



TECHNICAL ADVISORY COMMITTEE

SPECIAL NOTICE REGARDING CORONAVIRUS DISEASE 2019 (COVID-19) AND PARTICIPATION IN PUBLIC MEETINGS

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The Upper Santa Ana River Watershed Financing Authority adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

MEETING OF THE TECHNICAL ADVISORY COMMITTEE WEDNESDAY, NOVEMBER 10, 2021 – 8:30 am

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the November 10, 2021, meeting of the Upper Santa Ana River Watershed Financing Authority online and by telephone as follows:

**Dial-in Info: (877) 853 5247 US Toll-free
Meeting ID: 867 6139 9532
PASSCODE: 3802020**

<https://sbvmwd.zoom.us/j/86761399532>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for consideration by sending them to comments@sbvmwd.com with the subject line “Public Comment Item #” (insert the agenda item number relevant to your comment) or “Public Comment Non-Agenda Item”. Submit your written comments by 6:00 p.m. on Tuesday, November 9, 2021. All public comments will be provided to the Executive Director and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your “identifier” during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



Agenda

TECHNICAL ADVISORY COMMITTEE

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY
380 East Vanderbilt Way, San Bernardino, CA 92408

WEDNESDAY, NOVEMBER 10, 2021

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1. PUBLIC COMMENT

Any person may address the Committee on matters within its jurisdiction.

2. DISCUSSION AND POSSIBLE ACTION ITEMS

2.1 Introduction of Primary and Alternate TAC Representatives
[TAC Membership](#)

2.2 Discuss and Set Regular TAC Meeting Dates and Times

2.3 Overview and Status of the 2021 WIFIA Application
[WIFIA LOI 07-23-21](#)

2.4 Discuss Project Readiness Review of Watershed Connect Phase 1
[Program Schedule](#)
[Phase 1 Project Descriptions](#)
[Phase 1 Concept Map](#)

2.5 Review and Discussion of the Proposal from AECOM/WSC for WIFIA and SRF Application Support and Watershed Connect Implementation Plan
[AECOM-WSC Proposal](#)

2.6 Appointment of Finance and Environmental Subcommittees of the Technical Advisory Committee
[TAC Subcommittees](#)

2.7 Consider referring Draft Installment Purchase Agreement and Draft Debt Management Policy to the Finance Subcommittee
[Draft WIFIA Installment Purchase Agreement](#)
[Draft Debt Management Policy](#)

2.8 Recommendations and Items for the next JPA meeting Agenda
[Draft Agenda](#)

3. REPORTS

4. ANNOUNCEMENTS

5. ADJOURNMENT

PLEASE NOTE: Materials 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 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY



Member Agency	TAC Representative	Alternate
Conservation District	Katelyn Scholte, Assistant Engineer	
San Bernardino Municipal Water Dept.	Steve Miller, Director of Water Utility	
Valley District	Wen Huang, P.E., Chief Engineer	
Yucaipa Valley Water District	Joe Zoba, General Manager	

WIFIA Letter of Interest Instructions

A prospective borrower seeking Water Infrastructure Finance and Innovation Act (WIFIA) credit assistance must complete and submit this letter of interest form and provide requested attachments to the U.S. Environmental Protection Agency (EPA) by the deadline announced in the [Notice of Funding Availability](#) (NOFA). In its submittal, the prospective borrower:

- 1) Describes itself and its proposed project(s);
- 2) Provides key financial and engineering information and documents; and
- 3) Explains how the project meets the [WIFIA selection criteria](#).

The prospective borrower should answer all questions in this form. Narrative answers can reference source documents by including the name of the document and relevant pages or sections and providing any referenced documents as attachments. The prospective borrower must sign Sections E and F in the appropriate spaces and submit a scanned version of the signature pages to EPA.

A prospective borrower may assert a Confidential Business Information (CBI) claim covering part or all of the information submitted to EPA as part of its letter of interest, in a manner consistent with 40 C.F.R. 2.203, 41 Fed. Reg. 36902 (Sept. 1, 1976), by placing on (or attaching to) the information a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as trade secret, proprietary, or company confidential. The prospective borrower should also state whether it desires confidential treatment until a certain date or until the occurrence of a certain event. Information covered by a business confidentiality claim will be disclosed by EPA only to the extent and only by means of the procedures set forth under 40 C.F.R. Part 2, Subpart B. Information that is not accompanied by a business confidentiality claim when it is received by EPA may be made available to the public by EPA without further notice to the prospective borrower. More information about CBI is available in the [WIFIA program handbook](#) and frequently asked questions (FAQ) available at <http://www.epa.gov/wifia>.

The total length of the letter of interest form should not exceed 50 pages, excluding any attachments. Responses should be on single-spaced, standard-sized 8 ½" x 11" pages. Page margins should not be less than 1-inch. Font size should not be smaller than 11-point Calibri. There is no limit to the number or length of attachments provided. Attachments should be the most recent versions of the documents available at the time of submission and may be draft or preliminary. Attachments must be referenced in the letter of interest form to be considered.

The final letter of interest submission must include:

- 1) A completed version of this letter of interest form (in Microsoft Word)
- 2) Scanned signature pages (Sections E and F) (in PDF)
- 3) All attachments requested and referenced in the letter of interest form

When finished, the letter of interest form and attachments may be submitted either by:

- 1) Emailing the documents as attachments to wifia@epa.gov; or



- 2) Uploading the documents to EPA's SharePoint site. To be granted access to the SharePoint site, the prospective borrower can request access to SharePoint by emailing wifia@epa.gov. Requests to upload documents must be made in advance of the deadline as outlined in the NOFA.

After EPA's intake process is complete, it will provide a confirmation email to the contacts listed in Section D.

Additional instructions and resources for completing and submitting this letter of interest are available in the [NOFA](#), [WIFIA program handbook](#), and WIFIA website (www.epa.gov/wifia). Questions may be submitted to the WIFIA program office at wifia@epa.gov.

Burden

The public reporting and recordkeeping burden for this collection of information is estimated to average 60 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, included through the use of automated collection techniques to the Director, Regulatory Support Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

Warning

Falsification or misrepresentation of information or failure to file or report information required to be reported may be the basis for denial of financial assistance by EPA. Knowing and willful falsification of information required to be submitted and false statements to a Federal Agency may also subject you to criminal prosecution. See, for example, 18 U.S.C. §1001.

Additional information about the WIFIA program and the letter of interest form is available at <https://epa.gov/wifia> and by contacting wifia@epa.gov.



LETTER OF INTEREST

Provide the following information in this form or as narrative answers. Narrative answers can reference source documents (include the name of the document and relevant pages or sections). Provide any referenced documents as attachments.

Section A: Key Loan Information

1. Legal name of prospective borrower:

The prospective borrower is the Upper Santa Ana River Watershed Infrastructure Financing Authority (USAR WIFA or Authority) (**Attachment 1_USAR WIFA (executed).pdf**). The Authority was formed on July 21, 2021. The USAR WIFA is a Joint Powers Authority that currently comprises San Bernardino Valley Municipal Water District (SBVMWD) San Bernardino Valley Water Conservation District (Conservation District), and Yucaipa Valley Water District (YVWD). Before submitting a full WIFIA application, it is expected that, subject to governing body approvals, Western Municipal Water District, City of Riverside (Riverside Public Utilities), City of Colton (Colton Utility Authority), City of San Bernardino (San Bernardino Municipal Water Department), and Big Bear Area Regional Wastewater Agency will join the Authority. All of the Authority's members and prospective members are located in Southern California.

2. Other names under which the prospective borrower does business:

None

3. Project name (*assign a short name to the project for purposes of identification*):

WATERSHED CONNECT

4. Provide a brief description of the project(s) seeking financing. Limit the description to the elements included in the estimated total projects costs in Question A-7. (Word Limit: 300).

WATERSHED CONNECT is a regional infrastructure program, a network of forward-looking projects designed to achieve water supply reliability, climate resilience, and long-term ecological health of the Upper Santa Ana River (USAR) Watershed. WATERSHED CONNECT is a multiphase program consisting of interconnected water capture, recharge, storage, treatment, and conveyance projects (see **Attachment 2A_Project Table.xls**). This comprehensive package of infrastructure projects will collectively maximize the use and reuse of local water resources, while attaining a healthy, functional river ecosystem that supports 22 federally and state-protected species. WATERSHED CONNECT's innovative approach maximizes program value and offers synergistic benefits to the watershed and its people.

The USAR WIFA participants (see Section A, question 1), all of whom rely on the highly connected tributaries, groundwater basins, and natural ecosystems of the USAR, have come together as



stewards of the watershed to ensure funding is available to secure a reliable and sustainable water future for approximately 1.75 million people in San Bernardino and Riverside Counties.

As demonstrated by the large number of endorsement letters received (see **Attachment 3_Endorsements.pdf**), the program is supported by a diverse range of local stakeholders including: elected officials and municipal governments, skilled-labor organizations, environmental and fair housing groups, and colleges and universities.

The program reflects the region's commitment to integrated water resource management. Through efforts such as the USAR Watershed Integrated Regional Urban Water Management Plan (**Attachment 4A1_IRUWMP_ExecSum.pdf**), the USAR Habitat Conservation Plan (**Attachment 4B_USAR HCP ExecSum.pdf**), the Regional Recycled Water Concept Study (**Attachment 4C_RW Concept ExecSum.pdf**), and the USAR Integrated Groundwater/Surface Flow Model (**Attachment 4D_USAR Int Model ExecSum.pdf**), water agencies in the USAR Watershed collaborate across traditional boundaries to improve water infrastructure, create jobs, support the local economy, and enable a partnership dedicated to a common goal; a secure, equitable, and reliable water supply for the region.

5. Describe the project's or projects' purpose(s) (including quantitative or qualitative details on public benefits the project will achieve). If the loan contains more than one project, the projects must serve a common purpose. Describe the common purpose that the projects share (i.e. addressing sanitary sewer overflows or improving drinking water quality). (Word limit: 300).

The purpose of WATERSHED CONNECT is to achieve regional water supply security, provide resilience against extended drought and mitigate the effects of climate change to holistically enhance the health of the USAR Watershed. The USAR Watershed, spanning over 850 square miles in San Bernardino and Riverside Counties, is an interconnected system of surface water, groundwater, and rich habitat that the region depends on for its water supply. The region is investing to diversify its water supply portfolio, recharge its groundwater basins, restore critical habitat and secure a sustainable water future.

WATERSHED CONNECT will capture over 12,000 acre-feet per year (AFY) of stormwater runoff, produce and distribute over 17,000 AFY of recycled water for groundwater recharge, restore over 970 acres of habitat, create 830 acres of open space, and generate 7 megawatts (MW) of renewable energy. WATERSHED CONNECT provides the following benefits:

- **Resiliency in the Face of Climate Change:** Recycled water, stormwater capture, groundwater storage, alternative energy, and ecosystem restoration projects will improve water supply security. New local water supplies, expanded storage, and system redundancies will increase resiliency to climate threats.
- **Infrastructure Enhancements:** Modernization of existing infrastructure, combined with new conveyance, will enable more efficient use of water resources. Upgrades, including pipeline protection and solar energy for treatment plants, will reduce climate-related vulnerabilities and maintain services during natural disasters.



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- **Drought Resiliency:** The program’s stormwater capture, groundwater recharge, and water reuse projects position the region to sustain short and long-term droughts.
 - **Improved Water Quality:** Advanced treatment upgrades will reduce the amount of salt, nutrients, and emerging contaminants introduced to surface waters and groundwater basins. Stormwater capture and treatment projects will produce high-quality water for blending with groundwater supplies high in total dissolved solids.
 - **Ecological Health:** Planned habitat mitigation and restoration initiatives will holistically enhance the ecological health of the Upper SAR Watershed.
6. Requested amount of the WIFIA loan (in dollars). This amount may be no more than 49% of the estimated eligible project costs provided in question A-7:

The total Eligible Project Costs for Phase 1 Projects is \$361,561,005 and the WIFIA Loan amount for Phase 1 is \$177,164,892.

7. Estimated total eligible project costs (in dollars):

The total Eligible Project Costs for all Phases of WATERSHED CONNECT is \$699,679,955. The total Eligible Project Costs for Phase 1 of WATERSHED CONNECT is \$361,561,005.

8. Identify the date the prospective borrower will submit an application. (Assume invitations to apply will be issued approximately 90 days from letter interest submission deadline).

10/20/2022

Reference **Attachment 5_Schedule.pdf**

9. Identify the date the prospective borrower wants to close its WIFIA loan.

2/3/2023

Reference **Attachment 5_Schedule.pdf**

10. Identify the type of entity that the prospective borrower is (pick one):

- A. Corporation
- B. Partnership
- C. Joint Venture
- D. Trust
- E. Federal, State, or Local Governmental Entity, Agency, or Instrumentality
- F. Tribal Government or Consortium of Tribal Governments
- G. State Infrastructure Finance Authority



11. If option E, F, or G was selected in question A-10, does the prospective borrower have legal authority to carry out the proposed project activities described in this Letter of Interest?

- Yes No Not Applicable

If yes, cite the legal authority.

Chapter 5 of Division 7 of Title 1 of the California Government Code (Joint Exercise of Powers)

Municipal Water District – Chapter 4 of Part 5 of Division 20 of the California Water Code (applicable to SBVMWD)

County Water District – Article 3 of Chapter 1 of Part 5 of Division 12 of the California Water Code (applicable to YVWD)

12. If “C. Joint Venture” was selected in question A-10, describe the organizational structure of the project(s) and attach an organizational chart illustrating this structure. Explain the relationship between the prospective borrower, the project, and other relevant parties. Include individual members or titles of the project team(s) and their past experiences with projects of similar size and scope. If multiple parties are involved in the project’s construction, maintenance, and operation, describe the project’s risk allocation framework.

Not applicable

13. County(ies) Served by project(s)

San Bernardino County and Riverside County

14. Population Served by project(s)

1,007,793 is the 2020 Population of the USAR Watershed in the recently completed Integrated Regional Urban Water Management Plan (IRUWMP); everyone in the Upper Watershed will benefit directly or indirectly from the projects.

15. Total population served by system

Approximately 1.75M (1 million in Western Municipal Water district, over 700,000 in Valley District, and the rest in the Big Bear Area)

16. Borrower department and division name:

Upper Santa Ana River Watershed Infrastructure Financing Authority

17. Business street address:



380 East Vanderbilt Way, San Bernardino, CA 92408

18. Mailing street address (if different from above):

380 East Vanderbilt Way, San Bernardino, CA 92408

19. Employer/taxpayer identification number (EIN/TIN):

The USAR WIFA does not yet have a TIN number. The TIN number for SBVMWD is 95-6005196.

20. Dun and Bradstreet Data Universal Number System (DUNS) number:

The USAR WIFA is newly formed and does not yet have a DUNS number. The DUNS number for the SBVMWD is 054797683.

21. National Pollutant Discharge Elimination System (NPDES) and/ or Public Water System (PWS) number (if applicable):

Agency	PWS No.	NPDES No.
Yucaipa Valley Water District	CA3610055	CA0105619
City of Colton	CA3610014	CA0105236
City of San Bernardino	CA3610039	CA0105392
San Bernardino Valley Municipal Water District	CA3610019	4DW0816
Big Bear Area Regional Water Authority	CA3690007	CA8000344

22. If the prospective borrower is not a public entity, is the project(s) publicly sponsored? Please explain.

Not applicable

Section B: Engineering & Credit

1. Provide a technical report such as a preliminary design/engineering report or planning document for each aspect of the project(s). Provide the filename(s) in the textbox.

If no technical reports are available, provide a detailed description of all major project components. Indicate whether the project involves the construction of new facilities or the renovation or replacement of existing ones. Describe each of the project components in terms of dimensions, quantities, capacities, and square footage, etc.



The projects included in this application were developed through a series of regional efforts to address water supply reliability. Key efforts include the following:

- Upper Santa Ana River Integrated Regional Urban Watershed Management Plan, January 2020 – **Attachment 4A1_IRUWMP_ExecSum.pdf**
- Upper Santa Ana River Habitat Conservation Plan, May, 2020 – **Attachment 4B_USAR HCP ExecSum.pdf**
- Upper Santa Ana River Integrated Model Summary Report – **Attachment 4D_USAR Int Model ExecSum.pdf**
- Regional Recycled Water Concept Study – **Attachment 4C_RW Concept ExecSum.pdf**
- Removing Roadblocks to Restoring California’s Ecosystems – Santa Ana Case Study, California Public Policy Institute – **Attachment 4E_PPIC Ecosystem Case Study.pdf**
- Salt and Nutrient Management planning effort (ongoing)

The Upper SAR Watershed overlies the Upper Santa Ana Valley Groundwater Basin (California Department of Water Resources Basin 8-2), which includes the following subbasins (**Attachments 2B_Ph 1 Concept Map.pdf** and **2C_All Phases Map.pdf**):

- San Bernardino Subbasin (occasionally referred to in other documents as the San Bernardino Basin [SBB] or San Bernardino Basin Area [SBBA])
- Rialto-Colton Subbasin
- Riverside-Arlington Subbasin
- Yucaipa Subbasin (occasionally referred to in other documents as the Calimesa Basin)
- San Timoteo Subbasin (occasionally referred to in other documents as the Beaumont Basin)

The projects (**Attachment 2B_Ph1 Project Descriptions.pdf**) included in Phase 1 of **WATERSHED CONNECT** are summarized below.

WATERSHED CONNECT Phase 1 Projects

Project	Construction Phase	Location	Purpose
Acquisition of Greenspot Pump Station	2023	Upper SAR Watershed	Improved conveyance for resilient supply
Central Feeder – EBX Intertie	2022-2023	Upper SAR Watershed	Improved conveyance for resilient supply
Lytle Creek/Cajon Creek Mitigation Lands	2022-2024	Upper SAR Watershed	Shared mitigation for program features
Rialto Channel Habitat Restoration	2023-2024	Upper SAR Watershed	Shared mitigation for program features
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	2023-2024	Upper SAR Watershed	Shared mitigation and improved conveyance for resilient habitat and municipal water supply
Cactus Basin Connector Pipeline	2023-2024	Upper SAR Watershed	Recharge to Rialto-Colton Subbasin



Project	Construction Phase	Location	Purpose
Regional Recycled Water System Phase 1	2023-2024	Upper SAR Watershed	Recycled water to augment current water supply and recharge to San Bernardino Subbasin
Enhanced Recharge Phase 1B	2023-2024	Upper SAR Watershed	Recharge to San Bernardino Subbasin
Enhanced Recharge Phase 1A Liner	2023-2024	Upper SAR Watershed	Recharge to San Bernardino Subbasin
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	2023-2025	Upper SAR Watershed	Purified recycled water recharge to Yucaipa Subbasin and recovery facilities; decreases dependence on deliveries from San Bernardino subbasin or imported state water.
Calimesa Regional Recycled Water Pipeline Project	2021-2022	Upper SAR Watershed	Conveyance of purified recycled water from plant to recharge facilities and improved recycled water distribution. Decreases dependence of deliveries from San Bernardino subbasin or imported state water.
R-12.5 Recycled Water Reservoir	2023-2024	Upper SAR Watershed	Equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution
Wochholz Regional Water Recycling Facility Energy Resiliency Project	2021-2022	Upper SAR Watershed	Energy resiliency for program feature
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	2021-2022	Upper SAR Watershed	Energy resiliency for program feature
Salinity & Groundwater Enhancement Project	2022-2024	Upper SAR Watershed	Produce low salinity recycled water to improve Yucaipa Subbasin water quality through recharge; decreases dependence of deliveries from San Bernardino subbasin or imported state water.
City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	2022-2024	Upper SAR Watershed	Treated water available for recharge to Rialto-Colton and San Bernardino Subbasins
Lytle Creek. Recharge Basins and Habitat	2023-2027	Upper SAR Watershed	In basin recharge and shared mitigation for program features
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	2023-2025	Upper SAR Watershed	Conveyance and equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution; decreases



Project	Construction Phase	Location	Purpose
			dependence on deliveries from San Bernardino subbasin or imported water.
24" Recycled Water Pressure Zone 11 Regional Pipeline	2023-2025	Upper SAR Watershed	Conveyance of purified recycled water from plant to recharge facilities and improved recycled water distribution; decreases dependence on deliveries from San Bernardino subbasin or imported water.
3.0 MG R-11.4 Recycled Water Reservoir	2022-2024	Upper SAR Watershed	Equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution. Decreases dependence on deliveries from San Bernardino subbasin or imported water.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	2022-2024	Upper SAR Watershed	Land acquisition for headwaters protection management and educational activities; future construction of the educational center is excluded from the WIFIA loan.

Acquisition of Greenspot Pump Station

This project involves the acquisition of the 70 cubic foot per second (CFS) Greenspot Pump Station from the California Department of Water Resources. The Greenspot Pump Station was part of the East Branch Extension of the California Aqueduct and facilitated the movement of State Water Project water through SBVMWD facilities to the San Geronio Pass Water Agency. Phase 2 of the East Branch Extension of the California Aqueduct (which delivers imported water directly to San Geronio Pass Water Agency) has made the Greenspot Pump Station available to serve other purposes. The Greenspot Pump Station now plays a crucial role in facilitating the movement of water in the region in emergencies (i.e., supply interruptions to ensure supply reliability) and is also used to move imported water to groundwater basins and maximize recharge during wet years when a large volume of imported water may be received by SBVMWD. **Source: Personal Communication**

Central Feeder – EBX Intertie

This project will connect the Central Feeder Pipeline to East Branch Extension of the California Aqueduct to protect the region from future water supply disruption by facilitating water banking/conjunctive use and allowing the bidirectional movement of State Water Project water and groundwater (conjunctive use). The Intertie Project includes approximately 500 linear feet (LF) of 24-inch to 60-inch diameter pipeline and appurtenances. **Source: Integrated Regional Urban Water Management Plan, June 2021**



Lytle Creek/Cajon Creek Mitigation Lands

The Lytle Creek Conservation Bank and Cajon Creek Conservation Bank are in the alluvial floodplain and active channel of Lytle Creek and Cajon Creek, respectively, near the confluence of Lytle and Cajon Creeks (north of California State Route 210 and west of Interstate 215). Both banks have habitat conservation values available to mitigate impacts on San Bernardino kangaroo rat and Santa Ana River woolly-star. Mitigation to offset impacts on Covered Species (and their habitat) from the water infrastructure projects proposed, or Covered Activities, within Alluvial Fan Preserve Unit B will be satisfied by land acquisition, habitat improvement (restoration and/or rehabilitation), and management of lands within this same Preserve Unit. The project will restore approximately 300 acres of habitat.

Source: Habitat Conservation Plan, May 2021

Rialto Channel Habitat Restoration

The downstream reach of the Rialto Channel includes an approximately 3,000-ft long segment between the effluent discharge point from the Rialto Wastewater Treatment Plant and the channel's confluence with the Santa Ana River. The channel has various issues including high water temperature, poor water quality, and high presence of non-native fish species. The Rialto Channel Habitat Restoration Project involves enhancement of aquatic and riparian habitat for native species including a federally threatened fish (Santa Ana sucker). Enhancement would include provision of supplemental high quality cold water to the channel to reduce instream temperatures in fish rearing habitat, non-native plant management, control of non-native aquatic predators, , construction of natural treatment infrastructure to improve water quality, recontouring of the bed, bank, and channel to reduce deep pools that provide non-native fish habitat, and reconfiguring the channel bed substrate to create a shallow habitat and increase water velocity to benefit native fish species. This project offsets and mitigates the impacts to native aquatic species and riverine habitat that result from several recycled water projects that will shift effluent discharge from the River to groundwater recharge basins. **Source: Original**

SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)

This is a joint project between the SBVMWD and its Habitat Conservation Plan partners that will install approximately 52,000 linear feet (LF) of 8-inch to 24-inch diameter pipeline adjacent to the Santa Ana River in order to deliver tertiary treated recycled water from the Riverside Regional Water Quality Control Plant (RWQCP) to Tributary Restoration Sites that are part of the conservation strategy of the Habitat Conservation Plan. The project will provide high quality, drought proof water supply to approximately 3.5 miles of fish habitat being restored to benefit native fishes including the federally protected Santa Ana sucker, the state protected Arroyo chub and several other aquatic species native to the Santa Ana River. The project will improve habitat conditions including water supply and water quality and provide a dependable minimum flow to these highly urbanized stream systems. The tributary restoration projects are being built to offset and mitigate the impacts of the water supply projects being constructed within the watershed. **Source: Habitat Conservation Plan, May 2021**

Cactus Basin Connector Pipeline

The proposed project will facilitate State Water Project (SWP) recharge in Cactus Basins for the Rialto – Colton Groundwater Basin. SVVMWD is working cooperatively with the San Bernardino County Flood Control District to recharge SWP supplemental water in the Cactus Basins, which would recharge an estimated average of 1,360 AFY of high-quality water during normal SWP allocation years into the



Rialto-Colton Subbasin, which is currently seriously depleted. The project includes the construction of two new basins, which are being built for flood control. Basin development will include the construction of a bypass pipeline to manage flood flows. **Source: Integrated Regional Urban Water Management Plan, June 2021**

Regional Recycled Water System Phase I

This project includes new conveyance pipelines and recharge basins that will serve as a regional facility to augment the groundwater supply with drought-proof recycled water. East Valley Water District's Sterling Natural Resource Center (SNRC) and the San Bernardino Municipal Water Department's Tertiary Treatment System (TTS) will treat wastewater generated in their service areas for beneficial reuse in the Upper Santa Ana River Watershed. The SNRC and TTS will treat and convey approximately 11,600 AFY of the tertiary-treated water to SBVMWD at the Weaver Basins; a new regional facility being built by SBVMWD to accept recycled water from various sources for groundwater replenishment. The discharged water will percolate into the groundwater basin, augmenting local water supplies pursuant to Title 22 regulations governing indirect potable reuse (IPR) projects. A portion of the Weaver Basins site is suitable habitat for the federally listed, San Bernardino kangaroo rat. Habitat will be enhanced and conserved for the benefit of the species. **Source: Integrated Regional Urban Water Management Plan, June 2021**

Enhanced Recharge Phase 1B

The Enhanced Recharge project is located on the Santa Ana River and will divert up to 500 cubic feet per second (cfs). The project is estimated to recharge on average 15,500 AFY or up to approximately 80,000 AFY of stormwater during a wet year. Water will be temporarily captured at the Seven Oaks Dam and diverted stormwater will flow to recharge basins for recharge into the San Bernardino Subbasin. Phase 1B includes modification to basin structures and improvements to sediment management as part of the Enhanced Recharge project and is expected to increase capture by 3,692 AFY. This project improves the regional drought resilience due to the capture and storage of wet-year flow in the groundwater basin for use during future dry years. The project also helps improve the water quality of the groundwater basin, specifically by diluting salts and nutrient increases resulting from the recycled water projects discussed above. Habitat will be restored and protected within this project area for the federally listed San Bernardino kangaroo rat, and the Santa Ana River woolly-star and Santa Ana River spineflower, two plant species listed by both the federal and state Endangered Species Acts. **Sources: Integrated Regional Urban Water Management Plan, June 2021; Habitat Conservation Plan, May 2021**

Enhanced Recharge Phase 1A Liner

The Enhanced Recharge Project is located on the Santa Ana River. The project will divert up to 500 cfs and recharge an average 15,500 AFY, or up to approximately 80,000 AFY of stormwater during a wet year. Water will be temporarily captured at the Seven Oaks Dam and diverted stormwater will flow to recharge basins for recharge into the San Bernardino Subbasin. The Phase 1A Liner project includes the construction of a geosynthetic liner across the existing sedimentation basin that is designed to reduce water turbidity before it travels into the downstream groundwater recharge basins. The liner is intended to reduce the infiltration rate to 5 cubic feet per second to slow infiltration and allow the fine sediment to drop out of the stormwater, while also minimizing potential impacts to the surrounding areas from rapidly percolating water. **Source: Original**



Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1

The Yucaipa Valley Water District will be installing four injection wells and two extraction wells as an Aquifer Storage and Recovery Facility in the City of Calimesa. This system will provide for the injection of approximately 2,500 AFY of fully treated (reverse osmosis) recycled water to provide additional drinking water supplies and to meet peak recycled water demands by reversing the flow of water from the injection wells. **Source: Integrated Regional Urban Water Management Plan, June 2021**

Calimesa Regional Recycled Water Pipeline Project

The proposed project will involve construction of approximately 18,500 linear feet (3.5 miles) of 24-inch-diameter waterline to connect an existing YVWD waterline to customers in the Calimesa area. The intent of the proposed project is to deliver recycled water to customers to offset current water supply shortages, and to convey recycled water from the SAGE Project to the Calimesa ASR injection wells.

