW Collection (Green Container or Lid).** Contractor shall provide Green Containers to Generators for Collection of SSGCOW and shall provide SSGCOW Collection service. Contractor shall transport the SSGCOW to a Facility in accordance with SB 1383 Regulations.

SSGCOW that are to be accepted for Collection in the SSGCOW Collection program include the following: Food Scraps; Food-Soiled Paper; Yard Trimmings, and Compostable Plastics. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers. Yard Trimmings that are to be accepted for Collection in the SSGCOW Collection program include the following: green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees weighing no more than 50lbs, and other types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal, provided all SSGCOW fits inside the Green Container with the lid closed and does not exceed 150 pounds.

Contractor may Collect compliant Compostable Plastics in the Green Containers for Processing. At least two (2) months prior to the commencement of the Collection of Compostable Plastics in the SSGCOW program, Contractor shall provide written notification to the District whether the Processing Facility can or cannot Process and recover these Compostable Plastics in accordance with SB 1383 Regulations. If the Facility can process and recover Compostable Plastics, and Contractor elects to Collect Compostable Plastics in the Green Container, then

Contractor shall provide annual written notification to the District that the Facility has and will continue to have the capabilities to Process and recover the Compostable Plastics. If the Facility cannot process and recover Compostable Plastics, then Contractor will not Collect Compostable Plastics in the Green Container. It is also understood that Contractor proposes to process the District's organics through a designated composting or other approved processing facility.

Contractor may require Generators to place Food Waste in plastic bags or other wrappings and put the bagged or wrapped Food Waste in the Green Container. At least two (2) months prior to the commencement of the use of plastic bags for the Food Waste program, Contractor shall provide written notification to the District that allowing the use of bags does not inhibit the ability of the District to comply with SB 1383 Regulations, and that the Facility can Process and remove plastic bags when it recovers SSGCOW. Contractor shall provide annual written notification to the District that the Facility has and will continue to have the capabilities to Process and remove plastic bags when it recovers SSGCOW. It is understood that designated facilities may not accept plastic bags, or bags of any kind in the organic waste.

**D. Gray Container Waste Collection.** Contractor shall provide Gray/Black Containers or Lids to Generators for Collection of Gray/Black Container Waste and shall provide Gray/Black Container Waste Collection service. Contractor shall transport the Gray/Black Container Waste to a Facility in accordance with the SB 1383 Regulations. Contractor may allow carpets, and textiles to be placed in the Gray/Black Containers. Prohibited Container Contaminants shall not be Collected in the Gray/Black Containers.

**E. Alternative Compliance.** Nothing contained herein shall prohibit Contractor from meeting its compliance requirements by any alternative methods or procedures, provided it complies with SB 1383, the SB 1383 Regulations, and/or any other applicable law, as may be amended from time to time.

## **II. Contamination Monitoring**

### **A. Route Reviews and Waste Evaluations.**

Contractor shall meet its SB 1383 Regulations contamination monitoring requirements commencing April 1, 2022, using either Route Reviews or Waste Evaluations; provided however, that if Contractor complies with SB 1383 Regulations using a Performance-based Compliance Approach, it shall monitor containers using waste evaluations, as outlined herein. District and Contractor agree that the evaluations cannot commence before carts are delivered to the customers.

Contractor shall meet its SB 1383 Regulations contamination monitoring requirements commencing April 1, 2022, using route reviews as outlined herein:

1. Contractor shall conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Contractor; is approved by the District; is conducted in a manner that results in all

Hauler Routes being reviewed annually, and is consistent and in accordance with SB 1383 Regulations. Containers may be randomly selected along the Hauler Route. This Section should not be construed to require that every container on a Hauler Route must be sampled annually.

2. Upon finding Prohibited Container Contaminants in the container, Contractor shall follow the contamination monitoring noticing procedures paragraph B.3 of this Section II.

3. Contractor shall maintain all applicable records required under SB 1383 Regulations, and report to the District on a quarterly basis on contamination monitoring activities, route reviews and/or waste evaluations, and actions taken.

4. Notwithstanding the foregoing, this paragraph A shall not prohibit Contractor from meeting its compliance requirements by any alternative methods or procedures, provided it complies with SB 1383, the SB 1383 Regulations, and/or any other applicable law, as may be amended from time to time.

## **B. Waste Evaluations**

Alternatively, if Contractor elects to perform Waste Evaluations, Contractor shall, conduct waste evaluations that comply with and meet the requirements of 14 CCR Section 18984.5(c). The District maintains the right to observe, or hire a third party to observe, the waste evaluations.

**1. Sampling Method, Study Protocols.** The Contractor shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the following manner:

a. If using a Standard Compliance Approach, Contractor shall conduct waste evaluations at least twice per year and in two distinct seasons of the year in a manner that complies with the requirements of 14 CCR section 18984.5(c). If using a Performance-based Compliance Approach, Contractor shall conduct waste evaluations at least twice per year for the Blue and Green Containers and at least once per quarter for the Gray/Black Containers.

b. The Contractor's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray/Black Container Waste.

c. The waste evaluations shall include samples from each Container type served by the Contractor and shall include samples taken from different areas in the District that are representative of the District's waste stream.

d. The waste evaluations shall include at least the minimum number of samples specified in SB 1383 Regulations.

e. The Contractor shall Transport all of the material Collected for sampling to a sorting area at a permitted solid waste Facility where the

presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Contractor shall use the following protocol:

- i. The disposal facility shall take one sample of at least a 200 pounds from the material Collected from each material stream for sampling.
- ii. The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream.
- iii. For each 200-pound sample, the disposal facility shall remove any Prohibited Container Contaminants and determine the weight of Prohibited Container Contaminants.
- iv. The Contractor shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample.

**2. Contamination Response.** If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measured sample for any material stream, the Contractor shall:

- a. If using a Performance-based Compliance Approach, notify the District within thirty (30) working days of the waste evaluation.
- b. Within thirty (30) working days of the waste evaluation, notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Contractor may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, email, or electronic message to the Generators. The format of the warning notice shall be approved by the District.
- c. If using a Performance-based Compliance Approach, Contractor shall allow a representative of the District and/or CalRecycle to oversee its next scheduled quarterly sampling of the Gray/Black Containers, upon request.

**3. Material Exceptions.** Organic Waste that is textiles, carpet, hazardous wood waste, human waste, pet waste, or material subject to a quarantine on movement issued by a County agricultural commissioner is not required to be measured as Organic Waste when calculating the amount of Organic Waste present in the Gray/Black Container Waste.

**B. Actions upon Identification of Prohibited Container Contaminants.**

Upon finding Prohibited Container Contaminants in a Container, Contractor shall follow the protocols set forth in this Section.

**1. Record Keeping.** The driver or other Contractor representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Generator's address, type of container (Blue, Green, or Gray/Black Container).

**2. Courtesy Pick-Up Notices.** Upon identification of Prohibited Container Contaminants in a Generator's container, Contractor shall provide the Generator a courtesy pick-up notice. The courtesy pick-up notification shall: (i) inform the Generator of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Generator's requirement to properly separate materials into the appropriate containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray/Black Container; (iv) inform the Generator of the courtesy pick-up of the contaminated materials on this occasion with information that following three consecutive instances of Prohibited Container Contaminants within a six-month time period, Contractor may assess contamination Processing fees. Contractor shall leave the courtesy pick-up notice attached to or adhered to the Generator's contaminated containers; at the Premises' door or gate; or, subject to District's approval, may deliver the notice by mail, e-mail, text message, or other electronic message.

**3. Notice of Assessment of Contamination Processing Fees.** If the Contractor observes Prohibited Container Contaminants in a Generator's Container on more than three consecutive occasions within a six-month time period, and issued courtesy pick-up notices on each of those occasions, the Contractor may impose a contamination Processing fee of \$35.00 (which will be adjusted annually pursuant to the same CPI Index used for annual rate adjustments). Contractor shall notify the District in its quarterly report of Generators for which contamination Processing fees were assessed. Contractor shall leave a contamination Processing fee notice attached to or adhered to the Generators' contaminated containers; at the Premises' door or gate; or, subject to District's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. The contamination Processing fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the Generator will be charged a contamination Processing fee on its next bill. The format of the contamination Processing fee notice shall be approved by the District.

**C. Disposal of Contaminated Materials.** If the Contractor observes Prohibited Container Contaminants in a Generator's Container(s), Contractor may dispose of the Container's contents, provided Contractor complies with the noticing requirements in subsection A above.

### **III. Education and Outreach**

A. Contractor shall create all applicable education materials and conduct

all education programs and activities as provided by and in accordance with the SB 1383 Regulations. Contractor shall cooperate and coordinate with the District on public education activities.

B. On or before February 1, 2022, the District, in coordination with the Contractor, shall develop a list of Food Recovery Organizations and Food Recovery Services operating within the District, maintain the list on the District-specific website, and update the list annually. The list shall include, at a minimum, the following information about each Food Recovery Organization and each Food Recovery Service:

1. Name and physical address;
2. Contact information;
3. Collection service area; and,
4. An indication of types of Edible Food the Food Recovery Service or Food Recovery Organization can accept for Food Recovery.

C. At least annually, the District shall provide Commercial Edible Food Generators with the following information:

1. Information about the District's Edible Food Recovery program;
2. Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 7, Chapter 12, Article 10;
3. Information about Food Recovery Organizations and Food Recovery Services operating within the District, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
4. Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

D. The Contractor will assist the District with the information required above by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to commercial businesses.

E. Contractor and District shall comply with all applicable public education and outreach record keeping and reporting requirements as provided by SB 1383 and the SB 1383 Regulations.

#### **IV. Inspections and Enforcement**

Beginning July 1, 2022, for commercial service, and July 1, 2023, for residential service, Contractor shall assist the District with applicable inspections and enforcement, to the extent delegable, as required by SB 1383 Regulations. District shall maintain all



applicable records from inspection and enforcement in accordance with SB 1383 Regulations. If using a Performance-based Compliance Approach, the District agrees it will only grant waivers if at least ninety percent (90%) of Single-Family Generators and ninety percent (90%) of Commercial Generators (including Multi-Family Generators) participate in the three-Container Collection program.

## **V. Generator Waiver Program Coordination**

**A. General.** In accordance with SB 1383 Regulations and the District Code, the District may grant waivers (de minimis, physical space or Collection frequency) to Generators that impact the scope of Contractor's provision of service for those Generators. Waivers issued shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11.

**B. Requests Submitted to Contractor.** Generators may submit requests for de minimis waivers, physical space waivers, and Collection frequency waivers to the Contractor. Contractor shall within thirty (30) working days review the Generator's waiver application and inspect the Generator's Premises to verify the accuracy of the application. Contractor shall provide documentation of the inspection, including the Contractor's recommendation to approve or deny the waiver request, and send this information to the District within fifteen (15) working days of receipt of the Generator's waiver application for the District's review and approval. The District ultimately retains the right to approve or deny any application, regardless of the Contractor's recommendation. Contractor shall report information regarding waivers reviewed on a quarterly basis.

**C. Contractor Change in Generators' Service Levels.** When the District grants a waiver to a Generator, the District shall notify the Contractor within fifteen (15) working days of the waiver approval with information on the Generator and any changes to the service level or Collection service requirements for the Generator. Contractor shall have thirty (30) working days to modify the Generator's service level and billing statement, as needed.

**D. Reverification of Waivers.** It shall be the responsibility of the Contractor to verify that the Generators with de minimis, physical space constraint, or Collection frequency waivers continue to meet the waiver requirements set forth in this Section. Contractor shall conduct such reverifications of waivers through inspection of each Generator's premises and review of applicable records at least once every five (5) years for de minimis and physical space constraint waivers. Contractor shall maintain a record of each waiver verification and provide a quarterly report to the District documenting the waiver reverifications performed and recommendations to the District on those waivers that Contractor concludes are no longer warranted. The District shall make a final determination of the waiver eligibility of Generators.

**E. Contractor Recordkeeping of Generators Granted Waivers.** Upon Contractor request, no more than two (2) times per year, the District shall provide Contractor an updated listing of waivers approved by the District, including the

Generators' names, mailing address, service address, and type of waiver. Contractor shall maintain waiver-related records and report on waiver verifications, as required herein.

## **VI. Additional Services**

**A. Christmas Tree Collection.** Contractor will provide residential curbside Christmas tree collection annually.

**B. Records and Reports.** Contractor will provide Records and Reports in accordance with Article 10.

**C. Route Audit.** Contractor will conduct a period route audit and service verification program in compliance with Section 10.02 c.

**D. "Shred-Fest."** Contractor will provide, upon District request, an annual document destruction event ("Shred-Fest") at Contractor's sole cost.

**E. Community Cleanups.** Contractor will supply the equipment and labor for a no-charge residential customer drop off twice annually.

**FIRST AMENDMENT TO EXCLUSIVE FRANCHISE  
AGREEMENT BETWEEN PHELAN PINON HILLS  
COMMUNITY SERVICES DISTRICT AND CR&R  
INCORPORATED FOR SOLID WASTE HANDLING AND  
RECYCLING SERVICES**

This First Amendment to Exclusive Franchise Agreement between Phelan Piñon Hills Community Services District and CR&R Incorporated for Solid Waste Handling and Recycling Services ("First Amendment") entered into this 2nd day of February, 2022, by and between the Phelan Piñon Hills Community Services District, organized under the laws of the State of California ("District") and CR&R Incorporated, a California corporation ("Contractor").

Deleted: 19<sup>th</sup>

Deleted: January

**RECITALS**

**WHEREAS**, on or about July 1, 2019, the District and Contractor entered into an Exclusive Franchise Agreement for Solid Waste Handling and Recycling Services; and

**WHEREAS**, the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing disposal capacity and interest in minimizing potential environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement aggressive integrated waste management programs. The State has, through enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000, et seq.) and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in landfill disposal and to maximize the use of feasible waste reduction, reuse, recycling, and composting options in order to reduce the amount of material that must be disposed; and,

**WHEREAS**, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, solid waste facilities, and other entities to support achievement of State-wide organic waste disposal reduction targets; and

**WHEREAS**, regulations implementing SB 1383 require the District to implement collection programs, meet processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the District has chosen to delegate some of its responsibilities to the Contractor, acting as the District's designee, and Contractor desires to take on these responsibilities; and

**WHEREAS**, District and Contractor desire to amend the Agreement as set forth herein.

### **OPERATIVE PROVISIONS**

**NOW, THEREFORE**, in consideration of the promises made and recited herein, the parties hereto do hereby enter into this First Amendment pursuant to Section 14.10 of the Agreement as follows:

#### **1. DEFINITIONS.**

1.1 Attachment "A" (Definitions) of the Agreement is amended to delete the definitions of "Bin," "Cart," "Compost," and "Organic Material."

1.2 Attachment "A" (Definitions) of the Agreement is amended to add or amend, as applicable, the following definitions:

**"Back-Haul"** means generating and transporting Organic Waste to a destination owned and operated by the Generator using the Generator's own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

**"Blue Container or Lid"** has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials (SSBCOW).

**"California Code of Regulations" or "CCR"** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR, Division 7, Chapter 12" refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations).

**"CalRecycle"** means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on jurisdictions and other regulated entities.

**"Commercial Edible Food Generators"** includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

**"Compostable Plastics" or "Compostable Plastic"** means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

**"Diversion** (or any variation thereof including "Divert")" means activities which reduce or eliminate Discarded Materials from Disposal, including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.

**“Edible Food”** means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

**“Excluded Waste”** means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, and toxic substances or material that Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or District to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

**“Facility”** or **“System Facility”** or **“Solid Waste Facility”** means a Solid Waste Facility, as defined in Public Resources Code section 40194, that for the purposes of this Agreement is designated by the District to be used by the Contractor for the processing, recovery and/or disposal of Solid Waste, including Recyclable Materials and Organic Waste.

**“Food Recovery”** means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“Food Recovery Organization”** means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the Health and Safety Code;
- B. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
- C. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

**“Food Recovery Service”** means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food

Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).

**“Food Scraps”** means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. [Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.]

**“Food-Soiled Paper”** means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

**“Food Waste”** means Source Separated Food Scraps, Food-Soiled Paper, and Compostable Plastics. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

**“Generator”** means the owner or occupant of a premises, including residences or businesses, which initially produces Solid Waste, including Recyclable Materials and Organic Waste.

**“Gray/Black Container or Lid”** has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste.

**“Gray/Black Container Waste”** means Solid Waste that is collected in a Gray Container as specified in 14 CCR Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section 17402(a)(6.5). [Gray Container Waste may specifically include carpet, and textiles.]

**“Green Container or Lid”** has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste (SSGCOW).

**“Hauler Route(s)”** means the designated itinerary or sequence of stops for each segment of the District’s collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

**“Large Event”** means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

**“Large Venue”** means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter

12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

**“Non-Compostable Paper”** includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

**“Non-organic recyclables”** or **“Recyclable Material”** means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

**“Organic Waste”** means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**“Paper Products”** include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

**“Performance-based Compliance Approach”** means the method of complying with the SB 1383 Regulations through implementation of a collection system, programs, and policies in accordance with 14 CCR, Division 7, Chapter 12, Article 17, or as otherwise defined by 18982(a)(52.5), and all associated requirements.

**“Printing and Writing Papers”** include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

**“Process”** or **“Processing”** means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

**“Prohibited Container Contaminants”** means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the District’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the District’s Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or SSGCOW to be placed in District’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

**“Recycle” or “Recycling”** means the process of Collecting, sorting, cleansing, treating, and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. Recycling includes processes deemed to constitute a reduction of Landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

**“Reuse”** or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

**“SB 1383”** means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

**“SB 1383 Regulations” or “SB 1383 Regulatory”** refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

**“Service Level”** refers to the number and size of a Generator’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

**“Solid Waste”** has the same meaning as defined in PRC Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- (1) Hazardous waste, as defined in PRC Section 40141.



(2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

(3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14, commencing with Section 117600, of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a solid waste Landfill, as defined in PRC Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to PRC, Division 30.

As used in this Agreement, Solid Waste includes Organic Waste and Recyclable Materials, unless the context clearly indicates otherwise.

**“Source Separated”** means materials, including commingled Recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste and other Solid Waste for the purposes of Collection and Processing.

**“Source Separated Blue Container Organic Waste”** or **“SSBCOW”** means Source Separated Organic Wastes that can be placed in a Blue Container that is limited to the collection of those Organic Wastes and Non-Organic Recyclables as defined in Section 18982(a)(43), or as otherwise defined by Section 17402(a)(18.7).

**“Source Separated Green Container Organic Waste”** or **“SSGCOW”** means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate collection of Organic Waste by the Generator, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles.

**“Source Separated Recyclable Materials”** means Source Separated Non-Organic Recyclables and SSBCOW.

**“Standard Compliance Approach”** means the method for complying with the SB 1383 Regulations through implementation of a collection system pursuant to 14 CCR, Division 7, Chapter 12, Article 3, and all associated program and policy requirements

**“Tier One Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket.

- B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- C. Food Service Provider.
- D. Food Distributor.
- E. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

**“Tier Two Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- B. Hotel with an on-site food facility and 200 or more rooms.
- C. Health facility with an on-site food facility and 100 or more beds.
- D. Large Venue.
- E. Large Event.
- F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- G. A local education agency with an on-site food facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

**“Yard Trimmings”** means types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal that the Generators Source Separate and set out in Green Containers for Collection for the purpose of Processing by the Contractor.

2. **EXCLUSIVE FRANCHISE AGREEMENT.** All references to “Green Waste” in Section 3.01 (Grant of Franchise) and Section 3.02 (Limitations on Exclusive Franchise) of the Agreement shall be changed to “Organic Waste.”

3. **DISTRICT ELECTION TO PROVIDE BILLING SERVICES.** A new Section 6.04 (District Election to Provide Billing Services) is added to Article 6 (Other Services) of the Agreement to read as follows:

“At any time during the Term of this Agreement, the District may elect to assume the billing function under this Agreement (the “Election”). At any time following the Election, the District may, with 180 days notice, rescind the Election and billing functions will revert to the Contractor. The District will provide written notification to Contractor of the Election and/or any rescission thereof. A rate, as determined by separate resolution, will be paid by Contractor to the District for billing functions.”

4. **REQUIREMENTS FOR OPERATIONS.** All references to “Green Waste” in Section 7.01 (Collection Standards) and Section 7.03 (Containers) shall be changed to “Organic Waste.”

5. **CONTAINERS.** Section 7.03 (Containers) in Article 7 (Requirements for Operations) of the Agreement is replaced as follows:

Deleted: agreement

- a. General. Contractor shall provide all Containers and Compactors, as appropriate, to all Customers as part of its obligations under the terms of this Agreement.

All Containers used in the performance of this Agreement shall remain the property of the Contractor.

- b. Contractor shall use the Contractor-provided Collection containers that are currently located at Generators’ premises or provide Generators with collection containers from Contractor’s current inventory.

- c. On or before January 1, 2022, (or if using Performance-based Compliance Approach, then until color compliant containers are provided), Contractor shall place a label on the body or lid of each new container that has been provided to a Generator that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each container. Prior to ordering labels for containers, Contractor shall submit a copy of its proposed label, proposed location(s) for placement of labels on each type of container, and its labeling plan to the District for approval.

- d. No later than January 1, 2036, Contractor shall provide all Generators with collection containers that comply with the container color requirements specified in this Agreement or as otherwise specified in the SB 1383 Regulations. If an existing container breaks or is otherwise rendered non-functional on or after January 1, 2022, the Contractor shall replace the non-functional container with a container that complies with the color requirements of the SB 1383 Regulations. Notwithstanding this paragraph, the Contractor is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Agreement prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

- e. New Customer Containers. When required to do so, Contractor shall provide new Customers with Containers no later than the next regular service day following notification of subscription. New Customers shall receive containers that are new, or alternatively, used Containers that have been pressure washed.

- f. Container Repair and Replacement. Customer shall be responsible to maintain all containers in a clean and functional condition. Contractor shall be responsible to repair or replace lids, handles and/or wheels as necessary. Containers will only be provided at such time as a container is lost, unserviceable or incapable of routine repair. Contractor shall replace all lost, unserviceable or irreparable containers by the next service day following receipt of Customer's request. Containers damaged by Contractor, or from normal wear and tear, shall be replaced at no charge to Customer. Contractor may charge customers to replace missing containers or containers damaged by Customer. Contractor shall notify Customer by the next service day following receipt of Customer's request if charges shall apply and shall additionally notify District of its findings. Should District determine that the need for container replacement is the result of Contractor's actions and not the actions of Customer, District shall instruct Contractor to deliver a replacement container at no charge to Customer. District's decision shall be final.
- g. Temporary Containers. Contractor shall provide metal 3 cubic yard containers for temporary use by any premises in the District for removal of Solid Waste, Construction and Demolition Debris or Organic Waste. Contractor shall cover temporary containers during transport to prevent the release of litter and debris.
- h. Roll-Off Boxes. Contractor shall provide metal Roll-Off Boxes of 20 cubic yard and 40 cubic yard sizes for regular use by select Commercial and Industrial Premises and for temporary use by any Premises in District. Contractor shall cover Roll-Off Boxes during transport to prevent the release of litter and debris.
- i. Compactors. Contractor may provide, for a fee, stationary compactors for use by Customers or may service stationary compactors owned and provided by Customers provide that any stationary compactor provided by Customer shall meet the specifications of Contractor and be compatible with Contractor's collection vehicles.

6. **PROCUREMENT.** A new Section 7.06. (Procurement) is added to Article 7 (Requirements for Operations) of the Agreement to read as follows:

"Contractor agrees to coordinate and cooperate with the District to meet its Organic Waste procurement targets, as required by SB 1383 Regulations."

7. **IDENTIFICATION OF FACILITIES.** A new Section 7.07 (Identification of Facilities) is added to Article 7 (Requirements for Operations) of the Agreement to read as follows:

"If using a Standard Compliance Approach, Contractor shall identify the Facilities to which they will transport Organic Waste as required by the SB 1383

Regulations.”

8. **PROVIDED SERVICES.** The services to be performed by Contractor under the Agreement are amended to include the services set forth in Exhibit B-1 attached hereto and incorporated herein by this reference.

**Deleted:** Attachment “B” (Scope of Services) is

**Deleted:** as shown

**Deleted:** to

**Deleted:** 1st Amendment

**Deleted:** Article 11

9. **INDEMNIFICATION.** A new paragraph “e” is added to Section 11.01 of the Agreement to read as follows:

“Contractor’s duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Contractor with respect to Solid Waste collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement, or, (ii) due to Contractor delays in providing information that prevents Contractor or District from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The foregoing indemnity is expressly conditioned upon the District’s implementation of required programs or activities, requested by the Contractor, which are within the District’s authority and ability to implement and which would be effective as a means to increase diversion and maintain compliance with State regulations. The provisions of this paragraph shall survive the termination or expiration of this Agreement.”

10. **GENERAL PROVISIONS.**

- 10.1 Remainder Unchanged. Except as specifically modified and amended in this First Amendment, the Agreement remains in full force and effect and binding upon the parties.
- 10.2 Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.
- 10.3 Effective Date. This First Amendment shall be deemed effective as of January 1, 2022.
- 10.4 References. All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this First Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this First Amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment on the date and year first-above written.

**PHELAN PIÑON HILLS  
COMMUNITY SERVICES  
DISTRICT**

\_\_\_\_\_  
Don Bartz, District Manager

**ATTEST:**

\_\_\_\_\_  
Kimberly Ward, Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Steve Kennedy, District Counsel

**CR&R INCORPORATED**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT B-1

### SCOPE OF SERVICES

#### I. Three-Container Collection Program

**A. General.** Upon District approval, Contractor shall provide a three-container Collection program for the separate Collection of Source Separated Recyclable Materials, Source Separated Organic Waste, and Solid Waste as specified in this Agreement, using containers that comply with the requirements of this Agreement and SB 1383 Regulations. Contractor shall not knowingly Collect Blue, Green, or Gray/Black Containers that include Prohibited Container Contaminants.

**B. Source Separated Recyclable Materials Collection (Blue Container or Lid).** Contractor shall provide Blue Containers to Generators for Collection of Source Separated Recyclable Materials and shall provide Source Separated Recyclable Materials Collection service. Contractor shall transport the Source Separated Recyclable Materials to a Facility that recovers the materials designated for Collection, in accordance with SB 1383 Regulations.

Source Separated Recyclable Materials that are to be accepted for Collection in the Source Separated Recyclable Materials Collection program include the following: (i) Non-Organic Recyclables such as: aluminum, glass bottles and jars, rigid plastics (marked # 1 through # 7), tin and bi-metal cans; and (ii) SSGCOW such as: Paper Products, Printing and Writing Papers.

**C. SSGCOW Collection (Green Container or Lid).** Contractor shall provide Green Containers to Generators for Collection of SSGCOW and shall provide SSGCOW Collection service. Contractor shall transport the SSGCOW to a Facility in accordance with SB 1383 Regulations.

SSGCOW that are to be accepted for Collection in the SSGCOW Collection program include the following: Food Scraps; Food-Soiled Paper; Yard Trimmings, and Compostable Plastics. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers. Yard Trimmings that are to be accepted for Collection in the SSGCOW Collection program include the following: green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees weighing no more than 50lbs, and other types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal, provided all SSGCOW fits inside the Green Container with the lid closed and does not exceed 150 pounds.

Contractor may Collect compliant Compostable Plastics in the Green Containers for Processing. At least two (2) months prior to the commencement of the Collection of Compostable Plastics in the SSGCOW program, Contractor shall provide written notification to the District whether the Processing Facility can or cannot Process and recover these Compostable Plastics in accordance with SB 1383 Regulations. If the Facility can process and recover Compostable Plastics, and Contractor elects to Collect Compostable Plastics in the Green Container, then

Contractor shall provide annual written notification to the District that the Facility has and will continue to have the capabilities to Process and recover the Compostable Plastics. If the Facility cannot process and recover Compostable Plastics, then Contractor will not Collect Compostable Plastics in the Green Container. It is also understood that Contractor proposes to process the District's organics through a designated composting or other approved processing facility.

