

NOTICE OF MEETING

OF THE
**PUBLIC, LEGISLATIVE AFFAIRS,
AND WATER RESOURCES
COMMITTEE**

OF THE
BOARD OF DIRECTORS
OF THE



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IS SCHEDULED FOR
WEDNESDAY, FEBRUARY 11, 2015
9:00 A.M.

AT THE ADMINISTRATION HEADQUARTERS
6075 Kimball Avenue, Building A
Chino, CA 91708

**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, FEBRUARY 11, 2015
9:00 A.M.**

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Public, Legislative Affairs, and Water Resources Committee meeting minutes of December 10, 2014.

B. ADOPTION OF RESOLUTION NO. 2015-2-2, AUTHORIZING AGENCY ORGANIZATIONAL MEMBERSHIPS AND AFFILIATIONS

It is recommended that the Committee/Board:

1. Approve the Agency-wide memberships and affiliations for FY 2015/16, in the amount of \$178,718 as detailed in the Agency-wide membership listing; and
2. Adopt Resolution No. 2015-2-2, authorizing Agency organizational memberships and affiliations.

C. ADOPTION OF RESOLUTION NO. 2015-2-1, FOR THE USBR WATERSMART: WATER AND ENERGY EFFICIENCY GRANT PROGRAM

It is recommended that the Committee/Board adopt Resolution No. 2015-2-1, to authorize the Agency:

- a. To enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation (USBR) for a grant application submitted on January 23, 2015;
- b. To execute a grant agreement, any amendments and grant related documents thereto with the USBR; and
- c. To negotiate a Grant Administration Agreement with the Chino Basin Watermaster (CBWM) that will allow the Agency to administer the grant.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

B. LEGISLATIVE REPORTS (WRITTEN)

1. The Dolphin Group
2. Innovative Federal Strategies
3. Agricultural Resources

C. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)

D. MWD WATER SUPPLY ALLOCATION PLAN UPDATE (POWERPOINT)

E. LABORATORY SEMI-ANNUAL UPDATE (POWERPOINT)

3. GENERAL MANAGER'S COMMENTS

4. COMMITTEE MEMBER COMMENTS

5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

6. ADJOURN

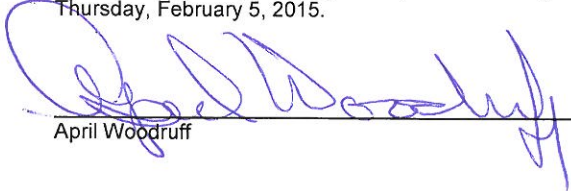
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: BR

DECLARATION OF POSTING

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino on Thursday, February 5, 2015.



April Woodruff

**ACTION
ITEM
1A**

MINUTES

**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, DECEMBER 10, 2014
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Steven J. Elie, Chair
Michael Camacho

STAFF PRESENT

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Kathy Besser, Manager of External Affairs
Andrea Carruthers, Community Outreach & Education Coordinator II
Sylvie Lee, Manager of Planning and Environmental Compliance
Jason Pivovaroff, Senior Engineer
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

None.

The meeting was called to order at 9:21 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of November 12, 2014.
- ◆ Recommended that the Board adopt the 2015 Federal and State Legislative priorities;

Director Elie recommended that staff schedule Washington DC legislative meetings prior to the ACWA Conference;

This item was deferred to the January 21, 2015 Board meeting agenda, as an Action Item.

- ◆ Recommended that the Board:
 1. Approve a ten-year Purchase Order with the Metropolitan Water District of Southern California (MWD) for imported water;
 2. Approve Resolution No. 2014-12-1, establishing allocations for the purchase of imported water within the IEUA service area; and

3. Authorize the General Manager to execute the Purchase Order with MWD;
as an Action Item on the December 17, 2014 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented, or received and filed by the Committee:

- ◆ Public Outreach and Communication Report
- ◆ Legislative Reports
- ◆ California Strategies, LLC Activity Report
- ◆ Planning and Environmental Compliance Update

GENERAL MANAGER'S COMMENTS

None.

COMMITTEE MEMBER COMMENTS

None.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

With no further business, the meeting adjourned at 10:02 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District


APPROVED: FEBRUARY 11, 2015


**ACTION
ITEM
1B**

Date: February 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (2/11/15)
Engineering, Operations, and Biosolids Management Committee (2/11/15)
Finance, Legal, and Administration Committee (2/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by: Kathryn Besser 
Manager of External Affairs

Subject: Adoption of Resolution No. 2015-2-2, Authorizing Agency Organizational Memberships and Affiliations

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Agency-wide memberships and affiliations for FY 2015/16, in the amount of \$178,718 as detailed in the Agency-wide membership listing; and
2. Adopt Resolution No. 2015-2-2, authorizing Agency organizational memberships and affiliations.

BACKGROUND

Each year in preparation for IEUA's fiscal year budget, the Board of Directors, by four-fifths vote, approves a resolution authorizing memberships and affiliations with certain organizations (California Water Code – Section 71597).

A listing of the proposed Agency-wide memberships greater than \$5,000, along with a brief summary of the benefits associated is attached for the Board's review. The attached membership dues are estimates provided by the organizations. Agency-wide memberships are due throughout the fiscal year and can fluctuate from the provided estimates. Due to unknown fluctuations in renewal costs, staff proposes that a 5% contingency be included in the Board's approval. Any individual

membership renewal with an increase greater than 5% will be brought back to the Board for approval.

Staff is proposing that the Board delegate its authorization to the General Manager to approve all Agency-wide annual membership fees to organizations not-to-exceed \$5,000. This is in compliance with the California Water Code – Section 71301, which states “Any Executive, administrative, and ministerial powers may be delegated and re-delegated by the Board to any of the offices created by this part or by the Board.”

PRIOR BOARD ACTION

On April 16, 2014, the Board of Directors approved the Agency-wide memberships and affiliations for FY 2014/15, in the amount of \$164,829 as detailed in the Agency-wide membership listing through adoption of Resolution No. 2014-4-4.

IMPACT ON BUDGET

The proposed membership fees in the amount of \$201,300 will be appropriated in the Agency’s FY 2015/16 Administrative Services Fund Budget spread between multiple cost centers, under account number 10200-100000-514010, Agency-wide Membership.

Attachments: Agency-wide membership benefit summary and details

**AGENCY-WIDE MEMBERSHIP BENEFIT SUMMARY
 (Greater than \$5,000)
 FY 2015/2016**

Membership	Representation	Estimated Dues
Association of California Water Agencies	Chris Berch, Christina Valencia, Martha Davis	\$30,640
California Association of Sanitation Agencies (CASA)	Director Hall, Martha Davis	\$18,900
California Special Districts Association (CSDA)	Kathy Besser, Christina Valencia	\$5,691
California Wastewater Climate Change Group	Jesse Pompa, Martha Davis	\$15,000
Isle Utilities	Jeff Noelte	\$12,000
National Water Research Institute (NWRI)	Director Elie, Jeff Noelte	\$50,000
Southern Cal. Alliance of Publicly Owned Treatment Works (SCAP)	General Manager Joseph Grindstaff, Jesse Pompa	\$15,001
Southern California Salinity Management Coalition	Chris Berch, Craig Proctor	\$10,000
WateReuse Association	General Manager Joseph Grindstaff, Kathy Besser, Martha Davis	\$9,486
WateReuse Foundation	General Manager Joseph Grindstaff, Kathy Besser, Martha Davis	\$12,000
	Total:	\$178,718

**AGENCY-WIDE MEMBERSHIP BENEFIT DETAILS
FY 2015/2016**

Association of California Water Agencies (ACWA):

ACWA is the lead water policy advocacy organization in California and provides members with significant cost savings through a voice in state and federal legislative and regulatory arenas; and timely, accurate information.

ACWA's federal affairs, legislative and regulatory activities advance bills and issues of concern to members, while halting potentially damaging measures. Initiatives include determining components of newly-passed water bond legislation, Bay Delta Conservation Plan and Delta Plan advocacy, long term water infrastructure financing, and renewable energy policy.

Representation: Chris Berch (committee member), Martha Davis (committee member), Christina Valencia

Dues: \$30,640

California Association of Sanitation Agencies (CASA):

CASA serves as the lead advocacy group for wastewater agencies in California, both on legislative and regulatory issues. Because CASA employs legal representation, it is extremely effective on regulatory issues, particularly before the State Water Resources Control Board (SWRCB) and California Department of Health Services (CDPH), and has in recent years, saved association members costs of individually having to address such issues as the proposed Whole Effluent Toxicity policy (WET) and draft SWRCB monitoring policy for Constituents of Emerging Concern in recycled water.

CASA maintains lobbyists in Sacramento and Washington, D.C., in addition to a Director of Regulatory Affairs. Priorities include adoption by SWRCB of acceptable WET policy, development with SWRCB of alternative approaches to nutrient issues to cost-effectively reduce impairments, and promotion of biosolids as a renewable energy resource.

Representation: Director Hall (committee member), Martha Davis (committee member)

Dues: \$18,900

California Special Districts Association (CSDA):

CSDA is a statewide association of various independent special districts, whose primary function is legislative advocacy. In the past year, CSDA played a vital role in coordinating responses to major legislative initiatives that impacted special districts including redevelopment agency reform, proposed property tax shifts, and pension reform, successfully pushing back on changes that would have been harmful or increased costs to

special districts.

