

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, MARCH 9, 2016
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, MARCH 9, 2016
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 February 10, 2016.

B. RESIDENTIAL EDUCATION, SURVEY, AND CONTROLLER UPGRADE PROGRAM

It is recommended that the Committee/Board:

1. Award a 15-month contract to ConServ Construction, Inc., for a not-to-exceed amount of \$300,000 to implement the Program; and
2. Authorize the General Manager to execute the contract.

C. RESOLUTION NO. 2016-3-3, FOR SGMA BASIN BOUNDARY MODIFICATION

It is recommended that the Committee/Board adopt Resolution No. 2016-3-3, for the Agency to initiate a SGMA boundary change request to the California Department of Water Resources recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary throughout the majority of the Chino Basin.

D. RECYCLED WATER POLICY PRINCIPLES

It is recommended that the Committee/Board:

1. Adopt the Recycled Water Policy Principles; and
2. Direct staff to develop a Regional Contract amendment based on the Recycled Water Policy Principles.

E. ADOPTION OF RESOLUTIONS FOR A SMALL COMMUNITY GRANT APPLICATION

It is recommended that the Committee/Board:

1. Adopt Resolution No. 2016-3-1, authorizing the General Manager to sign a Financial Assistance Agreement with the State Water Resources Control Board for a Planning Grant application through the Small Community Wastewater Grant Program; and
2. Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the Small Community Wastewater Grant Program and associated State Revolving Fund (SRF) loan financing.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

B. LEGISLATIVE REPORTS (WRITTEN)

1. West Coast Advisors
2. Innovative Federal Strategies
3. Agricultural Resources

C. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)

D. FEDERAL LEGISLATION MATRIX (WRITTEN)

E. STATE LEGISLATION MATRIX (WRITTEN)

F. RECYCLED WATER SEMI-ANNUAL UPDATE (POWERPOINT)

G. PLANNING AND ENVIRONMENTAL RESOURCES UPDATE (ORAL)

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: 

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, March 3, 2016.



April Woodruff

**ACTION
ITEM
1A**

MINUTES

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

**WEDNESDAY, FEBRUARY 10, 2016
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/AGM
Martha Davis, Executive Manager of Policy Development/AGM
Christina Valencia, Chief Financial Officer/AGM
Joshua Aguilar, Senior Engineer
Tom Ash, Senior Environmental Resources Planner
Kathy Besser, Manager of External Affairs
Pietro Cambiaso, Environmental Compliance and Energy Supervisor
Andy Campbell, Deputy Manager of Planning and Environmental Resources
Andrea Carruthers, Senior External Affairs Specialist
Sylvie Lee, Manager of Planning and Environmental Resources
Lisa Morgan-Perales, Senior Water Resources Analyst
Craig Proctor, Pretreatment and Source Control Supervisor
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Jasmin A. Hall, Director
Vivian Castro, Chino Basin Water Conservation District
Drew Ready, Chino Basin Water Conservation District

The meeting was called to order at 9:30 a.m. There were no public comments received or additions to the agenda. Director Elie stated that he has received a request to move Information Item 2I, Energy Management Plan, be to an Action Item 1D.

ACTION ITEMS

The Committee:

- ◆ Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of January 13, 2016.
- ◆ Recommended that the Board:
 1. Approve the Agency-wide memberships and affiliations for FY 2016/267, in the amount of \$238,500 (includes 5% contingency); and

2. Adopt Resolution No. 2016-2-2, authorizing Agency organizational memberships and affiliations;

as a Consent Calendar Item on the February 17, 2016, Board meeting agenda.

◆ Recommended that the Board:

1. Approve the Water Storage Agreement between Inland Empire Utilities Agency and Cucamonga Valley Water District for the purchase of up to 5,000 acre feet of supplemental water;
2. Approve an inter-fund loan of up to \$3,000,000 from the Regional Operations and Maintenance (RO) Fund to the Water Resource (WW) Fund to support the water purchase; and
3. Authorize the General Manager, subject to non-substantial changes; to execute the Agreement and inter-fund loan.

Executive Manager of Engineering/AGM Chris Berch reported that the regarding the funding aspect of the supplemental water purchase, staff had originally considered doing a transfer from the RO Fund as an inter-fund loan; staff is now proposing the use of "one-time" incremental property taxes to fund the purchase of supplemental water. This Board letter will be revised before presentation to the February 17, Board meeting.

as an Action Item on the February 17, 2016, Board meeting agenda.

◆ Recommended that the Board concur with the finding of the EMP;

Director Elie directed staff to revise the Board recommendation to more clearly state action being requested from the Board.

as an Action Item on the February 17, 2016, 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
- ◆ Federal Legislation Matrix
- ◆ Mid-Year Building Activity Update
- ◆ Water Conservation Program Update
- ◆ Conservation and Data Initiatives
- ◆ Chino Basin Boundary Update for the Sustainable Groundwater Management Act
- ◆ Planning and Environmental Resources Update

GENERAL MANAGER'S COMMENTS

General Manager Joseph Grindstaff had no comments.

COMMITTEE MEMBER COMMENTS

There were not Committee member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

Director Elie requested that he would like West Coast Advisors to provide the Agency with a timeline of how SB 970 is progressing, i.e. when are the committee hearings; whether amendments should be considered; and where would we look for support. He stated he would like this information by next Committee meeting.

With no further business, Director Elie adjourned the meeting at 9:59 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: MARCH 9, 2016


**ACTION
ITEM
1B**





Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/09/16)
Finance, Legal, and Administration Committee (03/09/16)

From: P. Joseph Grindstaff
General Manager 

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Residential Education, Survey, and Controller Upgrade Program

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a 15-month contract to ConServ Construction, Inc., for a not-to-exceed amount of \$300,000 to implement the Program; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

The Agency currently offers the "Residential Landscape Retrofit Program" (RLRP) which saves water through residential landscape evaluations and retrofits of landscape irrigation control devices for large residential landscape customers (lot sizes of one-quarter acre or larger). The program has been administered by ConServ Construction, Inc. (ConServ) on behalf of the Agency since 2012. The new Residential Education, Survey, and Controller Upgrade Program (program) would be an expansion of the existing program offering educational training, landscape surveys, and controller upgrades to weather-based systems for homeowners who reside on lot sizes smaller than 10,000 square feet. The program is anticipated to reach a minimum of 300 residential customers region-wide over the next year. The program is projected to save 400 acre-feet over the life of the devices.

Since the RLRP originally began in 2011, the Agency has received overwhelmingly positive responses from both the member agencies and its customers. As the State moves into its fifth

possible year of drought and with turf removal rebate programs winding down or becoming obsolete, staff and the member agencies have collaborated on other programming options that will continue to support regional demand reduction while increasing water efficiency. This program will focus on the high water user demographic within the small residential landscape sector, where a rebate alone would not persuade the customer to make a change. The program will promote an improved understanding of landscape irrigation control technologies while ensuring more efficient scheduling and operation of automated irrigation systems through education, landscape surveys, and smart controller technology upgrades.

High water use customers will be identified through their participating retail member agency and will be required to attend an in-person irrigation technology training session as Step 1 in the process. Customers who attend the training session will then be pre-qualified for program participation. Step 2 in the process will be to schedule appointments with pre-qualified participants and provide a landscape survey that will identify any deficiencies within the existing irrigation system, develop improved efficiency recommendations, and employ any corrections required to maximize water efficiency with the new upgraded model. Once the survey has been completed and reviewed with the participant, the new smart technology will be installed as Step 3. Participants will receive a one-year warranty on installation as well as customer support services.

The Agency currently offers a comprehensive portfolio of water efficiency programs that includes landscape audits, regional education, rebates and direct installation programs for residential and commercial customers.

ConServ has provided exceptional program management, customer service, and value-added services that significantly benefit our member agencies, their customers, and the Agency. From the beginning, ConServ has gone above and beyond their contractual obligations by never charging the Agency for a participant site visit where an evaluation was performed but a retrofit was not completed. The Agency's prior contractor charged for this service and the Agency did not receive full site reimbursements. Additionally, ConServ continues to provide service calls and follow-up visits until participants are satisfied with their new products and service without any additional charges to the Agency. ConServ stores the used controllers from the participants, cleans and refurbishes them and then donates working controllers to Habitat for Humanity.

Agency staff competitively solicited proposals for services to administer the RLRP for large landscape customers and awarded the contract to ConServ on July 18, 2012, for a not-to-exceed amount of \$400,000, which was funded 100% by the Bureau of Reclamation and MWD. On July 16, 2014, the Board approved a one-year contract with ConServ, and two-optional one-year contracts for a not-to-exceed amount of \$1,000,000 to continue the grant funded RLRP for large landscape customers. If this new contract is awarded, ConServ's proposed fee schedule will be aligned with their existing rate schedule for the large landscape program and minimal rate adjustments submitted on equipment only with no labor increases for the one-year contract term, a best value approach for the Agency and its program customers.

Agency staff believes this program will bring significant and measurable benefit to the region by targeting outdoor water use through the installation of high efficiency irrigation system

components. The Agency's eight member agencies have evaluated the program and support staff's recommendation.

With the extension of the State mandated Emergency Water Conservation Regulation and to provide continued support to the Agency's members in meeting their water reduction targets, Staff recommends awarding a single source contract to ConServ in the amount of \$300,000. If approved, the proposed project would be funded by revenue collected through the Agency's Drought Charge approved by the Board in FY 2014/15.

This program is consistent with the *Agency's Business Goal* of increasing *Water Reliability* by promoting water use efficiency and education to enhance water supplies within the region and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On July 16, 2014, the Board approved a one-year contract for the Regional Residential Landscape Surveys and Retrofit Program to ConServ Construction, Inc., for \$400,000 with two optional one-year extensions for a not-to-exceed amount of \$1,000,000.

On July 18, 2012, the Board approved a two-year contract for the Regional Residential Landscape Surveys and Retrofit Program to ConServ Construction Inc., for a not-to-exceed amount of \$400,000.

IMPACT ON BUDGET

The budget for the contract amount is included in the FY 2015/16 Water Conservation Program within the Water Resources Fund.

Attachments: Contract with ConServ Construction, Inc.

Residential Education, Surveys, & Controller Upgrade Program



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Lisa Morgan-Perales

IEUA Board of Directors Meeting
March 2016

Existing Large Landscape Program Residential Landscape Retrofit Program

- FY 12/13 -- December 2015
 - Upgrades Completed: 1,099
 - Smart Controllers Installed: 1,030
 - HE Sprinkler Nozzles Installed: 19,447
 - Annual/Lifetime Water Savings: 684 AFY/5,096 AF
- Expand Existing Program to Small Landscape Customers



Residential Controller Upgrade

- 300 Residential Small Landscape Controller Upgrades (Less than 10,000 Sq. Ft.)

1. Mandatory Training Class Required
2. Landscape Survey – Improve Water Efficiency
3. Controller Upgrade – Weather-Based System

- Program Budget \$300,000
- Lifetime Est. Water Savings: 400 Acre-Feet



Residential Controller Upgrade (Historical Actions)

- Competitive solicitation for large landscape retrofit services - 2012
- Board awarded contract to ConServ Construction – July 2012 (\$400,000)
- Board awarded contract to ConServ Construction – July 2014 (\$1,000,000)



Residential Controller Upgrade (New Proposed Program)

- ConServ Construction provides similar program services
- Provides exceptional program services
- Provides value-added program benefits at no additional cost
- Provides a best value approach for the Agency and its program customers
- Member Agencies Support Program and Contractor
- New fee schedule aligned with existing rates for large landscape program - minimal rate adjustments (Equipment Only)





Recommendation

Award a 15-month contract to ConServ Construction, Inc. to implement the new Program for a “not to exceed” amount of \$300,000.

Consistent with the *Agency’s business goal of increasing Water Reliability* by promoting water use efficiency and education to enhance water supplies within the region, and meeting the region’s need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.