Source: Integrated Regional Urban Water Management Plan, June 2021

R-12.5 Recycled Water Reservoir

The project includes installation of two 0.5 million gallon recycled water reservoirs located adjacent to the industrial warehouse development (I-10 Logistics) fronting Cherry Valley Boulevard in the City of Calimesa. The reservoirs will be connected to the 12 zone recycled system and will be 500,000 gallons each. The location of this site will balance the 12 zone recycled demand flows as the nearest recycled reservoir in the 12 zone system is over 5 miles to the north in Chapman Heights. **Source: YVWD Fiscal Year 2022 Capital Improvement Budget, June 2021**

Wochholz Regional Water Recycling Facility Energy Resiliency Project

An energy independent microgrid system consisting of solar power arrays, peak battery backup and a natural gas generator will be installed at the Wochholz Regional Water Recycling Facility to protect the facility from Public Safety Power Shutoff events and emergency power outages. The project will produce 4 MW of renewable solar energy. **Source: Integrated Regional Urban Water Management Plan, June 2021**

Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project

An energy independent microgrid system consisting of solar power arrays, peak battery backup and a natural gas generator will be installed at the Yucaipa Valley Regional Water Filtration Facility to protect the facility from Public Safety Power Shutoff events and emergency power outages. The project will produce 3 MW of renewable solar energy. **Source: Integrated Regional Urban Water Management Plan, June 2021**

Salinity & Groundwater Enhancement Project

The proposed project will involve the following:

- Expand the Reverse Osmosis (RO) system from 2.25 mgd to a full 6.0 mgd. Increase RO concentration recovery from 80 percent to 92 percent using a closed RO system.
- Add Advanced Oxidation Processes to produce recycled water that will meet Groundwater Recharge Regulation Article 5.2



- Increase groundwater replenishment opportunities and direct reuse of recycled water resources consistent with the Basin Plan objectives.
- SCADA system upgrades to replace the existing SCADA network to improve the cybersecurity and system network at the Wochholz Regional Water Recycling Facility.
- Increase operational flexibility within the USAR watershed to advance the integrated water management objectives of the District and the region, including increasing the use of recycled water.

Source: YVWD Fiscal Year 2022 Capital Improvement Budget, June 2021

City of Colton Wastewater Treatment Plant Upgrade & Expansion Project

The proposed project includes replacing and upgrading the existing primary and secondary treatment process equipment at the City of Colton Wastewater Treatment Plant with a 3 mgd treatment system to accommodate peak wet weather flows. Treatment technology used will either be oxidation ditches or a membrane bioreactor. Discharge will be to the Santa Ana River and to the Rapid Infiltration Extraction (RIX) tertiary treatment facility; however, if a membrane bioreactor is utilized, effluent may be used for irrigation or groundwater recharge. **Source: Original**

Lytle Creek Recharge Basins and Habitat

The proposed improvements at the Lytle-Cajon Basin include constructing a series of new recharge basins for groundwater replenishment, totaling approximately 43 acres. This project will acquire land adjacent to Lytle Creek suitable for recharge and habitat conservation purposes. The basins will be constructed such that overflow will be carried into the alluvial fan habitat, creating surface scour and habitat enhancements for species such as the San Bernardino kangaroo rat while also recharging the groundwater basin with approximately 2,000 AFY. **Source: Original**

R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir

The proposed project will install a recycled water booster station to the existing recycled water 10.3 reservoir and booster complex. The existing 10.3 reservoir and booster complex includes the R-10.3.1 and R-10.3.2 recycled water tanks, each with a capacity of 1-million gallons. The two boosters on-site (B10.3.1, B-10.3.2) both pump to the 12 zone system. This project will add two boosters that are designed to pump to the 11 zone within the recycled system. The existing electrical system at the site will need to be upgraded to accommodate the new pumping equipment. **Source: YVWD Fiscal Year 2022 Capital Improvement Budget, June 2021**

24" Recycled Water Pressure Zone 11 Regional Pipeline

The proposed project will install approximately 12,000 linear feet of 11 zone recycled water pipeline connecting the future booster station at R-10.3 and supplying the future 11 zone pipeline to be constructed by others that will ultimately connect to the future R-11.4 reservoir site. **Source: YVWD Fiscal Year 2022 Capital Improvement Budget, June 2021**

3.0 MG R-11.4 Recycled Water Reservoir

Developments in the City of Calimesa will require additional drinking water and recycled water storage capacity within the eleven (11) pressure zone of each respective distribution system. The project will consist of a 3-million-gallon recycled water reservoir to provide recycled water for direct reuse and high



purity recycled water for groundwater injection. **Source: YVWD Fiscal Year 2022 Capital Improvement Budget, June 2021**

SAR Center for Headwaters Resiliency and Watershed Sustainability - Multipurpose Area

The Santa Ana River Center for Headwaters Resiliency and Watershed Sustainability – Multipurpose Area includes land acquisition for the following facilities:

- 521 acres of conserved, restored, and managed native species habitat;
- 830 acres of open space at the wildland forest/urban interface; and
- 33 acres for a water surface-storage facility to improve water supply and reliability.

Not financed through WIFIA, but also included in this project, is an educational and public outreach facility. This multi-purpose area will be located in the open space near the wildland forest/urban interface and will be designed to educate the public and stakeholders while promoting and facilitating proactive forest and wildland management activities to reduce the risk and impacts of wildfire. The center will educate the public about the ties between healthy headwater forests and a resilient watershed, including the potential risk to water supply and water quality from wildfires in the headwaters. The center will promote conservation and habitat management as key to the function and long-term resilience of a watershed system. The focus of educational materials will be on watershed climate resilience and stewardship of the natural resources. **Source: Original**

These projects cover the span of six Congressional Districts. Each of the Members of Congress who have projects impacting their constituencies have signed a bi-partisan letter in support of WATERSHED CONNECT. The letter can be found here: (**Attachment 3_Endorsements.pdf**).

Additional information on specific projects is provided in **Attachment 7_Compiled Project Details.pdf**.

2. Present the overall project schedule start and end dates for key milestones and costs in the provided tables. For WIFIA loans with one project, fill out Row 1. For WIFIA loans with multiple projects, fill out and create as many rows as needed.

Project Name	Planning	Design	Construction
Acquisition of Greenspot Pump Station	Complete	Complete	2023 (procurement)
Central Feeder – EBX Intertie	Complete	10/1/2021 - 4/29/2022	5/2/2022 - 10/31/2023
Lytle Creek/Cajon Creek Mitigation Lands	Complete	Complete	1/3/2022 - 10/31/2024
Rialto Channel Habitat Restoration	Complete	1/3/2022 - 12/30/2022	1/2/2023 - 10/31/2024
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Complete	Complete	1/2/2023 - 10/31/2024
Cactus Basin Connector Pipeline	Complete	1/3/2022 - 12/30/2022	1/2/2023 - 10/31/2024



Project Name	Planning	Design	Construction
Regional Recycled Water System Phase I	Complete	Complete	1/2/2023 - 10/31/2024
Enhanced Recharge Phase 1B	Complete	Complete	1/2/2023 - 10/31/2024
Enhanced Recharge Phase 1A Liner	Complete	Complete	1/2/2023 - 10/31/2024
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	1/3/2022 - 6/30/2022	1/3/2022 - 12/30/2022	1/2/2023 - 10/31/2025
Calimesa Regional Recycled Water Pipeline Project	Complete	Complete	5/3/2021 - 10/31/2022
R-12.5 Recycled Water Reservoir	Complete	Complete	1/2/2023 - 10/31/2024
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Complete	Complete	5/3/2021 - 10/31/2022
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Complete	1/4/2021 - 12/31/2021	5/3/2021 - 10/31/2022
Salinity & Groundwater Enhancement Project	Complete	Complete	1/3/2022 - 10/31/2024
City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	Complete	1/4/2021 - 12/31/2021	1/3/2022 - 10/31/2024
Lytle Creek. Recharge Basins and Habitat	Complete	1/3/2022 - 12/30/2022	1/3/2023 - 10/29/2027
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Complete	1/3/2022 - 12/30/2022	1/2/2023 - 10/31/2025
24" Recycled Water Pressure Zone 11 Regional Pipeline	Complete	1/3/2022 - 12/30/2022	1/2/2023 - 10/31/2025
3.0 MG R-11.4 Recycled Water Reservoir	Complete	1/4/2021 - 12/31/2021	1/3/2022 - 10/31/2024
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	Complete	Complete	2023 (procurement)

3. Choose the proposed lien priority for the WIFIA loan.

- Senior Lien
- Subordinate Lien: All project debt has the same priority as the WIFIA loan.



- Subordinate Lien: Not all project debt has the same priority as the WIFIA loan.
A springing lien will be used in a bankruptcy related event.

4. Describe the proposed security for the WIFIA loan (e.g., water utility revenue or general obligation) and provide an existing credit rating that is less than a year old or is actively maintained. The rating should be on the same security and lien as the proposed WIFIA loan. If a credit rating is not available, describe how the senior obligations of the project will achieve an investment-grade rating.

Standard & Poor's has provided a preliminary private rating of "A-" (see **Attachment 6_Credit Report.pdf**). The preliminary rating is predicated upon the Phase 1 Members current financial covenants described below. Based upon the Sources and Uses table, SBVMWD will be financially responsible for approximately 64% of the WIFIA Loan; YVWD approximately 19% and Colton Utility Authority approximately 17%.

Current outstanding senior lien obligations are as follows: SBVMWD (AAA S&P rating) has approximately \$6,950,000 of revenue bonds outstanding on its senior lien; Colton Utility Authority has outstanding sewer-related debt of approximately \$8.3 million and YVWD (A+ S&P rating/AA Fitch rating) has approximately \$24.2 million of revenue bonds and \$30.4 million of State Revolving Fund Loans outstanding on its senior lien.

Colton and Yucaipa have existing debt with financial covenants as follows:

- Rate covenants to set rates and charges at the beginning of each fiscal year in amounts reasonably expected to produce "Net Revenues" plus unencumbered wastewater and water reserves, respectively, equal to 110% of senior debt.
- Additional debt test which permits each to enter into additional debt so long as the Participating Phase 1 Member can demonstrate "Net Revenues", plus unencumbered wastewater/ water reserves, respectively, will be equal to 110% of senior lien debt.

To improve the credit rating above the preliminary A-, the Authority could negotiate with the Phase 1 Members to alter the rate covenants and additional debt tests as described below. YVWD and SBVMWD, subject to Proposition 218, will agree to the following covenants. Additionally, YVWD will expand its pledge to include Net Revenues from its recycled water system. Further, the Authority would negotiate with specific Participating Phase 1 Members to establish a reserve fund that will equal one year's debt service. Colton Utility Authority is reviewing strengthening its covenants and will negotiate terms and conditions with the Authority.

USAR WIFA will enter into a WIFIA loan agreement with EPA, including issuing a note to EPA to secure the authority's obligation under the WIFIA loan agreement. The WIFIA loan agreement and note for Phase 1 projects will be secured SOLELY by payments received by USAR WIFA from Participating Phase 1 Members under Project Financing Agreements, (PFAs). USAR WIFA will enter into PFAs with



Participating Phase 1 Members whose projects are Phase 1 Projects and who are participating in the WIFIA Loan.

USAR WIFIA will pledge all Revenues received from Participating Phase 1 Members to the WIFIA Loan with no deduction for administrative or other costs of the authority.

Participating Phase 1 Members will make payments under their respective PFAs from net revenues, of their respective water, recycled water and/or wastewater systems. To the extent currently available, the Participating Phase 1 Members also will pledge the portion of the 1% *ad valorem* property tax received from the counties in which their service territories lie. The payments from Participating Phase 1 Members owed in connection with debt service on the WIFIA Loan will be on parity with their senior lien obligations.

Participating Phase 1 Members will agree in the PFAs to pay their share of WIFIA loan payments from “Net Revenues” (meaning water, recycled water and/or wastewater revenues (depending on the member) remaining after payment of operations and maintenance expenses and senior lien debt).

PFAs will include typical financial covenants that can be enforced by EPA including:

- A rate covenant whereby the Colton Utility Authority, subject to Proposition 218 requirements, to set rates and charges at the beginning of each fiscal year in amounts reasonably expected to produce “Net Revenues” plus unencumbered water, recycled water and/or wastewater reserves equal to 110% of its respective share of the WIFIA loan payments as well as its own senior debt. An additional debt test which permits Colton Utility Authority to enter into additional PFAs with USAR WIFA or issue additional debt in the public credit markets so long as the Participating Phase 1 Member can demonstrate “Net Revenues”, as applicable, plus unencumbered water, recycled water and/or wastewater reserves, will be equal to 110% of senior lien debt. Colton will review strengthening its covenants and will negotiate terms and conditions with the Authority.
- SBVMWD and YVWD will agree, subject to Proposition 218 requirements, to set rates and charges at the beginning of each fiscal year in amounts reasonably expected to produce “Net Revenues” plus unencumbered funds (the unencumbered funds will not exceed 20% of Net Revenues”) equal to 120% of their allocable shares of the WIFIA loan payments and their respective senior lien debt.
- SBVMWD and YVWD will agree to an additional debt test which permits the Participating Phase 1 Member to enter into additional PFAs with USAR WIFA or issue additional debt in the public credit markets so long as the Participating Phase 1 Member can demonstrate “Net Revenues”, as applicable, plus unencumbered funds (the unencumbered funds will not exceed 20% of “Net Revenues”), will be equal to 120% of the Participating Phase 1 Member’s share of WIFIA loan payments and other Participating Phase 1 Member senior debt.



Participating Phase 1 Members have no contractual responsibility to cover the default of another Participating Phase 1 Member.

5. If an existing credit rating is not available, provide a financial pro forma and three years of audited financial statements. Indicate the filenames in the textbox below.

The financial pro forma should include key long-term (at least 10 years, but no greater than the proposed life of the WIFIA loan) revenues, expenses, and debt repayment assumptions for the revenue pledged to repay the WIFIA loan.

The financial pro forma should be provided in an editable Microsoft Excel format, not in PDF or "values" format and include, at a minimum, the following:

- a. Sources of revenue
- b. Operations and maintenance expenses
- c. Dedicated source(s) of repayment
- d. Capital expenditures
- e. Debt service payments
- f. Projected debt service coverage ratios for total existing debt and the WIFIA debt
- g. The project's or system's debt balances broken down by funding sources
- h. Equity distributions, if applicable

If available, include sensitivity projections for pessimistic, base and optimistic cases. A sample financial pro forma is available at <https://www.epa.gov/wifia/wifia-application-materials-and-resources>. Provide the financial pro forma filename in the textbox.

Attachment 6 is the Preliminary Credit Rating from Standard & Poor's for the USAR WIFA.

6. Provide a sources and uses of funds table for the construction period(s), including the proposed WIFIA loan. For prospective borrowers other than Public Entities, add rows as needed to identify the amount and source(s) of project equity, letters of credit, and other sources of debt as applicable. Note any ineligible project costs. More information about eligible costs is available in the [WIFIA program handbook](#). Indicate the certainty of other sources of funding.

Sources Category	Estimated Dollar Value	Funding Certainty
1. WIFIA Loan (cannot exceed 49% of eligible costs)	\$177,164,892	N/A
2. Revenue Bonds	\$0	Choose an item.
3. SRF Loan	\$0	Choose an item.
4. Borrower (Member Agency) Cash	\$184,396,113	Certain
5. Previously Incurred Eligible Costs*	\$0	Choose an item.
6. Other (please specify) <small>Click or tap here to enter text.</small>	\$0	Choose an item.
TOTAL SOURCES	\$361,561,005	
Uses Category	Estimated Cost	
1. Construction	\$272,959,053	
2. Design	\$4,087,597	



3. Planning	\$634,721
4. Land Acquisition	\$43,085,000
5. Other Capital Costs	\$25,647,953
6. Contingency	\$13,116,681
7. Total Capital Costs	\$359,531,005
8. Financing Costs	\$2,030,000
8. Ineligible Costs (if applicable)	\$0
9. Other (please specify) Click or tap here to enter text.	Click or tap here to enter text.
10. Other (please specify) Click or tap here to enter text.	Click or tap here to enter text.
TOTAL USES	\$361,561,005

*Previously Incurred Eligible Costs are project related costs incurred prior to the WIFIA loan's execution. Please see the WIFIA Program Handbook for additional information on Eligible Costs.

For funding sources that are uncertain (excluding the WIFIA Loan), explain alternative funding that could be used if the funding source is not available.

The JPA will fund 51% of Eligible Project Costs for Phase 1 Projects from member agency and prospective member agency cash or other funding contributions. These contributions are expected to be received from SBVMWD (Rated "AAA" by S&P), Western Municipal Water District (Rated "AA+" by S&P and "AAA" by Fitch) and Western Entities (its partner agencies who benefit from the applicable projects) and Yucaipa Valley Water District (Rated "A+ by S&P and "AA" by Fitch on its water system). Additionally, USAR WIFA will pursue grants and incentives for Phase 1 Projects from programs such as State of California's Propositions 84, and 1 funds; Title XVI funding; local grants such as Metropolitan Water District of Southern California's local resource programs and Water Infrastructure Improvements for the Nation funding. To the extent grants and incentives are received cash contributions would be reduced. If the WIFIA Loan is not available, USAR WIFA would need to pursue a more expense source of funding such as revenue bonds. The additional debt service expense of revenue bonds when compared with WIFIA would result in higher rate increases on residential and business customers alike. Additionally, USAR WIFA would pursue State Water Resources Control Board SRF Loan for appropriate Phase 1 Projects. However, based upon recent experience, USAR WIFA believes that WIFIA funding is less time consuming to secure than an SRF Loan. Therefore, in contrast to SRF funding a WIFIA loan would allow certain projects to proceed earlier.

Section C: Selection Criteria

For each question answered yes, provide a response to explain how the project seeking the WIFIA loan achieves the stated result. When applicable, reference attachments. Responses to these questions will allow the WIFIA program to evaluate the project in relation to the selection criteria outlined in the NOFA. If the Letter of Interest contains multiple projects, include information about any of the projects that would fit the selection criteria. See [Attachment A: Selection Criteria & Scoring](#) for more information.

1. Will the project create construction jobs?

Yes No



If yes, approximately how many?

Investment in water infrastructure creates economic opportunities for businesses directly involved in the design, engineering, and construction of water infrastructure. Employment opportunities in water infrastructure sectors are stable, well-paying positions providing an average wage of \$69,000 per year—approximately 20 percent above the national average. Employment gains would be concentrated in construction-related employment (US Water Alliance 2017).

IMPLAN analysis by the US Water Alliance estimates that for every \$1 million (in 2021 dollars) invested in water infrastructure, a total of 14.2 jobs are generated throughout the economy (US Water Alliance 2017). This job creation impact is estimated to consist of a total of 5.6 direct jobs generated to support the design and construction of water infrastructure, and 8.6 additional jobs sustained by the indirect and induced spending triggered by the original investment.

Based on these factors, it is estimated that **WATERSHED CONNECT**'s Phase 1 construction spending of \$273 million will create 1,523 direct jobs. The program will involve construction of a new water distribution, recycled water and other infrastructure facilities. These improvements will require heavy site construction and involve all types of trades, including but not limited to site construction, concrete work, masonry, plumbing, HVAC, electrical, controls, and others.

Further demonstrating the expected construction jobs that will come from this program, San Bernardino – Riverside Buildings Trade Councils, which represents over 30 local skilled-trade and labor organizations and the many of the men and women who will build the infrastructure of the program, has strongly endorsed **WATERSHED CONNECT**. In addition, the Building Industry Association of Southern California and the Construction Industry Coalition on Water Quality also support this program. These letters of support can be found at (**Attachment 3_Endorsements.pdf**).

2. Will the project create post-construction jobs?

Yes No

If yes, provide approximately how many and explain how this number was calculated.

Investment in water infrastructure generates additional economic benefits through spending by directly impacted firms and their employees. For example, construction businesses play a major role in the repair and replacement of water infrastructure. These businesses purchase machinery and equipment from manufacturers, which in turn demand primary materials from other suppliers. Concurrently, employees of these businesses purchase personal goods and services in retail, medical, and other sectors. In this way, the initial investment in water infrastructure “ripples” throughout the economy due to spending by interrelated industries (the “indirect effect”) and employees (the “induced effect”).



IMPLAN analysis by the US Water Alliance estimates that for every \$1 million (in 2021 dollars) invested in water infrastructure, a total of 8.6 additional jobs is sustained by the indirect and induced spending triggered by the original investment. Based on this estimate of sustained jobs per dollar invested, it is estimated that the WATERSHED CONNECT’s future capital program spending of \$273 million will create 347 indirect and induced jobs.

Local economic development organizations such as Inland Action and Inland Valley Development Agency, support this program in-part due to its creation of a variety of jobs from highly technical to labor, that will support the region’s diverse population. Letters of support from these two organizations can be found at (**Attachment 3_Endorsements.pdf**).

Students at local San Bernardino Valley College can earn an associate degree in Water Technology and a certificate in Water Supply Technology, and they will be able to put these skills to work at one of the dozens of projects being constructed under this program. That is why San Bernardino Valley College endorsed WATERSHED CONNECT; this letter of endorsement can be found here: (**Attachment 3_Endorsements.pdf**).

3. Will the project support economic growth?

- Yes No

If yes, explain how.

The construction of **WATERSHED CONNECT**’s capital program will positively impact nearly every facet of the region’s economy. The regional water supply system enables businesses to produce goods and services that use water as an essential input. It is also an essential utility service required to support the water needs of the region’s residential population.

The program’s planned investment in water infrastructure improvement is necessary to prevent disruptions in water service so that residents and businesses receive reliable, clean, and affordable water and wastewater services. In addition, improving the region’s drinking water quality and ensuring a sustainable source of drinking water for the future will attract more investment and support continued economic activity, which will attract more investment and support future long-term economic growth.

If the water infrastructure needs are not addressed, industries and households will face higher costs to procure water and wastewater services. Costs may take the form of higher water rates, costs of self-supply, or costs of relocating to better-served areas. The successful implementation of the program’s infrastructure improvements will have a positive impact on the overall economy by avoiding these costs, allowing businesses to control their production costs and allowing households to retain their spending power.

See **Attachment 3_Endorsements.pdf** for endorsements, including the indications of support for the project from the Chambers of Commerce of Greater Riverside and Big Bear.



4. Will the project protect drinking water, including source water protection?

Yes No

If yes, explain how.

Watershed Connect embraces integrated water resource management by improving the quality of drinking water, groundwater, and surface water throughout the entire Upper Santa Ana River Watershed. At the headwaters of the watershed in the San Bernardino Mountains, the program will acquire over 520 acres of wildland in the San Bernardino Mountains and implement watershed protection measures that will reduce sediment load in source waters, thereby improving drinking water quality. At the heart of the watershed that overlies the Upper Santa Ana Valley Groundwater Basin, stormwater and imported water recharge projects are implemented to maintain high-quality groundwater for drinking water.

The WATERSHED CONNECT Phase 1 Projects listed in the table below will protect drinking water, including source water protection, through the indicated actions:

Program Project	Drinking Protection Provided
Acquisition of Greenspot Pump Station	Moves available imported water to groundwater basins to maximize groundwater recharge during wet years to improve source water quality and increase for drinking water reliability during dry years.
Central Feeder – EBX Intertie	Facilitates groundwater banking and allows the bidirectional movement of imported water and groundwater when supply conditions require changes in drinking water sources.
Cactus Basin Connector Pipeline	Conveys State Water Project water to the Cactus Recharge Basins to replenish groundwater the Rialto-Colton Subbasin, which adds a new water supply and protects and improves groundwater quality.
Regional Recycled Water System Phase I	Conveys recycled water produced at the Sterling Natural Resource Center and San Bernardino TTS to multiple recharge basins to replenish groundwater in the San Bernardino Subbasin, which adds a new local water supply.
Enhanced Recharge Phase 1B	Captures stormwater to replenish groundwater in the San Bernardino Subbasin, which adds a new local water supply and protects and improves groundwater quality.
Enhanced Recharge Phase 1A Liner	Captures stormwater to replenish groundwater in the San Bernardino Subbasin, which adds a new local water supply and protects and improves groundwater quality.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Infrastructure to replenish groundwater in the Yucaipa Subbasin with purified recycled water produced by the Salinity & Groundwater Enhancement Project, which adds a new local water



	supply and protects and improves groundwater quality. Also includes infrastructure to extract groundwater from the Yucaipa Subbasin. Decreases dependence on deliveries from San Bernardino subbasin and imported water.
Calimesa Regional Recycled Water Pipeline Project	Conveys purified recycled water from the Salinity & Groundwater Enhancement Project to the Calimesa ASR Project for groundwater replenishment. Decreases dependence on deliveries from San Bernardino subbasin and imported water.
R-12.5 Recycled Water Reservoir	Stores purified recycled water between the Salinity & Groundwater Enhancement project to the Calimesa ASR Project, supporting groundwater replenishment. Decreases dependence on deliveries from San Bernardino Subbasin and imported water.
Salinity & Groundwater Enhancement Project	Purifies recycled water produced at the Wochholz Regional Water Recycling Plant with advanced oxidation and reverse osmosis to replenish the local groundwater basin through the Calimesa ASR Project, which adds a new local water supply and protects and improves groundwater quality. Decreases dependence on deliveries from San Bernardino Subbasin and imported water.
Lytle Creek. Recharge Basins and Habitat	Captures stormwater to replenish groundwater in the San Bernardino Subbasin, which adds a new local water supply and protects and improves groundwater quality.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys purified recycled water from the Salinity & Groundwater Enhancement Project to the Calimesa ASR project.
24" Recycled Water Pressure Zone 11 Regional Pipeline	Conveys purified recycled water from the Salinity & Groundwater Enhancement Project to the Calimesa ASR project.
3.0 MG R-11.4 Recycled Water Reservoir	Stores purified recycled water between the Salinity & Groundwater Enhancement Project to the Calimesa ASR project.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	Acquires wildland acreage to provide watershed protection of the headwaters of regional sources of drinking water in the San Bernardino Mountains.

WATERSHED CONNECT provides an integrated approach for managing and protecting water resources in the Upper SAR Watershed to ensure long-term, reliable drinking water supply for the nearly 1.75 million users in San Bernardino and Riverside Counties. Groundwater makes up approximately 60% of the water supply within the Upper SAR Watershed during normal precipitation years, and during dry years, the Upper SAR Watershed relies more heavily on groundwater to make up decreases in supply from highly variable surface water flows. Results from the Upper SAR Integrated Model Summary Report (**Attachment 4D_USAR Int Model ExecSum.pdf**) demonstrate that WATERSHED CONNECT projects can increase annual groundwater recharge into the San Bernardino Subbasin through stormwater capture by over 38,000 AFY. WATERSHED CONNECT also includes recycled water production, conveyance, and recharge facilities to replenish groundwater in the San Bernardino, Yucaipa, and San Timoteo Subbasins



with over 25,000 AFY during all hydrologic years, and infrastructure to replenish groundwater in the Rialto-Colton Subbasin with over 1,300 AFY of imported water. Stormwater capture, advanced treatment of recycled water, and imported water recharge will recharge exceptional quality water into the groundwater basin, which improves water quality and reliability, thus protecting the region’s drinking water sources.

The Upper SAR Watershed relies upon precipitation in the San Bernardino Mountains as a direct surface water supply for potable use and as a supply to recharge local groundwater basins. Therefore it is imperative that source water quality is protected. Through the SAR Center for Headwaters Resilience and Watershed Sustainability – Multipurpose Area, WATERSHED CONNECT will acquire over 520 acres of wildland in the San Bernardino Mountains and implement watershed protection measures that will reduce sediment load in source waters by reducing risk of wildfire and environmental damage from recreational activities.

Several local organizations agree that the program is essential to protecting drinking water for the highly diverse population of the region. The Riverside County based Center for Community Action and Environmental Justice has the following mission, “to bring people together to improve our social and natural environment.” This community group has endorsed this program for achieving equal access to drinking water for all people of the region. Their letter of support can be found in **Attachment 3_Endorsements.pdf**.

5. Will the project support international commerce?

- Yes No

If yes, explain how.

6. Will the project implement new or innovative technology(ies), such as using renewable or alternate sources of energy, water recycling, or desalination?

- Yes No

If yes, explain how.

The WATERSHED CONNECT projects listed in the table below will implement various innovative technologies:

Program Project	Innovative Technology Implemented
Regional Recycled Water System Phase I	Conveys purified recycled water produced at the Sterling Natural Resource Center and San Bernardino Water TTS to groundwater recharge basins.



Calimesa Regional Recycled Water Pipeline Project	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Utilizes purified recycled water from the SAGE Project for groundwater recharge and indirect potable reuse. Features injection wells that can be operated in reverse as extraction wells to extract purified recycled water from the groundwater basin and serve it as recycled water if direct recycled water demands exceed potable demand from the Calimesa ASR production wells, and/or the Yucaipa Subbasin cannot accept additional recharge water.
R-12.5 Recycled Water Reservoir	Provides interim storage for advanced-treated recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse.
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Constructs solar generation facilities, battery storage facilities, natural gas generators, and a microgrid to ensure that continuous, cost-effective power is available for wastewater treatment and recycled water production.
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Constructs solar generation facilities, battery storage facilities, natural gas generators, and a microgrid to ensure that continuous, cost-effective power is available for drinking water filtration.
Salinity & Groundwater Enhancement Project	Produces advanced-treated recycled water using advanced oxidation and closed-circuit reverse osmosis for groundwater recharge and indirect potable reuse through the Calimesa ASR Project.
City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	Produces recycled water for direct use for landscape irrigation and future groundwater recharge.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys advanced-treated recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse.
24" Recycled Water Pressure Zone 11 Regional Pipeline	Conveys advanced-treated recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse.
3.0 MG R-11.4 Recycled Water Reservoir	Provides interim storage for advanced-treated recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse

WATERSHED CONNECT innovatively integrates a system of projects to diversify the water portfolio for multiple agencies within the watershed. All participants will benefit from the conjunctive use of multiple



sources of water supply – imported water, surface water, groundwater, stormwater, and recycled water – to achieve supply reliability and resilience to climate change.

WATERSHED CONNECT features the use of advanced treatment, including recycled water production technology for indirect potable reuse, reverse osmosis and advanced oxidation. Further, WATERSHED CONNECT supports the construction of a regional network of recycled water distribution infrastructure, including approximately 50,000 linear feet of pipelines, two reservoirs, a booster pump station, injection wells, and recharge basins to replenish groundwater in the San Bernardino and Yucaipa Subbasins.