IEUA participates in the CSDA legislative subcommittees on these key issues. Ongoing priorities include monitoring pension reform legislation and protecting property taxes and other local and regional sources of revenue for Special District budgets.

Representation: Kathy Besser, Christina Valencia
Dues: \$6,089

California Wastewater Climate Change Group:

Climate change poses one of the most significant challenges of our time. Not only must our society curb greenhouse gas emissions and fossil fuel use, but we must adapt to rising sea levels, increased droughts and floods, and extreme storm events, all of which will affect our wastewater infrastructure. The wastewater community has a significant role to play in addressing climate change. Wastewater agencies across the state are improving the energy efficiency of their operations to reduce demands on fossil fuel energy sources, producing renewable energy using biogas, solar, and wind, and reducing their greenhouse gas emissions. They are also developing strategies to adapt to expected changes in climate. The California Wastewater Climate Change Group (CWCCG)'s vision is to be the recognized providers of education, leadership, and advocacy for the California wastewater community in fostering opportunities for science-based, cost-effective climate change solutions.

CWCCG is a project of CASA, and CASA's energy committee collaborates directly with this organization. The priority for CWCCG is AB 32 and its implications for wastewater agencies.

Representation: Jesse Pompa, Martha Davis
Dues: \$15,000

Isle Utilities:

A TAG membership will serve as a valuable tool for IEUA staff to learn about new wastewater technologies that have the potential to provide significant benefits to the Agency. TAG gives its members access to a portfolio of new technologies while allowing its members to stay focused on their core businesses. TAG searches out technologies which are innovative and ready for potential trials, and then presents these technologies to its members. Members then have a vote on the top prospects, allowing those that align best with the members needs to take precedence.

The TAG membership also provides a forum for IEUA to request technology searches that relate to the Agency's specific needs and challenges. TAG members also have access to global industry trials, online support, and interactive workshops. Some of the southern California wastewater agencies that are members of TAG include Orange County Sanitation

District, Irvine Ranch Water District, City of Escondido, and others. IEUA's participation in the TAG has provided value to staff in identifying technologies that can benefit future Agency projects and initiatives.

Representation: Jeff Noelte
Dues: \$12,000

National Water Research Institute (NWRI):

The National Water Research Institute (NWRI) provides valuable research and policy guidance to the industry on important issues affecting the usage of water, wastewater and recycled water. NWRI is highly regarded by the environmental regulatory community and often collaborates with regulators such as California Department of Public Health (CDPH) and the Regional Water Quality Control Board (RWQCB) at their request to provide expert panel support on water quality related issues in the Santa Ana River Watershed and the Chino Basin.

With specialized research aligned with water quality and quantity issues, NWRI assisted in IEUA's Automatic Water Softener Program and ordinance adoption approval process, and has a phase II plan to help promote the certification of salt less technology. NWRI's support of this element of salt management in the Chino Basin (and southern California) is very important to its success, which will have long-lasting benefits for IEUA and its member agencies. In 2009, NWRI assembled an expert panel at the request of CDPH to review IEUA's recycled water groundwater recharge program permit amendment request was successfully approved resulting in the continuance of the groundwater recharge program with recycled water which otherwise would have been suspended at the time. Significant potential capital costs were also avoided through this amendment.

Through strategic partnerships with leading organizations in the water and wastewater industries, NWRI sponsors projects and programs focused on ensuring safe, reliable sources of water now and for future generations. Notable areas of focus are the treatment technology and the regulatory aspects of recycled water use. IEUA has a seat on the NWRI board, whose members also include: Irvine Ranch Water District, Los Angeles Department of Water and Power, Orange County Sanitation District, Orange County Water District, and West Basin Municipal Water District.

Representation: Director Elie, Jeff Noelte
Dues: \$50,000

Southern California Alliance of Publicly Owned Treatment Works (SCAP):

SCAP is organized under the "strength-in-numbers" concept in order to ensure that environmental regulations applied in southern California are appropriate, reasonable and cost-effective. Through the committee efforts information is gathered and disseminated to

all members using the SCAP Monthly Update, published committee reports, periodic SCAP Alerts. SCAP provides specific leadership on key regulatory focus areas, such as air, water, energy, biosolids and collection systems, and works closely with CASA to communicate these issues at the state and federal level. Specialized committees have played an integral part in proactively affecting the outcome of proposed regulations that would have had significant economic impacts to the Agency.

Representation: General Manager Joseph Grindstaff (board member), Jesse Pompa (committee member)

Dues: \$15,001

Southern California Salinity Management Coalition:

Formed in 2000, IEUA is a founding member of the Coalition, which addresses the complex problems of salt management in Southern California. The Southern California Salinity Coalition has financially assisted IEUA on the water softener reduction project and regional board regulatory issues and continues to sponsor new research that will support the Chino Basin in addressing long term salt management issues.

Representation: Chris Berch, Craig Proctor

Dues: \$10,000 *Administered by Jeff Mosher (NWRI)*

WateReuse Association:

WateReuse Association is the lead advocate for water recycling in the nation. Membership in the association includes state section membership as well. WateReuse has a proactive program, legislation, government relations, regulatory agency oversight, technology transfer and public education and outreach regarding the use of recycled water. At the national level, WateReuse is an advocate for Title XVI funding, and works closely with IEUA to ensure continued federal support for recycled water programs.

The California section is active in both legislative and regulatory affairs, and played a pivotal role in securing passage of IEUA's water softener legislation (AB 1366). Ongoing priorities include protection of Title XVI funding, support of programs at the federal level and promoting legislation that advances potable reuse along with indirect potable reuse.

Representation: General Manager Joseph Grindstaff, Kathy Besser, Martha Davis (board member, committee member)

Dues: \$9,486

WateReuse Foundation:

WateReuse Foundation is an educational, nonprofit public benefit corporation that serves as a centralized organization for the water and wastewater community to advance the science

of water reuse, recycling, reclamation, and desalination. The Foundation's research covers a broad spectrum of issues, including chemical contaminants, microbiological agents, treatment technologies, salinity management, public perception, economics, and marketing.

The WaterReuse Research Foundation has undertaken more than 150 research projects, applying more than \$46 million in federal, state and private funding to date, to create leading-edge programming that stimulates new knowledge, information programs and produces to advance water recycling and desalination for the benefit of the nation's water supply, and for a worlds in need of water in the era of scarcity.

Representation: General Manager Joseph Grindstaff, Kathy Besser, Martha Davis
Dues: \$12,000

**AGENCY-WIDE MEMBERSHIP BENEFIT DUE COMPARISON
 (Memberships greater than \$5,000)**

Membership	Fiscal Year Actuals				Proposed
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Assoc of California Water Agencies	26,466	26,994	27,533	28,084	30,640
Assoc of Compost Producer	10,000	10,000	5,000	-	-
California Association of Sanitation	18,000	18,000	18,720	18,720	18,900
California Special Districts Association	4,581	4,925	5,294	5,691	5,691
California Wastewater Climate Change Group	-	-	-	-	15,000
Isle Inc	-	-	10,000	10,000	12,000
National Water Research Institute	55,000	55,000	55,000	50,000	50,000
SCAP	15,001	15,001	15,001	15,001	15,001
So California Salinity Coalition	10,000	10,000	10,000	10,000	10,000
Water Environment Research	23,460	23,940	-	-	-
WaterReuse Association	7,490	8,624	8,624	8,624	9,486
WaterReuse Research Foundation	12,000	12,000	12,000	12,000	12,000
Grand Total	181,998	184,484	167,172	158,120	178,718

Removed in previous years

**AGENCY-WIDE MEMBERSHIP BENEFIT SUMMARY
 (Not-To-Exceed \$5,000)
 FY 2015/2016**

Membership	Fiscal Year Actuals				Proposed
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Bioenergy Association of California	-	5,000.00	5,000.00	5,000.00	5,000.00
Alliance for Water Efficiency	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00
Southern California Water	1,000.00	1,500.00	-	1,500.00	1,500.00
Water Education Foundation	902.00	1,037.00	1,193.00	1,372.00	1,372.00
National Safety Council	557.00	557.00	687.00	687.00	687.00
California Association of Storm Water Quality Agencies	-	-	-	500.00	500.00
Association San Bernardino County	410.00	200.00	-	290.00	290.00
Chino Valley Chamber of Commerce	295.00	590.00	-	295.00	295.00
Fontana Area Chamber of Commerce	400.00	400.00	400.00	400.00	400.00
Montclair Chamber of Commerce	300.00	300.00	325.00	325.00	325.00
Ontario Chamber of Commerce	200.00	245.00	245.00	395.00	395.00
Rancho Cucamonga Chamber of Commerce	290.00	290.00	340.00	340.00	340.00
Upland Chamber of Commerce	140.00	147.00	299.00	150.00	150.00
Public Agency Risk Management	100.00	100.00	-	200.00	200.00
	6,134.00	11,906.00	10,029.00	12,994.00	12,994.00

Not yet paid for FY 2014/15

RESOLUTION NO. 2015-2-2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING
AGENCY-WIDE ORGANIZATIONAL MEMBERSHIPS
AND AFFILIATIONS**

WHEREAS, the Board of Directors of Inland Empire Utilities Agency* authorized Agency-wide memberships in and affiliations with various organizations which benefit the Agency; and

WHEREAS, Section 71597 of the California Water Code requires that Agency-wide memberships must be approved by at least four-fifths (4/5) majority of its Directors.