**CONTRACT NUMBER 4600002050
FOR
RESIDENTIAL EDUCATION, SURVEY, AND CONTROLLER UPGRADE
PROGRAM SERVICES**

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"), and ConServ Construction, Inc., of Murrieta, California, (hereinafter referred to as "Contractor"), for Residential Education, Survey, and Controller Upgrade Program Services; providing landscape survey services, property-owner education services, weather-based irrigation controller (WBIC) installation services, on-site customer training services, the distribution of program-related materials, and all of the customer service, as needed, for the success of the Residential Education, Survey, and Controller Upgrade Program.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Lisa Morgan-Perales
Address: 6075 Kimball Avenue, Building A
Chino, California 91708
Telephone: (909) 993-1520
Facsimile: (909) 993-9000
Email: Lperales@ieua.org

2. **CONTRACTOR ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: Don Holder
Address: 37204 Sunnygrove Lane
Murrieta, California 92563
Telephone: (951) 813-2110
Facsimile: (877) 493-7954
Cell: (951) 813-2110
Email: dholder@conservinc.net

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 - A. Amendments to Contract Number 4600002050.
 - B. Contract Number (4600002050) General Terms and Conditions.
 - C. Contractor's Proposal, dated January 11, 2016, (Attachment A)
4. **SCOPE OF WORK AND SERVICES:** Contractor's services and responsibilities shall include, but shall not be limited to:
 - A. Contractor shall coordinate with IEUA staff and member-agency staff to develop an action plan and the schedule for the completion of the scope identified in the Contractor's Proposal (see Attachment A). Project Manager, and member agency staff will review and approve an initial written schedule of work and services. The schedule of work and services (the first deliverable) will be reviewed and amended from time to time during the term of this contract. With this reference, the Contractor's Proposal is incorporated into and made a part of this contract.
 - B. Contractor shall carefully adhere to the following directives for the work, tasks, and services being provided under this contract:
 1. For each site assigned to the Contractor, there will be a firm initial limit, for all expenses at a participating site (services and equipment), of \$1000 without a written request from the Contractor and subsequent written approval from the Project Manager, to allow additional activities and associated expenses. If cost for a given site exceeds the initial \$1000, then the Contractor will be responsible for such cost overruns, unless receiving written approval prior to incurring the additional cost.
 2. A site survey shall be determined/defined to be "complete" (except for follow-up activities) when:
 - a. The landscape surveys and irrigation system audits are complete; and the property owner is not eligible for or does not want/approve any equipment retrofit.
 - b. The landscape surveys and irrigation system audits are complete; and the property is eligible for equipment; controller(s) retrofit; and the installation of equipment has been completed.
 - c. The landscape surveys and irrigation system audits are complete; and the property is eligible for equipment, but a new controller(s) is not needed or not wanted; then the survey is complete when the audits are complete. In such cases, the justification for not installing a new controller should be reported.
 - e. In all cases, an assigned site will be completed in a straightforward, workmanlike manner; such that all work, services, and equipment installations are completed during a single visit to the site. Multiple visits to an assigned site, or more precisely, leaving

a site while planning to return another day to complete a task at the site is to be avoided. (Don't start a site unless it can be finished is a single visit.)

- f. Invoices for partially completed sites will not be submitted for payment, and will be rejected if submitted.
- C. Contractor shall function as the landscape surveyor, the WBIC installer, a nozzle adjuster, a WBIC programmer, and the customer service contact for each site assigned to Contractor.
- D. When assigned to a given site, Contractor will provide all contract services, at that site, needed to successfully implement the goals of the Residential Education, Survey, and Controller Upgrade Program, in accordance with the Scope of Work within the Contractor's proposal (Attachment A).
- E. Notwithstanding Paragraph "D" above, Contractor may encounter sites that when initially found to be below the standard for participation in the Residential Education, Survey, and Controller Upgrade Program; could, with a small amount of repair, replacement, or adjustment be made compliant with the minimum standards for the Program. At such sites, the Contractor may, at the Property Owner's request, make such repairs, replacements, or adjustments; provided the Contractor submits a site-specific report that details the additional work, parts and prices thereof, labor and the rates for such labor, thus providing the Project Manager the information to verify that the Contractor provided the needed services at rates consistent with the labor cost in the Contractor's proposal.
- F. For any residential landscape, initially considered to be a candidate for the Residential Education, Survey, and Controller Upgrade Program, but then does not qualify, or is determined not eligible for a new WBIC or other Residential Education, Survey, and Controller Upgrade Program elements, the Contractor will assist that site owner with a recommended watering schedule for the site; by irrigation system valve, reflecting all of the audit data gathered for each valve zone.
- G. Through the duration of this contract, the Agency and Contractor may identify additional tasks, which, when identified, shall be reduced to writing, signed by both parties, and amended to this contract.
- 5. TERM: The term of this Contract shall extend from the date of the Notice-to-Proceed until June 30, 2017, unless agreed to by both parties, reduced to writing, and amended to this Contract.
- 6. COMPENSATION: Agency shall pay Contractor's properly executed invoices, which have been approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service that does not reasonably meet the Agency requirements or has proven to be unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
 - A. The Contract Number – 4600002050, and;
 - B. The Contract Release Purchase Order Number – 45000_____

Contractor's invoices shall be submitted, if by mail, as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002050
P.O. Box 9020
Chino Hills, CA 91709

Contractor's invoices shall be submitted, if by e-mail, as follows:

To: APGroup@ieua.org

1. Scan the invoice as a PDF file.
2. Attach the scanned file to an email.
3. IEUA staff will acknowledge receipt of the invoice.

Contractor shall provide, with their invoice, certified payroll documentation to verify that Contractor has paid prevailing wage in accordance with the California Department of Industrial Relations requirements.

Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified on Page 1 of this Contract.

As compensation for the satisfactory performance of the work represented by this Contract, Agency shall pay Contractor's invoices, for the first twelve (12) months, in accordance with the rates proposed in the Contractor's Proposal, Attachment A, dated January 11, 2016. In the event of an optional one-year extension is effected, Contractor's rates may be increased by 2% for the optional one-year extension.

Agency shall pay Contractor's invoices up to a NOT-TO-EXCEED total authorized amount of **\$300,000** for all services provided throughout the initial twelve (12) month term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, or for work completed beyond the expiration date without an Amendment to the Contract.

Total compensation will be determined by the number of sites assigned to the Contractor and completed during the term of the Contract.

Agency may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency's Project Manager. Such changes shall be made by an Amendment to the Contract. The Total Authorized Amount and Term shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the written Amendment, agreed to and signed by both parties, prior to becoming effective.

7. **CONTROL OF THE WORK**: The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.

8. FITNESS FOR DUTY:

Contractor on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

9. INSURANCE: During the term of this Contract, the Contractor shall maintain at its sole expense, the following insurance.

A. Minimum Scope of Insurance:

1. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 00 01 10 01, covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage
 - a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 2010 11 85, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired,

or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85, then it is also necessary to issue a Form CG2037 10 01 in addition to Form CG 2010 10 93 or CG 2010 03 97.

- b. The Contractor's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Agency.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance, with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized

by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

10. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Manager of Safety and Risk Management
P.O. Box 9020
Chino Hills, California 91709

11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of existing and future state and federal laws and county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with such existing, at the time services are rendered, laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, in effect at the time the services are performed, whether by the Contractor or its employees.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- F. Equal Opportunity and Unlawful Discrimination: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status,

ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. Please be assured that any possible infraction will be thoroughly investigated by the Agency.

G. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision
3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

- c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, which shall be recoverable by the prevailing party.
 4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.
12. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses which arise out of or are related to the negligence, recklessness, or willful misconduct of the Contractor, its directors, employees, agents, and assigns in the performance of the work under this contract.

In turn, to the fullest extent permitted by law, Agency shall indemnify Contractor, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses which arise out of or are related to the negligence, recklessness, or willful misconduct of the Agency, its directors, employees, agents, and assigns in the performance of the work under this contract.
13. **OWNERSHIP OF WORK MATERIALS:** The Work materials (drawings, specifications, field notes, exhibits, site surveys, site-specific information, and other documents) related to this scope of work shall remain the property of the Agency. The Agency acknowledges that the Contractor's project reports, field data, notes, calculations, estimates, and other similar work materials; are instruments that support the services provided under this Contract, and are not "work products." The Agency understands that the Contractor may retain a copy of all work materials for the purpose of documenting the Contractor's participation in this project. The Agency recognizes that there shall be no unauthorized re-use of any project documents unless authorization of such re-use is reduced to writing and signed by both parties. Ownership of all work materials shall remain the property of the Agency.
14. **TITLE AND RISK OF LOSS:**
 - A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Scope of Work described herein.

- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Agency has title as directed in writing by the Project Manager and/or a designated Agency representative.

15. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
 - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. LIENS: Contractor represents that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall pay all sums of money that become due for any labor, services, materials, or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

17. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green, Manager of Contracts/Procurement and
Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Contractor: Don Holder, Owner
ConServ Construction, Inc.
37204 Sunnygrove Lane
Murrieta, California 92563

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
19. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
23. **TERMINATION FOR CONVENIENCE:** The Agency and/or Contractor each reserve and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the other party. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
25. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

CONSERV CONSTRUCTION, INC.:

P. Joseph Grindstaff
General Manager

(Date)



Don Holder
Owner

2-10-16
(Date)

Attachment A



Jan. 11, 2015

Small Residential Landscape Surveys and Controller Retrofit Program

Proposal submitted to:

Lisa Morgan-Perales
6075 Kimball Ave. Building A
Chino, California 91708

Dear Lisa Morgan-Perales:

Thank you for giving ConSery Construction, Inc. the opportunity to submit our proposal for your Small Landscape Service Program. This proposal will be valid for 90 days from submittal date.

Submitted by:

Don Holder
President
ConSery Construction, Inc.
37204 Sunnygrove Ln.
Murrieta, Ca. 92563
Office. 951.813.2110
Fax. 877.493.7954

Date 1-11-16

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About ConServ Construction Inc.

ConServ Construction, Inc. is established as a Conservation Company to help implement current and future conservation projects with the utmost importance on customer service, professional installation and thorough administration of customer reports. ConServ Construction, Inc. is licensed (#927834) and bonded through the California State Licensing Board with a 'B' General Contractor License and a 'C-27' Landscaping License.

ConServ Construction, Inc. carries Worker's Compensation Insurance with 2 million/1 million through Preferred American Insurance and Commercial Auto with limits at 1 million.

We enjoy a strong working relationship with your Water District staff, conservation professionals, suppliers and subcontractors that allows us to operate a high volume, efficient business.

As a result of our successful history as a vendor IEUA, and other Water Districts, our staff, ConServ, Inc. is uniquely qualified to implement this program.

ConServ, Inc. offers full-service Irrigation Conservation services to Water Agencies and Private Sector customers. Our Irrigation Program Services include:

- Program administration and web-based reporting
- Material procurement and management
- Program implementation and installation
- Irrigation evaluations (recommendations)
- All vehicles are equipped with product and equipment for immediate response to service calls and training. ConServ Inc. has an experienced team of irrigation professionals that include CIA Certified Auditor and installers certified by all major irrigation manufacturers.

All Labor is performed by professional trained employees.

Experience and Qualifications

ConServ Inc. team offers a combination of experience that will serve your project well.

We have an exceptional track record with implementation of water conservation programs addressing customer issues, evaluating difficulties in irrigation systems, recognition of a default site; along with following up on customer education.

ConServ, Inc. has extensive experience with Smart Controller DI programs including management of programs, installation, customer service, customer logistics and follow-up customer service. We have earned the respect of manufacturers for our competency and customer service.

Conserv, Inc. is a highly experienced landscape auditor and our installers have many years of field experience installing and programming ET weather based controllers.

