



WEST VALLEY WATER DISTRICT  
855 W. BASE LINE ROAD, RIALTO, CA 92376  
PH: (909) 875-1804 FAX: (909) 875-1849

**AMENDED\* REGULAR BOARD MEETING  
AGENDA**

THURSDAY, OCTOBER 1, 2020  
CLOSED SESSION - 6:00 PM • OPEN SESSION – 7:00 PM

**BOARD OF DIRECTORS**

Channing Hawkins, President  
Kyle Crowther, Vice President  
Dr. Michael Taylor, Director  
Greg Young, Director  
Dr. Clifford Young, Director

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"In order to comply with legal requirements for posting of agendas, only those items filed with the District Secretary's office by noon, on Wednesday a week prior to the following Thursday meeting, not requiring departmental investigation, will be considered by the Board of Directors."

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**Teleconference Notice:** In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20 and the order of the County of San Bernardino dated March 17, 2020, there will be no public location for attending this Board Meeting in person. Members of the public may listen and provide public comment via telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 807-977-6383 or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8079776383>. Public comment may also be submitted via email to the Public Affairs Manager, Naseem Farooqi at [nfarooqi@wvwd.org](mailto:nfarooqi@wvwd.org). The webinar will also be available for public viewing by visiting [www.wvwd.org](http://www.wvwd.org). If you require additional assistance, please contact [nfarooqi@wvwd.org](mailto:nfarooqi@wvwd.org).

**OPENING CEREMONIES**

Call to Order  
Pledge of Alliance  
Opening Prayer  
Roll Call of Board Members

**ADOPT AGENDA**

**PUBLIC PARTICIPATION**

*Any person wishing to speak to the Board of Directors on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board of Directors is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.*

**Public communication is the time for anyone to address the Board on any agenda item or anything under the jurisdiction of the District. Also, please remember that no disruptions from the crowd will be tolerated. If someone disrupts the meeting, they will be removed.**

## **PRESENTATION**

### **1. WORKFORCE DEVELOPMENT PROGRAM**

## **CONSENT CALENDAR**

*All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board of Directors, Staff Member, or any member of the public request a specific item(s) be removed for separate action.*

### **Consideration of:**

1. Professional Services Agreement and Task Order No. 1 with Robert D. Niehaus, Inc. for the Preparation of a Development Impact Fee Study (Page 6)
2. Disposal of Salvage Furniture & Equipment (Page 33)
3. Leal-Trejo- Invoice #18086, \$10,612.50 (Page 51)
4. Smith Law Offices, LLP- Invoice #2948, \$11,411.25 (Page 52)
5. WVWD Facilities Naming Policy (Page 53)
6. Approval of Minutes- September 3, 2020 (Page 57)
7. Approval of USEPA Letter of Interest Funding Request Amount (Page 62)

## **BUSINESS MATTERS**

### **Consideration of:**

7. Memorandum of Understanding with International Union of Operating Engineers, Local 12
8. \*Employment Contract- Chief Financial & Administrative Officer
9. \*Employment Contract- Assistant General Manager
10. Proclamation for Mr. Donald Griggs

**REPORTS - LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).**

- 1. Board Members**
- 2. Legal Counsel**
- 3. General Manager**

**UPCOMING MEETINGS**

1. October 5, 2020 - San Bernardino Valley Municipal Water District Basin Technical Advisory Committee at 1:30 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
2. October 6, 2020 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
3. October 8, 2020 – West Valley Water District External Affairs Committee Meeting at 6:00 p.m. at District Headquarters
4. October 8, 2020 - San Bernardino Valley Municipal Water District Board of Directors Workshop-Policy at 2:00 p.m., 380 Vanderbilt Way, San Bernardino, CA 92408
5. October 12, 2020 – West Valley Water District Human Resources Committee Meeting at 6:00 p.m. at District Headquarters
6. October 13, 2020 – West Valley Water District Safety and Technology Committee Meeting at 6:00 p.m. at District Headquarters
7. October 13, 2020 - San Bernardino Valley Municipal Water District Board of Directors Workshop-Engineering at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
8. October 14, 2020 – West Valley Water District Engineering, Operations & Planning Committee Meeting at 6:00 p.m. at District Headquarters
9. October 14, 2020 – West Valley Water District Finance Committee Meeting at 1 p.m. at District Headquarters
10. October 15, 2020 – West Valley Water District Regular Board of Directors Meeting at 7:00 p.m. (6:00 p.m. Closed Session), at District Headquarters
11. October 15, 2020 - San Bernardino Valley Municipal Water District Advisory Commission on Water Policy at 6:30 p.m., 380 Vanderbilt Way. San Bernardino, CA 92408
12. October 20, 2020 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408

13. November 3, 2020 - San Bernardino Valley Municipal Water District Regular Board Meeting at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
14. November 5, 2020 - San Bernardino Valley Municipal Water District Board of Directors Workshop – Resources at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
15. November 5, 2020 - West Valley Water District Regular Board of Directors Meeting at 7:00 p.m. (6:00 p.m. Closed Session), at District Headquarters
16. November 9, 2020 - West Valley Water District Human Resources Committee Meeting at 6:00 p.m. at District Headquarters
17. November 10, 2020 - San Bernardino Valley Municipal Water District Board of Directors Workshop – Engineering at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
18. November 10, 2020 – West Valley Water District Safety & Technology Committee Meeting at 6:00 p.m. at District Headquarters
19. November 11, 2020 - West Valley Water District will be CLOSED in Observance of Veterans Day
20. November 11, 2020 - San Bernardino Valley Municipal Water District Will be Closed in Observance of Veterans Day.
21. November 12, 2020 - West Valley Water District External Affairs Committee Meeting at 6:00 p.m. at District Headquarters
22. November 12, 2020 - San Bernardino Valley Municipal Water District Workshop – Policy at 2:00 p.m., 380 E. Vanderbilt Way, San Bernardino, CA 92408
23. November 19, 2020 – West Valley Water District Regular Board of Directors Meeting at 7:00 p.m. (6:00 p.m. Closed Session), at District Headquarters
24. November 26, 2020 - San Bernardino Valley Municipal Water District will be Closed in Observance of Thanksgiving
25. November 27, 2020 - San Bernardino Valley Municipal Water District will be Closed in Observance of Thanksgiving

## **CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956 9: Number of Cases: Three (3)
2. CONFERENCE WITH LABOR NEGOTIATOR (54957.6) District Negotiators; Martin Pinon, Robert Tafoya, Union Negotiators; Re: International Union of Operating Engineers, Local 12



3. CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE APPOINTMENT - Pursuant to Government Code Section 54957, Title(s): Assistant General Manager and Chief Financial & Administrative Officer
4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Government Code Section 54957 Title(s): General Manager, General Counsel
5. PUBLIC EMPLOYEE APPOINTMENT - Pursuant to Government Code Section 54957 – Title(s): Board Secretary

## ADJOURN

### DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on September 30, 2020.



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Maisha Mesa, Executive Assistant

### Please Note:

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, during normal business hours. Also, such documents are available on the District's website at [www.wvwd.org](http://www.wvwd.org) subject to staff's ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to Peggy Asche, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Asche may be contacted by telephone at (909) 875-1804 ext. 703, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** October 1, 2020  
**TO:** Board of Directors  
**FROM:** Clarence C. Mansell Jr., General Manager  
**SUBJECT:** CONSIDER A PROFESSIONAL SERVICES AGREEMENT AND TASK ORDER NO. 1 WITH ROBERT D. NIEHAUS, INC. FOR THE PREPARATION OF A DEVELOPMENT IMPACT FEE STUDY

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**BACKGROUND:**

New development places additional demands upon existing facilities and often requires the construction of new or expanded facilities to maintain service standards. To ensure that West Valley Water District (District) collects sufficient funds to construct the master planned facilities, the District should periodically review and update its Capacity Charges to adjust for the increased cost of construction and/or any material changes to the list of master planned facilities.

Government Code Section 66013(b)(3) defines a “Capacity Charge” to mean a “charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

A Capacity Charge is not a tax, special assessment or rate increase on existing development, but is a one-time charge to new applicants for service. Capacity Charges imposed represent a proportionate share of the cost of facilities necessary to provide system capacity to a new development.

At the March 19, 2020 regularly scheduled Board of Directors meeting the Board approved the preparation and issuance of a Request for Proposals for a consultant to prepare a Capacity Charge Study.

**DISCUSSION:**

The District requested proposals from qualified consultants (consultant) to prepare a comprehensive Development Impact Fee Study (Study). The Study will analyze and recommend the appropriate Capacity Charge per equivalent dwelling unit and evaluate other development related fees and deposits such as plan check fees, front footage charges and overhead charges.

Consultants were asked to demonstrate their experience in preparing similar studies for other water districts or cities. The Request for Proposals was posted on PlanetBids and proposals received were reviewed by conducting a systematic proposal evaluation based on the following criteria:

- Past performance and qualifications of the proposal team members on similar projects.
- Familiarity with and capacity to handle all aspects of the work.
- Ability to complete the project within an expedited time frame.
- The proposed project approach, scope, manner, and thoroughness in which it is presented in the proposal.
- Firm's experience, staff availability, and stability.

Based on qualifications, overall evaluation and services provided it was concluded that Robert D. Niehaus, Inc. (RDN) best met the needs of the District. Attached as Exhibit A is a copy of the proposal received from RDN.

**FISCAL IMPACT:**

The cost to prepare the Study as proposed by RDN is \$29,492. The preparation of the Study is a budgeted item in the 2020/21 Engineering Department Budget (Professional Services/Other Consultants).

**STAFF RECOMMENDATION:**

It is recommended that the Engineering, Operations and Planning Committee approve a Professional Services Agreement and Task Order No. 1 with RDN for the preparation of a Development Impact Fee Study in the amount of \$29,492.00 and have this item considered by the full Board of Directors at a future meeting.

Respectfully Submitted,




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Clarence C. Mansell Jr, General Manager

LJ:mm

**ATTACHMENT(S):**

1. Exhibit A - Proposal Submitted by Robert D. Niehaus, Inc.

# EXHIBIT A



# West Valley Water District

Proposal for Development Impact Fee Study

Robert D. Niehaus, Inc. | August 21, 2020  
Ichiko Kido 805-618-2968 | [Ichiko@rdniehaus.com](mailto:Ichiko@rdniehaus.com)  
140 East Carrillo Street, Santa Barbara, CA 93101

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Al Robles  
 Purchasing Supervisor  
 West Valley Water District  
 855 W Baseline Road  
 Rialto, CA 92376

August 21, 2020

**Subject: Development Impact Fee Study**

Dear Mr. Robles,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our proposal to provide consulting services to conduct the Development Impact Fee Study (Study) for West Valley Water District (District). We provide independent economic and financial consulting services to California water and wastewater utilities. RDN staff have completed over 700 projects with economic, financial, and market analysis experience across California and worldwide since the firm's founding in 1983.

RDN specializes in providing services to utilities across San Bernardino County, Kern County, and northeastern Los Angeles County. In the past three years, we have completed 12 rate and fee studies in this region and we are currently engaged in four more. This experience provides us a comprehensive understanding of many of the unique challenges the District faces.

We understand the District's goals for this study to ensure that growth pays for growth by reviewing existing Development Impact Fees and Capacity Charges and making necessary adjustments. We intend to achieve the District's goals by:

1. Evaluating the District's current charges for compliance with legal requirements and regulations
2. Identifying the methodology most applicable to the District's projected growth and financial goals
3. Calculating the District's current facility valuation to be covered by development and capacity fees
4. Recommending capacity fees based on customer growth and demand projections
5. Analyzing and making recommendations for the District's other Development Impact Fees
6. Comparing current and proposed fees to other local water providers to ensure fairness

Our proposed project team has over 100 years of combined experience in public-sector consulting. Dr. Robert Niehaus will serve as project director and principal economist, ensuring that the water capacity charge and development impact fee structures meet industry best practices. Our project manager and senior financial analyst, Ichiko Kido, will serve as the primary point of contact to the District and will be responsible for managing daily aspects of the project. She will ensure the study is within budget, on schedule, and effectively meets the District's goals and objectives.

We are proud of the team and resources we can offer the District on this important project. Please coordinate with Ichiko Kido, Program Manager and Senior Financial Analyst, (805) 962-0611, Ichiko@RDNiehaus.com, if you would like to discuss our proposal, which is valid for a 90-day period. We look forward to a successful, collaborative, and productive partnership.

Respectfully submitted,

Robert D. Niehaus, Ph.D.  
 Managing Director, Principal Economist

Ichiko Kido, MBA  
 Program Manager, Sr. Financial Analyst



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# QUALIFICATIONS

## FIRM OVERVIEW

RDN is a professional economic and financial consulting firm, headquartered in Santa Barbara, that delivers solutions to California utilities, State/Local entities, Federal agencies, and the Department of Defense. RDN operates with uncompromising honesty and integrity and is committed to supporting customer success. We constantly seek innovative improvements to achieve beneficial results for our clients.

### RDN BY THE NUMBERS

- \$4M Annual Revenue/24 Employees
- 700+ Projects Accomplished Worldwide
- 100+ Years of Project Team Experience
- 48 States Served
- 37 Years Consulting for Utility Systems

RDN has provided consulting services for water, wastewater, stormwater, housing, and energy projects throughout California and worldwide since the firm's founding in 1983. Our staff have completed over 700 projects with economic, financial, and market analysis experience. Our Project Team has decades of experience in water rate analyses, development fees, data management, public relations support, and econometric modelling and forecasting of customer growth and demand.