NOW, THEREFORE, the Board of Directors of Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. That this Board of Directors does hereby approve and authorize the fiscal year Agency-wide annual memberships in and affiliation with, and authorize the General Manager to execute payment of membership fees to these organizations (see attachment).

Section 2. That this Board of Directors does hereby approve and authorize the General Manager, or in his absence, his designee, to approve all Agency-wide annual memberships in and affiliation with, and payment of membership fees to these organizations less than \$5,000.00.

Section 3. That the appropriation of funds necessary for the dues and/or fees associated with the Agency-wide memberships is hereby authorized.

Section 4. That the appropriation of funds necessary for the dues and/or fees associated with the Agency-wide memberships and employee professional memberships be authorized by the Board of Directors in the budget each fiscal year.

Section 5. Upon adoption of this resolution, Resolution No. 2014-4-4 is hereby rescinded in its entirety.

ADOPTED this 18th day of February, 2015.

Terry Catlin
President of the Inland Empire
Utilities Agency* and the Board
of Directors thereof

ATTEST:

Steven J. Elie
Secretary of the Inland Empire
Utilities Agency* and the Board
of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-2-2, was adopted at a regular meeting on February 18, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Steven J. Elie
Secretary/Treasurer

* A Municipal Water District

**AGENCY-WIDE MEMBERSHIP BENEFIT SUMMARY
(Greater than \$5,000)
FY 2015/2016**


Membership	Representation	Estimated Dues
Association of California Water Agencies	Chris Berch, Christina Valencia, Martha Davis	\$30,640
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Southern Cal. Alliance of Publicly Owned Treatment Works (SCAP)	General Manager Joseph Grindstaff, Jesse Pompa	\$15,001
Southern California Salinity Management Coalition	Chris Berch, Craig Proctor	\$10,000
WateReuse Association	General Manager Joseph Grindstaff, Kathy Besser, Martha Davis	\$9,486
WateReuse Foundation	General Manager Joseph Grindstaff, Kathy Besser, Martha Davis	\$12,000
	Total:	\$178,718


**ACTION
ITEM
1C**


Date: February 18, 2015


To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (2/11/15)
Finance, Legal, and Administration Committee (2/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by:  Christina Valencia
Chief Financial Officer/Assistant General Manager

 Javier Chagoyen-Lazaro
Manager of Accounting and Fiscal Management

 Jason Gu
Grants Officer

Subject: Adoption of Resolution No. 2015-2-1, for the USBR WaterSMART:
Water and Energy Efficiency Grant Program

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2015-2-1, to authorize the agency:

- a. To enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation (USBR) for a grant application submitted on January 23, 2015;
- b. To execute a grant agreement, any amendments and grant related documents thereto with the USBR; and
- c. To negotiate a Grant Administration Agreement with the Chino Basin Watermaster (CBWM) that will allow the Agency to administer the grant.

BACKGROUND

In November 2014, the USBR announced the Water and Energy Efficiency Grant Program of 2015. The Program is looking for projects that support sustainable water-energy conservation to meet the nation’s water needs through a reduction in water and energy use.

On January 23, 2015, IEUA submitted a grant application for the Groundwater Recharge Yield Enhancement Project for Stormwater Capture (Project). The Project will increase local water supplies and reduce reliance on the State and Federal water facilities located in Northern California and the Bay-Delta. Increasing local water supply will also reduce energy used in transporting the imported water from the State Water Project to Southern California.

The grant application requested \$1,000,000 to support three recharge basin improvement projects selected from the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU). The proposal has a total estimated cost of \$23,708,500 with the potential of capturing 4,697 AF of stormwater and conserving 5,862,892 kWh of energy annually.

The three grant application project components listed in the table below were selected based on project readiness, water and energy conservation, cost effectiveness and relevance to the USBR WaterSmart Grant Program objectives.

Groundwater Recharge Yield Enhancement Projects for Stormwater Capture	Grants	Project Cost	Stormwater Yield (AFY)	Annual Energy Savings (kWh)
Groundwater Recharge Conveyance System Improvements at Wineville Basin, Jurupa Basin, and RP3 Basin	\$1,000,000	\$19,455,000	3,166	4,037,833
San Sevaine Basins Improvement*		\$1,775,000	645	818,790
Lower Day Basin Improvement*		\$2,480,000	789	1,006,270
Total	\$1,000,000	\$23,708,500	4,597	5,862,892

*\$750,000 State Prop 84 Grant received from DWR/SAWPA

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The CBWM Board of Directors has approved the RMPU implementation budget. A financial commitment letter (attached) was issued by CBWM to cover the entire project cost and related match share. Costs incurred by IEUA managing the projects will be reimbursed by CBWM.



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

PETER KAVOUNAS, P.E.
General Manager

January 15, 2015

Bureau of Reclamation
Financial Assistance Management Branch
Attn: Mr. Shaun Wilken
Mail Code: 84-27852
P.O. Box 250007
Denver, CO 80225

Re: R15AS00002–WaterSMART: Water and Energy Efficiency Grants for FY2015
Recharge Master Plan Update – Stormwater Recharge Yield Enhancement Project

To the Selection Committee:

The Chino Basin Watermaster (CBWM) is pleased to support the Inland Empire Utilities Agency (IEUA) in its submission of a grant application to the U.S. Bureau of Reclamation (USBR) in response to the Funding Opportunity Announcement R15AS0002 WaterSMART: Water and Energy Efficiency Grants for FY2015 program. If awarded, the grant would allow IEUA to implement the Stormwater Recharge Yield Enhancement Project as stated within the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU) which will improve nine (9) recharge project sites in order to increase the stormwater recharge by 5,497 acre foot per year.

CBWM is committed to the RMPU projects and has agreed to fund approximately \$33,823,500 for the stormwater yield enhancement projects. The availability of these funds will be spread out over the duration of the RMPU projects and will be made available to IEUA beginning July 1, 2015 based upon the currently approved cost sharing agreement between IEUA and CBWM.

In addition, the CBWM will provide its staff to assist with IEUA in gathering and developing the Grant's required reporting documents to monitor the projects' performance measures.

The CBWM supports IEUA and its efforts to obtain funding for recharge basin improvement projects through the USBR program.

Sincerely,

Peter Kavounas, P.E.
General Manager

RESOLUTION NO. 2015-2-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FY 2015 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE GROUNDWATER RECHARGE YIELD ENHANCEMENT PROJECT FOR STORMWATER CAPTURE

BE IT RESOLVED, that the Inland Empire Utilities Agency* is authorized to enter into a financial assistance agreement under the WaterSMART: Water and Energy Efficiency Grants for FY 2015 with the U.S. Department of Interior - Bureau of Reclamation for the Groundwater Recharge Yield Enhancement Project for Stormwater Capture, and;

BE IT RESOLVED, that the Inland Empire Utilities Agency* Board of Directors authorizes the General Manager, Assistant General Managers, or his designees to execute the financial assistance agreement, any amendments, and any grant related documents thereto;

BE IT RESOLVED, that the Inland Empire Utilities Agency has the capacity to provide the amount of funding and/or in-kind contributions specified in the funding plan; and;

BE IT RESOLVED, that the Inland Empire Utilities Agency will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement, and;

BE IT FURTHER RESOLVED, that the Inland Empire Utilities Agency* Board of Directors hereby adopts Resolution No. 2015-2-1 on this 18TH day of February, 2015.

Terry Catlin, President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

* A Municipal Water District


INFORMATION


ITEM


2A

Date: February 18, 2015

To: The Honorable Board of Directors

Through:  Public, Legislative Affairs, and Water Resources Committee (2/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by: Kathryn Besser 
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

February 2015

- Garden in Every School[®] Workshop, IEUA HQB Event Room, 9:00 a.m. - 11:00 a.m.

March 2015

- March 16, IEUA Hosted Special Districts Dinner, Panda Inn (3223 E Centrelake Dr, Ontario, CA 91761), Time TBD
- March 16-22, Fix a Leak Week

April 2015

- April 15, Earth Day Event for students, Chino Creek Wetlands and Educational Park, 9:00 a.m. - 2:00 p.m.
- April 16, Earth Day Event for community, Chino Creek Wetlands and Educational Park, 4:00 p.m.-7:00 p.m.

May 2015

- May, Water Awareness Month
- May 3-9, International Compost Awareness Week
- May 15-17, MWD Solar Cup Competition, Lake Skinner

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff is working with Civic Publications to develop a spring 2015 water-saving campaign. This campaign will include display ads, an email blast and print media as well.

Media and Outreach

- IEUA staff has signed a 6-month agreement with Champion Newspapers for print ads including special sections. IEUA will be conducting drought outreach including water saving tips, etc. averaging once-a-month in special sections.

