

HOME GARDENS SANITARY DISTRICT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

MARCH 28, 2023

On motion duly made by Director Barajas and seconded by Director Samson Runion, Miguel Serrato was elected President pro tem, since President Cacho was unable to attend. The Regular Meeting of the Board of Directors of the Home Gardens Sanitary District was called to order by the pro tem President, Miguel Serrato, at 7:36 p.m. at the office of the District, 13538 Magnolia Ave., Corona, CA 92879.

Directors present were: Serrato, Barajas, and Samson Runion. Also present were: Alan Burns, District Counsel; Tracey LaBonte, General Manager; Tania Duarte, Administrative Assistant, Jeff Sims, District Engineer. Doug Dove, Representative from Bartle Wells Associates was present remotely.

Items for discussion and consideration:

1. Jeff Sims presented the proposal with Western Riverside County Regional Wastewater Authority to participate in Construction and Operation of Recycled Water Facilities.
2. A motion was made by Director Barajas, seconded by Director Samson Runion, and unanimously carried to approve the Draft Memorandum of Understanding Between the City of Corona, City of Norco, Jurupa Community Services District, Home Gardens Sanitary District, Western Municipal Water District and the Western Riverside County Regional Wastewater Authority regarding the Design, Construction,

Operations and Capacity Ownership in Certain Recycled Water Facilities.

3. A motion was made by Director Samson Runion, seconded by Director Barajas and unanimously carried to approve the Draft Calculation Tables from Doug Dove from Bartle Wells Associates for the District's Sewer Rates for the next five years with recycled water.
4. The Board discussed the possible Prop 218 Hearing Meeting Locations for rate hearings.

Pro tem President Serrato moved back to Item II on the agenda.

Public Comment: None.

Hearing for Delinquent Accounts:

The Meeting was called to public hearing at 9:00 p.m. District Counsel, Alan Burns, presented an overview of the hearing, which was presided over by the Pro tem President, Miguel Serrato. The hearing was being held pursuant to Health and Safety Code Section 6523.2. No persons notified of this hearing appeared to present evidence of why they should not be disconnected from the public sewer system. The General Manager was called to present the status of the accounts. Tracey LaBonte testified that the status of accounts as presented in the attached "Notice of Hearing" was accurate and that all persons on the list had been duly notified of the hearing. Motion was made by Director Barajas, seconded by Director Samson Runion, and unanimously carried to disconnect those properties in the "Notice of Hearing" from the sewer system on or after April 17, 2023. The only exception was the Mejias on Kay Drive, as Director Serrato had interacted with persons on this account and represented that no disconnection would occur this month due to

extenuating circumstances. This hearing concluded at 9:05 p.m.

Minutes of the regular meeting of February 28, 2023 were presented for approval. Motion was made by Director Samson Runion, seconded by Director Barajas, and unanimously carried to approve the minutes as presented.

Expenditures for the month of March 2023 were presented and discussed. Motion was made by Director Barajas, seconded by Director Samson Runion, and unanimously carried to approve the expenditures as presented.

Manager LaBonte presented the Budget Efficiency and Income/Revenue reports. Discussion followed.

Staff Report:

1. On Wednesday, March 8<sup>th</sup> General Manager LaBonte reported the Private Lateral Sewage Discharge (PLSDs) for 1450 Magnolia Ave. to the State Water Resources Control Board (SWRCB) as directed by the District's Board of Directors at the February 28<sup>th</sup> meeting.
2. The week of the 20<sup>th</sup> a gentleman came to the District office stating that he was homeless and gave the DMV the District's address to use for his address. He stated that his father used to be the General Manager of the District. On March 27<sup>th</sup> the District did receive an envelope in Randy Hirschhorn's name with most likely his Identification from the DMV.

WRCRWA Committee Report:

**Special Meeting of the Executive Committee of the Western  
Riverside County Regional Wastewater Authority on March 27, 2023**

**3A. Recycled Water Program - Outside Sale Negotiations**

WRCRWA Administrator and Dopudja & Wells held this Special meeting specifically to discuss and get more clarification on Section 5 of the Recycled Water Policy concerning Outside Sales. Both teams were requested to attend two meetings for the CBP Performing Agencies and IEUA. IEUA has some Recycled Water needs and are looking to purchase Recycled Water. They have a need of 2,500 AFY from May 1 through October 31.