WATERSHED CONNECT will also feature modernization of the energy facilities at both the Yucaipa Valley Regional Water Filtration Facility and the Wochholz Regional Water Recycling Facility to on-site solar and natural gas production assisted by battery storage to manage peak demands. Over 1,300 kW of renewable energy will be produced in total.

7. Will the project use new or innovative approaches to plan, design, manage, and/or implement the project?

Yes No

If yes, explain how.

WATERSHED CONNECT projects listed in the table below will implement the following innovative approaches to planning, design, management, and implementation:

Program Project	Innovative Approaches Implemented
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Relocates discharge point of tertiary recycled water to multiple tributaries upstream of the existing discharge point to the Santa Ana River to maximize the amount of habitat maintained by recycled water discharge, providing drought-proof stream flow for endangered fisheries species.
Regional Recycled Water System Phase 1	Project will be constructed using a design-build contract to allow efficient translation of the design throughout the construction process, reducing the risk of change orders and budget overruns. Project utilizes the site to its advantage by using sediment removed from the basin construction one part of the site and habitat enhancing materials deposited in another part of the site, thus restoring endangered species habitat and creating new recharge basins for water recharge.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Implements indirect potable reuse to generate potable supplies from recycled water. Reduced reliance upon delivered water supply from the San Bernardino Subbasin and/or the State Water Project.
Salinity & Groundwater Enhancement Project	Project will be constructed using a design-build contract to allow efficient translation of the design throughout the construction



	process, and to reduce the risk of change orders and budget overruns.
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In addition to the specific projects listed above, WATERSHED CONNECT is the result of an innovative and collaborative approach for comprehensive watershed management. Historically, potable water production and distribution, wastewater collection and treatment, flood control, and environmental water use have all been planned and managed within institutional silos by individual agencies. The interconnected projects within WATERSHED CONNECT are the culmination of almost a decade of collaborative regional planning that maximizes synergistic benefits through integrated approaches. Examples of innovative regional planning efforts include the Regional Recycled Water Concept Study (**Attachment 4C_RW Concept ExecSum.pdf**), Upper SAR Watershed Integrated Regional Urban Water Management Plan (**Attachment 4A1_IRUWMP_ExecSum.pdf**), Upper SAR Watershed Habitat Conservation Plan (**Attachment 4B_USAR HCP ExecSum.pdf**), and Upper SAR Integrated Model Summary Report (**Attachment 4D_USAR Int Model ExecSum.pdf**).

Examples of integration between the projects in WATERSHED CONNECT include the following:

- In-stream and side-stream basin projects to better manage floods will incorporate recharge to allow excess stormwater to percolate into the groundwater basin.
- WATERSHED CONNECT’s distribution projects convey recycled water to recharge/flood control basins.
- Upgrades to treatment systems improve water quality throughout the Upper Santa Ana Valley Groundwater Basin and the quality of water discharged to the SAR and its tributaries.
- WATERSHED CONNECT recognizes the importance of maintaining a healthy ecosystem to improve water supply resilience. The quality of water discharged to the SAR and its tributaries will be improved to provide environmental benefit and endangered species habitat.

The SAR Sustainable Parks and Tributaries Water Reuse Project exemplifies WATERSHED CONNECT’s innovative approach to endangered species habitat. It will convey tertiary recycled water from the City of Riverside Regional Water Quality Control Plant to multiple tributaries of the Santa Ana River to enhance habitat for the Santa Ana Sucker and other aquatic species. This water is currently discharged directly to the Santa Ana River while many smaller tributaries directly upstream run dry seasonally and are not suitable habitat. By constructing a new recycled water pump station and distribution system, this project will maximize the length of habitat along tributary channels by providing a continuous source of water.

8. Does the project protect the system, project specific asset, or community from extreme weather events such temperature, storms, floods, or sea level rise expected based on current conditions?

Yes No

If yes, explain how.



The WATERSHED CONNECT projects listed in the table below will directly protect the urban and environmental water users in the Upper SAR Watershed from extreme weather events based on current conditions:

Program Project	Severe Weather Protection Provided Based on Current Conditions
Acquisition of Greenspot Pump Station	Facilitates the regional movement of water during supply shortages due to drought to maintain continuous drinking water supplies, and moves available imported water to groundwater basins to maximize groundwater recharge during wet years for drinking water reliability during dry years to be resilient in extended droughts.
Central Feeder – EBX Intertie	Protects the region from water supply shortages due to drought by facilitating groundwater banking and allowing the bidirectional movement of imported water and groundwater when supply conditions require changes in drinking water sources.
Lytle Creek/Cajon Creek Mitigation Lands	Maintains vegetation in creek riparian areas to reduce the velocity of flood waters during extreme wet weather events, slightly increasing groundwater recharge, and preventing erosion to reduce sediment loads and maintain water quality.
Rialto Channel Habitat Restoration	Maintains minimum base flow during droughts and vegetation in creek riparian areas to reduce the velocity of flood waters during extreme wet weather events, slightly increasing groundwater recharge, and preventing erosion to reduce sediment loads and maintain water quality.
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Delivers a steady flow of drought-proof recycled water to tributaries to maintain habitat for endangered aquatic species through extended dry periods when there would otherwise be no surface water to maintain aquatic habitat.
Cactus Basin Connector Pipeline	Facilitates recharge of imported water into the Upper Santa Ana Valley Groundwater Basin (Rialto-Colton Subbasin) during wet periods for drinking water reliability during dry years to be resistant to droughts.
Regional Recycled Water System Phase 1	Provides conveyance of recycled water to recharge basins to replenish the Upper Santa Ana Valley Groundwater Basin (San Bernardino Subbasin), which provides a drought-resilient drinking water supply for the region.
Enhanced Recharge Phase 1B	Captures stormwater to replenish the Upper Santa Ana Valley Groundwater Basin (San Bernardino Subbasin), which provides a drought-resilient drinking water supply for the region; reduces flood damage.
Enhanced Recharge Phase 1A Liner	Captures stormwater to replenish the Upper Santa Ana Valley Groundwater Basin (San Bernardino Subbasin), which provides a



	drought-resilient drinking water supply for the region; reduces flood damage.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Provides infrastructure to recharge and extract recycled water produced at the Wochholz Regional Water Recycling Plant to replenish the Upper Santa Ana Valley Groundwater Basin (San Timoteo Subbasin), which provides a drought-resilient drinking water supply for the region.
Calimesa Regional Recycled Water Pipeline Project	Conveys advanced-treated recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse for a drought-resilient drinking water supply for the region.
R-12.5 Recycled Water Reservoir	Provides interim storage for advanced-treated recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse for a drought-resilient drinking water supply for the region.
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Provides renewable energy sources (solar) and introduces resiliency with back-up battery storage and natural gas generators, which prevents plant failure, plant sanitary sewer overflows, and interruptions to recycled water supply during extreme events related to power failures.
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Provides renewable energy sources (solar) and introduces resiliency with back-up battery storage and natural gas generators, which prevents plant failure and interruptions to potable water supply during extreme events related to power failures.
Salinity & Groundwater Enhancement Project	Produces advanced-treated recycled water using advanced oxidation and reverse osmosis for groundwater recharge and indirect potable reuse through the Calimesa ASR Project for a drought-resilient drinking water supply for the region.
City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	Reevaluates anticipated peak sewer flows and replaces aging treatment infrastructure to ensure the plant has adequate capacity for wet weather events to prevent plant sanitary sewer overflows.
Lytle Creek Recharge Basins and Habitat	Captures stormwater to replenish the Upper Santa Ana Valley Groundwater Basin (San Bernardino Subbasin), which provides a drought-resilient drinking water supply for the region; reduces flood damage; maintains vegetation in creek riparian areas to reduce the velocity of flood waters during extreme wet weather events to and preventing erosion to reduce sediment loads and maintain water quality.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys advanced-treated recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and



	indirect potable reuse for a drought-resilient drinking water supply for the region.
3.0 MG R-11.4 Recycled Reservoir	Provides interim storage for advanced-treated recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse for a drought-resilient drinking water supply for the region.
24" Recycled Water - Pressure Zone 11 Regional Pipeline	Conveys advanced-treated recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge and indirect potable reuse for a drought-resilient drinking water supply for the region.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	Acquires 520 acres of wildland in the San Bernardino Mountains and removes fuel buildup to reduce the risk of forest fires.

WATERSHED CONNECT provides drought resilience for the region by utilizing the storage capacity that is available throughout the Upper Santa Ana Valley Groundwater Basin through stormwater recharge, recycled water recharge, and imported water recharge. In the 2012-2016 California drought, the region was able to accommodate much of its water needs by extracting groundwater from the Upper Santa Ana Valley Groundwater Basin. However, this led to a decline in groundwater levels in the basin. With extended droughts occurring regularly in Southern California, recharging the Upper Santa Ana Valley Groundwater Basin during wet periods is the key water resource management strategy for drought-resilient supplies. WATERSHED CONNECT provides the region with the infrastructure required to maintain resilient levels of groundwater storage in the basin.

- Does the project protect the system, project specific asset, or community from extreme weather events such temperature, storms, floods, or sea level rise predicted to occur in the future?

Yes No

If yes, explain how.

The California Water Plan Update 2018 (<https://water.ca.gov/programs/california-water-plan>) identifies the interrelated future challenges of more extreme hydrologic events, declining groundwater levels, and access to clean, safe, reliable and affordable water supplies. Changing climate conditions have recently contributed to several catastrophic wildfires in the State. The California Water Plan acknowledges the unique role that regional entities have to play in securing sustainability for the future. Imported water supply from the State Water Project is particularly vulnerable to extended drought. WATERSHED CONNECT responds to five of the six goals the California Water Plan recommends to improve sustainability. The five goals to which WATERSHED CONNECT responds to (and how the program responds to each goal) are listed below



- Improve integrated watershed management – WATERSHED CONNECT will implement integrated watershed management.
- Strengthen resiliency and operational flexibility of existing and future infrastructure – the diversified portfolio of water supply and new conveyance to increase the interconnection of water resources from WATERSHED CONNECT improves resiliency and operational flexibility.
- Restore critical ecosystem function – WATERSHED CONNECT incorporates ecosystem needs to improve sustainability throughout the watershed.
- Empower California’s under-represented or vulnerable communities – WATERSHED CONNECT engages disadvantaged community liaisons (see endorsements from Center for Community Action and Environmental Justice and National Community Renaissance in **Attachment 3_endorsements.pdf**).
- Improve interagency alignment- WATERSHED CONNECT represents the joint effort of regional agencies sharing a common water resource.

The 21 projects in WATERSHED CONNECT shown in the response to Item 8 will continue to play a critical role in protecting all water users in the Upper SAR Watershed from severe weather events based on future conditions. The table for Item 8 shows the benefits of specific projects.

10. Does the project reduce greenhouse gas emissions?

Yes No

If yes, explain how.

The following WATERSHED CONNECT projects listed in the table below will directly reduce greenhouse gas emissions.

Program Project	Greenhouse Gas Reduction Method
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Produces 4 MW of renewable energy through photovoltaic solar panels to operate the water recycling facility; utilizes a microgrid and on-site battery storage to reduce demand on the grid during periods of peak power demand.
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Produces 3 MW of renewable energy through photovoltaic solar panels to operate the water filtration facility; utilizes a microgrid and on-site battery storage to reduce demand on the grid during periods of peak power demand.

WATERSHED CONNECT also maximizes the use of all local water resources that are available to the region through recycled water production and recharge and stormwater capture. Maximizing local supplies in the Upper SAR Watershed provides an opportunity to reduce dependence on supply from the Sacramento – San Joaquin Delta, which is an extremely energy intensive water supply.



11. Does the project serve a population in a region impacted by significant energy exploration, development, or production areas?

Yes No

WATERSHED CONNECT will be in a region with energy production. Local generation plants require cooling water (e.g., the MV Power Plant takes recycled water from the City of Redlands for cooling water). Southern California Edison operates three hydropower plants on the SAR between Bear Creek and Seven Oaks Dam, and three other hydropower plants on Mill Creek north of Yucaipa that would likely benefit from more sustainable water surface elevations.

According to the Energy Information Agency, there are a number of solar power and natural gas power plants located within the WATERSHED CONNECT service area, and they will benefit from the increased, reliable water resources made available by this program. See the Energy Information Agency, map: <https://www.eia.gov/state/maps.php?v=Biomass>.

12. Does the project address water quality concerns?

Yes No

If yes, explain how.

WATERSHED CONNECT projects listed in the table below directly address water quality concerns in the Upper SAR Watershed through various actions:

Program Project	Water Quality Concerns Addressed
Acquisition of Greenspot Pump Station	During years of high imported water availability, if all groundwater recharge facilities along the Foothill Pipeline (SBVMWD’s primary raw imported water distribution pipeline) are full, the Greenspot Pump Station can be used to move imported water from the Foothill Pipeline to the Mill Creek spreading grounds to maximize groundwater recharge into the San Bernardino Subbasin. Imported water is typically of high quality and contains low levels of total dissolved solids (TDS), leading to higher quality groundwater in storage.
Lytle Creek/Cajon Creek Mitigation Lands	Adds and maintains vegetation in creek riparian areas to reduce erosion and sediment loads and provide natural filtration of contaminants in runoff from nearby urban hardscapes.
Rialto Channel Habitat Restoration	Adds high-quality, cool water to the stream during summer when water temperatures become too warm for endangered fish species. Recontours the stream bed, bank, and channel to



	increase water velocity, decrease temperature, and increase dissolved oxygen to support native aquatic species.
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Discharges high-quality tertiary recycled water to SAR tributaries to increase their base flow rate, which increases velocity and depth, decreases temperature, and increases dissolved oxygen to support native aquatic species. Recycled water also dilutes contaminants in the urban runoff flow to the tributaries.
Cactus Basin Connector Pipeline	Conveys State Water Project water to recharge basins to replenish the Rialto-Colton Subbasin with high quality, low TDS imported water to improve groundwater quality.
Enhanced Recharge Phase 1B	Captures stormwater to replenish the San Bernardino Subbasin with high-quality, low TDS water to improve groundwater quality.
Enhanced Recharge Phase 1A Liner	Captures stormwater to replenish the San Bernardino Subbasin with high-quality, low TDS water to improve groundwater quality. Decreases percolation rate at the existing sedimentation basin to increase settling of fine sediment to capture higher quality stormwater for groundwater recharge.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Provides infrastructure to recharge and extract purified recycled water produced at the Wochholz Regional Water Recycling Plant to replenish the Yucaipa Subbasin with high quality, low TDS water to improve groundwater quality.
Calimesa Regional Recycled Water Pipeline Project	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high-quality, low TDS water to improve groundwater quality.
R-12.5 Recycled Water Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high-quality, low TDS water to improve groundwater quality.
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Provides energy resilience through on-site generation and battery storage to reduce the risk of plant failure, thereby reducing risk of plant sanitary sewer overflows, which have adverse effects on nutrient and oxygen levels in surface streams, and reducing risk of interruptions to purified recycled water supply that improves groundwater quality through the SAGE and Calimesa ASR Projects.
Salinity & Groundwater Enhancement Project	Produces purified recycled water using advanced oxidation and reverse osmosis for groundwater recharge and indirect potable reuse through the Calimesa ASR Project, which improves



	groundwater quality through recharge of low TDS water; reverse osmosis process actively removes salts from the Upper Santa Ana River Watershed
City of Colton Wastewater Treatment Plant Upgrade and Expansion Project	Reevaluates anticipated peak sewer flows and replaces aging treatment infrastructure to ensure the plant has adequate capacity for wet-weather events to prevent plant sanitary sewer overflows which have adverse effects on nutrient and oxygen levels in surface streams.
Lytle Creek Recharge Basins and Habitat	Captures stormwater to replenish the San Bernardino Subbasin with high-quality, low TDS water to improve groundwater quality. Maintains vegetation in creek riparian areas to reduce erosion and sediment loads and provide natural filtration of contaminants in runoff from nearby urban hardscapes.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low TDS water to improve groundwater quality.
24" Recycled Water - Pressure Zone 11 Regional Pipeline	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high-quality, low TDS water to improve groundwater quality.
3.0 MG R-11.4 Recycled Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low TDS water to improve groundwater quality.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	Acquires wildland acreage to provide watershed protection of the headwaters of regional sources of drinking water in the San Bernardino Mountains. Reduces wildfire risk and damage to tributary headwaters.

WATERSHED CONNECT embraces integrated water resource management by improving the quality of drinking water, groundwater, and surface water throughout the entire Upper SAR Watershed. At the headwaters of the watershed in the San Bernardino Mountains, the WATERSHED CONNECT will acquire over 520 acres of wildland and implement watershed protection measures that will reduce sediment load in source waters by reducing risk of wildfire and environmental damage, thereby improving the quality of surface water flowing into the urban center of the watershed. In the center of the watershed, which overlies the Upper Santa Ana Valley Groundwater Basin, stormwater and imported water recharge projects are implemented to maintain high quality groundwater in storage. Toward the middle and lower reaches of the watershed, habitat mitigation activities, wastewater treatment plant upgrades and tributary augmentation improve the quality of surface waters to ensure aquatic habitat is of high enough quality to sustain the endangered species that rely on the watershed. Further, since surface



streams in the watershed are influenced by groundwater levels and vice versa, and the subbasins of the Upper Santa Ana Valley Groundwater Basin are hydraulically connected through surface streams, improvements to water quality in one portion of the watershed are realized at multiple points downstream of the project, generating a synergistic improvement to water quality throughout the watershed.

The Santa Anna Watershed Association and its partners are, “committed to the protection and improvement of areas within the Santa Ana River Watershed, which includes portions of Riverside, San Bernardino and Orange counties,” and supports WATERSHED CONNECT efforts to improve water quality and quantity. Their letter of support can be found in **Attachment 3_Endorsements.pdf**.

13. Does the project address water quantity concerns?

Yes No

If yes, explain how.

The WATERSHED CONNECT projects listed in the table below directly address water quantity concerns in the Upper SAR Watershed.

Program Project	Water Quantity Concerns Addressed
Acquisition of Greenspot Pump Station	Increases water quantity by maximizing groundwater recharge capability during periods of high imported water availability.
Central Feeder – EBX Intertie	Increases quantity of water during dry years by facilitating groundwater banking and allowing the bidirectional movement of imported water and groundwater when supply conditions require changes in drinking water sources.
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Augments or provides baseflow to the restored tributaries, this flow is currently made up of upwelling and urban runoff. The high-quality recycled water will be a drought-proof supply to tributaries that support several protected fish species and other aquatic species.
Cactus Basin Connector Pipeline	Increases water quantity by recharging an estimated average of 1,360 AFY of imported water into the Rialto-Colton Subbasin. Volume of recharge increases during years with high imported water availability.
Regional Recycled Water System Phase 1	Increases water quantity by conveying 8,200 AFY of recycled water to recharge basins to replenish the San Bernardino Subbasin.
Enhanced Recharge Phase 1B	Increases water quantity by recharging an estimated average of 3,762 AFY of stormwater into the San Bernardino Subbasin.
Enhanced Recharge Phase 1A Liner	Reduces sediment load in stormwater so that stormwater may still be used to replenish the San Bernardino Subbasin when turbidity in the SAR is high.



Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Increases water quantity by recharging purified recycled water into the Yucaipa Subbasin.
Calimesa Regional Recycled Water Pipeline Project	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge, which increases water quantity.
R-12.5 Recycled Water Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge, which increases water quantity.
Salinity & Groundwater Enhancement Project	Produces 1,680 AFY of purified recycled water using advanced oxidation and reverse osmosis for groundwater recharge and indirect potable reuse through the Calimesa ASR Project and other groundwater recharge facilities, which increases water quantity.
City of Colton Wastewater Treatment Plant Upgrade and Expansion Project	Future connection to Regional Recycled Water System will allow for recharge of up to 3,700 AFY of recycled water into the San Bernardino Subbasin, which increases water quantity.
Lytle Creek Recharge Basins and Habitat	Increases water quantity by recharging stormwater into the San Bernardino Subbasin.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge, which increases water quantity.
24" Recycled Water - Pressure Zone 11 Regional Pipeline	Conveys a purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities for groundwater recharge, which increases water quantity.
3.0 MG R-11.4 Recycled Water Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities for groundwater recharge, which increases water quantity.

Results from the Upper SAR Integrated Groundwater/Surface Flow Model demonstrate that the Phase 1 projects can increase annual groundwater recharge into the Upper Santa Ana Valley Groundwater Basin (San Bernardino Subbasin) by over 38,000 AFY through stormwater capture. The Program also includes recycled water production, conveyance, and recharge facilities to recharge the Upper Santa Ana Valley Groundwater Basin (San Bernardino, Rialto-Colton, Yucaipa, and San Timoteo Subbasins) with over 25,000 AFY during all hydrologic years, and infrastructure to facilitate recharge of over 1,300 AFY of imported water through the Cactus Basin Connector Pipeline.

The Santa Anna Watershed Association and its partners are, “committed to the protection and improvement of areas within the Santa Ana River Watershed, which includes portions of Riverside, San Bernardino and Orange counties,” and supports Watershed Connect efforts to improve water quality and quantity. Their letter of support can be found in **Attachment 3_Endorsements.pdf**.



14. Is the project identified in an existing regional, state, or multistate agreement?

- Yes No

If yes, attach the relevant document and write in the textbox the filename and relevant section(s) or page(s).

USAR WIFA formed under agreements to address work under WATERSHED CONNECT – the Upper SAR Watershed Infrastructure Financing Authority (see **Attachment 1_USAR WIFA.pdf**).

15. Is the project identified as a municipal, state, or regional priority?

- Yes No

If yes, attach the relevant document and write in the textbox the filename and relevant section(s) or page(s).

WATERSHED CONNECT has been identified as a priority in multiple existing planning documents at the local, regional, and state levels. WATERSHED CONNECT program components including habitat restoration, recycled water treatment and conveyance, and recharge projects are identified in the Upper SAR HCP (**Attachment 4B_USAR Habitat Conservation Plan ExecSum.pdf**). Many habitat restoration projects in the HCP are also mitigation measures required by the HCP to implement active recharge projects. WATERSHED CONNECT components including active recharge, aquifer storage and recovery, recycled water treatment and conveyance, and wastewater treatment plant upgrades are identified in the 2020 IRUWMP (**Attachments 4A1_IRUWMP_ExecSum.pdf** and **4A2_IRUWMP Projects.pdf**).

At the state level, the 2016 California Water Action Plan (https://resources.ca.gov/CNRALegacyFiles/docs/california_water_action_plan/Final_California_Water_Action_Plan.pdf) lists 10 specific actions to address California’s water issues and support a sustainable and resilient future. Although the California Water Action Plan does not identify specific projects to be constructed, WATERSHED CONNECT directly addresses seven actions in the plan:

- Action 2. Increase Regional Self-Reliance and Integrated Water Management Across All Levels of Government
- Action 4. Protect and Restore Important Ecosystems
- Action 5. Manage and Prepare for Dry Periods
- Action 6. Expand Water Storage Capacity and Improve Groundwater Management
- Action 7. Provide Safe Water for All Communities
- Action 8. Increase Flood Protection
- Action 9. Increase Operational and Regulatory Efficiency

The WATERSHED CONNECT projects in the table below are shown with their respective planning documents.



Program Project	Existing Planning Documents
Central Feeder – EBX Intertie	Integrated Regional Urban Water Management Plan
Lytle Creek/Cajon Creek Mitigation Lands	Habitat Conservation Plan
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Habitat Conservation Plan, Regional Recycled Water Concept Study, Integrated Model
Cactus Basin Connector Pipeline	Integrated Regional Urban Water Management Plan
Regional Recycled Water System Phase 1	Integrated Regional Urban Water Management Plan
Enhanced Recharge Phase 1B	Integrated Regional Urban Water Management Plan, Habitat Conservation Plan
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Integrated Regional Urban Water Management Plan
Calimesa Regional Recycled Water Pipeline Project	Integrated Regional Urban Water Management Plan
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Integrated Regional Urban Water Management Plan
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Integrated Regional Urban Water Management Plan
Salinity & Groundwater Enhancement Project	Integrated Regional Urban Water Management Plan
Lytle Creek Recharge Basins and Habitat	Habitat Conservation Plan

16. Does the project protect water resources with exceptional recreational value or ecological importance?

Yes No

If yes, identify the water resources, why it has exceptional recreational value or ecological importance, and describe how the project protects it.

WATERSHED CONNECT will make a significant contribution to ensuring the health of the USAR Watershed. The USAR Watershed is a treasured ecological system as home to 22 federal and state endangered animal and plant species. WATERSHED CONNECT includes the restoration of the natural portion of the Rialto Channel, restoration of habitat in Lytle Creek, Cajon Creek, and along the SAR. WATERSHED CONNECT will augment multiple tributaries in in the Riverside area with tertiary recycled water discharge to create more habitat for endangered species. Further, surface flows in the Upper SAR



Watershed are influenced by groundwater levels. The active recharge, recycled water recharge, and aquifer storage and recovery components of WATERSHED CONNECT will lead to increased groundwater levels in the Yucaipa, San Bernardino, Riverside-Arlington, and Rialto-Colton Subbasins, which will lead to more consistent surface flows throughout the watershed and enhanced habitat for endangered species.

The Southern California Based Endangered Habitats League states that, “[t]his region is on of the world’s most biologically diverse, and many of our plant and animal species are threatened with extinction.” The Endangered Habitats League has recognized that WATERSHED CONNECT will protect and nurture the region’s exceptional ecological habitats and the League has submitted a letter of support for the program that is in **Attachment 3_Endorsements.pdf**.

WATERSHED CONNECT projects listed in the table below provide the following ecological protection to the watershed:

Program Project	Ecological Protection Provided
Lytle Creek/Cajon Creek Mitigation Lands	Adds and maintains vegetation in creek riparian areas to reduce erosion and sediment loads and provide natural filtration of contaminants in runoff from nearby urban hardscapes; restores and rehabilitates habitat for kangaroo rat and Santa Ana River woollystar.
Rialto Channel Habitat Restoration	Recontours the stream bed, bank, and channel to increase water velocity, decrease temperature, and increase dissolved oxygen to support native aquatic species; controls non-native aquatic predators.
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	Discharges high-quality tertiary recycled water to Santa Ana River tributaries to increase their base flow rate, which increases velocity and depth, decreases temperature, and increases dissolved oxygen to support native aquatic species; augments flows in SAR tributaries to create more aquatic habitat for endangered species including the Santa Ana Sucker.
Cactus Basin Connector Pipeline	Increases groundwater levels through imported water recharge which can improve surface stream conditions.
Regional Recycled Water System Phase 1	Increases groundwater levels through imported water recharge which can improve surface stream conditions.
Enhanced Recharge Phase 1B	Increases groundwater levels through stormwater recharge which can increase surface stream flows; restores and rehabilitates riparian habitat.
Enhanced Recharge Phase 1A Liner	Increases groundwater levels through stormwater recharge which can increase surface stream flows.



Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Increases groundwater levels through recycled water recharge which can increase surface stream flows.
Calimesa Regional Recycled Water Pipeline Project	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR projects) which can increase surface stream flows.
R-12.5 Recycled Water Reservoir	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR projects) which can increase surface stream flows.
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Provides energy resilience through on-site generation and battery storage to reduce the risk of plant failure, thereby reducing risk of plant sanitary sewer overflows which have adverse effects on nutrient and oxygen levels in surface streams and on aquatic species.
Salinity & Groundwater Enhancement Project	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR Projects) which can increase surface stream flows.
City of Colton Wastewater Treatment Plant Upgrade and Expansion Project	Reevaluates anticipated peak sewer flows and replaces aging treatment infrastructure to ensure the plant has adequate capacity for wet weather events to prevent plant sanitary sewer overflows which have adverse effects on nutrient and oxygen levels in surface streams and on aquatic species.
Lytle Creek Recharge Basins and Habitat	Increases groundwater levels through stormwater recharge which can increase surface stream flows. Maintains vegetation in creek riparian areas to reduce erosion and sediment loads and provide natural filtration of contaminants in runoff from nearby urban hardscapes.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR Projects) which can increase surface stream flows.
24" Recycled Water - Pressure Zone 11 Regional Pipeline	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR Projects) which can increase surface stream flows.
3.0 MG R-11.4 Recycled Water Reservoir	Increases groundwater levels through recycled water recharge (in part with the SAGE and Calimesa ASR Projects) which can increase surface stream flows.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	Improves surface water quality through active management of forested lands in the San Bernardino Mountains to reduce sediments in streams. Restores and conserves 520 acres of managed native species habitat.



17. Is the project designed to address an existing compliance issue?

- Yes No

If yes, identify the compliance issues(s). Explain how and to what extent the project addresses it.

Not applicable

18. Is the project designed to maintain compliance?

- Yes No

If yes, identify the potential compliance issue(s). Describe how the project maintains compliance.

The Region 8 Water Quality Control Board Basin Plan establishes a TDS limit of 330 mg/L in the Yucaipa Subbasin. WATERSHED CONNECT includes installation of reverse osmosis treatment at the Wochholz Regional Water Recycling Facility to produce purified recycled water with very low levels of TDS. This purified, low TDS recycled water will reduce the overall TDS of the basin through direct recharge and natural percolation after being used to irrigate landscaping overlying the basin.