Contractor may require Generators to place Food Waste in plastic bags or other wrappings and put the bagged or wrapped Food Waste in the Green Container. At least two (2) months prior to the commencement of the use of plastic bags for the Food Waste program, Contractor shall provide written notification to the District that allowing the use of bags does not inhibit the ability of the District to comply with SB 1383 Regulations, and that the Facility can Process and remove plastic bags when it recovers SSGCOW. Contractor shall provide annual written notification to the District that the Facility has and will continue to have the capabilities to Process and remove plastic bags when it recovers SSGCOW. It is understood that designated facilities may not accept plastic bags, or bags of any kind in the organic waste.

**D. Gray Container Waste Collection.** Contractor shall provide Gray/Black Containers or Lids to Generators for Collection of Gray/Black Container Waste and shall provide Gray/Black Container Waste Collection service. Contractor shall transport the Gray/Black Container Waste to a Facility in accordance with the SB 1383 Regulations. Contractor may allow carpets, and textiles to be placed in the Gray/Black Containers. Prohibited Container Contaminants shall not be Collected in the Gray/Black Containers.

**E. Alternative Compliance.** Nothing contained herein shall prohibit Contractor from meeting its compliance requirements by any alternative methods or procedures, provided it complies with SB 1383, the SB 1383 Regulations, and/or any other applicable law, as may be amended from time to time.

## **II. Contamination Monitoring**

### **A. Route Reviews and Waste Evaluations.**

Contractor shall meet its SB 1383 Regulations contamination monitoring requirements commencing April 1, 2022, using either Route Reviews or Waste Evaluations; provided however, that if Contractor complies with SB 1383 Regulations using a Performance-based Compliance Approach, it shall monitor containers using waste evaluations, as outlined herein. District and Contractor agree that the evaluations cannot commence before carts are delivered to the customers.

Contractor shall meet its SB 1383 Regulations contamination monitoring requirements commencing April 1, 2022, using route reviews as outlined herein:

1. Contractor shall conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Contractor; is approved by the District; is conducted in a manner that results in all



Hauler Routes being reviewed annually, and is consistent and in accordance with SB 1383 Regulations. Containers may be randomly selected along the Hauler Route. This Section should not be construed to require that every container on a Hauler Route must be sampled annually.

2. Upon finding Prohibited Container Contaminants in the container, Contractor shall follow the contamination monitoring noticing procedures paragraph B.3 of this Section II.

3. Contractor shall maintain all applicable records required under SB 1383 Regulations, and report to the District on a quarterly basis on contamination monitoring activities, route reviews and/or waste evaluations, and actions taken.

4. Notwithstanding the foregoing, this paragraph A shall not prohibit Contractor from meeting its compliance requirements by any alternative methods or procedures, provided it complies with SB 1383, the SB 1383 Regulations, and/or any other applicable law, as may be amended from time to time.

**B. Waste Evaluations**

Alternatively, if Contractor elects to perform Waste Evaluations, Contractor shall, conduct waste evaluations that comply with and meet the requirements of 14 CCR Section 18984.5(c). The District maintains the right to observe, or hire a third party to observe, the waste evaluations.

**1. Sampling Method, Study Protocols.** The Contractor shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the following manner:

a. If using a Standard Compliance Approach, Contractor shall conduct waste evaluations at least twice per year and in two distinct seasons of the year in a manner that complies with the requirements of 14 CCR section 18984.5(c). If using a Performance-based Compliance Approach, Contractor shall conduct waste evaluations at least twice per year for the Blue and Green Containers and at least once per quarter for the Gray/Black Containers.

b. The Contractor's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray/Black Container Waste.

c. The waste evaluations shall include samples from each Container type served by the Contractor and shall include samples taken from different areas in the District that are representative of the District's waste stream.

d. The waste evaluations shall include at least the minimum number of samples specified in SB 1383 Regulations.

e. The Contractor shall Transport all of the material Collected for sampling to a sorting area at a permitted solid waste Facility where the

presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Contractor shall use the following protocol:

i. The disposal facility shall take one sample of at least a 200 pounds from the material Collected from each material stream for sampling.

ii. The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream.

iii. For each 200-pound sample, the disposal facility shall remove any Prohibited Container Contaminants and determine the weight of Prohibited Container Contaminants.

iv. The Contractor shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample.

**2. Contamination Response.** If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measured sample for any material stream, the Contractor shall:

a. If using a Performance-based Compliance Approach, notify the District within thirty (30) working days of the waste evaluation.

b. Within thirty (30) working days of the waste evaluation, notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Contractor may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, email, or electronic message to the Generators. The format of the warning notice shall be approved by the District.

c. If using a Performance-based Compliance Approach, Contractor shall allow a representative of the District and/or CalRecycle to oversee its next scheduled quarterly sampling of the Gray/Black Containers, upon request.

**3. Material Exceptions.** Organic Waste that is textiles, carpet, hazardous wood waste, human waste, pet waste, or material subject to a quarantine on movement issued by a County agricultural commissioner is not required to be measured as Organic Waste when calculating the amount of Organic Waste present in the Gray/Black Container Waste.

**B. Actions upon Identification of Prohibited Container Contaminants.**

Upon finding Prohibited Container Contaminants in a Container, Contractor shall follow the protocols set forth in this Section.

**1. Record Keeping.** The driver or other Contractor representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Generator's address, type of container (Blue, Green, or Gray/Black Container).

**2. Courtesy Pick-Up Notices.** Upon identification of Prohibited Container Contaminants in a Generator's container, Contractor shall provide the Generator a courtesy pick-up notice. The courtesy pick-up notification shall: (i) inform the Generator of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Generator's requirement to properly separate materials into the appropriate containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray/Black Container; (iv) inform the Generator of the courtesy pick-up of the contaminated materials on this occasion with information that following three consecutive instances of Prohibited Container Contaminants within a six-month time period, Contractor may assess contamination Processing fees. Contractor shall leave the courtesy pick-up notice attached to or adhered to the Generator's contaminated containers; at the Premises' door or gate; or, subject to District's approval, may deliver the notice by mail, e-mail, text message, or other electronic message.

**3. Notice of Assessment of Contamination Processing Fees.** If the Contractor observes Prohibited Container Contaminants in a Generator's Container on more than three consecutive occasions within a six-month time period, and issued courtesy pick-up notices on each of those occasions, the Contractor may impose a contamination Processing fee of \$35.00 (which will be adjusted annually pursuant to the same CPI Index used for annual rate adjustments). Contractor shall notify the District in its quarterly report of Generators for which contamination Processing fees were assessed. Contractor shall leave a contamination Processing fee notice attached to or adhered to the Generators' contaminated containers; at the Premises' door or gate; or, subject to District's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. The contamination Processing fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the Generator will be charged a contamination Processing fee on its next bill. The format of the contamination Processing fee notice shall be approved by the District.

**C. Disposal of Contaminated Materials.** If the Contractor observes Prohibited Container Contaminants in a Generator's Container(s), Contractor may dispose of the Container's contents, provided Contractor complies with the noticing requirements in subsection A above.

### **III. Education and Outreach**

A. Contractor shall create all applicable education materials and conduct

all education programs and activities as provided by and in accordance with the SB 1383 Regulations. Contractor shall cooperate and coordinate with the District on public education activities.

B. On or before February 1, 2022, the District, in coordination with the Contractor, shall develop a list of Food Recovery Organizations and Food Recovery Services operating within the District, maintain the list on the District-specific website, and update the list annually. The list shall include, at a minimum, the following information about each Food Recovery Organization and each Food Recovery Service:

1. Name and physical address;
2. Contact information;
3. Collection service area; and,
4. An indication of types of Edible Food the Food Recovery Service or Food Recovery Organization can accept for Food Recovery.

C. At least annually, the District shall provide Commercial Edible Food Generators with the following information:

1. Information about the District's Edible Food Recovery program;
2. Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 7, Chapter 12, Article 10;
3. Information about Food Recovery Organizations and Food Recovery Services operating within the District, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
4. Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

D. The Contractor will assist the District with the information required above by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to commercial businesses.

E. Contractor and District shall comply with all applicable public education and outreach record keeping and reporting requirements as provided by SB 1383 and the SB 1383 Regulations.

#### **IV. Inspections and Enforcement**

Beginning July 1, 2022, for commercial service, and July 1, 2023, for residential service, Contractor shall assist the District with applicable inspections and enforcement, to the extent delegable, as required by SB 1383 Regulations. District shall maintain all

applicable records from inspection and enforcement in accordance with SB 1383 Regulations. If using a Performance-based Compliance Approach, the District agrees it will only grant waivers if at least ninety percent (90%) of Single-Family Generators and ninety percent (90%) of Commercial Generators (including Multi-Family Generators) participate in the three-Container Collection program.

#### **V. Generator Waiver Program Coordination**

**A. General.** In accordance with SB 1383 Regulations and the District Code, the District may grant waivers (de minimis, physical space or Collection frequency) to Generators that impact the scope of Contractor's provision of service for those Generators. Waivers issued shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11.

**B. Requests Submitted to Contractor.** Generators may submit requests for de minimis waivers, physical space waivers, and Collection frequency waivers to the Contractor. Contractor shall within thirty (30) working days review the Generator's waiver application and inspect the Generator's Premises to verify the accuracy of the application. Contractor shall provide documentation of the inspection, including the Contractor's recommendation to approve or deny the waiver request, and send this information to the District within fifteen (15) working days of receipt of the Generator's waiver application for the District's review and approval. The District ultimately retains the right to approve or deny any application, regardless of the Contractor's recommendation. Contractor shall report information regarding waivers reviewed on a quarterly basis.

**C. Contractor Change in Generators' Service Levels.** When the District grants a waiver to a Generator, the District shall notify the Contractor within fifteen (15) working days of the waiver approval with information on the Generator and any changes to the service level or Collection service requirements for the Generator. Contractor shall have thirty (30) working days to modify the Generator's service level and billing statement, as needed.

**D. Reverification of Waivers.** It shall be the responsibility of the Contractor to verify that the Generators with de minimis, physical space constraint, or Collection frequency waivers continue to meet the waiver requirements set forth in this Section. Contractor shall conduct such reverifications of waivers through inspection of each Generator's premises and review of applicable records at least once every five (5) years for de minimis and physical space constraint waivers. Contractor shall maintain a record of each waiver verification and provide a quarterly report to the District documenting the waiver reverifications performed and recommendations to the District on those waivers that Contractor concludes are no longer warranted. The District shall make a final determination of the waiver eligibility of Generators.

**E. Contractor Recordkeeping of Generators Granted Waivers.** Upon Contractor request, no more than two (2) times per year, the District shall provide Contractor an updated listing of waivers approved by the District, including the

Generators' names, mailing address, service address, and type of waiver. Contractor shall maintain waiver-related records and report on waiver verifications, as required herein.

**VI. Additional Services**

**A. Christmas Tree Collection.** Contractor will provide residential curbside Christmas tree collection annually.

**B. Records and Reports.** Contractor will provide Records and Reports in accordance with Article 10.

**C. Route Audit.** Contractor will conduct a period route audit and service verification program in compliance with Section 10.02 c.

**D. "Shred-Fest."** Contractor will provide, upon District request, an annual document destruction event ("Shred-Fest") at Contractor's sole cost.

**E. Community Cleanups.** Contractor will supply the equipment and labor for a no-charge residential customer drop off twice annually.

**Exclusive Franchise Agreement**

**between**

**Phelan Piñon Hills Community Services District**

**and**

**CR&R, Incorporated**

**for**

**Solid Waste Handling & Recycling Services**

## TABLE OF CONTENTS

<b>ARTICLE 1.</b>	<b>DEFINITIONS.....</b>	<b>5</b>
1.01	DEFINITIONS.....	5
1.02	STATUTORY DEFINITIONS.....	5
<b>ARTICLE 2.</b>	<b>REPRESENTATIONS AND WARRANTIES.....</b>	<b>5</b>
2.01	CONTRACTOR.....	5
2.02	DISTRICT.....	7
<b>ARTICLE 3.</b>	<b>EXCLUSIVE FRANCHISE AGREEMENT.....</b>	<b>8</b>
3.01	GRANT OF FRANCHISE.....	8
3.02	LIMITATIONS ON EXCLUSIVE FRANCHISE.....	8
3.03	FRANCHISE AREA DEFINED.....	9
3.04	ANNEXATION COVERED BY EXISTING AGREEMENT.....	9
<b>ARTICLE 4.</b>	<b>TERM OF AGREEMENT.....</b>	<b>10</b>
4.01	EFFECTIVE DATE.....	10
4.02	TERM.....	10
4.03	EARLY TERMINATION.....	10
<b>ARTICLE 5.</b>	<b>CONTRACTOR SERVICES.....</b>	<b>10</b>
5.01.	PERFORMANCE STANDARDS.....	10
5.02	COLLECTION DAYS AND TIMES.....	12
5.03	SERVICE STANDARDS.....	13
<b>ARTICLE 6.</b>	<b>OTHER SERVICES.....</b>	<b>13</b>
6.01	CUSTOMER SERVICE.....	13
6.02	PAYMENT FOR TEMPORARY BINS AND ROLL-OFF BOXES.....	15
6.03	BAD DEBT RECOVERY.....	15
<b>ARTICLE 7.</b>	<b>REQUIREMENTS FOR OPERATIONS.....</b>	<b>16</b>
7.01	COLLECTION STANDARDS.....	16
7.02	VEHICLES.....	18
7.03	CONTAINERS.....	19
7.04	PERSONNEL.....	20
7.05	HAZARDOUS WASTE.....	21
<b>ARTICLE 8.</b>	<b>DISTRICT FEES.....</b>	<b>221</b>
8.01	GENERAL.....	231
8.02	REVENUE TO THE DISTRICT.....	231
8.03	RECORDS.....	22
<b>ARTICLE 9.</b>	<b>CONTRACTOR COMPENSATION AND RATES.....</b>	<b>22</b>
9.01	GENERAL.....	232
9.02	CART SERVICE, BIN SERVICE AND ROLL-OFF BOX SERVICE.....	23
9.03	CUSTOMER RATES.....	23
9.04	ANNUAL FORMULA-BASED COMPENSATION ADJUSTMENT.....	23
9.05	CHANGES IN SCOPE OF SERVICES.....	24
9.06	EXTRAORDINARY RATE ADJUSTMENTS.....	25
9.07	ADDITIONAL CUSTOMER RATE INCREASE PROCEDURES.....	25
9.08	RATES FOR ORGANIC MATERIALS.....	26
<b>ARTICLE 10.</b>	<b>RECORDS AND REPORTS.....</b>	<b>26</b>
10.01	RECORDS.....	26
10.02	REPORTS.....	27
10.03	AUDIT.....	27
<b>ARTICLE 11.</b>	<b>INDEMNITY AND INSURANCE.....</b>	<b>28</b>
11.01	INDEMNIFICATION.....	28
11.02	INSURANCE.....	30



<b>ARTICLE 12.</b>	<b>CONTRACTOR PERFORMANCE .....</b>	<b>32</b>
12.01	ANNUAL REVIEW .....	32
12.02	BREACH .....	33
12.03	ADMINISTRATIVE HEARING .....	33
12.04	LIQUIDATED DAMAGES .....	35
12.05	DISTRICT'S ADDITIONAL REMEDIES .....	356
12.06	FORCE MAJEURE .....	36
12.0	PERFORMANCE BOND .....	357
<b>ARTICLE 13.</b>	<b>OTHER AGREEMENTS OF THE PARTIES.....</b>	<b>37</b>
13.01	RELATIONSHIP OF PARTIES; INDEPENDENT CONTRACTOR.....	37
13.02	COMPLIANCE WITH LAWS.....	37
13.03	ASSIGNMENT; TRANSFER; CHANGE IN CONTROL .....	37
13.04	SUBCONTRACTING .....	39
13.05	CONTRACTOR'S INVESTIGATION.....	39
13.06	NOTICE .....	40
13.07	REPRESENTATIVES.....	40
13.08	DUTY OF CONTRACTOR NOT TO DISCRIMINATE .....	41
13.09	TRANSITION TO NEXT SERVICE PROVIDER .....	41
13.10	OWNERSHIP OF SOLID WASTE .....	41
<b>ARTICLE 14.</b>	<b>MISCELLANEOUS PROVISIONS .....</b>	<b>42</b>
14.01	GOVERNING LAW .....	42
14.02	JURISDICTION .....	42
14.03	BINDING ON SUCCESSORS.....	42
14.04	PARTIES IN INTEREST.....	42
14.05	WAIVER .....	42
14.06	ATTACHMENTS.....	42
14.07	ENTIRE AGREEMENT .....	43
14.08	SECTION HEADINGS.....	43
14.09	INTERPRETATION .....	43
14.10	AMENDMENT .....	43
14.11	SEVERABILITY .....	43
14.12	COSTS AND ATTORNEYS' FEES .....	43
14.13	NO DAMAGES FOR INVALIDATION OF AGREEMENT .....	43
14.14	REFERENCE TO LAWS .....	44
14.15	INDEMNITY AGAINST CHALLENGES TO AGREEMENT.....	44

THIS EXCLUSIVE FRANCHISE AGREEMENT FOR SOLID WASTE HANDLING AND RECYCLING SERVICES (“Agreement”) is entered into by and between the PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT, organized under the laws of the State of California (“District”) and CR&R, INC., a California corporation (“Contractor”). District and Contractor are sometimes hereinafter individually referred to as a “Party” and collectively referred to as the “Parties”.

#### RECITALS

WHEREAS, California Government Code Section 61100 *et seq.*, authorizes District to determine and arrange for all aspects of solid waste handling; and

WHEREAS, California Public Resources Code section 41780 requires that local agencies divert 50% of their waste from landfill disposal; and

WHEREAS, California Public Resources Code Chapter 12.8 requires recycling of commercial solid waste; and

WHEREAS, California Public Resources Code Chapter 12.9 requires that jurisdictions implement a commercial organic waste recycling program; and

WHEREAS, California Public Resources Code Chapter 13.1 sets organic waste disposal reduction targets; and

WHEREAS, on February 9, 2012, the District adopted the existing San Bernardino County Solid Waste Program and exclusive franchise agreement with Contractor for Solid Waste Handling and Recycling Services (the “Original Agreement”); and

WHEREAS, District and Contractor entered into that certain agreement titled “Exclusive Franchise Agreement”; and

WHEREAS, the District’s Board of Directors (the “Board of Directors”) finds that Contractor has demonstrated through its good and workmanlike performance of the Existing Agreement and in its negotiations with the District that Contractor is qualified and competent to perform the solid waste services desired by District; and

WHEREAS, the Board of Directors finds that the District is in compliance with the waste diversion goals mandated by the State of California; and

WHEREAS, the Board of Directors finds that this Agreement will contribute to providing the best and most cost-effective Solid Waste Handling Services to its citizens.

NOW, THEREFORE, in consideration of the respective and mutual covenants and promises contained and made in this Agreement, and subject to all of the terms and conditions of this Agreement, the Parties agree as follows:

## **ARTICLE 1. DEFINITIONS**

### **1.01 DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth in the definitions contained in Attachment A, Definitions.

### **1.02 STATUTORY DEFINITIONS**

Unless a term is otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the same meaning as the definitions of those terms contained in the California Integrated Waste Management Act, California Public Resources Code Section 40000 *et seq.* (the "Act"). In the event of a conflict between the definition of a term in the Act and in this Agreement, the definition in this Agreement shall prevail.

## **ARTICLE 2. REPRESENTATIONS AND WARRANTIES**

### **2.01 CONTRACTOR**

Contractor represents and warrants as follows:

- a. **Status.** Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California ("State") and is qualified to do business in the State.
- b. **Authority and Authorization.** Contractor has full legal right, power and authority to execute and deliver this Agreement and perform its obligations hereunder. This Agreement has been duly executed and delivered by Contractor and constitutes a legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms.
- c. **Accuracy of Representations.** Contractor's representations and warranties made throughout this Agreement are accurate, true and correct on and as of the Effective Date (defined in Section 4.01, below) of this Agreement.
- d. **No Conflicts.** Neither the execution or delivery by Contractor of this Agreement, the performance by Contractor of its performance obligations, nor the fulfillment by Contractor of the terms and conditions hereof: (i) conflicts with, violates or results in a breach of applicable law; (ii) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency or

other government authority, or any agreement or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default thereunder; or (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Contractor.

- e. **No Approvals Required.** No approval, authorization, license, permit, order or consent of, or declaration, registration or filing with any governmental or administrative authority, commission, board, agency or instrumentality is required for the valid execution and delivery of this Agreement by Contractor, except such as have been duly obtained from its board of directors.
- f. **No Litigation.** There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality pending or, to the best of Contractor's knowledge, threatened, against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or in connection with the transactions contemplated hereby, or which, in any way, would adversely affect the validity or enforceability of this Agreement or any other agreement or instrument entered into by Contractor in connection with the transactions contemplated hereby.
- g. **Due Diligence.** Contractor has made an independent investigation satisfactory to it of the conditions and circumstances surrounding the Agreement and services it is required to perform.
- h. **Duty.** Contractor shall be at all times during the Term (as defined in Section 4.02, below) of this Agreement, ready, willing and able to collect and transport all Solid Waste generated within District in accordance with the provision of this Agreement and all applicable laws, rules and regulations.
- i. **Insurance and Bonds.** Contractor will furnish evidence of the insurance and bonds required under this Agreement prior to the Effective Date of this Agreement.
- j. **Criminal Activity.** Contractor has represented that none of its officers or directors have a criminal conviction from a court of competent jurisdiction with respect to conviction for any crime, including racketeering, which indicates a lack of business integrity or business honesty that seriously and directly affects the present responsibility of Contractor or its officers or directors; nor has Contractor or any of its respective officers or directors made an admission of guilt or pled no contest to the conduct as described above.

## **2.02 DISTRICT**

District represents and warrants as follows:

- a. **Status.** District is a California Community Services District pursuant to California Government Code Section 61000 *et seq.* under the Constitution and laws of the State.
- b. **Authority and Authorization.** District has full legal right, power and authority to execute, deliver, and perform its obligations hereunder. This Agreement has been duly executed and delivered by District and constitutes a legal, valid and binding obligation of District enforceable against District in accordance with its terms.
- c. **No Conflicts.** Neither the execution or delivery by District of this Agreement, the performance by District of its performance obligations, nor the fulfillment by District of the terms and conditions hereof: (i) conflicts with, violates or results in a breach of applicable law; or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency or other government authority, or any agreement or instrument to which District is a party or by which District or any of its properties or assets are bound, or constitutes a default thereunder.
- d. **No Approvals Required.** No approval, authorization, license, permit, order or consent of, or declaration, registration or filing with any governmental or administrative authority, commission, board, agency or instrumentality is required for the valid execution and delivery of this Agreement by District, except such as have been duly obtained from its Board of Directors.
- e. **No Litigation.** There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality pending or, to the best of District's knowledge, threatened, against District wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by District of its obligations hereunder or in connection with the transactions contemplated hereby, or which, in any way, would adversely affect the validity or enforceability of this Agreement or any other agreement or instrument entered into by District in connection with the transactions contemplated hereby.
- f. **No Warranty Regarding Waste Characterization.** District makes no warranties with respect to the characterization of Solid Waste within District. District expressly disclaims any warranties, either express or implied, as to the merchantability or fitness for any particular purpose of Solid Waste or Recyclable Materials collected by Contractor.

## **ARTICLE 3. EXCLUSIVE FRANCHISE AGREEMENT**

### **3.01 GRANT OF FRANCHISE**

Upon the Effective Date of this Agreement (defined in Section 4.01, below) and continuing for the Term of this Agreement or any extension or renewal thereof, District hereby grants Contractor the exclusive right and duty to collect, transfer, transport, recycle, compost, process and dispose of Solid Waste, Green Waste, Organic Materials, Construction and Demolition Waste including concrete wash-out waste and Recyclable Material generated or accumulated within District by any Residential, Commercial or Industrial Premises. This grant of franchise shall be exclusive except as provided in Section 3.02 below, and shall be subject to all of the terms and conditions of this Agreement. Should the District be required to take administrative, law enforcement, or other legal action against any Person that infringes on Contractor's exclusive rights, Contractor shall reimburse the District for its reasonable administrative, law enforcement, and other legal costs related to any such action. Nothing herein shall preclude Contractor from taking such legal action against third parties as it deems appropriate to protect the exclusive nature of its Franchise.

### **3.02 LIMITATIONS ON EXCLUSIVE FRANCHISE**

The Franchise granted to Contractor shall be exclusive except for the categories of Solid Waste listed in this Section. The granting of this Franchise shall not preclude the categories of Solid Waste listed below from being delivered to and collected and transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining authorization from the District which is otherwise required by law:

- a. The sale or donation of non-discarded Recyclable Material by the Waste Generator to any person or entity other than Contractor; provided however, that the Waste Generator is paid monetarily for the material, or the material is picked up and disposed of at no cost to the Waste Generator. Waste Generator may not contract with another hauler to pay for removal of materials which have no intrinsic value;
- b. Solid Waste, Green Waste, Organic Materials, Construction and Demolition Waste and Recyclable Materials which is removed from any premises by the Waste Generator, and which is transported personally by such generator (or his or her full-time employees) to a Recycling, Processing or Disposal Facility in a manner consistent with all applicable laws and regulations, utilizing equipment owned and or leased by the Waste Generator;

- c. Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act (California Public Resources Code, section 14500, *et seq.*):
- d. Green Waste removed from premises by a gardening, landscaping, or tree trimming contractor, utilizing its own equipment, as an incidental part of a total service offered by that contractor rather than as a hauling service;
- e. The collection, transfer, transport, Recycling, processing, and disposal of animal remains from slaughterhouse or butcher shops for use as tallow;
- f. The collection, transfer, transport, Recycling, processing, and disposal of by-products of sewage treatment, including sludge, sludge ash, grit and screenings;
- g. The collection, transfer, transport, Recycling, processing, and disposal of Hazardous Substances, Hazardous Waste, and radioactive waste regardless of its source;
- h. The collection, transfer, transport, Recycling, processing, and disposal of Solid Waste by the District through District officers or employees in the normal course of their employment;
- i. Solid Waste Handling Services for governmental agencies other than District, which may have facilities in District, but over which District has no jurisdiction in connection with the regulation of Solid Waste; and
- j. In addition to the foregoing, in the event that future interpretations of current law, future enactments or developing legal trends limit the ability of District to lawfully grant Contractor the Scope of Services as specifically set forth herein, Contractor agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided, and that District shall not be responsible for any lost profits claimed by Contractor as a result thereof.

### **3.03 FRANCHISE AREA DEFINED**

The Franchise Area granted by this Agreement shall include all Residential, Commercial, and Industrial Generators within the District limits except as limited by this Agreement. As provided for below, the Franchise Area may be changed by annexation.

### **3.04 ANNEXATION COVERED BY EXISTING AGREEMENT**

Territory annexed into the District that is covered by an existing Solid Waste permit, license, agreement or franchise granted by another public entity to

another contractor may continue to be served by the same contractor pursuant to California Public Resources Code section 49520, et seq.

#### **ARTICLE 4. TERM OF AGREEMENT**

##### **4.01 EFFECTIVE DATE**

This Agreement shall become effective on July 1, 2019 (the "Effective Date"), and shall supersede the Existing Agreement.

##### **4.02 TERM**

The term of this Agreement shall be ten (10) years, commencing on the Effective Date. At the end of each year of the term, the Agreement shall automatically be extended for an additional one (1) year unless either party shall provide written notice to the other of its intent not to extend the term, not later than one hundred eighty (180) days prior to the end of any year of the term. The word "Term" as used hereinafter may include references to the Initial Term or any subsequent extension thereof as provided for in this Article. Contractor may request an adjustment to the Term in the event it is required to invest in new equipment required due to changes in law or at the request of the District. Any such request shall be handled in the same manner as a request for extraordinary rate adjustments under Section 9.06.

##### **4.03 EARLY TERMINATION**

Nothing contained in this Article 4 shall limit the District's rights to terminate this Agreement at any time for a failure of the Contractor to perform hereunder pursuant to Article 12 hereof.

#### **ARTICLE 5. CONTRACTOR SERVICES**

##### **5.01. PERFORMANCE STANDARDS**

- a. General. The work to be performed by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. All services performed and Solid Waste generated is subject to the exclusive rights to operate and collect, provided under the terms of this Agreement.
- b. The work to be performed by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents and businesses within District are provided reliable, courteous, and high-quality service at all times.