Education and Outreach Updates

- Water Discovery Program: 458 Girl Scout troop members, elementary and high school students have taken part in the park field trip from September 24, 2014 through January 29, 2015.
- IEUA staff is planning the annual Earth Day Event. A total of 13 schools will be participating in the student day on April 15, 2015. Staff is expecting approximately 2,500 students, parents and teachers to attend. At least one school from each city within IEUA's service area will be participating. Staff is reaching out to the community, scout troops, and after school programs to attend the community day on April 16, 2015.
- Three schools have applied for the Garden in Every School® Program: Cal Aero Preserve Academy (Chino), Cypress Elementary School (Fontana), and Country Springs Elementary School (Chino Hills). Staff is currently working with CBWCD to schedule site evaluations, design finalization and planting days.
- Staff is currently marketing for the 2015 "Water is Life" poster contest. The contest is open to grades K-12. The deadline to submit entries is February 26, 2015.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2014/15 Administrative Service Fund, Public Information Services budget.

INFORMATION

ITEM

2B

January 30, 2015

To: Inland Empire Utilities Agency
From: Michael Boccadoro
President
RE: January Legislative Report



THE
DOLPHIN
GROUP
Strategic Public Affairs

Overview:

The Legislature returned to Sacramento in early January to organize, work on potential legislation, introduce bills and get settled in for the session. The first day back, Governor Brown gave his combined Inaugural and State of the State address that outlined his vision for the year. While water was not a huge focus of his address, he did mention passage of Proposition 1 and the California Water Action Plan. Most notably, the Governor outlined three new climate-related goals for the state which include increasing the supply of renewable power in the state to 50 percent by 2030, reducing petroleum by 50 percent by 2030 and doubling the efficiency of existing buildings. Since the Governor's address, there has been a lot of talk in the Capitol about how the details of these measures will take shape in the coming year.

Senate President pro Tem Kevin de Leon released the Senate committee assignments for the session. While several members of the IEUA Senate delegation are on the Energy, Utilities and Communications Committee, none were assigned to the Natural Resources and Water Committee.

Governor Brown also released his first draft of the 2015-16 State Budget. The \$164 billion budget includes \$532.5 million in spending from Proposition 1, approximately \$137 million of that for water recycling and desalination. It also includes \$20 million from the Cap and Trade auction revenue funds for waste diversion projects. The Legislature will work in sub committees on the specifics of the budget and finalize a final spending plan in mid to late June.

The Department of Water Resources (DWR) held the initial meeting for negotiations with State Water Project (SWP) contractors on proposed amendments that would modify SWP water supply contracts. Both DWR and the SWP Contractors have specific objectives they are trying to achieve during the negotiations.

The repercussions of the San Onofre Nuclear Generation Station (SONGS) closure continue with a new report outlining the difficulties the closure has had on the transmission of renewable power generated in the Imperial Irrigation District to the areas that are affected by the closure. There have been several transmission plans proposed, but most of those are met with serious obstacles to getting the projects permitted. Transmission, or lack thereof, affects the entire Southern California region that is trying to replace the significant power losses.

Legislators are making another attempt to streamline the California Environmental Quality Act (CEQA). This attempt, SB 122, focuses on “document dumping” right before a project is being taken for a vote by a local agency. Local government experts are concerned that the measure will only create other opportunities for opponents to delay projects rather than make the process quicker and easier. More work will need to be done on this proposal as the bill gets ready for policy committee hearings.

Inland Empire Utilities Agency Status Report – January 2015

State of the State/Inauguration

On January 5, Governor Jerry Brown was sworn in as Governor for his historic fourth and last term. The Governor delivered his combined State of the State and Inaugural addresses and packed significant announcements into his remarks.

Most notably, the Governor announced that he is calling for the state to increase the supply of renewable power to 50 percent by 2030, reduce petroleum use in cars and trucks by 50 percent by 2030 and double the efficiency of existing buildings while making heating fuels cleaner.

The first 50 percent renewable goal was expected my most, as there has been talk about increasing the Renewable Portfolio Standard (RPS) currently at 33 percent for some time. It has yet to be determined if the Governor intends to just increase the RPS, or if a new renewable energy or clean energy program will be created. The 50 reduction in petroleum standard was a surprise to most and leaves many speculating about how the Governor plans to reach this landmark goal in the next 15 years.

There was very little about water in the Governor’s address. He briefly noted the passage of the water bond, and how important implementation will be in the coming year. He also mentioned the California Water Action Plan, but there was no mention of the Bay Delta Conservation Plan.

Senate Committee Assignments

While Assembly committee assignments were released in mid-December, the Senators did not receive their assignments until they returned to Sacramento in January. IEUA’s Senate representatives are assigned to the following committees:

Mike Morrell (R, SD 23)

Banking and Financial Institutions
Budget and Fiscal Review
 Sub: Education
Energy, Utilities and Communications
Public Employees and Retirement, Vice Chair

Connie Leyva (D, SD 20)

Appropriations
Education
Energy, Utilities and Communications
Joint Legislative Audit
Ethics
Transportation and Housing

Carol Liu (D, SD 25)

Education, Chair
 Elections and Constitutional Amendments
 Human Services
 Insurance
 Public Safety

Bob Huff (R, SD 29), Minority Leader

Education
 Ethics
 Rules

Governor Releases Fiscal Year 2015-2016 Budget

Governor Jerry Brown released his proposed Fiscal Year 2015-16 budget on January 9. The \$164.7 billion budget as expected, includes the first batch of Proposition 1 funding allocations totaling \$532.5 million:

2015-16 Proposition 1 (Water Bond) Expenditure Plan
 (Dollars in Millions)

<i>Bond Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Safe Drinking Water	State Water Resources Control Board	Wastewater Treatment Projects	\$66.3
	State Water Resources Control Board	Safe Drinking Water in Small Disadvantaged Communities	\$69.2
Watershed Protection and Restoration	State Conservancies	Watershed Projects	\$83.5
	Wildlife Conservation Board	Enhanced Stream Flow Projects	\$38.9
	Santa Monica and San Gabriel Conservancies	Urban Rivers and Creeks	\$19.1
	Department of Fish and Wildlife	Watershed Restoration Projects (Non-Delta and In-Delta)	\$36.5
Regional Water Reliability	Department of Water Resources	Integrated Regional Water Management Program	\$32.8
	Department of Water Resources	Water Conservation	\$23.2
	State Water Resources Control Board	Stormwater Management	\$0.6
Water Storage	Department of Water Resources	Statewide Water System Operational Improvement	\$3.3
Water Recycling	Department of Water Resources	Water Recycling and Desalination	\$5.5
	State Water Resources Control Board	Water Recycling and Treatment Technology Projects	\$131.7
Groundwater Sustainability	Department of Water Resources	Groundwater Management Planning	\$21.3
	State Water Resources Control Board	Groundwater Contamination	\$0.6
Total			\$532.5

This is only the initial proposal for water bond funding for FY 2015-16. The Legislature will get the opportunity to work on the budget in the coming months and tinker with the funding amounts. Notably, there is no funding for groundwater cleanup in the Los Angeles Basin, a key policy piece in the negotiations before the bond was passed by the Legislature last year.

The proposed budget also includes about \$1 billion in Cap and Trade auction revenue. The general framework for how the funds are to be allocated was adopted in the 2014-15 budget and includes \$20 million to Cal Recycle for waste diversion. Several wastewater agencies were able

to access these funds for projects from last year's budget. Transportation fuels are included in Cap and Trade for the first time in 2015. The Cap and Trade allowance revenue allocations in the 2015-16 budget are only an estimate of the revenue expected from the auctions in the coming year. After the first auction in February, revenue expectations will become clearer and there could be a significant revision to the Cap and Trade allocation portion of the budget in the May Revise. The Legislative Analyst's Office has estimated as much as \$1.3 billion more from Cap and Trade allowance proceeds.

State Water Project Contract Negotiations

The Department of Water Resources (DWR) held the initial meeting for negotiations with State Water Project (SWP) Contractors on proposed amendments that would modify SWP water supply contracts.

The proposed amendments would define the rights and obligations of DWR and the SWP contractors who would benefit from the Bay Delta Conservation Plan (BDCP), should the BDCP be implemented.

During the meeting, SWP contractors and the DWR announced their proposed objectives for the negotiations as follows:

State Water Contractors Objectives

Objective 1: Provide enhanced management tools to facilitate greater flexibility for SWP contractors to meet current and future water supply challenges.

Objective 2: Allocate SWP costs of the Bay Delta Conservation Plan proportionate to the benefits received by individual SWP contractors.

Department of Water Resources' Objective

Objective 1: The California Department of Water Resources wants to ensure that the terms and conditions for the proposed Contract Amendments shall allow the continued financially sound operation of the State Water Project in compliance with all legal requirements and provide a fair and equitable approach to funding State Water Project Contractor costs for the proposed Bay Delta Conservation Plan, if approved.

The Contractors are scheduled to make a draft proposal available to DWR by February 4th. The next meeting to further discuss the details of the negotiation is currently scheduled for February 17th.

SONGS Transmission Options Studied

A report outlining more struggles grid operators face as a result of the early retirement of the San Onofre Nuclear Generation Station (SONGS) in June of 2013 and the retirement of once through cooling technology was recently released. According to Cal-ISO, the current transmission system is currently unable to deliver renewable generation from the Imperial Valley to the bulk of the transmission system following the SONGS closure. Additionally, the closure impacts the ability of the system to maintain deliverability of import capability from the Imperial Irrigation District at the required level.