The wastewater discharging agencies in the Upper SAR Watershed are required by *Orange County Water District v. City of Chino et al, Case No. 117628* (Orange County Judgment) to maintain a base flow of 15,250 acre-feet per year (AFY) measured at the Riverside Narrows, which is the downstream boundary of the Upper SAR Watershed. Further, the Orange County Judgment requires that the water passing through the Riverside Narrows be 700 mg/L in TDS or else is subject to an increased flow requirement. WATERSHED CONNECT implements reverse osmosis treatment at the Wochholz Regional Water Recycling Facility and improvements to the Colton Wastewater Treatment Plant to improve water quality and reduce TDS to remain compliant with the Orange County Judgment.

The Safe Drinking Water Act Maximum Contaminant Level (MCL) for nitrate is 10 mg/L. The ongoing Salt and Nutrient Management planning effort within the San Bernardino Subbasin has found that nitrate levels at monitoring wells are ranging between 6 and 9 mg/L. The imported water recharge and stormwater capture projects in WATERSHED CONNECT will replenish the San Bernardino Subbasin with high quality, low nitrate water to maintain compliance with the nitrate MCL.

The WATERSHED CONNECT projects listed in the table below will help maintain compliance with regulatory limits in the Upper SAR Watershed.

Program Project	Water Quality Concerns Addressed
Acquisition of Greenspot Pump Station	During years of high imported water availability, if all groundwater recharge facilities along the Foothill Pipeline (SBVMWD’s primary raw imported water distribution pipeline)



	are full, the Greenspot Pump Station can be used to move imported water from the Foothill Pipeline to the Mill Creek spreading grounds to maximize groundwater recharge into the San Bernardino Subbasin, which reduces nitrate concentrations to remain compliant with the drinking water MCL.
Enhanced Recharge Phase 1B	Captures stormwater to replenish the San Bernardino Subbasin with high-quality, low nitrate water to remain compliant with the drinking water MCL.
Enhanced Recharge Phase 1A Liner	Captures stormwater to replenish the San Bernardino Subbasin with high-quality, low nitrate water to remain compliant with the drinking water MCL.
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	Provides infrastructure to recharge and extract purified recycled water produced at the Wochholz Regional Water Recycling Plant to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.
Calimesa Regional Recycled Water Pipeline Project	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.
R-12.5 Recycled Water Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Provides energy resilience through on-site generation and battery storage to reduce the risk of plant failure, thereby reducing risk of plant sanitary sewer overflows which are a violation of the facility's NPDES permit, and reducing the risk of interruptions to the purified recycled water supply that replenishes the Yucaipa Subbasin with low-TDS water through the SAGE and Calimesa ASR Projects to remain compliant with Regional Water Board Basin Plan objectives.
Salinity & Groundwater Enhancement Project	Produces purified recycled water using advanced oxidation and reverse osmosis for groundwater recharge and indirect potable reuse through the Calimesa ASR Project, which improves groundwater quality through recharge of low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.



City of Colton Wastewater Treatment Plant Upgrade and Expansion Project	Reevaluates anticipated peak sewer flows and replaces aging treatment infrastructure to ensure that the plant has adequate capacity for wet weather events to prevent plant sanitary sewer overflows which are a violation of the plant's NPDES permit. Contributes base flow to the SAR to assist the region in complying with the Orange County Judgment.
Lytle Creek Recharge Basins and Habitat	Captures stormwater to replenish the San Bernardino Subbasin with high quality, low nitrate water to remain compliant with the drinking water MCL.
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.
24" Recycled Water Pressure Zone 11 Regional Pipeline	Conveys purified recycled water from the SAGE Project to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.
3.0 MG R-11.4 Recycled Water Reservoir	Provides interim storage for purified recycled water from the SAGE Project on its way to the Calimesa ASR recharge facilities to replenish the Yucaipa Subbasin with high quality, low-TDS water to remain compliant with Regional Water Board Basin Plan objectives.

19. Does the project reduce exposure to lead or emerging contaminants within a drinking water or wastewater system?

Yes No

If yes, explain how.

The WATERSHED CONNECT projects listed in the table below reduce exposure to emerging contaminants within the drinking water system.

Program Project	Protection Provided
Regional Recycled Water System Phase I	This project will convey purified recycled water to recharge basins from the San Bernardino Water Reclamation Plant Tertiary Treatment System and Sterling Natural Resource Center, both of which will remove emerging contaminants through membrane filtration.



Salinity & Groundwater Enhancement Project	This project involves the construction of a reverse osmosis system to purify recycled water; this system will eliminate or significantly reduce the concentration of emerging contaminants.
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20. Does this project or projects include costs for implementing cybersecurity measures?

- Yes No

If yes, please describe these measures and associated costs.

YVWD has initiated a SCADA System Improvement Project that will replace the existing SCADA network system and hardware at drinking water, recycled water, and sewer facilities. The Salinity and Groundwater Enhancement Project will include site-specific SCADA improvements to enhance cybersecurity protection at the Wochholz Regional Water Recycling Facility. All proposed recycled water projects, except for recycled water pipelines, will be included in the proposed cybersecurity upgrades. In addition, cybersecurity measures will be incorporated into the Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project and the Wochholz Regional Water Recycling Facility Energy Resiliency Project. YVWD anticipates investing \$1.3M to \$1.5M in cybersecurity upgrades and these costs are part of the WATERSHED CONNECT Program, but not included within the Phase 1 WIFIA loan request.

21. WIFIA funding would

- Delay the project development schedule
- Have no impact on the project development schedule
- Accelerate the project development schedule
- Allow you to implement other high priority projects sooner than anticipated
- Be the only funding option that would allow the project to be implemented

22. Will WIFIA financing reduce the contribution of Federal assistance to the project?

- Yes No



Section D: Contact Information

1. Primary point of contact

Name: Heather Dyer

Title: CEO/General Manager

Organization: San Bernardino Valley Municipal Water District

Street Address: 380 East Vanderbilt Way

City/State/Zip: San Bernardino, CA 92408

Phone: 909.387.9256

E-mail: heatherd@sbumwd.com

2. Secondary point of contact

Name: Adekunle Ojo

Title: Manager of Water Resources

Organization: San Bernardino Valley Municipal Water District

Street Address: 380 East Vanderbilt Way

City/State/Zip: San Bernardino, CA 92408

Phone: 909-387-9231

E-mail: adekunleo@sbumwd.com



Section E: Certifications

Please sign in the appropriate space and submit a scanned version of the signature page to EPA with the electronic Letter of Interest submission.

1. *National Environmental Policy Act:* The prospective borrower acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and that EPA will not approve a loan for a project until a final agency determination, such as a Categorical Exclusion (CATEX), Finding of No Significant Impact (FONSI), or a Record of Decision (ROD), has been issued.
2. *American Iron and Steel:* The prospective borrower acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Prevailing Wages:* The prospective borrower acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
4. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. The EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA prospective borrowers must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement,



the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

5. *Debarment:* The undersigned further certifies that it is not currently: 1) debarred or suspended ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; or 3) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532).
6. *Default/Delinquency:* The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.
7. *Other Federal Requirements:* The prospective borrower acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at <https://www.epa.gov/wifia/wifia-federal-compliance-requirements>.
8. *Signature:* By submitting this letter of interest, the undersigned certifies that the facts stated and the certifications and representations made in this letter of interest are true, to the best of the prospective borrower's knowledge and belief after due inquiry, and that the prospective borrower has not omitted any material facts. The undersigned is an authorized representative of the prospective borrower.

Signature: _____ See **Attachment 8a** Signatures.pdf

Date Signed: Click or tap to enter a date.

Name: Heather Dyer
 Title: CEO/General Manager
 Organization: San Bernardino Valley Municipal Water District
 Street Address: 380 East Vanderbilt Way
 City/State/Zip: San Bernardino, CA 92408
 Phone: 909.387.9256
 E-mail: heatherd@sbumwd.com



Section F: Notification of State Infrastructure Financing Authority

Please sign in the appropriate space and submit a scanned version of the signature page to EPA with the electronic Letter of Interest submission.

By submitting this letter of interest, the undersigned acknowledges that EPA will (1) notify the appropriate State infrastructure financing authority in the State in which the project is located that the prospective borrower submitted this letter of interest; and (2) provide the submitted letter of interest and all source documents to that State infrastructure financing authority.

Prospective borrowers that **do not want their letter of interest and source documents shared with the State infrastructure financing authority** in the state in which the project is located may opt out by initialing here _____.

If a prospective borrower opts out of sharing a letter of interest, EPA will still notify the State infrastructure financing authority within 30 days of receiving a letter of interest.

Signature: _____ See **Attachment 8b** Signatures.pdf

Name: Click or tap here to enter text.

Date Signed: Click or tap to enter a date.



KEY DEFINITIONS

- (a) *Administrator* means the Administrator of EPA.
- (b) *Credit assistance* means a secured loan or loan guarantee under WIFIA.
- (c) *Eligible project costs* mean amounts, substantially all of which are paid by, or for the account of, an obligor in connection with a project, including the cost of:
- (1) Development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
 - (2) Construction, reconstruction, rehabilitation, and replacement activities;
 - (3) The acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation (including acquisitions pursuant to section 33 U.S.C. §3905(7)), construction contingencies, and acquisition of equipment; and
 - (4) Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.
- (d) *Iron and steel products* means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (e) *Project* means:
- (1) Any project for flood damage reduction, hurricane and storm damage reduction, environmental restoration, coastal or inland harbor navigation improvement, or inland and intracoastal waterways navigation improvement that the Secretary determines is technically sound, economically justified, and environmentally acceptable, including—
 - (A) a project to reduce flood damage;
 - (B) a project to restore aquatic ecosystems;
 - (C) a project to improve the inland and intracoastal waterways navigation system of the United States; and
 - (D) a project to improve navigation of a coastal or inland harbor of the United States, including channel deepening and construction of associated general navigation features.
 - (2) 1 or more activities that are eligible for assistance [under section 1383\(c\) of this title](#), notwithstanding the public ownership requirement under paragraph (1) of that subsection.
 - (3) 1 or more activities described in section [300j-12\(a\)\(2\) of title 42](#).



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- (4) A project for enhanced energy efficiency in the operation of a public water system or a publicly owned treatment works.
 - (5) A project for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility (including a facility that serves a population or community of an Indian reservation).
 - (6) A brackish or sea water desalination project, including chloride control, a managed aquifer recharge project, a water recycling project, or a project to provide alternative water supplies to reduce aquifer depletion.
 - (7) A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds.
 - (8) Acquisition of real property or an interest in real property—
 - (A) if the acquisition is integral to a project described in paragraphs (1) through (6); or
 - (B) pursuant to an existing plan that, in the judgment of the Administrator or the Secretary, as applicable, would mitigate the environmental impacts of water resources infrastructure projects otherwise eligible for assistance under this section.
 - (9) A combination of projects, each of which is eligible under paragraph (2) or (3), for which a State infrastructure financing authority submits to the Administrator a single application.
 - (10) A combination of projects secured by a common security pledge, each of which is eligible under paragraph (1), (2), (3), (4), (5), (6), (7), or (8), for which an eligible entity, or a combination of eligible entities, submits a single application.

(f) *Public entity* means:

- (1) a Federal, State, or local Governmental entity, agency, or instrumentality; or
- (2) a Tribal Government or consortium of Tribal Governments.

(g) *Publicly sponsored* means the obligor can demonstrate, to the satisfaction of the Administrator that it has consulted with the affected State, local or Tribal Government in which the project is located, or is otherwise affected by the project, and that such government supports the proposed project. Support can be shown by a certified letter signed by the approving municipal department or similar agency, mayor or other similar designated authority, local ordinance, or any other means by which local government approval can be evidenced.

(h) *State infrastructure financing authority* means the State entity established or designated by the Governor of a State to receive a capitalization grant provided by, or otherwise carry out the requirements of, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et. seq.) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).

(i) *Treatment works* has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(j) *WIFIA* means the Water Infrastructure Finance and Innovation Act of 2014, Pub. L. 113-121, 128 Stat, 1332, codified at 33 U.S.C. §§ 3901-3914.



Attachment A: Selection Criteria & Scoring

Project Readiness Criteria	Points
Readiness to proceed	40
Preliminary engineering feasibility analysis	40
New or innovative approaches	20
Borrower Creditworthiness Criteria	Points
Enables project to proceed earlier	10
Financing plan	10
Reduction of Federal assistance	10
Required budget authority	10
Preliminary creditworthiness assessment	60
Project Impact Criteria	Points
National or regional significance	5
Protection against extreme weather events	20
Serves energy exploration or production areas	5
Serves regions with water resource challenges	5
Addresses identified priorities	5
Repair, rehabilitation, or replacement	20
Economically stressed communities	20
Reduces exposure to lead & emergent contaminants	20
Total Points	300

Watershed Connect Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Timeline																					
							2021	2022	2023	2024	2025	2026	2027	2028	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1		WIFIA Funding Loan Approval Phase	725 days	Mon 6/7/21	Thu 6/1/23		[Timeline bar from Q2 2021 to Q4 2023]																					
2		NTP	1 day	Mon 6/7/21	Mon 6/7/21		[Timeline bar at Q2 2021]																					
3		Prepare LOI	46 days	Tue 6/8/21	Fri 7/23/21	2	[Timeline bar from Q2 2021 to Q3 2021]																					
4		Submit LOI to EPA	1 day	Fri 7/23/21	Fri 7/23/21	3FS-1 day	[Timeline bar at Q3 2021]																					
5		EPA Review of LOI	90 days	Fri 7/23/21	Wed 10/20/21	4FS-1 day	[Timeline bar from Q3 2021 to Q4 2021]																					
6		Complete Application	365 days	Thu 10/21/21	Thu 10/20/22	5	[Timeline bar from Q4 2021 to Q4 2022]																					
7		Submit Application	1 day	Thu 10/20/22	Thu 10/20/22	6FS-1 day	[Timeline bar at Q4 2022]																					
8		EPA Review of Application	56 days	Fri 10/21/22	Thu 12/15/22	7	[Timeline bar from Q1 2023 to Q2 2023]																					
9		Loan Negotiation	112 days	Fri 12/16/22	Thu 4/6/23	8	[Timeline bar from Q2 2023 to Q3 2023]																					
10		Loan Approval	56 days	Fri 4/7/23	Thu 6/1/23	9	[Timeline bar from Q3 2023 to Q4 2023]																					
11		Phase 1 Projects	2490 days	Mon 1/4/21	Fri 10/29/27		[Timeline bar from Q2 2021 to Q4 2027]																					
12		Regional Recycled Water System Phase I	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
13		Construction	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
14		Greenspot Pump Station Purchase	327 days	Mon 2/6/23	Fri 12/29/23		[Timeline bar from Q1 2023 to Q4 2023]																					
15		Procurement	327 days	Mon 2/6/23	Fri 12/29/23		[Timeline bar from Q1 2023 to Q4 2023]																					
16		Central Feeder – EBX Intertie	761 days	Fri 10/1/21	Tue 10/31/23		[Timeline bar from Q4 2021 to Q4 2023]																					
17		Design	211 days	Fri 10/1/21	Fri 4/29/22		[Timeline bar from Q4 2021 to Q1 2022]																					
18		Construction	550 days	Sat 4/30/22	Tue 10/31/23	17	[Timeline bar from Q2 2022 to Q4 2023]																					
19		Lytle Creek/Cajon Creek Mitigation Lands	1033 days	Mon 1/3/22	Thu 10/31/24		[Timeline bar from Q1 2022 to Q4 2024]																					
20		Construction	1033 days	Mon 1/3/22	Thu 10/31/24		[Timeline bar from Q1 2022 to Q4 2024]																					
21		Rialto Channel Habitat Restoration	1033 days	Mon 1/3/22	Thu 10/31/24		[Timeline bar from Q1 2022 to Q4 2024]																					
22		Design	362 days	Mon 1/3/22	Fri 12/30/22		[Timeline bar from Q1 2022 to Q4 2022]																					
23		Construction	671 days	Sat 12/31/22	Thu 10/31/24	22	[Timeline bar from Q4 2022 to Q4 2024]																					
24		SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
25		Construction	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
26		Cactus Basin Connector Pipeline	1033 days	Mon 1/3/22	Thu 10/31/24		[Timeline bar from Q1 2022 to Q4 2024]																					
27		Design	362 days	Mon 1/3/22	Fri 12/30/22		[Timeline bar from Q1 2022 to Q4 2022]																					
28		Construction	671 days	Sat 12/31/22	Thu 10/31/24	27	[Timeline bar from Q4 2022 to Q4 2024]																					
29		Enhanced Recharge Phase 1B	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
30		Construction	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
31		Enhanced Recharge Phase 1A Liner	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
32		Construction	669 days	Mon 1/2/23	Thu 10/31/24		[Timeline bar from Q1 2023 to Q4 2024]																					
33		Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	1398 days	Mon 1/3/22	Fri 10/31/25		[Timeline bar from Q1 2022 to Q4 2025]																					
34		Planning	179 days	Mon 1/3/22	Thu 6/30/22		[Timeline bar from Q1 2022 to Q2 2022]																					
35		Design	362 days	Mon 1/3/22	Fri 12/30/22	34SS	[Timeline bar from Q1 2022 to Q4 2022]																					

Watershed Connect WIFIA Letter of Interest	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

Watershed Connect Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	2021				2022				2023				2024				2025				2026				2027				2028			
							Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
36		Construction	1034 days	Mon 1/2/23	Fri 10/31/25																																	
37		Calimesa Regional Recycled Water Pipeline Project	547 days	Mon 5/3/21	Mon 10/31/22																																	
38		Construction	547 days	Mon 5/3/21	Mon 10/31/22																																	
39		R-12.5 Recycled Water Reservoir	669 days	Mon 1/2/23	Thu 10/31/24																																	
40		Construction	669 days	Mon 1/2/23	Thu 10/31/24																																	
41		Wochholz Regional Water Recycling Facility Energy Resiliency Project	547 days	Mon 5/3/21	Mon 10/31/22																																	
42		Construction	547 days	Mon 5/3/21	Mon 10/31/22																																	
43		Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	666 days	Mon 1/4/21	Mon 10/31/22																																	
44		Design	362 days	Mon 1/4/21	Fri 12/31/21																																	
45		Construction	183 days	Mon 5/2/22	Mon 10/31/22																																	
46		SAGE - Salinity & Groundwater Enhancement Project	1033 days	Mon 1/3/22	Thu 10/31/24																																	
47		Construction	1033 days	Mon 1/3/22	Thu 10/31/24																																	
48		City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	1397 days	Mon 1/4/21	Thu 10/31/24																																	
49		Design	362 days	Mon 1/4/21	Fri 12/31/21																																	
50		Construction	1035 days	Sat 1/1/22	Thu 10/31/24	49																																
51		Lytle Creek Recharge Facilities and Habitat Pkg 1	2126 days	Mon 1/3/22	Fri 10/29/27																																	
52		Design	363 days	Mon 1/3/22	Sat 12/31/22																																	
53		Construction	1763 days	Sun 1/1/23	Fri 10/29/27	52																																
54		R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	1398 days	Mon 1/3/22	Fri 10/31/25																																	
55		Design	362 days	Mon 1/3/22	Fri 12/30/22																																	
56		Construction	1036 days	Sat 12/31/22	Fri 10/31/25	55																																
57		24" Recycled Water Pipeline Extension - Pressure Zone 11	1398 days	Mon 1/3/22	Fri 10/31/25																																	
58		Design	362 days	Mon 1/3/22	Fri 12/30/22																																	
59		Construction	1036 days	Sat 12/31/22	Fri 10/31/25	58																																
60		Recycled Reservoir R-11.4 - 3.0 MG	1398 days	Mon 1/3/22	Fri 10/31/25																																	
61		Design	363 days	Mon 1/3/22	Sat 12/31/22																																	
62		Construction	1035 days	Sun 1/1/23	Fri 10/31/25	61																																
63		SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	362 days	Mon 1/2/23	Fri 12/29/23																																	
64		Procurement	362 days	Mon 1/2/23	Fri 12/29/23																																	

Watershed Connect WIFIA Letter of Interest	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

Watershed Connect Schedule





ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	2021				2022				2023				2024				2025				2026				2027				2028			
							Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
65		Phase 2 Projects	2189 days	Mon 1/3/22	Fri 12/31/27																																	
66		Bunker Hill Conjunctive Use Project	670 days	Mon 12/9/24	Fri 10/9/26																																	
67		Clean Water Factory Phase 2	670 days	Mon 12/9/24	Fri 10/9/26																																	
68		Regional Recycled Water System Phase 2	670 days	Mon 12/9/24	Fri 10/9/26																																	
69		City Creek Pipeline Protection	670 days	Mon 12/9/24	Fri 10/9/26																																	
70		Enhanced Recharge Phase 1C	670 days	Mon 12/9/24	Fri 10/9/26																																	
71		SCRAM - Salinity Concentration Reduction and Minimization System	1094 days	Mon 1/3/22	Tue 12/31/24																																	
72		Replenish Big Bear Project	670 days	Mon 12/9/24	Fri 10/9/26																																	
73		City of Colton Stormwater Capture/Recharge - Valley Blvd. @ Meridian	670 days	Mon 12/9/24	Fri 10/9/26																																	
74		East Surface Water Treatment Plant	670 days	Mon 12/9/24	Fri 10/9/26																																	
75		Groundwater Production Flexibility	670 days	Mon 12/9/24	Fri 10/9/26																																	
76		Headwaters Resiliency Protection	670 days	Mon 12/9/24	Fri 10/9/26																																	
77		Active Recharge - Plunge/Oak Creek	670 days	Mon 12/9/24	Fri 10/9/26																																	
78		Active Recharge – Devil Crk. Basins	670 days	Mon 12/9/24	Fri 10/9/26																																	
79		Devil Creek Turnout	670 days	Mon 12/9/24	Fri 10/9/26																																	
80		Sunnyslope Creek Restoration and Louis Robidoux Nature Center Rehab	670 days	Mon 12/9/24	Fri 10/9/26																																	
81		Calimesa Aquifer Storage & Recovery (ASR) Project Phase 2	791 days	Sat 11/1/25	Fri 12/31/27	36																																
82		North Bench Recycled Water System	670 days	Mon 12/9/24	Fri 10/9/26																																	
83		Hospitality Lane Recycled Water Extension	670 days	Mon 12/9/24	Fri 10/9/26																																	
84		Reservoir, Recharge/Stormwater Capture Basin at Resource Ranch	1034 days	Mon 3/3/25	Fri 12/31/27																																	
85		Phase 3 Projects	670 days	Mon 10/12/26	Fri 8/11/28																																	
86		Active Recharge – E. Twin Crk. Basins	670 days	Mon 10/12/26	Fri 8/11/28																																	
87		Active Recharge – Waterman Basins	670 days	Mon 10/12/26	Fri 8/11/28																																	
88		Riverside North ASR (Rubber Dam)	670 days	Mon 10/12/26	Fri 8/11/28																																	
89		SAR Riverside Groins/Microhabitat Project	670 days	Mon 10/12/26	Fri 8/11/28																																	
90		Regional Advanced Treatment (Desalter) Facility	670 days	Mon 10/12/26	Fri 8/11/28																																	

Watershed Connect WIFIA Letter of Interest	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			






Project Descriptions



Acquisition of Greenspot Pump Station

Benefits	Project Description
   	<p>This project involves the acquisition of the 70 cubic foot per second (CFS) Greenspot Pump Station from the California Department of Water Resources. The Greenspot Pump Station was part of the East Branch Extension of the California Aqueduct and facilitated the movement of State Water Project water through SBVMWD facilities to the San Geronio Pass Water Agency. Phase 2 of the East Branch Extension of the California Aqueduct (which delivers imported water directly to San Geronio Pass Water Agency) has made the Greenspot Pump Station available to serve other purposes. The Greenspot Pump Station now plays a crucial role in facilitating the movement of water in the region in emergencies (i.e., supply interruptions to ensure supply reliability) and is also used to move imported water to groundwater basins and maximize recharge during wet years when a large volume of imported water may be received by SBVMWD.</p> <p>SOURCE: PERSONAL COMMUNICATION</p>

Central Feeder – EBX Intertie

Benefits	Project Description
  	<p>This project will connect the Central Feeder Pipeline to East Branch Extension of the California Aqueduct to protect the region from future water supply disruption by facilitating water banking/conjunctive use and allowing the bidirectional movement of State Water Project water and groundwater (conjunctive use). The Intertie Project includes approximately 500 linear feet (LF) of 24-inch to 60-inch diameter pipeline and appurtenances.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>

Lytle Creek/Cajon Creek Mitigation Lands

Benefits	Project Description
 	<p>The Lytle Creek Conservation Bank and Cajon Creek Conservation Bank are in the alluvial floodplain and active channel of Lytle Creek and Cajon Creek, respectively, near the confluence of Lytle and Cajon Creeks (north of California State Route 210 and west of Interstate 215). Both banks have habitat conservation values available to mitigate impacts on San Bernardino kangaroo rat and Santa Ana River woolly-star. Mitigation to offset impacts on Covered Species (and their habitat) from the water infrastructure projects proposed, or Covered Activities, within Alluvial Fan Preserve Unit B will be satisfied by land acquisition, habitat improvement (restoration and/or rehabilitation), and management of lands within this same Preserve Unit. The project will restore approximately 300 acres of habitat.</p> <p>SOURCE: HABITAT CONSERVATION PLAN, MAY 2021</p>



Drought
Resiliency



Improved
Water Quality



Ecological
Health




Resiliency in the
Face of Climate
Change




Infrastructure
Enhancements

Rialto Channel Habitat Restoration





Benefits	Project Description
	<p>The downstream reach of the Rialto Channel includes an approximately 3,000-ft long segment between the effluent discharge point from the Rialto Wastewater Treatment Plant and the channel’s confluence with the Santa Ana River. The channel has various issues including high water temperature, poor water quality, and high presence of non-native fish species. The Rialto Channel Habitat Restoration Project involves enhancement of aquatic and riparian habitat for native species including a federally threatened fish (Santa Ana sucker). Enhancement would include provision of supplemental high quality cold water to the channel to reduce instream temperatures in fish rearing habitat, non-native plant management, control of non-native aquatic predators, , construction of natural treatment infrastructure to improve water quality, recontouring of the bed, bank, and channel to reduce deep pools that provide non-native fish habitat, and reconfiguring the channel bed substrate to create a shallow habitat and increase water velocity to benefit native fish species. This project offsets and mitigates the impacts to native aquatic species and riverine habitat that result from several recycled water projects that will shift effluent discharge from the River to groundwater recharge basins.</p> <p>SOURCE: ORIGINAL</p>

SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)





Benefits	Project Description
	<p>This is a joint project between the SBVMWD and its Habitat Conservation Plan partners that will install approximately 52,000 linear feet (LF) of 8-inch to 24-inch diameter pipeline adjacent to the Santa Ana River in order to deliver tertiary treated recycled water from the Riverside Regional Water Quality Control Plant (RWQCP) to Tributary Restoration Sites that are part of the conservation strategy of the Habitat Conservation Plan. The project will provide high quality, drought proof water supply to approximately 3.5 miles of fish habitat being restored to benefit native fishes including the federally protected Santa Ana sucker, the state protected Arroyo chub and several other aquatic species native to the Santa Ana River. The project will improve habitat conditions including water supply and water quality and provide a dependable minimum flow to these highly urbanized stream systems. The tributary restoration projects are being built to offset and mitigate the impacts of the water supply projects being constructed within the watershed.</p> <p>SOURCE: HABITAT CONSERVATION PLAN, MAY 2021</p>



Cactus Basin Connector Pipeline






Benefits	Project Description
   	<p>The proposed project will facilitate State Water Project (SWP) recharge in Cactus Basins for the Rialto – Colton Groundwater Basin. SBVMWD is working cooperatively with the San Bernardino County Flood Control District to recharge SWP supplemental water in the Cactus Basins, which would recharge an estimated average of 1,360 AFY of high-quality water during normal SWP allocation years into the Rialto-Colton Subbasin, which is currently seriously depleted. The project includes the construction of two new basins, which are being built for flood control. Basin development will include the construction of a bypass pipeline to manage flood flows.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>

Regional Recycled Water System Phase I





Benefits	Project Description
   	<p>This project includes new conveyance pipelines and recharge basins that will serve as a regional facility to augment the groundwater supply with drought-proof recycled water. East Valley Water District's Sterling Natural Resource Center (SNRC) and the San Bernardino Municipal Water Department's Tertiary Treatment System (TTS) will treat wastewater generated in their service areas for beneficial reuse in the Upper Santa Ana River Watershed. The SNRC and TTS will treat and convey approximately 11,600 AFY of the tertiary-treated water to SBVMWD at the Weaver Basins; a new regional facility being built by SBVMWD to accept recycled water from various sources for groundwater replenishment. The discharged water will percolate into the groundwater basin, augmenting local water supplies pursuant to Title 22 regulations governing indirect potable reuse (IPR) projects. A portion of the Weaver Basins site is suitable habitat for the federally listed, San Bernardino kangaroo rat. Habitat will be enhanced and conserved for the benefit of the species.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>







Enhanced Recharge Phase 1B

Benefits	Project Description
    	<p>The Enhanced Recharge Project is located on the Santa Ana River and will divert up to 500 cubic feet per second (cfs) and is estimated to recharge on average 15,500 AFY or up to approximately 80,000 AFY of stormwater during a wet year. Water will be temporarily captured at the Seven Oaks Dam and diverted stormwater will flow to recharge basins for recharge into the San Bernardino subbasin. Phase 1B includes modification to basin structures and improvements to sediment management as part of the Enhanced Recharge Project, and is expected to increase capture by 3,692 AFY. This project improves the regional drought resiliency due to the capture and storage of wet-year flow in the groundwater basin which will be used during future dry years. The project also helps improve the water quality of the groundwater basin, specifically by diluting salts and nutrient increases resulting from the recycled water projects discussed above. Habitat will be restored and protected within this project area for the federally listed San Bernardino Kangaroo rat, and the Santa Ana River woolly-star and Santa Ana River spineflower, two plant species listed by both the federal and state Endangered Species Acts.</p> <p>SOURCES: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021 ; HABITAT CONSERVATION PLAN, MAY 2021</p>