- c. **Scope of Services.** The services to be performed by Contractor are generally described in Attachment B, Scope of Services, but may also be specified and described in detail in other Sections of this Agreement, including without limitation this Section 5.01.
- d. **Frequency and Location.** Contractor shall collect Solid Waste and Recyclables from Residential Premises receiving individual collection one time per week from Contractor-provided containers. Contractor shall collect Solid Waste and Recyclables from Commercial Premises, including Residential Premises utilizing Bins, and Industrial Premises a minimum of one time per week from Contractor-provided Bins or Roll-Off Boxes or from stationary Compactors provided by Contractor or Customer.
- e. **Residential Organic Material Composting.** The District and Contractor will cooperate to develop and implement a residential organic material disposal reduction program as required by law
- f. **Drop Off Site.** The District may at its own expense, staff and operate a drop-off location for collection of recycling, residential organic compostable materials, and residential landfill materials during days of operation as established by the District. Contractor will provide containers and transport collected materials from the drop off location to District-approved facilities one (1) time per week, and will not combine separated drop-off materials. District will pay associated facility tipping fees, including any direct residue disposal charges. Additional service will be charged at the rates in Exhibit C as may be amended from time to time.
- g. **Commercial Recycling and Organics Program.** Contractor will implement a comprehensive Commercial Recycling and Organics Disposal Reduction Program, including Source Separated and Select Commercial Recycling and Organics collection and composting.

The program will consist of periodic customer outreach, including waste disposal and recycling educational information included in Contractor's bills and website. All accounts receiving Commercial Solid Waste Collection Service will be presented with recycling service options including source separated and comingled recycling service. Service options will be driven by end market and processing availability.

Once a recycling or composting service option is selected or assigned, the Solid Waste Service level may be adjusted and the appropriate recycling or composting containers may be delivered. The containers will be collected on the scheduled route and the material will be processed accordingly.

Multi-family Bin service customers will be included in the Commercial Recycling Program.

It is the intent that said Commercial Recycling Program will comply with all applicable District requirements, including but not limited to, Ordinance No. 2017-03 adopted by the Board of Directors on or about November 15, 2017 (as said Ordinance may be amended from time to time in a manner not inconsistent with this Agreement). This program will comply with California state laws requiring Mandatory Commercial Recycling, Mandatory Commercial Organics Composting, and Organics Disposal Reduction.

- h. Emergencies. Contractor's equipment and staff will be available to assist with District-declared emergencies.
- i. Public Outreach. Contractor will be responsible for the following services which include, but are not limited to:
  - 1) Establish a residential route audit program, with procedures approved by the District to assure service verification of accurate customer billings and accurate tipping fee charges;
  - 2) Development and management of commercial recycling outreach program.

Within 90 days of the Effective Date of this Agreement, Contractor shall develop a plan for District approval for each of the services to be provided in paragraphs 1 and 2 above. The plan shall include verifiable performance measurement factors and quarterly program reports presenting performance results.

- j. Community Clean-Up. Supply equipment and manpower for a no charge drop off community clean-up two (2) times per year.

## **5.02 COLLECTION DAYS AND TIMES**

- a. Residential Premises. Collections from Residential Premises shall be made Monday through Friday between the hours of 6:00 a.m. and 8:00 p.m. Collections of Solid Waste and Recyclable Materials shall be made on the same day.
- b. Non-Residential Premises. Collections from Non-Residential Premises shall be made Monday through Saturday between the hours of 4:30 a.m. and 8:00 p.m. Collections shall be scheduled at a day and time mutually agreed upon by Contractor and Customer. Collections of Solid Waste and Recyclable Materials may be made on different days.
- c. Holiday Schedule. Contractor's collection operations shall observe the same holiday schedule as the Disposal Facility and the Processing Facility that may be used during the term of this Agreement. When a holiday falls on a regular collection day, scheduled collections shall occur on the

next regularly scheduled Collection the remainder of that week. Contractor shall advise District annually of the upcoming holiday schedule, and immediately notify District of any changes to that schedule. Contractor shall advise all Customers of upcoming holidays and the holiday collection schedule in advance of the holiday.

### **5.03 SERVICE STANDARDS**

- a. **Overfilled Carts or Bins.** All materials placed in Carts or Bins by Customers must be fully contained in the Carts or Bins with the lid closed and Contractor shall not be required to collect Carts or Bins that are overfilled. Contractor shall attach a notice on Carts or Bins not collected, citing the reason for non-Collection ("Notice of Non-Collection"). The form and content of the Notice of Non-Collection shall be approved by District.
- b. **Clean out of Enclosures.** Contractor shall clean out any overflowing Bins or enclosures within twenty-four (24) hours of notification by District, the cost of which shall be borne by the Customer. Contractor shall work with the General Manager or General Manager's designee in identifying and resolving continual problems of overages or misuse in Customer Bins or enclosures.
- c. **Uncontained Materials.** Contractor shall only collect uncontained Solid Waste and Recyclable Materials when such Collection has been arranged in advance by Customer and for which Customer has agreed to pay the appropriate Rate.
- d. **Bins may be required for Apartment Complexes.** Multi-Family Premises or apartment complexes with more than four (4) individual dwelling units shall use Bins for Solid Waste Collection if Contractor determines barrel service is inadequate.
- e. **Bin Placement.** When delivering Bins to new Customers at Residential Premises and Commercial Premises, including Multi-Family Premises, Contractor shall advise Customer to consult District's adopted standards and requirements for enclosures and Bin placement.

## **ARTICLE 6. OTHER SERVICES**

### **6.01 CUSTOMER SERVICE**

- a. Contractor shall perform all of the customer service functions which shall consist of providing Customer service representatives for telephone, electronic mail and in-person contacts by Customers regarding: (i) starting or stopping service, (ii) ordering extra Containers, (iii) ordering exchanges of damaged Containers, (iv) inquiring or expressing concerns

about service, (v) inquiring about sanitation bills, and (vi) processing payments (“Customer Service Functions”).

- b. **Role of Contractor.** Contractor shall handle Customer Service for all services hereunder.
- c. **Office Hours.** Contractor’s office hours shall be, at a minimum, from 8:00 a.m. to 5:00 p.m. Monday through Friday. A representative of Contractor shall be available during office hours for communication with District at Contractor’s principal office.
- d. **Missed Collections.** All missed Collections will be made by the earlier of (i) as soon as reasonably practicable or (ii) the following Collection day.
- e. **Service Complaints.** All Customer Collection Service complaints shall be directed promptly in light of the severity of the complaint (and in any event not less frequently than once per month) to Contractor by the General Manager.
- f. **Resolution of Disputes.** Contractor shall notify Customers of this complaint resolution procedure at the time Customers apply for, or are provided, service.

Before reviewing the complaint, the General Manager shall refer it to Contractor. If Contractor fails to cure the complaint within ten (10) days, General Manager shall review Customer’s complaint and determine if further action is warranted. General Manager may request written statements from Contractor and Customer, and/or oral presentations.

General Manager shall determine if Customer’s complaint is unresolved; and if so, what remedy, if any, shall be imposed. The remedy under this Section shall be limited to rebate of Customer charges related to the period of complaint.

General Manager may delegate these duties to a designee. The decision of General Manager or Manager’s designee shall be final on any matter under One Thousand Dollars (\$1,000). In the event of a decision on a matter awarding One Thousand Dollars (\$1,000) or more, Contractor may seek review by the Board of Directors.

- g. **Bulky Item Collection.** Each Single Family Residential Premises receiving individual Collection Service shall be entitled to two (2) Collections of up to four (4) Bulky Waste items, which includes but is not limited to tires, furniture, televisions and computers, in each twelve (12) month period at no additional charge. Collections of additional Bulky Items or Bulky Items collected from Multi-Family Apartment Dwellings or Non Residential Customers shall be subject to the Rates included in the Customer Rate Schedule, Attachment D.

## **6.02 PAYMENT FOR TEMPORARY BINS AND ROLL-OFF BOXES.**

Contractor may require payment in advance for temporary Bin or temporary Roll-Off Box services provided at Residential, Commercial or Industrial Premises.

## **6.03 BAD DEBT RECOVERY.**

- a. Residential. Contractor shall recover debt for residential solid waste and services rendered by Contractor.
- b. Commercial. District shall recover debt annually for solid waste and services rendered by Contractor after Contractor has attempted to collect debt. Debt remaining unpaid for a period of ninety (90) days after the date upon which they were billed will be submitted to the District whereby the District, pursuant to applicable law, may place a lien and may collect thereafter as follows:
  - 1) Once a year, the Board of Directors shall cause to be prepared a report of delinquent fees. The Board shall fix a time, date and place for hearing the report and any objections or protests thereto.
  - 2) The Board shall cause notice of the hearing to be mailed to the landowners listed on the report not less than ten (10) days prior to the date of the hearing.
  - 3) At the hearing, the Board shall hear any objections or protests of landowners liable to be assessed for delinquent fees. The Board may make such revisions or corrections to the report as it deems just, after which by resolution, the report shall be confirmed.
  - 4) The delinquent fees set forth in the report as confirmed shall constitute special assessments against the respective parcels of land and are a lien on the property for the amount of such delinquent fees. A certified copy of the confirmed report shall be filed with the county auditor, on or before August 10, for the amounts of the respective assessments against the respective parcels of land as they appear on the current assessment roll. The lien created attaches upon recordation, in the office of the county recorder of the county in which the property is situated, of a certified copy of the resolution of confirmation. The assessment may be collected at the same time and in the same manner as ordinary county ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for such taxes. All laws applicable to the levy, collection and enforcement of county ad

valorem property taxes shall be applicable to such assessment, except that if any real property to which such lien would attach has been transferred or conveyed to a bonafide purchaser for value, or if a lien of a bona fide encumbrance for value has been created and attaches thereon, prior to the date on which the first installment of such taxes would become delinquent, then the lien which would otherwise be imposed by this section shall not attach to such real property and the delinquency fees, as confirmed, relating to such property shall be transferred to the unsecured roll for collection.

## **ARTICLE 7. REQUIREMENTS FOR OPERATIONS**

### **7.01 COLLECTION STANDARDS**

- a. **Servicing of Containers.** Contractor shall Collect the contents and return each Container to the location where Occupant properly placed the Container for Collection. Following Collection, Contractor shall place the Containers upright. Contractor shall use due care when handling Containers.
- b. **Christmas Tree Collection.** Curbside Collections of Christmas Trees from Single Family Residential Dwellings receiving individual Collection Service shall be performed free of charge for two collection cycles following Christmas Day. Contractor shall provide adequate Roll Off containers for Christmas Trees drop-off at District's Administrative Center for one month starting December 26. Contractor shall accept and manage Christmas Trees dropped-off at CR&R's service yard in Phelan.
- c. **Missed Pick-Ups.** When notified of a missed pick-up, Contractor shall Collect the Solid Waste, Recyclable Materials, or Green Waste the earlier of (i) as soon as reasonably practicable or (ii) the following Collection day. If service is not completed by the following Collection day, Contractor shall notify District by email or fax immediately.
- d. **New Bin Service Customers.** Contractor shall deliver containers and initiate Collection services for a new Customer requiring Bin service within five (5) business days of the Customer's request for service.
- e. **Change in Bin Service.** If an existing Customer requests a change in the number or size of their Solid Waste or Recyclable Materials Containers and/or frequency of collection, Contractor shall deliver and/or remove Containers and initiate changes in the Collection services within five (5) Business Days of the Customer's request for a change in service.
- f. **Separate Collection.** Contractor shall separately Collect Solid Waste, Organic Material and Recyclable Materials from each other and shall not

commingle these materials at any time during the transportation or delivery of those materials to the Disposal Facility or Processing Facility.

- g. **Non-Collection Notices.** Contractor may choose to not Collect materials for the following reasons: (i) Recyclable Materials contain excessive contamination; (ii) materials contain Hazardous Waste; (iii) the loaded weight of a Container exceeds the maximum load limit specified by the Cart manufacturer; (iv) materials are not fully contained within Containers; and, (v) Container is not accessible due to vehicles or other obstacles. In such case, Contractor shall issue Non-Collection Notices stating the reason(s) the materials were not collected. The Notice of Non-Collection shall be affixed prominently on the Container to ensure that it is not inadvertently removed due to weather conditions. Contractor shall immediately notify District of all Non-Collection Notices. Contractor shall maintain a master record of Notices of Non-Collection issued for inspection by District.
- h. **Excess Materials.** Materials not contained within Customer's container shall be considered as excess materials and Contractor shall not be required to collect the excess amounts unless Customer has previously arranged and paid for such Collection with Contractor.
- i. **Care of Private Property.** Contractor shall not damage private property and shall ensure that its employees: (i) close all gates opened in making collections, (ii) not cross landscaped areas, and (iii) do not climb or jump over hedges and fences.

District shall refer complaints about damage to private property to Contractor who shall, after investigation and determination of responsibility, repair, to its previous condition, all damage to private or public property caused by its employees or operations.

Contractor shall use its best efforts to repair damage and/or resolve claims regarding damage to property within forty-five (45) business days of receipt of the complaint.
- j. **Spills and Cleanup.** Contractor shall instruct employees to cleanup any spills or scattered materials resulting from its Collection operation. Contractor shall not be required to cleanup spilled or scattered materials resulting from the actions of others including materials falling from overfilled containers or uncontained materials.
- k. **Warning Tags.** Contractor shall prepare Warning Tags approved by District for use to advise Customers of collection rule infractions and/or non-collection such as but not limited to: (i) uncontained materials, (ii) prohibited contents, (iii) excess weight, and (iv) blocked or inaccessible container. Warning Tags shall have an adhesive strip affixed to the back to adhere the tag to the Container. Warning Tags shall be of two-part

construction so that Contractor's employee can submit copies of all Warning Tags to Contractor's field supervisor, dispatch office or customer service representative. Contractor shall immediately notify District of all Warning Tags. Contractor shall maintain a master record of Warning Tags issued for inspection by District

## **7.02 VEHICLES**

- a. **General.** Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles to respond to mechanical breakdowns, complaints and emergencies.
- b. **Age.** Contractor shall not introduce a used vehicle into service in District as a frontline collection vehicle that is more than five (5) years of age when introduced. Contractor shall not operate a vehicle in District as a regular route collection vehicle that is more than seven (7) years of age unless said vehicle is exceptionally well-maintained and has been accepted by District. Contractor shall not operate a vehicle in District more than ten (10) years of age as a regular route collection vehicle.  

Contractor shall be permitted to use vehicles older than the above limitations for periods up to thirty (30) days as back-ups for regular route vehicles when such vehicles are out of service for repair or maintenance or to supplement the regular collection vehicles for special programs such as community clean-ups or emergency situations.
- c. **Vehicle Emissions.** Contractor shall comply with all applicable air quality rules and regulations in its vehicle deployment.
- d. **Specifications.** All vehicles operated in District by Contractor shall: (i) be registered with the California Department of Motor Vehicles; (ii) have leak proof bodies designed to prevent leakage, spillage, and/or overflow; and (iii) comply with California Environmental Protection Agency noise emission and California Air Resources Board air quality regulations.
- e. **Identification.** Contractor's name, local telephone number and vehicle identification number designated by Contractor shall be prominently displayed on the sides of each Collection vehicle.
- f. **Condition and Maintenance.** Contractor shall maintain all of its vehicles and equipment used in providing service under this Agreement in a good, safe, neat, clean, and operable condition at all times.
- g. **Operation.** Vehicles shall be operated in compliance with Federal, State and local laws and regulations.



- h. Vehicle Inventory and Replacement Plan. Annually, on or before January 1<sup>st</sup> of each year, Contractor shall provide District with an inventory of all collection vehicles currently operating in District listing (i) Contractor's vehicle identification number, (ii) year manufactured, (iii) make, (iv) body style, and (v) fuel type.

### **7.03 CONTAINERS**

- a. General. Contractor shall provide all Carts, Bins, Roll-Off Boxes, other Containers and Compactors, as appropriate, to all Customers as part of its obligations under the terms of this Agreement.

All Containers used in the performance of this Agreement shall remain the property of the Contractor.

- b. Carts. Contractor shall supply Carts for individual collection to all Residential Premises and certain small business Commercial Premises. Where residential recycling is available, each such Single Family Residential Customer shall receive one (1) cart for Solid Waste and one (1) cart for Recyclable Materials. At Contractor's reasonable discretion, one (1) additional Recycling Material cart is available at no charge for each Single Family Resident. Where residential recycling is NOT available, each such Single Family Residential Customer may receive up to two (2) carts for Solid Waste. Eligible Multi-Family Dwellings and Commercial establishments shall receive one (1) Cart for Solid Waste and once (1) cart for Recyclable Materials.

Unless otherwise specified by law, Carts provided by Contractor shall be offered uniformly in different colors for different materials: (i) 65-gallon Carts with for Solid Waste; and (ii) 65-gallon Carts for Recyclable Materials, or such other Carts as the parties may agree are appropriate from time-to-time. All Carts shall be equipped with hinged lids and wheels and shall be labeled for appropriate material types.

- c. New Customer Carts. Contractor shall provide new Customers with Carts no later than the next regular service day following notification of subscription. New Customers shall receive Carts that are new, or alternatively, used Carts that have been pressure washed.
- d. Cart Repair and Replacement. Contractor shall be responsible to maintain all containers in a clean and functional condition, including but not limited to routine, on location, repair or replacement of lids, handles and/or wheels, it being the intent of the parties that replacement containers will only be provided at such time as a container is lost, unserviceable or incapable of routine repair. Contractor shall replace all lost, unserviceable or irreparable Carts by the next service day following receipt of Customers request. Carts damaged by Contractor, or from

normal wear and tear, shall be replaced at no charge to Customer. Contractor may charge customers to replace missing Carts or Carts damaged by Customer. Contractor shall notify Customer by the next service day following receipt of Customer's request if charges shall apply and shall additionally notify District of its findings. Should District determine that the need for cart replacement is the result of Contractor's actions and not the actions of Customer, District shall instruct Contractor to deliver a replacement cart at no charge to Customer. District's decision shall be final.

- e. Bins. Contractor shall provide metal Bins in 1.5 cubic yard, 2 cubic yard, 3 cubic yard and 4 cubic yard sizes to select Residential Premises, select Multi-Family Premises complexes and select Commercial and Industrial Premises. All Bins shall meet applicable Federal, State and local regulations for Bin safety, and shall be covered with attached lids.
- f. Recycling Bins. Contractor shall distinguish Recycling Bins by color, and shall clearly label them "Recyclables Only."
- g. Multiple Bins. Contractor is to identify and propose recycling collection options for locations with multiple Bin site limitations.
- h. Temporary Bins. Contractor shall provide metal 3 cubic yard Bins for temporary use by any premises in the District for removal of Solid Waste, Construction and Demolition Debris or Green Waste. Contractor shall cover temporary Bins during transport to prevent the release of litter and debris.
- i. Roll-Off Boxes. Contractor shall provide metal Roll-Off Boxes of 10 cubic yard, 20 cubic yard and 40 cubic yard sizes for regular use by select Commercial and Industrial Premises and for temporary use by any Premises in District. Contractor shall cover Roll-Off Boxes during transport to prevent the release of litter and debris.
- j. Compactors. Contractor may provide, for a fee, stationary compactors for use by Customers or may service stationary compactors owned and provided by Customers provide that any stationary compactor provided by Customer shall meet the specifications of Contractor and be compatible with Contractor's collection vehicles.

#### **7.04 PERSONNEL**

- a. General. Contractor shall furnish such qualified drivers, mechanical, supervisory, Customer service, sales, recycling, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

- b. No Gratuities. Contractor shall not permit its employees to demand, solicit or accept any additional compensation or gratuity in exchange for Collection Service.
- c. Conduct and Courtesy. Contractor shall employ only competent and qualified personnel who serve the public in a courteous, helpful, and impartial manner. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall, after proper investigation and due process, take appropriate measures.
- d. Uniforms. While performing services under this Agreement, all Contractor's employees performing field service shall be dressed in clean uniforms.

#### **7.05 HAZARDOUS WASTE**

- a. To the extent practical, Contractor shall inspect containers for the presence of Hazardous Waste and take reasonable precautions to prevent the Collection of Hazardous Waste.
- b. If the presence of Hazardous Waste is detected in any container, Contractor's personnel shall not collect the contents of the container and shall leave a Notice of Non-Collection.
- c. If Hazardous Waste is later detected in a load, Contractor shall attempt to contact the offending Customer who shall be responsible for its removal and cost of removal.

### **ARTICLE 8. DISTRICT FEES**

#### **8.01 GENERAL**

In consideration for the rights and privileges provided in this Agreement, and the costs associated in providing the Customer service functions set forth in Section 6.01, including all billing services, and subject to payments to the Contractor as provided in Article 9 below, the Contractor shall receive and/or retain all sums collected from Customers for all services contemplated in this Agreement.

#### **8.02 REVENUE TO THE DISTRICT**

- a. Franchise Fees. Contractor shall pay a Franchise Fee of ten percent (10%) to the District. The Franchise Fee shall be calculated by multiplying the Gross Receipts received under this Franchise Agreement, less Disposal Charges paid by Contractor. Contractor shall pay the Franchise Fees to

the District for each calendar month during the term of this Agreement on or before 30 days after the end of such month.

- b. **Environmental/Administration Fee.** At the request of District, Contractor shall invoice residential, commercial and roll-off customers for an additional environmental/administration fee, of a type and in an amount specified and authorized by the District. This fee may be included as a separate line item on all invoices. Contractor shall remit payment to the District of District Approved Environmental/Administrative Fee amounts collected on a monthly basis. The environmental or administration fee shall not affect the amount of Contractor's compensation and shall be a pro-rata pass through cost on all affected rates.
  
- c. **New or Increased Fees.** The District has the right to impose new or adjusted fees on the provision of solid waste handling services and to increase the amount or percentage of the franchise fee from that set forth above. Any adjustment to the Franchise Fee noted in Section 8.02 a. shall be a direct pass through of one hundred percent (100%) of any increase or decrease in said Franchise Fee and shall be effective as of the date the Franchise Fee increase or decrease is payable by Contractor. In such event, Contractor shall receive an adjustment to the rates to fully compensate its increased costs, including, if applicable, a one-time rate adjustment to the rates to fully compensate it where there is any delay between the effective date of the new or increased fee and the date on which it begins to receive increased compensation from billings related to the new or increased fee.

### **8.03 RECORDS**

The Contractor shall keep and maintain accurate records of all persons, firms and corporations for whom refuse collection services are provided, the amount of money billed and the amount of money collected for each type of service. The District and the person served by the Contractor shall have the right to examine such records at all reasonable times. Such records shall be maintained in accordance with generally accepted accounting standards and shall include all necessary information as to the accuracy of revenues and billings.

## **ARTICLE 9. CONTRACTOR COMPENSATION AND RATES**

### **9.01 GENERAL**

Contractor's compensation provided for in this Article 9 shall be the full, entire, and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead,

profit, and all other items necessary to perform all of the services in the manner required by the Agreement.

## **9.02 CART SERVICE, BIN SERVICE AND ROLL-OFF BOX SERVICE**

As compensation for the performance of services for Cart service, all Bin Service and all Roll-Off Box service work in each calendar month, Contractor shall bill for and retain an amount equal to the applicable "Rate to Customer" as set forth in Attachment C. This compensation is subject to Franchise Fee payments by Contractor to District.

The current "Rate to Customer" shall be effective upon the Effective Date of this Agreement.

## **9.03 CUSTOMER RATES**

All Customers shall pay for Collection Service in accordance with those rates specified in Attachment C.

## **9.04 ANNUAL FORMULA-BASED COMPENSATION ADJUSTMENT**

Subject to Section 9.04 a. and Section 9.04 b., the maximum rates set forth in Attachment C, Residential Bin and Commercial Services shall be adjusted annually effective each July 1<sup>st</sup> as follows: (i) during the first three (3) years of the Term, by an amount equal to the calendar year annual twelve-month change in the Consumer Price Index ("CPI") for All Urban Consumers (CPI-U) for the Los Angeles/Anaheim/Riverside Metropolitan Area, (1982-84=100), as published by the United States Department of Labor, Bureau of Labor Statistics CUURS49ASA0LE, and (ii) during the remainder of the Term by an amount equal to the calendar year twelve-month change in the Consumer Price Index ("CPI") for All Urban Consumers (CPI-U) for the Riverside/San Bernardino/Ontario Area, (December 2017=100) CUURS49CSA0LE.

Contractor acknowledges that various legal procedures, including but not limited to those contained in Proposition 218, may be applicable to any rate increases (and District agrees to undertake such procedures in the exercise of its sole discretion). In the event such rate increases do not receive the requisite approval under such procedures, the District shall not be required to adopt such rate increases, nor shall the District be liable to Contractor for the failure to implement any such increases.

- a. Adjustment Request Procedure. Contractor shall submit its request for a CPI-based rate adjustment not later than April 1 of each year using the format specified in Attachment C, accompanied by a complete revised proposed Attachment C, Residential Bin and Commercial Services,

reflecting the CPI-based rate adjustment. The District may determine that the request be submitted earlier than April 1.

- b. Adjustment Approval Procedure. Contractor's request shall be subject to review and approval by the Board of Directors. Subject to all applicable requirements of law, the Board of Directors' decision shall be based solely upon verification of the change in CPI in accordance with the formula set forth in this Agreement and verification of Contractor's computations of the changes in Attachment C, Residential Bin and Commercial Services. As long as Contractor timely complies with its requirements under Subsection "a" immediately above, the Board of Directors' decision shall be rendered prior to the beginning of District's the fiscal year, and shall not be unreasonably withheld.

#### **9.05 CHANGES IN SCOPE OF SERVICES**

The rates and fees identified in Attachment C, Contractor Service Unit Rates, provided for in Section 9.02 hereof, shall be adjusted for Contractor's operating expense, overhead expense and profit to reflect any changes or additions to Attachment B, Scope of Services, which are mutually agreed-upon by the Parties in writing or ordered by District. Contractor's compensation for changes in Attachment B, Scope of Services, shall be established by the following procedure:

- a. District shall provide Contractor written notice describing the addition or change in the Scope of Services desired by District.
- b. Within thirty (30) days following receipt of District's written notice, Contractor shall submit its written proposal to provide the services requested by District. At a minimum, Contractor's proposal shall include (i) a description of how the service will be rendered; (ii) Contractor's schedule to provide the requested services; (iii) Contractor's cost to render the requested service; and (iv) a description of any options or alternatives Contractor deems appropriate.
- c. Within thirty (30) days following the submittal of Contractor's written proposal, District and Contractor shall meet and negotiate in good faith to agree on an amendment to this Agreement to provide the services described by District.
- d. Should District and Contractor be unable to reach a negotiated agreement on an amendment to this Agreement to provide the services requested by District, the Board of Directors may order that Contractor provide the services for the compensation determined by the Board of Directors which shall be reasonable compensation for Contractor's cost for providing the service.

## **9.06 EXTRAORDINARY RATE ADJUSTMENTS**

Contractor may request an adjustment to its Rates at reasonable times other than that allowed in Sections 9.04 and 9.05 in the event of extraordinary changes in the cost of providing service under this Agreement.

- a. **Included Changes.** Changes in the cost of providing service considered extraordinary shall include but not be limited to:
  - 1) **Changes in Law.** Changes in law or regulations enacted during or after the Effective Date of this Agreement by Federal, State, or local regulatory agencies, including amendments to the District's ordinances, resolutions, rules, regulations, policies, and/or procedures.
  - 2) **Extraordinary Costs.** Changes in operating costs brought about by unforeseen circumstances beyond the control of the Contractor.
  - 3) **Change in Disposal Facility.** Temporary or permanent changes in the location of the Disposal Facility.
- b. **Request and Review.** For each request for an extraordinary Rate adjustment to Rates that Contractor may charge Customers brought pursuant to this Section 9.08, Contractor shall prepare a schedule documenting the extraordinary costs and request for Reasonable Compensation. Such request shall be prepared in a form acceptable to District with support for assumptions made by Contractor in preparing the estimate. District shall review the Contractor's request and, in District's reasonable discretion make the final determination as to whether an adjustment to the Rates will be made, and, if an adjustment is to be permitted, the appropriate amount of the adjustment. District's approval shall not be unreasonably withheld, but shall include consideration of any rate increases obtained by Contractor pursuant to Section 9.04. Any approved extraordinary adjustments will be limited to one year from approval, and be subject to verification that the circumstances warranting the adjustment did not change during that year.