*Figure 1. Respondent Information*

<b>Legal Name of Respondent</b>	Robert D. Niehaus, Inc. (RDN) (C Corp)
<b>Mailing and physical address</b>	140 E. Carrillo Street, Santa Barbara, CA 93101
<b>Remit-to- billing address</b>	140 E. Carrillo Street, Santa Barbara, CA 93101
<b>Phone</b>	805-962-0611
<b>Fax</b>	805-962-0097
<b>Website</b>	www.rdniehaus.com
<b>Federal Tax ID</b>	77-0067990
<b>Owners</b>	Robert Niehaus Margie Niehaus Mary McCleary David Niehaus Brian Niehaus
<b>Corporate Officers</b>	Robert Niehaus, Managing Director, President, Secretary Margaret Niehaus, Treasurer David Niehaus, Director Brian Niehaus, Director
<b>Respondent Point of Contact</b>	Ms. Ichiko Kido, Senior Financial Analyst 140 E. Carrillo Street, Santa Barbara, CA 93101 805-618-2968 Ichiko@RDNiehaus.com

## PROJECT HIGHLIGHTS

We are confident that our extensive relevant past performance and key personnel – highlighted by RDN’s unique combination of economic and financial expertise – demonstrate that we are the most highly qualified firm to assist the District in its efforts to prepare a Development Impact Fee Study. Three recent and ongoing projects are highlighted below.

### Santa Clarita Valley Water Agency – Facility Capacity Study



The Santa Clarita Valley Water Agency (SCV Water) retained RDN to review and evaluate the capacity charges developed by SCV Water for their accuracy and equitability to existing and new customers. This project included evaluation of the methodology used to project demands and account growth for the planning period, review of capital improvement costs included in the fee calculation, and an assessment of the Monte Carlo Simulation utilized by Agency staff to gauge the range of potential developments in the community for the next 30 years. RDN produced an administrative report and presented the analyses at several board meetings over the six-month study. The Facility Capacity Charges were approved by SCV Water’s Board of Directors in February 2020.

### Mid-Peninsula Water District – Facility Capacity Charge Study



The Mid-Peninsula Water District retained RDN to produce capacity charges with the primary goal of increasing equitability between the District’s existing and future customers. RDN is reviewing the District’s current capacity charges and demand offset charges for compliance with California law and regulations. We are also evaluating the current charge structure and providing the District with updated system values and demand projections. We will use these analyses to provide the District with capacity charges that will equitably mitigate the impacts of increased water demand due to new development on water supply and reliability. This project will be complete in mid-2021.

### City of California City – Impact, Capacity & Miscellaneous Fees for Water and Sewer

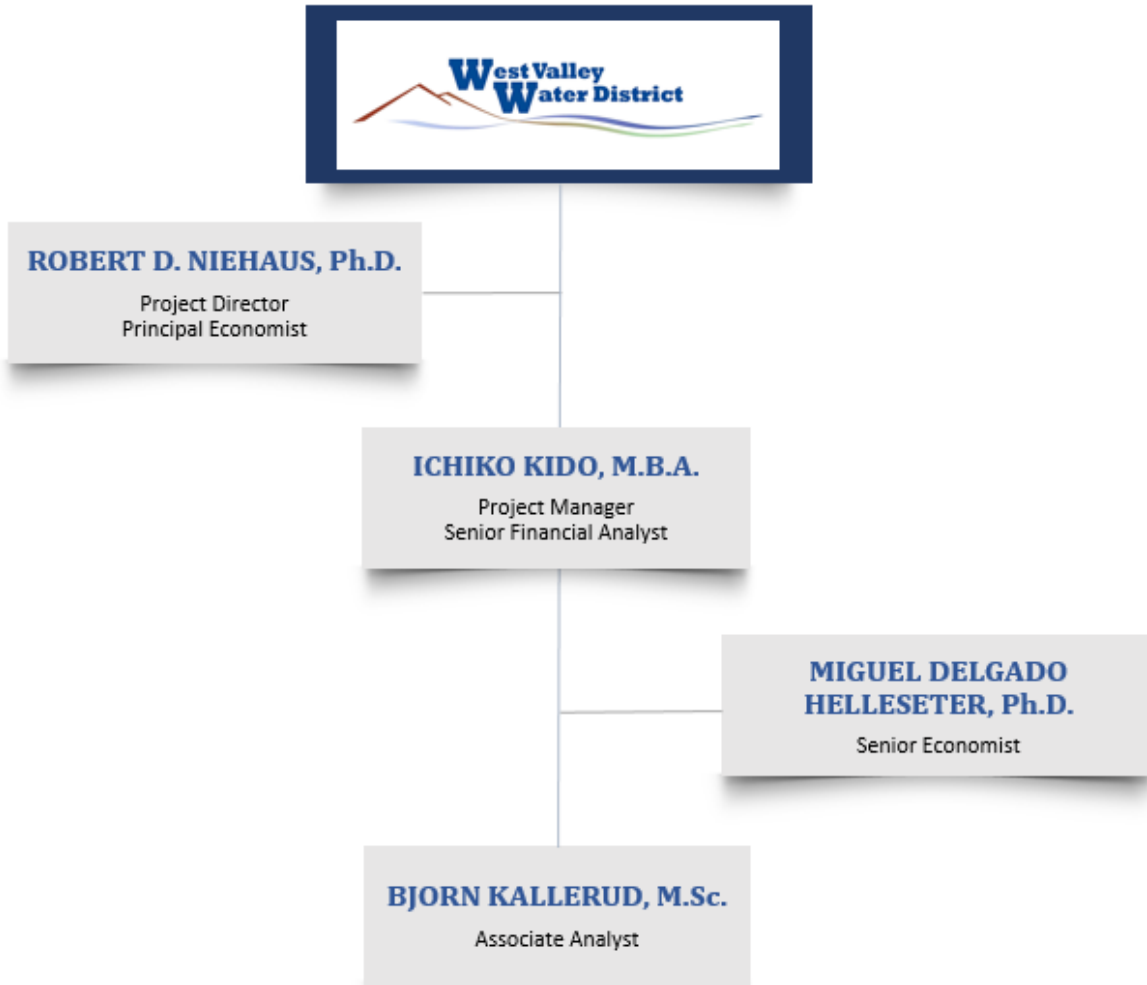


The City of California City recently engaged a partnership of QK, Inc. and RDN to perform a series of water and sewer master plans, rate studies, and fee studies. Specifically, QK is performing the Water and Sewer Master Plans Update, and RDN is providing the Water, Recycled Water, and Sanitary Sewer Rate studies, as well the Capacity, Standby, and Miscellaneous Fee Studies. Similar to other Cities in Kern County, California City is faced with several challenges, including aging infrastructure and resulting capital improvement costs, water supply instability, increasing operation and maintenance costs, and declining fund balances. RDN is helping the City develop financial policies to fund current and future capital and operating costs, establish prudent financial management practices, and ensure rates are fees are fair and equitable to all ratepayers in compliance with Proposition 218. The project will be complete in early 2021.

## KEY PERSONNEL

RDN’s proposed project team is led by our project director, Dr. Robert Niehaus and project manager, Ichiko Kido. We affirm that our proposed project team has capacity to perform the proposed scope of work. In addition to our four key staff highlighted on the pages below, RDN also has a deep bench of 20 economists and analysts ready to serve as project needs arise. For any changes to the project team, RDN will request prior approval from the District. Brief resumes for all team members are provided on the following pages, as well as each member’s proposed project role. Full resumes are appended to this Proposal.

Figure 1. Team RDN Project Organization, Key Personnel



## Robert D. Niehaus, Ph.D.

### PRINCIPAL ECONOMIST



#### Project Role and Responsibilities:

- Oversee all aspects of rate-making process
- Assure timely, high-quality, within-budget performance and the District's complete satisfaction with all efforts on this Project
- Review all deliverables for accuracy and economic rigor
- Lead major internal project meetings

#### Experience and Qualifications:

- 45 years of experience (35 with the firm)
- Conducted hundreds of comparable water and resource projects including Palmdale Water District; Ventura River Water District; Carpinteria Valley Water District; San Juan Capistrano
- Received his Ph.D. in Economics from the University of Maryland

## Ichiko Kido, M.B.A.

### PROJECT MANAGER – SENIOR FINANCIAL ANALYST



#### Project Role and Responsibilities:

- Lead RDN team and oversee all day-to-day aspects of the rate-making process
- Primary point of contact between RDN and the District
- Develop and maintain the rate model for financial planning, rate design, capital funding strategies, and reserve policies
- Present the study findings to District staff and ratepayers

#### Experience and Qualifications:

- 29 years of experience (14 with the firm)
- Expertise in financial analysis; COS analysis; rate design; rate model design; state regulations & legislation
- Financial/Rate consulting experience with California City, Palmdale Water District, Quartz Hill Water District & Carpinteria Valley Water District

## Miguel Delgado Helleseer, Ph.D.

### SENIOR ECONOMIST



#### Project Role and Responsibilities:

- Data management advisor to assure the quality and accuracy of the data produced using R and Stata
- Review methodologies of demand projections and programming

#### Experience and Qualifications:

- 20 years of experience (nine with the firm)
- Finance/Rate Review Experience with Ventura River Water District and Palmdale Water District
- Expertise in analyses of water agency budgets, water demand forecasting, water rate elasticity estimates, and demographic forecasting

## Bjorn Kallerud, M.Sc.

### ASSOCIATE ANALYST



#### Project Role and Responsibilities:

- Employ econometric modelling on possible use scenarios and develop revenue and expense projections

#### Experience and Qualifications:

- Five years of experience (three with the firm)
- Specializes in data science & econometric modelling using statistical programming languages R and Python
- Financial/rate consulting experience with Palmdale Water District, Santa Clarita Valley Water Agency, California Rural Water Association

## PROJECT UNDERSTANDING

West Valley Water District currently serves a population of approximately 82,000 through 22,000 service connections in the Cities of Rialto, Fontana, Colton, Jurupa Valley, and unincorporated communities in San Bernardino County. Residential lands are currently built to 59 percent of the proposed land use capacity, while non-residential lands are developed to 75 percent, equating to 66 percent of the District's entire service area as built out. The previous Capacity Charge Study was completed in 2012.

The key objectives of the study include:

- Ensure compliance with state law and regulations regarding water capacity charges and development impact fees, and evaluate their impacts;
- Update current capacity charges or recommend new charges for new water connections based on increased capacity required to serve new development;
- Evaluate and recommend a new development impact fee structure or update the current charges to mitigate the impacts of increased water demand due to new development on water supply and reliability;
- Provide an analysis of recommended capacity charges and development impact fees and compare them with other local water agencies in the San Bernardino area.

RDN understands the importance of ensuring fees equitably recover costs for new and expanded development and are in line with California law, such as Assembly Bill 1600 (AB 1600). We will help the District ensure that "growth pays for growth" by allocating the cost of new facilities and the cost of unused capacity in existing facilities to new development, while allocating the cost of repairing and refurbishing facilities to the current customers.

RDN has provided similar services to public utilities throughout California since our founding in 1983. Currently, we are conducting capacity and development impact fee studies for Mid-Peninsula Water District, California City, and Santa Clarita Valley Water District. As economic consultants, RDN staff are uniquely positioned to provide the District with the analyses required to reach the goals of this study. By leveraging econometric models to project customer demand and growth, we will provide the District with a level of accuracy and defensibility that engineering firms cannot supply. This economic expertise is accompanied by decades of financial consulting experience for public water utilities across the state. Our clients consistently commend the clarity, accuracy, and comprehensiveness of our analyses, which help to ensure all capacity fees and development impact fees are compliant with relevant regulations.

Figure 3 on the following page presents the workflow for our proposed approach to meeting these objectives.

Figure 3. Proposed Project Workflow for West Valley Water District Development Impact Fee Study

### Task 1. Project Management/Meetings

- Manage budget, project schedule, deliverables, reports, and quality assurance
- Attend Kickoff meeting, three committee meetings, and one Board meeting
- Facilitate progress meetings to present monthly recommendation status updates

### Task 2. Current Capacity Fee Regulations

- Evaluate current charges for AB 1600 Compliance
- Examine charges for relation to cost of future services
- Ensure compliance with appropriate case law and judicial decisions

### Task 3. Water Capacity Charge

- Assess methodologies for best fit with District situation and goals
- Evaluate system capacity
- Project new customer demand
- Consider new state water guidelines and regulations

### Task 4. Other Development Impact Fees

- Review other development impact fees
- Ensure equitability and compliance with relevant regulations
- Provide Impact Fee recommendations

### Task 5. Fee Survey

- Produce list of comparison agencies
- Collect data and standardize metrics across utilities surveyed
- Compare charges by customer class

### Deliverables

- Prepare draft and final study
- Present information to Board of Directors and public at three committee meetings and one Board Meeting



# PROJECT APPROACH

## Task 1. Project Management/Meetings

Our management approach is based on transparency and collaboration throughout project execution. Our goal is to set the industry benchmark for excellence in capacity charge setting services we provide to our clients. Our project director, Dr. Robert Niehaus, and project manager, Ichiko Kido, will ensure that all analyses, models, and recommendations are compliant with the current regulatory requirements. We will work with District staff on an ongoing basis with scheduled meetings to ensure project milestones are accomplished on schedule. We will also produce interim reports to ensure the District is informed through each step of the study process.

Prior to the Kick-off meeting with District staff, RDN will submit a detailed data request list to the District. The Kick-off meeting will serve as a forum where District staff and the RDN team will meet to discuss project objectives, approach, work plan, schedule, and priorities. We will build consensus on the project schedule, as well as methods of communication throughout the project.