Enhanced Recharge Phase 1A Liner





Benefits	Project Description
   	<p>The Enhanced Recharge Project is located on the Santa Ana River. The project will divert up to 500 cfs and recharge an average 15,500 AFY, or up to approximately 80,000 AFY of stormwater during a wet year. Water will be temporarily captured at the Seven Oaks Dam and diverted stormwater will flow to recharge basins for recharge into the San Bernardino Subbasin. The Phase 1A Liner project includes the construction of a geosynthetic liner across the existing sedimentation basin that is designed to reduce water turbidity before it travels into the downstream groundwater recharge basins. The liner is intended to reduce the infiltration rate to 5 cubic feet per second to slow infiltration and allow the fine sediment to drop out of the stormwater, while also minimizing potential impacts to the surrounding areas from rapidly percolating water.</p> <p>SOURCE: ORIGINAL</p>

Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1





Benefits	Project Description
   	<p>The Yucaipa Valley Water District will be installing four injection wells and two extraction wells as an Aquifer Storage and Recovery Facility in the City of Calimesa. This system will provide for the injection of approximately 2,500 AFY of fully treated (reverse osmosis) recycled water to provide additional drinking water supplies and to meet peak recycled water demands by reversing the flow of water from the injection wells.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>






Calimesa Regional Recycled Water Pipeline Project

Benefits	Project Description
   	<p>The proposed project will involve construction of approximately 18,500 linear feet (3.5 miles) of 24-inch-diameter waterline to connect an existing YVWD waterline to customers in the Calimesa area. The intent of the proposed project is to deliver recycled water to customers to offset current water supply shortages, and to convey recycled water from the SAGE Project to the Calimesa ASR injection wells.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>

R-12.5 Recycled Water Reservoir




Benefits	Project Description
   	<p>The project includes installation of two 0.5 million gallon recycled water reservoirs located adjacent to the industrial warehouse development (I-10 Logistics) fronting Cherry Valley Boulevard in the City of Calimesa. The reservoirs will be connected to the 12 zone recycled system and will be 500,000 gallons each. The location of this site will balance the 12 zone recycled demand flows as the nearest recycled reservoir in the 12 zone system is over 5 miles to the north in Chapman Heights.</p> <p>SOURCE: YVWD FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET, JUNE 2021</p>

Wochholz Regional Water Recycling Facility Energy Resiliency Project





Benefits	Project Description
  	<p>An energy independent microgrid system consisting of solar power arrays, peak battery backup and a natural gas generator will be installed at the Wochholz Regional Water Recycling Facility to protect the facility from Public Safety Power Shutoff events and emergency power outages. The project will produce 4 MW of renewable solar energy.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>







Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project

Benefits	Project Description
  	<p>An energy independent microgrid system consisting of solar power arrays, peak battery backup and a natural gas generator will be installed at the Yucaipa Valley Regional Water Filtration Facility to protect the facility from Public Safety Power Shutoff events and emergency power outages. The project will produce 3 MW of renewable solar energy.</p> <p>SOURCE: INTEGRATED REGIONAL URBAN WATER MANAGEMENT PLAN, JUNE 2021</p>

Salinity & Groundwater Enhancement Project






Benefits	Project Description
   	<p>The proposed project will involve the following:</p> <ul style="list-style-type: none"> • Expand the Reverse Osmosis (RO) system from 2.25 mgd to a full 6.0 mgd. Increase RO concentration recovery from 80 percent to 92 percent using a closed RO system. • Add Advanced Oxidation Processes to produce recycled water that will meet Groundwater Recharge Regulation Article 5.2 • Increase groundwater replenishment opportunities and direct reuse of recycled water resources consistent with the Basin Plan objectives. • SCADA system upgrades to replace the existing SCADA network to improve the cybersecurity and system network at the Wochholz Regional Water Recycling Facility. • Increase operational flexibility within the USAR watershed to advance the integrated water management objectives of the District and the region, including increasing the use of recycled water. <p>SOURCE: YVWD FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET, JUNE 2021</p>

City of Colton Wastewater Treatment Plant Upgrade & Expansion Project





Benefits	Project Description
   	<p>The proposed project includes replacing and upgrading the existing primary and secondary treatment process equipment at the City of Colton Wastewater Treatment Plant with a 3 mgd treatment system to accommodate peak wet weather flows. Treatment technology used will either be oxidation ditches or a membrane bioreactor. Discharge will be to the Santa Ana River and to the Rapid Infiltration Extraction (RIX) tertiary treatment facility; however, if a membrane bioreactor is utilized, effluent may be used for irrigation or groundwater recharge.</p> <p>SOURCE: ORIGINAL</p>







Lytle Creek Recharge Basins and Habitat

Benefits	Project Description
    	<p>The proposed improvements at the Lytle-Cajon Basin include constructing a series of new recharge basins for groundwater replenishment, totaling approximately 43 acres. This project will acquire land adjacent to Lytle Creek suitable for recharge and habitat conservation purposes. The basins will be constructed such that overflow will be carried into the alluvial fan habitat, creating surface scour and habitat enhancements for species such as the San Bernardino kangaroo rat while also recharging the groundwater basin below with approximately 2,000 AFY.</p> <p>SOURCE: ORIGINAL</p>

R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir





Benefits	Project Description
   	<p>The proposed project will install a recycled water booster station to the existing recycled water 10.3 reservoir and booster complex. The existing 10.3 reservoir and booster complex includes the R-10.3.1 and R-10.3.2 recycled water tanks, each with a capacity of 1-million gallons. The two boosters on-site (B10.3.1, B-10.3.2) both pump to the 12 zone system. This project will add two boosters that are designed to pump to the 11 zone within the recycled system. The existing electrical system at the site will need to be upgraded to accommodate the new pumping equipment.</p> <p>SOURCE: YVWD FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET, JUNE 2021</p>

24" Recycled Water Pressure Zone 11 Regional Pipeline






Benefits	Project Description
   	<p>The proposed project will install approximately 12,000 linear feet of 11 zone recycled water pipeline connecting the future booster station at R-10.3 and supplying the future 11 zone pipeline to be constructed by others that will ultimately connect to the future R-11.4 reservoir site.</p> <p>SOURCE: YVWD FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET, JUNE 2021</p>



3.0 MG R-11.4 Recycled Water Reservoir

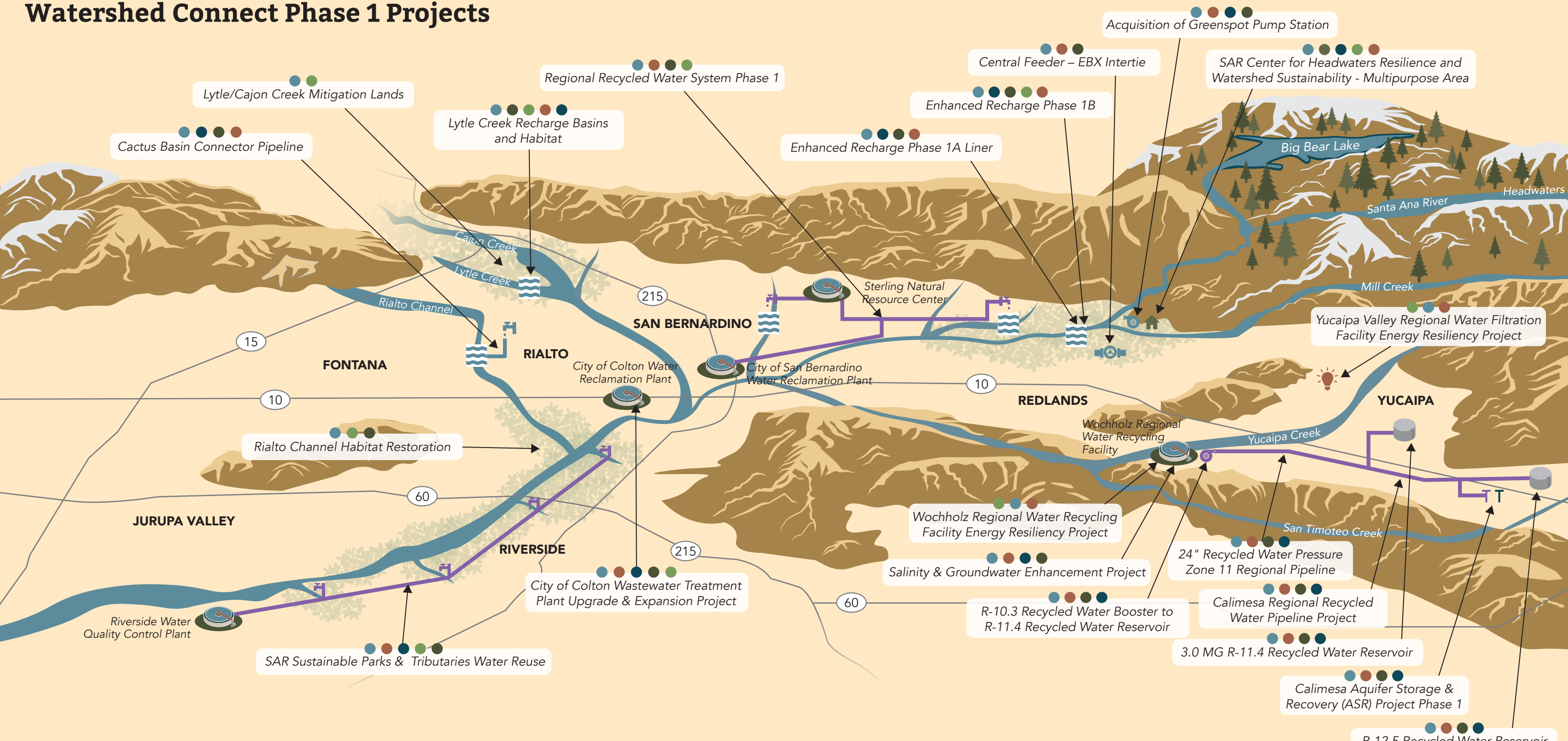
Benefits	Project Description
   	<p>Developments in the City of Calimesa will require additional drinking water and recycled water storage capacity within the eleven (11) pressure zone of each respective distribution system. The project will consist of a 3-million-gallon recycled water reservoir to provide recycled water for direct reuse and high purity recycled water for groundwater injection.</p> <p>SOURCE: YVWD FISCAL YEAR 2022 CAPITAL IMPROVEMENT BUDGET, JUNE 2021</p>

SAR Center for Headwaters Resiliency and Watershed Sustainability - Multipurpose Area

Benefits	Project Description
    	<p>The Santa Ana River Center for Headwaters Resiliency and Watershed Sustainability – Multipurpose Area includes land acquisition for the following facilities:</p> <ul style="list-style-type: none"> • 521 acres of conserved, restored, and managed native species habitat; • 830 acres of open space at the wildland forest/urban interface; and • 33 acres for a water surface-storage facility to improve water supply and reliability. <p>Not financed through WIFIA, but also included in this project, is an educational and public outreach facility. This multi-purpose area will be located in the open space near the wildland forest/urban interface and will be designed to educate the public and stakeholders while promoting and facilitating proactive forest and wildland management activities to reduce the risk and impacts of wildfire. The center will educate the public about the ties between healthy headwater forests and a resilient watershed, including the potential risk to water supply and water quality from wildfires in the headwaters. The center will promote conservation and habitat management as key to the function and long-term resilience of a watershed system. The focus of educational materials will be on watershed climate resilience and stewardship of the natural resources.</p> <p>SOURCE: ORIGINAL</p>



Watershed Connect Phase 1 Projects



LEGEND

- | | | | | | | | |
|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|-------------------------------|
| | Wastewater Treatment Plant | | Natural Waterway or Channel | | Groundwater Recharge Basin | | Habitat Restoration Area |
| | Recycled Water Turnout | | Recycled Water Pipeline | | Recycled Water Pump Station | | Recycled Water Reservoir |
| | State Water Project Turnout | | Raw Water Pipeline | | Raw Water Pump Station | | Injection and Extraction Well |

PROGRAM BENEFITS

- | | | | | | |
|--|--|--|-----------------------------|--|--------------------|
| | Resilience in the Face of Climate Change | | Infrastructure Enhancements | | Drought Resiliency |
| | Improved Water Quality | | Ecological Health | | |





October 13, 2021

Adekunle Ojo, Manager of Water Resources
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

RE: Watershed Connect WIFIA and SRF Application Support and Implementation Plan

Dear Mr. Ojo:

AECOM, in collaboration with WSC, is pleased to submit this proposal for continuing support for the WIFIA loan for Watershed Connect and to also support the Upper Santa Ana River Water Infrastructure Financing Authority (USAR WIFA) with SRF applications and an Implementation Plan.

The Watershed Connect Program got off to a tremendous start earlier this year with the formation of the new joint powers authority and submittal of the WIFIA letter of interest (LOI). AECOM and WSC supported San Bernardino Valley Municipal Water District and its partnering agencies to develop a program of interrelated projects to provide regional drought resilience on an accelerated schedule. Developing the LOI helped catalyze the vision for the participants and was an important step in securing the finances needed to provide sustainable water supplies throughout your region.

Our Team is ready to engage in the next phase of your program, including:

- Data collection and management to both support the financing effort and to track the progress of implementing Watershed Connect
- A preliminary review of the engineering and regulatory compliance status of the individual projects within Watershed Connect to identify whether any deficiencies exist that could affect the timing for closing the WIFIA loan
- Completion of the full WIFIA application upon notification by the US EPA of acceptance of the LOI
- Assembly of the general application for the SRF program
- Development of an Implementation Plan for Watershed Connect to evaluate funding and financing, NEPA compliance, permitting, project delivery, and program implementation
- Communication and outreach, including website and program messaging

We will help by developing internal and external communications strategies, so that your membership and ratepayers will be kept informed and engaged in this process.

Watershed Connect is an exciting and much-needed program, and our Team is grateful for the opportunity to support its kickoff. We look forward to supporting USAR WIFA in bringing it to fruition.

Sincerely,

AECOM Technical Services, Inc.



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Enclosures: Scope of Work, Fee Proposal

SCOPE OF WORK

WATERSHED CONNECT WIFA and CWSRF Applications and Implementation Plan

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SCOPE OF WORK

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SCOPE OF WORK

WATERSHED CONNECT WIFA and CWSRF Applications and Implementation Plan

TASK 0.0 WATERSHED CONNECT SUPPORT PROGRAM ADMINISTRATION

0.1 Project Management and Administration

- Provide oversight, manage communication, assign resources, and coordinate work efforts of the technical Consultant Team (WSC & AECOM). AECOM will also share information and communicate with the USAR WIFA financial advisor (separately contracted to the authority) as necessary to advance the program.
- Prepare monthly invoices, progress reports, and earned value analyses.
- Administer the USAR WIFA contract and subcontract with Water Systems Consulting.

Deliverable: Monthly invoice and progress report.

0.2 File Management

An electronic file management and communication system will enable the Consultant Team, USAR WIFA, and Project Owners to manage project documentation, deliverables, status, controls, correspondence, and document reviews throughout all phases of the Program. The Consultant Team recommends using a cloud-based file management platform (no additional licensing cost to the Authority is anticipated using this platform).

- Conduct preliminary setup and configuration of the file management system. User accounts will be created for the Consultant Team, USAR WIFA, and the Project Owners (San Bernardino Valley Municipal Water District, San Bernardino Valley Water Conservation District, Yucaipa Valley Water District, City of Colton Utility Authority, City of San Bernardino Municipal Water Department, Big Bear Area Regional Wastewater Agency, Western Municipal Water District, City of Riverside Public Utilities).
- Create file management and document control structures and populate background data.
- Coordinate and participate in up to two (2) thirty-minute training sessions for Project Owners.
- Prepare up to 20 minutes of instructional videos on how to use the navigation, tools and best management practices.

Deliverable: File Management Information System Setup and Best Practices Guide

0.3 Data Collection

- Generate data requests and track data. Including date received, contents, and format.
- It is assumed that Project Owner staff will provide all information in digital format.
- Maintain project files in electronic format in the file management system.

0.4 USAR WIFA and Project Owner Coordination

- Engage, collaborate, and coordinate with Project Owners.
- Plan, organize, and conduct bi-weekly Owner Coordination Meetings. The budget is based on twenty-six (26) 1-hour meetings via video conference. We have allowed for five participants on average. AECOM will provide an agenda and produce meeting minutes.

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- Facilitate and participate in up to three (3) site visits. A trip report will be provided via email.
- Includes a one-hour, virtual biweekly call with the USAR WIFA Project Manager (26 calls total). We have allowed for five participants on average.

Deliverable: Meeting agendas, meeting minutes, and trip reports

0.5 Programming for Subsequent Phases

- Collaborate with the Project Team to identify next steps and strategies necessary to complete subsequent phases of the Program.

TASK 1.0 CONSOLIDATE AND VERIFY PROJECT DETAILS

1.1 Meetings with Project Owners

- Hold two (2) 1.5-hour meetings with each Project Owner to discuss project drivers, objectives, strategies, details, status, stakeholders, funding source, environmental and permitting efforts, and any other needs for getting shovel-ready.

1.2 Project Status and Engineering Review

- Compile all available information on each project, including project background, supporting documentation, scope, schedule, budget, design status, and items discussed in Subtask 1.1.
- Identify outstanding risks, uncertainties, and key action items for each Project. Work with Project Owners to establish roles for evaluating risks, completing action items, and removing uncertainties.
- Perform a cursory review of design plans and specifications for each Project. Determine if additional engineering and design is necessary, and work with Project Owners to determine the preferred means of finishing the design, if applicable.

Deliverable: Project Status and Engineering Review Technical Memorandum

1.3 Cost Estimating Review

- Review cost estimating methods for each WATERSHED CONNECT Project seeking funding. Determine if additional cost estimating is necessary, and work with Project Owners to determine the preferred means of completing the cost estimate, if applicable.

Deliverable: Cost Estimating Review Technical Memorandum

1.4 Project Database

A Project Database will serve as the center for all project information related to Watershed Connect. The Project Database will ultimately integrate with a web-based portal to provide key information to the project stakeholders and the Public.

- Establish performance requirements, objectives, desired outcomes, and tools desired of the Project Database.

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- Design and construct the Project Database, including selection of the best platform suited to build the Database on. The cost of additional software licenses, if required, is excluded from the price proposal.
- Populate and update the Project Database with existing and new information, including but not limited to the following details:
 - (1) Project Owner
 - (2) Project Type
 - (3) Location
 - (4) Design Stage
 - (5) Environmental Stage
 - (6) Permitting Stage
 - (7) Project Costs, including total budget and dollars spent to date
 - (8) Funding and Financing Status
 - (9) Schedule
 - (10) Outreach and Communication Efforts
 - (11) Implementation Strategy
 - (12) Action Items

TASK 2.0 WIFIA LOAN APPLICATION

The AECOM Team will provide engineering and regulatory compliance analysis in support of the WIFIA loan application. AECOM will also compile supporting materials from USAR WIFIA and its financial advisor to organize and upload the application to the US EPA website.

It's important to begin a dialog with EPA as soon as possible after the invitation to apply has been received, so that EPA can help the applicant avoid unnecessary time and cost overruns.

Once the JPA is invited to apply, it will have approximately 12 months to submit an application. Invitations to apply can be expected to be sent by EPA around October 22, 2021. *There will be fees due at the time the application is submitted to EPA, including, \$100,000 application fee, as well as the credit processing fee which will be charged at loan closing.*

Based on the size of this application, 21 projects and multiple financial partners, AECOM anticipates that considerable time will be needed to close the application.

2.1 EPA Coordination

- Establish contact with the EPA Underwriter and Transaction Team responsible for managing the WATERSHED CONNECT WIFIA Application process.
- Conduct bi-weekly 30-minute check-in conference calls with EPA throughout the duration of the application process.

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- Includes System for Awards Management (SAM) registration.

2.2 WIFIA Coordination with Project Owners

- Coordination with the Project Owners as necessary to address data gaps for the WIFIA application submittal.

2.3 Complete Application Section A – Key Applicant and Loan Information

- Coordinate with USAR WIFA to provide applicant information.
- Coordinate with Fieldman Rolapp (under separate contract to USAR WIFA) to provide financial information.

2.4 Complete Application Section B – Applicant Background

- Compile of required information, including Capital Improvement Plans, liabilities descriptions, system master plans, condition assessments, and organization charts.

2.5 Support Fieldman, Rolapp, and Associates, Inc. in Completing Section C – Financing Plan

- Collect and forward information to Fieldman Rolapp as appropriate to support the development of the financing plan.

2.6 Complete Application Section D – Federal Requirements Compliance

- Demonstrate compliance with NEPA, SRF environmental review, cross-cutter consultation agencies, and permit status.
- Complete forms and narrative of compliance with the Uniform Act.

2.7 Complete Application Section E – Contract Information

Coordinate with USAR WIFA to supply the appropriate contract information to US EPA. This information will, if available, be provided by others or prepared as funds are available under Optional Task 01.1. This information includes Project Map, Preliminary Engineering Report, Preliminary Design Report, Planning Document, Executed Contract Documents, Procurement Documents, Detailed project schedule(s), Engineer’s Cost Estimate associated with detailed project scope, Existing Operation and Maintenance Plan, Professional Service Contract or similar evidence of new Operation and Maintenance Plan to be developed, Risk Mitigation Plan/Matrix, Project Management Plan, Evidence of Experience with Similar Projects, Draft of Final Bid Specifications with required language, Sample of Final Bid Specifications with required language

Deliverable: Electronic Submittal of WIFIA Application

TASK 2.0 ASSUMPTIONS

- USAR WIFA will pay the \$100,000 WIFIA Application Fee due at time of application submittal and the Credit Processing Fee due at time of loan closing.

TASK 3.0 CWSRF LOAN GENERAL APPLICATION

3.1 SWRCB Coordination

- Establish contact with SWRCB staff responsible for managing the WATERSHED CONNECT SRF loan process.

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- Establish contact with senior SWRCB staff and Board Members to assist in application approval process.
- Conduct bi-weekly 30-minute check-in conference calls with SWRCB throughout the duration of the application process.

3.2 Complete General CWSRF Loan Application Package

- Complete a General Application for up to two projects in accordance with forthcoming guidance from the SWRCB.

Deliverable: Electronic Submittal of CWSRF Application Package(s)

Task 3.0 Assumptions

- The CWSRF application guidance has not been released yet. AECOM will develop a Plan of Study to support the application and identify Regional Water Quality Control Board requirements.
- AECOM will compile, but not otherwise review, other application requirements to be provided by others (e.g., USAR WIFA and Fieldman Rolapp), including certification for compliance with water metering, authorizing resolution/ordinance, the joint powers agreement, audited financial statements, rate adoption resolution/ordinance, existing related debt, and pledged revenues/funds.
- The budget assumes a total of 247 hours to complete the CWSRF General Application based on engineering and environmental compliance tasks consistent with Plan of Study requirements for previous CWSRF General Applications.

TASK 4.0 PROGRAM IMPLEMENTATION PLAN

4.1 Evaluate Potential Funding Programs and Opportunities

- Screen applicable sources based on eligibility criteria, funding availability, Program and beneficial use goals and objectives, and program constraints. Funding and financing programs that may be evaluated include:

Federal Programs

- (1) United States Environmental Protection Agency (USEPA) Water Infrastructure Finance and Innovation Act (WIFIA) – **Application being prepared under Scope Item 2.0**
- (2) USEPA Water Infrastructure Improvements for the Nation (WIIN) Act
 - (a) Drinking Water Assistance for Small, Underserved, Disadvantaged Communities (SUDAC)
 - (b) Reducing Lead in Drinking Water (LEAD)
- (3) USEPA Sewer Overflow and Stormwater Reuse Municipal Grants (OSG) Program
- (4) United States Army Corps of Engineers (USACE) Clean Water Act Section 219 (CWA - 219)
- (5) United States Bureau of Reclamation (USBR) WaterSMART Grants

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- (a) Drought Response Program (DRP)
- (b) Water and Energy Efficiency Grants (WEEG)
- (c) Cooperative Watershed Management Program (CWMP)
- (d) Title XVI – Water Reclamation and Reuse (Title XVI)
- (e) Environmental Water Resource Projects (EWRP)
- (6) Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance Grants
 - (a) Building Resilient Infrastructure and Communities (BRIC)
 - (b) Hazard Mitigation Grant Program (HMGP)
 - (c) Flood Mitigation Assistance Grant Program (FMGP)

California Programs

- (1) Department of Water Resources (DWR) Integrated Regional Water Management (IRWM)
 - (2) State Water Resources Control Board (SWRCB) Water Recycling Funding Program (WRFP)
 - (3) SWRCB Clean Water State Revolving Fund (CWSRF) – **General Application being prepared under Scope Item 3.0**
 - (4) SWRCB Drinking Water State Revolving Fund (DWSRF)
 - (5) Office of Emergency Services (Cal OES) Hazard Mitigation Grant Program
 - (6) Infrastructure and Economic Development Bank (iBank) Infrastructure State Revolving Fund (ISRF)
 - (7) Department of Fish and Wildlife (CDFW) Habitat Conservation Programs (Habitat)
 - (8) Wildlife Conservation Board (WCB) Grant Programs
 - (9) Office of Business and Economic Development (GO-Biz) Community Economic Resilience Fund (CERF)
- Create a matrix of Projects and funding sources that shows the funding sources that each Project Owner is seeking out independently of USAR WIFA.
 - Contact the lead agency of each funding and financing program to confirm eligibility of Projects.
 - Create a project packaging approach that identifies how Projects could be grouped together in funding applications, feasibility studies, and letters of interest. Consider if multiple applications should be completed for the same funding source based on Project type and Project objectives, or if a single application should be completed for all eligible Projects in WATERSHED CONNECT.
 - Incorporate all funding and financing portfolio data and decisions into the Project Database.

4.2 NEPA Compliance Plan

Compliance with NEPA is one of the requirements for a WIFIA loan that will need to be addressed in the application. An expedited plan is needed to determine the preferred approach and level of effort to

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complete a draft NEPA (or NEPA/CEQA) document within an agreed schedule. It will be especially important to identify what supporting technical studies (e.g., air quality/greenhouse gas/energy analysis, cultural/paleo/tribal resource assessment, noise studies, etc.) must be completed to support a programmatic NEPA document. This effort will include a project-by-project analysis of the information available to support the environmental analysis to determine if any projects should be deferred to a later phase of WIFIA due to a lack of supporting information.

- Based on intending to apply for CWSRF and WIFIA funding, it is assumed that preparation of California Environmental Quality Act Plus (CEQA+) and National Environmental Policy Act (NEPA) documentation will be required for each Project.
- The preferred approach is to prepare a combined Programmatic Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) which will cover all environmental requirements at the program level. The Consultant Team will evaluate the feasibility of a single combined document to cover all environmental requirements at the program level. If this approach is not feasible, the Consultant Team will prepare an alternative approach for meeting program level environmental requirements.
- Create a plan for meeting project level environmental requirements to be completed to following the preparation of programmatic environmental documents. Determine if grouping of multiple projects into single project level documents is feasible. Identify whether USAR WIFA or Project Owners will be responsible for completing each project level environmental document.
- Two workshops are planned with the Project Owners to discuss and facilitate the collection of data and refine the approach for the EIR/EIS (including concurrence on which projects will be included in the draft programmatic document for this phase of WIFIA).
- An additional six (6) virtual calls (1.5 hours each) are planned with individual Project Owners to clarify compliance status and assumptions.
- A draft and final NEPA/CEQA Compliance Plan will be delivered in advance of the Implementation Plan to expedite progress on NEPA/CEQA compliance under Optional Task 2.0.
- Track NEPA decisions and progress in the Project Database.

Deliverable: Draft and Final CEQA/NEPA Implementation Plan and Cost (to be provided in advance of the full Implementation Plan)

4.3 Identify Permit Requirements

- Coordinate with Project Owners to identify ongoing and completed environmental documentation efforts.
- Identify required Federal, State, and local permits required for each Project.
- Coordinate with Project Owners on any ongoing permitting efforts. Compile all remaining permitting efforts.

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4.4 Project Delivery Plan

- Evaluate Projects for readiness to construct based on status of design, funding, and environmental coverage. Determine the steps required to move each Project to shovel-ready conditions.
- Identify further design and cost estimating needs.
- Identify land acquisition requirements.
- Recommend packages of projects that can be potentially constructed under single construction contracts.
- Recommend procurement and delivery strategies for each project, including both design-bid-build and progressive design-build.
- Track project implementation strategies, decisions, needs, and progress in the Project Database.

Any opinions of probable costs provided by AECOM represent AECOM's good faith professional judgment in light of its experience, knowledge and the information reasonably available to AECOM at the time of preparation of the opinion. However, since AECOM has no control over the market, economic conditions or the bidding procedures, AECOM, its directors, officers and employees and subconsultants do not make any guarantees or warranties whatsoever, whether express or implied, with respect to such opinions and accept no responsibility for any loss or damage arising therefrom or in any way related thereto. Any reliance upon such opinions, whether by WIFIA, JPA, or third parties, do so at the relying party's own sole risk.