## **9.07 ADDITIONAL CUSTOMER RATE INCREASE PROCEDURES**

Contractor acknowledges that various legal procedures, including but not limited to those contained in Proposition 218, may be applicable to any rate increases proposed to be passed on to customers, including the rate increases contemplated above. If such procedures are applicable, increases to Customer rates will not become effective until the District has complied with any and all applicable legal requirements. In the event such rate increases do not receive

the requisite approval under such procedures, the District shall not be required to adopt such rate increases, nor shall the District be liable to Contractor for the failure to implement any such increases, nor shall District be required to compensate Contractor for any requested rate increases or “pass through” rates. However, with respect to Scope of Services changes requested by the District pursuant to Section 9.05, the Board of Directors may, at its sole discretion, determine whether the District shall compensate Contractor for such additional services without increasing Customer rates.

#### **9.08 RATES FOR ORGANIC MATERIALS**

Rates for Collection of Commercial and Residential Organic Materials shall be determined by agreement between the District and Contractor at such time as such programs are developed pursuant to this Agreement.

### **ARTICLE 10. RECORDS AND REPORTS**

#### **10.01 RECORDS**

- a. General. Contractor shall maintain records required to conduct its operations, to support requests it may make to District, and to respond to requests from District.
- b. Inspection. Contractor’s records shall be available for inspection by District during regular business hours and upon reasonable notice.
- c. Records Retention. Contractor shall maintain pertinent records required in the performance of this Agreement for a period of five (5) years after its expiration or early termination.
- d. Customer Records. Contractor shall maintain Customer service information by service route including: (i) name and address of Customer; and, (ii) service level.
- e. Service Records. Contractor shall maintain records of Customer complaints and inquiries for three (3) years.
- f. Materials Records. Contractor shall maintain a monthly record by service route of the weight of Solid Waste, Recyclable Materials and Construction and Demolition Waste collected from all Premises in District.
- g. Disposal Records. Contractor shall maintain a monthly record of all Solid Waste disposed of at the Disposal Facility.
- h. Route Information. Contractor shall maintain a record of its routes and collection days by service route for review by District.



## **10.02 REPORTS**

- a. **General.** Contractor shall submit reports according to the following schedule: (i) monthly reports on commercial service within thirty (30) days after the end of the reporting month; (ii) quarterly reports on all service types within thirty (30) days after the end of the reporting quarter; (iii) annual reports on all service types within thirty (30) days after the end of the fiscal year ending June 30; and (iv) event-specific reports shall be submitted thirty (30) days following the occurrence. Monthly and Quarterly reports shall include: (i) a summary of the information relating to gross receipts, gross receipts less disposal charges and any additional charges (ii) total number of accounts and total number of each service type; (iii) total number of Commercial Refuse, Organics and Recycling customers demonstrating compliance with California's Mandatory Commercial Recycling and Mandatory Commercial Organics Collection requirements.
- b. **Recycling and Diversion Reporting.** Contractor shall prepare and deliver to District all reports necessary to enable the District to comply with its obligations under applicable law.
- c. **Route Audit.** Upon District request, but not more frequently than one time per year, Contractor shall provide the annual route audit to District. This audit shall demonstrate verified service levels for all customers, shall list all locations where service levels did not correspond to billings, and shall demonstrate corrective actions for all service level discrepancies with respect to billing.
- d. **Reporting Violations.** The failure or neglect of the Contractor to file any of the required reports, or the inclusion of any materially false or misleading statement or representation made knowingly by Contractor in such report shall be deemed a material breach of the Agreement, and shall subject Contractor to all remedies, legal or equitable, which are available to District under the Agreement or otherwise.
- e. **Commercial Recycling Report.** Contractor will provide a quarterly report:
  - 1) Showing all Commercial Recycling, Organics, and refuse Customers (including location and service level);
  - 2) Identifying progress in reducing refuse only Customers and increasing Recycling and Organics customers.

## **10.03 AUDIT**

**Auditable Records.** Contractor shall maintain in auditable form all pertinent records relating to the services provided hereunder, including but not limited to, customer lists, maps, compliance records, and Customer complaints, for the full

Term of this Agreement, and an additional period of not less than three (3) years, or any longer period required by law or by District. The District shall have the right, upon giving thirty (30) days advance written notice to Contractor, to inspect maps, compliance records, Customer complaints, and other like materials of Contractor which reasonably relate to Contractor's compliance with the provisions of this Agreement. Such records shall be made available to District at Contractor's regular place of business.

## **ARTICLE 11. INDEMNITY AND INSURANCE**

### **11.01 INDEMNIFICATION**

- a. Indemnification of District. Contractor shall indemnify, defend and hold harmless District, its officers, employees and agents (collectively, the "Indemnitees"), from and against (i) any and all liability, penalty, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, (ii) any and all loss including, but not limited to, injury to and death of any person and damage to property, and (iii) contribution or indemnity demanded by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, its obligations under this Agreement. Contractor shall defend (with attorneys reasonably acceptable to District) the Indemnitees. Contractor's duty to defend, indemnify and hold harmless Indemnitees shall survive the expiration or earlier termination of this Agreement. If, due to the joint, concurring, comparative or contributory fault, negligence or willful misconduct of the Parties which gives rise to the Claims for which the Indemnitees are entitled to indemnification under this section, then liability for such Claims shall be allocated between the Parties in proportion to their respective degrees of fault, negligence, or willful misconduct contributing to such Claims.
- b. Indemnification of Contractor. District shall indemnify, defend and hold harmless Contractor, its officers, directors, shareholders, employees and agents (collectively, the "Indemnified Parties"), from and against (i) any and all liability, penalty, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, (ii) any and all loss including, but not limited to, injury to and death of any person and damage to property, and (iii) contribution or indemnity demanded by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, District's performance of, or its failure to perform, its obligations under this Agreement. District shall defend (with attorneys reasonably acceptable to District) the Indemnified Parties. District's duty to defend, indemnify and hold harmless the Indemnified Parties shall

survive the expiration or earlier termination of this Agreement. If, due to the joint, concurring, comparative or contributory fault, negligence or willful misconduct of the Parties which gives rise to the Claims for which the Contractor is entitled to indemnification under this section, then liability for such Claims shall be allocated between the Parties in proportion to their respective degrees of fault, negligence, or willful misconduct contributing to such Claims.

- c. PRC 41821.2 Indemnification. Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed on the District pursuant to California Public Resources Code Section 41821.2 et seq., including but not limited to Section 41850, due to Contractor's failure to comply with laws, regulations or permits or to the extent caused or contributed to by Contractor's failure to perform its obligations under this Agreement. This indemnity obligation is subject to the limitations and conditions in California Public Resources Code section 40059.1, but is enforceable to the maximum extent allowable by that Section
- d. Hazardous Waste Indemnification. Except with respect to Disposal of Solid Waste collected from District residences by the County of San Bernardino during collection events hosted by the County of San Bernardino, Contractor shall indemnify, defend with counsel approved by District, protect and hold harmless Indemnitees and any successor or successors to District's interest from and against all claims, actual damages, natural resources damage, injuries, costs, response, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, Indemnitees arising from or attributable to any disposal, storage, handling, repair, clean up or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan, of hazardous substance or hazardous wastes at any place where Contractor stores, handles, transports or disposes of any material pursuant to this Agreement. Contractor shall also indemnify, defend with counsel approved by District, protect and hold harmless Indemnitees and any successor or successors to District's interest from and against all claims asserted by third parties for special, consequential, and/or punitive damages arising from or attributable to any disposal, storage, handling, repair clean up or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan, of hazardous substance or hazardous wastes at any place where

Contractor stores, handles, transports or disposes of any material pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA", 42 U.S.C. section 9607 (e), and California Health and Safety Code section 25364, to insure, protect, hold harmless, and indemnify District from liability. This provision is in addition to all other provisions of this Agreement and is intended to apply to Contractor's actions during the term of this Agreement and survive the end of the Term of this Agreement.

## **11.02 INSURANCE**

Without limiting Contractor's indemnification of Indemnitees pursuant to Section 11.01 above, and at its sole expense, Contractor shall procure from an insurance company or companies admitted to do business in the State, and shall maintain in force at all times during the Term of this Agreement, the following types and amounts of insurance:

- a. **Workers' Compensation and Employer's Liability.** Contractor shall maintain workers' compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State. Contractor shall maintain employer's liability insurance in an amount not less than one million dollars (\$1,000,000) per accident or disease. Contractor shall not be obligated to carry workers' compensation insurance if: (i) Contractor qualifies under California law and continually complies with all statutory obligations to self-insure against such risks; (ii) furnishes a certificate of Permission to Self-Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self-Insure periodically to evidence continuous self insurance.
- b. **General Liability Insurance and Commercial Vehicle Liability Insurance.** The limits of such insurance coverage, and companies, if any, shall be subject to review and approval by District's Risk Manager. Contractor shall obtain and maintain in full force and effect throughout the entire Term of this Agreement a Broad Form Comprehensive General Liability (occurrence) policy with a minimum limit of Four Million Dollars (\$4,000,000.00) aggregate and One Million Dollars (\$2,000,000.00) per occurrence for bodily injury and property damage. Said insurance shall protect Contractor and District from any claim for property damage which may arise from operations performed pursuant to this Agreement, whether such operations are by Contractor itself, or by its agents, employees, and/or sub-contractors. Contractor shall also obtain and maintain a Commercial Vehicle Liability Insurance policy, covering

personal injury and property damage, of not less than Two Million Dollars (\$2,000,000) combined single limit, covering any vehicle utilized by Contractor, its officers, employees, servants, volunteers, agents and independent contractors and/or subcontractors in performing the services required by this Agreement.

- c. Endorsements. Copies of the endorsements evidencing the above required insurance coverage shall be filed with the District. All of the following endorsements are required to be made a part of the insurance policies required by this Section:

“District, its employees, agents, contractors, and officers, are hereby added as additional insured as respects liability arising out of activities performed by or on behalf of Contractor.”

“This policy shall be considered primary insurance as respects any other valid and collectible insurance the District may possess including any self-insured retention District may have, and any other insurance District does possess shall be considered excess insurance and shall not contribute with it.”

“This insurance shall act for each insured, as though a separate policy had been written for each. This, however, shall not act to increase the limit of liability of the insuring company.”

“Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to District in the event of suspension, cancellation, reduction in coverage or in limits, or non-renewal of this policy for whatever reason. In the case of cancellation for non-payment, ten (10) days advance written notice shall be given. Such notices shall be sent to the District.”

The limits of such insurance coverage, and companies, shall be subject to review and approval by District’s General Manager every year and may be increased at that time to match the coverage provided by District’s own liability insurance policy. District shall be included as an additional insured on all policies and endorsements. The requirements of this Section may be satisfied in whole or in part by Contractor’s self-insurance program.

- d. Modification. The insurance requirements provided herein may be modified or waived in writing by the Board of Directors upon request of Contractor, or in the reasonable discretion of District provided the Board of Directors determines such modification or waiver is in the best interests of District considering all relevant factors, including acceptable coverage amounts.

## **ARTICLE 12. CONTRACTOR PERFORMANCE**

### **12.01 ANNUAL REVIEW**

- a. **General Manager Review.** Annually within sixty (60) days of the anniversary of the Effective Date of this Agreement, General Manager may, and, if a public hearing review before Board of Directors is to be held, shall conduct a review of Contractor's performance, quality of service, Collection systems and programs, feasibility of new services and new technologies, Customer complaints, rights of privacy, amendments to Agreement, developments in law, new initiatives for meeting or exceeding diversion goals, complying with statewide recycling obligations and initiatives, regulatory constraints and other services, jointly with Contractor for the purpose of identifying problems, progress and opportunities. Within sixty (60) days of such General Manager review, General Manager shall issue a written report summarizing the findings and conclusions of the review. Within thirty (30) days following receipt of General Manager's written report, Contractor shall provide General Manager a written response.
- b. **Board Presentation.** At District's sole option, within sixty (60) days following General Manager's review, the General Manager may make a presentation to the Board of Directors (the "Board Presentations") at which Contractor shall be present and shall participate, to discuss General Manager's review regarding Contractor's performance, quality of service, Collection systems, programs and other services.
- c. **District Report.** Within sixty (60) days after the conclusion of the Board Presentation, District shall issue a report with respect to: (i) the adequacy of Contractor's performance and quality of service; and (ii) a listing of any service changes desired and considered technically and economically feasible by District. District may require Contractor to provide such services within a reasonable time, for reasonable rates and compensation. If any noncompliance with Agreement is found, District may direct Contractor to correct the inadequacies by issuing a Notice of Noncompliance in accordance with this Section 12.01.
- d. **Contractor Response to Inadequacies.** Within sixty (60) days after receiving a notice of noncompliance from District, Contractor shall submit a report to District indicating: (i) inadequacy cited by District; (ii) cause of inadequacy; (iii) corrective measures taken by Contractor including dates action was taken; and (iv) measures taken by Contractor to prevent reoccurrence of the inadequacy.

## **12.02 BREACH**

Each of the following shall constitute a material breach of this Agreement by Contractor:

- a. Contractor fails to perform its obligations under any Section of this Agreement and its failure to perform is not cured within fifteen (15) days after written notice from District, provided that if the nature of the breach is such that it will reasonably require more than ten (10) business days to cure, Contractor shall not be in breach so long as it promptly advises District in writing of the reasonable additional time required to cure, subsequently commences the cure and diligently proceeds to completion of the cure; and provided further that neither notice nor opportunity to cure applies to events described in Subsections c through e, below;
- b. Contractor ceases to provide Collection and transportation services for a period of seven (7) days for any reason within Contractor's control;
- c. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or similar law;
- d. An involuntary petition brought against Contractor under any bankruptcy, insolvency or similar law which remains undismissed or unstayed for ninety (90) days;
- e. A representation or warranty contained in Section 2.01 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

## **12.03 ADMINISTRATIVE HEARING**

- a. **Hearing Required.** An administrative hearing shall be held: (i) if either Party alleges a breach of this Agreement by the other; and (ii) preceding a default hearing before the Board of Directors. Should either Party contend a breach of this Agreement by the other Party, the offended Party shall give a written request with the other Party for an administrative hearing within fourteen (14) days of the alleged breach.
- b. **Hearing Officer Selection.** Within ten (10) days of receipt by either Party of a written notice requesting an administrative hearing, General Manager and Contractor shall meet to mutually agree on the selection of a hearing officer. If agreement is not reached within twenty (20) days after the notice requesting an administrative hearing is received, the offended Party shall select the hearing officer from a list of three potential hearing officers who are retired California Superior Court or appellate Court justices, none of whom are related to the Parties,

prepared in advance by the General Manager and approved by the Board of Directors.

- c. **Hearing Procedure and Venue.** The hearing shall be conducted according to California Code of Civil Procedure Section 1280, *et seq.* (the "California Arbitration Act"). The exclusive venue shall be in San Bernardino County, California. A hearing officer to whom a matter is referred shall have the authority to (i) order the District or Contractor to undertake remedial action to cure the breach and to prevent occurrence of similar breaches in the future; (ii) assess damages and/or levy a penalty upon the District or the Contractor consistent with the terms of this Agreement; or (iii) find there has been no breach. If the hearing officer finds there has been no breach, such a decision precludes the District from conducting a default hearing.
- d. **Payment of Fees.** The Party losing the hearing shall be liable for the hearing officer's fees.
- e. **Failure to Comply.** Any failure of Contractor to comply with the hearing officer's order shall be deemed a material breach of the Agreement, and may be grounds for termination of the Agreement.
- f. **Hearing Commencement; Discovery.** The hearing officer shall commence the hearing within thirty (30) days of selection unless the Parties and the hearing officer otherwise agree. Any Party to the hearing may issue a request to compel reasonable document production from the other Party. Disputes concerning the scope of document production and enforcement of document requests shall be subject to agreement by the Parties, or if agreement is not reached within twenty (20) days of that document request, then by disposition by order of the hearing officer. Any such document request shall be subject to the proprietary rights and rights of privilege of the Parties, and the hearing officer shall adopt procedures to protect such rights. Except as may be otherwise specifically agreed by the Parties, no other form of pretrial discovery shall be available to the Parties; provided that if either Party notifies the hearing officer that a material violation of the Franchise or rights in connection therewith is claimed by either Party, the provisions of Code of Civil Procedure section 1283.05 shall apply.
- g. **Communications.** Neither Party may communicate separately with the hearing officer after the hearing officer has been selected. All subsequent communications between a Party and a hearing officer shall be simultaneously delivered to the other Party. This provision shall not apply to communications made to schedule a hearing or request a continuance.



- h. **Effective Date; Findings.** Until a final decision is entered by the hearing officer proceeding under the foregoing provisions and the time for appeal or other post judgment petition has expired, the imposition or enforcement of any penalties or sanctions provided in this Agreement and related to the subject matter of the hearing shall be stayed. The hearing officer may modify or cancel any proposed penalties or sanctions upon finding that the Party subject thereto acted with substantial justification or if the interest of justice so requires.
- i. **Appeal.** Any Party to an administrative hearing as set forth in this Section may petition the Superior Court in San Bernardino County, California to confirm, correct, or vacate the decision on the grounds stated in the California Arbitration Act. Any proceedings on appeal shall be in accordance with California Code of Civil Procedure sections 1294 and 1294.2.
- j. **Award/Decision Non-Binding.** To the extent that the administrative hearing procedure set forth herein is interpreted as a requirement for arbitration, any decision by a hearing officer arising out of such administrative hearing shall be **NON-BINDING**, and nothing in this Article or elsewhere in this Agreement, shall prevent the Parties from seeking judicial review or a trial de novo with respect to any decision rendered by a hearing officer as set forth herein.

#### **12.04 LIQUIDATED DAMAGES**

- a. **Material Breach.** District finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by District as a result of a material breach by Contractor of its obligations under this Agreement. The factors relating to the impracticality of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable services; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that services might be available at substantially lower costs than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

- b. Amount. After providing Contractor notice and an opportunity to cure set forth herein, the Board of Directors may, in its discretion, assess liquidated damages in an amount not to exceed Eight Hundred Dollars (\$800.00) per day, for each calendar day that service is not provided by Contractor in accordance with this Agreement. The amount of the liquidated damages shall be adjusted annually each September 1 by the amount of change in the Consumer Price Index according to the procedure specified in Section 10.06 above, for Contractor compensation.
- c. Payment. District finds, and Contractor acknowledges and agrees, that the above described liquidated damage provisions represent a reasonable sum in light of all the circumstances. Said liquidated damages sums shall be applicable to each business day of delay during which Contractor has been found by the Board of Directors to be in material breach pursuant to this Section. The Contractor shall pay any liquidated damages assessed by the Board of Directors within ten (10) days after they are assessed.

#### **12.05 DISTRICT'S ADDITIONAL REMEDIES**

In addition to the remedies set forth in this Section, District shall have the following rights and remedies:

- a. Performance by Others. The right to license others to perform the services otherwise to be performed by Contractor hereunder or to perform such services itself.
- b. Damages. The District's right to obtain damages and/or injunctive relief. Both Parties recognize and agree that in the event of a breach of the terms of this Agreement by Contractor, District may suffer irreparable injury and incalculable damages sufficient to support injunctive relief, to enforce the provisions of this Agreement and to enjoin the breach thereof.

#### **12.06 FORCE MAJEURE**

Contractor shall not be in breach under this Agreement in the event that the services to be provided by Contractor are temporarily interrupted or discontinued for any of the following events which are beyond the reasonable control of and not caused by the actions of Contractor: (i) riots, wars, sabotage, severe civil disturbances, insurrections, and explosions; (ii) natural disasters such as floods, earthquakes, landslides, and fires; (iii) strikes, lockouts, and other labor disturbances; or (iv) other catastrophic events. Other catastrophic events do not include the financial inability of Contractor to perform or failure of Contractor to

obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of Contractor.

#### **12.07 PERFORMANCE BOND**

Contractor shall, prior to the Effective Date of this Agreement, execute and file with the District a surety bond in the penal sum of Two Hundred Thousand Dollars (\$200,000.00) conditioned upon the faithful performance of this Agreement by Contractor, and its subcontractors, if any. Said bond may be written for a term of one (1) year, and may thereafter be renewed by certificate, proved however, that Contractor agrees to and shall maintain such bond in force for the complete Term of this Agreement (including any extensions thereof).

### **ARTICLE 13. OTHER AGREEMENTS OF THE PARTIES**

#### **13.01 RELATIONSHIP OF PARTIES; INDEPENDENT CONTRACTOR**

The Parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by District, and not as an officer or employee of District, nor as a partner of or joint venture with District. No employee of Contractor shall be deemed to be an employee or agent of District. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and over all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor, nor its officers, employees, subcontractors or agents shall obtain any rights to retirement benefit, workers' compensation benefits, or any other benefits which accrue to District employees by virtue of their employment with District.

#### **13.02 COMPLIANCE WITH LAWS**

In providing the services required under this Agreement, Contractor shall at all times comply with all applicable laws of the United States, the State and District, with all applicable regulations promulgated by Federal, State, regional or local administrative and regulatory agencies, and by District, now in force and as they may be enacted, issued or amended during the Term, and with all permits affecting the services to be provided.

#### **13.03 ASSIGNMENT; TRANSFER; CHANGE IN CONTROL**

- a. District Consent Required. It is the expressed intent of the Parties to this Agreement that the rights and privileges granted by this Agreement shall

not be transferred, sold, hypothecated, leased, assigned, nor shall any of the rights or privileges herein be hypothecated, leased, assigned, sold, or transferred, either in whole or in part, nor shall title thereto, either legal or equitable, or any right, interest, or property therein, pass to or vest in any person, except Contractor, either by act of Contractor or by operation of law, nor shall any Change in Control (as defined in Subsection c, below) occur, without the prior written consent of District, expressed by resolution adopted by the Board of Directors.

It is further understood and agreed that District's consent to any of the above actions or transactions may be withheld for any reason, with or without cause, and that upon the occurrence of any of the above events, without consent of District, District shall have the absolute right to terminate the Agreement without notice.

- b. **Penalty for Unauthorized Transfer.** In addition to the rights provided District with respect to terminating this, Agreement should Contractor take any of the actions set forth in Subsection 13.03. a. above, prior to obtaining written consent of District, twenty-five percent (25%) of the gross monthly billings for Solid Waste and Recycling, from the date of the unauthorized action until the date District receives notice of the unauthorized action, shall be returned to District.
- c. **Change In Control Defined.** District consent is required for any change in control of Contractor. "Change in Control" shall mean any sale, transfer, or acquisition of Contractor. Contractor is a corporation, and any acquisition of more than twenty-five percent (25%) of Contractor's voting stock by any person, or groups of persons acting in concert, who already own less than fifty percent (50%) of the voting stock, shall be deemed a change in control. Provided, however, that the transfer of stock of Contractor to another solid waste company shall be deemed a transfer and not a change in control.
- d. **Application Fee.** Any application for a Franchise transfer, assignment of this Agreement or Change in Control, as described in this Section 13.03, shall be made in the manner prescribed by the General Manager. The application shall include the payment and reimbursement to District of: (i) up to Ten Thousand Dollars (\$10,000) to cover the cost of all direct or indirect administrative expenses including consultants and attorneys, necessary to adequately analyze the application (the ("Transfer Application Fee"); and (ii) all additional associated costs not covered by the Transfer Application Fee. Bills evidencing the costs and expenses associated with a Franchise transfer, assignment or Change of Control shall be supported with evidence of the expense or cost incurred. The applicant shall pay such bills within thirty (30) days of receipt. The

Transfer Application Fee and cost reimbursements set forth in this Subsection are in addition to any other fees specified in this Agreement.

- e. **Assignment to Family Member.** Notwithstanding the fact it would otherwise fall within the provisions of this Section 13.03, any transfer of interests to an immediate family member of any existing shareholder may occur with the written approval of the General Manager, and without any of the other provisions of this Section 13.03 applying if Contractor certifies and the General Manger verifies that the transfer is in fact to an immediate family member or members; and, the General Manager finds both of the following: (i) that the transfer of interest will have no adverse impact on Contractor's operations in District, and (ii) that the transfer of interest will not result in any interest in Contractor being vested in any person who is not an immediate family member of an existing shareholder of Contractor. In the event the General Manager is unable to make these findings, or has any concern regarding his/her ability to do so, he/she may refer the matter in whole or part to the Board of Directors for its consideration, approval, or other action, and the Board of Directors shall have the discretion to consider the matter as if it were a transfer as described in this Section 13.03. Any assignment to a family member shall not incur a Transfer Application Fee.

#### **13.04 SUBCONTRACTING**

Contractor shall not engage any subcontractors to perform any of the services required of it by this Agreement without the prior written consent of District. Contractor shall notify District no later than thirty (30) days prior to the date on which it proposes to enter into a subcontract. District's approval shall not be unreasonably withheld. Contractor retains the right to enter into an arrangement with an affiliated entity to perform any of the services, activities or administration of services or activities which Contractor is required or allowed to perform under this Agreement. Any arrangement by Contractor with an affiliated entity shall neither be considered as a subcontracting nor as an assignment.

#### **13.05 CONTRACTOR'S INVESTIGATION**

Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the Agreement and the work to be performed by it. Contractor has taken those matters into consideration in agreeing to provide the service required under this Agreement for the compensation to be provided herein.

### **13.06 NOTICE**

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the addresses below, or be deposited in the United States mail, first class postage prepaid, addressed as follows:

a. If to District:

General Manager  
PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT  
4176 Warbler Road  
PO BOX 294049  
Phelan, CA 92329

b. If to Contractor:

CFO  
CR&R, Incorporated  
11292 Western Ave  
Stanton, CA. 90680

With Copy to:

General Manager  
CR&R Incorporated  
9828 Buckwheat Road  
Phelan, CA 92371

c. The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

d. All notices shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

### **13.07 REPRESENTATIVES**

a. Representatives of District. References in this Agreement to actions to be taken by the District shall mean action taken by the Board of Directors, except as provided below or elsewhere in this Agreement. The General Manager shall be deemed to be the administrator of this Agreement and may in turn delegate authority to other District officials in writing. Contractor may rely upon actions taken by the delegates of the General Manager if such actions are within the scope of the authority delegated to them.

- b. Representative of Contractor. Contractor shall designate a responsible representative to serve as its “government liaison” and act in its behalf in all matters related to the Agreement and shall inform District in writing of such designation and of any limitations upon his or her authority to bind Contractor. District may rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated to District. Contractor shall provide District prior written notification of a change in its government liaison. District reserves the right to require a change of Contractor’s government liaison.

### **13.08 DUTY OF CONTRACTOR NOT TO DISCRIMINATE**

In the performance of this Agreement Contractor shall not discriminate, nor permit any subcontractor to discriminate, against any employee, applicant, for employment, or Customer an account of race, color, national origin, ancestry, religion, sex, age, physical disability, medical condition, sexual orientation, marital status, or other characteristic, in violation of any applicable law.

### **13.09 TRANSITION TO NEXT SERVICE PROVIDER**

At the expiration of the Term or the earlier termination of this Agreement, or upon District’s approval of a proposed assignment, Contractor shall cooperate fully with District to ensure an orderly transition to any and all new service providers. Contractor shall further cooperate with District by providing route and account data for the development of a request for proposals should District decide to seek proposals for the services provided under this Agreement.

### **13.10 OWNERSHIP OF SOLID WASTE**

- a. Once Solid Waste, Recyclable Materials, Green Waste, Organic Materials, and Construction and Demolition Waste is placed in Commercial containers for Collection, or Residential containers for curbside, collection, ownership shall transfer to Contractor. Contractor is hereby granted the right to retain, Recycle, Compost, dispose of, and otherwise use such Solid Waste, Recyclable Materials, Green Waste, Organic Materials, and Construction and Demolition Waste, or any part thereof, in any lawful fashion or for any lawful purpose as agreed to by District and Contractor in order to meet AB 939 requirements.
- b. Transfer of Ownership. When disposed of at a Disposal Site or Processing Facility (whether landfill, transformation facility, transfer station, or material recovery facility) Solid Waste, Recyclable Materials, Green Waste, Organic Materials and Construction and Demolition Waste shall become the property of the owner or operator of the Disposal Facility or

Processing Facility once deposited there by Contractor. At no time does District obtain any right of ownership or possession of Solid Waste placed for Collection as described herein, and nothing in this Agreement shall be construed as giving rise to any inference that District has such rights.