Some of the things discussed were: the amount of recycled water available, pricing, capacity, term of contract, and other terms and conditions. Some of the concerns stated were future mandatory State Conservation requirements which may decrease indoor water usage and available flows, possible environmental obligations to the Santa Ana River (SAR), and possibly devaluing the 2,500 AFY during non-peak periods.

The Executive Committee discussed each of these topics and were able to give suggestions and some possible different directions for the negotiations.

Items for discussion and consideration:

1. After consideration for Rassol Eftekharian's request to waive a one-time late fee incurred in January 2023, a motion was made by Director Barajas, seconded by Director Samson Runion, and unanimously carried to approve waiving the late fee one time.

2. After consideration for Gang Yang's request for a refund for the months of October 2022 through December 2022, a motion was made by Director Samson Runion, seconded by Director Barajas, and unanimously carried to deny the refund.
3. The Board discussed February's Monthly Status Report from G & G Environmental Compliance.
4. The Board discussed February's WRCRWA Monthly Executive Summary.
5. The Board discussed the status of the Pension Plan.


Closed Session: None.

Director Comments: None.

There being no further business, Pro tem President Miguel Serrato adjourned the meeting at 9:34 p.m.

  
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Efrain Barajas, Secretary

The foregoing minutes were approved by the Board of Directors of the Home Gardens Sanitary District at the regularly scheduled meeting of said Board April 25, 2023.

Signed:   
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Salvador Cacho, President

  
\_\_\_\_\_  
Efrain Barajas, Secretary

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF CORONA, CITY OF NORCO, JURUPA COMMUNITY SERVICES  
DISTRICT, HOME GARDENS SANITARY DISTRICT, WESTERN MUNICIPAL WATER  
DISTRICT AND THE WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER  
AUTHORITY REGARDING THE DESIGN, CONSTRUCTION, OPERATIONS AND CAPACITY  
OWNERSHIP IN CERTAIN RECYCLED WATER FACILITIES**

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This Memorandum of Understanding (“MOU”) is executed as of March 28, 2023 (“Effective Date”), by and among the City of Corona (Corona), City of Norco (Norco), Jurupa Community Services District (JCSD), Home Gardens Sanitary District (Home Gardens), Western Municipal Water District (Western MWD) and the Western Riverside County Regional Wastewater Authority (WRCRWA), collectively referred to herein as “Parties” and individually as “Party.”

I. Recitals

- a. WRCRWA is a Joint Powers Authority (“JPA”) formed by and comprised of Corona, Norco, JCSD, Home Gardens and Western MWD (“WRCRWA member agencies”) for the collection, treatment and disposal of treated wastewater and the production of recycled water from a 14 million gallons per day (MGD) capacity tertiary wastewater treatment facility located at 14634 River Road, Corona, California.
- b. The purpose of this MOU is to provide a non-binding commitment among the WRCRWA member agencies for shared capacity ownership and joint funding of a recycled water pump station (“Recycled Water Pump Station”), a 24-inch diameter recycled water transmission pipeline (“Northerly Pipeline”), and a 20-inch diameter recycled water transmission pipeline (“Southerly Pipeline”). These facilities shall deliver recycled water produced at the WRCRWA Treatment Plant on behalf of the WRCRWA member agencies for designated beneficial uses. The MOU memorializes the Parties’ understandings regarding the ownership structure of the recycled water facilities, and responsibilities for the design, construction, and operations and maintenance of those facilities. In addition, this MOU provides preliminary costs for the recycled water facilities, the application of available grant funding, while recognizing the need for formal agreements to finalize the understandings contained herein and implement the proposed recycled water infrastructure projects.

II. Recycled Water Infrastructure

- a. The proposed Recycled Water Pump Station shall be located at the WRCRWA Treatment Plant site. The design of the Recycled Water Pump Station is being led by JCSD in coordination with WRCRWA. The WRCRWA member agencies may acquire capacity in that facility as specified in Section III, below. As currently identified through the preliminary design, the Recycled Water Pump Station shall be a combined station that will consist of two banks of pumps; one to supply the Northerly Pipeline and one to supply the Southerly Pipeline and an existing recycled water pipeline owned by Norco. JCSD shall work closely with WRCRWA on the design to ensure the facility meets WRCRWA design and operations standards. Construction of the Recycled Water Pump Station shall be led by JCSD in coordination with WRCRWA, and WRCRWA shall own the Recycled Water Pump Station infrastructure assets

upon completion of construction and operational commissioning. WRCRWA shall be responsible for operations and maintenance of the Recycled Water Pump Station in a manner consistent with the WRCRWA Treatment Plant facilities.