4.5 Program Implementation Plan

Prepare a preliminary Program Implementation Plan that includes:

- Project fact sheets: A 1 -page fact sheet for each project that summarizes key details, benefits, and the status of the project, to be generated from fields in the Project Database.
- Program schedule: An overall program schedule with sub-schedules for each project. Program schedule shall include project grouping/sequencing, funding/financing, environmental review and permitting, procurement, design, construction, and commissioning.
- Program budget: An updated program budget that includes latest cost estimates from project proponents and includes all hard and soft costs for each project, including in-kind contributions.
- Project delivery plan: summary of proposed project delivery plan including program structure, team roles and responsibilities and procurement strategies/recommendations
- Project database: Complete database as described in prior tasks
- Infographic: Map based infographic that depicts the scope and budget of the various projects, and showcases the interrelationships and cumulative benefits of the integrated program

Deliverable: Draft and Final Program Implementation Plan

TASK 5.0 COMMUNICATION AND OUTREACH

5.1 Website and Program Messaging

- Develop an engaging, interactive, and accessible webpage to manage program information.

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- Draft program messaging that is aligned with funding priorities.

5.2 Marketing and Media Strategy

- Develop a Media Strategy to feature Watershed Connect in local, regional, and national publications.
- Draft content to support media strategy, including press releases, opinion editorials, interview talking points, and more.
- Create bi-monthly stories, announcements and features highlighting program, and project milestones.
- Seek unique opportunities to increase program awareness, including industry presentations, panel discussions, academic publications, and guest speaking at regional meetings.

5.3 Community Engagement Strategy

- Develop a strategy to keep program supporters involved and engaged.
- Demonstrate community values by communicating program success stories, tailored metrics, and updates with key supporters.
- Seek new partnerships for future funding opportunities.
- Produce materials to support community outreach (thank-you notes, newsletter updates)
- Plan events to connect including facility tours, open houses, mixers and more.
- Record strategies, events, public interactions and comments, and key partnerships in the Project Database.

5.4 Branded Materials

- Develop print branded outreach materials, including brochures, fact sheets, postcards.
- Design digital marketing materials, including social media posts, videos, and template presentations.

5.5 As-Needed Outreach Activities

- Conduct as-needed outreach activities as directed by USAR WIFA staff. Budget assumes a Subtask allowance of 40 hours.

5.6 Federal and State Advocacy

- Coordinate with USAR WIFA and the individual agencies for outreach to State and Federal legislators

OPTIONAL TASK 1.0 AS-NEEDED ENGINEERING AND COMPLIANCE SERVICES

O1.1 Engineering Support

- Provide engineering design services to assist Project Owners in preparing construction documents.

O1.2 Cost Estimating Support

- Provide cost estimating services to assist Project Owners in preparing opinions of probable cost.

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01.3 Environmental and Permitting Support

- Support ongoing permitting efforts.
- Support ongoing environmental documentation efforts.

Optional Task 1.0 Assumptions

All activities as mutually agreed by USAR WIFA and AECOM. Budget assumes a total Task allowance of 216 hours for Item 01.1, 148 hours for Item 01.2, and 44 hours for Item 01.3. Once AECOM reaches this total Task allowance, AECOM will stop further Services pending a Change Order to adjust the budget and schedule for the continued performance of the Services.

OPTIONAL TASK 2.0 PREPARE CEQA+ AND NEPA PROGRAMMATIC EIS/EIR

CEQA/NEPA compliance will be required to close the WIFIA loan; however, it will be necessary for the Consultant Team to review the existing information for the individual projects prior to determining the cost for a programmatic EIS/EIR. The assumptions and estimate to support this task will therefore be prepared following the completion of Task 4.2. Task 4.2 will be expedited to determine the required tasks for CEQA and NEPA compliance within the required deadlines.

Optional Task 2.0 Assumptions

Should the activities for Optional Task 2.0 require an extension of the period of performance to greater than 13 months, the Consultant Team would have an opportunity to escalate hourly rates.

OPTIONAL TASK 3.0 ADDITIONAL SRF SUPPORT

- Complete a General Application for up to two projects in accordance with forthcoming guidance from the SWRCB.

Deliverable: Electronic Submittal of CWSRF Application Package(s)

Task 3.0 Assumptions

- The CWSRF application guidance has not been released yet. AECOM will develop a Plan of Study to support the application and identify Regional Water Quality Control Board requirements.
- AECOM will compile, but not otherwise review, other application requirements to be provided by others (e.g., USAR WIFA and Fieldman Rolapp), including certification for compliance with water metering, authorizing resolution/ordinance, the joint powers agreement, audited financial statements, rate adoption resolution/ordinance, existing related debt, and pledged revenues/funds.
- The budget assumes a total of 492 hours to complete the CWSRF General Application based on engineering and environmental compliance tasks consistent with Plan of Study requirements for previous CWSRF General Applications.

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OPTIONAL TASK 4.0 PREPARE FUNDING AND FINANCING PLAN

- Work with the Project Team to recommend and prioritize funding and financing sources based on Project eligibility, likelihood of selection, level of effort required, application fees, and application milestone and deadline schedule. It is assumed that the financial advisor to USAR WIFA will evaluate the appropriate funding amounts, funding types (grant versus loan), and financing terms.
- Prepare a conceptual funding model for each Project including funding sources to pursue and expected funding amounts, and prepare a workplan for completing the selected funding and financing applications, feasibility studies, and letters of interest, including schedule, staffing resources, and budget.

OPTIONAL TASK 5.0 PREPARE ENVIRONMENTAL COMPLIANCE AND PERMITTING PLAN

- Identify opportunities to cover multiple Projects under single permits and create a project grouping strategy.
- Compile permitting agency contact information, application requirements, lead times, and critical path tasks for each permit.
- Track permitting requirements and progress in the Project Database.

Global Assumptions

- This scope of work applies to the 21 projects that were included in the WIFIA Letter of Interest submitted to the US EPA on July 23, 2021. Where “each project” is referred to throughout this scope, it refers to the 21 projects that are included in Table 1, which was included in section B1 of the WIFIA Letter of Interest.

Table 1: WATERSHED CONNECT Phase 1 Projects

Project	Construction Phase	Location	Purpose
Acquisition of Greenspot Pump Station	2023	Upper SAR Watershed	Improved conveyance for resilient supply
Central Feeder – EBX Intertie	2022-2023	Upper SAR Watershed	Improved conveyance for resilient supply
Lytle Creek/Cajon Creek Mitigation Lands	2022-2024	Upper SAR Watershed	Shared mitigation for program features
Rialto Channel Habitat Restoration	2023-2024	Upper SAR Watershed	Shared mitigation for program features
SAR Sustainable Parks & Tributaries Water Reuse (Purple Pipe)	2023-2024	Upper SAR Watershed	Shared mitigation and improved conveyance for resilient habitat and municipal water supply

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Project	Construction Phase	Location	Purpose
Cactus Basin Connector Pipeline	2023-2024	Upper SAR Watershed	Recharge to Rialto-Colton Subbasin
Regional Recycled Water System Phase 1	2023-2024	Upper SAR Watershed	Recycled water to augment current water supply and recharge to San Bernardino Subbasin
Enhanced Recharge Phase 1B	2023-2024	Upper SAR Watershed	Recharge to San Bernardino Subbasin
Enhanced Recharge Phase 1A Liner	2023-2024	Upper SAR Watershed	Recharge to San Bernardino Subbasin
Calimesa Aquifer Storage & Recovery (ASR) Project Phase 1	2023-2025	Upper SAR Watershed	Purified recycled water recharge to Yucaipa Subbasin and recovery facilities; decreases dependence on deliveries from San Bernardino subbasin or imported state water.
Calimesa Regional Recycled Water Pipeline Project	2021-2022	Upper SAR Watershed	Conveyance of purified recycled water from plant to recharge facilities and improved recycled water distribution. Decreases dependence of deliveries from San Bernardino subbasin or imported state water.
R-1 2.5 Recycled Water Reservoir	2023-2024	Upper SAR Watershed	Equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution
Wochholz Regional Water Recycling Facility Energy Resiliency Project	2021-2022	Upper SAR Watershed	Energy resiliency for program feature
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	2021-2022	Upper SAR Watershed	Energy resiliency for program feature
Salinity & Groundwater Enhancement Project	2022-2024	Upper SAR Watershed	Produce low salinity recycled water to improve Yucaipa Subbasin water quality through recharge; decreases dependence of deliveries from San Bernardino subbasin or imported state water.
City of Colton Wastewater Treatment Plant Upgrade & Expansion Project	2022-2024	Upper SAR Watershed	Treated water available for recharge to Rialto-Colton and San Bernardino Subbasins
Lytle Creek. Recharge Basins and Habitat	2023-2027	Upper SAR Watershed	In basin recharge and shared mitigation for program features
R-10.3 Recycled Water Booster to R-1 1.4 Recycled Water Reservoir	2023-2025	Upper SAR Watershed	Conveyance and equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution; decreases dependence on deliveries from San Bernardino subbasin or imported water.

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Project	Construction Phase	Location	Purpose
24" Recycled Water Pressure Zone 11 Regional Pipeline	2023-2025	Upper SAR Watershed	Conveyance of purified recycled water from plant to recharge facilities and improved recycled water distribution; decreases dependence on deliveries from San Bernardino subbasin or imported water.
3.0 MG R-11.4 Recycled Water Reservoir	2022-2024	Upper SAR Watershed	Equalization of purified recycled water from plant to recharge facilities and improved recycled water distribution. Decreases dependence on deliveries from San Bernardino subbasin or imported water.
SAR Center for Headwaters Resilience and Watershed Sustainability - Multipurpose Area	2022-2024	Upper SAR Watershed	Land acquisition for headwaters protection management and educational activities; future construction of the educational center is excluded from the WIFIA loan.

WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan
AECOM - Basis of Fee Summary

Task No.	Task Description	AECOM Labor Hours	WSC Labor Hours	Total Labor Hours	AECOM Labor Total (\$)	AECOM ODCs (\$)	Subs Labor Total (\$)	Subs ODCs (\$)	Total Cost (\$)
WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan									
Task 0.0 - Program Administration									
0.1	Project Management and Administration	152	120	272	\$33,544	\$0	\$26,870	\$1,100	\$61,514
0.2	Information Management with SharePoint	20	106	126	\$4,520	\$0	\$20,750	\$800	\$26,070
0.3	Data Collection	38	32	70	\$6,960	\$0	\$6,120	\$200	\$13,280
0.4	USAR WIFA and Project Owner Coordination	134	196	330	\$29,968	\$0	\$50,280	\$2,000	\$82,248
0.5	Programming for Subsequent Phases	40	36	76	\$8,480	\$0	\$9,690	\$400	\$18,570
TASK 0.0 TOTALS		384	490	874	\$83,472	\$0	\$113,710	\$4,500	\$201,682
Task 1.0 - Consolidate and Verify Project Details									
1.1	Meetings with Project Owners	26	144	170	\$7,528	\$0	\$31,320	\$1,300	\$40,148
1.2	Project Status and Engineering Review	184	206	390	\$31,340	\$0	\$37,590	\$1,500	\$70,430
1.3	Cost Estimating Review	130	12	142	\$23,336	\$0	\$3,610	\$100	\$27,046
1.4	Comprehensive Project Database	5	132	137	\$954	\$0	\$27,620	\$1,100	\$29,674
TASK 1.0 TOTALS		345	494	839	\$63,158	\$0	\$100,140	\$4,000	\$167,298
Task 2.0 - WIFIA Loan Application									
2.1	EPA Coordination	30	16	46	\$8,008	\$0	\$3,660	\$100	\$11,768
2.2	Project Owner Coordination	56	0	56	\$14,768	\$2,112	\$0	\$0	\$16,880
2.3	Complete Application Section A – Key Applicant and Loan Information	103	12	115	\$24,216	\$1,232	\$2,320	\$100	\$27,868
2.4	Complete Application Section B – Applicant Background	83	36	119	\$18,840	\$500	\$6,960	\$300	\$26,600
2.5	Support Fieldman, Rolapp, and Associates, Inc. in Completing Section C – Financing Plan	35	36	71	\$8,792	\$500	\$6,960	\$300	\$16,552
2.6	Complete Application Section D – Federal Requirements Compliance	63	36	99	\$13,960	\$500	\$6,960	\$300	\$21,720
2.7	Complete Application Section E – Contract Information	116	60	176	\$26,432	\$1,000	\$11,600	\$500	\$39,532
TASK 2.0 TOTALS		486	196	682	\$115,016	\$5,844	\$38,460	\$1,600	\$160,920
Task 3.0 - CWSRF Loan General Application (up to 2 submittals)									
3.1	SWRCB Coordination	31	24	55	\$8,064	\$0	\$6,740	\$300	\$15,104
3.2	Complete General CWSRF Loan Application Package (Plan of Study and RWQCB Requirements)	158	34	192	\$33,912	\$1,500	\$5,790	\$200	\$41,402
TASK 3.0 TOTALS		189	58	247	\$41,976	\$1,500	\$12,530	\$500	\$56,506
Task 4.0 - Program Implementation Plan									
4.1	Evaluate Funding Programs and Opportunities	12	232	244	\$2,784	\$0	\$44,000	\$1,800	\$48,584
4.2	NEPA Compliance Plan	145	38	183	\$24,788	\$0	\$7,630	\$300	\$32,718
4.3	Permit Identification	184	62	246	\$25,936	\$0	\$11,350	\$500	\$37,786
4.4	Project Delivery Plan	46	108	154	\$11,464	\$0	\$24,260	\$1,000	\$36,724
4.5	Program Implementation Plan	80	208	288	\$19,272	\$0	\$39,020	\$1,600	\$59,892
TASK 4.0 TOTALS		467	648	1,115	\$84,244	\$0	\$126,260	\$5,200	\$215,704
Task 5.0 - Communication and Outreach									
5.1	Website and Program Messaging	15	53	68	\$3,228	\$0	\$11,650	\$500	\$15,378
5.2	Marketing and Media Strategy	6	46	52	\$1,500	\$0	\$11,140	\$400	\$13,040
5.3	Community Engagement Strategy	6	87	93	\$1,500	\$0	\$19,960	\$800	\$22,260
5.4	Branded Materials	5	107	112	\$1,216	\$0	\$20,180	\$800	\$22,196
5.5	As-Needed Outreach Activities	2	40	42	\$412	\$0	\$7,700	\$300	\$8,412
5.6	Federal and State Advocacy	19	38	57	\$4,968	\$0	\$8,810	\$400	\$14,178
TASK 5.0 TOTALS		53	371	424	\$12,824	\$0	\$79,440	\$3,200	\$95,464
							Subcontractor Fee Mark-up**:		\$14,686
BASE TASK TOTALS		1,924	2,257	4,181	\$400,690	\$7,344	\$470,540	\$19,000	\$912,260
Optional Tasks 1.0 - As-Needed Engineering and Compliance Services									
O1.1	Engineering Support	124	100	224	\$23,648	\$0	\$24,100	\$1,000	\$48,748
O1.2	Cost Estimating Support	124	32	156	\$26,888	\$0	\$7,320	\$300	\$34,508
O1.3	Environmental and Permitting Support	52	0	52	\$9,776	\$0	\$0	\$0	\$9,776
O1.4	SRF	406	86	492	\$91,350	\$0	\$15,310	\$600	\$107,260
O1.5	Prepare Funding and Financing Plan	8	96	104	\$2,208	\$0	\$16,980	\$700	\$19,888
O1.6	Prepare Permitting Plan	170	42	212	\$19,280	\$0	\$7,790	\$300	\$27,370
OPTIONAL TASK 1.0 TOTALS		884	356	1,240	\$173,150	\$0	\$71,500	\$2,900	\$247,550
							Subcontractor Fee Mark-up**:		\$2,232
OPTIONAL TASK TOTALS		884	356	1,240	\$173,150	\$0	\$71,500	\$2,900	\$249,782
TOTAL		2,808	2,613	5,421	\$ 573,840	\$ 7,344	\$ 542,040	\$ 21,900	\$ 1,162,042

**AECOM 3% G&A mark-up for sub-contracted services

WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan
Rate Schedules

AECOM

Employee Name	Job Billing Title	FY 2022 Billing Rate
Jeff Herrin	Project Manager	\$284
Emili Kolevski	Engineering Lead	\$268
Kelly Bayer	Environmental Lead Verifier	\$318
Bryan Paine	Engineering Lead Verifier	\$294
Stephanie Benedict	Quality Manager	\$214
Jerry Flores	Senior Environmental Planner	\$196
Hannah Allington	Environmental Planner	\$84
Erik Larsen	Permitting Lead	\$170
Hallie Fitzpatrick	NEPA Lead	\$134
Jesus Lopez	Senior Engineer	\$192
Joseph Marcos	Senior Engineer	\$170
Joseph Dluzak	Senior Engineer	\$152
Derek Plaza	Mid Engineer	\$144
Jang Seo	GIS	\$132
Anders Berg	GIS	\$124
Shannon Couch	Safety Review	\$198
Abrie Horak	Estimating	\$202
Dave Schug	Hydrogeologist	\$272
Vijay Sundaram	Treatment Specialist	\$334
John Konkus	Government Affairs	\$264
Lucy Trumbull	Graphics Support	\$116
Tom Guinn	SRF Specialist	\$248
Nate Henderson	Project Controls	\$144
Shree Aurangabadkar	Scheduler	\$108
Deborah Jew	Word Processing	\$112
Terry Chouinard	Editor	\$104
TJ Koski	Subcontracts Manager	\$96
TBD	Senior Engineer	\$210
TBD	Mid Engineer	\$170
TBD	Junior Engineer	\$116
TBD	Senior Scientist	\$172
TBD	Mid Scientist	\$130
TBD	Junior Scientist	\$86

WSC

Subcontractor Employee Name	Job Billing Title	FY 2022 Billing Rate
Jeffery Szytel	Program Advisor	\$335
Laine Carlson	Implementation Lead	\$270
Dylan Wade	Implementation Advisor	\$300
Aaron Morland	Staff Engineer	\$165
Melissa Henrikson	Assistant Engineer	\$145
Haili Matsukawa	Communication Strategist	\$240
Amy Stevens	Media Relations	\$240
Nina Thoming	Graphic Design	\$145
Haley Lehman	Technology Solutions	\$185
Kay Merrill	Administration	\$150

WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan
AECOM - Basis of Fee Detail

Task No.	Task Description	Project Manager Jeff Herrin	Engineering Lead Emili Kolevski	NEPA Lead Hallie Fitzpatrick	Permitting Lead Erik Larsen	Environmental Lead Verifier Kelly Bayer	Engineering Lead Verifier Bryan Paine	Project Controls Nate Henderson	Senior Environmental Planner Jerry Flores	Environmental Planner Hannah Allington	Senior Engineer Jesus Lopez	Engineer Joseph Marcos	Engineer Derek Plaza	Engineer Joseph Dziuzak	GIS Anders Berg	Word Processing Deborah Jew	Editor Terry Chouinard	Safety Review Shannon Couch	Estimating Abrie Horak	Hydrogeologist Dave Schug	Treatment Specialist Vijay Sundaram	Scheduler Shree Aurangabadkar	Government Affairs John Konkus	GIS Jang Seo	Graphics Support Lucy Trumbull	Quality Manager Stephanie Benedict	
FY 2022 Billing Rate		\$284.00	\$268.00	\$134.00	\$170.00	\$318.00	\$294.00	\$144.00	\$196.00	\$84.00	\$192.00	\$170.00	\$144.00	\$152.00	\$124.00	\$112.00	\$104.00	\$198.00	\$202.00	\$272.00	\$334.00	\$108.00	\$264.00	\$132.00	\$116.00	\$214.00	
WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan																											
Task 0.0 - Program Administration																											
0.1	Project Management and Administration	32	48					16										4					4			24	
0.2	Information Management with SharePoint	10						8															2				
0.3	Data Collection	4	4	12	12			4															2				
0.4	USAR WIFA and Project Owner Coordination	36	40	27	27			2															2				
0.5	Programming for Subsequent Phases	8	8	8	8			4															4				
TASK 0.0 TOTALS		90	100	47	47	0	0	34	0	0	0	0	0	0	0	0	0	4	0	0	0	0	14	0	0	24	
Task 1.0 - Consolidate and Verify Project Details																											
1.1	Meetings with Project Owners	2	16																	8							
1.2	Project Status and Engineering Review	2					2	16			32	24	24	24	24						12				16	8	
1.3	Cost Estimating Review	2						16																		8	
1.4	Comprehensive Project Database	1	1	3															80			24					
TASK 1.0 TOTALS		7	17	3	0	0	2	32	0	0	32	24	24	24	24	0	0	0	80	0	20	24	0	0	16	16	
Task 2.0 - WIFIA Loan Application																											
2.1	EPA Coordination	4	2																								
2.2	Project Owner Coordination	24	24																				4		4		
2.3	Complete Application Section A – Key Applicant and Loan Information	6	16					5				24								12			32			8	
2.4	Complete Application Section B – Applicant Background	6	16					5			24												24			8	
2.5	Support Fieldman, Rolapp, and Associates, Inc. in Completing Section C – Financing Plan	6	8					5			0												16				
2.6	Complete Application Section D – Federal Requirements Compliance	6	16					5			24												12				
2.7	Complete Application Section E – Contract Information	16	32					4			40												16			8	
TASK 2.0 TOTALS		68	114	0	0	0	0	24	0	0	0	112	0	0	0	0	0	0	0	12	0	0	128	0	4	24	
Task 3.0 - CWSRF Loan General Application (up to 2 submittals)																											
3.1	SWRCB Coordination	4	4					1														0	16				
3.2	Complete General CWSRF Loan Application Package (Plan of Study and RWQCB Requirements)	16	28	4	4	2	4	8			12	36				2	2			10		4	6		4	10	
TASK 3.0 TOTALS		20	32	4	4	2	4	9	0	0	12	36	0	0	0	2	2	0	0	10	0	4	22	0	4	10	
Task 4.0 - Program Implementation Plan																											
4.1	Evaluate Funding Programs and Opportunities	4	4					4																			
4.2	NEPA Compliance Plan	8		64	12	12		4	4															25	16		
4.3	Permit Identification			96		12		4	2	40						6	8									16	
4.4	Project Delivery Plan	4	30					4																		8	
4.5	Program Implementation Plan	16	40					8											12			4					
TASK 4.0 TOTALS		32	74	160	12	24	0	24	6	40	0	0	0	0	0	6	8	0	12	0	0	4	0	25	0	40	
Task 5.0 - Communication and Outreach																											
5.1	Website and Program Messaging	2	2	2				1																		8	
5.2	Marketing and Media Strategy	1	4					1																			
5.3	Community Engagement Strategy	1	4					1																			
5.4	Branded Materials		4					1																			
5.5	As-Needed Outreach Activities		1					1																			
5.6	Federal and State Advocacy	2	8					1															8				
TASK 5.0 TOTALS		6	23	2	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	8	
Optional Tasks 1.0 - As-Needed Engineering and Compliance Services																											
O1.1	Engineering Support	8	24				4	12			12		30	30												4	
O1.2	Cost Estimating Support	8	24				4	12			12								60							4	
O1.3	Environmental and Permitting Support	8		12	12	4		12																		4	
O1.4	SRF	56	98	3	6	2	6	17			48	48				9	9			26		4	17		12	28	
O1.5	Prepare Funding and Financing Plan	4	4																								
O1.6	Prepare Permitting Plan			100						70																	
OPTIONAL TASK 1.0 TOTALS		84	150	115	18	6	14	53	0	70	72	48	30	30	0	9	9	0	60	26	0	4	17	0	12	40	
TOTAL		307	510	331	81	32	20	182	6	110	116	220	54	54	24	17	19	4	152	48	20	36	189	25	36	162	

**AECOM 3% G&A mark-up for sub-contracted services

WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan
AECOM - Basis of Fee Detail

Task No.	Task Description	SRF Specialist Tom Guinn	Subcontracts Manager TJ Koski	WSC Labor Hours	Total Labor Hours	AECOM Labor Total (\$)	AECOM ODCs (\$)	Subs Labor Total (\$)	Subs ODCs (\$)	Total Cost (\$)
	FY 2022 Billing Rate	\$248.00	\$96.00							
WATERSHED CONNECT WIFIA and CWSRF Applications and Impleme										
Task 0.0 - Program Administration										
0.1	Project Management and Administration		24	120	272	\$33,544	\$0	\$26,870	\$1,100	\$61,514
0.2	Information Management with SharePoint			106	126	\$4,520	\$0	\$20,750	\$800	\$26,070
0.3	Data Collection			32	70	\$6,960	\$0	\$6,120	\$200	\$13,280
0.4	USAR WIFIA and Project Owner Coordination			196	330	\$29,968	\$0	\$50,280	\$2,000	\$82,248
0.5	Programming for Subsequent Phases			36	76	\$8,480	\$0	\$9,690	\$400	\$18,570
	TASK 0.0 TOTALS	0	24	490	874	\$83,472	\$0	\$113,710	\$4,500	\$201,682
Task 1.0 - Consolidate and Verify Project Details										
1.1	Meetings with Project Owners			144	170	\$7,528	\$0	\$31,320	\$1,300	\$40,148
1.2	Project Status and Engineering Review			206	390	\$31,340	\$0	\$37,590	\$1,500	\$70,430
1.3	Cost Estimating Review			12	142	\$23,336	\$0	\$3,610	\$100	\$27,046
1.4	Comprehensive Project Database			132	137	\$954	\$0	\$27,620	\$1,100	\$29,674
	TASK 1.0 TOTALS	0	0	494	839	\$63,158	\$0	\$100,140	\$4,000	\$167,298
Task 2.0 - WIFIA Loan Application										
2.1	EPA Coordination			16	46	\$8,008	\$0	\$3,660	\$100	\$11,768
2.2	Project Owner Coordination			0	56	\$14,768	\$2,112	\$0	\$0	\$16,880
2.3	Complete Application Section A – Key Applicant and Loan Information			12	115	\$24,216	\$1,232	\$2,320	\$100	\$27,868
2.4	Complete Application Section B – Applicant Background			36	119	\$18,840	\$500	\$6,960	\$300	\$26,600
2.5	Support Fieldman, Rolapp, and Associates, Inc. in Completing Section C – Financing Plan			36	71	\$8,792	\$500	\$6,960	\$300	\$16,552
2.6	Complete Application Section D – Federal Requirements Compliance			36	99	\$13,960	\$500	\$6,960	\$300	\$21,720
2.7	Complete Application Section E – Contract Information			60	176	\$26,432	\$1,000	\$11,600	\$500	\$39,532
	TASK 2.0 TOTALS	0	0	196	682	\$115,016	\$5,844	\$38,460	\$1,600	\$160,920
Task 3.0 - CWSRF Loan General Application (up to 2 submittals)										
3.1	SWRCB Coordination	6		24	55	\$8,064	\$0	\$6,740	\$300	\$15,104
3.2	Complete General CWSRF Loan Application Package (Plan of Study and RWQCB Requirements)	6		34	192	\$33,912	\$1,500	\$5,790	\$200	\$41,402
	TASK 3.0 TOTALS	12	0	58	247	\$41,976	\$1,500	\$12,530	\$500	\$56,506
Task 4.0 - Program Implementation Plan										
4.1	Evaluate Funding Programs and Opportunities			232	244	\$2,784	\$0	\$44,000	\$1,800	\$48,584
4.2	NEPA Compliance Plan			38	183	\$24,788	\$0	\$7,630	\$300	\$32,718
4.3	Permit Identification			62	246	\$25,936	\$0	\$11,350	\$500	\$37,786
4.4	Project Delivery Plan			108	154	\$11,464	\$0	\$24,260	\$1,000	\$36,724
4.5	Program Implementation Plan			208	288	\$19,272	\$0	\$39,020	\$1,600	\$59,892
	TASK 4.0 TOTALS	0	0	648	1,115	\$84,244	\$0	\$126,260	\$5,200	\$215,704
Task 5.0 - Communication and Outreach										
5.1	Website and Program Messaging			53	68	\$3,228	\$0	\$11,650	\$500	\$15,378
5.2	Marketing and Media Strategy			46	52	\$1,500	\$0	\$11,140	\$400	\$13,040
5.3	Community Engagement Strategy			87	93	\$1,500	\$0	\$19,960	\$800	\$22,260
5.4	Branded Materials			107	112	\$1,216	\$0	\$20,180	\$800	\$22,196
5.5	As-Needed Outreach Activities			40	42	\$412	\$0	\$7,700	\$300	\$8,412
5.6	Federal and State Advocacy			38	57	\$4,968	\$0	\$8,810	\$400	\$14,178
	TASK 5.0 TOTALS	0	0	371	424	\$12,824	\$0	\$79,440	\$3,200	\$95,464
Optional Tasks 1.0 - As-Needed Engineering and Compliance Services										
O1.1	Engineering Support			100	224	\$23,648	\$0	\$24,100	\$1,000	\$48,748
O1.2	Cost Estimating Support			32	156	\$26,888	\$0	\$7,320	\$300	\$34,508
O1.3	Environmental and Permitting Support			0	52	\$9,776	\$0	\$0	\$0	\$9,776
O1.4	SRF	17		86	492	\$91,350	\$0	\$15,310	\$600	\$107,260
O1.5	Prepare Funding and Financing Plan			96	104	\$2,208	\$0	\$16,980	\$700	\$19,888
O1.6	Prepare Permitting Plan			42	212	\$19,280	\$0	\$7,790	\$300	\$27,370
	OPTIONAL TASK 1.0 TOTALS	17	0	356	1,240	\$173,150	0	71,500	2,900	\$247,550
Subcontractor Fee Mark-up**:										
\$16,918										
TOTAL		29	24	2,613	5,421	\$ 573,840	\$ 7,344	\$ 542,040	\$ 21,900	\$ 1,162,042