## **ARTICLE 14. MISCELLANEOUS PROVISIONS**

### **14.01 GOVERNING LAW**

This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California.

### **14.02 JURISDICTION**

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made and will be performed in San Bernardino County.

### **14.03 BINDING ON SUCCESSORS**

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the Parties.

### **14.04 PARTIES IN INTEREST**

Nothing in this Agreement is intended to confer any rights on any Persons other than the Parties to it and their permitted successors and assigns.

### **14.05 WAIVER**

The waiver of either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision.

### **14.06 ATTACHMENTS**

Each of the Attachments to this Agreement, identified as Attachments "A" through "C", are attached hereto and incorporated herein and made a part of this Agreement by this reference.



#### **14.07 ENTIRE AGREEMENT**

This Agreement, including the Attachments, represents the full and entire agreement between the Parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

#### **14.08 SECTION HEADINGS**

The Section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

#### **14.09 INTERPRETATION**

This Agreement shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

#### **14.10 AMENDMENT**

This Agreement may not be modified or amended in any respect except by a writing signed by the authorized representatives of the Parties.

#### **14.11 SEVERABILITY**

If a court of competent jurisdiction holds any provision of this Agreement to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

#### **14.12 COSTS AND ATTORNEYS' FEES**

The prevailing Party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with such an action from the other Party.

#### **14.13 NO DAMAGES FOR INVALIDATION OF AGREEMENT**

Except as otherwise set forth in Section 14.15 below, if a final judgment of a court of competent jurisdiction determines that this Agreement is illegal or was unlawfully entered into by District, neither Party shall have any claim against the

other for damages of any kind (including but not limited to loss of profits) on any theory.

#### **14.14 REFERENCE TO LAWS**

All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific government agencies shall be understood to include agencies that succeed to or assume the functions they are currently performing.

#### **14.15 INDEMNITY AGAINST CHALLENGES TO AGREEMENT**

For the Term of this Agreement, Contractor shall indemnify, defend and hold harmless Indemnitees from and against any and all liability, claim, demand, action, proceeding or suit of any and every kind and description brought by a third person challenging the process by which this Agreement was negotiated or awarded.

(Signature page follows)

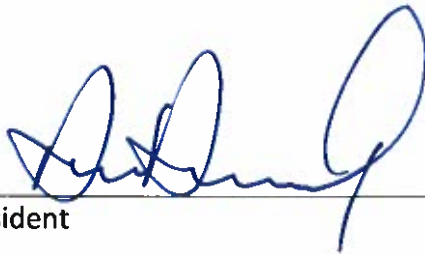
**LAST PAGE OF AGREEMENT**

In WITNESS WHEREOF, District and Contractor have executed this Agreement as of the day and year first written above.

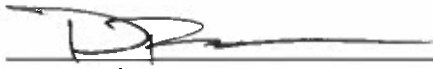
PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT:

CR&R, INC.

By:   
\_\_\_\_\_  
President of the Board

By:   
\_\_\_\_\_  
President

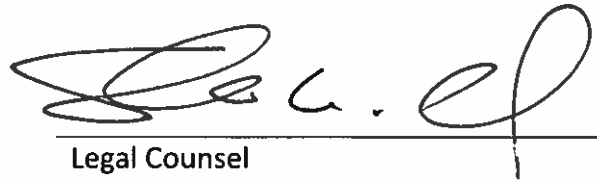
APPROVED:

  
\_\_\_\_\_  
General Manager

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Legal Counsel

## ATTACHMENT A

### DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below.

- a. Agreement – The term “Agreement” shall mean this contract, entered into between District and Contractor.
- b. Bin – The term “Bin” means a metal container with hinged lids and wheels serviced by a front-end loading truck. Some “Bins” may not have wheels due to their placement or customer request.
- c. Bulky Waste – The term “Bulky Waste” shall mean large items of Solid Waste such as appliances, furniture, large auto parts, trees, branches greater than 4 inches in diameter and 36 inches in length, stumps and other oversize wastes whose large size precludes or complicates their handling by normal collection, processing or disposal methods.
- d. District – The term “District” shall mean the Phelan Piñon Hills Community Services District.
- e. Board of Directors – The term “Board of Directors” shall mean the Board of Directors of the Phelan Piñon Hills Community Services District.
- f. General Manager – The term “General Manager” shall mean the General Manager of the Phelan Piñon Hills Community Services District.
- g. Cart – The term “Cart” means a plastic container with a hinged lid and wheels provide for automated refuse and recycling service.
- h. Code – The term “Code” shall mean the ordinances, resolution, rules, regulations, policies, and/or procedures of the Phelan Piñon Hills Community Services District.
- i. Collection Service – The term “Collection Service” shall mean all or any part of the activities involved in collecting and transporting solid waste, recyclable materials or green waste to an appropriate disposal or recycling facility.
- j. Commercial/Industrial Premises – The term “Commercial/Industrial Premises” shall mean stores, offices, including manufacturing and industrial offices and facilities, restaurants, warehouses, schools, colleges, universities, hospitals, and other non-manufacturing entities.
- k. Commercial Recycling Program – The term “Commercial Recycling Program” shall mean Source Separated Commercial Recycling or Select Commercial Recycling

- l. Commercial Organics Program – The term “Commercial Organics Program” shall mean collection and processing of organic material from Commercial/Industrial Premises as required by application law.
- m. Compost – The term “Compost” shall mean controlled biological decomposition of organic material, producing a stable soil amendment.
- n. Construction and Demolition Waste – The term “Construction and Demolition Waste” shall mean used or discarded construction materials removed from a premise during construction, demolition or renovation of a structure where a District permit has been issued.
- o. Customer – The term “Customer” shall mean those generators of solid waste, recyclable materials or green waste to whom a franchisee provides collection service.
- p. Disposal Facility – The term “Disposal Facility” shall mean any dump site, transfer station or other place specifically designed for the receipt and disposition of refuse collected by Contractor pursuant to this agreement.
- q. Disposal and Processing Fees – The term “Disposal and Processing Fees” shall mean the basic processing fee charged to process commingled recycling materials, including residue disposal and Recycled materials revenues.
- r. Exclusive Solid Waste Handling Services – The term “Exclusive Solid Waste Handling Services” means any action by District, whether by franchise, contract, license, permit, or otherwise, whereby the District itself or one or more other local agencies or solid waste enterprises has the exclusive right to provide solid waste handling services of any class or type within all or any part of the territory of the local agency.
- s. Franchise – The term “Franchise” shall mean a certificate, contract, or license issued by the District authorizing a person to provide solid waste and recycling collection service and to use District streets.
- t. Franchisee – The term “Franchisee” shall mean the person granted the exclusive franchise by this Agreement.
- u. Gate Fee – The term “Gate Fee” shall mean the fee charged for the disposal of solid waste at any public or private landfill, transfer station and/or resource recovery or recycling facilities.
- v. General Manager – The term “General Manager” shall mean the Phelan Pinon Hills Community Service’s District’s Chief Executive or his/her designee.
- w. Green Waste – The term “Green Waste” shall mean compostable materials including grass clippings, leaves, pruning and similar vegetative materials; but does not include sod, stumps, or similar bulky materials, rocks or dirt.
- x. Gross Receipts – All monies received by Contractor for providing the solid waste handling services specified in this Franchise Agreement.

- y. Multi-Family Premises – The term “Multi-Family Premises” shall mean any building or group of buildings that contain 5 or more dwellings.
- z. Organic Material – The term “Organic Material” shall mean Solid Waste materials that are biologically synthesized by plants or animals from simpler substances, are no longer suited for their intended purpose, and may be readily broken down by biological processes into soil constituents. Examples include, but are not limited to, food waste, green waste and putrescible material which are generally a source of food for bacteria.
- aa. Non-Residential Premises – The term “Non-Residential Premises” shall mean Commercial/Industrial and Multi-Family Premises.
- bb. Processing Facility – The term “Processing Facility” shall mean a facility designated by the District to accept Recycling Material, Organic Material and/or Compost for the purpose of reduction, separation, recovery and conversion.
- cc. Recyclable Materials – The term “Recyclable Materials” shall mean Solid Waste that is source separated, has some potential economic value, and is set aside, handled, packaged, or offered for collection in a manner different from Refuse in order to allow it to be processed for recycling. Recycling Materials must be acceptable to the Processing Facility, and include paper, cardboard, glass, metal, and rigid plastic containers.
- dd. Refuse – The term “Refuse” shall mean Solid Waste, as defined herein. However, the term “Refuse”, for purposes of this Agreement, shall not be deemed to refer to or include dead animals, manure, sewage waste or waste water, explosive substances, radioactive materials, materials which have been exposed to highly infectious or contagious diseases, or other hazardous materials.
- ee. Residential Premises – The term “Residential Premises” shall mean a single family dwelling or a multi-family dwelling with up to and including 4 dwelling units on a single tax lot.
- ff. Roll-Off Box – The term “Roll-Off Box” means an open-top metal container serviced by a roll-off truck with a capacity of 10 to 40 cubic yards.
- gg. Select Commercial Recycling – The term “Select Commercial Recycling” shall mean the collection of non-residential Bins that include high concentrations of Recyclable Materials, as evidenced by the Customers’ typical generation, but that are not otherwise collected as Commercial Recycling.
- hh. Service Unit – The term “Service Unit” shall mean each of the following which receives standard service: each single-family dwelling, each dwelling unit within a duplex, triplex or multi-family residential building, each apartment or condominium unit within an apartment or condominium building, and each business, professional, industrial or other non-residential use unit.

- ii. Service Component – The term Service Component shall mean that portion of all of the fees collected hereunder for Solid Waste Handling Services except Disposal and Processing Fees and Administrative Fees.
- jj. Solid Waste – The term “Solid Waste” shall mean all putrescible and nonputrescible solid and semisolid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes. “Solid Waste” does not include hazardous waste as defined by the State of California, or low-level radioactive waste. “Solid Waste” does not include medical waste which has not been treated for disposal at a solid waste facility.
- kk. Solid Waste Handling Services – The term “Solid Waste Handling Services” shall mean the collection, transportation, storage, and transfer of solid wastes for residential, commercial, institutional, or industrial users or customers.
- ll. Source Separated Commercial Recycling – The term “Source Separated Commercial Recycling” shall mean the collection of Bins that have high concentrations of source separated Recyclable Materials.
- mm. Standard Service – The term “Standard Service” shall mean curbside collection service required for all service units not arranging with the Contractor for Bin service nor required by the District to obtain Bin service from the Contractor.
- nn. Waste Generator – The term “Waste Generator” shall mean any Person, including any contractors or subcontractors acting on such Person’s behalf, whose act or process produced Solid Waste, or whose act first causes Solid Waste to become subject to District’s regulatory authority. A contractor or subcontractor engaged for the purpose of collecting, hauling, and transporting waste is not a waste generator.

## ATTACHMENT B

### SCOPE OF SERVICES

The services to be performed by Contractor are as follows and are subject to change as described in Section 9.07 of this Agreement.

- a. Provide Carts for semi-automated collection of residential Solid Waste and Recyclable Materials in accordance with Section 7.03.
- b. Provide fully automated, once a week collection of residential Solid Waste and Recyclable Materials.
- c. Provide annual residential curbside Christmas Tree Collection.
- d. Provide containers for collection of commercial Solid Waste, Organic and Recyclable Materials in accordance with Section 7.03.
- e. Provide for collection of commercial Solid Waste, Organic and Recyclable Materials up to five days per week.
- f. Provide Records and Reports in accordance with Article 10.
- g. Upon District request, work with District to develop a residential Organic material collection and composting program.
- h. Provide an annual event for document destruction ("Shred-Fest"), at Contractor's sole cost.
- i. Development and management of commercial recycling outreach program.
- j. Establish a periodic route audit and service verification program in compliance with Section 10.02 c.
- k. Provide a marketing program based program to reduce recycling contamination and increased recyclable material recovery for residential and non-residential customers, including periodic customer outreach, including waste disposal and recycling educational information included in Contractor's bills, and website, and a comprehensive container inspection and compliance element.
- l. Provide for the development and management of school outreach recycling programs including annual site visits to all schools and classrooms within the District limits which receive Collection Services provided by Contractor under this Agreement, provided such schools and classrooms continue to receive such Collection Services.



m. Supply equipment and manpower for a no charge drop off community clean-up two (2) times per year.

ATTACHMENT C

**RATE SCHEDULE**

Effective July 1, 2019 (District Resolution No. 2019-10)

<b>FEE DESCRIPTION</b>	<b>RATE</b>
<b>Residential Barrel Service</b>	
Carts – (64 Gallons) 2 Trash	\$28.65 per month
Carts – (64 Gallons) 1 Trash 1 Recycle	\$28.65 per month
Additional Carts (64 Gallons)	\$6.48 per month
Pull Out Service	\$38.36 per month
<b>Residential Bin Service</b>	
Refuse – 1.5 CY	\$68.28 per month
Refuse – 2 CY	\$89.20 per month
Refuse – 2 CY 2 times per week	\$165.70 per month
Refuse – 3 CY	\$133.82 per month
Refuse – 3 CY 2 times per week	\$248.61 per month
Refuse – 4 CY	\$178.37 per month
Refuse – 4 CY 2 times per week	\$331.33 per month
Recycling – 2 CY	\$81.35 per month
Recycling – 3 CY	\$121.99 per month
Recycling – 4 CY	\$160.27 per month
<b>Multi-Family Bin Service</b>	
Refuse – 1.5 CY	\$68.28 per month
Refuse – 2 CY	\$89.20 per month
Refuse – 2 CY 2x/wk	\$165.70 per month
Refuse – 3 CY	\$133.82 per month
Refuse – 3 CY 2x/wk	\$248.61 per month
Refuse – 4 CY	\$178.37 per month
Refuse – 4 CY 2x/wk	\$331.33 per month
Recycling – 2 CY	\$81.35 per month
Recycling – 3 CY	\$121.99 per month
Recycling – 4 CY	\$160.27 per month
<b>Commercial Barrel Service</b>	
Carts – (64 Gallons) Trash	\$41.71 per month
Carts – (64 Gallons) Recycle - 1 cart	\$20.14 per month
<b>Commercial Bin Service</b>	
Refuse – 2 CY 1x/wk	\$116.15 per month
Refuse – 2 CY 2x/wk	\$220.04 per month
Refuse – 2 CY 3x/wk	\$323.97 per month
Refuse – 2 CY 4x/wk	\$427.88 per month
Refuse – 2 CY 5x/wk	\$531.80 per month
Refuse – 2 CY 6x/wk	\$635.72 per month

Refuse – 3 CY 1x/wk	\$180.21 per month
Refuse – 3 CY 2x/wk	\$323.14 per month
Refuse – 3 CY 3x/wk	\$472.02 per month
Refuse – 3 CY 4x/wk	\$620.89 per month
Refuse – 3 CY 5x/wk	\$769.81 per month
Refuse – 3 CY 6x/wk	\$918.62 per month
Refuse – 4 CY 1x/wk	\$231.00 per month
Refuse – 4 CY 2x/wk	\$428.29 per month
Refuse – 4 CY 3x/wk	\$625.55 per month
Refuse – 4 CY 4x/wk	\$822.81 per month
Refuse – 4 CY 5x/wk	\$1020.05 per month
Refuse – 4 CY 6x/wk	\$1217.37 per month
Recycling – 2 CY 1x/wk	\$78.14 per month
Recycling – 3 CY 1x/wk	\$153.96 per month
Recycling – 4 CY 1x/wk	\$205.28 per month
3 CY Clean-up Bin	\$133.62 per occurrence
6 CY Clean-up Bin	\$267.22 per occurrence
<b>Roll Off Service</b>	
Refuse – 10 CY Box (up to 6 tons)	\$666.66 per occurrence
Refuse – 20 CY Box (up to 4 tons)	\$546.79 per occurrence
Refuse – 40 CY Box (up to 6 tons)	\$666.66 per occurrence
<b>ADDITIONAL COMMERCIAL FEES</b>	
Account Set Up Fee - New Customer	\$25.00 per occurrence
Delivery Fee - Cart	\$25.00 per occurrence
Removal Fee - Cart	\$25.00 per occurrence
Delivery Fee - 2YD, 3YD, 4YD Bin	\$25.00 per occurrence
Overage Fee	\$50.00 per occurrence
Delinquent Account Removal Fee	\$55.00 per occurrence
Delinquent Account Re-Instatement fee	\$55.00 per occurrence
Extra Pick-up 2yd Refuse	\$26.45 per occurrence
Extra Pick-up 3yd Refuse	\$41.04 per occurrence
Extra Pick-up 4yd Refuse	\$52.60 per occurrence
Extra Pick-up Off Route Service Fee	\$50.00 per occurrence
Contamination of Recycle Bin	\$70.00 per occurrence
Additional P/U on Existing Recycling Bin	\$65.00 per occurrence
Bin Relocation Fee	\$50.00 per occurrence
Bin Rollout Fee	\$0 per occurrence
Bin Exchange - Once per year	\$0 per occurrence
Bin Exchange - More than once per year	\$75.00 per occurrence
Convert bin to locking lid	\$45.00 per occurrence
Replacement Bin Lock or Key	\$15.00 per occurrence
Enclosure Clean Out Fee	TBD

Replacement of Stolen or Burned Bin	\$550.00 per occurrence
Bulky Item Pickup, per item	\$25.00 per occurrence
Scout Service	\$45.00 per occurrence
Courtesy Pickup	\$0 per occurrence
Stinger - Pull Out Service, per bin	\$45.00 per occurrence
Roll Off Service Extra Charge per ton	\$59.94 per occurrence
Roll Off Service Steam Cleaning	\$37.18 per occurrence
Roll Off Service After 10 Days	\$11.51 per day
Roll Off Service - Pull Empty Bin	\$85.00 per occurrence
Roll-Off - New Account Set Up Fee	\$55.00 per occurrence
Roll Off - Compactor Haul Fee + Processing/Disposal	\$350.00 per occurrence
Roll Off - Container Delivery Fee	\$75.00 per occurrence
Roll Off - Container Removal Fee	\$75.00 per occurrence
Roll Off - False Run Fee	\$85.00 per occurrence
Roll Off - Relocation Box Fee	\$65.00 per occurrence
Roll Off - Delinquent Account Removal Fee	\$75.00 per occurrence
Roll Off - Del. Account Re-Instatement Fee	\$75.00 per occurrence
Permanent Roll Off – 10 CY Box	\$307.02 monthly rental
Permanent Roll Off – 20 CY Box	\$307.02 monthly rental
Permanent Roll Off – 40 CY Box	\$307.02 monthly rental
Clean-up Bin Trip Charge - 3YD/6YD	\$59.19 per occurrence
<b>ADDITIONAL RESIDENTIAL FEES</b>	
Senior Discount 60gal Set	\$26.65 per month
Senior Discount 1.5CY Bin	\$62.18 per month
Senior Discount 2CY Bin	\$82.95 per month
Additional Pick-up 1.5CY Bin	\$15.05 per occurrence
Additional Pick-up 2CY Bin	\$19.77 per occurrence
Additional Pick-up 3CY Bin	\$30.09 per occurrence
Additional Pick-up 4CY Bin	\$40.12 per occurrence
Additional Pick-up Cart	\$6.20 per occurrence
Extra Pick-up Off Route Service Fee	\$50.00 per occurrence
Bin Exchange - Change in Service	\$25.00 per occurrence
New Account Set Up Fee	\$25.00 per occurrence
New Account Delivery Fee	\$25.00 per occurrence
Delivery Fee 1.5 yard/2 yard/3 yard/4 yard	\$25.00 per occurrence
Walk-In Service	\$9.29 per month
Special Event Box Delivery	\$0 per occurrence
Special Event Trash Box w/ Lid and Liner	\$3.00 each
Special Event Recycle Box w/ Lid and Liner	\$3.00 each
Cart Re-delivery New Customer	\$25.00 per occurrence
Cart Delivery - Lost Cart	\$50.00 per occurrence
Cart Re-instatement - Delinquent Account	\$35.00 per occurrence

Contamination of Recycle Cart	\$25.00 per occurrence
CFC Removal	\$45.00 per occurrence
Mail-In Sharps Kit	\$103.00 per occurrence
Additional Cart Delivery	\$15.00 per occurrence
Burned /Damaged Cart Replacement Fee	\$50.00 per occurrence
Cart Replacement (more than 1 per year)	\$15.00 per occurrence
Cart Removal - Delinquent Account	\$35.00 per occurrence
Unable to pull Cart for Non Payment	\$25.00 per occurrence
Pull Carts - Stop Service	\$25.00 per occurrence
Pull Additional Cart	\$15.00 per occurrence
Pull Recycling Cart	\$15.00 per occurrence
Convert to locking bin	\$45.00 per occurrence
Bin Re-delivery Fee - due to nonpayment	\$25.00 per occurrence
Steam Cleaning	\$35.00 per occurrence
Bulky Item Pickup - 2x per year, 4 items	\$0 per occurrence
Additional Bulky Item Pickup, per item	\$20.00 per item
Additional Trash Bags - per 32gal bag	\$1.25 per bag
Non-Customer Special - 3 carts or 6 bags	\$35.00 per occurrence
Christmas Tree Collection - Dec 26- Jan 15	\$0.00

## SB 1381 - Uniform Collection Timeline

Updated 11-30-2021

2021		
October	November	December
Develop Franchise Agreement, Legal Review, Committee Review, Board Review		
Increase Voluntary Participation		
Continue Business Outreach		
Draft Ordinance, Legal Review, Board Review		

2022											
January	February	March	April	May	June	July	August	September	October	November	December
Develop Cost of Service Rates - Commercial			Board Reviews Rates	Prop 218 Noticing & Public Hearing		7/1/2022 Uniform Comm. Collect. Begins					
Adopt New Franchise Agreement, Ordinance, Res. Intent to Comply w/ CalRecycle		Notice of Intent to Comply - Due 3/1/22									
Continue Business Outreach						Begin Customer Outreach/Education					
Develop Procurement Policy				Adopt Procurement Policy		Begin Procurement Policy					
Develop & Implement Edible Food Recovery Program											

2023						
January	February	March	April	May	June	July
Develop Cost of Service Rates - Residential			Board Reviews Rates	Prop 218 Noticing & Public Hearing		7/1/2023 Uniform Res. Collect. Begins
Customer Outreach/Education						

# Agenda Item 6b

Review of Draft Strategic Plan

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Review of Draft Strategic Plan

---

### STAFF RECOMMENDATION

For the Board to review the Draft Strategic Plan.

### BACKGROUND

In April 2021, the District began the process of updating the Strategic Plan ("Plan"). Several variables and delays from the state directly impacted components in the Plan. Some of the variables have been addressed and updated in the attached draft Plan which is being presented for Board review and comments. The draft Plan will then be finalized and presented by BHI Consulting at a future meeting.

### FISCAL IMPACT

None

### ATTACHMENT(S)

Draft Strategic Plan



## **Governing Board of Directors**

Rebecca Kujawa, President

Deborah Philips, Vice President

Charlie Johnson, Director

Kathy Hoffman, Director

Mark Roberts, Director

## **District Staff**

Don Bartz, General Manager

Lori Lowrance, Assistant General Manager/CFO

George Cardenas, Engineering Manager

Kim Ward, Human Resources Manager

Sean Wright, Water Operations Manager

Steve Lowrance, Parks Supervisor

## **Consultant**

Brent H. Ives, Managing Consultant

# Table of Contents

Governing Board of Directors .....	1
District Staff.....	1
Consultant.....	1
Table of Contents .....	2
Introduction.....	3
Definitions.....	4
Plan Development.....	5
Plan Management .....	5
Mission.....	6
Vision.....	7
Strategic Focus Areas.....	8
1.0 Water Resources .....	9
2.0 Phelan Community Park.....	12
3.0 Community Recreation Building.....	14
4.0 Fiscal Efficiency.....	16
5.0 Strategic Partners and Public Affairs.....	19
6.0 Personnel Management.....	21
7.0 Senate Bill 1383 Compliance.....	24
Boundary Map.....	27
Vision to Action Table.....	28

## Introduction

A strategic plan is a top-level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a five-year period. It is a disciplined effort to produce fundamental decisions that shape what an agency plans to accomplish by selecting a rational course of action.

In 2016, the Board of Directors of the Phelan Piñon Hills Community Services District (District) retained BHI Management Consulting (BHI) to facilitate and coordinate the initial strategic plan development. Since then, several aspects of District operations have changed. In April 2021, the District began the process of updating the Strategic Plan to address new operational conditions and projects. This plan incorporates an assessment of the present state of District operations by gathering and analyzing information, setting goals, and making decisions for the future. Input has been gathered from various sources to add to the vision and implementation plan presented in this document. The plan seeks to strengthen and build upon opportunities while addressing areas of concern.

The plan identifies actions, activities, and planning efforts that are currently active and needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

The strategic planning effort contains focus on several of the following vision areas:

- Future Water Portfolio in the 5-25 year timeframe
- Community Relations and Culture, Inclusive Rebranding
- Deliberate collaboration with partner agencies
- The need to address the challenges of providing a balance of community programs and facilities with the existing and future limitations
- Valuing District employees now and thoughtful planning for succession

# Definitions

**Mission Statement:** A declaration of an organization’s purpose; why the organization exists. Ideally, all activities of the District should be in support of the mission statement.

**Vision Statement:** A statement that articulates where the organization would like to be over the term of the strategic plan. It should outline important aspects of the organization as described within the planning term. The visions should create strategy and tactics in order to be met.

**Strategic Focus Areas:** Areas seen as current and future challenges and opportunities for the District that while completed, will fulfill the Mission statement for the community.

**Strategic Goals:** Strategic actions that are specific and measurable activities or targets that address the strategic elements. Day-to-day action and projects which are not covered in detail in the strategic plan, will be designed so the strategic goals are accomplished.

## Plan Development

BHI first gathered input from the employee base at the District, then interviewed individual Board members to get their one-on-one perspectives. The senior management team also provided input to the preparatory steps of the process. The following items were discussed:

- Mission Statement
- District Strengths, Weaknesses, Opportunities, and Threats (SWOT)
- Current and Future Issues
- Important Future Projects

The Board supported this process as a way to allow all to participate in the foundation of the strategic plan. A public Board and key staff workshop was conducted to develop plan elements, capture key areas to focus the plan. Each focus area was extensively discussed at this meeting to provide guidance to the staff as they add more detail to the strategic plan.

Key staff worked with BHI to complete the list of strategic goals in support of the vision and focus areas, and to refine the plan prior to the initial presentation to the full Board for review and discussion so there was clear understanding of what was being proposed, what components require Board support, and what options exist for the proposed actions. Upon final adjustments and refinements of the plan, it was brought back to the Board in a public meeting for review and approval.

## Plan Management

A key part of the strategic planning process is to conduct an annual review and adjustment of the plan. These reviews allow for maintenance of the plan so it will continually reflect the actual needs and progress of the District strategy. The reviews will be documented and followed-up with by either a plan supplement or an updated plan. A five-year planning horizon will be maintained.

## Mission

### Mission of the Phelan Piñon Hills CSD

*“Our mission is to efficiently provide authorized services and maximize resources for the benefit of the community.”*

### Our Services Include:

- *Water*
- *Parks & Recreation*
- *Solid Waste & Recycling*
- *Street Lighting*

## Vision

### Vision of the Phelan Piñon Hills CSD

#### **In five years, the District would like to say:**

- We are constructing the Community Center
- We have completed the Phelan Park expansion
- We continue to meet industry standards and maintain a healthy financial position through sound fiscal policies
- We have increased our proactive relations to both our private and public partnerships
- We remain on-track with the replacement of our water infrastructure
- We have high employee retention and are successfully addressing employee succession
- We have optimized our means and methods of communicating with our community

## Strategic Focus Areas

Strategic Focus Areas represent the vital areas of the District's operation, planning, and management. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action through strategic goals within the five-year period that serve to assure that important areas of the District are well supported and moved forward per Board direction. Strategic elements and supportive strategic goals, along with action dates within the planning period, are present in tabular form in Appendix I.