- b. The proposed Northerly Pipeline shall extend from the Recycled Water Pump Station into JCSD's service area and shall convey recycled water to JCSD and to areas north of the WRCRWA service area for potential future sale or other designated beneficial uses. The design, construction, operations, and maintenance of the Northerly Pipeline shall be led by JCSD in coordination with WRCRWA. The WRCRWA member agencies may acquire capacity in that facility as specified in Section III, below. JCSD shall own the Northerly Pipeline infrastructure assets from the point of connection with the Recycled Water Pump Station.
- c. The proposed Southerly Pipeline shall extend from the Recycled Water Pump Station into Corona and convey recycled water to Corona and to the southerly portion of WRCRWA's service area for potential future sale or other designated beneficial uses. The design, construction, operations, and maintenance of the Southerly Pipeline shall be led by Corona in coordination with WRCRWA. The WRCRWA member agencies may acquire capacity in that facility, as specified in Section III, below. Corona shall own the Southerly Pipeline infrastructure assets from the point of connection with the Recycled Water Pump Station.

### III. WRCRWA Member Capacity Interests

- a. The WRCRWA member agencies have each provided an expression of interest for capacity ownership in the Recycled Water Pump Station, Northerly Pipeline and Southerly Pipeline. This information is being currently used by JCSD as the basis for the design of the Recycled Water Pump Station and the Northerly Pipeline, and to determine future proportionate capacity ownership and cost obligations among the WRCRWA member agencies acquiring capacity in these facilities.

The Southerly Pipeline has been previously designed and sized by the City of Corona. The capacity information provided by the WRCRWA member agencies will be used by Corona to determine future proportionate capacity ownership and cost obligations for the Southerly Pipeline among the participating WRCRWA member agencies.

The WRCRWA member agencies' expressed capacity interests in the recycled water facilities are as follows:

Table 1 – Recycled Water Pump Station<sup>1</sup>

Agency	Capacity (MGD)	Percentage (%)
Corona	2.62	26%
Home Gardens	0.56	6%
Norco	1.87	18%
Western MWD	1.54	15%
JCSD	3.56	35%
Total	10.15	100%

Table 2 – Northerly Pipeline<sup>1</sup>

Agency	Capacity (MGD)	Percentage (%)
Corona	1.50	15%
Home Gardens	0.56	6%
Norco	0.00	0%
Western MWD	1.54	15%
JCSD	6.55	64%
Total	10.15	100%

Table 3 – Southerly Pipeline<sup>1</sup>

Agency	Capacity (MGD)	Percentage (%)
Corona	5.46	78%
Home Gardens	0.00	0%
Norco	0.00	0%
Western MWD	1.54	22%
JCSD	0.00	0%
Total	7.00	100%

<sup>1</sup> Percentages in Tables 1, 2 and 3 are rounded to the nearest whole number. Actual capacity will be expressed in percentages rounded to the hundredth.

Final capacity ownership in the Recycled Water Pump Station, Northerly Pipeline and Southerly Pipeline shall be the subject of subsequent agreements (“Construction, Operations and Maintenance Agreements”) to be executed by the participating Parties prior to construction, as described later in this MOU.

#### IV. Costs and Grant Funding

- a. The Recycled Water Pump Station, Northerly Pipeline and Southerly Pipeline are each in various stages of the design process. As such, the Parties acknowledge that the cost estimates included herein are preliminary in nature and should be used for indicative purposes only. The currently estimated recycled water infrastructure costs are as follows:

Table 4 – Preliminary Project Cost Estimates

Recycled Water Facility	Currently Estimated Costs <sup>2</sup>
Recycled Water Pump Station	\$17.90 million
Northerly Pipeline	\$16.01 million
Southerly Pipeline	\$6.42 million

<sup>2</sup> The costs for the Recycled Water Pump Station and Northerly Pipeline include construction costs escalated to the midpoint of construction with a 20% contingency, plus applicable project development and project implementation support costs. Costs for the Southerly Pipeline are based upon construction bids with a 10% contingency, plus project development and project implementation support costs.