**AECOM 3% G&A mark-up for sub-contracted services

WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan
WSC (Subconsultant) - Basis of Fee Detail

Task No.	Task Description	Program Advisor Jeffery Szytel	Implement-ation Lead Laine Carlson	Implement-ation Advisor Dylan Wade	Staff Engineer Aaron Morland	Assistant Engineer Melissa Henrikson	Communication Strategist Haili Matsukawa	Media Relations Amy Stevens	Graphic Design Nina Thoming	Technology Solutions Haley Lehman	Administration Kay Merrill	WSC Total Labor Hours	Subs Labor Total (\$)	Subs ODCs (\$)	Total Cost (\$)	
	FY 2022 Billing Rate	\$335.00	\$270.00	\$300.00	\$165.00	\$145.00	\$240.00	\$240.00	\$145.00	\$185.00	\$150.00					
WATERSHED CONNECT WIFIA and CWSRF Applications and Implementation Plan																
Task 0.0 - Program Administration																
WSC Assumptions																
0.1	Project Management and Administration	16	44		42						18	120	\$26,870	\$1,100	\$27,970	WSC earned value analyses will cover work performed by WSC.
0.2	Information Management with SharePoint	2	16		40		8		4	36		106	\$20,750	\$800	\$21,550	WSC will set up Microsoft Teams Page and Egnyte file structure. WSC will set up egnyte accounts for all AECOM staff, project owners and USAR WIFA staff, and Fieldman Rolapp Staff. WSC will prepare instructional videos for Egnyte best management practices.
0.3	Data Collection		8		24							32	\$6,120	\$200	\$6,320	WSC will set up the data request template. WSC will populate template for items requested to support WSC scope of work items (mostly project-specific data). AECOM will populate template for items requested to support AECOM scope of work.
0.4	USAR WIFA and Project Owner Coordination	54	62		50		30					196	\$50,280	\$2,000	\$52,280	AECOM will prepare meeting invites and agendas. Aaron and Laine - 26 owner meetings. Jeff and Haili - 14 owner meetings. Aaron and Laine - 24 meetings with USAR WIFA. Jeff and Haili - 16 meetings with USAR WIFA. Assumes 2 WSC staff have budget for 3 trips.
0.5	Programming for Subsequent Phases	12	12		6		6					36	\$9,690	\$400	\$10,090	WSC and AECOM will collaborate on this task. WSC allocated 36 staff hours.
	TASK 0.0 TOTALS	84	142	0	162	0	44	0	4	36	18	490	\$113,710	\$4,500	\$118,210	
Task 1.0 - Consolidate and Verify Project Details																
1.1	Meetings with Project Owners		72		72							144	\$31,320	\$1,300	\$32,620	WSC assumes 2 staff to hold 2 90-minute meetings with 8 project owners (12 meetings total) with 2 hours of prep for each meeting. Includes 16 hours for 2 WSC staff for as-needed coordination.
1.2	Project Status and Engineering Review	2	36	8	80	80						206	\$37,590	\$1,500	\$39,090	WSC will load all project information received into Project Database. WSC will coordinate with AECOM to ensure data AECOM needs is requested, received, and stored where AECOM can access it. Assumes a review of design plans and specifications by WSC is not included.
1.3	Cost Estimating Review	2	2	8								12	\$3,610	\$100	\$3,710	WSC assumes AECOM will complete cost review. WSC has allocated 12 staff hours for high level QA/QC. WSC will acquire cost information in Project Owner Meetings and pass on to AECOM for this review.
1.4	Comprehensive Project Database	12	24		32					64		132	\$27,620	\$1,100	\$28,720	
	TASK 1.0 TOTALS	16	134	16	184	80	0	0	0	64	0	494	\$100,140	\$4,000	\$104,140	
Task 2.0 - WIFIA Loan Application																
2.1	EPA Coordination	4	4		4	4						16	\$3,660	\$100	\$3,760	Assumes AECOM will complete this work and WSC Staff will spend 16 hours supporting as needed
2.2	USAR WIFA Coordination with Project Owners											0	\$0	\$0	\$0	
2.3	Complete Application Section A – Key Applicant and Loan Information		4		4	4						12	\$2,320	\$100	\$2,420	Assumes AECOM will complete this work and WSC Staff will spend 12 hours supporting as needed
2.4	Complete Application Section B – Applicant Background		12		12	12						36	\$6,960	\$300	\$7,260	Assumes AECOM will complete this work and WSC Staff will spend 36 hours supporting as needed
2.5	Support Fieldman, Rolapp, and Associates, Inc. in Completing Section C – Financing Plan		12		12	12						36	\$6,960	\$300	\$7,260	Assumes AECOM will complete this work and WSC Staff will spend 36 hours supporting as needed
2.6	Complete Application Section D – Federal Requirements Compliance		12		12	12						36	\$6,960	\$300	\$7,260	Assumes AECOM will complete this work and WSC Staff will spend 36 hours supporting as needed
2.7	Complete Application Section E – Contract Information		20		20	20						60	\$11,600	\$500	\$12,100	Assumes AECOM will complete this work and WSC Staff will spend 60 hours supporting as needed
	TASK 2.0 TOTALS	4	64	0	64	64	0	0	0	0	0	196	\$38,460	\$1,600	\$40,060	
Task 3.0 - CWSRF Loan General Application																
3.1	SWRCB Coordination	4	20									24	\$6,740	\$300	\$7,040	Assumes 1 WSC staff will attend bi-weekly checkins with Water Board Staff. Assumes WSC staff will coordinate with AECOM and USAR WIFA Staff on existing relationships with Water Board Staff to initiate contact with Water Board Staff.
3.2	Complete General CWSRF Loan Application Package		4		18	12						34	\$5,790	\$200	\$5,990	Assumes AECOM will complete this work and WSC Staff will spend 120 hours supporting as needed
	TASK 3.0 TOTALS	4	24	0	18	12	0	0	0	0	0	58	\$12,530	\$500	\$13,030	
Task 4.0 - Program Implementation Plan																
4.1	Evaluate Funding Programs and Opportunities	8	56		92	76						232	\$44,000	\$1,800	\$45,800	Assumes AECOM will provide estimates of probable construction costs for each project that will be incorporated into funding and financing portfolios.
4.2	NEPA Compliance Plan	2	12		12	12						38	\$7,630	\$300	\$7,930	Assumes AECOM will complete this work and WSC staff will provide 38 hours to support AECOM. Findings from this scope item will be included in the Project Delivery Plan in Subtask 4.5. WSC will coordinate with AECOM to determine what data AECOM needs for completion of the NEPA plan from Project Owners. Assumes WSC will not attend project owner calls or workshops in this subtask.
4.3	Permit Identification	2	12		24	24						62	\$11,350	\$500	\$11,850	Assumes project owners will provide WSC with project location and design details that will enable WSC to determine what type of permits are required for construction.
4.4	Project Delivery Plan	12	20	20	36	20						108	\$24,260	\$1,000	\$25,260	Assumes project owners will provide WSC with project location, design details, and ordinances and rules that govern construction contracts.
4.5	Program Implementation Plan	8	28	12	80	60	4		16			208	\$39,020	\$1,600	\$40,620	Assumes AECOM will provide WSC with cost estimates for each project.
	TASK 4.0 TOTALS	32	128	32	244	192	4	0	16	0	0	648	\$126,260	\$5,200	\$131,460	
Task 5.0 - Communication and Outreach																
5.1	Website and Program Messaging	4	4		6		8	15	6	10		53	\$11,650	\$500	\$12,150	Website content to be reviewed and updated monthly or as needed with input from client and project management team.
5.2	Marketing and Media Strategy	2	2		2		15	25				46	\$11,140	\$400	\$11,540	12-month Media Strategy Roadmap, 4 press releases, 6 news and announcement articles.
5.3	Community Engagement Strategy	2	6		2		40	25	12			87	\$19,960	\$800	\$20,760	Community Engagement Strategy updated quarterly, quarterly e-newsletter updates to supporters, 2 presentation slide deck for community presentations, coordinate on 1 facility tour/open house event, and 1 mixer event.
5.4	Branded Materials	4	4		4		20	15	60			107	\$20,180	\$800	\$20,980	1 fact sheet, 1 community focused brochure, event postcards, invites, 4 social posts, 1 min video, 2 slide deck template.
5.5	As-Needed Outreach Activities						20		20			40	\$7,700	\$300	\$8,000	Budget assumes a Subtask allowance of 40 hours.
5.6	Lobbyist	6	6		4		8	6	8			38	\$8,810	\$400	\$9,210	1-legislative handout, support development of communication materials for legislative audiences.
	TASK 5.0 TOTALS	18	22	0	18	0	111	86	106	10	0	371	\$79,440	\$3,200	\$82,640	
Optional Task 1.0 - As-Needed Engineering and Compliance Services																
O1.1	Engineering Support	20	40		40							100	\$24,100	\$1,000	\$25,100	Budget includes 100 hours of WSC staff time on this optional subtask.
O1.2	Cost Estimating Support	8	8		8	8						32	\$7,320	\$300	\$7,620	Assumes AECOM will lead cost estimating efforts and WSC will spend 32 hours supporting AECOM.
O1.3	Environmental and Permitting Support											0	\$0	\$0	\$0	
O1.4	SRF		16		42	28						86	\$15,310	\$600	\$15,910	
O1.5	Prepare Funding and Financing Plan	4	12		40	40						96	\$16,980	\$700	\$17,680	
O1.6	Prepare Permitting Plan	2	8		16	16						42	\$7,790	\$300	\$8,090	
	OPTIONAL TASK 1.0 TOTALS	34	84	0	146	92	0	0	0	0	0	356	\$71,500	\$2,900	\$74,400	
TOTAL		192	598	48	836	440	159	86	126	110	18	2,613	\$ 542,040	\$ 21,900	\$ 563,940	

Additional Notes:
-- 10% mark-up on direct expenses; 15% mark-up for sub-contracted services
-- Standard mileage rate \$0.57 per mile (or current Federal Mileage Reimbursement Rate)
-- Rates are subject to revision as of January 1 each year

UPPER SANTA ANA RIVER WATERSHED
 INFRASTRUCTURE FINANCING AUTHORITY



Member Agency	Finance Subcommittee Representative	Environmental Subcommittee Representative
SB Valley Water Conservation District		
San Bernardino Municipal Water Dept.		
Yucaipa Valley Water District		
Yucaipa Valley Water District		

INSTALLMENT PURCHASE AGREEMENT

by and between

_____ **DISTRICT**

and

**UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING
AUTHORITY**

Dated _____, 2022

Relating to

\$ _____

**UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING
AUTHORITY
WIFIA LOAN AGREEMENT**

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, is entered into and dated as of ____ 1, 2022, by and between _____ DISTRICT, a _____ district that is duly organized and existing under and by virtue of the laws of the State of California (the “**District**”), and UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”).

RECITALS

A. The District proposes to acquire and construct certain improvements, betterments, renovations and expansions of facilities within its System, as described in Exhibit A (the “WIFIA Project”).

[If a joint project of two members] [The Districts propose to acquire and construct certain improvements, betterments, renovations and expansions of facilities within its System, as described in Exhibit A (the “WIFIA Project”).]

B. The Authority has agreed to assist the District[s] in financing a portion of the WIFIA Project on the terms and conditions that are set forth herein.

C. The Authority is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance the acquisition and construction of property for its members.

D. The District is authorized by Division __ of the Water Code of the State of California, including but not limited to Article __ of Chapter __ thereof, to acquire and construct facilities such as the WIFIA Project for its System.

E. The Authority, the District[s] and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “Authority Lender”), have entered into a WIFIA Loan Agreement dated _____, 2022 (the “WIFIA Loan Agreement”), secured, *inter alia*, by the payments to be made by the District to the Authority under this Installment Purchase Agreement, to finance such portion of the WIFIA Project.

F. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the WIFIA Loan Agreement.

Accountant’s Report

The term “Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

Acquisition Fund

The term “Acquisition Fund” means the fund by that name established by the District pursuant to Section 3.04.

Authority

The term “Authority” means Upper Santa Ana River Watershed Infrastructure Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the JPA Agreement and existing under and by virtue of the laws of the State of California, including the successors thereto.

Authority Lender

The term “Authority Lender” has the meaning provided in RECITAL E herein.

Bonds

The term “Bonds” means all revenue bonds or notes of the District that are authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the WIFIA Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof [**including but not limited to [NAME other District parity bonds and notes, if any]**].

Contracts

The term “Contracts” means all contracts of the District previously or hereafter authorized and executed by the District, the payments under which are payable from Net Revenues on a parity with the WIFIA Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; [**including but not limited to [NAME other District parity contracts, if any]**], but excluding contracts entered into for operation and maintenance of the System.

Debt Service

The term “Debt Service” means, for any period of calculation, the sum of:

(i) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);

(iii) those portions of the principal amount of all outstanding term Bonds required to be paid in such period (but excluding Excluded Principal); and

(iv) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Bonds or Contract plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute interest rate swap agreements or other paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

District

The term “District” means _____ District, a [_____] district that is duly organized and existing under and by virtue of the laws of the State of California.

Event of Default

The term “Event of Default” means an event that is described in Section 8.01.

Excluded Principal

The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Authority Lender (i) a certificate of an Independent Municipal Consultant to the effect that such Bond or Contract is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than 60 months and (ii) a certificate of the Manager to the effect that the District intends to pay such principal from the proceeds of Bonds or Contracts, Subordinate Debt or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Bonds or Contracts or the obligation of the District to pay such Bonds or Contracts from Net Revenues.

Fiscal Year

The term “Fiscal Year” means the period from July 1 of each year through June 30 of the following year, or any other twelve-month period that is selected and designated as the official Fiscal Year of the District.

Generally Accepted Accounting Principles

The term “Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any firm of certified public accountants that is appointed by the District, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Municipal Consultant

The term “Independent Municipal Consultant” means a municipal advisor or firm of such municipal advisors appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto; and (4) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract.

Installment Payments

The term “Installment Payments” means the Installment Payments of interest and principal scheduled to be paid by the District under and pursuant to the Contracts.

JPA Agreement

The term “JPA Agreement” means the Joint Exercise of Powers Agreement, dated July 20, 2021, by and among the District and the other parties thereto, pursuant to which the Authority is established, as such JPA Agreement may be amended and supplemented from time-to-time in accordance therewith.

Law

The term “Law” means the _____ Act, of the State of California (being Division ___ of the Water Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto.

Manager

The term “Manager” means the [**General Manager**] of the District, or any other person that is designated by the [**General Manager**] to act on behalf of the [**General Manager**].

Net Proceeds

The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Net Revenues

The term “Net Revenues” means, for any Fiscal Year or other period, the Revenues for such Fiscal Year or other period, as the case may be, less the Operation and Maintenance Costs for such Fiscal Year or other period, as the case may be.

Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means: (i) costs spent or incurred for maintenance and operation of the System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of this Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds (ii) all costs of water provided or otherwise acquired for delivery by the System (including any interim or renewed arrangement therefor), including both fixed and variable components thereof; *but excluding* in all cases (w) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar or non-cash nature, (x) all capital charges, (y) any State Water Project costs paid from taxes described in clause (2) in the definition of Revenues or from sources other than Revenues, and (z) all amounts allocable to the District under the JPA Agreement for capital costs thereof, including principal and interest on any bonds, notes or other evidence of indebtedness of the Authority.

Project

The term “Project” means acquisition of land, additions, betterments, extensions or improvements to the District’s facilities designated by the Board of Directors of the District as a Project, the acquisition and construction of which is to be paid for by the proceeds of any Contracts or Bonds.

Purchase Price

The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Authority under the terms hereof as provided in Section 4.01.

Rate Stabilization Fund

The term “Rate Stabilization Fund” means the fund by that name that is continued pursuant to Section 5.06.

Revenues

The term “Revenues” means

(i) all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the System, including, without limiting the generality of the foregoing:

(ii) amounts allocated to the District pursuant to Article XIII A of the Constitution of the State of California and Section 95 et. seq. of the California Revenues and Taxation Code (or any successor or supplementary provisions) and allocated to the System;

(iii) the proceeds of any stand-by or availability charges, development fees and connection charges collected by the District; and

(iv) the earnings on and income derived from the investment of amounts described in clauses (i), (ii) and (iii) above and from District reserves allocable to the System;

but excluding:

(1) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District;

(2) any proceeds of taxes or assessments which are restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued, including but not limited to proceeds of taxes levied to pay costs with respect to the State Water Project; and

(3) gain or loss on the sale of any capital assets as permitted hereby.

“Revenues” also include all amounts transferred from the Rate Stabilization Fund to the Revenue Fund in accordance with Section 5.06. “Revenues” do not include any amounts transferred from the Revenue Fund to the Rate Stabilization Fund during any Fiscal Year in accordance with Section 5.02(c).

Revenue Fund

The term “Revenue Fund” means the fund by that name that is continued pursuant to Section 5.02.

Service

The term “Service” means the **[water][wastewater][recycled water]** service that is made available or provided by the District.

Subordinate Debt

The term “Subordinate Debt” means all revenue bonds or notes of the District the payments on which are payable subordinate to Debt Service and all contracts of the District the payments under which are payable subordinate to Debt Service as set forth in Section 5.02(c) hereof.

Subordinate Debt Service

The term “Subordinate Debt Service” means debt service on Subordinate Debt calculated in accordance with the definition of Debt Service with respect to Contracts and Bonds.

System

The term “System” means the whole and each and every part of the **[water][wastewater][recycled water]** system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such System or any part thereof hereafter acquired or constructed.

Treasurer

The term “Treasurer” means the [**Treasurer**] of the District or the successor thereto.

[Unencumbered Fund Balance

The term “Unencumbered Fund Balance” means, for any Fiscal Year, the balance of Net Revenues remaining on deposit in the _____ Fund and any rate stabilization fund related to the [**water**][**wastewater**][**recycled water**] system established by the District as of the last day of such Fiscal Year, as shown on the books of the District, which may be lawfully used to pay the WIFIA Installment Payments. The amount of the Unencumbered Fund Balance as of the last day of the Fiscal Year does not include any funds which the District determines will be required for the payment of the WIFIA Installment Payments or the payment of any Bonds or Contracts during the next six months.]

WIFIA Amount

The term “WIFIA Amount” means the amount equal to the total disbursements of the WIFIA Loan with respect to the District’s WIFIA Project under the WIFIA Loan Agreement.

WIFIA Debt Service Account

The term “WIFIA Debt Service Account” means the account by that name created and maintained by the District in accordance with Section 5.07 hereof and the WIFIA Loan Agreement.

WIFIA Installment Payment Date

The term “WIFIA Installment Payment Date” means _____, 20__ and the last day of each _____ and the last day of each _____ thereafter.

WIFIA Installment Payments

The term “WIFIA Installment Payments” means the Installment Payments scheduled to be paid by the District under and pursuant to this Installment Purchase Agreement.

WIFIA Installment Purchase Agreement

The term “WIFIA Installment Purchase Agreement” means this Installment Purchase Agreement, by and between the District and the Authority, dated _____, 2022, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

WIFIA Loan Agreement

The term “WIFIA Loan Agreement” has the meaning provided in RECITAL E herein.

WIFIA Project

The term “WIFIA Project” means the additions, betterments, extensions and improvements to System facilities included within the description as the “Project” in the WIFIA Loan Agreement, as

such WIFIA Project may be modified in accordance with any modification to the definition of “Project” in the WIFIA Loan Agreement.

WIFIA-Financed Portion of the WIFIA Project

The term “WIFIA-Financed Portion of the WIFIA Project” means the portion of the WIFIA Project financed by the Authority from the proceeds of the WIFIA Loan allocated to the District, which portion shall be not more than 49% of the Eligible Project Costs of the WIFIA Project.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the District. The District makes the following representations:

(a) The District is a _____ district that is duly organized and existing under and pursuant to the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the District has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The District has determined that it is necessary and proper for District uses and purposes within the terms of the Law that the District acquire and construct the WIFIA-Financed Portion of the WIFIA Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the District.

Section 2.02. Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency that is duly organized under the JPA Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

ARTICLE III

THE WIFIA PROJECT

Section 3.01. Acquisition and Construction of the WIFIA Project. The Authority hereby agrees to cause the WIFIA Project and any additions or modifications thereto to be constructed, acquired and installed by the District as its agent. The District shall enter into contracts and provide for, as agent for the Authority, the complete design, construction, acquisition and installation of the WIFIA Project in accordance with the WIFIA Loan Agreement and all applicable laws.

The District hereby agrees that it will cause the construction, acquisition and installation of the WIFIA Project to be diligently performed. The District agrees to deposit the WIFIA Amount (or the relevant portion thereof) (other than any funds to be applied to the prepayment or redemption of any interim financing with respect to the WIFIA-Financed Portion of the WIFIA Project) into the Acquisition Fund, upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the Board of Directors of the District, and that it will use its best efforts to cause the construction, acquisition and installation of the WIFIA Project to be substantially completed by _____, 202_, unforeseeable delays beyond the reasonable control of the District only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the WIFIA Project and that all such costs and expenses (including the cost of the WIFIA Project not paid from the WIFIA Amount) shall be paid by the District.

Section 3.02. Purchase of WIFIA-Financed Portion of the WIFIA Project. In consideration for the WIFIA Installment Payments, the Authority agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Authority, the WIFIA-Financed Portion of the WIFIA Project at the purchase price that is specified in Section 4.01 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.03. Title. Each component of the WIFIA Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Authority or the District, and the Authority shall, if requested by the District or if necessary, to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

Section 3.04. Acquisition Fund. The District shall establish, maintain and hold in trust a separate fund designated as the "Acquisition Fund." The moneys in the Acquisition Fund shall be held by the District in trust and applied by the Treasurer of the District to the payment of the costs of acquisition and construction of the WIFIA-Financed Portion of the WIFIA Project and of expenses incidental thereto.

Before any payment is made from the Acquisition Fund by the Treasurer, the Manager of the District, acting as agent of the Authority, shall cause to be filed with the Treasurer a certificate of the District and the Authority in the form set forth in Exhibit B to this Installment Purchase Agreement.

Upon receipt of each such certificate, the Treasurer will pay the amount that is set forth in such certificate as directed by the terms thereof or disburse funds to the District for such payment as directed by the District in such certificate. The Treasurer need not make any such payment if it has

received notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the WIFIA-Financed Portion of the WIFIA Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the District stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Treasurer and the Authority Lender by the Manager of the District. Upon the receipt of such statement, the Treasurer shall transfer any remaining balance in the Acquisition Fund which is not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Treasurer by the Manager of the District) to the Authority Lender for deposit in the WIFIA Debt Service Account.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Purchase Price.

(a) The Purchase Price to be paid by the District hereunder to the Authority is the sum of the principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the District hereunder is set forth in Exhibit A.

(c) The interest to accrue on the unpaid principal amount of the Purchase Price shall be equal to the interest payable with respect to the principal portion of the WIFIA Loan allocable to the WIFIA-Financed Portion of the WIFIA Project as provided in the WIFIA Loan Agreement, and shall be paid by the District as and constitute interest paid on the principal amount of the District's obligations hereunder, as set forth in Exhibit A hereto.

(d) The Authority and the District acknowledge and agree that the WIFIA Installment Payments set forth in Exhibit A hereto are initially equal to the payments of principal and interest set forth on the Loan Amortization Schedule in [Exhibit F (WIFIA Debt Service)] to the WIFIA Loan Agreement allocable to the WIFIA-Financed Portion of the WIFIA Project in all respects, other than with respect to the relevant payment dates. The Authority and the District agree that (i) upon any modification to [Exhibit F (WIFIA Debt Service)] to the WIFIA Loan Agreement, Exhibit A hereto shall be deemed modified mutatis mutandis, (ii) the District will provide to the Authority a revised Exhibit A which the Authority and the District agree will replace the then current Exhibit A (such replacement being a ministerial act and not an amendment or supplement to this Installment Purchase Agreement), (iii) no modification to Exhibit A hereto shall otherwise be made without the consent of the Authority Lender, and (iv) the District's failure to provide or delay in providing the Authority with such revised Exhibit A shall not affect the modifications deemed to be made thereto or the obligation of the District to make the WIFIA Installment Payments as so modified.

Section 4.02. WIFIA Installment Payments. The District shall, subject to its rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the WIFIA Installment Payment Dates as set forth in Exhibit A.

Each WIFIA Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the District fails to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid, and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the WIFIA Installment Payments if paid in accordance with their terms.

The obligation of the District to make the WIFIA Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full, the District will not discontinue or suspend any WIFIA Installment Payment which is required to be made by it under this section when due, whether or not the System or any part thereof is operating or operable or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the WIFIA Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01. Pledge of Revenues. The Revenues, and all amounts that are on deposit in the Revenue Fund, including amounts that are transferred from the Rate Stabilization Fund to the Revenue Fund as described in Section 5.06, are irrevocably pledged to the payment of the WIFIA Installment Payments. Except for the payment of the Operation and Maintenance Costs, the Revenues shall not be used for any other purpose while any of the WIFIA Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues and the Revenue Fund for the payment of the WIFIA Installment Payments and all other Contracts and Bonds in accordance with the terms hereof.

The Acquisition Fund and all amounts that are on deposit in the Acquisition Fund and the WIFIA Debt Service Fund and all amounts on deposit in the WIFIA Debt Service Fund, are irrevocably pledged to the payment of the WIFIA Installment Payments. This pledge shall constitute a first and exclusive lien on the Acquisition Fund and the Debt Service Fund for the payments of the WIFIA Installment Payments.

Section 5.02. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund has been established and is hereby continued and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Installment Payments or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Installment Purchase Agreement.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the District at the following times in the following respective special funds in the following order of priority, and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section:

(a) Bonds and Contracts. The District shall, from the moneys in the Revenue Fund, transfer to the WIFIA Debt Service Fund and to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any Debt Service in accordance with the provisions of the Contract, Bond, resolution or indenture relating thereto.

(b) Reserve Funds. On or before each WIFIA Installment Payment Date, the District shall, from remaining moneys in the Revenue Fund, thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the applicable trustee for deposit to any reserve fund or account for Bonds or Contracts an amount that is equal to the amount required to be deposited therein.

(c) Surplus. Moneys on deposit in the Revenue Fund which are not necessary to make any of the payments which are required above may be expended by the District at any time for any purpose permitted by law, including but not limited to payment of Subordinate Debt, or deposited in the Rate Stabilization Fund.

Section 5.03. Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided that:

(a) The Net Revenues for the last audited Fiscal Year of the District, or for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year or other twelve month period; and

(b) The Net Revenues for the last audited Fiscal Year of the District, or for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or other twelve month period, to increases or decreases in rates and charges with respect, or applicable, to the System approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least [one hundred twenty percent (120%) of the Debt Service] for such Fiscal Year or other twelve month period, plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year or other twelve month period, assuming that such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year or other twelve month period, plus the Debt Service which would have accrued had such proposed

additional Contract been executed or proposed additional Bonds been issued at the beginning of such Fiscal Year or other twelve month period.

[For purposes of this Section 5.03, the amount of Net Revenues may be increased (in an amount not exceeding 20% of Debt Service payable in the applicable Fiscal Year) by the amount of the Unencumbered Fund Balance as of the last day of the immediately preceding Fiscal Year.]

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or prepay Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than 105% of the Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Section 5.04. Subordinate Debt. The District may at any time execute or issue any Subordinate Debt in accordance herewith; provided that:

(a) The Net Revenues remaining after payment of Debt Service on Bonds and Contracts for the last audited Fiscal Year of the District, or any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of issuance or execution of such Subordinate Debt, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such Fiscal Year or other twelve month period.

(b) The Net Revenues remaining after payment of Debt Service on Bonds and Contracts for the last audited Fiscal Year of the District, or any consecutive twelve calendar month period during the eighteen calendar month period preceding the issuance or the execution of such Subordinate Debt, including adjustments to give effect as of the first day of such Fiscal Year or other twelve month period to increases or decreases in rates and charges with respect, or applicable, to the System approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such Fiscal Year or other twelve month period, plus the Subordinate Debt Service which would have accrued on any Subordinate Debt issued since the end of such Fiscal Year or other twelve month period, assuming that such Subordinate Debt had been issued or executed at the beginning of such Fiscal Year or other twelve month period, plus the Subordinate Debt Service which would have accrued had such proposed Subordinate Debt been executed or issued at the beginning of such Fiscal Year or other twelve month period.

Notwithstanding the foregoing, Subordinate Debt executed to refund Bonds or prepay Contracts or to prepay or refund Subordinate Debt may be delivered without satisfying the conditions set forth above if Debt Service and Subordinate Debt Service in each Fiscal Year after the Fiscal Year in which such Subordinate Debt issued or executed is not greater than 105% of the Debt Service and Subordinate Debt which would have been payable in each such Fiscal Year prior to the issuance of or execution of such Subordinate Debt.

Section 5.05. Investments. All moneys which are held by the District in the Revenue Fund, the Acquisition Fund, the WIFIA Debt Service Account and the Rate Stabilization Fund shall be

invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.06. Rate Stabilization Fund. The District has established a special fund designated as the “Rate Stabilization Fund,” which shall be held by the District in trust under this Installment Purchase Agreement. The District agrees and covenants to maintain and to hold such fund separate and apart from other funds so long as any Contracts or Bonds remain unpaid. Money transferred by the District from the Revenue Fund to the Rate Stabilization Fund in accordance with Section 5.02(c) will be held in the Rate Stabilization Fund and applied in accordance with this Installment Purchase Agreement.