### Strategic Focus Areas:

- 1.0 Water Resources
- 2.0 Phelan Community Park
- 3.0 Community Recreation Building
- 4.0 Fiscal Efficiency
- 5.0 Strategic Partners and Public Affairs
- 6.0 Personnel Management



## 1.0 Water Resources

**Objective:** Our objective is to operate and maintain a safe, reliable, secure, compliant, and high quality water production and distribution system that meets water demand requirements of the community.

**Strategy:** We will do this by keeping on-track with the repair and replacement of water delivery infrastructure, safeguarding current source reliability through strategic basin management, and seeking additional water sources, as outlined in the District's Urban Water Management Plan, 10-Year Capital Improvement Plan, and Water Master Plan.

**Measurement:** We will know we have achieved the objective of this element by having a fully-operational water system that meets water demand and is compliant with all state and federal requirements.

### 1.1 Sheep Creek Mutual Water Company Consolidation

The District believes that a community does not thrive unless all its members thrive. To that end, the District sees consolidation with SCMWC as beneficial to all members of the community as it will provide adequate and reliable source water to District businesses, schools, and residents. The District is currently working with the State Water Resources Control Board (SWRCB), Infrastructure Engineering Corporation (IEC), and SCMWC on consolidation. It is estimated the District and SCMWC will enter into a consolidation agreement in September 2022. State funding for SCMWC water rights is still to be determined.

### 1.2 Chromium-6 Mitigation

Hexavalent Chromium (Chromium-6) mitigation is necessary to meet state requirements and ensure the District can provide clean and safe drinking water to its customers. District staff and the Board are working to mitigate Chromium-6 in a cost effective manner ahead of the anticipated new state requirements. The District will know we have achieved this objective if our mitigation programs, while meeting regulations, do not significantly impair our production or significantly burden our customers. By utilizing a well profiling method of mitigation, the District will be under the

anticipated state requirements. If the state requirements are more burdensome than expected, additional methods for mitigation may need to be implemented.

### **1.3 Water Conservation**

Water conservation plays a key role in ensuring source reliability. To comply with state requirements regarding unbilled water production (water loss), as well as user restrictions, the District will need to put forth capital needed to reduce and meet state restrictions. Water loss will need to be addressed by replacing aging infrastructure. District Metered Areas (DMA's) can help to identify the priority areas of the District that need to be replaced and where loss is occurring. Upcoming restrictions on customer indoor and outdoor water usage will likely become important as state conservation requirements begin to be implemented. Conservation may have significant costs associated with it as customer education and enforcement will be required.

### **1.4 Water Resources**

The District owns water production rights in two basins. As part of the adjudication, the District is only allowed to produce a certain percentage of the water rights it owns; this is known as the District's free production allowance. With the knowledge that the District will face a 45%-50% ramp down of the free production allowance within the next five years, it is critical to secure additional water rights, access to imported water (when necessary), and to budget and prepare for paying for a replacement water obligation.

### **1.5 Water Production & Storage**

The District is in the process of adding a new production well to the District's system and is working on a plan to add another new well in order to meet the needs of the District and provide increased production in the future.

The District's adequate ability to store water is also important. Storing water allows the District to adequately provide water to customer during periods of high demand. Further, water storage allows the District to pump water during low demand and and/or during times when it is less costly to use electricity. This water can then be utilized during high demand periods and to ensure adequate fire protection capability.

The District will add storage by constructing a new reservoir and enlarging current reservoirs, if possible, as outlined the District's Water Master Plan.

## **1.6 Meter Replacement Program**

The District's meter replacement program is seen as one of the primary tools for managing the District's water resources efficiently and effectively. In 2020, the District began to replace meters with Sensus Advance Metering Infrastructure (AMI) meters focusing on over-lifespan, inaccurate, and failing meters, in addition to strategic area replacements. The benefits of the meter replacement program are reduction of District-side water loss, customer-side water usage monitoring, and efficient customer service. Specific goals include:

- Complete Customer-Side Internet Meter Portal
- Complete Phase 3
- Complete Phase 4
- Complete Phase 5

## **1.7 Emergency Preparedness**

The District has an Emergency Response Plan and conducts annual training on the Plan. In order to better prepare for various emergencies, the District has developed the following goals:

- Develop a Continuity of Operations Plan
- Comprehensive IT Assessment & Disaster Plan
- Identify all critical infrastructure vulnerability points and develop action plans for critical infrastructure
- Anticipate and prepare for supply chain disruptions by ensuring adequate inventory
- Update Emergency Response Plan to include a list of equipment and their locations, and identify local residents who could assist in emergencies, such as personnel for SCE or other water districts

## 2.0 Phelan Community Park

**Objective:** Our objective is to expand, and provide additional activities in, Phelan Park to accommodate the needs and desires of the community as funding sources permit.

**Strategy:** We will do this by completing the expansion of Phelan Park per the plan developed by the District in preparation of submittal for the Proposition 68 grant, depending upon funding sources available to the District.

**Measurement:** We will know we have achieved the objective of this element if, within five years, the Phelan Park expansion is complete and new parks programs are developed and existing programs are enhanced.

### 2.1 Parks Master Plan Update

A Parks Master Plan has been prepared that describes existing operations, identifies long-term operations, replacements, repairs, potential expansions of parks and community centers within the District and includes an action plan to be implemented. As Phelan Park and other parks facilities are developed, the Parks Master Plan will be need to be updated and incorporate new facilities and programs. This will allow the District to make intelligent decisions about these elements.

### 2.2 Complete Phelan Community Park Expansion

Phelan Community Park is the primary park utilized by the District residents for a variety of activities, including music in the park, school field trips, and recreational activities such as basketball. Development of the property to expand Phelan Park is in process and will continue until the park expansions are complete and open for public use. This will require project-finance plans to be completed.

The District continues to submit grant applications for parks funding. In addition to the potential grant funding, the District will need to seek other funding resources in order to accomplish any park expansion. Depending on the project-finance opportunities, the project could be built in phases or the entire project could be built at one time.

### **2.3 Complete Parks Portion of the Civic Center Building**

Part of the Civic Center vision includes a multi-purpose size efficient building to be utilized for indoor recreation and event purposes. For example, the building could be used for many types of community events and gatherings, both public and private, such as weddings, receptions, seminars, the farmers market, community classes and workshops, fitness activities, and more. This will require project-finance plans to complete.

### **2.4 Public & Private Partnerships for Parks and Recreation Programs**

The District will continue working with local civic groups and businesses to promote District events and participate in community events. These groups include, but not limited to, the Phelan and Pinon Hills Chambers of Commerce, Phelan and Pinon Hills Senior Groups, Snowline Joint Unified School District, Kiwanis Club, Mojave Archers, and CR&R.

The District will promote volunteer hosting and co-sponsorship of District classes and programs. Consider programs, such as “Adopt a Park” or “Park Pals” to encourage businesses and residents to become stewards of public areas.

## 3.0 Community Recreation Building

**Objective:** Our objective is to build a new multi-use community recreation building and to develop new recreation programs and activities for the building. Our vision includes a multi-purpose size efficient building to be utilized for indoor recreation and event purposes in which can be utilized for various activities, classes, programs and events.

**Strategy:** We will do this by designing and constructing the community building, working with outside public and private organizations in developing parks and recreation programs for the community building, increasing District staffing where necessary, and implementing maintenance schedules.

**Measurement:** We will know we have achieved the objective of this element if, within five years, the Community Center is complete, parks and recreation programs and activities are implemented and well attended, and maintenance schedules for the community building are in place and ongoing.

### 3.1 Funding

The multi-use community recreation building is considered Phase 2 in the design concept plan, with the civic building being phase 1. The community building is not part of the funding request in any grant applications at this time. The District will need to seek funding resources in order to accomplish the community building construction project.

### 3.2 Design & Construction

The District has completed the conditional use permit process for the community building and has the basic footprint for the building. Once funding is secured, staff will work with interior designers and architects on the layout and design of the building in order to maximize use of the space. Once funding is secured, the District will need to issue a Request for Proposal for construction

which may be part of the Phelan Community Park expansion construction project depending on funding and phasing.

### **3.3 Operation & Maintenance**

Once the community building is constructed, it will be necessary to develop programs and maintenance plans for the building. This will require additional staffing and involvement from various community organizations to ensure successful programs and full utilization of the building.

DRAFT

## 4.0 Fiscal Efficiency

**Objective:** Our objective is to manage public funds to provide for financial stability, rate equity, prudent fiscal management, and to demonstrate responsible stewardship.

**Strategy:** We will do this by controlling costs, establishing rates that support policy objectives, implementing viable alternative revenue options, and managing risks, investments, and debts in a way that ensures funds are available when needed.

**Measurement:** We will know we have achieved the objective of this element by providing accurate financial information, and developing financial, budget, cost recovery, and rate strategies in support of the District's mission and goals. We will have received awards from GFOA and/or CSMFO for the budget document and the Comprehensive Annual Financial Report (CAFR). We will have sufficient funding mechanisms to support strategic initiatives while maintaining adequate reserves to protect the District.

### 4.1 Annual Budget Process

The District will continue to promote prudent fiscal management through proper communication of the budget to employees, board members and the public. The annual budget process will strive for clarity and strategic integration while in compliance with Budget Policy, GFOA and CSMFO standards, Generally Accepted Accounting Principles, Governmental Accounting Auditing and Financial Reporting, and Government Accounting Standards Board.

### 4.2 Periodic Financial Studies

The District will continue to conduct studies every five years, or as often as necessary, to address strategic needs, mandates, and/or other unforeseen circumstances that may arise. Needs analyses, rate studies and potential subsequent rate changes will be in compliance with Proposition 218 at a minimum and will



incorporate additional public outreach in the spirit of transparency and encouragement of public participation.

#### **4.3 Connection Fee Analysis**

Connection charges are intended to recover the cost of upgrading and expanding facility capacity to accept and offset the impact of new users on the water system.

Connection charges are the one-time fee charged to connect to the water system. The connection charge for water service is made up of two components: “buy in” cost and capital costs attributable to future users. The buy in component is essentially the fair share cost of buying into the existing system; and the costs attributable to future users is the proportional cost of capital projects that are driven by future demand. The water connection fee is then scaled to the respective water meter size using standard meter ratios, published by the American Water Works Association (AWWA).

The last connection fee study was in 2013. A new study is necessary to ensure connection fees are sufficient to offset the impact of new users on the system.

#### **4.4 Annual Audit**

The District will continue to contract with a qualified auditing firm to conduct an annual audit of the Districts’ financial records. The annual audit provides reassurance and transparency of the District’s financial management. A CPA firm, selected by the Board of Directors, will conduct the audit and produce the Comprehensive Annual Financial Report (CAFR) in compliance with Generally Accepted Accounting Principles, state and federal standards, including Governmental Accounting Standards Board and Government Auditing Standards issued by the Comptroller General of the United States.

The CPA firm will be reviewed by the Board of Directors to ensure the District is receiving the most cost effective, high quality, and thorough audit services.

#### **4.5 Fiscal Policies**

The District will develop new policies and continue to update existing policies as needed, including: Budget Policy, Purchasing Policy, Investment Policy, Reserves Policy, Revenue Policy and Cash Handling Policy.

#### **4.6 Financing**

The District will continue to seek low interest loans and grants to fund projects. Continue to develop Budget and Audit documents that meet GFOA and/or CSMFO standards to receive awards, which assist with eligibility for loans and grants. The District will continue to be involved and educated by California Debt and Investment Advisory Commission (CDIAC) and other funding and grant agencies.

## 5.0 Strategic Partners and Public Affairs

**Objective:** Our objective is to foster beneficial strategic relationships to accomplish the goals of the District and to ensure a well-informed public regarding District business and planning.

**Strategy:** We will do this by embracing strategic ties with other organizations, working closely with regulators, developing a deliberate legislative and regulatory agenda, and participating in professional associations. We will also proactively communicate the District's business plans to both our staff and the public while being open and transparent in all that we do.

**Measurement:** We will know we have achieved the objective of this element by having increased staff and public involvement in District events, increased involvement in, and results from, professional associations, and stronger ties with outside organizations and legislators.

### 5.1 Increase Communication to the Public

This goal will be accomplished by utilizing the District's new branding in continuing and increasing District efforts to maintain and enhance a variety of staff and community outreach communications systems. These systems include, but are not limited to: press releases, public bulletin boards, District website, District newsletter, billing inserts, and social media.

### 5.2 Community Business & Organization Outreach

District representatives will attend chamber of commerce meetings and other community-related meetings on a regular basis. We will attend other agency meetings, such as MWA, on a more frequent basis. The District will continue its partnership with Snowline School District to promote District events and activities. We will be prepared to share information about District activities at these meetings and encourage participation by applicable organizations.

### **5.3 Involvement in Professional Organizations**

Professional organizations, such as CSDA, ASBCSD, AWWA, and ACWA, are valuable sources of information and offer many resources. Staff and the Board will be encouraged to be involved in professional organizations and to seek recognition from these organizations through completion of training programs or through work excellence.

### **5.4 Outreach to Legislators and Local Agencies**

We will continue outreach and obtain monthly updates from local legislators through the District's Legislative Committee meetings to reflect our legislative agenda. We will provide meeting spaces free of charge for activities that provide a community benefit, such as trainings, meetings, and town halls. We will work with our legislators on legislation that will benefit the District. We will be a partner with public safety to support them where we can such as providing spaces to utilize during emergencies and for training.

## 6.0 Personnel Management

**Objective:** Our objective is to utilize our employees in the most optimal manner, create an equitable and safe work environment, foster employee retention and development, recognize excellence, and plan for the future personnel needs of the District.

**Strategy:** We will do this by continuing our education and training programs, continuing annual performance evaluations, periodically evaluating the organizational structure of the District, developing succession plans for key positions, utilizing sound policies and personnel practices, and working on programs and methods to create a positive environment where employees desire to work.

**Measurement:** We will know we have achieved the objective of this element by having positive employee performance evaluations, more employee involvement in District events, better employee retention, more employees participating in the District's education and training programs, and succession plans completed for all key positions.

### 6.1 Retention & Development

The District desires to have the best possible staff and to retain them. Retaining staff ensures continuity of operations, reduces hiring and training costs, and maintains valuable institutional knowledge. In order to retain and develop staff, the District will continue to conduct annual performance evaluations and use them in a meaningful way to develop and improve staff skills.

The District offers a variety of educational and training opportunities to its employees. Employees are encouraged to enhance their knowledge, skills, and abilities which help the District to succeed. All staff are offered training relevant to their position or career goals. During annual performance reviews, or as needed, training goals are determined and assigned. Employees

are also encouraged to request training on their own utilizing the District's training request procedure.

## **6.2 Internal Communication**

This goal will be accomplished by continuing and increasing District efforts to maintain and enhance a variety of staff communication methods. This will include monthly training/updates with all staff, e-mail updates regarding items affecting the District or changes to procedures and policies.

## **6.3 Team Building**

This will be accomplished by having monthly meetings with the entire staff where team building activities are conducted and office and field staff have an opportunity to interact. During these meetings, the General Manager will address current issues and activities of the District and receive input from employees. This will also provide an opportunity to review policies and procedures with staff and explain their purpose while accepting comments and suggestions for updates, if applicable.

## **6.4 Succession Planning**

A succession plan allows an organization to look into the future to mitigate issues that present potential staffing gaps, analyze pending issues with staffing, as well as identify single point information failures. District staff will analyze the known planned attrition and the organization as it relates to potential upcoming staffing issues. Staff will identify key employees likely to retire in the coming years and identify possible internal replacements, if any.

To prepare for unplanned attrition, staff will identify functional areas to determine if critical information is held by a singular employee and explore methods to share this information, such as cross training, written

procedures, delegation of duties, and identifying outside resources for contingencies. Staff will also evaluate means for allowing and promoting the growth of internal staff, when possible, for career progression. Training plans will be proposed to promote career development in a planned way as it is currently done through annual performance evaluations. An outside firm may be engaged to assist with this effort.

## **6.5 Personnel Policies**

The Personnel Manual is updated as necessary to ensure the Personnel Manual contains policies and procedures that are aligned with current laws and the District's needs. An entirely new manual is being developed. The new manual will promote employee equity and allow management to effectively direct the District's personnel.

## 7.0 Senate Bill 1383 Compliance

**Objective:** Senate Bill 1383 (SB 1383) was signed into law in 2016 and requires the state to reduce organic waste disposal by 75% by 2025. The regulations went into effect on January 1, 2022. Our objective is to implement solid waste & recycling programs in order to comply with Senate Bill 1383 (SB 1383).

**Strategy:** We will do this by enhancing current programs and implementing new services.

**Measurement:** We will know we have achieved the objective of this element by meeting SB 1383 requirements.

### 7.1 Franchise Amendment

The District's current franchise agreement with CR&R was adopted on July 3, 2019. Since that time, final rule making for SB 1383 was completed and certain regulations went into effect on January 1, 2022. District staff has prepared a timeline for implementation as guidance for implementation of SB 1383. One of the initial steps in the process is to amend the District's franchise agreement to include service provisions related to SB 1383.

In order to begin the process to prepare for uniform collection and compliance with SB 1383, CR&R will incur significant capital expenses to add personnel, to purchase trucks and bins, and to help the District educate customers on upcoming requirements.

### 7.2 Adopt Ordinance for Uniform Residential & Commercial Solid Waste, Recycling, & Organics Collection

The District currently has ordinances for commercial solid waste and commercial recycling collection. These ordinances will be replaced with a single ordinance that also includes provisions for organics collection. Further,



the ordinance will include residential collection requirements in order to comply with SB1383. This will require uniform residential solid waste, recycling, and organics collection in order for the program to be economically feasible and to ensure compliance with SB1383.

### **7.3 School Outreach Program**

The District already has a school outreach program that utilizes Mr. Eco to educate students on recycling. This program will be modified to educate students on proper disposal of organics. Further, District staff and CR&R will develop and distribute materials to schools, including labels for containers, to help ensure waste is properly sorted and disposed of.

### **7.4 Procurement Policy**

SB 1383 requires the District to adopt a procurement policy that requires the District to purchase a certain amount of organic waste products. Procurement can include compost, mulch, and renewable energy. Further, District can only purchase paper products that contain postconsumer recycled content.

### **7.5 Edible Food Recovery Program**

To reduce food waste and help address food insecurity, SB 1383 requires that by 2025 California will recover 20 percent of edible food that would otherwise be sent to landfills, to feed people in need. The District is required to:

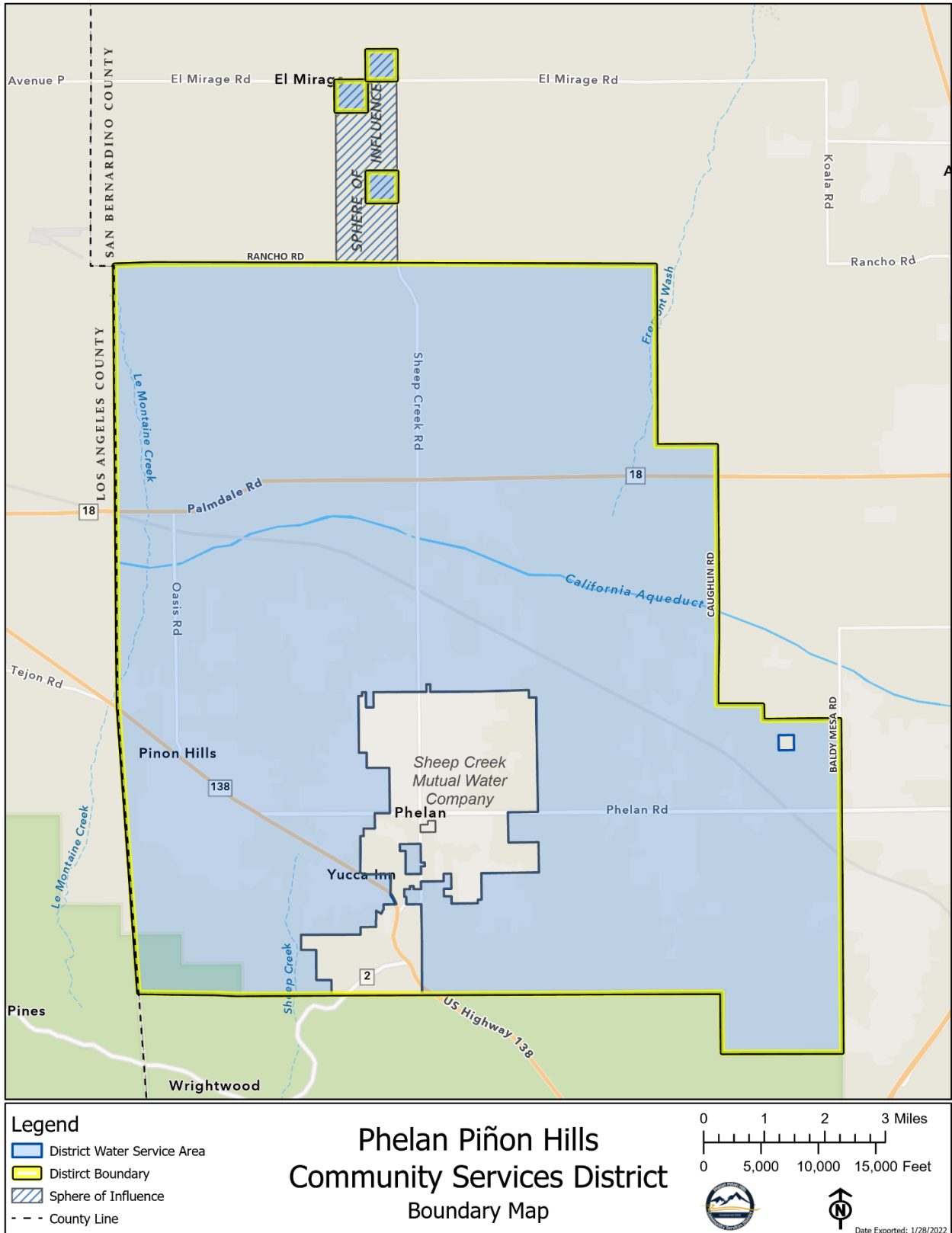
- Establish food recovery programs and strengthen existing food recovery networks
- Educate food donors to recover the maximum amount of their edible food that would otherwise go to landfills
- Maintain recovery records

District staff will work with CR&R to develop this program and ensure as much edible food as possible is recovered.

## **7.6 Outreach & Education**

SB 1383 regulations require that jurisdictions conduct education and outreach on organics recycling to all residents, businesses (including those that generate edible food that can be donated) haulers, solid waste facilities, and local food banks and other food recovery organizations. District staff will work with CR&R on outreach regarding SB 1383 requirements, including how to source separate waste.

# Boundary Map



# Vision to Action Table

Strategic Element	Strategic Goals	Completion Time Frame
<b>1.0 Water Resources</b>	1.1 Sheep Creek Mutual Water Company Consolidation 1.2 Chromium-6 Mitigation 1.3 Water Conservation 1.4 Water Resources 1.5 Water Production & Storage 1.6 Meter Replacement Program 1.7 Emergency Preparedness	2023/2024  2022/2023 2022/2023 2022/2023 2022/2023 2025 2023/2024
<b>2.0 Phelan Community Park</b>	2.1 Parks Master Plan Update 2.2 Complete Phelan Community Park Expansion 2.3 Complete Parks Portion of the Civic Center Building 2.4 Public and Private Partnerships for Parks and Recreation Programs	2023 2024/2025  2022/2023  Ongoing
<b>3.0 Community Recreation Building</b>	3.1 Funding 3.2 Design & Construction 3.3 Operation & Maintenance	2022/2023 2022/2023 2022/2023
<b>4.0 Fiscal Efficiency</b>	4.1 Annual Budget Process 4.2 Periodic Financial Studies 4.3 Connection Fee Analysis 4.4 Annual Audit 4.5 Fiscal Policies 4.6 Financing	Ongoing Ongoing 2022/2023 Annual Ongoing Ongoing

<b>5.0 Strategic Partners &amp; Public Affairs</b>	5.1 Increase Communication to the Public 5.2 Community Business & Organization Outreach 5.3 Involvement in Professional Organizations 5.4 Outreach to Legislators and Local Agencies	Ongoing Ongoing Ongoing Ongoing
<b>6.0 Personnel Management</b>	6.1 Retention & Development 6.2 Internal Communication 6.3 Team Building 6.4 Succession Planning 6.5 Personnel Policies	Ongoing Ongoing Ongoing 2022/2023 2022/2023
<b>7.8 SB 1383 Compliance</b>	7.1 Franchise Amendment 7.2 Adopt Ordinance for Uniform Residential & Commercial Solid Waste, Recycling, & Organics Collection 7.3 School Outreach Program 7.4 Procurement Policy 7.5 Edible Food Recovery Program 7.6 Outreach & Education	2022 2022 Ongoing 2022 2022 Ongoing

**Document History**

- Adopted on: DATE

# Agenda Item 6c

Discussion & Possible Adoption of  
Resolution No. 2022-05;  
Establishing a Purchasing Policy



A. 4176 Warbler Road  
P.O. Box 294049  
Phelan, CA 92329  
P. (760) 868-1212  
F. (760) 868-2323  
W. [www.pphcsd.org](http://www.pphcsd.org)

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Discussion & Possible Adoption of Resolution No. 2022-05; Establishing a Purchasing Policy

---

### RECOMMENDATION

Staff recommends for the Board to adopt Resolution No. 2022-05; Establishing a Purchasing Policy.

### BACKGROUND

This Resolution is periodically reviewed by the Board to make changes as necessary. At the January 19, 2022, Board meeting, this policy was requested to be modified to address change orders. The Purchasing Policy is attached for Board review with the modifications indicated in redline format.

### FISCAL IMPACT

None

### ATTACHMENT(S)

Resolution No. 2022-05

**RESOLUTION NO. ~~2020-07~~ 2022-05**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT**  
**ESTABLISHING A PURCHASING POLICY**

Deleted: 2020-07

**WHEREAS**, the Phelan Piñon Hills Community Services District (“District”) is a public agency organized and operating as a Community Services District pursuant to California Government Code Section 61000 et seq.; and

**WHEREAS**, the District desires to assure the fiscal resources of the District are utilized in the most effective and efficient manner and all purchases shall adhere to established procedures and shall conform to the State of California laws and regulations pertaining to local agency purchasing policies, practices, procedures, and practices; and

**WHEREAS**, the District is governed by a five-member Board of Directors (“Board”) expressly authorized by Government Code Section 61040(a) to establish policies for the operation the District’s functions and services; and

**WHEREAS**, a Purchasing Policy has been presented to the Board of Directors of the Phelan Piñon Hills Community Services District in the form attached to this Resolution and marked “Policy No. 4200.”

**NOW, THEREFORE, BE IT RESOLVED** by the District’s Board of Directors of the Phelan Pinon Hills Community Services District as follows:

Section 1.

Policy No. 4200, “Purchasing Policy,” attached hereto and incorporated herein by this reference, is hereby adopted.

Section 2.

Policy No. 4200 “Purchasing Policy” adopted by this Resolution supersedes Resolution No. ~~2020-07~~ adopted by the District’s Board of Directors on June 17, 2020, and shall take effect immediately upon its adoption.

Deleted: 2014-08

Deleted: May 19, 2014

**APPROVED, SIGNED, AND ADOPTED** by the Board of Directors of the Phelan Piñon Hills Community Services District at a regular meeting held on the 2nd day of February 2022, by the following vote:

Deleted: 17th

Deleted: June 2020



AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

---

President, Board of Directors  
Phelan Piñon Hills Community Services District

ATTEST

---

Secretary,  
Phelan Piñon Hills Community Services  
District and of the Board of Directors

**POLICY NO. 4200 "PURCHASING POLICY"**

**SECTION 4201      TABLE OF CONTENTS**

		<u>Page</u>
Section 4201	Table of Contents	1
Section 4202	Purpose	1
Section 4203	Definitions	1-3
Section 4204	Applicability	3
Section 4205	Purchase of Construction Supplies	3-4
Section 4206	Construction Contracts	4-5
Section 4207	Purchase of Vehicles & Equipment	5-6
Section 4208	Purchasing Limits for Other Contracts	6
Section 4209	Exemptions to Competitive Bidding	6-7
Section 4210	Purchase of Other Services & Supplies	7-8
Section 4211	Pre-Qualification Program for Public Works Projects	10
Section 4212	Emergencies	10-12
Section 4213	Scope of General Manager's Authority	12
Section 4214	Miscellaneous	13

**SECTION 4202      PURPOSE**

The purposes of this policy are to standardize the purchasing procedures of the Phelan Pinon Hills 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 4203      DEFINITIONS**

4203.01      **Approved Vendors** – means those vendors approved by the General Manager for bidding purposes after satisfactory compliance with the Pre-Qualification Program contained in section 4211 below. The detailed list of Approved Vendors shall be on file at the District office at all times.