Bi-weekly progress meetings with District staff will be held via teleconference using an online meeting platform (GoToMeeting, MS Teams, Zoom, etc.). At the end of each month, RDN will provide a summary report which charts the current progress on each task, data needs, current issues that need to be resolved, project schedule update, and status of action items from the previous report. RDN plans to attend six formal meetings:

- 1 Kick-off meeting
- 2 Progress meetings, one at 60 percent project completion and one at 90 percent project completion
- 3 Committee meetings
- 1 Board meeting

We will provide the District with a copy of meeting minutes within three business days of each meeting. RDN is also available to hold additional project status conference calls at the District's discretion. RDN proposes to conduct the kick-off and progress meetings via the District's preferred teleconference platform, while the Committee and Board meetings will meet in person. RDN will remain flexible to adjust as dictated by the current public health situation and District protocols.

## Task 2. Current Capacity Fee Regulations

RDN will evaluate the District's current capacity charges and development impact fees for their compliance with state legislation and regulations. Pursuant to Government Code § 66000-66025, Assembly Bill 1600 – the "Mitigation Fee Act" – provides public agencies the authority to collect charges to finance and recover capital costs for facilities and costs of supply that are proportional to the benefit of the customer. RDN will review the current capacity charges and development impact fees to determine if the charges are reasonably related to the cost of the service provided by the District. RDN will ensure that the cost used to compute capacity charges is a proportional share of the cost of facilities needed to serve that development. RDN will advise, if it is not already the current practice, that the District keep revenue from the capacity charges separate from the general/operating fund to avoid incorporating capacity fees into the District's operating budget.

RDN will ensure that the recommended capacity charges and development impact fees will meet all regulatory requirements. Our team researches relevant statutory requirements and case law on LexisNexis and regularly consults with legal experts. We will also consult with the District's legal counsel, as necessary.

## Task 3. Water Capacity Charge

RDN will update or calculate new water capacity charges to ensure that the District will recover sufficient revenue to fund long-term liabilities and debt financing obligations. There are three methods generally used for calculating capacity charges in California:

- 1) Buy-in method – system has sufficient capacity to serve new development
- 2) Incremental cost method – system requires additional capacity to serve new development
- 3) Combined approach – system has some capacity but requires additional capacity during planning horizon

RDN will review if the combined approach, which was used in the District’s previous study, is the best methodology given the District’s current financial situation and goals of if another method may be more appropriate. Whichever method is used, the basic formula for calculating capacity charges is:

$$\text{Capacity Charge} = \frac{\text{System Asset Value (Task 3.1)}}{\text{System Capacity (Task 3.2)}} \times \text{New Customer Capacity Demands (Task 3.3)}$$

The following sub-tasks describe the computation methods of each component in this formula.

### Task 3.1 Valuation of System Assets

The current capacity charges were established using the Present Worth Value (PWV) method to estimate the value of system assets. Current and future facility values were estimated by calculating the present-day cost to improve or replace each component system. While this method is endorsed by the American Water Works Association (AWWA), another AWWA replacement cost method, Replacement Cost New Less Depreciation (RCNLD), recognizes that the assets are not new and are not being purchased today by taking the accumulated depreciation and subtracting it from the replacement cost. The computed value reflects the remaining depreciable life of the facility. As such, the RCNLD method may better ensure the equitable cost distribution between the existing and new customers. RDN will use the Engineering News-Record Building Cost Index to adjust for system depreciation and for annual inflation.

Working with District staff, RDN will evaluate the current method and may recommend the RCNLD method to calculate the value of current and future system assets, if deemed appropriate and suitable for District goals.

The previous study included the full principal of the District’s 2006D-2 bond in the calculation of facility values. RDN will identify if the debt was issued to finance a growth or expansion-related project. If so, a debt credit should be made to offset the value of system assets. The principal portion of payments are typically subtracted from the asset calculation to avoid double charging the cost through both the capacity charges and user rates. Grants and other contributions used to develop capacity-related facilities should be subtracted from the value of system assets. RDN will investigate if other adjustments are needed to accurately determine system asset value.

### Task 3.2 Evaluation of Maximum Buildout

RDN will econometrically evaluate the assumptions of maximum equivalent dwelling unit (EDU) values presented in the 2020 Master Plan. The number of total EDUs constitutes the future system capacity (the denominator in the formula above). As a result, the EDUs can significantly impact the revenue required to replace facilities.

While the District’s 2020 Master Plan projects that total water demand will almost double at buildout, the total EDU count at buildout is calculated to be 49,736, which is significantly lower than the 70,068 EDUs calculated in the 2012 development impact fee study. The average capacity per EDU per day has decreased from 750 gallons per day (gpd) to 670 gpd since the District’s 2012 Master Plan. Future water efficiency regulation enforcement (e.g. Assembly Bill 1668 and Senate Bill 606) will likely further decrease demand.



RDN will compare the methodologies used in the 2012 and the 2020 Master Plans and project future EDU values based on sound and defensible methodologies, which may include:

- Linear Regressions
- Monte Carlo Simulations
- Deterministic Models

### **Task 3.3 Assessment of New Customer Capacity Demand**

RDN will consider if the use of peaking demand is more accurate approach to measure the level of services new customers impose on the system since the system facilities were constructed to meet such demand. RDN will assess new customer demand by using maximum day demand (MDD) or peaking hourly demand (PHD) of each customer class as was done in the 2020 Master Plan. An alternative method is to calculate single family residential customers' capacity charges by multiplying the unit cost of the capacity charge by average water consumption. RDN will evaluate each methodology and propose the most appropriate solution to meet the District's Capacity Charge objectives.

## **Task 4. Other Development Impact Fees**

RDN will evaluate and provide recommendations for the District's other Development Impact Fees. Our proposed approach is broken down by charge below:

### **Fire Service Capacity Charges**

Fire Service Capacity Charges are based on the capacity needed to provide fire protection services to individual meters. Using a methodology similar to the Water Capacity Charge, RDN will isolate the facilities and capital costs associated with providing fire capacity. Those costs will be divided by the expected EDU growth of meters which require fire service at buildout. The resulting fees will be equitably distributed to ensure adequate service that meets increased customer demand.

### **Frontage Charge**

To be eligible for a standard water service, a property must have principal frontage on a public water main. If a property does not have principal frontage on a water main, a water main must be extended at least 10 feet beyond the property line before a standard water service can be installed. The frontage charge is established to equitably finance the construction of mains and main extensions. The total frontage charge is determined by multiplying the base frontage charge by the total length (in feet) of the abutting property line. RDN will review the current Frontage charge and assess if the charge currently reflects the actual cost of the District.

### **Construction and Development Fees and Deposits**

Construction and Development Fees and Deposits are based on the actual costs such as time and materials. System construction and development deposits include: Service Installation Charges, Plan Check Fees, and Overhead Charges. RDN's analysis of these fees and deposits will include all direct costs including: employee's labor hours, employee travel time to unit, actual labor costs of operation of valve, use of equipment and vehicles, and overhead costs. RDN will calculate fair charges and fees for each service provided by the District.

## Task 5. Fee Survey

Although not requested in the RFP, we will survey water capacity charges implemented by other water agencies within San Bernardino and Riverside Counties to compare the current and proposed charges. We will compare the charges by customer class across agencies. The report will include the date of the last update, the size of the agency, and type of capacity charges. The utilities to be included in the survey are the City of San Bernardino, San Bernardino Valley Municipal Water District, East Valley Water District, the City of Rialto, the City of Riverside, the City of Ontario, and additional utilities at District request.

### Deliverables

RDN will ensure that all of the District's objectives are met in the process of making the recommended charges. We will produce interim reports in web-based format for easy access for all parties involved in the study. These reports will ensure that the District is informed at each step along the study process. The final report will include the following information:

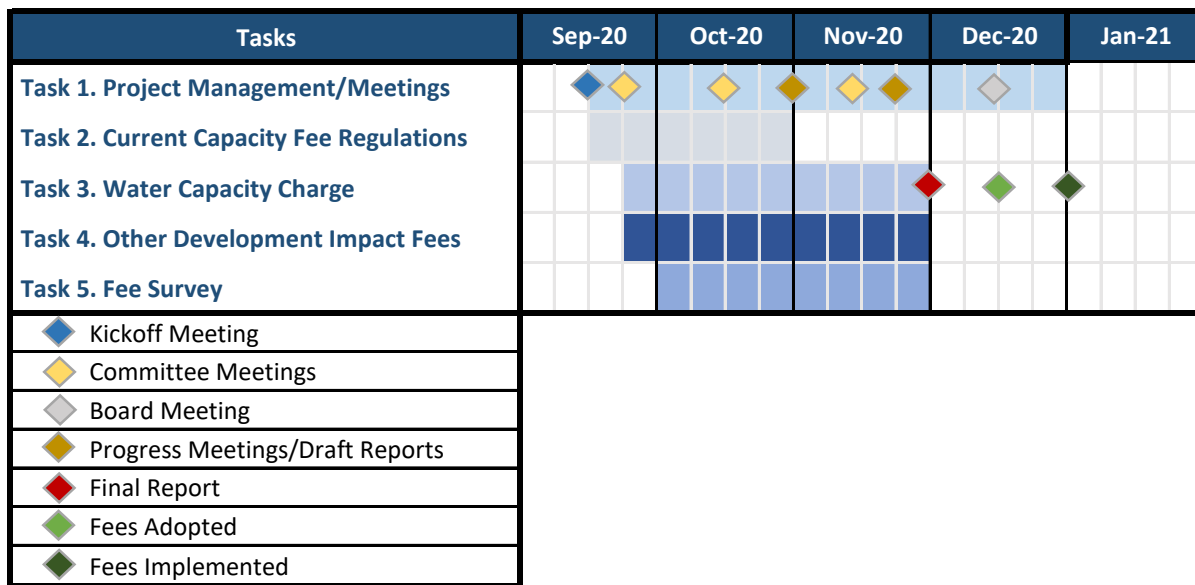
- Description of the report's purpose
- Description of service area, including population served and background information
- Projections on future growth and a statement regarding sufficiency to meet demand
- Description of the overall methodology with supporting justification
- Description of the capital improvement program
- Calculations that demonstrate the legal nexus between recommended fees and the impact created by new development
- Relationship between the fee's use and the type of project on which it would be imposed
- Purpose of the fee and how the fee will be used
- Revenue and expense projections for the District
- Discussion of any recommended fees and inflationary increases necessary to meet future needs of the District
- Additional matters that District staff should be made aware of, findings, and recommendations

Three copies of the draft study will be provided at 60 percent completion and another three copies will be provided at 90 percent completion. The reports will describe our methodology and analytical process according to the Scope of Work. RDN will also provide a model used to compute capacity charges in Excel format. Ten hard copies of the final report, as well as electronic copies in Microsoft Word and PDF formats, will be delivered. We will also prepare and deliver a presentation for the Board of Directors and the public at three Committee meetings and one Board meeting.

# PROJECT SCHEDULE

Figure 4 presents a preliminary draft schedule for completing the project and implementing rates in January 2021. The schedule assumes timely kick-off, District data, feedback, and availability for meetings. The fee adoption and implementation dates will be adjusted upon District request.

Figure 4. Project Schedule



## REFERENCES

With over 90 percent of our work resulting from repeat business, RDN prides itself in continuing relationships that we have developed over three decades of consulting. We invite you to contact our references to verify our quality of service on similar engagements. Per RFP instructions, two of our past projects are highlighted below.

### Santa Clarita Valley Water Agency

#### **Facility Capacity Study (August 2019 – February 2020)**

Authorized Budget: \$56,350

RDN staff involved: Robert Niehaus, Ichiko Kid, and Bjorn Kallerud

Key Results and Responsibilities: Reviewed and evaluated the capacity charges developed by the agency for accuracy and equitability. Evaluated the methodology used to project demands and account growth for the planning period. Reviewed capital improvement costs included in the fee calculation. Reviewed the Monte Carlo Simulation to gauge the range of potential developments in the community for the next 30 years. Produced administrative report and presented analyses at Board meetings over the six-month time period. The Facility Capacity Charges were approved by the Agency's Board of Directors in February 2020. Dr. Niehaus assured the quality of all analysis and deliverables. Ms. Kido and Mr. Kallerud assessed the Agency's assumptions and provided reports and recommendations. Ms. Kido presented RDN's recommendations to concerned constituency. Mr. Kallerud produced online applications so users could assess the charges in real time.

Eric Campbell

CFO & CAO

[ecampbell@scvwa.org](mailto:ecampbell@scvwa.org)

661-513-1249

26521 Summit Circle

Santa Clarita, CA 91350

### Palmdale Water District

#### **Water Rate Analysis (April 2019 – January 2020)**

Authorized budget: \$97,595

RDN staff involved: Robert Niehaus, Ichiko Kido, Miguel Helleseeter, Anthony Elowsky, and Bjorn Kallerud

Key Results and Responsibilities: Improved budget-based and drought rate's transparency. Sub-classified commercial accounts into three categories based on usage patterns and peaking factors: Commercial, Industrial, and Institutional. Included extensive customer and property irrigation data into rate structure to achieve greater equity. Conducted customer-level bill impacts to support targeted Proposition 218 outreach campaign. Dr. Niehaus oversaw production of all deliverables, Ms. Kido communicated directly with the District and provided primary analyses/rate design, Mr. Elowsky contributed analytical background, detailed research, and the rate comparison study, and Mr. Kallerud produced customer usage projections, customer class variation, and bill impact analysis reports. Mr. Kallerud and Ms. Kido also incorporated Eagle Aerial landscape data into the model.