In response to this determination, there have been several transmission system proposal alternatives suggested for analysis at the California Energy Commission. Most of the alternatives come with siting and environmental constraints. For example, one proposal would require a new right-of-way through the Irvine Ranch Open Space, a national landmark. San Diego Gas and Electric's proposed "Imperial Valley to Inland Route" would need to cross sensitive lands in the Anza-Borrego Desert State Park, as well as tribal lands of at least three Native American groups. Other proposals face similar challenges which put most of the projects in the "challenging" to "very challenging" category.

As the conversations continue on how to replace the power and voltage from SONGS, these types of unforeseen consequences only exacerbate the problem created with the SONGS shutdown.

CEQA Reform Bill Causes Worry

Early concerns have been raised over the first draft of a CEQA reform bill introduced in the Senate by Senator Hannah-Beth Jackson (D- Santa Barbara) and others, including Senator Richard Roth (R- Riverside). The intent of the bill, SB 122, is to streamline the CEQA process, but some sections of the bill might make the process longer and more burdensome. Lawmakers are trying to curb "document dumping" where opponents of a project try to delay the process by submitting last-minute comments and other documents on the EIRs to agencies in charge of approving the projects during hearings at which the agencies were scheduled to take a vote on the projects. This delays the vote, as the agencies are required to respond in writing. The legislative proposal would include a separate 30-day comment period for final EIRs with the intent of reducing the number of issues opponents could comment on during public comment periods. Local government representatives are unclear how this would be anything other than just another 30 day comment period and have indicated that they will work with the authors to try to come up with an effective solution.

CEQA streamlining is not a new issue to the Legislature, as there are bills just about every year that try to streamline the process. Senator Jerry Hill (D- San Mateo), a co-author of SB 122, tried to pass a CEQA reform bill in 2014 and former Senator Darrel Steinberg (D- Sacramento) tried in 2013, both to no avail.

ACWA is working on a CEQA reform bill with students from McGeorge Law School that would simplify the process for projects that have to issue notices in multiple counties. They have not released a specific bill yet.

Legislative Update

The Legislature returned to Sacramento on January 5. The month of January is generally slow with limited hearings allowing members to spend time organizing and working on legislation they intend to introduce.

Bill introductions have only begun to trickle in with legislators expected to introduce many more in the days leading up to the February 27 bill introduction deadline.

Bills IEUA is tracking to date:

AB 1 (Brown D) Drought: local governments: fines.

Introduced: 12/1/2014

Summary: Would prohibit a city, county, or city and county from imposing a fine under any local maintenance ordinance or other relevant ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.

AB 21 (Perea D) California Global Warming Solutions Act of 2006: emissions limit: scoping plan.

Introduced: 12/1/2014

Summary: Would require the State Air Resources Board, no later than January 1, 2018, to recommend to the Governor and the Legislature a specific target of statewide emissions reductions for 2030 to be accomplished in a cost-effective manner. This bill contains other related provisions and other existing laws.

AB 23 (Patterson R) California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

Introduced: 12/1/2014

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include the use of market-based compliance mechanisms. Current state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to comply with that market-based compliance mechanism beginning January 1, 2015. This bill would instead exempt those categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism through December 31, 2020.

AB 33 (Quirk D) California Global Warming Solutions Act of 2006: scoping plan.

Introduced: 12/1/2014

Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The act requires the scoping plan to be updated at least once every 5 years. This bill, until January 1, 2020, would require, for purposes of advising the update of the next scoping plan, the state board to develop specified information by July 1, 2016. The bill would require the state board on or before January 1, 2017, to submit a report to the appropriate committees of the Legislature on the specified information.

AB 45 (Mullin D) Household hazardous waste.

Introduced: 12/1/2014

Summary: Would express the Legislature's intent to enact legislation that would establish curbside household hazardous waste collection programs, door-to-door household hazardous waste collection programs, and household hazardous waste residential pickup services as the principal means of collecting household hazardous waste and diverting it from California's landfills and waterways.

AB 78 **(Mathis R) Groundwater basins.**

Introduced: 1/5/2015

Summary: Current law requires the Department of Water Resources to categorize each basin or subbasin as high-, medium-, low-, or very low priority and to establish ground water the initial priority for each basin no later than January 31, 2015. This bill would make technical, nonsubstantive changes to this provision.

AB 85 **(Wilk R) Open meetings.**

Introduced: 1/6/2015

Summary: Would, under the Bagley-Keene Open Meeting Act, specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill contains other related provisions.

AB 88 **(Gomez D) Sales and use taxes: exemption: energy or water efficient home appliances.**

Introduced: 1/7/2015

Summary: Would exempt from sales and use taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program. This bill contains other related provisions and other existing laws.

AB 140 **(Allen, Travis R) Distributed generation.**

Introduced: 1/9/2015

Summary: Current law require the Public Utilities Commission, on or before January 1, 2010, and biennially thereafter, in consultation with the Independent System Operator and the State Energy Resources Conservation and Development Commission, to study, and submit a report to the Legislature and the Governor, on the impacts of distributed energy generation on the state's distribution and

transmission grid. This bill would make a technical, nonsubstantive revision to this requirement.

AB 149 (Chávez R) Urban water management plans.

Introduced: 1/15/2015

Summary: The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its urban water management plan and requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act. This bill, commencing January 1, 2017, would instead require an urban water supplier to update its plan at least once every 5 years on or before December 31 in years ending in 6 and one. The bill would instead require the department to submit its report to the Legislature, on or before December 31, in years ending in 7 and two.

AB 152 (Bigelow R) Water rights: appropriation.

Introduced: 1/15/2015

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Current law requires the board to allow the appropriation for beneficial purposes of unappropriated water under terms and conditions as in its judgment will best develop, conserve, and utilize in the public interest the water sought to be appropriated. This bill would make a technical, nonsubstantive change to these provisions.

AB 153 (Bigelow R) Integrated regional water management planning.

Introduced: 1/15/2015

Summary: Current law authorizes a regional water management group to prepare and adopt an integrated regional water management plan with specified components. This bill would make a technical, nonsubstantive change to that provision.

AB 156 (Perea D) California Global Warming Solutions Act of 2006: investment plan.

Introduced: 1/20/2015

Summary: Current law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. This bill would require the department to include in the 3-year investment plan an allocation to provide technical assistance to disadvantaged communities to assist them in proposing specified projects for inclusion in the 3-year investment plan.

AB 168 (Maienschein R) Local government finance.

Introduced: 1/22/2015

Summary: Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

AB 197 (Garcia, Eduardo D) Public utilities: renewable resources.

Introduced: 1/28/2015

Summary: Would state the policy of the state to require all retail sellers of electricity, including investor-owned electrical corporations and local publicly owned electric utilities, to procure all available cost-effective, reliable, and feasible energy efficiency, demand response, and renewable resources, so as to achieve grid reliability and greenhouse gases emission reductions simultaneously, in the most cost-effective and affordable manner practicable. The bill would require that procurement not be limited by any targets established for these resources by statute or regulatory decision. This bill contains other related provisions and other existing laws.

SB 1 (Gaines R) California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

Introduced: 12/1/2014

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include the use of market-based compliance mechanisms. Current state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to comply with that market-based compliance mechanism beginning January 1, 2015. This bill instead would exempt categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism.

SB 5 (Vidak R) California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

Introduced: 12/1/2014

Summary: Under the California Global Warming Solutions Act of 2006, current State Air Resources Board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to comply with that market-based compliance mechanism beginning January 1, 2015. This bill instead would exempt categories

of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism through December 31, 2020.

SB 7 **(Wolk D) Housing: water meters: multiunit structures.**

Introduced: 12/1/2014

Summary: Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.

SB 13 **(Pavley D) Groundwater.**

Introduced: 12/1/2014

Summary: Would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate a groundwater basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

SB 20 **(Pavley D) Wells: reports: public availability.**

Introduced: 12/1/2014

Summary: Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources. Current law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public.

SB 32 **(Pavley D) California Global Warming Solutions Act of 2006: emissions limit.**

Introduced: 12/1/2014

Summary: Would require the State Air Resources Board to approve a statewide greenhouse gas emission limit that is equivalent to 80% below the 1990 level to be achieved by 2050, as specified. The bill would authorize the state board to adopt interim greenhouse gas emissions level targets to be achieved by 2030 and 2040. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure long-term emissions reductions advance specified criteria.

SB 113 (Galgiani D) Disaster Preparedness and Flood Prevention Bond Act of 2006.

Introduced: 1/13/2015

Summary: The Disaster Preparedness and Flood Prevention Bond Act of 2006 authorizes bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. Funds provided by the act are only available for appropriation until July 1, 2016, and at that time the amount of indebtedness authorized by the act is reduced by the amount of funds that have not been appropriated. This bill would remove the restriction that the funds are available for appropriation only until July 1, 2016.

SB 122 (Jackson D) California Environmental Quality Act: record of proceedings.

Introduced: 1/15/2015

Summary: CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects. This bill contains other related provisions.

SB 127 (Vidak R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Introduced: 1/20/2015

Summary: CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA and a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.

SB 143 (Stone R) Diamond Valley Reservoir: recreational use.