Our financial strength with unlimited credit from our local irrigation suppliers, to our LOC makes no project too small or too large.

As well, our team and approach will help insure the maximum success for your agency and its customers with:

- The best product.
- A quality site audit and review, as required
- Accurate programming
- Responsive Follow-up's for Service Calls

Value Added Services

In addition to our problematic services, ConServ Inc. provides additional customer services at a **NO COST** to IEUA or its customers:

1. Continued service calls and follow-ups to customers until they are satisfied with the product and service.
2. A toll free 800 phone number label is included on each controller for the convenience of each IEUA customer for service and follow-up's.

3. ConServ, Inc. **does not** charge for completed services for audits, scheduling or travel time to customers that are not interested in participating or qualifying in this program.
4. On time responses to follow ups that includes same day visits or scheduling.
5. ConServ Inc. also stores existing used controllers from the program, cleans and refurbishes them, and then donates good controllers and nozzles to **Habitat for Humanity**. To date, we have provided them with over 800 controllers and 20,000 used nozzles including misc. irrigation products.
6. ConServ, Inc. also offers additional phone support and on line video tutorials of installed product and equipment. (access available at www.conservinc.net)
7. ConServ, Inc. offers discount rates for irrigation upgrades and repairs to IEUA's customers.
8. If customer request their old controller to be reinstalled, ConServ, Inc. to reinstall at **no charge** to participating customer.

Key Personnel

ConServ Construction Inc. - Principals:

Don Holder— Principal, ConServ Construction, Inc. (President)

Don Holder oversees the overall business growth of ConServ Inc. He comes from a service oriented Trade Show background that included the management of 75 full time employees. In the past 7 years he has secured projects with several water agencies. Some of his strengths and qualifications are:

- Certified in RainBird, Toro Intelli-Sense, Irritrol, Weathermatic and Hydropoint/WeatherTRAK Controllers.
- Certified Irrigation Auditor (CIA) for ConServ Inc.
- 10 years as Evaluator, Installer and Service Advisor for local Agencies with Installation of 3,000+ WBIC's for residential and Commercial Accounts
- Five years in the Construction Industry as Foreman running a 30 man crew at multiple locations
- Twenty one years as Senior Production Manager overseeing 75 full-time employees with gross annual receipts of \$21 million

Cynthia Campbell - CFO

Cindy Campbell is a seasoned executive that helps in operations and compliance efforts within ConServ, Inc. Mrs. Campbell handles reporting requirements, payroll entries and billing. Cindy's 20 years plus of experience include Payroll and Corporate Tax Preparation.

Bonnie Holder- Administrative Manager

Bonnie has 20+ years of administrative office experience. With her background in graphic design, she has a sense for detail. Her responsibilities include: Supervising and scheduling of all audits and installations. Her organizational strengths include FTP site data entrees and excellent details to Personnel Customer Service.

Shalis Ortega and Lauren Labrousse- Administrative Assistant

Shalis and Lauren joined ConServ, Inc. in 2015 and brings several years of accounting and Web Based Data entry experience to our team. They support ConServ's team from project launch, to data entrees and finally completes our customer satisfaction approach.

Michelle Evans

Michelle's years of customer service and scheduling has made her an important part of ConServ's customer service and customer satisfaction with scheduling.

Steve Campbell / Lead for installations

Steve has 20+ years of interfacing with clients and completing projects with quality and has excellent on time performance. He also holds a current general contracting license # 927834 and a C-27 landscaping license.



Don Holder	Communication and Interfacing with IEUA
Cindy Campbell	Accounting, payroll and invoicing
Bonnie Holder	Appointment support with schedules and FTP site data entering
Michelle Evans	Senior scheduler and phone support
Lauren Labrousse	Data entry with customer service follow-up's
Shalis Ortega	Scheduling, data entry, customer service and follow-up's
Steve Campbell	Lead installer and auditor
Kurt Scorza	Installation and service follow-ups
Tyler Harvard	Installation and service follow-ups

Technical Approach and Methodology

ConServ, Inc. proposes the following approach to effectively manage the installation of 1000 sites within IEUA Service Area.

Step 1.

Signed Agreement with Agency

Donald Holder-President

This includes responses to all questions, presentations and contractual details.

Step 2.

Administration and Communication

ConServ, Inc. team provides a toll free phone number and includes development and implementation of processes that best fit these programs requirements.

With this team, ConServ, Inc. would provide the following services:

- Development of site audits forms.
- Database development (tracking all contacts, site data, equipment data, rebate date, follow-up, etc.).
- Conducting customer calling, tracking scheduled and confirming site visits.
- Supply electronic forms back to the agency and the customer.
- Database reports to the agency.
- Scheduling format for follow-up service calls and future calls as necessary.

Step 3.

Regional Educational Training Sessions

ConServ, Inc. to coordinate educational classes between the water agencies and the manufacturer's representative that will be overseeing the informational classes. Potential customers attend an educational class that will qualify them for participation in the program and to receive a landscape evaluation.

Step 4.

On Site Evaluations

ConServ, Inc. will provide one general evaluation per site. The evaluation will be approx. 30-45 minutes. Evaluation includes:

Staff Responsible: Don Holder

- Personnel who are competent and professional and are uniformed with Conserv Inc.'s logo.
- A booklet, cover letter and summary of the benefits to program
- On time arrival of appointments
(Appointments to have no more than a 30 minute window)
- Accurate data collection
- Ensure participants clearly understand program and value of audit
- Recommendations provide for irrigation efficiency upgrades and repairs

Step 5.

Procurement of Equipment

Staff Responsible: Don Holder

- Scheduling local vendor of project and inventory
- Establishing required material for program
- Establishing procedures for inventory, storage, labeling and adjustments for returns/defects

Step 6.

Installation of Equipment

Staff Responsible: Steve Campbell, Tyler Harvard, and Kurt Scorza

- **Electronic data entrees**
- **Presentable and courteous**
- **Clean and safe worksite conditions**
- **One (1) year warranty of installation**
- **All forms and waivers to be completed before installation**
- **Service vehicle to carry all necessary fittings and parts as required**
- **Thorough on-site training of equipment per installation**
- **Equipped service vehicle with all necessary equipment**
- **Phone support and service calls as needed**

Step 7.

Customer Service and Reporting

ConServ Inc.'s Team (All Staff):

Bonnie Holder, Michelle Evans, Shalis Ortega and Lauren Labrousse

- **Continually polite and respectful**
- **Immediately responsive to problems or concerns (within 48 hours)**
- **Continued training and details to programs processes**
- **Prompt and accurate reporting.**
- **Post all data to dedicated FTP site.**
- **Prompt and accurate invoicing and tracking.**

Fee Proposal

All proposed fees are stated as NET-Price. This represents the total and final cost to the Agency for providing professional quality service for this program. This NET-Price includes all costs associated with all materials. Labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals and any other related costs necessary to supply the services required.

Fee Proposal includes the following services per site:

- Program administration
- Participating educational training and management
- On site evaluation
- Customer service

Sites sizes range from 500 to 10,000 sq. ft. \$225.00 per site

Controller upgrade. *

- See detailed pricing sheets

Maximum per site Cost \$1000.00 per site

*Controller upgrade of existing irrigation equipment will include the removal of their existing equipment and professionally install a new weather-based controller with weather station/ rain sensor.

This includes documentation of the old run times and zone locations as well as programming new run time to function efficiently.

Terms:

Net 30 Days

Discount: 2 % net 15 days

ID	Overall Pricing (ID Controllers)	1st Unit		
		Material	Labor	Sub Total
Stations		w/tax		
4	Toro Evo Controller, Smart link and Weather Station	275	110	385
8	Toro Evo Controller, Smart link and Weather Station	300	120	420
12	Toro Evo Controller, Smart link and Weather Station	320	120	440
16	Toro Evo Controller, Smart link and Weather Station	360	140	500
24	Toro TMC 424 (ID)	495	175	670

2nd Unit		Sub Total
Material	Labor	
w/tax		
200	100	300
225	110	335
245	110	355
285	140	425
475	165	640

Audit		per site
1 unit	2 unit	
Complete	per site	
610	300	
645	335	
665	355	
725	425	
895	640	

OD	Overall Pricing (OD Controllers)	1st Unit		
		Material	Labor	Sub Total
Stations		w/tax		
4	Toro Evo Controller, Smart link and Weather Station	295	110	405
8	Toro Evo Controller, Smart link and Weather Station	310	120	430
12	Toro Evo Controller, Smart link and Weather Station	340	120	460
16	Toro Evo Controller, Smart link and Weather Station	385	140	525
24	Toro TMC 424 (OD)	495	175	670

2nd Unit		Sub Total
Material	Labor	
205	100	305
235	110	345
265	110	375
305	140	445
475	165	640

Audit		per site
1 unit	2 unit	
complete	per site	
630	310	
655	345	
685	375	
750	445	
895	640	

Additional Pricing - Irritrol Rain Dial Controllers

ID	Overall Pricing (ID Controllers)	1st Unit		Sub Total
		Material	Labor	
Stations		w/tax		
4	Rain Dial, Climate Logic with rain sensor	275	110	385
8	Rain Dial, Climate Logic with rain sensor	300	120	420
12	Rain Dial, Climate Logic with rain sensor	320	120	440
16	Toro TMC 424 (ID)	485	140	625
24	Toro TMC 424 (ID)	495	175	670

2nd Unit		Sub Total
Material	Labor	
w/tax		
275	100	300
300	110	335
320	110	355
485	140	625
475	165	640

1 unit	2 unit
Complete	per site
610	300
645	335
665	355
850	625
895	640

Audit
per site
225
225
225
225
225

OD	Overall Pricing (OD Controllers)	1st Unit		Sub Total
		Material	Labor	
Stations		w/tax		
4	Rain Dial, Climate Logic with rain sensor	295	110	405
8	Rain Dial, Climate Logic with rain sensor	310	120	430
12	Rain Dial, Climate Logic with rain sensor	340	120	460
16	Toro TMC 424 (OD)	485	140	625
24	Toro TMC 424 (OD)	495	175	670

2nd Unit		Sub Total
Material	Labor	
295	100	395
310	110	420
340	110	450
485	140	625
475	165	640

1 unit	2 unit
complete	per site
630	395
655	420
685	450
850	625
895	640

Audit
per site
225
225
225
225
225

Sample Forms

Web-Enabled Database

Client ID#	Account Number	Last Name	First Name	Name	Street Address	City	Zip	Phone Number
CWPD								
1	39211-5976	Wilkins	Terry	Terry	10996 Hillside Road	Rancho Cucamonga	91737	909 376-3786
2	216719-6448	Lewis	Robert	Robert	10534 Ridge Canyon Rd	Rancho Cucamonga	91737	702 262-7314
3	198265-80518	Troutman	Jeff & Tina	Jeff & Tina	12609 Cambria Dr	Rancho Cucamonga	91737	951 733-6217
4	4737-4040	Sharfi	Ben	Ben	9685 Whirlaway	Rancho Cucamonga	91737	(?) 948-1401
5	2733-2342	Blucker	John	John	9236 Golden Street	Rancho Cucamonga	91737	909 921-4841
6	2733-2344	Blucker	John	John	9254 Golden Street	Rancho Cucamonga	91737	909 921-4841
7	255379-102190	Vegas/Tran	Jason/Jessica	Jason/Jessica	13575 Wild Maple	Rancho Cucamonga	91739	951 454-8522
10	173143-6232	Allen	Sam	Sam	5468 Northwind Place	Rancho Cucamonga	91737	909 948-1401
11	241467-81474	Castaneda	Oscar/Marissa	Oscar/Marissa	6368 Show Horse Way	Rancho Cucamonga	91739	209 404-7467
12	123823-79874	Hafez	Moheemmed	Moheemmed	11145 Martingale Way	Rancho Cucamonga	91701	909 425-7107
13	143795-3722	Spencer	Tammy	Tammy	9390 Rancho Street	Rancho Cucamonga	91737	909 851-5738
14	222937-88308	Buchanan	Robert/Briana	Robert/Briana	5320 Windsor Place	Rancho Cucamonga	91739	909 456-5927
15	251759-5770	Johnson	Amber	Amber	5523 Deer Creek Lane	Rancho Cucamonga	91737	909 278-3125
16	5223-4432	Simmons	JoAnn	JoAnn	10068 Copper Mt Court	Rancho Cucamonga	91737	951 204-7124
17	16347985534	Nakai	Kulwinder	Kulwinder	5034 Morgan Place	Rancho Cucamonga	91737	909 730-5031
18	222937-88308	Buchanan	Robert	Robert	5320 Windsor Place	Rancho Cucamonga	91739	909 456-5927
19	120171-85390	Miller	Rick	Rick	6309 Countrywood Pl	Rancho Cucamonga	91739	909 379-8580