Michael Williams

Finance Manager/CFO

[mawilliams@palmdalewater.org](mailto:mawilliams@palmdalewater.org)

661-456-1047

2029 E Ave Q

Palmdale, CA 93550

*"The Palmdale Water District was very pleased with the work provided by RDN and Ichiko Kido in particular. She and her team were very professional, detailed oriented, and a stickler for accuracy. Six months into our final product of the 5-year rate plan, their revenue and consumption projections were right on target. Their presentation during the public hearing was concise, informative, and presented in a manner that was easily understood. Working with RDN made the process simple.*

**Michael Williams, Finance Manager & CFO, Palmdale Water District**

## **ADDITIONAL INFORMATION**

### **PROFESSIONAL SERVICE AGREEMENT**

RDN has read, understood, and agrees to all statements in the request for proposal and is agreeable with the terms and conditions of the District's standard agreement for Professional Services.

### **NO CONFLICT OF INTEREST**

RDN has no personal or organizational conflicts of interest.

## PROJECT BUDGET

The tables below present RDN's cost proposal and compensation schedule, respectively. Our not-to-exceed proposal to provide professional consulting services to conduct the West Valley Water District's Development Impact Fee Study, including travel and other direct costs, is \$29,492.

*Table 1. Not-to-Exceed Cost Proposal*

Tasks	Robert D. Niehaus, Inc.			Total Hours	Total Cost
	Principal	Senior Analyst	Associate Analyst		
Task 1. Project Management	3	30	4	37	\$6,560
Task 2. Current Capacity Fee Regulations	3	12	16	31	\$4,730
Task 3. Water Capacity Charge	4	20	34	58	\$8,400
Task 4. Other Development Impact Fees	4	15	25	44	\$6,535
Task 5. Fee Survey	-	2	10	12	\$1,450
Direct Expenses					\$1,817
<b>Total Hours</b>	<b>14</b>	<b>79</b>	<b>89</b>	<b>182</b>	
<b>Hourly Rate</b>	<b>\$290</b>	<b>\$175</b>	<b>\$110</b>		
<b>Total Project Costs</b>	<b>\$4,060</b>	<b>\$13,825</b>	<b>\$9,790</b>		<b>\$29,492</b>

*Table 2. RDN Compensation Schedule*

Analyst	Labor Category	Hourly Rate
Robert Niehaus, Ph.D.	Principal	\$290
Ichiko Kido, M.B.A	Senior Analyst	\$175
Miguel Delgado Hellesteter, Ph.D.	Senior Analyst	\$175
Bjorn Kallerud, M.Sc.	Associate Analyst	\$110

# APPENDIX

The appendix to this proposal includes full RDN resumes.

# Robert D. Niehaus, Ph.D.

Managing Director & Principal Economist



## TECHNICAL SPECIALTIES

- Project Management
- Regional and Resource Economics
- Rate Comparison
- Economic Impact Studies
- Public Sector Water Economic and Planning Analysis
- Technical Report Review
- Cost of Service Rate Studies
- Resource Planning
- Econometric Modeling
- Survey Design and Implementation

## PROFESSIONAL HISTORY

*Robert D. Niehaus, Inc.*  
Managing Director  
(1983-Present)

## EDUCATION

*Doctor of Philosophy in Economics (1979)*  
University of Maryland

*Bachelor of Arts in Government (1972)* Oberlin College

## PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- American Economic Association
- National Association for Business Economics

## OVERVIEW & BIOGRAPHY

Dr. Niehaus is widely recognized for his expertise in the economics of water resources and the environment. He has broad experience managing public and private sector water and land resource economic analyses and planning efforts, with expertise in water and wastewater rate analysis, cost-benefit evaluations, water demand econometric modeling and forecasting, and regional economics. His expertise extends to river basin planning, groundwater management, economic impacts of water and other resource-use projects, military base realignment, housing, energy, and global climate change. He has provided expert support to senior civilian and military decision-makers for numerous projects. Dr. Niehaus has published a wide range of applied studies in these fields, and has directed successful completion of projects at more than 200 locations worldwide, with much of this experience in Southern California.

## RELEVANT PROJECT EXPERIENCE

- California City, *Water, Recycled Water, and Sanitary Sewer Rate Studies and Capacity, Standby, and Miscellaneous Fee studies*
- Mid-Peninsula Water District, *Capacity Fee Study*
- Quartz Hill Water District, *Water Rate Study*
- Palmdale Water District, *Water Rate Study*
- Santa Clarita Valley Water District, *Water Rate Study*
- California Rural Water Association, *Water & Sewer Rate Studies*
- Ventura River Water District, *Cost of Service and Rate Setting Study*
- Moulton Niguel Water District, *Cost of Service Peer Review*
- Carpinteria Valley Water, *District Cost of Service and Rate Setting Study*
- Manatt, Phelps, & Phillips, LLC, *Rate Comparison Study*
- National Resources Defense Council, *LADWP Data Collection & Water Rate Analysis*
- West Basin Municipal Water District, *Landscape Irrigation Efficiency Program*
- Las Virgenes Water Budget Model
- Fremont Valley Preservation Project, *Water Rate and Revenue Analysis Study*
- Golden State Water Company, *Comparative Water Rate Analysis*
- Goleta Sanitary District/Goleta West Sanitary District, *Economic Analysis of Development Projections*
- Santa Barbara County, *Economics of Groundwater Management*
- City of Santa Barbara, *Desalination Plant Environmental Impact Report*
- United States Army Core of Engineers, *Flood Protection and Recreation Study*
- City of Santa Barbara, *Long-Term Water Sales and Revenue Requirements Forecast Analysis*
- Santa Ynez River Basin, *Planning and Cachuma Project Water Allocation Analyses*
- Golden State Water Company, *Water Price Elasticity Estimates and Retail Consumption Forecast*
- Southern California Water Company, *Water Demand Analysis*
- Los Angeles District Corps of Engineers, *Hansen Dam Recreation Analysis*





# Ichiko Kido, M.B.A.

Program Manager & Senior Financial Analyst



## TECHNICAL SPECIALTIES

- Financial Planning
- Cost of Service Analysis
- Rate Design
- Rate Comparison Analysis
- Housing Market Analysis
- Data Analysis
- Technical Report Review
- Survey Interviewing
- Statistical Analysis

## PROFESSIONAL HISTORY

*Robert D. Niehaus, Inc.*  
Program Manager  
(2005 - Present)

## EDUCATION

*Master of Business Administration (2014)* Martin V. Smith School of Business & Economic, California State University, Channel Islands

*Bachelor of Arts in Law (1989)*  
Fukuoka University, Japan

## PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- Association of California Water Agencies
- California Rural Water Association
- Association of California Water Agencies

## OVERVIEW & BIOGRAPHY

Ms. Kido has 29 years of experience in utility financial planning. Her expertise lies in water and wastewater financial planning, cost of service analysis, rate and fee design, and applied economic research. She manages water and wastewater rate studies, capacity fee studies, and builds customized financial models to help utilities meet short- and long-term financial goals. Ms. Kido is RDN's leading expert in developing rates and fees that meet Proposition 218 requirements and other laws and regulations. She has also managed more than 65 comparative water rate analyses, compiling and analyzing primary- and secondary-source data on water rates and purveyor financial account information for more than 200 water utilities throughout California. Ms. Kido is a member of the American Water Works Association (AWWA) and promotes best practices in the AWWA's *Manual M1 Principles of Water Rates, Fees and Charges*.

## RELEVANT PROJECT HIGHLIGHTS

### Palmdale Water District, *Water Rate Study*

- Managed a team of financial analysts, economists and sub consultants
- Oversaw econometric customer-demand projections and bill impact study, built financial planning, performed Cost-of Service Analysis, and designed water budget rates
- Led public outreach efforts, including Proposition 218 Hearing in October

### California City, *Water, Recycled Water, and Sanitary Sewer Rate Studies and Capacity, Standby, and Miscellaneous Fee studies*

- Develop financial policies to fund current and future operating and capital costs Reviewed modeling of econometric models built by the Agency
- Establish prudent financial management practices
- Engage customers with clarity and transparency

## ADDITIONAL PROJECT EXPERIENCE

Mid-Peninsula Water District, *Capacity Fee Study*

Quartz Hill Water District, *Water Rate Study*

Santa Clarita Valley Water Agency, *Rate Payer Advocate*

Napa County, *Water and Wastewater Rate Studies*

Ventura River Water District, *Water Rate Study*

Palmdale Water District, *Water Rate Study*

California Rural Water Association, *Water Rate Studies*

Moulton Niguel Water District, *Cost of Service Analysis*

Carpinteria Valley Water District, *Cost of Service Analysis*

Daggett Community Services District, *Water Rate Study*

Mariana Ranchos County, *Water Rate Study*

Thunderbird County Water District, *Water Rate Study*

Juniper Riviera Community Water District, *Water Rate Study*

Orosi Public Utility District, *Water and Wastewater Rate Study*

West Valley County Water District, *Water Rate Study*

Patterson Tract Community Services District, *Rate Study and Proposition 218 Support*



# Miguel Delgado Hellesester, Ph.D.

Senior Economist



## TECHNICAL SPECIALTIES

- Econometric Modeling
- Data Collection
- Applied Regional Economics
- Economic Impact Analysis

## PROFESSIONAL HISTORY

*California State University, Channel Islands* (2015-Present) Assistant Professor of Economics

*Robert D. Niehaus, Inc.*  
(2004-2011) Senior Economist

## EDUCATION

*Doctor of Philosophy in Economics*  
(2013) University of California, Santa Barbara

*Master of Arts in Business Economics* (2004) University of California, Santa Barbara

*Bachelor of Arts in Economics*  
(2003) University of California, Riverside

## OVERVIEW & BIOGRAPHY

Dr. Miguel Delgado Hellesester has 20 years of experience (nine with the firm) in applied regional and labor economics, applied micro econometrics, and economic impact studies. Dr. Hellesester has served as the lead economist in several economic impact studies and is currently involved in researching the use of econometric tools for assessing economic impacts. He has led teams for detailed data collection and analysis projects in housing markets throughout the world and served as project manager for the firm's Navy studies. He has helped develop and improve data collection and cleaning methods for the firm, and is helping automate processes through the use of scripts.

## RELEVANT PROJECT HIGHLIGHTS

### **Ventura River Water District, *Water Rate Study***

- Prepared portions of a cost-of-service analysis, rate design study, and five-year financial plan connecting the District's costs and rates to meet Proposition 218 requirements.
- Organized agency customer water demand data. Analyzed patterns in customer demand and prepared forecasts of future demand.

### **Santa Clarita Valley Water Agency, *Rate Payer Advocate***

- Consulted and evaluated proposed system development fees, retailed water rates, and wholesale water rates established by the Agency
- Reviewed modeling of econometric models built by the Agency
- Resolved data inconsistencies between constituent water agencies

## ADDITIONAL PROJECT EXPERIENCE

Santa Barbara Airport Commission, Economic Impacts Analysis  
 Montecito Mudslide, Local-Area Economic Impact Analysis  
 Economic Impacts of Redevelopment of the Cat Canyon Oil Field  
 Economic Impacts of Venoco South Ellwood Lease Line Adjustment  
 Economic Impacts of Santa Barbara City College  
 Ojai Valley and Ventura County Rate Comparison  
 Goleta Area Wastewater Treatment Master

# Bjorn Kallerud, M.Sc.

Economist



## TECHNICAL SPECIALTIES

- Econometric Modeling
- Database Management
- Data Visualization
- Statistical Programming
- Technical Report Review

## PROFESSIONAL HISTORY

*Robert D. Niehaus, Inc.*  
Economist (2018-Present)  
Market Researcher (2016)

## EDUCATION

*Master of Science in Economics*  
(2018) Stockholm School of  
Economics

*Bachelor of Arts in Economics &  
Psychology* (2014) University of  
California, Santa Barbara

## PROFESSIONAL MEMBERSHIPS

- National Association of Business  
Economics

## OVERVIEW & BIOGRAPHY

Bjorn is a quantitative economist specializing in application of statistical programming to water and wastewater rate analyses and capacity fees. He is an integral part of RDN's water, housing, and regional econometric modeling teams. He has conducted demand and financial analyses in support of rate-setting for water agencies throughout California. He has prepared a housing market assessments in the United States and Europe and analyzed alternative methodologies for the DOD's Basic Allowance for Housing program. His M.Sc. in Economics is from the Stockholm School of Economics (emphasis in applied economic analysis), and his B.A. in Economics is from U.C. Santa Barbara (with distinction). His master's thesis addressed the effects of drought on irrigation decisions regarding use of ground and surface water in the agricultural sector.