4203.02      **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.

4203.03      **Board** – means the Board of Directors of the District.

4203.04 **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.

**Commented [kw1]:** Material costs are significantly higher than when this policy was created. Unless this amount is statutory, consider changing.

4203.05 **Change Order** – means an amendment to a previously-approved Purchase that increases District cost.

4203.06 **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.

**Deleted:** 5

4203.07 **District** – means the Phelan Pinon Hills Community Services District.

**Deleted:** 6

4203.08 **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. It is required to have the bid opened publicly at a specified day, place and time.

**Deleted:** 7

4203.09 **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.

**Deleted:** 08

4203.10 **Lowest** – means the smallest bid in monetary terms received by the District for the cost of a project subject to Competitive Bidding.

**Deleted:** 09

4203.11 **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.

**Deleted:** 10

4203.12 **Purchase** – means buying, renting, leasing or otherwise acquiring Supplies or Services for a price.

**Deleted:** 11

4203.13 **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.

**Deleted:** 12

4203.14 **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.

Deleted: 13

4203.15 **Services** – means all labor furnished to the District by persons, firms, individuals or corporations not part of or connected with the District.

Deleted: 14

4203.16 **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.

Deleted: 15

4203.17 **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 may be set forth in the District’s Requests for Proposals package. Specifications will become part of the awarded contract. All bidders will be afforded an opportunity to examine the specifications.

Deleted: 16

4203.18 **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.

Deleted: 17

4203.19 **Supplies** – means all materials and equipment.

Deleted: 18

**4204 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, either through the use of Change Orders or otherwise.

Deleted: .

**4205 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:

4205.01 **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.

4205.02 **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.

4205.03 **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 the 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.

4205.04 **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.

4205.05 **Emergencies** – In the case of an emergency, the District may proceed in accordance with section 4212 below.

**4206 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:

4206.01 **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 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.

4206.02 **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.

4206.03 **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 the 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.

4206.04 **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.

4206.05 **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.

4206.06 **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.

4206.07 **Emergencies** – In the case of an emergency, the District may proceed in accordance with section 4212 below.

4206.08 **Bonds** – The Board may, subject to Civil Code Section 9550 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.

4206.09 **Record** – The District shall keep cost records of the work in the manner provided in Government Code Section 4000 et seq.

**4207 PURCHASE OF VEHICLES & EQUIPMENT**

4207.01 **Approval** – Purchases of vehicles or equipment not subject to Section 4205, or other Sections within this Policy, that have been approved by the Board as part of the District’s current budget, shall not require separate Board approval prior to purchase within the current budget year in order to allow for staff to negotiate and purchase available inventory.

4207.02 **Informal Bids** – Informal bid request with District specifications will be sent to as many vehicle or equipment dealers as is practical.

4207.03 **Record** – A record of informal bids shall be maintained as part of the supporting documentation for the Purchase.

**4208 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 4205, 4206, & 4207 above:

4208.01 **Formal Bids** – Purchases shall be made by Formal Bid whenever such method is feasible and practical under existing conditions and circumstances.

4208.02 **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.

4208.03 **Approval**

4208.03.1 No Purchase of Supplies or Services exceeding \$500 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. All purchases shall be processed through the requisition/PO process and approved accordingly.

**Commented [kw2]:** \$250 has been the threshold amount for over a decade. Due to inflation, recommend changing to \$500 to reduce the PO burden on staff since virtually all purchases now require POs

**Deleted:** 250

4208.03.2 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.

4208.03.3 Board approval will be sought for all Change Orders related to any Purchase that exceeds a total cost of \$25,000.

**Commented [kw3]:** Possible language to address non construction related change orders

**4209 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:

4209.01 When the total dollar value of the Purchase does not exceed \$15,000.

4209.02 When an emergency exists, the District may proceed in accordance with Section 4212 below.

4209.03 When a Sole Source Contractor has been designated.

4209.04 When Competitive Bidding would fail to produce an advantage and/or when the advertisement for Competitive Bidding would be undesirable, impractical, or impossible.

4209.05 When the Purchase is for professional Services.

4209.06 When the Purchase is for vehicles or equipment pursuant to Section 4207 of this Policy.

**4210 PURCHASE OF OTHER SERVICES & SUPPLIES**

The Purchase of Services and Supplies shall be on the basis of Competitive Bidding to the maximum practical extent. However, whenever Supplies 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:

4210.01 **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.

4210.02 **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 approval shall be written and become part of the supporting documentation for the Purchase.



4210.03 **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. The General Manager’s approval shall be written and become part of the supporting documentation for the Purchase.

4210.04 **Purchases Exceeding \$25,000** – Purchases exceeding \$25,000 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 \$25,000 will be advertised at least once in a newspaper of general circulation within the District and at least one week before the time specified to receive bids. The District may advertise at least once in any appropriate industry publications or periodicals. Specifications, Plans, and bid procedures shall be provided to vendors responding to the advertisement. Bid responses to these advertised bids must be made in a written format. The Specifications and Plans shall become part of the awarded contract.

4210.05 **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.

4210.06 **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. 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.

4210.07 **Open Purchase Orders - 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.

4210.08 **Open Purchase Orders - 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.

**4211 PRE-QUALIFICATION PROGRAM FOR PUBLIC WORKS PROJECTS**

4211.01 **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.

4211.02 **Applications** – Pre-qualification applications may be submitted anytime. Contractors who submit a complete pre-qualification package will be notified by first class mail if not approved, such notice to be mailed no later than fifteen business days after submission of the information.

4211.03 **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.

4211.04 **Approval** – Pre-qualification approval will remain valid through June 30<sup>th</sup> of each year, 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.

4211.05 **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.

4211.06 **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 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.

4211.07 **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 which 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.

**4212 EMERGENCIES**

4212.01 **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.

4212.02 **Findings** – Before the Board takes any action pursuant to section 4212.01 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.

Deleted: 021

4212.03 **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 4212.01 above. Pursuant to Resolution No. 2008-11 adopted by the Board on August 13, 2008, the Board has delegated to the District’s General Manager the authority to repair or replace a public facility, or take any other related and immediate action, that is necessary to respond to an “emergency situation” as defined in Government Code Section 54956.5(a), and to procure the necessary services and supplies for those purposes without giving notice for bids to let contracts.

4212.04 **Report** – If the District’s General Manager, pursuant to the authority delegated by the Board under section 4212.03 above, orders any action specified in section 4212.01 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.

4212.05 **Board Review**

4212.05.1 If the Board orders any action specified in section 4212.01 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.

4212.05.2 If the District's General Manager, pursuant to the authority delegated by the Board under section 4212.03 above, orders any action specified in section 4212.01 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 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 section.

4212.05.3 When the Board reviews the emergency action pursuant to section 4212.05.1 or 4212.05.2 above, it shall terminate the action at the earliest possible date completed by giving notice for bids to let contracts.

#### **4213 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's General Manager shall employ for the efficient internal management and operation of the District.

4213.01 **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.

4213.02 **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.

4213.03 **Tax Exemptions** – The General Manager shall act to procure for the District all Federal and State tax exemptions to which the District is entitled.

4213.04 **Cooperative Purchasing** – The General Manager shall have the authority to join other units of government including Federal, State, County, Municipal and Municipal subdivisions, 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.

4213.05 **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.

**4214 MISCELLANEOUS**

4214.01 **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.

4214.02 **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.

4214.03 **Supersedes Other Policies** – This purchasing policy and procedures supersedes any inconsistent prior policies adopted by the Board.

# Agenda Item 6d

Discussion & Possible Action  
Regarding Prioritization of Phelan  
Park Expansion Project Elements  
for Development

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Discussion & Possible Action Regarding Prioritization of Phelan Park Expansion Project Elements for Development

### STAFF RECOMMENDATION

For the Board to prioritize the various proposed Phelan Park Expansion Project elements for development.

### BACKGROUND

Staff is submitting various grants and will be seeking authorization to submit loan applications to fund portions of the Phelan Park Expansion Project. Certain applications require specific project elements to be identified as well as associated construction costs. Staff proposes the following priorities to align with grant submittals and estimated projects funds available through loans:

- **Priority 1**  
Elements A, B, C, D, E, F, G, H, I  
(community surveys identified these as important elements and the Board previously determined these were priority elements as part of the Prop 68 submittal).
- **Priority 2**  
Element N
- **Priority 3**  
Element M  
(avoids vacant lot between Elements N & F)
- **Priority 4**  
Element K
- **Priority 5**  
Community Building
- **Priority 6**  
Element L

### FISCAL IMPACT

None

### ATTACHMENT(S)

Element Map  
Cost Estimate

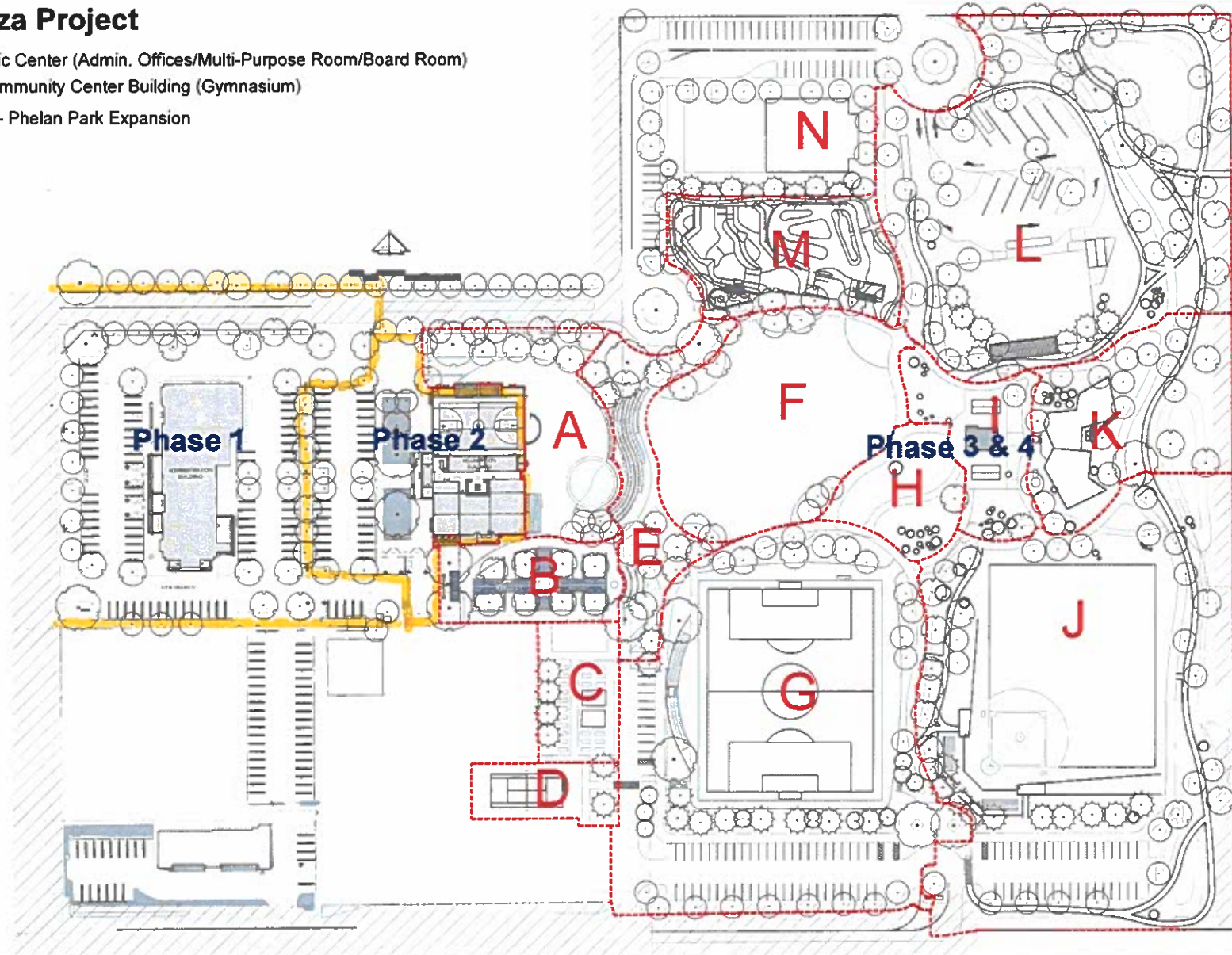


# Civic Plaza Project

Phase 1 – Civic Center (Admin. Offices/Multi-Purpose Room/Board Room)

Phase 2 – Community Center Building (Gymnasium)

Phase 3 & 4 – Phelan Park Expansion



AMENITY AREA EXHIBIT

**Phelan Park Expansion Project: (Phase 3 & 4 of the Civic Plaza Project)**

Phelan Park Expansion Project: (Phase 3 & 4 of the Civic Plaza Project)						Government Funding		Enterprise Funding	
Priority	Area A - I shared Infrastructure Costs (half of total infrastructure costs):	Infrastructure to be paid by Enterprise/Water:	Infrastructure	Area Cost	Total Infrastructure + Area	Possible	Possible		
						Funding Current	Funding Future		
1	<b>AREA A - EVENT PLAZA</b>	10%	\$165,327	\$1,349,865	\$1,515,192	\$1,515,192			
1	<b>AREA B - FORMAL DEMONSTRATION AND EVENT GARDEN</b>	15%	\$247,991	\$577,428	\$825,419	\$825,419			
1	<b>AREA C - COMMUNITY GARDEN</b>	5%	\$82,664	\$317,428	\$400,092	\$400,092			
1	<b>AREA D - PICKLEBALL/TENNIS COURT</b>	5%	\$82,664	\$298,080	\$380,744	\$380,744			
1	<b>AREA E - TERRACE SEATING</b>	10%	\$165,327	\$386,023	\$551,350	\$551,350			
1	<b>AREA F - EVENT LAWN</b>	15%	\$247,991	\$476,718	\$724,709	\$724,709			
1	<b>AREA G - MULTIPURPOSE REC FIELD</b>	15%	\$247,991	\$1,502,920	\$1,750,910	\$1,750,910			
1	<b>AREA H - PLAYGROUND</b>	10%	\$165,327	\$619,660	\$784,987	\$784,987			
1	<b>AREA I - RESTROOM / CONCESSION BUILDING &amp; PICNIC PLAZA</b>	15%	\$247,991	\$1,051,383	\$1,299,374	\$1,299,374			
<b>TOTAL A through I (original projects submitted for Prop 68 Grant that was denied)</b>		<b>100%</b>	<b>\$1,653,270</b>	<b>\$6,579,506</b>	<b>\$8,232,776</b>	<b>\$8,232,776</b>			
<b>Area J - N Infrastructure Costs:</b>									
	<b>AREA J - MULTIPURPOSE REC FIELD W/ SOFTBALL FIELD</b>	20%	\$162,240	\$2,346,140	\$2,508,380	\$2,508,380			
	<b>AREA K - DOG PARK</b>	20%	\$162,240	\$1,023,525	\$1,185,765	\$1,185,765			
	<b>AREA L - EQUESTRIAN AREA</b>	20%	\$162,240	\$1,408,815	\$1,571,055		\$1,571,055		
	<b>AREA M - SKATE PARK AND PUMP TRACK</b>	20%	\$162,240	\$1,191,994	\$1,354,234	\$1,354,234			
	<b>AREA N - PARKING LOT/ROAD @ FUTURE MAINT./AQUATIC CENTER AND E. BUFFER AREA W/ RET. BASIN / BIOSWALES/TRAILS/INT. SIGNS</b>	20%	\$162,240	\$356,169	\$518,409	\$518,409			
<b>TOTAL J through N</b>			<b>\$811,200</b>	<b>\$6,326,643</b>	<b>\$7,137,843</b>	<b>\$5,566,788</b>	<b>\$1,571,055</b>		
<b>SITE BUILDINGS</b>									
	Community Center Building (aka: Gym/Multi-purpose Building)		\$1,280,000	\$6,400,000	\$7,680,000		\$7,680,000		
	Trash Enclosure		\$10,000	\$50,000	\$60,000		\$60,000		
	Maintenance Building/Yard (Water Operations = Enterprise Fund)		\$570,000	\$2,850,000	\$3,420,000			\$3,420,000	
	OPTIONAL POOL (would replace maintenance bldg on site)								
<b>TOTAL Site Buildings</b>			<b>100%</b>	<b>\$1,860,000</b>	<b>\$9,300,000</b>	<b>\$11,160,000</b>	<b>\$0</b>	<b>\$7,740,000</b>	<b>\$3,420,000</b>
<b>Grand Total Phelan Park Expansion Project</b>					<b>\$26,530,618.57</b>	<b>\$13,799,564</b>	<b>\$9,311,055</b>	<b>\$3,420,000</b>	
					Enterprise/Water Funded (Maintenance Bldg/Yard)				
<b>Grand Total Phelan Park Expansion Project - Government Funded</b>					<b>-\$3,420,000</b>				
					<b>\$23,110,618.57</b>				

**Potential Funding:**

Loan	\$10,700,000.00
Cash	\$3,500,000.00
<b>Total</b>	<b>\$14,200,000.00</b>

The Board has already determined that Area A - I are the #1 priority. While we may be able to fund up to \$14,200,000 at this time, there is the possibility that the amount of loan we are able to secure is less than the \$10,700,000 estimate. The Board needs to identify the priorities of the above so that we can include or exclude components pending funding availability.

# Agenda Item 6e

Discussion & Possible Action  
Regarding Applications for Loan to  
Fund Phelan Park Expansion Projects

## M E M O R A N D U M

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Lori Lowrance

**SUBJECT:** Discussion and Possible Action Regarding Applications for Loan to Fund Phelan Park Expansion Projects

### STAFF RECOMMENDATION

That the Board authorize staff to apply for a loan of \$10.7 million dollars to Fund Phase 3 of the Phelan Park Expansion Projects.

### BACKGROUND

The District developed the Phelan Park Expansion Project Conceptual Design and Cost Estimate. The plan was developed with significant input from the community and the Board, culminating with a beautiful plan that will meet the needs of the community. For purposes of submitting the projects for grant funding, the plan was segmented into “Areas” and prioritized by the Board. The Board selected several areas that were identified as Phase I of the park expansion, which was submitted to the State for proposition 68 grant funding. The results of the grant applications were received in December 2021 and the Districts application was declined for the grant. Staff looked for available revenues to fund a loan to pay for the projects and presented the results at the January 26, 2022 meeting, along with the costs estimate and the map.

Currently the District has the following revenues available to fund a loan:

Property tax revenues	\$120,730.54	25% of available property tax balance
Lease revenues	169,777.58	Current year Circle Green lease revenues (increases by 3% per year)
Solid Waste revenues	<u>242,866.36</u>	80% of current Solid Waste franchise fees (increases by 3% per year)
Total	<u>\$533,394.48</u>	Revenues available for debt service as of 2021/2022 Fiscal Year

In addition to the above, there are future revenues that will become available for additional debt service to fund future phases of the Phelan Park Expansion Project.

Staff is recommending the Board authorize staff to submit a loan application with the Ibank in the amount up to \$10,700,000 at 2.5% over 30 years, for the construction of Phase I of the Phelan Park Expansion Project, as determined by the Board of Directors.

**FISCAL IMPACT**

Ultimately, after the Board approves the projects, there will be a reduction of governmental fund cash of \$3,500,000 plus \$512,000 per year for loan payments, assuming a 30-year term to pay a \$10.7 million dollar loan.

**ATTACHMENT(S)**

None



# Agenda Item 6f

Discussion & Possible Action  
Regarding District Boundaries



A. 4176 Warbler Road  
P.O. Box 294049  
Phelan, CA 92329  
P. (760) 868-1212  
F. (760) 868-2323  
W. [www.pphcsd.org](http://www.pphcsd.org)

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Discussion & Possible Action Regarding District Boundaries

---

### STAFF RECOMMENDATION

None

### BACKGROUND

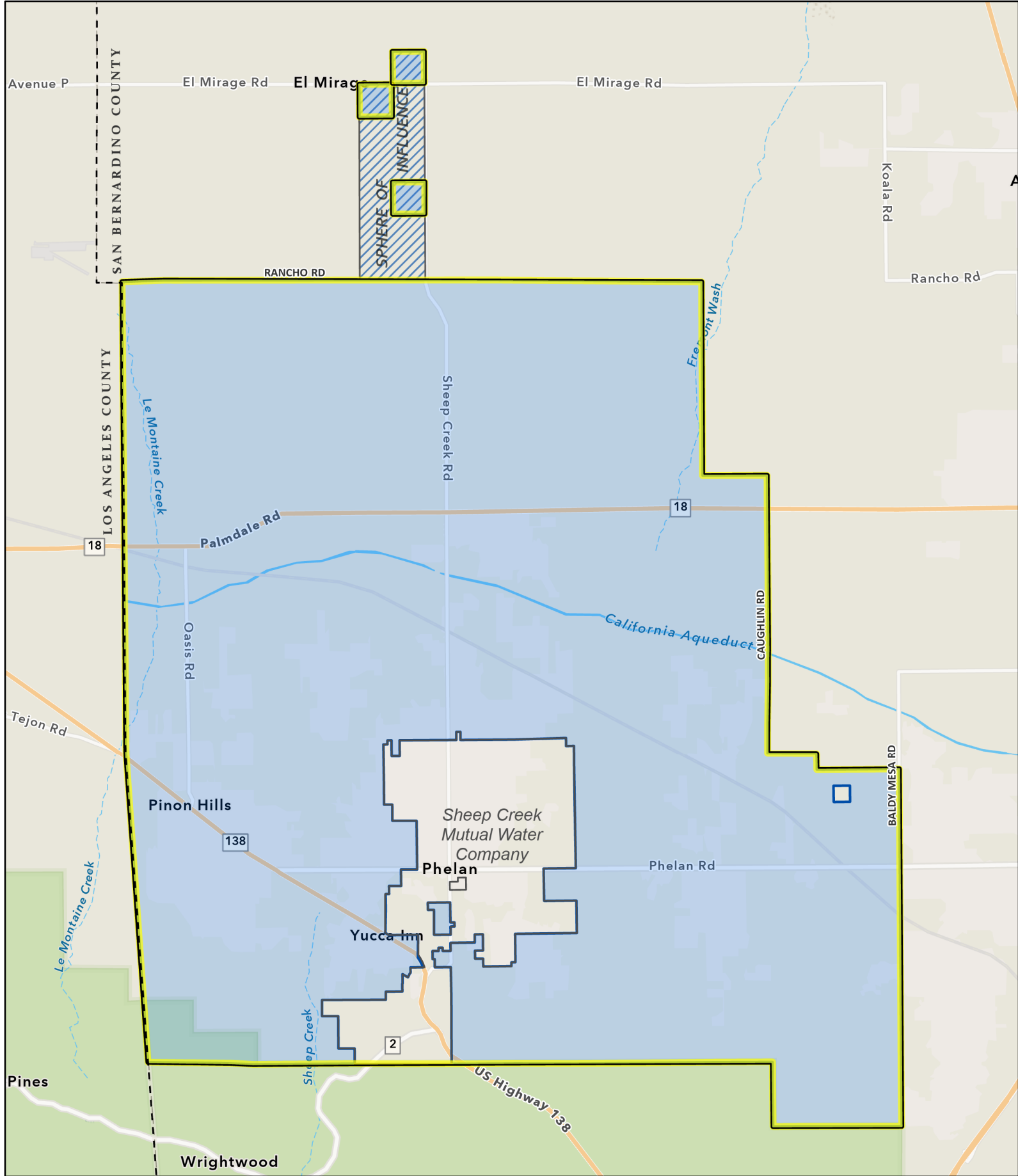
Staff is investigating modifying the District's boundaries and sphere of influence in El Mirage. At this time, staff is still collecting data from the county and from LAFCO, including a cost for boundary changes. Staff will update the Board on any additional information received on this matter.

### FISCAL IMPACT

None

### ATTACHMENT(S)

Map of Current Boundaries



- Legend**
- District Water Service Area
  - District Boundary
  - Sphere of Influence
  - County Line

## Phelan Piñon Hills Community Services District Boundary Map

0 1 2 3 Miles

0 5,000 10,000 15,000 Feet

**208**

Date Exported: 1/28/2022



# Agenda Item 6g

Update on the Proposed Civic Center  
& Phelan Park Expansion Projects



A. 4176 Warbler Road  
P.O. Box 294049  
Phelan, CA 92329  
P. (760) 868-1212  
F. (760) 868-2323  
W. [www.pphcsd.org](http://www.pphcsd.org)

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Update on the Proposed Civic Center & Phelan Park Expansion Project

---

### STAFF RECOMMENDATION

None

### BACKGROUND

Staff will update the Board on the Proposed Civic Center and Phelan Park Expansion Project.

### FISCAL IMPACT

None

### ATTACHMENT(S)

None

# Agenda Item 6h

Update on the Status of Negotiations  
for the Consolidation of Sheep Creek  
Mutual Water Company into the  
District



A. 4176 Warbler Road  
P.O. Box 294049  
Phelan, CA 92329  
P. (760) 868-1212  
F. (760) 868-2323  
W. [www.pphcsd.org](http://www.pphcsd.org)

## MEMORANDUM

**DATE:** February 2, 2022

**TO:** Board of Directors

**FROM:** Don Bartz, General Manager  
By: Kim Ward, HR Manager/Executive Secretary

**SUBJECT:** Update on the Status of Negotiations for the Consolidation of Sheep Creek Mutual Water Company into the District

---

### STAFF RECOMMENDATION

None

### BACKGROUND

Staff will update the Board on the status of negotiations for the consolidation of Sheep Creek Mutual Water Company.

### FISCAL IMPACT

None

### ATTACHMENT(S)

None

# Agenda Item 7

Committee Reports/Comments

## **SPECIAL FINANCE COMMITTEE MEETING MINUTES**

January 25, 2022  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

**Board Members Present:** Charlie Johnson, Chair  
Mark Roberts

**Board Members Absent:** None

**Staff Present:** Don Bartz, General Manager  
Lori Lowrance, Assistant General Manager/CFO  
David Noland, Accountant

**Guests/Public:** None

### **Call to Order**

Director Johnson called the meeting to order at 4:00 p.m.

### **Roll Call**

All Committee Members were present at Roll Call.

#### 1) **Approval of Agenda**

Director Roberts moved to approve the Agenda. Director Johnson seconded the motion. Motion passed unanimously.

#### 2) **Public Comment** – None

#### 3) **Approval of Minutes**

Director Johnson moved to approve the Minutes. Director Roberts seconded the motion. Motion passed unanimously.

#### 4) **Review of Disbursements**

The disbursements were not included in this packet and were reviewed at the last Board meeting.

#### 5) **Review of Financials**

The Committee reviewed the financials.

#### 6) **Review of Solar Project Credits & Expenses**

The Committee reviewed the solar project credits and expenses. Discussion regarding trend for solar credits.

**7) Review of Committee Roles & Responsibilities**

The Committee reviewed the Roles & Responsibilities. An update was requested in the Specific Tasks/Goals section.

**8) Discussion Regarding 2022/2023 Budget**

The Committee reviewed the process and the schedule.

**9) Committee Comments**

- Director Roberts stated that the financials look good and he is very pleased.
- Director Johnson would like to see the District apply for the District of Distinction award from CSDA in the future.