Introduced: 1/27/2015

Summary: Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA

From: Letitia White

Date: January 30, 2015

Re: January Monthly Legislative Update

Welcome to the 114th Congress! The House and Senate officially convened in Washington on January 6th. Both the House and Senate are under Republican control for the first time since 2006, during the second term of President Bush. House Republicans quickly set votes to make changes to the Affordable Care Act and encourage the production of additional energy in the United States. The Senate has devoted much of the month to the consideration of the Keystone XL Pipeline. The new Majority Leader Mitch McConnell (R-KY) has promised to have a more open amendment process, which has considerably drawn out consideration of the legislation on the Senate floor. This effort for bipartisan consideration of amendments could have a positive effect on the deliberation of Appropriations bills later this year. The House also got to work on a funding bill for the Department of Homeland Security to fund the agency through the end of the fiscal year. The House bill is not expected to pass the Senate and would certainly face a veto if it made it to the President's desk. The President has promised he will use his veto pen during his last two years in office. The 2016 Presidential cycle has already kicked off with several Republicans announcing they are considering running for office, which will have an impact on Senate votes, as several Senate Republicans will be traveling for campaign events.

Homeland Security Funding Early on the Agenda

The Consolidated and Furthering Continuing Appropriations Act, 2015 appropriations package passed during December funded all agencies except the Department of Homeland Security through the end of the fiscal year (September 30, 2015). The DHS was funded under a continuing resolution that expires on February 27th. House Leaders wasted no time delivering on a promise to act on a measure to block the President's actions on immigration when they allowed amendments to the funding measure that came to the floor earlier this month. Conservatives voted to attach policy riders to undo the President's Executive Memorandum which expanded deferred action on undocumented immigrants.

The fight now moves to the Senate, where Democrats have already indicated they plan to block Republican efforts to bring the bill up for consideration unless the provisions are stripped out of the bill. Many conservative Republicans are still encouraging Majority Leader Mitch McConnell to bring up the measure, saying it deserves a vote on the floor. The latest showdown on the bill is expected to come up next week when the Senate has tentatively scheduled consideration of the bill.

Innovative Federal Strategies LLC

Blame Game over California Drought Bill

Senator Boxer and House Majority Leader Kevin McCarthy (R-CA) have publically traded blame over who is responsible for the failed effort to pass drought legislation at the end of last year. As we reported last month, the House passed a stand-alone California drought bill, which did not pass the Senate. Representative McCarthy told the Associated Press earlier this month that negotiations were heading in the right direction before objections from Senator Feinstein derailed consideration. For her part, Senator Boxer blamed the failure on House Republicans because negotiations left out parties that would be affected by the legislation.

With a new Congress comes another opportunity to pass drought legislation. Representative Grace Napolitano (D-CA) has already reintroduced her Water in the 21st Century bill—a bill she believes could garner support from other lawmakers this year. The Congresswoman believes that the effect of inconsistent water supplies on the nation's economy could foster support with Republicans. Her bill would create both a secured loan program and grants for water recycling, groundwater management, integrated regional water management, and water infrastructure projects. It would also improve water supply operations at dams managed by the Army Corps of Engineers, and improve drought resilience between the Environmental Protection Agency, U.S. Department of Agriculture, and Department of Interior. Representative McCarthy has said he remains committed to passing legislation that would be beneficial to the State as it continues to fight the historic drought, though he hasn't endorsed a specific plan in the 114th congress. Even with majorities in the House and Senate, Republicans might have trouble mustering up the votes if Senator Boxer opposes the final bill. In our conversations with the relevant water committees' staffs, we have learned that they believe a bill that focuses on the region or nation as a whole might be the bill that reaches the floor in the end, as other states, including Texas, have been suffering from drought conditions.

Sequestration in the Spotlight

The President gave his State of the Union Address on January 20th. While the address hinted at some specific program funding levels, we've started to see more information revealed leading up to the formal release of the President's budget on February 2nd. We already know that the President is going to propose doing away with the automatic budget cuts known as sequestration that were included in the Budget Control Act passed in 2011, which set spending caps for a 10-year period and triggered automatic cuts if spending levels exceeded those caps. The President is expected to propose an equal increase in both defense and non-defense spending, arguing that continued budget caps are hurting the economy and military readiness. In total, the President's budget to Congress will exceed the budget caps by \$74 billion. To pay for those increases, the plan will call for spending cuts elsewhere bundled with changes to the tax code that would close loopholes.

Lawmakers on both sides of the isle have come out in support of scrapping sequestration, but that doesn't mean it is going away anytime soon. Many Republicans favor removing those caps on the defense spending side, but aren't as keen as Democrats are on removing the caps for non-defense spending. The House and Senate Budget chairmen — Representative Tom Price (R-GA) and Senator Michael Enzi (R-WY), respectively, who will write their chamber's budget resolutions in March — have already indicated that their upcoming proposals are likely to focus on more spending cuts, not looking for additional revenue for additional spending. While a

Innovative Federal Strategies LLC

compromise doesn't look likely at this point, both sides could come together for a mix of entitlement reform, tax overhaul proposals, and spending adjustments as deadlines draw closer. We will know more as lawmakers begin to react to the President's proposal after it is released next week.

Outlook for February

The most pressing issue in February will be the passage of legislation to fund the Department of Homeland Security past February 27th. At this point, lawmakers would like to avoid the need for a Continuing Resolution, but a path forward that will appease enough Members on both sides of the aisle has yet to emerge. As stated earlier the President's budget will be released on February 2nd, which will outline the President's agenda for the year and start the appropriations process on Capitol Hill. Lawmakers only have one district work week scheduled in February, giving them several weeks to clear legislation in DC. The House has announced its schedule for the month, which includes the following:

- Legislation for a full repeal of the Affordable Care Act, with instructions to Congressional Committees to develop alternative proposals to the law.
- A bill aimed at disclosing the cost of mandates on businesses.
- Charitable tax code provisions
- An overhaul of the Elementary and Secondary Education Act (No Child Left Behind)

Agricultural Resources

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January 30, 2015

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, January 2015

Snapshot. Nationally, January marked the beginning of the last two years of the Obama Administration. It also marked the opening of the 114th Congress in which balance of power shifted as, for the first time during the Obama Presidency, the House and Senate are now both controlled by Republican majorities. In California, the weather whiplash continued. The temperature was hot *and* it did not rain. Drought continues.

114th Congress Convenes

- ***New Congress Sworn In, Begins Process of Organizing Begun.*** In early January, the new Congress convened, was sworn in and the process of organizing – naming chairs, affirming committee jurisdictions, naming members to committees, selecting subcommittee chairs began and continued throughout the month. In one instance, a Subcommittee of importance to IEUA was jurisdictionally restructured (House, Water and Power – more on that – see below).

President Obama Appears Before Joint Session of Congress – Delivers State of the Union.

- ***Sixth Obama State of the Union Speech.*** A reinvigorated President appeared before Congress and delivered his sixth State of the Union address. During the first six years of the presidency, the President vetoed very few bills (unlike his predecessors). The President made it clear – he would veto authorization and/or funding bills with which he disagreed. He challenged the Republican-controlled Congress to work with him. And, new initiatives on tax reform were presented. Internationally, he changed policy towards Cuba (no one saw it coming).

Looking Into February – President’s Budget to be Released.

- ***Proposed Administration Budget to be Submitted to Congress in early February.*** Typically, immediately after the President delivers the State of the Union, the Administration’s proposed budget for the fiscal year beginning next October 1 and running through September 30, 2016 is submitted to Congress. That submission is scheduled for the first week of February. January was used to preview the soon-to-be-released budget. In the speech to Congress, numerous other public events and news accounts, the the Obama Administration detailed the up-coming budget and outlined major initiatives on tax reform (taxing offshore income), income inequality, climate change, energy policy and the need for infrastructure investment.
- ***Spending Limits to be Challenged.*** The Obama budget, based on statements and various reports, is expected to challenge the Congress on budget caps – with targeted and selected increases that go significantly beyond sequestration-agreed spending caps. DOD is publicly making a case for increased military funding/spending (and has been for some time). It is expected to

International Issues Continue to Dominate and Influence

- ***Immigration, Oil Prices, Syria, the Mideast, International Cyber Crime – All Continue to be Major Issues.*** A suite of international issues continue to dominate and influence events around the globe – and each becomes important domestically and in Congress. Immigration is grid-locked in Congress. The executive initiative by the President has created a significant backlash among some in Congress which is slated to play out in February in the one unresolved funding bill for the current fiscal year – the appropriations bill for the Department of Homeland Security. Some are calling for another shutdown (if it were to occur, it would be limited to DHS and its agencies).
- ***Oil Price in Free Fall – Significant Foreign Policy and International Implications – Consumer Boon in US.*** Oil prices continue to drop – from a high of \$107/barrel to \$40-50/barrel (current range). The abrupt oil price free-fall is destabilizing Putin and Russia, Iran, Syria and even selected countries in South America. In the US, the price of oil is upsetting production in North Dakota (the Bakken) and is forcing producing wells to shut down even in Texas and Oklahoma. Meanwhile, US consumers – across the board – are enjoying a large stimulus (this puts something like almost \$1 billion a day back into the economy across the US). Various industry sectors (airlines, trucking, buses, heating oil –

even cabs) are watching energy costs decline and profits increase. I recently bought gas in the DC area for less than \$2/gallon. On a recent trip to Minnesota (the temperature was MINUS 13 degrees when I landed), I paid \$1.86/gallon.