## RELEVANT PROJECT HIGHLIGHTS

### Palmdale Water District, *Water Rate Study*

- Econometrically forecasted urban water demand and account growth
- Built interactive applications for bill impact analysis and compliance with impending changes to state legislation
- Conducted series of interim reports that analyzed the effects of incorporating parcel-level land use data for water budget rate structure
- Presented study results at Proposition 218 Hearing

### Santa Clarita Valley Water Agency, *Rate Payer Advocate*

- Reviewed Facility Capacity Fee calculation modeling efforts by the agency
- Built relational database to reconcile historical customer usage data across three agencies that merged into one

## ADDITIONAL PROJECT EXPERIENCE

California City, *Water, Recycled Water, and Sanitary Sewer Rate Studies and Capacity, Standby, and Miscellaneous Fee studies*  
Mid-Peninsula Water District, *Capacity Fee Study*  
Quartz Hill Water District, *Water Rate Study*  
Lake Berryessa Resort Improvement District, *Water & Wastewater Rate Study*  
California Rural Water Association, *Water & Wastewater Rate Studies*  
Mariposa County, *Water Rate Study*  
Daggett Community Services District, *Water Rate Study*  
Apple Valley Foothill Community Services District, *Water Rate Study*  
Mariana Ranchos County, *Water Rate Study*  
Sheep Creek Water Company, *Water Rate Study*  
Thunderbird County Water District, *Water Rate Study*  
Juniper Riviera Community Water District, *Water Rate Study*  
Apple Valley View Mutual Water Company, *Water Rate Study*  
Orosi Public Utility District, *Water Rate Study*  
Patterson Tract Community Services District, *Water Rate Study*  
West Valley County Water District, *Water Rate Study*  
Patterson Tract Community Services District, *Proposition 218 Support*  
Hi-Desert Mutual Water Company, *Water Rate Study*







**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** October 1, 2020  
**TO:** Board of Directors  
**FROM:** Clarence C. Mansell Jr., General Manager  
**SUBJECT:** DISPOSE OF OLD SURPLUS FURNITURE AND EQUIPMENT

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**BACKGROUND:**

West Valley Water District ("District") has an adopted Surplus Policy for disposal and transfer of furniture and equipment that has served its life cycle purpose or is no longer in working condition. **Exhibit A** is a copy of the Surplus Policy.

**DISCUSSION:**

After completion of the Customer Service Lobby renovation project, there were many furniture items that became Surplus stored in the Warehouse taking up much valuable needed space. These Surplus items are over 12 years old and through assessment of their present condition have no inherent value. In addition, donating these Surplus items is not recommended due to their condition, age and possible liability to the District. Section 11 of the Surplus Policy allows appropriate disposal or recycling of Surplus items of no inherent value such as these. **Exhibit B** is a list of Surplus items and associated pictures.

**FISCAL IMPACT:**

The cost to appropriately dispose of these Surplus items is approximately \$700.

**STAFF RECOMMENDATION:**

Staff recommends the Board of Directors approve the disposal of these Surplus items.

CM;ar

**ATTACHMENT(S):**

1. Exhibit A - Surplus Policy
2. Exhibit B - Surplus Items and Pictures

# Exhibit A

**RESOLUTION NO. 748**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF**  
**THE WEST VALLEY WATER DISTRICT**  
**ADOPTING A SURPLUS PERSONAL PROPERTY POLICY**

**WHEREAS**, during the normal course of operations, personal property owned by the West Valley Water District ("District") becomes surplus, unusable or no longer needed; and

**WHEREAS**, The Board of Directors ("Board") of the District has determined that there is a need to promote uniformity in the procedures for the sale or transfer of surplus personal property owned by the District;

**NOW, THEREFORE**, the Board of the District does hereby resolve and determine as follows:

**Section 1.** A detailed list clearly identifying the surplus personal property of the District shall be approved by the Board in advance of any sale thereof. Such list shall identify items thereon that are fixed assets of the District.

**Section 2.** Each item on a list of surplus personal property shall include: (a) the estimated value of such item, and (b) the basis used for determining the value thereof. Any item on such list with an estimated value of at less than ten (\$10.00) shall be identified with the phrase "no inherent value."

**Section 3.** Any item on a list of surplus personal property with a value in excess of ten dollars (\$10.00) shall be sold by the District through a publicly noticed sale, with the highest bid taking title and possession of such personal property. Bids shall not be accepted for less than the value approved by the Board.

**Section 4.** Notice of a sale of surplus personal property shall be: (a) posted at least seventy-two (72) hours prior to the sale; and (b) advertised in a newspaper of general circulation at least once prior to the sale. Sale notices may include any number of items approved for sale by the Board but do not have to include every item. In addition to publication in a newspaper of general circulation, if the surplus personal property is determined to have value in a particular restricted market, the sale may be advertised in a trade publication specific to that market.

**Section 5.** All surplus personal property shall be sold "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the personal property offered for sale.

**Section 6.** All interested parties may review the personal property the day of the sale. No inspection of the personal property for sale may be made prior to the day of the sale.



**Section 7.** Prospective purchasers may submit bids for any items of personal property beginning at 9:00 a.m. (or such other time set forth in the notice of sale) and ending at 2:00 p.m. (or such other time as set forth in the notice of sale) on the day noticed for the sale of the personal property. The General Manager or his or her designee will open the bids. All final bids will be posted. The General Manager or his or her designee shall determine the highest bidder for each item. The final bid list and determination of highest bidder for each item will be kept by the Treasurer.

**Section 8.** As per Government Code Section 1090, members of the Board, officers and employees of the District may not be purchasers of surplus personal property of the District if such persons used, had control over, or were involved in purchasing such personal property items.

**Section 9.** Payment for the personal property is due at the time of the sale. Payment shall be collected by the Treasurer or his or her designee. All sales will be recorded with a receipt from the District. The issuance of a receipt shall follow the District's standard payment receipt practices. Payment shall be in the form of cash, cashier's check, or debit card. The receipt will include the name and mailing address of the purchaser of the item of personal property. The Treasurer or his or her designee, shall ensure that the payment is the same amount as the highest bid. Payments will be deposited no later than the next business day.

**Section 10.** The personal property shall be removed by the purchaser immediately following the sale. Personal property not picked up after five (5) days will be held for future sale or disposed of as described in this resolution. In the event such personal property is sold at a later sale, a refund of the payment, less administrative costs and storage, will be mailed to the purchaser of such item of personal property within thirty (30) days after the subsequent sale thereof.

**Section 11.** Personal property with no inherent value and personal property which was has not been purchased during the sale may be held for a future sale or may be deemed unwanted surplus and may be given to a public agency which is a customer of the District. If no such public agency expresses an interest in acquiring the personal property, it may be given to a local, nonprofit organization which is a customer of the District, or may be disposed of in an appropriate disposal or recycling site, all as shall be determined by the General Manager of District (or his or her designee).

**Section 12. Computer equipment.** Recognizing that employees who are skilled in technology are an asset to the District, before presenting recommendations to the Board to declare computer equipment as surplus, it will first be offered to purchase to District employees subject to the following conditions:

- a. The employee must demonstrate that he/she legally owns licensed copies of the District's standard desktop operating system and word processing software for his/her personal use.
- b. The employee is currently enrolled in college or trade school.
- c. The employee did not use, have control over, and was not involved in the purchase of the computer equipment.

**Section 13.** This Resolution shall take effect immediately upon its adoption.

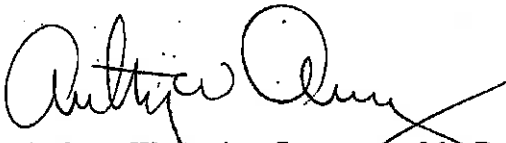
The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on April 21, 2005.

**ROLL CALL:**

<b>AYES:</b>	<b>DIRECTORS:</b>	<b>TILLMAN, GOSNEY, DYER, OLINGER, COX</b>
<b>NOES:</b>	<b>DIRECTORS:</b>	<b>NONE</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>	<b>NONE</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>	<b>NONE</b>

**ATTEST:**

**WEST VALLEY WATER DISTRICT**



Anthony W. Araiza, Secretary of the Board of Directors of West Valley Water District



Earl Tillman, Jr., President of the Board of Directors of West Valley Water District



# Exhibit B

<b>Customer Service Lobby Renovation Surplus</b>		
<b>Quantity</b>	<b>Item</b>	<b>Picture Number</b>
2	Skylights	1
1	55 Gallon Trash Can of Molding Pieces for Partitions	2
12	Partition and Countertop Pieces	3
2	Countertop Pieces	4,5
4	Locker Cabinets and Overhead Cabinets	6
1	Partition Pieces for Top Shelves	7
1	Door and Frame	8
3	Bullet Proof Glass Windows	9
1	Countertop Pieces	10

PICTURE 1



PICTURE 2





PICTURE 3





PICTURE 4



PICTURE 5



PICTURE 6





PICTURE 7



# PICTURE 8





PICTURE 9



PICTURE 10





**LEAL • TREJO**  
ATTORNEYS AT LAW  
A PROFESSIONAL CORPORATION

H. FRANCISCO LEAL  
WILLIAM J. TREJO  
MARIBEL S. MEDINA  
DAVID J. ALVAREZ  
MICHAEL E. WOLFSBOHN  
DENISE A. MARTINEZ  
JENNIFER A. CHAMBERLAIN  
ARTURO N. FIERRO  
ANA MARIA QUINTANA

3767 WORSHAM AVENUE  
LONG BEACH, CALIFORNIA 90808  
(213) 628-0808  
FAX (213) 628-0818  
WWW.LEAL-LAW.COM

August 31, 2020

Clarence Mansell  
General Manager  
West Valley Water District  
855 W. Base Line Road  
Rialto, CA 92376

**Re: Professional Services Rendered through June 2020 for  
West Valley Water District – Qui Tam Litigation Legal matters.**

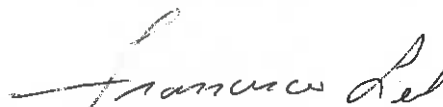
Dear Mr. Mansell:

Enclosed is the statements for general legal services rendered by Leal • Trejo APC under our agreement for services with the Water District. Please find below a summary of the statements submitted to you for review and payment.

**Qui Tam Litigation                      Inv. No. 18086                      \$ 10,612.50**

Kindly make your check payable to Leal • Trejo APC, forwarding the same directly to the undersigned. Should you have any questions, please feel free to contact our office.

Very truly yours,  
LEAL • TREJO APC

  
H. Francisco Leal

HFL/meg  
Enclosures

# Smith Law Offices, LLP

## Fee and Expense Totals

Statement as of 8/26/2020

Statement no 2948

West Valley Water District  
Peggy Asche  
P.O. Box 920  
Rialto, CA 92377

1057-101: WWWD

Current Fees:	325.00
Current Expenses:	0.00
<b>Total Current Billing:</b>	<b>\$325.00</b>
Previous Balance Due:	\$11,086.25
Payments Received:	\$0.00
<b>Total Now Due:</b>	<b>\$11,411.25</b>

*M. Purn.*  
*9/24/20*



**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** October 1, 2020  
**TO:** Board of Directors  
**FROM:** Clarence C. Mansell Jr., General Manager  
**SUBJECT:** WVWD FACILITIES NAMING

---

**West Valley Water District Facilities Naming Policy**

1. Purpose:

The purpose of the West Valley Water District Facilities Naming Policy is to establish a consistent and fair process for the consideration of naming a facility at the District after an individual. The Water District maintains a number of facilities, but only a few facilities may rise to a level of significance to warrant a naming. The following policy shall establish the process and methods by which one of the Districts significant assets may be named.

2. Criteria for Determining Facilities to be Named

- 2.1. As a water District has many assets, most of which are not large enough to be considered for naming, it is imperative that the Board take long consideration on designating that a facility is significant enough to be named after an individual. Therefore, the following criteria must be considered to meet by the District Staff and found to be in concurrence by the Board.
- 2.2. The General Manager along with District Staff shall provide the Board a list of potential sites or facilities that meet the following criteria:
  - a. The site/facility shall be under the full control and ownership of the District;
  - b. The site/facility shall be publicly visible;
  - c. The site/facility may be part of another facility or building;
  - d. The site/facility may be a treatment plant with dedicated staff;
  - e. The site/facility may be a large property complex with multiple smaller assets;

f. And the site/facility shall not be an individual well, storage tank, or a booster station.

2.3. The General Manager shall present the list of facilities to be considered to the full Board once every Calendar year. The Board shall then debate the list and accept all, part, or none of the facilities for being considered in the future for potential naming.

2.4. Once the Board has designated a facility to be eligible for potential naming that facility shall remain eligible until or unless the Board rescinds such designation.

### 3. Nomination Process

3.1. Given the high importance of naming a facility the nomination process must show broad and wide community support. Therefore, in order for a nomination to be considered the following criteria must be met:

- a. A petition of no less than Thirty (30) individual ratepayer signatures, addresses, and phone numbers must be provided in support of the nominee;
- b. The petitions shall be on a form provided by the District and available through the Board Secretary and will include a page providing the following information: Name of Individual be considered, rationale for the nomination, and the facility requested;
- c. Of the Thirty (30) individual ratepayers at least Three (3) of the Five (5) District Divisions must be represented by at least Three (3) individual ratepayers;
- d. The District must contact and verify the ratepayer's agreement with the petition as signed and verify that enough support from Three of Five District Divisions is present.

3.2. Once the District has verified a nomination has met the prerequisites, the General Manager shall convene the District Nomination Committee to review the request.

3.3. The membership of the District Nomination Committee shall be comprised of the following individuals: The General Manager; a representative of the WVWD employees (self-selected); and one designee from each of the Five (5) Divisions of the District appointed by the respective Board Members. All seven individuals are full voting members of the Committee.

3.4. The District Nomination Committee role is to determine and recommend if a candidate meets the high standard of be considered for further consideration by the full board. The committee should consider the following standards and statements when considering a nomination:

- a. The candidate should be widely known within the Water industry and/or West Valley Water District community.
  - b. The candidate should either have worked for or served the District in a significant capacity.
  - c. The candidate should have played a large role in the history of the District or participated in a significant project that greatly shaped the District.
  - d. The candidate's depth of experience and accomplishment should make them stand out over other people of prominence in the community.
- 3.5. The District Nomination Committee shall meet to consider the nomination of a candidate at the District Headquarters at a time in which members can be present.
- 3.6. The Committee shall allow for a brief presentation by the lead organizer of the petition and to answer any questions about the submission Committee members may have.
- 3.7. The Committee shall review the nomination and determine if the candidate meets the criteria sufficiently to send the nomination to a full public hearing.
- 3.8. If the Committee by a vote or consensus agree to move a nomination forward, the General Manager shall place the item on a future agenda as a Public Hearing and ensure all proper notifications are provided according to the State law.
- 3.9. If the Committee by a vote or consensus reject the nomination, the General Manager shall notify the petitioners of the Committee's decision. Petitioners are able to appeal the decision to the full board, but must show cause as to why the Committee acted in violation of this policy. A majority of the Board may decide to overrule the Committee or ask the Committee to hear the matter again.
4. Public Hearing
- 4.1. If the District Nomination Committee moves a nomination, a Public Hearing shall be noticed and scheduled per State Law requirements for Public Hearings.
- 4.2. The Board shall hold two (2) Public Hearings on the matter in which they will hear from members of the community both for and against the consideration of the naming of the facility for the individual who has been nominated.