Sample of System-Generated Email Confirming Client Application

From: customer_scs@accc.com
 To: michael@ecoplenet.com.net
 Cc:
 Subject: auto message 8662511544

Sent: Wed 01/26/2011 11:07 AM



Account 8662511544
Message Taken 01/26/2011 11:07 AM PST
Message Sent 01/26/2011 11:07 AM PST

Call Types (MOST CALLS) Applying for the Toilet Replacement Program
Name Karen
Phone Number 951678 575
Was the form submitted successfully? Yes

Online Voice Mail and Call Logging

Play	(951) 123-4567	Contact Lake El...	Today	1:21 PM	5 sec		
Play	(951) 123-4567	Contact La Vern...	Today	1:15 PM	28 sec		
Play	(951) 123-4567	Contact Lake El...	Today	12:43 PM	57 sec		
Play	(951) 123-4567	Contact Nuevo, CA	Today	12:20 PM	91 sec		
Play	(951) 123-4567	Contact Murrel...	Today	11:48 AM	24 sec		
Play	(951) 123-4567	Contact Sun Cit...	Today	11:45 AM	22 sec		



Confirmation of Insurance

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
\$1,000,000 Product-Completed Operations Aggregate
\$2,000,000 Personal & Advertising injury limit
\$1,000,000 Automotive Liability Insurance

Time Line

With this ConServ, Inc. team, we are accustomed to delivering a rapid implementation to your project. We offer our services six (6) days a week from scheduling, audits, installations and follow-up service calls.

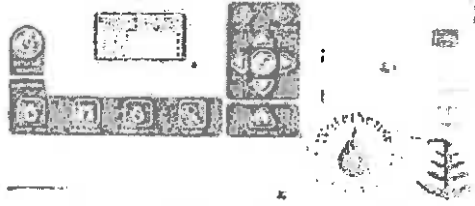
With our answering and on-line services, we can retrieve, call back and schedule from same day to 24-48 hours.

The Toro Company

5825 Jasmine Street, Riverside, California 92504-1183 • Phone 951/688-9221
P.O. Box 489, Riverside, California 92502-0489

December 16, 2015

Mr. Don Holder
ConServ Construction Inc.
30190 Via Del Fierro
Menifee, CA 92584



SUBJECT: Toro EVOLUTION® Controller for Inland Empire Utilities Agency (IEUA)

The Toro Company extends its greatest appreciation on being a part of the Inland Empire Utilities Agency's irrigation controller installation program. The EVOLUTION® controller series is an exciting choice for residential and light-commercial irrigation systems, as this state-of-the-art platform provides a multitude of user-friendly features that include:

- Revolutionary user interface making it easier to operate for home owners, end users, and installation contractors
- Modular design makes it easy to expand the 4 station base model up to 8, 12, and even 16 station capacity
- Easy upgrade to Smart Control with the optional Smart Connect™ allowing wireless connectivity to weather sensors, soil moisture sensors, wireless relays, and even a hand held remote
- Built for the future with a USB port to allow updates for newly added features eliminating the need to replace the controller
- Compatible with the SMRT Logic™ to allow both end users and contractors to interface with the EVOLUTION® via the internet and smartphone app
- Computer-programmable via a USB flash drive with the free EVOLUTION® Scheduling-Advisor™ software

The Toro Company wishes to extend pricing protection on EVOLUTION® controller and the available add-on devices for the IEUA 2015-2016 program year.

Qualifying products are:

Inland Empire Utility Agency (IEUA) Small Residence Smart Controller Install Program		
Part #	Description	List Price
EVO-4ID	Evolution 4-Station Indoor Controller	\$155.00
EVO-4OD	Evolution 4-Station Outdoor Controller	\$185.00
EMOD-4	Evolution 4-Station Expansion Module	\$49.00
EMOD-12	Evolution 12-Station Expansion Module	\$165.00
EVO-SC	Smart Connect® Plug-In Receiver	\$120.00
EVO-WS	Wireless Weather Sensor	\$99.00
PSS-SEN	Wireless Precision™ Soil Sensor (Probe Only)	\$99.00

*Toro distributes all finished goods through an authorized distributor; please secure pricing through a participating distributor

Thank you for this opportunity. We are excited to continue working with ConServ and the Inland Empire Utilities Agency (IEUA) in providing the necessary product training and support.

Dave Armentrout
Area Business Manager

References

1. IEUA
6075 Kimbal Ave
Chino, Ca. 91708
Large Landscape irrigation program with nozzle retrofit.

ConServ, Inc is currently contracted to service approx. 500 customers per year with an audit, controller upgrade and high efficient nozzles if qualified.

2. MVWD
Justin Scott-Coe

ConServ Inc. is currently contracted to implement MVWD Residential Nozzle Program. We handled all scheduling, audits, installations and rebate for this program.

- 3 Eastern Municipal Water District
2270 Trumble Rd.
Perris, Ca. 92570
Stacy Rodriguez
951.928.3777
DI Residential Controller Program

ConServ, Inc. is currently contracted to implement their DI Controller Program with also includes the residential and commercial nozzle retrofit programs.

STATE OF CALIFORNIA

Contractors State License Board

Pursuant to Chapter 9 of Division 3 of the Business and Professions Code and the Rules and Regulations of the Contractors State License Board, the Registrar of Contractors does hereby issue this license to:

CONSERV CONSTRUCTION INC

License Number 927834

to engage in the business or act in the capacity of a contractor in the following classification(s):

**B - GENERAL BUILDING CONTRACTOR
C27 - LANDSCAPING**

Witness my hand and seal this day,

January 26, 2009

Issued January 23, 2009

James Miller
James Miller
Board Chair

Stephen P. Sands

Stephen P. Sands
Registrar of Contractors

This license is the property of the Registrar of Contractors, is not transferrable, and shall be returned to the Registrar upon demand when suspended, revoked, or invalidated for any reason. It becomes void if not renewed.



Cal OSHA IIPP Policy and Procedures 2016

RESPONSIBILITY

The Injury and Illness Prevention Program (IIP Program) administrator, Donald Holder- President has the authority and the responsibility for implementing and maintaining this IIP Program for ConServ, Inc.

Managers and supervisors are responsible for implementing and maintaining the IIP Program in their work areas and for answering worker questions about the IIP Program. A copy of this IIP Program is available from each manager and supervisor.

COMPLIANCE

All permanent and intermittent workers, including managers and supervisors, are responsible for complying with safe and healthful work practices. Our system of ensuring that all workers comply with these practices include the following practices:

- Informing workers of the provisions of our IIP Program.
- Evaluating the safety performance of all workers.
- Recognizing employees who perform safe and healthful work practices.
- Providing training to workers whose safety performance is deficient.
- Disciplining workers for failure to comply with safe and healthful work practices.

COMMUNICATION

All managers and supervisors are responsible for communicating with all permanent and intermittent workers about occupational safety and health in a form readily understandable by all workers. Our communication system encourages all workers to inform their managers and supervisors about workplace hazards without fear of reprisal.

Upon hiring, management will identify any intermittent workers with special communication needs. Management will ensure that such a worker understands the safety and health requirements before being assigned to duties exposing them to workplace hazards.

Our communication system includes the following items:

- New worker orientation including a discussion of safety and health policies and procedures.
- Review of our IIP Program.
- Workplace safety and health training programs.
- Regularly scheduled safety meetings.
- Effective communication of safety and health concerns between workers and
- Supervisors, including translation where appropriate. Posted or distributed safety information.

- A system for workers to anonymously inform management about workplace hazards.

Our establishment has less than ten employees and communicates with and instructs employees orally about general safe work practices and with respect to hazards unique to each employee's job assignment.

HAZARD ASSESSMENT

Periodic inspections to identify and evaluate workplace hazards shall be performed by a competent observer in the following areas of our workplace:

Periodic inspections are performed according to the following schedule:

1. When we initially established our IIP Program;
2. When new substances, processes, procedures or equipment which present potential new hazards are introduced into our workplace;
3. When new, previously unidentified hazards are recognized;
4. When occupational injuries and illnesses occur;
5. When we hire and/or reassign permanent or intermittent workers to processes, operations, or tasks for which a hazard evaluation has not been previously conducted; and
6. Whenever workplace conditions warrant an inspection.

Periodic inspections consist of identification and evaluation of workplace hazards utilizing applicable sections of the attached Hazard Assessment Checklist and any other effective methods to identify and evaluate workplace hazards.

ACCIDENT/EXPOSURE INVESTIGATIONS

Procedures for investigating workplace accidents and hazardous substance exposures include:

1. Interviewing injured workers and witnesses;
2. Examining the workplace for factors associated with the accident/exposure;
3. Determining the cause of the accident/exposure;
4. Taking corrective action to prevent the accident/exposure from reoccurring; and
5. Recording the findings and corrective actions taken.

HAZARD CORRECTION

Unsafe or unhealthy work conditions, practices or procedures shall be corrected in a timely manner based on the severity of the hazards. Hazards shall be corrected according to the following procedures:

1. When observed or discovered.
2. When an imminent hazard exists, which can not be immediately abated without endangering employee(s) and/or property, we will remove all exposed workers from the area except those necessary to correct the existing condition. Workers necessary to correct the hazardous condition shall be provided with the necessary protection.

TRAINING AND INSTRUCTION

All permanent and intermittent workers, including managers and supervisors, shall have training and instruction on general and job-specific safety and health practices. Training and instruction can be provided through a brief on-site safety meeting. Any training and instruction shall be provided as follows:

1. When the IIP Program is first established;
2. To all new workers, except for construction workers who are provided training through a construction industry occupational safety and health training program approved by Cal/OSHA;
3. To all workers given new job assignments for which training has not previously provided;
4. Whenever new substances, processes, procedures or equipment are introduced to the workplace and represent a new hazard;
5. Whenever the employer is made aware of a new or previously unrecognized hazard;
6. To supervisors to familiarize them with the safety and health hazards to which workers under their immediate direction and control may be exposed; and
7. To all workers with respect to hazards specific to each employee's job assignment.

Workplace safety and health practices for all industries using intermittent workers include, but are not limited to, the following:

1. Explanation of the employer's IIP Program, emergency action plan and fire prevention plan, and measures for reporting any unsafe conditions, work practices, injuries and when additional instruction is needed.
2. Use of appropriate clothing, including gloves, footwear, and personal protective equipment.
3. Prevention of muscular skeletal disorders including proper lifting techniques.
4. Information about chemical hazards to which employees could be exposed and other hazard communication program information.
5. Availability of toilet, hand-washing and drinking water facilities.
6. Provisions for medical services and first aid including emergency procedures.

RECORDKEEPING

Since we have less than ten workers, including managers and supervisors, we maintain inspection records only until the hazard is corrected and only maintain a log of instructions to workers with respect to worker job assignments when they re first hired or assigned new duties.