- b. The Parties understand that the preliminary costs shown in Table 4 are subject to change through design completion, the bid process, and through final reconciliation after the completion of construction. The Parties acknowledge that final reconciled costs for the facilities will include project development costs as well as project implementation support costs referenced in Table 4. Project development costs are defined as planning, preliminary design, and environmental documentation. Project implementation support costs are defined as final design, permits, surveying, right-of-way acquisition, legal, geotechnical, bonding, construction, construction management, inspection, and project accounting.
- c. JCSD has applied for and secured various state, federal and local grants, and applied for State Revolving Fund (SRF) loan financing for the construction of a recycled water distribution system serving its service area, which includes portions of the recycled water infrastructure described herein. Subject to final grant agreement approval among JCSD and the granting agencies, and the approval and execution of a Construction, Operations and Maintenance Agreement among the WRCRWA member agencies acquiring capacity in the Recycled Water Pump Station, JCSD shall commit \$3.2 million in grant proceeds to reduce final reconciled costs for the Recycled Water Pump Station. The benefit of the grant proceeds shall be shared in proportion to capacity ownership among JCSD and the WRCRWA member agencies acquiring capacity in the Recycled Water Pump Station. JCSD shall seek SRF financing for JCSD's and the WRCRWA member agencies' eligible costs associated with acquiring capacity in the Northerly Pipeline. The WRCRWA member agencies acquiring capacity in the Northerly Pipeline acknowledge that SRF financing through JCSD shall be at JCSD's sole discretion and subject to the terms and conditions of the SRF financing agreement with the state.

V. Future Construction, Operations and Maintenance Agreements

- a. The WRCRWA members shall acknowledge binding commitments to acquire capacity in the Recycled Water Pump Station, Northerly Pipeline and Southerly Pipeline through the future execution of Construction, Operations and Maintenance Agreements. A separate agreement shall be developed for each recycled water facility based upon the WRCRWA member agencies participating in the facility, the design and construction status of each facility, future facility ownership, operations and maintenance responsibilities, and other factors. The lead agency for the preparation of each agreement and anticipated Parties to the agreements based upon currently requested capacity ownership shown in Table 1, Table 2 and Table 3 are as follows:

Table 5 – Construction, Operations and Maintenance Agreements

Agreement	Lead Agency	Anticipated Parties
Recycled Water Pump Station	JCSD	WRCRWA, Corona, Norco, JCSD, Western MWD, Home Gardens
Northerly Pipeline	JCSD	Corona, JCSD, Western MWD, Home Gardens
Southerly Pipeline	Corona	Corona, Western MWD

- b. The Construction, Operations and Maintenance Agreements shall include terms and conditions to comprehensively support the implementation and long-term operations of the recycled water facilities. The agreements will also include all financial provisions related to the proportionate reimbursement of project development and project implementation support costs, final construction cost reconciliation, the application of grant funds and eligible SRF financing, and cost allocation related to operations, maintenance, replacement and refurbishment of the facilities, as well as provisions relating to budgeting, accounting, and payment.

**IN WITNESS WHEREOF**, the Parties have agreed to execute this MOU as of the effective date.

Western Riverside County Regional Wastewater Authority

\_\_\_\_\_  
Name Date

City of Corona

\_\_\_\_\_  
Name Date

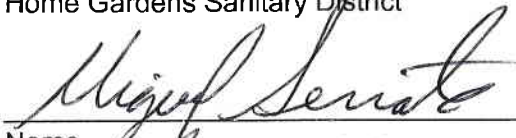
City of Norco

\_\_\_\_\_  
Name Date

Jurupa Community Services District

\_\_\_\_\_  
Name Date

Home Gardens Sanitary District

  
\_\_\_\_\_  
Name

3-28-23  
Date



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Western Municipal Water District

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

Latest Expressions of Capacity Interest - 3/28/2023						
	Corona	Norco	WMWD	HGSD	JCSD	Total
<b>Recycled Water Pump Station</b>						
Capacity, MGD	2.62	1.70	1.54	0.56	3.73	10.15
Capacity, AFY	2,937	1,906	1,726	628	4,181	11,378
Capacity, %	26%	17%	15%	6%	37%	100%
<b>Northerly Pipeline</b>						
Capacity, MGD	1.50	1.70	1.54	0.56	4.85	10.15
Capacity, AFY	1,681	1,906	1,726	628	5,436	11,378
Capacity, %	15%	17%	15%	6%	48%	100%
<b>Southerly Pipeline</b>						
Capacity, MGD	5.46	0.00	1.54	0.00	0.00	7.00
Capacity, AFY	6,121	0	1,726	0	0	7,847
Capacity, %	78%	0%	22%	0%	0%	100%