- 4.3. After the second Public Hearing, the Board shall debate the matter and vote to name the facility for the proposed individual or not.
- 4.4. As the decision to permanently name an asset is a major decision with long lasting effects, a super-majority or four votes out of five in the affirmative are required in order to name a facility.

Respectfully Submitted,



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Clarence C. Mansell Jr, General Manager

MM

**MINUTES**  
**REGULAR BOARD MEETING**  
of the  
**WEST VALLEY WATER DISTRICT**  
September 3, 2020

Attendee Name	Present	Excused	Absent
Board of Directors			
Channing Hawkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Taylor	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Kyle Crowther	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Clifford Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gregory Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff			
Clarence Mansell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shamindra Manbahal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Naseem Farooqi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Peggy Asche	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maisha Mesa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jon Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Albert Clinger	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Counsel			
Robert Tafoya	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>

### OPENING CEREMONIES

Pledge of Allegiance - Led by Director Dr. Clifford Young  
Opening Prayer - Led by Director Dr. Clifford Young  
Call to Order  
Roll Call of Board Members

### ADOPT AGENDA

Director Dr. Clifford Young motioned to adopt the agenda and Director Greg Young second the motion. Hearing no discussion, the following vote was taken:

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Clifford Young, Director
<b>SECONDER:</b>	Gregory Young, Director
<b>AYES:</b>	Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

WVWD

Minutes: 9/3/20



## **PUBLIC PARTICIPATION**

Mr. Naseem Farooqi, External Affairs Manager, stated that an email was received from Mr. Hardy Brown requesting to be read to the Board of Directors. Mr. Farooqi read Mr. Brown's email to the Board. There were no other email comments or zoom requests to speak.

President Hawkins stated that he would like to make a brief statement before the presentations begin and wanted to thank the Manager's for drafting and putting forward the Board initiatives Reform Plan to improve transparency, accountability and sustainability at West Valley Water District. The hard work and efforts that were placed into this plan will not go unnoticed; however, for tonight the introduction of the 2020-21 Reform Plan is being postponed. There are some very good ideas made by the Board members to create a more comprehensive Reform Plan and possibly a Workshop will be needed to go over these ideas from his fellow colleagues.

## **PRESENTATION**

### **1. Update on Responses to State Controller's Office Audit.**

Mr. Shamindra Manbahal, Chief Financial Officer, stated that the District was audited by the State Controller's Office early this year and he is summarizing the District's response. In compliance with their recommendations, a response was submitted to the State Controller's Office and the Board of Directors are requesting a presentation on that response. Human Resources is currently managing all personnel related matters and has been removed from the Administrators office. Employees are currently completing and providing receipts and supporting documents for business reimbursement to the CFO for approval. Purchasing activities including credit card purchases are now managed by the CFO. The solicitation of bids for Professional Service Agreement Contracts are currently in place and presented to the Board of Directors for consideration of approval before awarded. Recruitments are being conducted by independent recruitment firms for executed level positions. The District's goal is to fully comply with the State Controller's Audit recommendations as well as have all policies completed by December 31, 2020. Questions ensued and the Board thanked him for the update.

### **2. West Valley Water District's 2020-21 Reform Plan.**

The introduction of the Reform Plan was postponed and a Workshop was suggested to discuss a Comprehensive Reform Plan.

## **CONSENT CALENDAR**

Director Dr. Clifford Young motioned to adopt the Consent Calendar with an amendment to the Purchasing Policy to include a section regarding Contracts. Director Dr. Michael Taylor second the motion and the following vote was taken:

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Minutes: 9/3/20

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Clifford Young, Director
<b>SECONDER:</b>	Michael Taylor, Director
<b>AYES:</b>	Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

1. **BOARD OF DIRECTORS – SPECIAL MEETING MINUTES – JULY 9, 2020.**
2. **BOARD OF DIRECTORS – REGULAR MEETING MINUTES - JULY 16, 2020.**
3. **BOARD OF DIRECTORS – SPECIAL MEETING MINUTES - JULY 29, 2020.**
4. **PURCHASE OF ZONE 8 PROPERTY.**
5. **SALE OF THE CUSTOMER SERVICE TRAILERS.**
6. **2020 PURCHASE CARD POLICY.**
7. **2020 PURCHASING POLICY.**
8. **2020 DOCUMENT RETENTION POLICY.**
9. **RESPONSES TO STATE CONTROLLER'S OFFICE AUDIT - RECEIVE AND FILE.**
10. **WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT WITH SRPF B\_10336 ALDER, L.L.C. FOR ALDER COMMERCE CENTER.**
11. **SERVICE AGREEMENT WITH SPECTRUM ENTERPRISE FOR FIBER INTERNET ACCESS AND TRUNKING SERVICE (VOIP).**
12. **PROFESSIONAL SERVICES AGREEMENT WITH MANAGEMENT PARTNERS TO CONDUCT RECRUITMENT FOR HUMAN RESOURCES AND RISK MANAGER POSITION.**

#### **BUSINESS MATTERS**

None

**REPORTS - LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of the Board Meeting).**

#### **1. Board Members**

- Director Greg Young reported that former President Betty Gosney's husband passed away recently and Betty has moved out of Bloomington to be closer to her family. It is a great

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loss for the community of Bloomington and would like to wish her well on the next stage of her life journey.

Also, a longtime member of Bloomington, Sharon Lewis, wife of Ron Lewis who was the Pastor at the Bridge Church of the Nazarene, unfortunately passed away and is asking that we adjourn the meeting in memory of Sharon Lewis.

- President Hawkins thanked the members of the Board and Staff again for all their hard work. He mentioned that he had the opportunity to go out with the Maintenance Crew in Los Colinas area and shadow what they do. The total field crew, maintenance, meters, water quality, production, is doing excellent work with very challenging circumstances at times whether braving urban challenges, dodging cars, dogs, rattle snakes, etc. President Hawkins stated that he would like to salute them for their hard work, skills, and level of professionalism in conducting their jobs.

A former classmate from Howard University, Chadwick Boseman, who was a Black Panther Star, passed away stating he had a tremendous impact on people all over this country. President Hawkins is asking that the meeting tonight be adjourned in memory of him.

## 2. Legal Counsel

- See below for Mr. Tafoya's comment.

## 3. General Manager

### CLOSED SESSION

Mr. Robert Tafoya reported that there was one issue to report out of Closed Session and after receiving an outside legal opinion, the Board voted 4-1 to grant a legal defense to Vice President Kyle Crowther and Director Dr. Michael Taylor in the Qui Tam action. The four (4) Board members who voted in favor were President Channing Hawkins, Director Greg Young, Director Dr. Michael Taylor, Vice President Kyle Crowther and the one (1) abstention was Director Dr. Clifford Young.

- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OF SUBDIVISION (D) OF SECTION 54956 9: NUMBER OF CASES: FOUR (4).
- CONFERENCE WITH LABOR NEGOTIATOR (54957.6) DISTRICT NEGOTIATORS; MARTIN PINON, ROBERT TAFOYA, UNION NEGOTIATORS; RE: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 12.
- CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE APPOINTMENT - PURSUANT TO GOVERNMENT CODE SECTION 54957, TITLE(S): ASSISTANT GENERAL MANAGER.
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO PARAGRAPH ONE (1) OF SUBDIVISION (D) OF THE GOVERNMENT CODE

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SECTION 54956.9 CASE NAME: CLIFFORD YOUNG ET AL V. ROBERT TAFOYA ET AL. CASE NO. 19STCV05677

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION - PURSUANT TO GOVERNMENT CODE SECTION 54957 TITLE (S): GENERAL MANAGER, GENERAL COUNSEL, CHIEF FINANCIAL OFFICER.

**ADJOURN**

There being no further business, the meeting was adjourned in memory of Sharon Lewis and Chadwick Boseman at 8:23 p.m.

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**Channing Hawkins**  
**President of the Board of Directors**  
**of West Valley Water District**

**ATTEST:**

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**Peggy Asche, Executive Assistant**

WVWD

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**BOARD OF DIRECTORS  
STAFF REPORT**

**DATE:** October 1, 2020  
**TO:** Board of Directors  
**FROM:** Clarence C. Mansell Jr., General Manager  
**SUBJECT:** APPROVAL OF USEPA LETTER OF INTEREST FUNDING REQUEST  
 AMOINT

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**DISCUSSION:**

West Valley Water District (“District”) Board of Directors approved a Professional Services Agreement with Carollo Engineers to execute the USPEA WIFIA and State Revolving Fund Loan application process. The first portion of this process is to complete a letter of interest with detailed project specific and required historical and projected financial data. This letter of interest must be completed and submitted by October 15, 2020.

On Monday September 28, 2020 the district held a Special Finance Committee to provide a status of processes to complete the letter of interest. This meeting was also needed to clarify the project construction and financing which was presented to the Board of Director by GHD.

The letter of interest would be for \$41,000,000 to fund the construction of the facilities, materials and equipment needed to complete Phase 1 of the Oliver P. Roemer Expansion project. Phase 1 would provide the treatment of an additional 7.2 million gallons per day (mgd) of State Water Project water, increasing production capacity of the facility from 14.4 mgd to 21.6 mgd. Phase 1 will include site work, a new treatment building, 3 Trident filters, upgraded UV disinfection, booster pumps, effluent transmission pipeline and appurtenances.

**FISCAL IMPACT:**

Projected project cost of approximately \$41,000,000 to complete Phase 1 of the Oliver P. Roemer expansion project.

**STAFF RECOMMENDATION:**

That the WVWD Board of Director’s authorize staff to proceed with the letter of interest as presented in this report.

Respectfully Submitted,

*Clarence C. Mansell Jr.*

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Clarence C. Mansell Jr, General Manager

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## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into this 1st day of October, 2020 ("Effective Date") by and between WEST VALLEY WATER DISTRICT, a public agency of the State of California ("District"), acting by and through its Board of Directors, and SHAMINDRA MANBAHAL ("Manbahal"). The District and Manbahal may be collectively referred to as the "Parties" and individually as a "Party."

### RECITALS

A. District is a county water district organized and operating pursuant to law found in *Water Code Sections 30000, et seq.*

B. District desires to engage the services of Manbahal as the Chief Financial and Administrative Officer of the District ("Chief Financial and Administrative Officer") and Manbahal desires to perform the services of the Chief Financial and Administrative Officer.

C. Manbahal represents and warrants that he has the skill and ability to serve as Chief Financial and Administrative Officer and wishes to accept such employment.

D. The Parties now desire to enter into this Agreement for the purpose of setting forth the terms and conditions upon which Manbahal shall render certain services to District as Chief Financial and Administrative Officer.

### **NOW, THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:**

1. This Agreement has no specific term because Manbahal is an "AT WILL" employee which means that Manbahal works at the will of the District and can be terminated at any time for any reason or no reason at all per the terms set forth in this Agreement.

2. (a) The District employs Manbahal beginning September 17, 2020, subject to no probationary period from the date of appointment, and Manbahal accepted the new position offered by the District, to serve as its Chief Financial and Administrative Officer. It is expressly understood that Manbahal, in his capacity as Chief Financial and Administrative Officer, is a contracted "AT WILL" employee serving at the pleasure of the Board of Directors of the District ("Board"), subject to the provisions set forth herein. Manbahal agrees to observe and comply with the rules and regulations of the District as adopted by the Board respecting performance of his duties and to carry out and perform orders, directives and policies of the District as they may be, from time to time, stated to him either orally or in writing by a majority of the Board.

(b) Manbahal shall be the Chief Financial and Administrative Officer of the District and shall perform such duties and services as shall be necessary and advisable to manage and conduct the business of the District, subject at all times to all applicable law(s) and Board decisions, as well as the consent, approval and direction of the Board.



(c) Manbahal will devote his full time and attention to the performance of his duties and to District business affairs. Manbahal shall report to the General Manager and District's offices for work under the District's work schedules and at such other times as may be necessary to discharge his duties, except when away on District business, or as otherwise excused such as vacations and holidays. Notwithstanding the foregoing, Manbahal agrees that he will report to work when necessary to District's operations, regardless of regularly scheduled hours to the extent such attendance is reasonably possible.

(d) Manbahal may devote a reasonable amount of time to professional water district and community related activities, so long as the time devoted to these other activities does not interfere with the performance of his duties to the District. Participation at those professional and other organizational activities will be subject to review and approval by the Board.

(e) This Agreement shall in no way be interpreted as prohibiting Manbahal from making passive personal investments and/or attending to such other personal business affairs, provided that such personal investments and/or private business affairs in no way interferes and/or conflicts with his duties and responsibilities as Chief Financial and Administrative Officer and/or the needs and best interests of the District.