- ***Mideast Conflicts Continue.*** The Mideast – in numerous places – continues to be unstable, contentious and seemingly on the verge of armed conflict. As January came to a close, armed conflict in the Ukraine with Russia was resuming. Civil and tribal war, and, in general, political chaos continues in Syria and acts of wanton terrorism continued unabated. Collectively, all these issues (and others) continue to compete for time, attention, funding priorities as well as policy formulation and implementation.

2016 – Presidential Politics Burst onto Scene.

- ***2016 President Election – Underway.*** The November 2012 election followed by the start of the new Congress marked the “public” beginning of the 2016 presidential election cycle.
- ***Republican Sweepstakes for President – More than 20 Hats in the Ring.*** On the Republican side, more than 20 prospective candidates have emerged – from the US Senate (Rubio, Cruz, Rand Paul, Lindsay Graham), the Governors (Walker from WI, Pence from Indiana, Jindal from Louisiana, Christie from New Jersey and others) and several from the business community (former Governor Jeb Bush) are actively considering formal entry into the process. Former Governor Huckabee is running as is former Pennsylvania Senator -- Rick Santorum. In January, Governor Jeb Bush all but formally announced (it caught everyone by surprise). January saw former 2012 presidential candidate and former Governor Romney began to reenter the race and after three weeks of bruising responses, dropped out before he formally re-entered.
- ***Democratic Sweepstakes for President – It’s All About Hilary Clinton.*** On the Democratic side, all eyes are on Hilary Rodham Clinton. A formal announcement is expect in April or May. If she doesn’t run, it’s not obvious who will.
- ***Polling, Sunday Talk Shows, Pundits, Columnists, Bloggers, Funders, Donors and Campaign Operatives – All Hyper-Focused on 2016.*** Airwaves are already clogged with stories, hypothetical polling match ups and other speculative reporting about 2016. The more attention directed to 2016, the less is focused on current events today.

Drought and Drought Legislation/Drought Politics/Congress

- ***Drought.*** Daily reports range between bleak and dire. Photos of the DWR team that measured snow pack at the end of January shows them walking (in the Sierras, on dry (no snowpack to measure) areas. San Francisco, for the first time in recorded history (going back to the Gold Rush) had 0.00 inches of rain. No rain whatsoever. At the same time, during the month of December, California was exceptionally hot – with almost no precipitation in the State during the month of January. If this continues, then the Governor’s call for 20% reductions will all but certainly have to be reconsidered.

- ***Drought Legislation.*** Talks on a drought bill resumed behind closed doors and with limited participants. Talks blew up in a series of rolling events and actions during this past November and December. Others are now clamoring to be included. The House Natural Resources Committee has signaled that a California-only bill will likely NOT be considered, but a Westwide or even national bill will be. No details have emerged on such a bill or even the process for drafting it.
- ***Drought Politics – House Water and Power Subcommittee Jurisdiction Expanded – Implications for Bureau of Reclamation (and US Geological Survey).*** The Subcommittee that had jurisdiction for the Bureau of Reclamation – and water/drought policy was restructured to include Oceans (and OCS drilling). This change diminishes the importance of the Bureau of Reclamation. A non-westerner, Rep. John Flemming (R-LA) was named Chair. First time a non-westerner chaired the subcommittee as far back as I can remember. Implications remain unclear.
- ***Drought Politics – Congress (and Ds on House Water Subcommittees).*** For more than a decade, Rep. Grace Napolitano (D-CA) either Chaired the Water Subcommittee on House Resources OR served as its Ranking Member. In that period, she’s worked with several California Rs who served as Chair, including Rep. Ken Calvert. In this Congress, Rep. Napolitano became eligible to serve as ranking on the Water Subcommittee on T&I which has jurisdiction over the Army Corps of Engineers as well as ranking on Water and Power on Resources. She selected the ranking position on Water Subcommittee on T&I in late January. Replacing her on the Water Subcommittee on Natural Resources, Rep. Jared Huffman (D-CA) who represents Marin County and the North Coast to Oregon. Huffman served as Chair, Assembly Water Committee when he served in the State Legislature.
- ***Drought Politics – Blame.*** In mid-January, House Majority Whip, Kevin McCarthy (R-CA) and CA Senator Barbara Boxer got into a public spat over who was to “blame” for the drought bill’s demise in the previous congress. Not constructive (especially since any drought bill will be subject to being redrafted for multiple reasons (many who were excluded are now asking to participate – a new bill will likely be a westwide bill)).
- ***Drought Conditions – California.*** The precipitation from several storms in December came and went. In January. It was dry. According to the Drought Monitor, 100% of the State is in drought. The Monitor’s weekly report for January 27 (reported on the 29th) indicated that 94% of the entire state was in D2, D3 and/or D4 status (severe, extreme or exceptional).
- ***Drought Conditions – Rest of the West.*** The report from last month – is all but identical this month. Drought conditions are persisting in the Pacific Northwest (OR, WA and ID). Almost all of OR is in drought. Half of Washington is in drought (less severe). Almost all of Idaho is in drought. Next door, 100% of Nevada is in drought (very similar to CA’s profile). Along the Southern Tier, Arizona, New Mexico, Utah, most of Colorado and

almost all of Texas and Oklahoma are in various levels of drought. .

Quick Takes. *Napolitano-Boxer water bill reintroduced in the new Congress.* In the first days of the new session, Rep. Grace Napolitano reintroduced her comprehensive water bill with several co-sponsors. Last session, Rep. Napolitano asked that her bill be incorporated into the pending drought bill (it wasn't). She wasted no time in its reintroduction. *Torres Joins Napolitano on Water bill.* Rep. Norma Torres, in one of her first acts, co-sponsored the Napolitano water bill. *DWR Monthly Snowpack Report.* On January 29, DWR reported that, statewide, snowpack was 25% of normal. *Senate Appropriations Organized.* Energy and Water Subcommittee, Sen. Lamar Alexander (R-TN) will serve as Chair and Sen. Dianne Feinstein (D-CA) will serve as Ranking Member. On Senate Interior Appropriations Subcommittee (which includes funding for EPA), Sen. Lisa Murkowski (R-AK) will be chair. Senator Tom Udall (D-NM) will serve as Ranking Member. *Standard and Poor's Issued a Caution Warning on Increased State Spending.* According to a news account on the S&P report, "For California, a future revenue slump isn't only possible, it's expected," the credit rating agency Standard & Poor's said in a report. An over-optimistic assessment of the state's future revenue growth, the report said, would be "the most significant identifiable threat to the state's ongoing fiscal recovery." *Colorado Issuing Stark Warnings to California on Colorado River Water.* State water officials in Colorado delivered a draft water report to the Governor and publicly issued warnings to California (regarding future use of Colorado River water). News accounts label it "a threat." It's created growing tension in the Basin. A final report is due towards the end of 2015. In the past, on a semi-unrelated issue, AZ, NV and CA have paid for the Colorado River Salinity Act but are now talking about this becoming an all-basin responsibility (financially). Upper Basin states don't like it. Again, tensions are rising. If drought conditions persist, these issues could get lumped together and become even more contentious. *BuRec Call for WaterSmart Proposals.* Last month, BuRec issued a call for WaterSmart Proposals for basin-wide studies, with a focus on climate disruption and adaptation strategies. *\$50 Billion Infrastructure Bill Reintroduced.* Rep. John Delaney (D-MD) reintroduced bi-partisan legislation to fund a \$50 Billion infrastructure fund (including money for water-related projects). *President, in State of the Union, Calls for Infrastructure Bonds.* In his State of the Union Address, the President called for tax-exempt bond funding for capital investments in communities. This was viewed as especially positive as Muni Bond are targeted for amendment and restrictions in several of the pending tax reform bills.

#

INFORMATION

ITEM

2C



CALIFORNIA STRATEGIES, LLC

Date: January 30, 2015
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: January Activity Report

Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with IEUA Executive staff to review priority issues and to discuss activities for January that Executive Staff wanted accomplished.
- Followed up with elected leadership in the City of Fontana regarding issue that the IEUA Executive staff wanted completed in January
- Participated in discussions with County of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas.
- Monitored LAFCO staff on the status and key issues related to the MSR process currently underway for water conservation districts countywide
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Provided an update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Facilitated follow up with IRWD regarding facility master planning and fiscal modeling
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.