The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with Section 5.02 or, in the event that all or a portion of the WIFIA Installment Payments are discharged in accordance with Article VII, transfer all or any portion of such amounts for application in accordance with Article VII; provided that any such withdrawals and transfers may be made up to and including the date that is 270 days after the end of the Fiscal Year or 12 calendar month period for which such withdrawals and transfers will be taken into account in calculating Revenues. For avoidance of doubt, any such amounts withdrawn from the Rate Stabilization Fund and transferred to the Revenue Fund constitute Revenues for the Fiscal Year or 12 month calendar month period so long as such withdrawal and transfer occurs not later than 270 days after the end of such Fiscal Year or 12 calendar month period.

Section 5.07. WIFIA Debt Service Account. The District, as agent of the Authority, shall establish, maintain and hold in trust a separate general ledger account within the District’s debt service group of funds/accounts, which account shall be designated as the “WIFIA Debt Service Account” and as of the Effective Date is numbered _____. Such account number may change as the District designates from time to time provided that the District must promptly notify the Authority Lender in writing of any such change. Moneys in the WIFIA Debt Service Account shall be held by the District in trust and applied to the payment of the WIFIA Installment Payments hereunder in accordance with [Section 8(a)(i) and Section 17(i)] of the WIFIA Loan Agreement. Any investment earnings thereon shall be transferred by the District to the Revenue Fund no later than the last day of the District’s Fiscal Year.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.01. Compliance with Installment Purchase Agreement, the WIFIA Loan Agreement and Ancillary Agreements. The District will punctually pay the WIFIA Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate this Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the WIFIA Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or

connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, epidemics, pandemics, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

It is expressly understood and agreed by and among the parties to this Agreement that, subject to Section 9.06 hereof, each of the agreements, conditions, covenants and terms contained in this Agreement is an essential and material term of the purchase of and payment for the WIFIA-Financed Portion of the WIFIA Project by the District pursuant to, and in accordance with, and as authorized under the Law and other applicable laws.

The District will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by the District pursuant to the WIFIA Loan Agreement: provided that nothing herein shall obligate the District to pay the principal of or interest with respect to the WIFIA Loan or the WIFIA Note, which obligation is solely the responsibility of the Authority as borrower under the WIFIA Loan Agreement.

The District will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be, provided that nothing herein shall obligate the District to pay principal of or interest on the WIFIA Loan or the WIFIA Note, which obligation is solely the responsibility of the Authority as borrower under the WIFIA Loan Agreement.

Section 6.02. Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein and subject to the restrictions agreed to by the District in the WIFIA Loan Agreement. In addition, the District may at any time, or from time to time, issue Bonds or incur Contracts for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein (as provided in Section 5.02) on a parity with the pledge and lien securing this Installment Purchase Agreement in accordance with Section 5.03 hereof and the WIFIA Loan Agreement or subordinate to the pledge and lien securing this Installment Purchase Agreement in accordance with Section 5.04 hereof and the WIFIA Loan Agreement. The District will not make any pledge of or place a lien on the Acquisition Fund (including the moneys on deposit therein) or the WIFIA Debt Service Account (including the moneys on deposit therein) except as set forth in the WIFIA Loan Agreement.

Section 6.03. Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which materially impairs the operation of the System or any part thereof which is necessary to secure adequate Revenues for the payment of the WIFIA Installment Payments, or which would otherwise materially impair the rights of the Authority hereunder or the operation of the System.

Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the System, or any material or equipment which has become worn out, may be sold if such sale will not materially impair the ability of the District to pay the WIFIA Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund. Nothing herein shall restrict the ability of the District to sell any portion of the System if such portion is

immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the System.

Section 6.04. Against Competitive Facilities. The District will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any facilities competitive with the System.

Section 6.05. Prompt Acquisition and Construction. The District will take all necessary and appropriate steps to acquire and construct the WIFIA Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.06. Maintenance and Operation of the System. The District will maintain and preserve the System in good repair and working order at all times, operate the System in an efficient and economical manner and pay all Operation and Maintenance Costs as they become due and payable.

Section 6.07. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the WIFIA Loan Agreement or on any funds in the hands of the District pledged to pay the WIFIA Installment Payments or the Bonds, or which might impair the security of the WIFIA Installment Payments.

Section 6.08. Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, which are required to be performed by it contained in all contracts for the use of the System and all other contracts affecting or involving the System, to the extent that the District is a party thereto.

Section 6.09. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the System, excluding coverage for earthquake damage or destruction, with responsible insurers in such amounts and against such risks (including accident to or destruction of the System) as are usually covered in connection with facilities that are similar to the System so long as such insurance is available at reasonable rates.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the excess Net Proceeds shall be applied in part to the prepayment of WIFIA Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of WIFIA Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation that is evidenced hereby prior to the final due date of the WIFIA Installment Payments as well as the entire obligations that are evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the System, and thereupon such Net Proceeds shall be applied to the prepayment of WIFIA Installment Payments as provided in Article VII and to the retirement of such Bonds and Contracts.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal Systems similar to the System.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with Systems similar to the System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Authority or its assignee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.10. Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the System, which records shall be available for inspection by the Authority, including agents and assignees of and lenders to the Authority (including the Authority Lender), at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Authority or its assignee, annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2022) financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon.

Section 6.11. Protection of Security and Rights of the Authority. The District will preserve and protect the security hereof and the rights of the Authority and the Authority Lender to the WIFIA Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the System, or any part thereof or upon the Revenues or amounts

on deposit in the Revenue Fund, the Acquisition Fund, the Rate Stabilization Fund or the WIFIA Debt Service Account when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the System, or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13. Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each Fiscal Year, rates and charges with respect, or applicable, to the System which are reasonably expected to be at least sufficient to yield during each Fiscal Year (i) Net Revenues equal to one hundred twenty percent (120%) of the Debt Service payable in such Fiscal Year and (ii) Net Revenues remaining after payment of Debt Service on Bonds and Contracts equal to one hundred ten percent (110%) of Subordinate Debt Service payable in such Fiscal Year. [The amount of the Unencumbered Fund Balance as of the last day of the immediately preceding Fiscal Year shall be credited towards the District's obligations under this subsection (a), in an amount not to exceed 20% of Debt Service referred to in the preceding sentence.]

The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this section.

(b) For avoidance of doubt, so long as the District has complied with its obligations set forth in clause (a) of this section, the failure of Net Revenues to meet the thresholds set forth in clause (a) of this section at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with in clause (a) of this section at the commencement of the succeeding Fiscal Year.

Section 6.14. Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges with respect, or applicable, to the Service to such customer's land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District may discontinue such service from the System, and such service shall not thereafter be recommenced except in accordance with District by-laws or rules, regulations and State Law governing such situations of delinquency.

Section 6.15. Eminent Domain Proceeds. If all or any part of the System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the District files with the Authority and the Authority Lender a certificate showing: (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the System that are proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the District, on the basis of such certificate filed with the Authority and the Authority Lender, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to

meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the prepayment of WIFIA Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of WIFIA Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.16. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority and the Authority Lender the rights and benefits provided to the Authority and the Authority Lender herein.

Section 6.17. Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into which contracts provide for **[water] [wastewater] [recycled water]** to be supplied to the District which consent, revision, amendment or other action will reduce the supply of **[water] [wastewater] [recycled water]** thereunder (except as provided therein), unless the Board of Directors of the District determines by resolution that such rescission or amendment would not materially adversely affect the ability of the District to pay WIFIA Installment Payments.

ARTICLE VII

PREPAYMENT OF WIFIA INSTALLMENT PAYMENTS

Section 7.01. Prepayment.

(a) The District may or shall, as the case may be, prepay from Net Proceeds as provided herein the WIFIA Installment Payments or the WIFIA Loan Agreement in whole, or in part, on any date in the order of payment date as directed by the District, at a prepayment price equal to the sum of the principal amount to be prepaid plus accrued interest thereon to the date of prepayment, without premium. Any such prepayment shall occur substantially concurrently with the prepayment of the WIFIA Loan by the Authority pursuant to the terms of Section [9(a) of the WIFIA Loan Agreement].

(b) The District shall prepay the WIFIA Installment Payments on the same dates as the Authority makes optional prepayments of the WIFIA Loan in accordance with the WIFIA Loan Agreement and shall not optionally prepay the WIFIA Installment Payments at any other time; provided, that any such prepayment shall be in a minimum principal amount of \$500,000 or any integral multiple of \$1.00 in excess thereof.

(c) Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have

been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the District shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Authority Lender describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than thirty (30) nor more than (sixty) 60 days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.01. Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(1) if default shall be made by the District in the due and punctual payment of any WIFIA Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(2) if default shall be made by the District in the performance of any of the agreements or covenants which are required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the District shall have been given notice in writing of such default by the Authority; or

(3) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(4) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms; or

(5) if an "Event of Default" under and as defined in the WIFIA Loan Agreement shall have occurred;

then the Authority shall immediately notify the Authority Lender of an Event of Default and follow any written directions of the Authority Lender, which may include a direction to declare the entire principal amount of the unpaid WIFIA Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding; provided that the unpaid Purchase Price shall automatically become due and payable without the action of the Authority or any other person if the unpaid principal amount of the WIFIA Loan shall have become immediately due and payable. Notwithstanding anything to the contrary set forth herein, the Authority shall not

have the right to (i) declare the unpaid Purchase Price immediately due and payable or (ii) exercise any other rights or remedies hereunder following the occurrence of an Event of Default in each case without the prior written direction of the Authority Lender. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid WIFIA Installment Payments and the accrued interest thereon shall have been so declared due and payable, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Authority an amount that is sufficient to pay the unpaid principal amount of the WIFIA Installment Payments or the unpaid payment of any other Contract or Bond referred to in clauses (1) or (4) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the WIFIA Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid WIFIA Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of (or automatic, as applicable) acceleration as provided in Section 8.01, all Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Authority, the Authority Lender, any agents and assignees of each of the forgoing as the case may be or the trustee with respect to any Bonds or Contracts, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid WIFIA Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the WIFIA Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Other Remedies of the Authority. Upon the occurrence of an Event of Default, the Authority shall have the right (but only following the prior written direction of the Authority Lender):

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his or her duties under the Law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Authority shall have no security interest in or mortgage on the WIFIA Project, the System or other assets of the District and no default hereunder shall result in the loss of the WIFIA Project, the System or other assets of the District.

Section 8.04. Remedies of the Authority Lender. Upon the occurrence of an Event of Default, the Authority Lender, as assignee of the Authority pursuant to the WIFIA Loan Agreement, shall be entitled and empowered to institute any actions or proceedings at law or in equity against the District for the collection of any sums due to the Authority from the District and unpaid hereunder, and may prosecute any such judgment or final decree against the District and collect in the manner provided by law the moneys adjudged or decreed to be payable, may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the District to the Authority under this Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the District under this Agreement.

Section 8.05. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the WIFIA Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority or the Authority Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority or the Authority Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority or the Authority Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Authority or the Authority Lender by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority or the Authority Lender, as applicable.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority or the Authority Lender, the District, the Authority and the Authority Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.06. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Authority or the Authority Lender herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Liability Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the WIFIA Installment Payments is a special obligation of the District payable from the Net Revenues and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 9.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District, the Authority or the Authority Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant that is required herein to be performed by or on behalf of the District, the Authority or the Authority Lender shall be for the sole and exclusive benefit of the other party.

Section 9.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the District, the Authority or the Authority Lender is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, the Authority or the Authority Lender, and all agreements and covenants which are required hereby to be performed by or on behalf of the District, the Authority or the Authority Lender shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 9.04. Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the WIFIA Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 9.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 9.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements

and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Authority hereby declare that they would have executed this Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 9.07. Assignment. This Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, to the Authority Lender without the necessity of obtaining the prior consent of the District. On each Payment Date occurring on or after the Level Payment Commencement Date, the District, as agent of the Authority, shall transfer to the Authority Lender on the Authority's behalf the WIFIA Installment Payments hereunder from the WIFIA Debt Service Account in accordance with the terms of the WIFIA Loan Agreement.]

Section 9.08. Net Contract. This Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the WIFIA Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 9.09. California Law. THIS INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 9.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District: _____ District

_____, California _____
Attention: General Manager

If to the Authority: Upper Santa Ana River Watershed Infrastructure Financing
Authority
c/o San Bernardino Valley Municipal Water District
380 E Vanderbilt Way
San Bernardino, California 92408
Attention: Executive Director

If to the Authority Lender: Environmental Protection Agency
[WJC-W 6201A]
1200 Pennsylvania Avenue NW
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

Section 9.11. Effective Date. This Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate only when (a) the Purchase Price shall have been fully paid and (b) the WIFIA Loan Agreement shall have terminated in accordance with its terms.

Section 9.12. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 9.13. Indemnification of the Authority. The District hereby agrees to indemnify and hold harmless the Authority, the Authority Lender and the assigns and officers and directors thereof if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder or to the extent provided in the WIFIA Loan Agreement, under the WIFIA Loan Agreement.

Section 9.14. Amendments Permitted. This Agreement and the rights and obligations of the Authority and the District, may be modified or amended at any time by an amendment hereto which shall become binding only (a) following the execution and delivery of such amendment by the Authority and the District and (b) with the prior written consent of the Authority Lender.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

_____ DISTRICT

By: _____
President of the Board of Directors

ATTEST:

Board Clerk

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY

By: _____
Chair of the Board of Directors

ATTEST:

Secretary of the Board of Directors

EXHIBIT A

PURCHASE PRICE

1. The principal amount of payments to be made by the District hereunder is \$_____.

2. The WIFIA Installment Payments of principal and interest are payable in the amounts and on the WIFIA Installment Payment Dates as follows:

<i>Installment Payment Dates</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
--------------------------------------	---	--	--------------

*Installment
Payment Dates*

*Amount Attributable
to Principal*

*Amount Attributable
to Interest*

Total

Total

\$

\$

\$

EXHIBIT B

FORM OF REQUISITION FROM ACQUISITION FUND

\$ _____
UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY
WIFIA LOAN AGREEMENT

REQUISITION NO. _ FOR
DISBURSEMENT FROM ACQUISITION FUND

Each of the undersigned, to the extent applicable, hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager of the _____ District, a _____ district that is organized and existing under the Constitution and laws of the State of California (the “District”), and as such, is familiar with the facts herein certified and is authorized to certify the same with respect to the District;

(ii) that the undersigned is the duly appointed, qualified and acting Executive Director of the Upper Santa Ana River Watershed Infrastructure Financing Authority, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), and as such, is familiar with the facts herein certified and is authorized to certify the same with respect to the Authority;

(ii) that, pursuant to Section 3.04 of that certain Installment Purchase Agreement, dated _____, 2022 (the “WIFIA Installment Purchase Agreement”), by and between the Authority and the District, the undersigned each hereby requests the Treasurer to disburse this date the following amounts from the Acquisition Fund established under the Installment Purchase Agreement relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final; and

(v) that there has not been filed with or served upon the District or the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Dated: _____, 20__

_____ DISTRICT

By: _____
_____, General Manager

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY

By: _____
_____, Executive Director

EXHIBIT A
ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
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UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY POLICY FOR DEBT MANAGEMENT

Section I. Introduction

Purpose and Overview

This Debt Management Policy (the “Policy”) establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreement to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness (“Debt”) of Upper Santa Ana River Watershed Infrastructure Financing Authority (the “Authority”). The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision-making processes, provide a basis for the determination of the appropriate structures, diversify the Authority’s Debt portfolio (to the extent such is cost effective) to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

The Board of Directors of the Authority (the “Board”) may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management after consultation with the Authority’s Municipal Advisor. The failure of the Authority to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. The Authority shall conduct an annual review and evaluation of the Policy. As appropriate, the Authority shall amend the Policy to be consistent with changes in the federal and state securities laws, pronouncements, rules, and regulations of the Internal Revenue Service (“IRS”), the Municipal Securities Rulemaking Board (“MSRB”), the Securities and Exchange Commission (“SEC”), and such other matters as the Executive Director, or assigned designee deems necessary or desirable.

The Authority’s overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority and its member agencies while ensuring that Debt is issued and managed prudently. Additionally, it is the intent of the policy to maintain a sound financial position.

The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash and thereby avoiding sharp spikes in member agencies’ water users’ O&M rates, or charges paid by member agency land owners (the concept of intergenerational equity); (iii) it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor.

The Board may waive any of the provisions of this Policy.

Purpose for Borrowing

The Authority shall issue Debt solely for the purpose of financing the cost of adding to or making improvements to the [Authority's facilities] or its members, land acquisition, the acquisition of long-term water supplies, capacity in water supply, other improvements in accordance with the Authority's Capital Improvement Program ("CIP"), including costs of environmental review, design, acquisition, and/or construction of new facilities, or other Board-approved program or for the refunding of prior Debt.

The Authority may issue interim Debt (such debt that the Authority expects to have outstanding temporarily until longer term financing may be issued), short term Debt (such debt that has a final maturity of not more than five years from its date of issuance) and long-term Debt (such debt that has a final maturity of more than five years from its date of issuance). The Authority will not issue Debt to fund improvements or to acquire capital assets without express approval of the Board. The Authority shall issue Debt only as provided for in this Policy.

Roles and Responsibilities

The Executive Director has delegated to the [Director of Finance] authority and primary responsibility for Debt management. The [Director of Finance] shall:

- Provide for the issuance of Authority Debt at the lowest cost, commensurate with risk;
- Monitor the available debt capacity of the Authority;
- Consistent with Board approvals, provide for the issuance of Authority Debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Board the method and manner of sale of Authority Debt;
- Monitor opportunities to refund debt and recommend refundings as appropriate to reduce costs or to achieve other policy objectives;
- Comply with all IRS, MSRB, and SEC rules and regulations governing the issuance of Debt;
- Maintain a current database with all outstanding Debt;
- Provide for the timely payment of principal and interest on all Debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the debt issued;
- Submit to the Board all recommendations to issue Debt in accordance with the Policy;
- If required by a Continuing Disclosure Certificate, distribute on a timely basis to appropriate repositories information regarding the Authority's financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Comply with any Disclosure Policy adopted by the Authority;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

Internal Controls

In order to comply with CDIAC rules and regulations promulgated pursuant to SB 1029 the following internal controls shall be followed:

The Executive Director, [Assistant Executive Director, and Director of Finance] or duly appointed designee and the Authority’s designated project manager for the project shall share responsibility to assure that disbursements are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any Debt shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the [Director of Finance] and the Executive Director. All draw requests shall be provided to the Authority by the designated project manager for the project with the consent of the [Director of Finance]. Approval shall only be provided when the [Director of Finance] is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

The Authority shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of Debt.

Section II. Legal Governing Principles

In the issuance and management of Debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain Debt limitations.

Governing Law

Federal Tax Law – The Authority shall issue and manage Debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to issue tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations. In the discretion of the Board, taxable debt may be issued if the requirements of federal tax law for tax-exempt Debt are not met.

Securities Law – The Authority shall comply with the applicable requirements of federal and state securities laws in offering Authority Debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

Governing Legal Documents

The Authority’s issuance of Debt is restricted in part by the Joint Exercise of Powers Agreement, and any relevant Authority policies or resolutions (the “Debt Governing Documents”). The Authority shall comply with all limitations imposed under the Debt Governing Documents, so long as such are in full force and effect.

Permitted Debt by Type

The Authority may legally issue both short-term and long-term Debt, using the Debt instruments described below. The [Director of Finance], in consultation with the Authority’s Bond Counsel and Municipal Advisor shall determine the most appropriate instrument for a proposed issuance of Debt.

JPA Revenue Bonds – The Authority would typically finance through the issuance of Authority revenue bonds or notes. These Authority bonds or notes would be secured by the general revenues of the Authority or payments received from members and others under activity agreements or other agreements.

Certificates of Participation – As an alternative, Certificates of Participation (“COP”) provide debt financing through a lease, installment sale agreement or contract of indebtedness which are payable from net revenues, under the terms and conditions specified in the related governing documents.

Revenue Notes – The Authority may issue short-term indebtedness secured by revenues. The revenue notes will have a final maturity not exceeding five years from the date of issuance, unless expressly approved by the Board.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Lines of Credit - The Authority may enter into financing arrangements with banks or other financial institutions providing for a source of funds that can be readily accessed by the Authority for capital and operating needs.

Commercial Paper – The Authority may establish a commercial paper program (“Commercial Paper Program”). A Commercial Paper Program may be utilized and commercial paper notes may be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. The Authority’s commercial paper shall be payable from Authority specified revenues. The [Director of Finance] shall provide a written report to the Board twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize the status of projects financed with commercial paper; and identifying any long-term Debt issued to refund commercial paper notes.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a bank facility, or private placement of any form of Debt from a non-governmental entity, the Authority may issue a request for proposal from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. In awarding any Debt to a bank, or other financial institution, the Authority may consider interest rates, other fees, proposed terms and conditions, the experience of various banks as well as the ability of the proposed bank to close the transaction in a timely manner. The Authority will evaluate such

loans on a case-by-case basis.

Government Sponsored Direct Loans - The Authority may enter into loan agreements with federal or state agencies. The Authority will evaluate such loans on a case-by-case basis. Prior to entering into such loan, the Authority may consider alternative forms of Debt, interest rates, other fees, proposed terms and conditions, the history of completing such loans by the federal or state agency, the availability of likelihood of obtaining funding and the ability of the proposed government agency to close the transaction in a timely manner.

Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by the Authority. The Authority will, with the assistance of the Authority's Municipal Advisor, evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Ethical Standards Governing Conduct

Authority Directors, Authority staff, and Authority consultants, service providers, and underwriters shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All Debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with:

- MSRB Rules, including Rule G-37, shall be followed at all times;
- Debt financing participants will assist the Authority staff in achieving its goals and objectives as defined in this Policy; and
- All Debt financing participants shall make cooperation with the Authority staff a high priority.

Section III. Integration of Capital Planning and Debt Activities

Evaluating Capital Improvement Program Spending

The Authority shall work with each member agency to develop the capital improvement program to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on the financial condition of each member agency.

Towards that end, the [Director of Finance] shall oversee the ongoing management of historic and projected revenue and operating costs.

Section IV. Transaction-Specific Policies

Method of Sale for Publicly Offered Debt

Unless otherwise authorized by the Board, and because of the complexity of the Authority's credit, the issuance and sale of all Authority Debt shall generally be achieved through a

negotiated process. Unless otherwise justified and deemed necessary upon the recommendation of the [Director of Finance], after consultation with the Municipal Advisor, the Authority will utilize a request for proposal process to select an underwriter, or underwriters, in connection with the sale of publicly offered Debt.

Competitive Bid Method – Upon Board approval, at the recommendation of the [Director of Finance], after consultation with the Municipal Advisor, the Authority shall sell Debt on a competitive basis. Such bids may take the form of hand- delivered or electronically transmitted offers to purchase the bonds. Authority Debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and takedown. The Board will provide by Resolution specific parameters (not-to-exceed amounts for principal, true interest cost and underwriting compensation) for the pre-approval of the negotiated sale of Debt. The final terms of the negotiated bond issue will be reported to the Board upon completion of the transaction.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, and underwriting spreads. The Authority, with the assistance of its Municipal Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of Debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the syndicate, the desired allocation of total fees, and the desired distribution of Debt. Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

The Authority shall, with the assistance of its Municipal Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among members of the underwriter(s), consistent with the previously negotiated terms and conditions;
- The allocation process complies with all MSRB regulations governing order priorities and allocations;
- The lead underwriter shall submit to the [Director of Finance] a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The [Director of Finance] shall require a post-sale analysis and reporting for each negotiated

bond sale. The Municipal Advisor or the lead underwriter may perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- Results of comparable bond sales in the market at the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by underwriting firm;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

Structural Elements

Maturity – The Authority may issue tax-exempt Debt with an average life no greater than or equal to federal tax code requirements. Unless expressly approved by the Board at the recommendation of the [Director of Finance] after consultation with the Municipal Advisor and Bond Counsel the final maturity of fixed rate Debt should be no longer than 35 years and the final maturity of variable rate Debt should be no longer than 40 years. Factors to be considered to determine the final maturity of Debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The Authority may not issue taxable Debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the [Director of Finance] after consultation with the Municipal Advisor and Bond Counsel.

Maturity Structure – The Authority's long-term Debt may include serial and term bonds. Other maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, taking into consideration market conditions and opportunities. For variable rate Debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Variable Rate Debt – The Authority is authorized to issue variable rate Debt including, but not limited to, public market indexed notes, indexed notes, or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities and unhedged floating rate debt. Prior to the issuance of variable rate debt, the savings and other possible advantages and disadvantages compared to a fixed rate borrowing shall be evaluated and a comparative analysis presented to the Board. Issuance of variable rate Debt may be approved by the Board at the recommendation of the [Director of Finance] after consultation with the Municipal Advisor and Bond Counsel. Unless expressly approved by the Board, the Authority will not have, as of the date of issuance of any variable rate debt, a percentage of variable rate debt outstanding greater than 20% of the total principal amount of all Debt outstanding.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual Debt issues, such as refunding

Debt, or Debt issued to achieve a specific policy objective, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refinancing opportunities, Authority debt will generally be issued with call provisions. Upon approval by the Board, the Authority may issue Debt with calls that are shorter than traditional and/or non-callable debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority may competitively procure credit enhancement for a sale of Debt if the [Director of Finance], in consultation with the Municipal Advisor and the lead underwriter, determines that to do so is in the Authority’s financial interest.

Debt Service Reserve Funds – The Authority may provide for debt service reserve funds to secure Authority Debt when necessary and recommended by the [Director of Finance] in consultation with the Municipal Advisor and the lead underwriter.

Section V. Communication and Disclosure

Rating Agencies

The Authority, with the assistance of its Municipal Advisor, may secure one or more credit ratings on all Debt from any of the four major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall seek to maintain its credit ratings once received through prudent fiscal management and consistent communications with the rating analysts. The [Director of Finance] shall manage relationships with the rating analysts assigned to the Authority’s credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- Full disclosure on an annual basis of the financial condition of the Authority; which can be satisfied by providing the rating agencies with any current rating on any Debt of the Authority with the Authority’s audited financial statements and continuing disclosure filings.
- Upon request of a ratings agency or when in the judgment of the [Director of Finance] as appropriate, a formal presentation, to the rating agencies, covering economic, financial, operational, and other issues that impact the Authority’s credit;
- Timely disclosure of major financial events that impact the Authority’s credit;
- Timely dissemination of the Financial Statements, following its acceptance by the Authority’s Board; and
- Full and timely distribution of any documents pertaining to the sale of Debt.

Section VI. Refunding Policies

The [Director of Finance], with the assistance of the Municipal Advisor shall evaluate refinancing Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any

refunding to be proposed to the Board. The Authority shall target a 3% net present value savings for current and 5% for advanced refunding transactions. Upon the advice of the [Director of Finance], with the assistance of the Municipal Advisor and Bond Counsel, the Authority will consider undertaking refunding for other than economic purposes, such as to restructure Debt, change the type of Debt instruments being used, or to retire a Debt issue in order to remove undesirable covenants.

Coupon on Refunded Bond – The [Director of Finance] may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons of approximately five percent.

General Interest Rate Environment – The [Director of Finance] may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.

General Interest Rate Outlook – The [Director of Finance] may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.

Debt Management Considerations – The [Director of Finance] may take into consideration Debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.

Call Date – The [Director of Finance] may take into consideration the amount of time between the pricing/closing date of the refunding Debt and the call date of the Debt to be refunded.

Final Maturity Date – The [Director of Finance] may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.

Section VII. Reinvestment of Debt Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of Debt proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the period over which some bond proceeds may be invested. To the extent that a Debt issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider. Funds generated from the sale of land shall be used in accordance with the applicable bond covenants and documents. Bond counsel will be consulted to provide legal advice regarding the use of proceeds from the sale of Authority lands purchased with Debt.

Requirements of Debt Governing Documents – The Authority will comply with all terms and conditions of the appropriate legal documents related to each series of Debt; including, but not limited to permitted investments in the Debt Governing Documents.

Section VIII. Creation and Maintenance of Funds

[To be discussed.]

Section IX. Post-Issuance Compliance

Tax Compliance /Arbitrage Liability Management

The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of Bond Counsel, Tax Counsel, and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investment may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

Continuing Disclosure

The Authority shall comply with the requirements of any Continuing Disclosure Certificate executed by the Authority at the time bonds are issued. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information required by such Continuing Disclosure Certificate, if any, will be sent by the Authority or its designated consultant, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists. In addition to annual disclosure, to the extent required by the Continuing Disclosure Certificate the Authority shall provide ongoing information about certain enumerated events, as defined by regulation, (“Material Events”) to the NRMSIRs and to the SID.

The Authority may engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

Legal Covenants

The Authority shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering, including but not limited to rate covenants.

State Reporting Requirements

Pursuant to Government Code section 8855(k), the Authority will submit annual debt transparency reports for any Debt for which it has submitted a report of final sale on or after

January 21, 2017 every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent.

Section X. Debt Database Management

The Authority shall maintain complete information on its Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s)

The Authority shall use the debt database for the following purposes:

- Generate reports
- Gross annual debt service
- Net annual debt service
- Refunding Analyses
- Output to Fund Accounting System



Agenda

**UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY**
380 East Vanderbilt Way, San Bernardino, CA 92408

WEDNESDAY, NOVEMBER 17, 2021

CALL TO ORDER/PLEDGE OF ALLEGIANCE

1. PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

2. APPROVAL OF MINUTES

3. DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Consideration of the proposal from AECOM/WSC for Loan Application(s) and Implementation Plan

4. REPORTS (Discuss and Possible Action)

4.1 Technical Advisory Committee Report

4.2 Executive Director's Report

5. ANNOUNCEMENTS

6. ADJOURNMENT

PLEASE NOTE: Materials 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 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.