3. (a) District shall compensate Manbahal for the services performed pursuant to this Agreement in the annual sum of One Hundred Ninety Nine Thousand Eight Hundred Forty Six Dollars (\$199,846), payable in installments at the same time as other employees of the District are paid. This new salary of One Hundred Ninety Nine Thousand Eight Hundred Forty Six Dollars (\$199,846) shall be retroactive to March 1, 2020. District shall have the right to deduct or withhold from compensation due Manbahal hereunder any and all sums required for federal income and social security taxes, if any, and all state or local taxes now applicable or that may be enacted and become applicable in the future. Manbahal will receive all benefits contained in Exhibit "1" titled "West Valley Water District Summary of Benefits."

(b) In or about September of each year, or as soon as practicable, the Board shall evaluate the performance of Manbahal and other relevant factors and shall consider making adjustments in the annual salary of Manbahal, as the Board may deem appropriate, in its sole and absolute discretion, in accordance with such evaluation. The Board shall meet and confer with Manbahal in regard to such evaluation and the conclusions to be reached therefrom. However, it is understood that the District makes no commitment to increase or decrease Manbahal's salary at any particular time on any regular basis.

(c) As an exempt managerial employee, under no circumstances will Manbahal be entitled to any overtime pay, regardless of the number of hours she may work in any work week.

(d) District will provide Manbahal with a District cellular telephone, laptop computer, iPad, and such other technical equipment ("Technical Equipment") as may be necessary for the performance of his duties, at District cost and expense. The District will provide Manbahal with an office next to the Assistant General Manager and provide administrative support with pool secretarial assistance. The District has provided Manbahal with Technical Equipment as part of his employment as the Chief Financial and Administrative Officer. It is understood that the

District is not providing Manbahal with new Technical Equipment on the execution of this Agreement. However, in the course of Manbahal's employment, District shall refresh and replace said Technical Equipment periodically in accordance with District policy. In addition, District shall budget and pay Manbahal's professional dues and subscriptions necessary for continued full participation in approved national, regional, state, and local associations and organizations necessary and desirable for continued professional growth and advancement for the good of the District.

(e) Manbahal will be entitled to a District vehicle for District business. All reasonable, documented expenses concerning such vehicle will be the responsibility of the District, including, but not limited to, the fueling and maintenance thereof. The District, at District's sole cost and expense, shall provide bodily injury and property damage insurance for such vehicle at the amounts carried for District vehicles. Manbahal may take a \$600.00 per pay period vehicle allowance in place of a District vehicle at his sole discretion.

(f) Manbahal will be entitled to receive the same paid holidays as provided the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(g) The District has established a 457 and 401(a) Plan pursuant to the Internal Revenue Code and the regulations promulgated thereunder. Manbahal may participate in such 457 and/or 401(a) Plans with his own funds, as he may determine from time to time. The District will contribute \$1 for every \$1 that Manbahal contributes up to a total of \$5,000 per fiscal year. Employee is also eligible for all other matching contributions the District offers as outlined in the "Personnel Policies and Practices."

(h) Manbahal and his dependents (including his spouse) will be entitled to the same life insurance, accidental death and dismemberment insurance and long-term disability benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(i) Manbahal and his dependents (including his spouse) shall be entitled to the same medical insurance benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(j) Manbahal and his dependents (including his spouse) will be entitled to the same vision care and dental insurance benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(k) Manbahal will be entitled to the same PERS retirement programs and education assistance programs as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(l) Manbahal will be entitled to the same leaves of absence (e.g., vacation, sick) as provided to the District's regular fulltime employees per the terms and conditions of the current

approved District's "PERSONNEL POLICIES AND PRACTICES". Manbahal may be allowed to cash out 50% of his vacation time but must use 50%. If Manbahal is not able to use 50% of his vacation within the allotted time, he may apply to the General Manager for a three-month extension, which should not be unreasonably denied.

(m) In addition to vacation time, Manbahal shall be allowed one hundred and twenty hours (120) of paid administrative leave per fiscal year. This leave is non-cumulative.

(n) Manbahal will be entitled to the same social security benefits and any other like or kind benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(o) Consistent with Article 1204 of the District's "PERSONNEL POLICIES AND PRACTICES" a retired employee and dependent spouse (See Article 2), or spouse of a deceased employee or retiree, may continue his/her medical, dental and vision insurance at District's expense on the basis of the following: employee is a minimum of fifty-five (55) years of age with a minimum of five to twenty (20) years of continuous service. (See Article 1204 of the District's "Personnel Policies and Practices.")

(p) Tuition and Fees Reimbursement. West Valley Water District will reimburse the Chief Financial and Administrative Officer for educational tuition and fees solely for the Chief Financial and Administrative Officer's education. One hundred percent of fees will be eligible for reimbursement each fiscal year, not to exceed \$5,000.00. The Chief Financial and Administrative Officer shall successfully complete the course(s) with a "C" or equivalent passing grade. Failure to successfully complete the course(s) will result in no reimbursement. Items subject to reimbursement shall include fees actually paid by the employee such as registration fees, tuition (educational fees), books, parking, and laboratory fees. Proof of payment will be required in order to reimburse the Chief Financial and Administrative Officer for these items.

4. (a) Manbahal serves at the will and pleasure of the Board. District may terminate this Agreement, in whole or in part, upon a vote of at least three (3) of the five (5) members of the Board (i) with cause or (ii) without cause. Notwithstanding the foregoing, this Agreement shall terminate on the death, retirement, or permanent disability of Manbahal.

(b) In the event the District terminates Manbahal's employment without cause, and if Manbahal executes a full release of all claims against the District including, but not limited to a Civil Code section 1542 release, then and only then Manbahal shall be entitled to a severance pay equal to only six (6) months of his yearly salary at the rate in effect at the time of termination. No benefits are included in any severance calculation.

(c) In exchange for the severance pay set forth in subsection (b) above, Manbahal hereby expressly waives any right he may have under any applicable law, District policy or otherwise to challenge or appeal his termination.

(d) In the event Manbahal's employment is terminated by the District for cause, he will not be entitled to severance pay. The term "cause" shall mean any of the following as

determined by the Board: (i) willful damage to District property; (ii) a material breach by Manbahal of the terms of his employment; (iii) willful violation of conflict of interest; (iv) acts of dishonesty, (v) intentional insubordination, (vi) misappropriation, embezzlement, intentional fraud and any similar misconduct by Manbahal,. Upon termination for cause, Manbahal shall be entitled to receive all compensation earned but unpaid, for actual work performed as of the date of termination for cause and for accrued vacation time plus all compensation required under the law.

5. (a) Manbahal is an "AT WILL" employee of the District and shall serve at the pleasure of the District and nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the District to terminate the services of Manbahal for any reason, or no reason at all, with or without cause, at any time, subject only to California law and the provisions set forth in this Agreement.

(b) Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Manbahal to resign at any time from his position with the District.

(c) In the event the District terminates Manbahal's employment pursuant to this Agreement, and if Manbahal is not otherwise in breach of the terms of this Agreement, and if Manbahal executes a written waiver of any and all claims Manbahal may have against the District, including but not limited to a Civil Code Section 1542 waiver, then the District shall pay a severance equal to a lump sum payment equal to six months' base salary as indicated in paragraph 4(b). The District shall be relieved of any obligation to pay severance pay if Manbahal fails to execute a waiver as described above or if Manbahal is terminated for cause as defined in paragraph 4(d) in carrying out the duties obligated under this Agreement or if Manbahal is convicted of any illegal act involving moral turpitude or personal gain.

6. Manbahal may resign at any time. In the event of resignation, death, illness, or incapacity (as discussed in subsection 4(a) above), Manbahal shall not be entitled to any severance pay. District shall have the option, in its discretion to terminate Manbahal at any time prior to the end of such notice period provided that District pays Manbahal all compensation due and owing through the last day actually worked, plus an amount equal to the base salary Manbahal would have earned through the remainder of the notice period.

7. Manbahal will be reimbursed for reasonable and appropriate District related business and/or travel expenses in connection with the performance of his duties under this Agreement and in accordance with the District's general policies on business expenses.

8. (a) If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (i) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the parties in the invalid, illegal or unenforceable provision, and (ii) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (i) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or

unenforceable provision, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision did not exist.

(b) This Agreement may be signed and delivered in any number of counterparts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

(c) This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and any agreement or representation with respect to the same or the obligations of either Party with respect to the same which is not expressly provided in this Agreement or in a written document which is signed by the Party to be charged, shall be null and void.

(d) This Agreement may not be amended except by a subsequent writing which is signed by the Parties.

(e) The Recitals set forth herein are incorporated herein and are an operative part of this Agreement.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(g) If any action in law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each Party shall pay its own attorneys' fees.

(h) No official or employee of the District shall be personally liable to Manbahal in the event of any default or breach by District or for any amount which may become due to Manbahal or for any breach of the terms of this Agreement.

(i) No director, officer or employee of the District shall have any financial interest, direct or indirect, in this Agreement nor shall any such director, officer or employee participate in any decision relating to this Agreement which affects his/her financial interest or the financial interest of any corporation, partnership, entity or association in which he/she is directly or indirectly interested, in violation of any state or federal statute or regulation. Manbahal warrants that he has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

(j) Manbahal recognizes the relations of trust and confidence that are established by this Agreement, and covenants with the District to furnish his best skill and judgment, and to actively cooperate and assist in furthering the best interests of the District in all matters pertaining to the services provided herein.

(k) Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.

(1) Manbahal may not assign this Agreement in whole or in part. Any attempted assignment shall be null and void.

(m) Manbahal acknowledges that (1) he has had the opportunity to consult counsel in regard to this Agreement, (2) he has read and understands this Agreement, (3) he is fully aware of its legal effects, and (4) he has entered into it freely and voluntarily and based on his own judgment and not on any representations of promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the Parties have hereunto set their hands on the first day date above written.

WEST VALLEY WATER DISTRICT,  
A Public Agency of the State of California

Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
Channing Hawkins, President

Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
Clarence C. Mansell, Jr. General Manager

Dated: \_\_\_\_\_, 2020

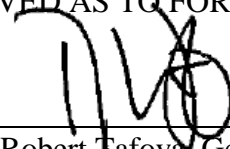
By: \_\_\_\_\_  
Peggy Asche, Secretary to the Board

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
Shamindra Manbahal, Chief Financial and  
Administrative Officer

APPROVED AS TO FORM

Dated: October 1, 2020

By:  \_\_\_\_\_  
Robert Fafoya, General Counsel

# EXHIBIT “1”

West Valley Water District  
Summary of Benefits

1. Health Insurance - Becomes effective the first of the following month after date of hire for self and family.
2. Dental Insurance - Becomes effective the first of the following month after date of hire for self and family. Coverage includes orthodontic benefits after one year of employment.
3. Vision Service Plan - Becomes effective the first of the following month after date of hire for self and family.
4. Long-Term Disability Plan - Becomes effective the first of the following month after sixty (60) days of employment.
5. Life Insurance Plan - Becomes effective the first of the following month after sixty (60) days of employment. Two (2) times your salary up to \$125,000.
6. Employee Assistance Program (EAP) - Becomes effective the first of the following month after sixty (60) days of employment.
7. \$5,000 Dependent Life benefit.
8. Tuition Loan Program - Up to \$5,000 annual tuition per fiscal year.
9. Sick Leave - 96 hours of sick leave per year
10. 14 Annual Paid Holidays
11. Annual Vacation Allowance: 120 hours for Executive Management
12. 120 hours of Administrative Leave

***(District pays the total cost of the above benefits)***

13. Public Employees' Retirement System (PERS) - effective first day of work. Under the Public Employees' Pension Reform Act (PEPRA) of 2013, new members will be provided the 2% at 62 retirement formula with an employee contribution of 6.25% of the annual salary. However, if confirmed as a Classic Employee with PERS, your formula will be 2% at 55 and District will pay both the Employer and Employee portion of this benefit.
14. Social Security and Medicare - employees contribute their portion of this benefit. In addition, a 457 and a 401(a) retirement plan, supplemental insurance and credit union services are offered for voluntary participation.



## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into this 1st day of October, 2020 ("Effective Date") by and between WEST VALLEY WATER DISTRICT, a public agency of the State of California ("District"), acting by and through its Board of Directors, and Logan R. Olds ("Mr. Olds"). The District and Mr. Olds may be collectively referred to as the "Parties" and individually as a "Party."

### RECITALS

A. District is a county water district organized and operating pursuant to law found in *Water Code Sections 30000, et seq.*

B. District desires to engage the services of Mr. Olds as an Assistant General Manager of the District over Engineering and Operations ("Assistant General Manager") and Mr. Olds desires to perform the services of the Assistant General Manager.

C. Mr. Olds represents and warrants that he has the skill and ability to serve as Assistant General Manager and wishes to accept such employment.

D. The Parties now desire to enter into this Agreement for the purpose of setting forth the terms and conditions upon which Mr. Olds shall render certain services to District as Assistant General Manager.

### **NOW, THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:**

1. This Agreement has no specific term because Mr. Olds is an "AT WILL" employee which means that Mr. Olds works at the will of the District and can be terminated at any time for any reason or no reason at all per the terms set forth in this Agreement.

2. (a) The District hereby employs Mr. Olds beginning October 19, 2020, subject to a six (6) month probationary period from the date of hire, and Mr. Olds hereby accepts employment by the District, to serve as its Assistant General Manager. It is expressly understood that Mr. Olds, in his capacity as Assistant General Manager, is a contracted "AT WILL" employee serving at the pleasure of the Board of Directors of the District ("Board"), subject to the provisions set forth herein. Mr. Olds agrees to observe and comply with the rules and regulations of the District as adopted by the Board respecting performance of his duties and to carry out and perform orders, directives and policies of the District as they may be, from time to time, stated to him either orally or in writing by a majority of the Board.