LIST OF TRAINING SUBJECTS

We train our workers on the following training subjects:

HEAVY CONSTRUCTION AND SPECIAL TRADES CONTRACTORS
(SIC Codes: 1611, 1721, 1751-1755, 1761, 1771)

- The employer's Code of Safe Practices.
- Good housekeeping, fire prevention, safe practices for operating any construction equipment, including procedures for cleaning, repairing, servicing and adjusting.
- Safe access to working areas.
- Protection from falls.
- Electrical hazards, including working around high voltage lines.
- Proper use of powered tools.
- Ergonomic hazards, including proper lifting techniques.
- All Current best Practices for Water Conservation

Code of Safe Practices

2016

1. All persons shall follow these safe practices rules, render every possible aid to safe operations and report all unsafe conditions or practices to managers or supervisors.
2. Managers and supervisors shall insist on employee's observing and obeying every rule, regulation, and order as is necessary to the safe conduct of the work, and shall take such action as is necessary to obtain observance.
3. All employees shall be given frequent injury and illness prevention instructions.
4. Anyone known to be under the influence of drugs or intoxicating substance which impairs the employee's ability to safely perform the assigned duties shall not be allowed on the job while in that condition.
5. Running, jumping horseplay, scuffling and other acts which tend to have an adverse influence on the safety or well being of the employee's shall be prohibited.
6. Work shall be well planned and supervised to prevent injuries in the handling of materials and in working together with equipment.
7. Employees shall be instructed to ensure that all guards and other protective devices are in proper places and adjusted and shall report deficiencies promptly to the manager or supervisor.
8. Employee's shall not enter underground vaults, chambers, tanks, manholes. Silos or other similar confined places that receive little ventilation, unless it has been determined that it is safe to enter.
9. **Electrical.**
Employees shall not handle or tamper with any electrical equipment, machinery, air or water lines in a manner not within the scope of their duties unless they have received instructions from their supervisor or manager. Respect electricity under all circumstances. Never use electrical equipment in areas of excessive moisture unless all safeguards have been taken. Electric power cords are grounded thru approved cords, including extension, for your safety. Never remove or alter polarized cords or plugs.

10. Heavy Lifting.

When lifting heavy objects, use the large muscles of the leg instead of the back muscles. Learn and practice the proper way to lift or carry material or any object. Do not operate any type of powered material handling or hoisting equipment unless authorized. Get help in handling heavy or bulky loads.

11. Heavy Equipment

Stay clear of heavy equipment. Remain aware of warning devices such as bells, horns or whistles. Use protective gear as recommended when exposed to unusual hazards. Never attempt an operation with which you are not familiar, ask first for specific instructions. Wear suitable work cloths at all times, heavy soled shoes protect against puncture injury.

12. Basic First

First aid is of value in the event of injury. Never attempt to move a person who may possibly suffer from a injured spine or other internal injury unless proper methods are completely understood. All injuries shall be reported promptly to the supervisor or manager so that arrangements can be made for medical or first aid treatment.

13. Accident Prevention

All persons must abide by Construction Safety Orders, General Industry Safety Orders and Company rules. Posters and other safety material are displayed for the benefit of employees, read and abide by these suggestions. Give every possible aid in the event of injury.

14. Accident Reporting

Report all personal injuries to a supervisor immediately. Obtain authorization for any medical attention off the job. Medical release is necessary before returning to work.

15. Job Site

Keep work areas free of debris, good housekeeping is essential. Remove or correct any hazards. Never work or pass under suspended loads or equipment.

16. Work Habits

Assist other trades when necessary to maintain safe operation. Never place yourself, or allow others to work in a dangerous position. Use the right tool or equipment for all work. Use of any alcoholic beverage is strictly prohibited on the job. Don't be party to horseplay; pranks can be fatal. Construction sites offer unusual hazards, walk and work all due respect for them.

17. Hand Tools

Always use the proper tools and maintain them in good condition at all times. Loose or broken handles, mushroom heads, dull blades, improper size or type of tool should never be used.

18. Power Tools

Power activated tools must only be used by licensed personnel. Know the proper method of using a skill saw; never block back the retractable guard. It is for your protection. Never use a tool with which you are not fully experienced.

19. Protective Devices

Hand or guardrails, protective covers, toe-boards, ramps and safety devices installed on various tools are for your safety. Do not tamper with, remove or damage these protective measures. Replace, correct or report any unsafe guard or device.

20. Transportation

Do not stand on the bed of the truck. Never ride with arms or legs over the sides, do not sit on the tailgate. It must be closed during transportation of passengers. Be careful of any tools, material or equipment as it may shift or slide.

21. Flammables, Solvents

Never use gasoline or other highly volatile liquids for cleaning purposes. Oxygen and acetylene cylinders can be dangerous, secure against rolling or tipping. Do not expose tanks or containers that may contain explosive vapor or liquid to open flame or spark.

22. Employees Timecards

All employees are to report any injury at the time of the injury. Employees are to sign their own timecard at the end of each week stating if any injury occurred.

Note: Non-compliance with these regulations will result in disciplinary action.

1st offense- Verbal warning

2nd offense- Written warning (signed by both parties)

3rd offense- Final written warning (signed by both parties)

4th offense- Disciplinary time off

5th offense- Termination

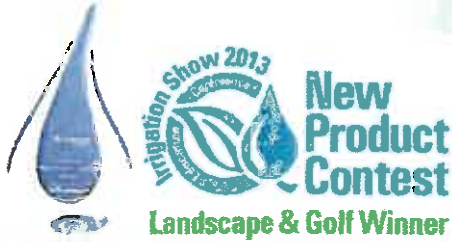
Donald G. Holder
ConServ Construction Inc.

TORO.

Count on it.

EVOLUTION® Series

Controllers



Introducing the next generation in controllers!
 With an intuitive interface and exclusive features for “smart” control, the new Toro® EVOLUTION® is an easy choice for residential and light-commercial applications.

Features & Benefits

Revolutionary Interface

The EVOLUTION controller’s user interface was designed with the customer in mind. Shortcut buttons provide quick access to basic functions while the advanced menu leverages the experience and knowledge of the irrigation professional, all shown on a graphics display that navigates similar to many modern consumer electronic devices.

Easy Upgrade to Integrated Smart Control

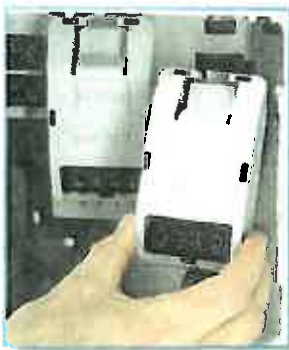
An optional Smart Connect™ device plugs into the timing mechanism, enabling it to wirelessly communicate directly with a number of add-on devices—including a weather sensor, handheld remote, multiple soil sensors, and up to two wireless relays.

Computer-programmable with USB Drive

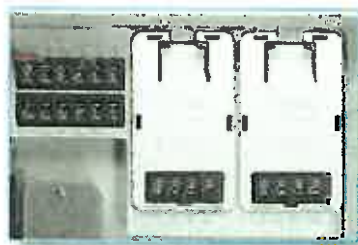
Simple-to-use software allows you to program everything at a computer. Use a standard USB drive to transfer programming to one or more controllers in a matter of seconds. Create your own schedules or utilize the easy to use wizard to generate a schedule based on the historical requirements of your location.



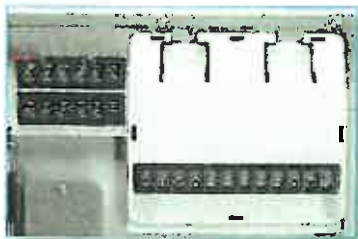
EPA WaterSense® Certified when used with Smart Connect™ Wireless Weather Sensor



Modular configurations from 4 to 16 stations



12-station configuration with (2) 4-station modules



16-station configuration with (1) 12-station module

Controller Interface

The EVOLUTION controller's interface is a system of informative yet easy-to-understand screens that are quickly accessible using the controller's shortcut buttons.

Dedicated Water OFF

Homeowner Basic Operations



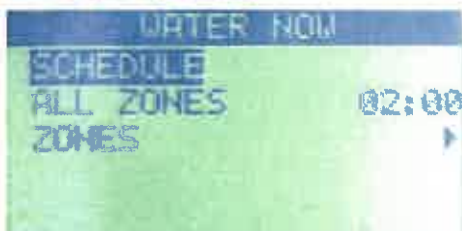
Help/Info

Contractor Advanced Operations

Standard Functions



The **Standard** menu gives the homeowner access to the most fundamental functions of the controller, such as manual watering, setting watering days and start times for a *single* schedule, and adjusting the amount of irrigation, all directly accessible through dedicated shortcut buttons.



For example, the **Water Now Screen** allows the user to begin watering with as few as just two button presses, with the option of starting a specific schedule, specific zone, or watering all zones in series.



Another example is the **Review Screen**, which is an at-a-glance summary showing which days the controller is going to water in the next seven days for the schedule you select.

Advanced Functions



The **Advanced** menu gives the contractor access to the full power of the EVOLUTION® controller, including the ability to set up *multiple* irrigation and auxiliary schedules, create custom grow-in schedules, and configure any "smart" add-on devices - all operations that may otherwise overwhelm a homeowner.



For example, the **Apply Sensors** screen allows the user to easily view and configure all the sensors available to the controller, including rain, ET, and soil.



The **Grow In Screen** allows the user to set up a grow-in schedule for a user-defined period of time (up to 90 days), after which the controller will default back to its normal irrigation schedule(s).

Other Examples



The **Home Screen** displays the current time and date, what zones are scheduled to water next, or if currently watering, what zone(s) are currently watering and how much time is remaining, as well as any alerts - in the absence of any alerts, the screen will display "SYSTEM OK."



The **Contractor Message Screen** allows the contractor to input a custom message with their name and contact information into the controller from the software via a USB drive so it is visible to the homeowner when they press the "Help" button.

Smart Connect™ Add-On Devices

Simply plugging the Smart Connect device into the EVOLUTION® controller allows it to communicate wirelessly with a number of add-on devices, providing a great opportunity to upgrade with a number of different water-saving and time-saving options.



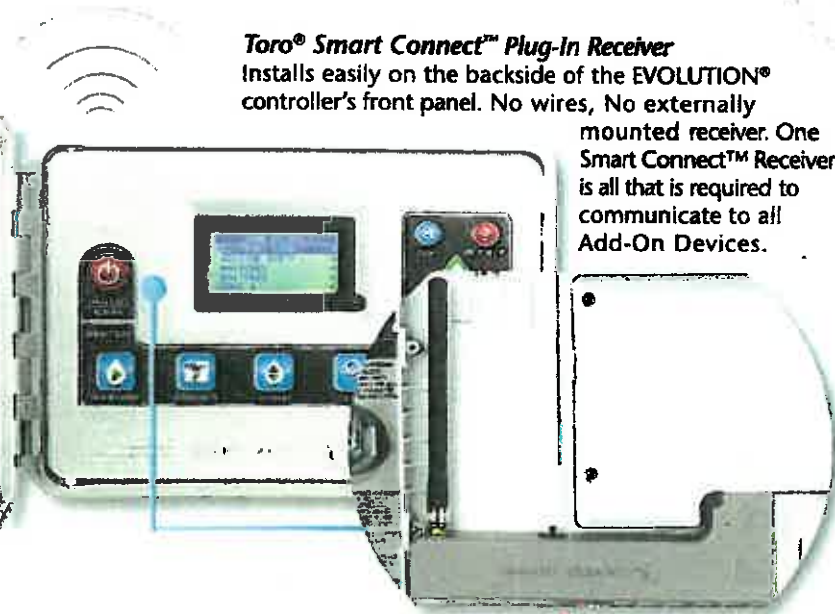
Wireless ET Sensor

Uses live temperature and solar measurements as well as historical weather data for your location to calculate the amount of water needed from the irrigation system.