INFORMATION

ITEM

2D

MWD Water Supply Allocation Plan Update



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

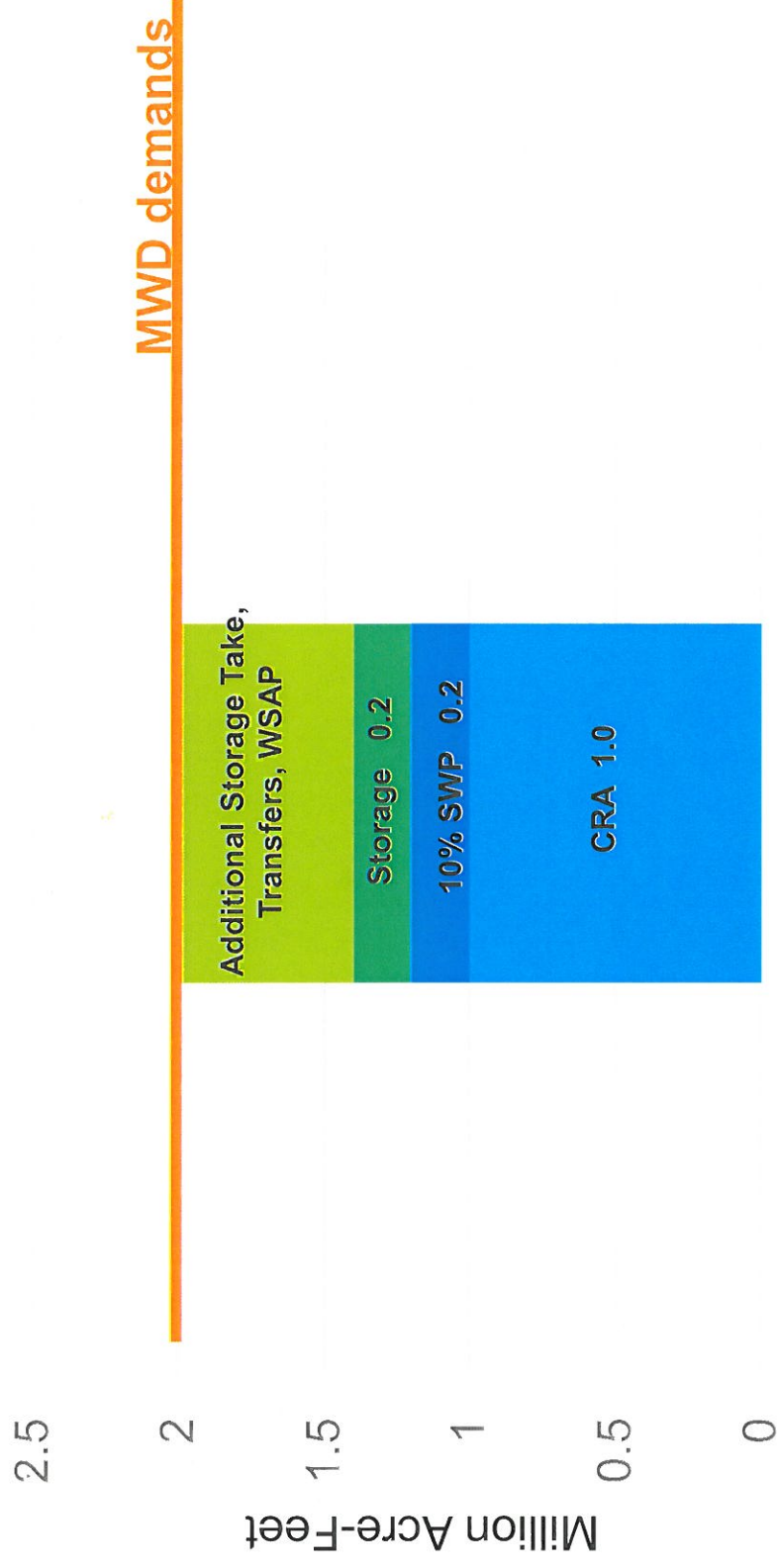
MWD's 2014 Water Supply Allocation Plan (WSAP)

- MWD met Aug-Nov with Member Agencies
- Updated the 2011 WSAP formula
- Presented to MWD Board on 12/9/14
- MWD Board to decide in January when the updated WSAP will go into effect

MWD Storage Estimate at 20% SWP Allocation



MWD Storage Estimate at 10% SWP Allocation



WSAP Adjustments

- New Baseline Period: ~71,500 AFY
- Conservation/Demand Hardening Credit
- Local Supply Development Credit
- Replenishment Credit

WSAP Formula Estimates*

	IEUA Imported Water Allocation (AF)
Level 1	71,500
Level 2	69,000
Level 3	66,000
Level 4	63,000
Level 5	60,000
Level 6	57,000
Level 7	54,000
Level 8	51,000
Level 9	48,000
Level 10	45,000

preliminary
estimated
WSAP Level



*estimates based on November 2014 MWD WSAP model; all supply numbers are still being confirmed by MWD

WSAP Enforcement

Water Use	Old Penalty Rate (\$/AF)	New Penalty Rate (\$/AF) (turf removal program costs)
Up to 100% of Allocation	--	--
100 to 115%	2 x Tier 2= \$1,428	\$2 / sq ft program= \$1,480
Greater than 115%	4 x Tier 2= \$2,856	\$4 / sq ft program= \$2,960

Discussion

INFORMATION

ITEM

2E

Laboratory Semi-Annual Update



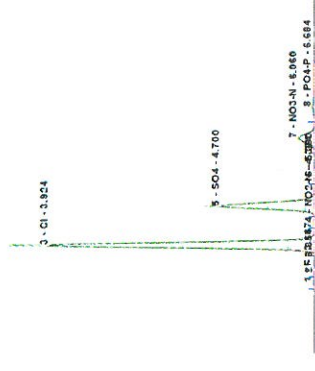
Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

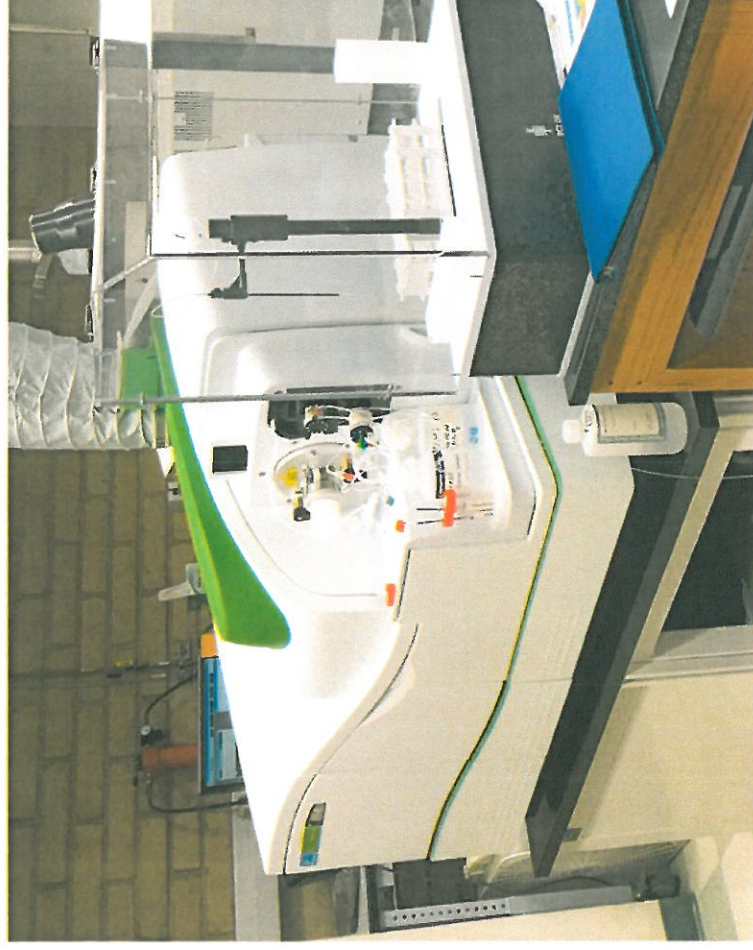
February 2015

Laboratory Activities

- **FY1415 Samples and Analyses**
 - Samples: 8,788
 - 3,549 Compliance, 5,239 Discretionary
 - Analyses: 31,608
 - 17,278 Compliance, 14,330 Discretionary
- **Pretreatment and Source Control Projects**
 - Local Limits Lab data gap analyses performed in September 2014
- **GWR 3D Fluorescence Project**
 - Project sampling and analyses completed in January 2015
- **Laboratory Certification**
 - Bioassay On-Site inspection: January 20, 2015
 - All other tests on-site inspection awaiting ELAP notification



New Instrumentation



- **Inductively Coupled Plasma – Mass Spectrophotometer (ICP-MS)**
 - Low level metals analyses on Wastewater Effluents and Well samples
 - Efficient, user friendly design for routine maintenance and analysis
 - Better sensitivity

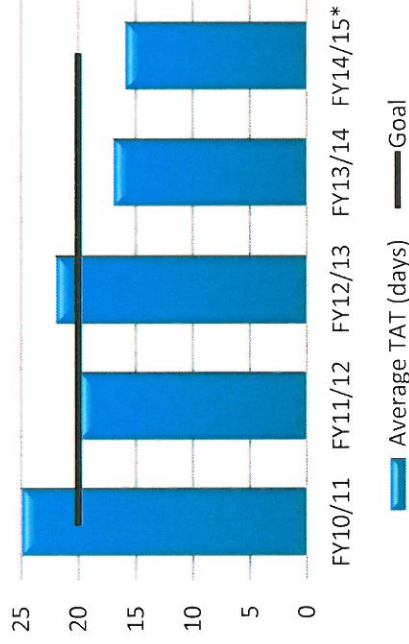
Customer Service

Meeting IEUA Needs

Performance Indicators:

- Report Samples within Established Turn Around Times (TAT):
 - Compliance (Goal: 20 day average)
 - Process Control Samples (24 hours).

Average Compliance TAT



Compliance Sample TAT

	10/11	11/12	12/13	13/14	14/15*
Average TAT (days)	25	20	22	17	16
Maximum TAT (days)	63	44	43	56	54
# reported >28 days	181	87	221	91	47
Compliance Samples	8,623	7,086	6,809	7,080	3,549
Performance %	98%	99%	97%	99%	98%

* Through December 2014