(b) Mr. Olds shall be an Assistant General Manager, (AGM) of the District and shall report to the General Manager and perform such duties and services as shall be necessary and advisable to manage and conduct the business of the District, subject at all times to all applicable law(s) and Board decisions, as well as the consent, approval and direction of the Board.

(c) Mr. Olds will devote his full time and attention to the performance of his duties and to District business affairs. Mr. Olds shall report to the General Manager and District's offices for work under one of the District's approved work schedules and at such other times as may be necessary to discharge his duties, except when away on District business, or as otherwise excused

such as vacations and holidays. Notwithstanding the foregoing, Mr. Olds agrees that he will report to work when necessary to District's operations, regardless of regularly scheduled hours to the extent such attendance is reasonably possible.

(d) Mr. Olds may devote a reasonable amount of time to professional water district and community related activities, so long as the time devoted to these other activities does not interfere with the performance of his duties to the District. Participation at those professional and other organizational activities will be subject to review and approval by the General Manager.

(e) This Agreement shall in no way be interpreted as prohibiting Mr. Olds from making passive personal investments and/or attending to such other personal business affairs, provided that such personal investments and/or private business affairs in no way interferes and/or conflicts with his duties and responsibilities as Assistant General Manager and/or the needs and best interests of the District.

3. (a) District shall compensate Mr. Olds for the services performed pursuant to this Agreement in the annual sum of Two Hundred Twenty Two Thousand Dollars (\$222,000.00), payable in installments at the same time as other employees of the District are paid. District shall have the right to deduct or withhold from compensation due Mr. Olds hereunder any and all sums required for federal income and social security taxes, if any, and all state or local taxes now applicable or that may be enacted and become applicable in the future. Mr. Olds will receive all benefits contained in Exhibit "1" titled "West Valley Water District Summary of Benefits." After successfully completing the six months' probationary period, Mr. Olds shall be eligible for a 5% increase in salary as determined by the General Manager.

(b) On or about the 20th of May of each year, commencing May, 2021, the General Manager and Board shall evaluate the performance of Mr. Olds and other relevant factors and shall consider making adjustments in the annual salary of Mr. Olds, as the General Manager and Board may deem appropriate, in their sole and absolute discretion, in accordance with such evaluation. The General Manager shall meet and confer with Mr. Olds in regard to such evaluation and the conclusions to be reached therefrom. However, it is understood that the District makes no commitment to increase or decrease Mr. Olds' salary at any particular time on any regular basis.

(c) As an exempt managerial employee, under no circumstances will Mr. Olds be entitled to any overtime pay, regardless of the number of hours he may work in any work week.

(d) District will provide Mr. Olds with a District cellular telephone, laptop computer, iPad and such other technical equipment ("Technical Equipment") as may be necessary for the performance of his duties, at District cost and expense. The District has provided Mr. Olds with Technical Equipment as part of his employment as the Assistant General Manager. It is understood that the District is not providing Mr. Olds with new Technical Equipment on the execution of this Agreement. However, in the course of Mr. Olds' employment, District shall refresh and replace said Technical Equipment periodically in accordance with District policy. In addition, District shall budget and pay Mr. Olds' professional dues and subscriptions necessary for continued full participation in approved national, regional, state and local associations and organizations necessary and desirable for continued professional growth and advancement for the good of the District.

(e) Mr. Olds will be entitled to a District vehicle or vehicle allowance of \$600 per month. All reasonable, documented expenses concerning such District vehicle will be the responsibility of the District, including, but not limited to, the fueling and maintenance thereof. The

District, at the District's sole cost and expense, shall provide bodily injury and property damage insurance for such vehicle at the amounts carried for District vehicles.

(f) Mr. Olds will be entitled to receive the same paid holidays as provided the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(g) The District has established a 457 and 401(a) Plan pursuant to the Internal Revenue Code and the regulations promulgated thereunder. Mr. Olds may participate in such 457 and or 401(a) Plans with his own funds, as he may determine from time to time. The District will contribute \$1 for every \$1 that Mr. Olds contributes up to a total of \$10,000 per fiscal year. Mr. Olds may not participate in any other District program or benefit regarding this section.

(h) Mr. Olds and his dependents (including his spouse) will be entitled to the same life insurance, accidental death and dismemberment insurance and long term disability benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(i) Mr. Olds and his dependents (including his spouse) shall be entitled to the same medical insurance benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(j) Mr. Olds and his dependents (including his spouse) will be entitled to the same vision care and dental insurance benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(k) Mr. Olds will be entitled to the same PERS retirement programs and education assistance programs as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(l) Mr. Olds will be entitled to the same leaves of absence (e.g., vacation, sick) as provided to the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES". One week of sick leave shall be vested and usable upon the commencement of the Agreement.

(m) In addition to one hundred sixty hours (160) vacation time, Mr. Olds shall be allowed one twenty hours (120) of paid administrative leave per year. This leave is non-cumulative. One hundred (100) hours of vacation time is vested and usable upon commencement of the Agreement.

(n) Mr. Olds will be entitled to the same social security benefits and any other like or kind benefits as the District's regular fulltime employees per the terms and conditions of the current approved District's "PERSONNEL POLICIES AND PRACTICES".

(o) Consistent with Section 705(b) of the District's "PERSONNEL POLICIES AND PRACTICES" a retired employee and dependent spouse (See Article 2, Section 217), or spouse of a deceased employee or retiree, may continue his/her medical, dental and vision insurance at District's expense on the basis of the following: employee is a minimum of fifty-five (55) years of age with a minimum of twenty (20) years of continuous service. If the spouse of a deceased employee

or retiree remarries and becomes eligible for health benefits under his/her new spouse's health plan, all District benefits shall be terminated.

(p) Tuition and Fees Reimbursement. West Valley Water District will reimburse the Assistant General Manager for educational tuition and fees solely for the Assistant General Manager's education. One hundred percent of fees will be eligible for reimbursement each fiscal year, not to exceed \$5,000.00. The Assistant General Manager shall successfully complete the course(s) with a "C" or equivalent passing grade. Failure to successfully complete the course(s) will result in no reimbursement. Items subject to reimbursement shall include fees actually paid by the employee such as registration fees, tuition (educational fees), books, parking and laboratory fees. Proof of payment will be required in order to reimburse the Assistant General Manager for these items.

4. (a) Mr. Olds serves at the will and pleasure of the Board. District may terminate this Agreement, in whole or in part, upon a vote of at least three (3) of the five (5) members of the Board (i) with cause or (ii) without cause. Notwithstanding the foregoing, this Agreement shall terminate on the death, retirement or permanent disability of Mr. Olds.

(b) In the event the District terminates Mr. Olds employment without cause, and if Mr. Olds executes a full release of all claims against the District including, but not limited to, a Civil Code section 1542 release, then and only then Mr. Olds shall be entitled to a severance pay equal to only nine (9) months of his yearly salary at the rate in effect at the time of termination. No benefits are included in any severance calculation. The severance pay benefit shall increase to six months after the six months' probationary period is successfully completed.

(c) If Mr. Olds accepts the severance pay set forth in subsection (b) above, Mr. Olds hereby expressly waives any right he may have under any applicable law, District policy or otherwise to challenge or appeal his termination.

(d) In the event Mr. Olds' employment is terminated by the District for cause, he will not be entitled to severance pay. The term "cause" shall mean any of the following as determined by the Board: (i) willful damage to District property; (ii) a material breach by Mr. Olds of the terms of his employment; (iii) willful violation of conflict of interest; (iv) acts of dishonesty, (v) insubordination, (vi) misappropriation, embezzlement, fraud, (vii) violations contained within the Human Resources Policies Manual, and any similar misconduct by Mr. Olds. Upon termination for cause, Mr. Olds shall be entitled to receive all compensation earned but unpaid, for actual work performed as of the date of termination for cause and for accrued vacation time plus all compensation required under the law.

5. (a) Mr. Olds is an "AT WILL" employee of the District and shall serve at the pleasure of the District and nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the District to terminate the services of Mr. Olds for any reason, or no reason at all, with or without cause, at any time, subject only to California law and the provisions set forth in this Agreement.

(b) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Mr. Olds to resign at any time from his position with the District.

(c) In the event the District terminates Mr. Olds' employment pursuant to this Agreement, and if Mr. Olds is not otherwise in breach of the terms of this Agreement, and if Mr. Olds executes a written waiver of any and all claims Mr. Olds may have against the District, including but

not limited to a Civil Code Section 1542 waiver, then the District shall pay a severance equal to a lump sum payment equal to nine months' base salary as indicated in paragraph 4(b). The District shall be relieved of any obligation to pay severance pay if Mr. Olds fails to execute a waiver as described above or if Mr. Olds is terminated for cause as defined in paragraph 4(d) in carrying out the duties obligated under this Agreement or if Mr. Olds is convicted of any illegal act involving moral turpitude or personal gain.

6. Mr. Olds may resign at any time. In the event of resignation, death, illness or incapacity (as discussed in subsection 4(a) above), Mr. Olds shall not be entitled to any severance pay.

7. Mr. Olds will be reimbursed for reasonable and appropriate District related business and/or travel expenses in connection with the performance of his duties under this Agreement and in accordance with the District's general policies on business expenses.

8. (a) If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (i) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the parties in the invalid, illegal or unenforceable provision, and (ii) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (i) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provision, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision did not exist.

(b) This Agreement may be signed and delivered in any number of counterparts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

(c) This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and any agreement or representation with respect to the same or the obligations of either Party with respect to the same which is not expressly provided in this Agreement or in a written document which is signed by the Party to be charged, shall be null and void.

(d) This Agreement may not be amended except by a subsequent writing signed by the Parties.

(e) The Recitals set forth herein are incorporated herein and are an operative part of this Agreement.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(g) If any action in law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each Party shall pay its own attorneys' fees.

(h) No official or employee of the District shall be personally liable to Mr. Olds

in the event of any default or breach by District or for any amount which may become due to Mr. Olds or for any breach of the terms of this Agreement.

(i) No director, officer or employee of the District shall have any financial interest, direct or indirect, in this Agreement nor shall any such director, officer or employee participate in any decision relating to this Agreement which affects his/her financial interest or the financial interest of any corporation, partnership, entity or association in which he/she is directly or indirectly interested, in violation of any state or federal statute or regulation. Mr. Olds warrants that he has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

(j) Mr. Olds recognizes the relations of trust and confidence that are established by this Agreement, and covenants with the District to furnish his best skill and judgment, and to actively cooperate and assist in: furthering the best interests of the District in all matters pertaining to the services provided herein.

(k) Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.

(l) Mr. Olds may not assign this Agreement in whole or in part. Any attempted assignment shall be null and void.

(m) Mr. Olds acknowledges that (1) he has had the opportunity to consult counsel in regard to this Agreement, (2) he has read and understands this Agreement, (3) he is fully aware of its legal effects, and (4) he has entered into it freely and voluntarily and based on his own judgment and not on any representations of promises other than those contained in this Agreement.

9. It shall be a breach of this Agreement to terminate Mr. Olds for any reason within the period of three (3) months before any West Valley Water District Board of Directors election and three months (3) after any West Valley Water District Board of Directors election. If Mr. Olds is terminated for any reason within the period of time mentioned above, Mr. Olds shall be paid out based on his salary as if he had been employed during the period mentioned above.

IN WITNESS WHEREOF, the Parties have hereunto set their hands on the first day date above written.

"DISTRICT"

WEST VALLEY WATER DISTRICT,  
A Public Agency of the State of California

Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
Channing Hawkins, President

Dated: \_\_\_\_\_, 2020

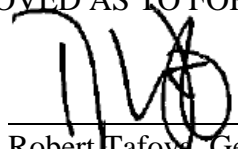
By: \_\_\_\_\_  
Clarence C. Mansell, Jr. General Manager

Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
Peggy Asche, Secretary to the Board

APPROVED AS TO FORM

Dated: October 1, 2020

By:  \_\_\_\_\_  
Robert Tafoya, General Counsel

EMPLOYEE:

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
Logan R. Olds



**EXHIBIT "1"**

## West Valley Water District

## Summary of Benefits

1. Health Insurance - Becomes effective the first of the following month after date of hire for self and family. .
  2. Dental Insurance - Becomes effective the first of the following month after date of hire for self and family. Coverage includes orthodontic benefits after one year of employment.
  3. Vision Service Plan - Becomes effective the first of the following month after date of hire for self and family.
  4. Long-Term Disability Plan - Becomes effective the first of the following month after sixty (60) days of employment.
  5. Life Insurance Plan - Becomes effective the first of the following month after sixty (60) days of employment. Two (2) times your salary up to \$125,000.
  6. Employee Assistance Program (EAP) - Becomes effective the first of the following month after sixty (60) days of employment.
  7. \$5,000 Dependent Life benefit.
  8. Tuition Loan Program - Up to \$5,000 annual tuition per fiscal year.
  9. Sick Leave - 96 hours of sick leave per year
  10. 14 Annual Paid Holidays
  11. Annual Vacation Allowance: 120 hours for Executive Management
  12. 80 hours of Administrative Leave for Executive Management except for General Manager, Assistant General Manager and Assistant General Manager of Public Affairs Will be provided 120 hours of Administrative Leave.
- (District pays the total cost of the above benefits)***
13. Public Employees' Retirement System (PERS) - effective first day of work. Under the Public Employees' Pension Reform Act (PEPRA) of 2013 new members will be provided the 2% at 62 retirement formula with an employee contribution of 6.25% of the annual salary. However, if confirmed as a Classic Employee with PERS, your formula will be 2% at 55 and District will pay both the Employer and Employee portion of this benefit.
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In addition, a 457 retirement plan, supplemental insurance and credit union services are offered for voluntary

participation.