Handheld Remote

Makes maintenance checks a snap, allowing you to run sprinklers or schedules from up to 1000 feet (305 m) away.



Toro® Smart Connect™ Plug-In Receiver

Installs easily on the backside of the EVOLUTION® controller's front panel. No wires, No externally

mounted receiver. One Smart Connect™ Receiver is all that is required to communicate to all Add-On Devices.



EVOLUTION® Scheduling-Advisor™ Software*

Programming can be transferred from your computer to the controller in seconds using a standard USB drive.

*Smart Connect device not required for software programming capability.



Toro® Precision™ Soil Sensor

Up to three soil sensors can be used (one per schedule) to monitor the moisture level in the soil and prevent over- and underwatering. With up to a 500 feet (152,4 m) wireless range, there's no digging required to install.



Wireless Auxiliary Relay

Up to two wireless relays can be used to turn on lighting, pumps, or fountains, just to name a few possibilities.

Dimensions

- 11.25" W x 7.75" H x 4.5" D (286 x 197 x 114 mm)
- Weight: 4.5 lbs. (2 kg)

Electrical Specifications

- Electrical input power:
 - 120 VAC
 - 30 VA maximum
 - UL, CUL Listed
- Station output power:
 - 24 VAC
 - 0.75 amps per station maximum
 - 0.75 amps pump/master valve
 - 1.0 amps total load
- Surge Protection:
 - 6.0 KV common mode; 1.0 KV normal mode
- Operation of two solenoids per station (up to 0.75 amps per station max)

Programming

- One schedule in the default "standard" mode
- Up to six schedules in "advanced" mode:
 - Three irrigation schedules, four start times per schedule
 - One fixed auxiliary schedule, plus two wireless (optional Add-on)
- Three scheduling choices:
 - Seven-day calendar
 - 1- to 30-day interval with up to seven day restrictions
 - Odd/even days with up to seven day restrictions
- Monthly season adjust by schedule
- Schedule stacking, with automatic split cycle when season adjust is greater than 100%
- Grow-in schedule settable up to 90 days automatically reverts to regular irrigation schedule
- Station runtimes from one minute to twelve hours
- Allows 30, 60, or 90 second manual runtimes for things such as winterization/blowouts
- Programmable well-recovery/station-delay from 10 seconds to 30 minutes
- Pump start delay from 10 seconds to 30 minutes
- Master valve on/off by zone
- Timed water off from one to fourteen days
- Compatible with normally-closed rain sensors
- Automatic short detection for circuit protection and faster troubleshooting
- Non-volatile memory doesn't require batteries and holds programming for up to five years
- Zone Diagnostic Test which displays current values, short, over current or open zones

Hardware

- 4 to 16 stations with 4- and 12-station hot-swappable modules
- Cabinet easily mounts to the wall through two easily-accessible screw holes on the upper left-hand and right-hand sides of the controller
- Red LED next to display lights in the event of an alert
- 128 x 64 pixel graphical display
- Battery on the timing mechanism for "armchair" programming
- Outdoor key-lock cabinet manufactured out of durable UV-resistant plastic and includes standardized key used on many of the most popular controllers
- Indoor cabinet includes internal transformer with pre-attached pigtail

Optional Add-ons and Accessories

- EVO-SC – Smart Connect™ Device
- PSS-SEN – Precision™ Soil Sensor Probe
- EVO-WS – ET/Weather Sensor
- EVO-HH – Maintenance Remote
- EVO-AR – Auxiliary Relay

Warranty

- Five years

EVOLUTION® Series Model List

Model	Description
• EVO-4ID	4-station Indoor Controller
• EVO-4OD	4-station Outdoor Controller

Add-ons and Accessories

Model	Description
• EMOD-4	4-station Expansion Module
• EMOD-12	12-station Expansion Module
• EVO-SC	Smart Connect™ Plug-In Receiver
• PSS-SEN	Wireless Precision™ Soil Sensor Probe Only
• EVO-WS	Wireless Weather Sensor
• EVO-HH	Wireless Handheld Maintenance Remote
• EVO-AR	Wireless Auxiliary Relay

Specifying Information

EVO-4-XX-XX-SC

Description	Cabinet Type	Module	Connector Options
EVO-4	XX	XX	SC
EVO-4 – EVOLUTION Controller	ID – Indoor OD – Outdoor	4 – 4-station 12 – 12-station	SC – Smart Connect Device

Example: A 16-station EVOLUTION controller in an indoor cabinet with the Smart Connect device would be specified as EVO-4ID-12-SC



www.toro.com • The Toro Company • Irrigation Division • 5825 Jasmine St. • Riverside, CA • 92504 • 877-345-8676

Specifications subject to change without notice. For more information, contact your local Toro distributor.

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Public, Legislative Affairs, and Water Resources Committee


**ACTION
ITEM
1C**


Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/09/16)

From: P. Joseph Grindstaff
General Manager 

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Resolution No. 2016-3-3, for SGMA Basin Boundary Modification

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2016-3-3, for the Agency to initiate a SGMA boundary change request to the California Department of Water Resources recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary throughout the majority of the Chino Basin.

BACKGROUND

The California Legislature passed the Sustainable Groundwater Management Act (SGMA), which was signed into law by the Governor and went into effect on January 1, 2015. The goals of SGMA are to provide for the sustainable management of California's groundwater basins through the actions of local government agencies while minimizing state intervention. The SGMA exempts adjudicated groundwater basins from certain requirements. Within its adjudicated basin boundaries, the Chino Basin is exempt from certain requirements of the SGMA. However, the Chino Basin boundary as defined by the State Department of Water Resources (DWR) in Bulletin 118 does not precisely align with the Chino Basin adjudicated boundary. These differences have the potential to create vacancies and/or overlaps in the groundwater management responsibilities required by the SGMA.

DWR allows local agencies (with a portion of their service area within or adjacent to a groundwater basin) to request a modification of their Bulletin 118 basin boundaries. Because a portion of the Agency's service area overlies the Chino Basin, the Agency may submit a request to the DWR for modification of the Chino Basin Bulletin 118 Boundary (Chino Basin Boundary

Resolution for SGMA Basin Boundary Modification

March 16, 2016

Page 2 of 2

Modification). The Chino Basin Watermaster (CBWM), which is charged with the implementation of the Chino Basin Judgment's Physical Solution, is not defined by DWR as a local agency and is thus not eligible to request a basin boundary modification. CBWM has requested that IEUA, Three Valleys Municipal Water District and the Western Municipal Water District, each request, as the local agencies, the Chino Basin Boundary Modification. A requirement of the change request is that each of the local agency pass and submit a resolution in support of the boundary change request.

IEUA has prepared a resolution to formally initiate a request with DWR for the Bulletin 118 Chino Basin Boundary to be modified to conform to the adjudicated basin boundary throughout the majority of the Chino Basin, with some minor variations. The Basin Boundary Modification Request submitted to DWR will be supported by data and technical analysis provided by CBWM and Wildermuth Environmental, Inc.

On February 17, 2016, the Chino Basin Boundary Modification was presented as an informational item to the IEUA Board of Directors. Following the presentation, a notice of intent was submitted to DWR stating that IEUA would file a request for the Chino Basin Boundary Modification. The notice of intent allows notification by DWR to stakeholders of the intended boundary change. Boundary change requests are due to DWR by March 31, 2016.

The Chino Basin Boundary Modification Request is consistent with the IEUA business goal of *Water Reliability* by providing for sustainable groundwater management in the Chino Basin and enhancing local management of groundwater in the Chino Basin and surrounding basins.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

Attachment: Resolution No. 2016-3-3

Resolution for Sustainable Groundwater Management Act (SGMA) Basin Boundary Modification Request for Chino Basin

State of California
The Resources Agency
Department of Water Resources



CALIFORNIA'S GROUNDWATER

BULLETIN 118 Update 2003

October 2003



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Andy Campbell

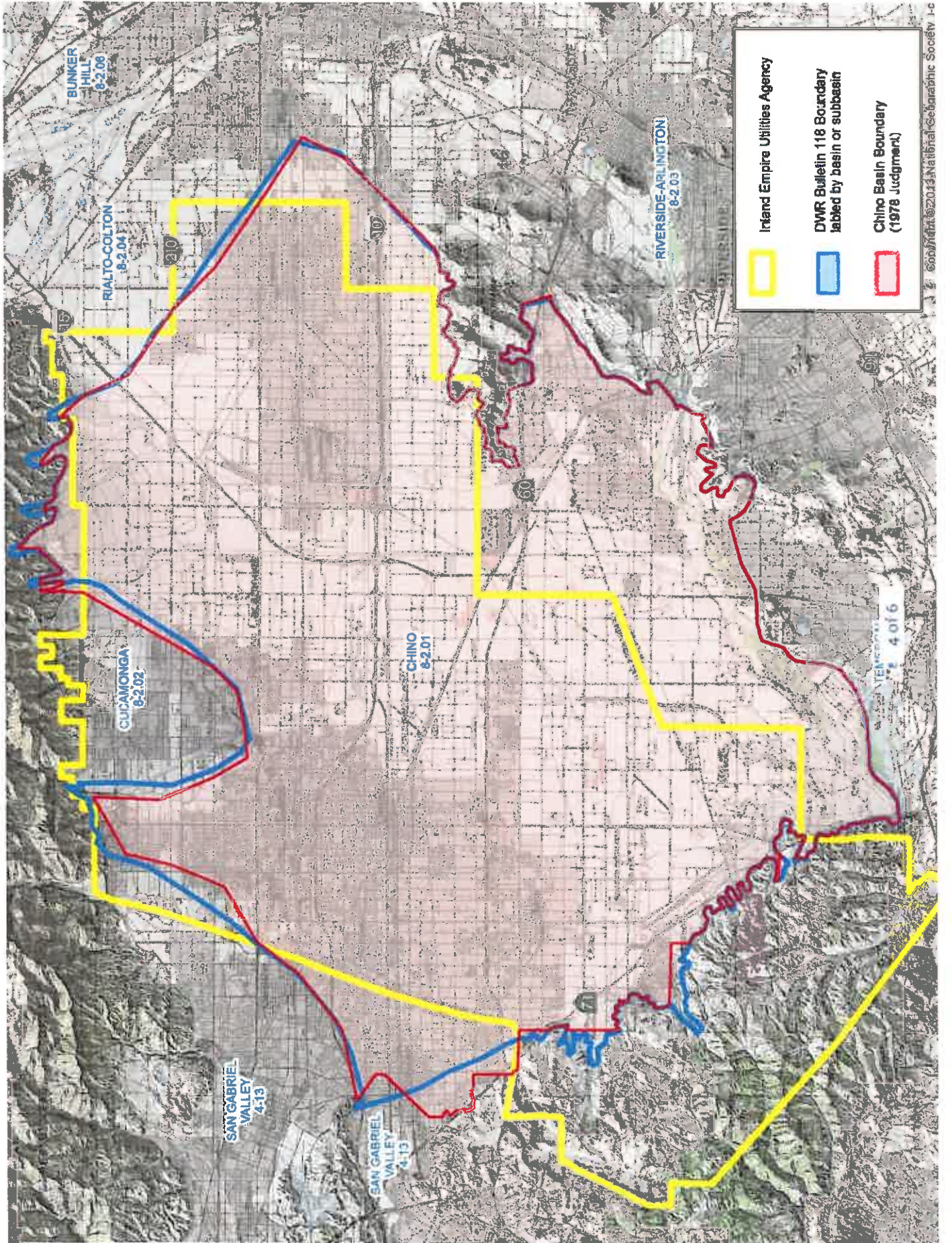
IEUA Board of Directors Meeting
March 2016

2014 SGMA

- SGMA contains laws to protect groundwater basins providing water for CA in dry years.
- Groundwater resources are to be managed sustainably for long-term reliability.
- SGM is best achieved locally through the development, implementation, and updating of plans and programs.