**10) Review of Action Items**

None

**11) Set Agenda for Next Meeting** – March 22, 2022 (Special)

- Remove Roles & Responsibilities

**12) Adjournment**

With no further business before the Committee, the meeting adjourned at 4:36 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>

## **SPECIAL LEGISLATIVE COMMITTEE MEETING MINUTES**

January 18, 2022  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

- Board Members Present:** Deborah Philips, Chair  
Kathy Hoffman, Board President
- Board Members Absent:** None
- Staff Present:** Don Bartz, General Manager  
Kim Ward, HR Manager/Executive Secretary
- Guests/Public:** Cheryl Rhoden

### **Call to Order**

Vice President Philips called the meeting to order at 2:00 p.m.

### **Roll Call**

All Committee Members were present at Roll Call.

#### **1) Approval of Agenda**

Director Hoffman moved to approve the Agenda. Vice President Philips seconded the motion. Motion passed unanimously.

2) **Public Comment** – Cheryl Rhoden may have comments about agenda items.

#### **3) Approval of Minutes**

Vice President Philips moved to approve the Minutes. Director Hoffman seconded the motion. Motion passed unanimously.

#### **4) Update from Representatives**

- **County Supervisor**

Sam Shoup, Field Representative for Supervisor Cook, reported on Operation Hammerstrike. Noted the Covid test kit shortage.

- **State Assembly**

Kassie Vickers, Field Representative for Assemblyman “Smitty” Smith, noted the Assembly and the Senate is back in session. Discussed bills he has been working on related to illegal grows, water theft, pesticides, and penalties. Discussed a resolution against the proposal to prevent the Joshua tree from being listed as an endangered species.



5) **Review Draft Community Survey**

Ms. Ward introduced this item for review by the committee before it goes to the Board tomorrow. The survey will go out to the public next week.

6) **Review of 2022/2023 Legislative Budget**

The committee reviewed the budget.

7) **Review of Committee Roles & Responsibilities**

The committee reviewed the Roles & Responsibilities and had no changes.

8) **Staff Reports/Committee Comments**

None

9) **Review of Action Items**

a) **Prior Meeting** – None

b) **Current Meeting** – None

10) **Set Agenda for Next Meeting** – February 17, 2022 (Special)

11) **Adjournment**

With no further business before the Committee, the meeting adjourned at 2:25 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>

## **SPECIAL PARKS COMMITTEE MEETING MINUTES**

January 11, 2022  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

**Board Members Present:** Rebecca Kujawa, President (Chair)  
Charlie Johnson, Director (Zoom)

**Board Members Absent:** None

**Staff Present:** Steve Lowrance, Parks Supervisor  
Kim Ward, HR Manager/Executive Secretary (Zoom).  
Aimee Williams, Administrative Technician II

**Guests/Public:** None

### **Call to Order**

President Kujawa called the meeting to order at 4:00 p.m.

### **Roll Call**

All Committee Members were present at Roll Call.

1) **Approval of Agenda**

Director Johnson moved to approve the Agenda. President Kujawa seconded the motion. Motion passed unanimously.

2) **Public Comment** – None

3) **Approval of Minutes**

Director Johnson moved to approve the Minutes. President Kujawa seconded the motion. Motion passed unanimously.

4) **Review of Committee Roles & Responsibilities**

The Roles & Responsibilities were reviewed. Updates were requested in the Responsibility section and the Specific Tasks/Goals section.

5) **Review of Parks & Recreation Capital Improvement & Maintenance Plan**

The Committee reviewed the CIP and Maintenance Plan; no recommended changes.

6) **Review & Discussion Regarding Parks & Recreation Events**

Discussion regarding hosting a town hall meeting again this year. There are plans to schedule a town hall meeting in the fall when the weather is cooler.

Discussion regarding concert series and whether or not it is valuable to the community and cost-effective to the District to continue to hold concerts throughout the summer months. Attendance last summer was between 30 and 50 people at the concerts. Will be discussed more at a future meeting.

Discussion regarding movie nights. Events were held through December and attendance dropped off substantially when the weather got too cold. Movie events are planned this year from June through September.

7) **Update Regarding Phelan Park Expansion**

Waiting to hear from the state regarding the District's strengths/weaknesses and possible reasons why grant funding wasn't awarded.

8) **Update on Phelan Farmers Market**

Mr. Lowrance reported that this week's market was the first one back after the holidays and it appeared busy.

Director Johnson asked if there is a report that shows how well the market is doing. He recommended an annual report or presentation from Rowena on how successful the market has been.

9) **Update on Community Garden**

Classes are scheduled for 2022. Attendance is around 12 people per class.

10) **Staff Report**

Nothing further.

11) **Committee Comments**

Nothing further.

12) **Review of Action Items**

a) **Prior Meeting** – None

b) **Current Meeting** –

- Update Roles & Responsibilities
- Annual Farmer's Market Report from Rowena

13) **Set Agenda for Next Meeting** – April 2022

- MOU with Snowline

14) **Adjournment**

With no further business before the Committee, the meeting adjourned at 4:42 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>

## **SPECIAL SOLID WASTE & RECYCLING COMMITTEE MEETING MINUTES**

January 13, 2022 – 4:00 p.m.  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

**Board Members Present:** Deborah Philips, Chair  
Rebecca Kujawa, Vice President

**Board Members Absent:** None

**Staff Present:** Kim Ward, HR Manager/Executive Secretary (Zoom)  
Aimee Williams, Administrative Technician II

**CR&R Staff Present:** Brent Speers, General Manager (Zoom)

**Guests/Public:** Cheryl Rhoden (Zoom)

### **Call to Order**

Director Philips called the meeting to order at 4:00 p.m.

### **Roll Call**

All Committee Members were present at Roll Call.

- 1) **Approval of Agenda**  
President Kujawa moved to approve the Agenda. Vice President Philips seconded the motion. Motion passed unanimously.
- 2) **Public Comment** – Cheryl Rhoden may have comments on agenda items.
- 3) **Approval of Minutes**  
Vice President Philips moved to approve the Minutes. President Kujawa seconded the motion. Motion passed unanimously.
- 4) **Review of Committee Roles & Responsibilities**  
The committee reviewed the Roles & Responsibilities and had no changes.
- 5) **Review of 2022/2023 Solid Waste CIP & Program Budget**  
The committee reviewed the CIP & Program Budget and no changes were recommended.
- 6) **Review of Draft Franchise Agreement Amendment**  
The draft franchise agreement was reviewed. It will go to legal counsel for final review, then to the Board for approval next week.

- 7) **Review of Action Items**
  - a) **Prior Meeting** – None
  - b) **Current Meeting** – Mr. Speers requested a revised SB1383 timeline
  
- 8) **Set Agenda for Next Meeting**
  - **Special Meeting** – May be needed before March
  - **Regular Meeting** – March 10, 2022
    - Remove agenda items 4, 5, and 6
  
- 9) **Adjournment**

With no further business before the Committee, the meeting adjourned at 4:37 p.m.

Agenda materials can be viewed online at <https://www.pphcsd.org>

# Agenda Item 8

Staff & General Manager's Report

## Engineering Manager's Report

January 5, 2022

---

### ***Alternative Energy - 1.16 MW Solar Photovoltaic***

The generation report from November to December is disconnected and a customer ticket was issued to resolve the SunPower Portal reporting with their customer service team. Reporting during this period will be included in the February Manager's report.

The District will register the solar generation with the U.S. Department of Energy, Energy Information Administration (EIA) no later than April 2022. Registration for Renewable Energy Credits (REC's). The district has generated 2,658 MWh (2,657,613 kWh) for the year 2020.

Scheduled services are part of 10-year SunPower Operations and Maintenance contract. The O&M contract includes two (2) module cleanings each year through October 2025. The District is in its 7<sup>th</sup> year of this contract beginning early November each year. Included are two solar module cleaning, in early Spring and Summer for maximize generation. With the recent series of rain events our next cleaning is scheduled for March of 2022.

---

### ***Geographic Information System (GIS)***

The District now offers its hosted GIS data via its server using Portal with real-time data. This is now available to our field and office staff, and with limited access, to the public. The public link can be found on the District's website under "Contractors" "Water Line Map". Any additional system information will continue to be requested through the Public Records Request process.

Mobile access to the GIS data is secured using Single Sign-on (SSO) and virtual private network (VPN) connections. This is possible with the ESRI small utility agreement with access to all ESRI's software and tools. SEDARU is another component to mobile application with continue to provide system logging, system maintenance, service and work orders processes integrated with Tyler, hydraulic model, and positive response DigAlert. As-builts plans are now mobile accessible, by staff, through Portal providing immediate access to infrastructure information for pipeline. Wells, booster stations and reservoir sites will be included concluding updated imagery and photos. A Capital Improvement Project (CIP) and mainline extension dashboards is now in-place. Staff will develop mobile forms for vehicle logging and backflow management

---

### ***Reservoir 6A, Pressure Zone 7 Expansion (nothing new to report)***

Staff recommends expanding Pressure Zone 7 with the installation of water pipeline at two locations: Mescalero Road, between Quail Road and Snowline Road, with 740 LF of proposed 6-inch water pipeline; and Piñon Hills Road, between Nielson Road and Maria Road, with 1,300 LF of proposed 8-inch water pipeline. Design plans were prepared in-house. The installation is proposed to be constructed by field staff. The hydraulic model validated the Pinon Hills Road water pipeline project will improvement system pressure performance west of Mountain Road on Maria Road. This

project is listed under the priority table of the Water Master Plan CIP table and proposed budgeted for FY 2022-2023. The Water Master Plan has proposed capacity at Reservoir site 6A with an additional 2.2 MG. Preliminary layout proposes a tank between Sheep Creek's tank and the existing District's 0.42 MG.

---

### ***Civic Center / Community Center and Future Phelan Park expansion***

The second comment from County for grading plan/utility plan for the Civic Center and the Sheep Creek Road Street Improvement plan have been addressed and resubmitted and waiting for County comments as well for the Landscape Plan and construction documents for the Civic Center building. Lilburn is near completion for the CEQA study. County requested an updated traffic study for the complete project as part of the environmental report.

Permission was granted by the benefiteres of Sahara Road, SJUSD and Gary Van Dam (property owner of APN 3066-251-05 and -06). Written permission was conditioned to proceed with the abandonment process. The ingress and egress easement, for APN's 3066-251-05 and -06, are currently in preparation, for District legal review, by the engineer.

---

### ***Future Well No. 15***

The purchase of the east 5.0-acre portion of the 40-acre parcel has closed escrow in early October. Dodson and Associates is preparing the Environment Report (CEQA) for future well no. 15 and proposed completion in late November. This project includes approximately 5,900 LF of 12-inch water pipeline from well 15 to reservoir Site 2-2 on Sheep Creek Road.

The CEQA study is near completion. Assembly Bill 52 (AB 52), which became law January 1, 2015, requires that public agencies formally consult with California Native American Tribes that request such consultation in writing. As part of California Environmental Quality Act (CEQA) review process, the consultation seeks to identify potential impacts to a new category of resource called Tribal Cultural Resources (TCRs). The designation of a TCR takes into account tribal cultural values in addition to scientific and archaeological values when determining potential impacts and mitigation. An impact to a TCR may result in a significant impact under CEQA. The district noticed San Manuel Band of Mission Indians in late September. The Mission Band of Indians have not responded given 30-day period to respond.

In addition, Dodson and Associates will include future well no. 16. Well no. 15 is located on Sheep Creek Road, on the District's water fill station property APN 3098-071-05. Merrell-Johnson Engineering has completed the topography survey. The District will begin design of Well 15 and the pipeline. The utility investigation and parcel base will be completed before delivery. Well and pipeline design will be completed in-house.

### ***Water Mainline Extension Projects***

---

#### ***Joshua Street Water Pipeline extension to serve APN 3038-131-08***

Proposed 665 Linear Feet of 8-inch PVC water pipeline, located on Joshua Street east of Caughlin Road. First plan check was completed on March 3, 2021, for Donovan Development. Second plan



check completed on April 27<sup>th</sup>. Pending County Fire Department approval. The owner has misplaced the corrections and requested a copy of the plan check. The owner is moving forward with County Fire approval.

---

***Salerno Road Water Pipeline extension to serve APN 3101-431-08***

Proposed 950 Linear Feet of 8-inch PVC water pipeline, located on Salerno Road from Bambi Court west to 350 west of Johnson Road. Plans were prepared by Merrell Johnson Companies. First plan check was returned on March 30, 2021.

---

***Acanthus Street Water Pipeline extension to serve APN 3066-681-13***

Proposed 300 Linear Feet of 8-inch PVC water pipeline, located on Acanthus Street south from McAllister Road for Arturo Mata. Plans were prepared by Ludwig Engineering and approved in July of 2018. 2<sup>nd</sup> plan check completed on April 14, 2021.

---

***Sequoia Road Water Pipeline extension to serve APN 3069-331-10***

Proposed 340 Linear Feet of 8-inch PVC water pipeline, located on Sequoia Road east of Johnson Road. Plans were prepared by Capstone Engineering Incorporated. Approved design plans are pending pre-construction meeting.

---

***Cayucos Road Water Pipeline extension to serve APN 3068-431-05***

***(Completed)***

Proposed 680 Linear Feet of 8-inch PVC water pipeline, located on Cayucos Road between Schlitz Road and Anderson Ranch Road. Plans were prepared by TRLS Engineering. Construction was completed in early September.

---

***Lager Road Water Pipeline extension to serve APN 3066-471-22, -23, -24, & -25***

Proposed 939 Linear Feet of 8-inch PVC water pipeline, located on Lager Road between White Fox Trail and Yucca Terrace Drive. Design plans are approved, and a pre-construction was held on the 21<sup>st</sup> of December. Contractor to begin work the first part of January

---

***Beekley Road Water Pipeline extension to serve APN 3100-551-13***

Proposed 300 Linear Feet of 8-inch PVC water pipeline, located on Beekley Road north from Begonia Road. Plans prepared by TRLS Engineering. Final check complete on June 6, 2018. Pending County Fire Department approval.

---

***Solano Road Water Pipeline extension to serve APN 3068-171-19 and -20***

Proposed 660 Linear Feet of 8-inch PVC water pipeline, located on Solano Road, west of Crystal Aire Road. Plans prepared by TRLS Engineering for Rashidian. First plan check submitted November 17<sup>th</sup>, 2021.

***San Bernardino County Public Works Projects  
(nothing new to report)***

---

***Phelan Road Intersection Improvements***

The San Bernardino County Public Works Department is set to begin work on early October 2021. The intersection widening for left and right turn lanes along Phelan Road areas are as listed:

Sonora Road  
Tumbleweed Road  
Sunny Vista Road  
& Arrowhead Road

Potholing was completed. No District facilities were impacted. Frontier Communications are set to relocate concrete encased conduits at Sonora Road in the next few months. Southwest Gas unable to confirm depth of lines along Phelan Road.

***Baldy Mesa Road and Caughlin Road guardrail replacements***

Guardrail replacement at the California Aqueduct.  
Work begins in early 2022.

***Phelan Road Intersection Improvements***

The County awarded an environmental clearance and design services consultant contract to EXP in June 2021. The scope of the project includes widening to five lanes with one center continuous left turn lane; pavement rehab or reconstruction; drainage improvements at Sheep Creek and Horse Canyon Channel, along with 25+/- other drainage structures; and, install traffic signal at Clovis Road.

The tentative schedule is as follows:

- Project Approval/Environmental Document: Spring 2024
- Final Plans & Right of Ways Acquisitions: Fall 2025
- Construction: Spring 2026

The consultant, EXP, has requested as-builts, from the District, for the project in late August.



## Water Operations Manager's Report December 2021

### Introduction

The Phelan Piñon Hills Community Services District (District) maintains a large water distribution system that includes over three hundred & forty miles of water lines. The following are District statistics and information related to the operations of this distribution system and the quality of the water supplied to District customers.

### Summary

The District's water distribution system is in compliance with the State Water Resources Control Board- Division of Drinking Water, The Environmental Protection Agency, Safe Drinking Water Act, Cal OSHA, and all other governing agencies.

Current chlorine demand has remained low and steady due to routine maintenance and flushing. Chlorine demand is found by subtracting the chlorine residual from the total chlorine added to the water system. A low chlorine demand indicates water free or nearly free of pathogenic microorganisms.

### Water Quality Samples

The following is a summary of all water quality samples collected this month and any pertinent information related to said samples.

TEST TYPE	NO. OF COLLECTIONS THIS MONTH	TESTING SCHEDULE	NOTES
Raw water and Bac-t samples	46 samples	Monthly	All in compliance, Sampled Weekly
General physical samples	6 samples	Monthly	All in compliance, Sampled Weekly
TTHM/HAA5	0 samples sets	Quarterly	All in compliance.
UCMR 4	0 sample sets	TBD	All in Compliance.
Inorganics	0 samples	Yearly	All in compliance.
Radiological (Gross Alpha)	0 samples	Every 3 Years	All in compliance.
Trichloropropane 1,2,3-TCP	0 samples	Quarterly	All in compliance.
Regulated SOC	0 samples	As needed	All in compliance.
Nitrate as N	1 samples	As needed	All in Compliance.
Chromium 6	0 samples	Quarterly	All in Compliance.
Secondary GP'S	0 samples	As needed	All in Compliance.
Uranium	0 samples	As needed	All in Compliance

## Production and Service Order Report

The following is a summary of the District's water production and service orders for the current month.

<b>Total Monthly Production</b>	168.45 A. F. 8 % more than 2013
<b>2013 Monthly Production</b>	164.15 A. F.
<b>USA's Marked</b>	150
<b>Service Orders Completed</b>	583 service orders completed
<b>Main/Service Line Leaks</b>	8 service line leaks repaired. 2 Main line leak/ breaks repaired
<b>Hydrant Repairs/Replacements</b>	0 hydrant repaired/0 replaced
<b>Residential Meters Sold</b>	7
<b>Commerical Meters Sold</b>	0
<b>YTD Total Meters Sold (Calendar)</b>	95
<b>Construction Meters Out</b>	5
<b>Service Lines Replaced</b>	7

### Job Code Summary

<b>Job Code</b>	<b>Total Completed</b>
C-Lock - Lock	0
C-Read & Unlock-Open - Read & Unlock - Opening	9
C-Read & Unloc-OC-DM - Read & Unlock - Opening-OC-DM	31
D-Closing Read & Lck - Closing Read & Lock DO NOT USE	4
D-Closing Read-OC-DM - Closing Read & Lock-OC-DM DO NOT USE	1
M- Investigate Lock - Verfiy Meter Still Locked	4
M- Verify Acct Class - Verify Account Class	0
M- Water Audit - Audit Water Usage	1
M-Backflow - Backflow Information	0
M-Cost Estimate Req - Cost Estimate Request	0
M-Data - Data Log	4
M-Bees- Bees	0
M-Investigate Leak - Investigate Leak	0
M-Investigate No Wtr - Investigate No Water	1
M-Lock No N/O Info - Meter Locked No New Owner Info	29
M-Low/No Consumption - Investigate Low/No Consumption	3
M-Meter Leaking - Meter Leaking	0
M-Meter UTL - Buried - Meter UTL - Buried	0
M-Pressure Ck Hi-Low - Pressure Check Hi-Low	3
M-R/R Angle Stop - Repair/ Replace Angle Stop	0
M-R/R Gate Valve - Repair/ Replace Gate Valve	2
M-Read - Read (do not update Read)	3
M-Repair Svc Line - Repair Service Line	8
M-Repair/Install Box - Meter Box	3
M-Replace Serv Line - Replace Service Line	7

M-Stake Meter Loc - Stake Meter Location	2
M-Status - Status	18
M-Turn off-Cust Req - Turn off - Customer Request	7
M-UNLOCK – UNLOCK	3
M-Verify Leak Repair - Verify Leak Repaired	0
M-Water Loss Leak - Door Hanger Water Loss Leak	1
M-Water Quality Tast - Water Quality - Taste	1
S- Replace Register - Register Not Sending Signal	349
S- Meter Downsize - Meter Downsizing	0
Service Change - Service Status Change	0
S-Replace Mtr & Reg - Replace Entire Meter Max Life Usage	0
S-Replace Reg Hotrod - Replace Register Hotrod Died	23
S-Replace Register - Replace Register Mueller	0
S-Replace Mtr- Replace Entire Meter Bottom Seal Leaking	5
Grand Totals	583

### Summary of Current Projects

The following is a brief summary of all current and completed projects for the reported period

- Customer Portal for Smart Meters successfully deployed August 9th
- Well Soundings at all wells are being done monthly
- Smithson Springs last cleaned December 2021- Current flows 3 GPM Upper Weir, 3 GPM Lower Weir-play video
- Well 14 Production for December 0.109 AF, YTD 119.50 AF
- Valves and Hydrants Maintenance: 0 hydrants flushed and painted YTD Total-0
- Service line replacement program on target to meet current established goals. 7 Replaced 82 Calendar Year To Date, 33 Replaced Fiscal Year To Date
- Air-Vac maintenance & flushing program-3 Flushed & Maintanenced YTD-68 of 336 Total Project 20% Complete
- Cla-Val automatic controls valves being systematically rebuilt as a water conservation measure- 7 CompleteYTD Water savings from this project is 9.5 GPM and counting @ 5MG
- Water Meter Replacement Project- 2411 of 7050 Replaced – 34.2 % Complete
- Connection of PZ 5E to PZ 4E 6” intertie at Site 3C- 100% Complete

### Projects Completed

- Installation and Operation of Community Water Fill Station- 100 % Complete
- Connection of PZ 4E to PZ 3E 6” intertie at Site 2C- 100% Complete
- Well 9A Equipping and Outfitting for permanent production utilization- 100 % Complete
- Annual Reservoir interior cleaning and inspection- 100 % Complete
- Sanitary survey with CASWRCB DDW Engineer of District Facilities, All defeciencies corrected- 100 % Complete
- Well Meter and inter-tie Meter annual accuracy program FY 20/21- 100 % Complete
- Electrical Effeciency test performed @ every booster and well within the District- 100% Complete
- Oil Changes and greasing at all district wells 100% Complete Boosters 100 % Complete
- 84 Valves Turned this month as part of district Valve Exercising Program, 922 Year To Date Turned of 4291
- 5 Dead ends flushed of 317 = every year no matter what < No goal, this is mandatory
- 1936 hydrants = 0 flushed this Year To Date 0 Painted Goal is 968 annually, this is done Bi Annual
- Tank washouts of 1B-2,1B-1,3B,3C,1C-1 Complete

## Full Scale Sensus Implementation

The following are reasons I believe full scale implementation of the Sensus metering solution this coming fiscal year would benefit the District,

- Reduce Water Loss rate
- Potentially increase revenue with greater metered accuracy
- Reduce staff time replacing meters
- Eliminate staff time reading meters
- Reduce office staff time processing meter change-outs
- Eliminate field data logs
- Full scale customer portal access to all customers
- SB 1668 full scale implementation of 55 gallons per capita in 2023, District would be ahead of the curve
- Utilizing reading towers to capacity
- Eliminating field staff time spent on low/no flows, meter accuracy issues, and certain investigations would be able to be done from the office
- Potential increase in material and labor installation costs as inflation continues to increase at record rates, things are typically cheaper now rather than later
- No manufacturing defects or potential problems have surfaced with the 2300+ meters already deployed

## Mainline Repairs

8370 Mescalero mainline hit



Well 14 16" Mainline repair



# Agenda Item 9

Director Reports



# Agenda Item 10

Correspondence/Information

# 2022 Community Teaching Garden Classes

All Classes  
Held the Second Saturday of Each Month  
10 AM

## January 8th

Garden Design/Layout

## July 9th

Mulch/Watering Wisely

## February 12th

Starting Spring  
Seedlings

## August 13th

Feeding Plants

## March 12th

Building Raised Beds

## September 10th

Starting Winter  
Seedlings

## April 9th

Transplanting to  
Garden Bed

## October 8th

Harvest/Storing  
Vegetables and Fruits

## May 14th

Compost/Verma  
Compost

## November 12th

Using a Greenhouse

## June 11th

Pest Control

## December 10th

Tree Planting and  
Pruning

# BILLING SCHEDULE

## FEBRUARY 2022



**February 1**  
- Bills mailed for  
**January 2022**  
charges

**February 14**  
- Payment must be  
received by 5:00  
p.m. to avoid  
disconnection for  
**December 2021**  
bill

**February 15**  
-Disconnection  
date for  
**December 2021**  
bill

**February 22**  
-Payment must  
be received by  
5:00 p.m. to avoid  
penalty for  
**February 2022** bill

## MARCH 2022



**March 1**  
- Bills mailed for  
**February 2022**  
charges

**March 15**  
- Payment must be  
received by 5:00  
p.m. to avoid  
disconnection for  
**January 2022** bill

**March 16**  
-Disconnection  
date for  
**January 2022**  
bill

**March 22**  
- Payment must  
be received by  
5:00 p.m. to avoid  
penalty for  
**March 2022** bill

## APRIL 2022



**April 1**  
- Bills mailed for  
**March 2022**  
charges

**April 18**  
- Payment must be  
received by 5:00  
p.m. to avoid  
disconnection  
for **February 2022**  
bill

**April 19**  
Disconnection  
date for  
**February 2022**  
bill

**April 21**  
- Payment must  
be received by  
5:00 p.m. to avoid  
penalty for  
**April 2022** bill

### Holiday Closures

President's Day- Monday February 21, 2022

## Notice of Water Rate Change

The District provides water service to approximately 7,100 customers, and monthly water service fees are the primary source of revenue to operate the water system. Revenues received from water service fees are used solely to fund the water enterprise. The objective of the proposed five-year rate schedule is to fully fund operations, address capital replacement, and adequately build-up reserves to meet reserve policies through Fiscal Year 2025-2026. In addition, the District needs to ensure adequate funding to address additional capital and operating expenses. The new rates for the District's water service fees were adopted by the Board on December 1, 2021, after a noticed public hearing and several public meetings. The new rates are based on a comprehensive rate study prepared by an independent consultant.

**Water rates for all District customers are scheduled to change. The new rates will begin January 1, 2022, and will be reflected on your billing statement received in February.**

Fixed Charges (Meter Charge) \$/Month						
Meter Size	Current	Effective 1/1/2022	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
3/4"	\$23.62	\$22.80	\$24.17	\$25.63	\$27.17	\$28.81
1"	\$33.99	\$34.50	\$36.57	\$38.77	\$41.10	\$43.57
1 1/2"	\$59.91	\$63.75	\$67.58	\$71.64	\$75.94	\$80.50
2"	\$91.01	\$98.85	\$104.79	\$111.08	\$117.75	\$124.82
3"	\$189.49	\$210.00	\$222.60	\$235.96	\$250.12	\$265.13
4"	\$334.63	\$373.80	\$396.23	\$420.01	\$445.22	\$471.94
Chromium-6 Surcharge (all meters)	\$9.71	\$9.71	\$9.71	\$9.71	\$9.71	\$9.71

Variable Rates - \$/unit (1 unit = 748 gallons)						
Customer Class	Current	Effective 1/1/2022	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
<i>Residential</i>						
Tier 1: ≤ 9 hcf	\$2.80	\$2.73	\$2.90	\$3.08	\$3.27	\$3.47
Tier 2: 9 hcf- 29 hcf	\$4.26	\$3.12	\$3.31	\$3.51	\$3.73	\$3.96
Tier 3: > 29 hcf	N/A	\$7.53	\$7.99	\$8.47	\$8.98	\$9.52
<i>Commercial</i>	\$3.25	\$3.65	\$3.87	\$4.11	\$4.36	\$4.63
<i>Institutional</i>	\$3.75	\$3.96	\$4.20	\$4.46	\$4.73	\$5.02

**If you have any questions, please contact the District at (760) 868-1212.**

**For additional information, please visit our website at [www.pphcsd.org](http://www.pphcsd.org)**

# Account Past Due?

Beginning January 2022, accounts that are past due will be subject to disconnection. To avoid interruption of service, please contact us ASAP to make a payment or to set up a payment arrangement.



**Make a payment  
by phone, website,  
or mail.**



**Need more time?  
Contact us today  
to make a payment  
arrangement.** 237

**WE ARE HERE TO  
HELP  
CONTACT US  
TODAY**

For more information, to make a payment,  
or to set up a payment agreement:

**760-868-1212  
www.pphcsd.org**

# Agenda Item 11

Review of Action Items

# Agenda Item 12

Set Agenda for Next Meeting