Basin Boundary Emergency Regulations

- Discrepancy between the adjudicated and DWR Bulletin 118 basin boundaries creates uncertainty.
- Regulations provide a mechanism through which internal basin boundaries may be revised to conform with jurisdictional boundaries.



Chino Basin Watermaster (CBWM) Request

- Update Bulletin 118 Chino Basin boundaries to match adjudicated boundaries.
- CBWM cannot request a change as it is not a local agency.
- CBWM to provide technical and supporting documentation.
- IEUA, WMWD, TVMWD to submit Basin Boundary Modification Requests by March 31, 2016.





Recommendation

Adopt Resolution 2016-3-3 for the Agency to initiate a SGMA boundary change request to DWR recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary.

The Chino Basin Boundary Modification Request is consistent with the **Agency's Business Goal of Water Reliability** by providing for sustainable groundwater management in the Chino Basin and enhancing local management of groundwater in the Chino Basin and surrounding basins.

RESOLUTION NO. 2016-3-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, REQUESTING BOUNDARY MODIFICATION FOR THE CHINO GROUNDWATER BASIN UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

WHEREAS, the Inland Empire Utilities Agency (“Agency”) is a California Special District, created to serve as the water wholesale agency for seven cities, serving approximately 830,000 people, in southwestern San Bernardino County; and

WHEREAS, the Agency’s service area overlies a portion of the Chino Subbasin (8-02.01) (“Chino Basin”) of the Upper Santa Ana Valley Basin (8-02); and

WHEREAS, the judgment in *Chino Basin Municipal Water District v. City of Chino*, et al., (“Chino Basin Judgment”) in 1978 established a Physical Solution for the management of the Chino Basin and defined the boundaries of the Chino Basin (the “Adjudicated Basin Boundary”) for the purpose of allocation and management of the groundwater supplies therein; and

WHEREAS, the California Legislature passed the Sustainable Groundwater Management Act (SGMA), which was signed into law by the Governor and went into effect on January 1, 2015, with the goals of providing for the sustainable management of California’s groundwater basins and managing groundwater basins through the actions of local government agencies to the greatest extent feasible while minimizing state intervention; and

WHEREAS, the SGMA exempts adjudicated groundwater basins from certain requirements relating to establishment of groundwater sustainability agencies and promulgation of groundwater sustainability plans; and, as an adjudicated basin, the Chino Basin is exempt from those certain requirements of the SGMA to the extent of the Adjudicated Basin Boundaries; and

WHEREAS, the California Department of Water Resources (DWR) has issued Bulletin 118, which delineates boundaries for California’s 515 alluvial groundwater basins and sub-basins, and was last updated in 2003; and for the purpose of implementation of the SGMA, the initial boundaries of the groundwater basins and sub-basins subject to the SGMA’s management provisions are those delineated by Bulletin 118; and

WHEREAS, the Chino Basin as defined in Bulletin 118 (“Bulletin 118 Basin Boundary”) does not precisely align with the Adjudicated Basin Boundary, which has the potential to create confusion and conflicting groundwater management schemes in different areas of the Chino Basin, as well as areas not subject to sustainable groundwater management required by the SGMA; and

WHEREAS, the DWR has promulgated regulations that allow local agencies with a service area or portion of a service area within or adjacent to a groundwater basin or sub-basin to request a modification of the boundaries of the basin or sub-basin; and because a portion of the

Agency's service area overlies the Chino Basin, the Agency is eligible to submit a request to the DWR for modification of the Bulletin 118 Boundary; and

WHEREAS, the entity charged with the implementation of the Chino Basin Judgment's Physical Solution, the Chino Basin Watermaster ("Watermaster") is not a local agency eligible to request a basin boundary modification, and has requested that the Agency serve as a requesting agency, along with the Three Valleys Municipal Water District and the Western Municipal Water District, in order to request a modification of the Bulletin 118 Basin Boundary.

NOW, THEREFORE BE IT RESOLVED BY the Board of Directors that:

- 1) In furtherance of the interest of safe, sustainable, consistent management of the groundwater resources of the Chino Basin, the Agency will serve as a requesting agency, along with the Three Valleys Municipal Water District and Western Municipal Water District, to formally initiate a request to modify the Bulletin 118 Basin Boundary of the Chino Basin ("Basin Boundary Modification Request"); and
- 2) The Basin Boundary Modification Request will request that the DWR, for the purpose of implementation and enforcement of the SGMA, recommend that the Bulletin 118 Basin Boundary be conformed to the Adjudicated Basin Boundary throughout the majority of the Chino Basin, with certain variations; and
- 3) The Basin Boundary Modification Request will be supported by data and technical analysis provided by Wildermuth Environmental, Inc. ("WEI"), and will be requested in conjunction with Watermaster. The Basin Boundary Modification Request will include all supporting information required by Article 5 of Subchapter 1, Chapter 1.5, Division 2 of Title 23 of the California Code of Regulations, and will include both Jurisdictional Modifications and Scientific Modifications, as those terms are defined in the California Code of Regulations; and
- 4) The Jurisdictional Modifications will define the borders between the Chino Basin and the adjacent adjudicated basins, conforming the Bulletin 118 boundaries to those decreed by the adjudications; the exemption of adjudicated basins in SGMA reflects the fact that effective groundwater management in adjudicated basins is expected to be maintained through the adjudication courts; the conformity created by the Jurisdictional Modifications will eliminate confusion relating to the court responsible for basin management and clearly delineate boundaries between adjudicated basins; the resulting predictability and consistency will ensure effective groundwater management in the Chino Basin and in adjacent adjudicated basins; and
- 5) The Scientific Modifications address small portions of the Bulletin 118 Basin Boundary that lie along the perimeter of the Chino Basin but are not within the Adjudicated Basin Boundary; available science indicates that those areas do not fit within the definition of an aquifer included in the Code of Regulations, at section 341(f); as such, designation of a Groundwater Sustainability Agency and creation of a Groundwater Sustainability Plan for these areas would not benefit sustainable groundwater management in the Chino Basin; conformance to the Adjudicated Basin

Boundaries will ensure consistent and effective groundwater management and protect the investments of entities using groundwater within the Chino Basin; and

- 6) The Basin Boundary Modification Request is consistent with the goals of the SGMA, will better provide for sustainable groundwater management in the Chino Basin and enhance local management of groundwater in the Chino Basin and surrounding basins.

ADOPTED this 16th day of March, 2016.

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


**ACTION
ITEM
1D**





Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/09/16)
Finance, Legal & Administration Committee (03/09/16)

From: P. Joseph Grindstaff
General Manager 

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Recycled Water Policy Principles

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt the Recycled Water Policy Principles; and
2. Direct staff to develop a Regional Contract amendment based on the Recycled Water Policy Principles.

BACKGROUND

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system.

While the foundational commitment to beneficial reuse of recycled water has remained unchanged, some fundamental concepts have been questioned over the past few years, particularly since 2011. This has resulted in the region working together to develop Recycled Water Policy Principles to address the changes since the inception of the program. The region's goal to maximize the beneficial use of recycled water has not changed. However, the

Recycled Water Policy Principles

March 16, 2016

Page 2 of 4

commitment to connect additional recycled water users has stagnated over the past few years. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of “base entitlement” (as defined by the Regional Sewage Service Contract) and the prioritization of direct use over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it is appropriate to reevaluate and affirm the regional Recycled Water (RW) Policy Principles prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles will govern the future benefits received by all IEUA contracting agencies.

IEUA has been meeting with the contracting agencies for the last few years to develop modifications to the foundational principles. Subsequent to the Regional Technical Committee Meetings and Special Technical Committee Workshops held between July 2015 and January 2016, the agencies collectively provided input and guidance to finalize recommendations on the RW Policy Principles.

The proposed RW Policy Principles resulting from these discussions are summarized below and provided in the attachment in detail.

Recycled Water Policy Principles

1. Maximize the beneficial use of recycled water to enhance local water resource availability and reduce reliance on imported water.

1. IEUA will continue the development of the Regional Recycled Water infrastructure by providing equitable access for the contracting agencies to achieve reuse of 50,000 AF/year by 2025.
2. IEUA will pursue the long term acquisition of recycled water from out of service area sources to supplement the regional supply.
3. IEUA will pursue the long term transfer of recycled water from IEUA service area in exchange for supplemental water supply.
4. The parties acknowledge that IEUA is currently meeting the SAR Judgment obligation with recycled water.

2. Promote efficient application and use of recycled water as a reliable and fundamental component of drought-proofing the IEUA service area.

1. Ensure efficient use of recycled water at the point of use, consistent with rules and expectations of responsible potable water use and laws governing the use of recycled water.

3. The regional recycled water entitlement will be based on the following:

1. Contracting agency entitlement based on wastewater contribution, future external supplies and any acquisition of another contracting agency's unused entitlement.
 - i. This entitlement will be used for each contracting agency's Santa Ana River discharge obligations, direct use and /or regional recharge.
2. Contracting agency use above entitlement, as described in 3.1, will require replacement water (i.e., Stored water, surcharge, etc., acquisition of another contracting agency's unused entitlement, etc.), collected by IEUA, and passed on to contracting agencies with surplus entitlement.
 - i. This entitlement may be used for Santa Ana River discharge obligations, direct use or regional recharge.
 - ii. If a contracting agency's current direct use exceeds entitlement, current direct use corresponding to existing customers will be temporarily substituted for entitlement until June 30, 2023, as defined in section 3.1. In addition, groundwater recharge allocations will be curtailed and redistributed to the other agencies under entitlement during the temporary period. Any new connections that require additional supplies above an agency's entitlement and the current grandfathered amount will require replacement water.
4. **The regional recycled water system will be operated based on the following priorities for recycled water deliveries:**
 1. Minimal operational discharges (instrumentation, environmental obligations, etc.)
 2. Contracting agency deliveries
 3. Regional groundwater recharge
5. **Meet peak recycled water direct demands through coordinated demand management of recycled water deliveries.**
 1. Large users will have pressure sustaining valves to ensure that overall regional demands are reliably met.
6. **Maintain a financially viable recycled water program with rates that incentivize use of all available recycled water and that provides funding to achieve full cost-of-service for the recycled water program.**
 1. Set recycled water rates that cover the full cost of Operations & Maintenance (O&M) and Rehabilitation & Replacement (R&R) for the system.
7. **Maximize the use of recycled water capital investments made by IEUA and its contracting agencies with recycled water use within the region.**

Recycled Water Policy Principles

March 16, 2016

Page 4 of 4

1. Retail contracting agencies shall substantially fulfill prior recycled water connection commitments for all existing infrastructure.
2. Firm contracting agency commitments for recycled water use will drive new regional investments.

The item was unanimously approved by the Regional Technical Committee on February 25, 2016, and will be presented to the Regional Policy Committee on March 3, 2016, for their consideration and recommendation to the IEUA Board.

Once direction from the IEUA Board on the RW Policy Principles is received, staff will work towards amending the sections of the Regional Contract consistent with the adopted RW Policy Principles. In addition to the RW Policy Principles, changes that were approved in the past, such as the agreement between Jurupa Community Services District and IEUA on the recycled water groundwater recharge allocation from Management Zone 3, will also be memorialized in the contract amendment language for clarity. It is anticipated that a Notice of Resolution for Contract Amendment will be presented to the IEUA Board in April 2016 for consideration, with a final action to be taken by June 2016.

The development of the Recycled Water Policy Principles is consistent with the *Agency's Business Goal* of increasing *Water Reliability* by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

There is no direct impact on the budget as a result of the adoption of the Recycled Water Policy Principles.

Attachments: RW Policy Principles

RECYCLED WATER POLICY PRINCIPLES

Introduction

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. As the Program continues to advance, it is important to summarize and update the history, operating philosophies, and policy principles on which the Program was founded.

In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system and a Recycled Water Implementation Plan.

The use of recycled water presented several advantages to the region: it is one of the most significant and underutilized sources of local water supply; it is reliable during drought and climate change conditions; and it requires significantly less energy than imported water to deliver to customers thus reduces greenhouse gas emissions. The development of recycled water is the cornerstone of a larger regional initiative to improve water supply reliability through enhanced local supplies. IEUA, in partnership with its contracting agencies and Chino Basin Watermaster (CBWM), invested over \$600 million over the last fifteen years in water recycling, conservation, recharge improvements, the MWD groundwater storage and recovery project, the Chino Desalter, and other water management programs. These programs collectively reduce the region's need for imported water especially during drought or conditions when imported water supplies are not available. In addition to the region switching large potable water users to recycled water, IEUA and CBWM obtained a landmark permit in 2005 for groundwater recharge using IEUA's high-quality recycled water.

By 2007, Southern California was experiencing one of its driest years with the potential for entering an extended drought period. The State of California subsequently made water recycling an important element of California's water supply policy and adopted a statewide goal of achieving 1,000,000 acre-feet (AF) of reuse by 2010. In response, in November 2007 IEUA and its contracting agencies unanimously adopted and committed to implement the Three Year Recycled Water Business Plan which laid out a focused and cost-effective approach to rapidly expand the availability and use of recycled water within IEUA's service area.

By 2014, over \$250 million had been invested into the implementation of a robust Recycled Water Program. The region has achieved Program success by leveraging heavily on grant funding and loans. With unanimous regional support, annual recycled water use grew from approximately 5,000 AF in FY 04/05 to over 38,500 AF in FY 13/14. Critical to the economical and efficient operation of the system, each contracting agency made commitments to complete initiatives with the goal to increase direct reuse within their service areas. While some contracting agencies accomplished or far exceeded their local goals, some contracting agencies have not been able to fully achieve their original commitments.

The region's goal to maximize the beneficial use of recycled water has not changed. However, the commitment to connect additional recycled water users has stagnated over the past few years. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of "base entitlement" (as defined by the Regional Sewage Service Contract) and the prioritization of direct use over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it is appropriate that we reevaluate and affirm the regional Recycled Water Policy Principles, in order to guide the updates to the Regional Sewer Service Contract, prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles will govern the future benefits received by all IEUA contracting agencies.

These principles are not binding. These principles are intended to be a framework for the development of regional contract amendment.

Recycled Water Policy Principles

1. Maximize the beneficial use of recycled water to enhance local water resource availability and reduce reliance on imported water.

1. IEUA will continue the development of the Regional Recycled Water infrastructure by providing equitable access for the contracting agencies to achieve reuse of 50,000 AF/year by 2025.
2. IEUA will pursue the long term acquisition of recycled water from out of service area sources to supplement the regional supply.
3. IEUA will pursue the long term transfer of recycled water from IEUA service area in exchange for supplemental water supply.
4. The parties acknowledge that IEUA is currently meeting the SAR Judgment obligation with recycled water.

2. Promote efficient application and use of recycled water as a reliable and fundamental component of drought-proofing the IEUA service area.

1. Ensure efficient use of recycled water at the point of use, consistent with rules and expectations of responsible potable water use and laws governing the use of recycled water.

3. The regional recycled water entitlement will be based on the following:

1. Contracting agency entitlement based on wastewater contribution, future external supplies and any acquisition of another contracting agency's unused entitlement.
 - i. This entitlement will be used for each contracting agency's Santa Ana River discharge obligations, direct use and /or regional recharge.
2. Contracting agency use above entitlement, as described in 3.1, will require replacement water (i.e., Stored water, surcharge, etc., acquisition of another contracting agency's unused

entitlement, etc.), collected by IEUA, and passed on to contracting agencies with surplus entitlement.

- i. This entitlement may be used for Santa Ana River discharge obligations, direct use or regional recharge.
- ii. If a contracting agency's current direct use exceeds entitlement, current direct use corresponding to existing customers will be temporarily substituted for entitlement until June 30, 2023, as defined in section 3.1. In addition, groundwater recharge allocations will be curtailed and redistributed to the other agencies under entitlement during the temporary period. Any new connections that require additional supplies above an agency's entitlement and the current grandfathered amount will require replacement water.

4. The regional recycled water system will be operated based on the following priorities for recycled water deliveries:

1. Minimal operational discharges (instrumentation, environmental obligations, etc.)
2. Contracting agency deliveries
3. Regional groundwater recharge

5. Meet peak recycled water direct demands through coordinated demand management of recycled water deliveries.

1. Large users will have pressure sustaining valves to ensure that overall regional demands are reliably met.

6. Maintain a financially viable recycled water program with rates that incentivize use of all available recycled water and that provides funding to achieve full cost-of-service for the recycled water program.

1. Set recycled water rates that cover the full cost of Operations & Maintenance (O&M) and Rehabilitation & Replacement (R&R) for the system.

7. Maximize the use of recycled water capital investments made by IEUA and its contracting agencies with recycled water use within the region.

1. Retail contracting agencies shall substantially fulfill prior recycled water connection commitments for all existing infrastructure.
2. Firm contracting agency commitments for recycled water use will drive new regional investments.

Recycled Water Policy Principles



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Sylvie Lee

IEUA Board of Directors Meeting
March 2016

RW Policy Principles

- IEUA began discussions with member agencies: 2012
- Item was presented to the Policy Committee: Dec 2014
- Discussions resumed: Jul 2015
- Item was presented to Regional Committees: Oct/Nov 2015
- Regional Technical Committee unanimously approved: Jan 2016
- Regional Policy Committee – action: March 3, 2016

RW Policy Principles

1. Maximize beneficial RW use
2. Promote efficient use of RW
3. RW allocation rights
4. RW system operation
5. RW Demand Management
6. Achieve full cost of service
7. Maximize the capital investments

RW Policy Principles

- **The regional recycled water entitlement will be based on the following:**
 - Contracting agency entitlement based on wastewater contribution, future external supplies and any acquisition of another contracting agency’s unused entitlement.
 - This entitlement will be used for each contracting agency’s Santa Ana River discharge obligations, direct use and /or regional recharge.
 - Contracting agency use above entitlement will require replacement water.
 - If current direct use exceeds entitlement, current direct use will be temporarily substituted for entitlement and GWR allocations will be curtailed until June 30, 2023.

Next Steps

- **February 2016: Regional Technical Committee**
 - Action Item: Approved RW Policy Principles
- **April 2016: IEUA Board**
 - Resolution for Amendment of Regional Contract for RW
- **April – May 2016: Technical/Policy Committee**
 - Regional Contract Recommendation for Approval
- **June 2016: IEUA Board**
 - Adoption of Regional Contract Amendment for RW



Recommendation

Recycled Water Policy Principles

1. Approve the Recycled Water Policy Principles
2. Initiate Development of Regional Contract Amendment based on the RW Policy Principles

The development of the Recycled Water Policy Principles is consistent with the **Agency's Business Goal of increasing Water Reliability** by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.


**ACTION
ITEM
1E**




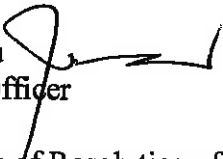
Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (3/9/16)
Finance, Legal, and Administration Committee (3/9/16)

From: P. Joseph Grindstaff 
General Manager

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Jason Gu 
Grants Officer

Subject: Adoption of Resolutions for a Small Community Grant Application

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2016-3-1, authorizing the General Manager to sign a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) for a Planning Grant application through the Small Community Wastewater Grant Program; and
2. Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the Small Community Wastewater Grant Program and associated State Revolving Fund (SRF) loan financing.

BACKGROUND

Groundwater represents a significant source of drinking water supply in the Chino Basin. Nitrate contamination in Chino Basin groundwater drives local water agencies to operate expensive treatment processes to protect the public health and meet drinking water standards.

In 1989, the SWRCB conducted a survey on nitrate contamination and the legacy use of septic tanks. The study found that there was a link between the nitrate contamination in groundwater and septic tank use. The SWRCB created the Small Community Wastewater Grant Program offering

Adoption of Resolutions for a Small Community Grant Application

March 16, 2016

Page 2 of 2

\$500,000 per project, without local match, to help small and disadvantaged communities in correcting public health and water quality problems.

In 2015, IEUA's Planning Department conducted a preliminary study on septic tank users within the Agency's service area. The study found that many of the septic tanks users are also in financially disadvantaged communities. The Agency issued a request for proposals for a feasibility study to further evaluate the overall economic benefit of converting the septic tank users to sewer service. The study has an estimated cost of \$300,000 to \$500,000.

In February 2016, IEUA applied for the Small Community Wastewater Planning Grant to support the study in areas that will qualify as small financially disadvantaged communities. The grant program requires the adoption of resolutions authorizing the Agency to apply for the planning grant, and to dedicate certain revenues in case a SRF loan is needed.

This grant application supports the Agency's mission to promote sustainable use of groundwater and development of local water supplies. This grant application is consistent with the Agency's mission of pursuing state and federal grant and low interest loan funding.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The grant for Project No. PL16015, Feasibility Study for Providing Sewer Service to Septic Users is seeking \$500,000 for the project, with no matching fund requirement. Upon approval by the SWRCB, the project budget will be revised to align with the grant funding. For community blocks that do not qualify for the Small Community Wastewater Planning Grant, a low interest SRF loan will be negotiated under the same application, if the Agency determines that it is necessary.

Attachments:

Resolution No. 2016-3-1

Resolution No. 2016-3-2

RESOLUTION NO. 2016-3-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO APPLY FOR A FINANCIAL ASSISTANCE GRANT FOR THE SMALL COMMUNITY FEASIBILITY STUDY TO EVALUATE PROVIDING SEWER SERVICES TO SEPTIC USERS IN THE IEUA SERVICE AREA

BE IT RESOLVED, by the Board of Directors of the Inland Empire Utilities Agency (IEUA) that the General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the Inland Empire Utilities Agency (IEUA), a Financial Assistance Application for a grant agreement from the State Water Resources Control Board for the Feasibility Study providing an evaluation of the septic parcels within the Agency service area to target and maximize benefit to the Agency and the Chino Groundwater Basin to provide sewer service;

BE IT RESOLVED, that the IEUA hereby agrees and further does authorize the General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

BE IT FURTHER RESOLVED, that the General Manager, or in his absence, his designees, is authorized to represent the IEUA in carrying out the IEUA's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the IEUA and compliance with applicable state and federal laws.

ADOPTED this 16th day of March, 2016.

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

RESOLUTION NO. 2016-3-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH A THE SMALL COMMUNITY GRANT FUNDING PROGRAM AND ASSOCIATED STATE REVOLVING FUND (SRF) FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD

WHEREAS, The State Water Resources Control Board (SWRCB) offers funding to assist local agencies to provide funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies;

WHEREAS, The Board of Directors of the Inland Empire Utilities Agency (IEUA) has authorized the General Manager, or in his absence, his designees, to apply for and execute the Small Community Grant and associated State Revolving Fund (SRF) loan with the SWRCB;

WHEREAS, IEUA has applied for a Small Community Grant and associated SRF loan from SWRCB for the Sewer Service to IEUA Septic Users Project (Project); and

WHEREAS, the SWRCB's SRF loan program requires each recipient to establish one or more dedicated sources of revenue for repayment of the SRF loan.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors, that IEUA hereby dedicates and pledges the property tax revenue and the wastewater capital connection fees from Regional Wastewater Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Sewer Service to IEUA Septic Users Study, CWSRF Project No. 8212-110. IEUA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until IEUA has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, IEUA's pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, IEUA commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

ADOPTED this 16th day of March, 2016.

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

Small Community Wastewater Grant Application



Feasibility Study - Septic Tanks to Sewer Service



Jason H. Gu
Grants Officer

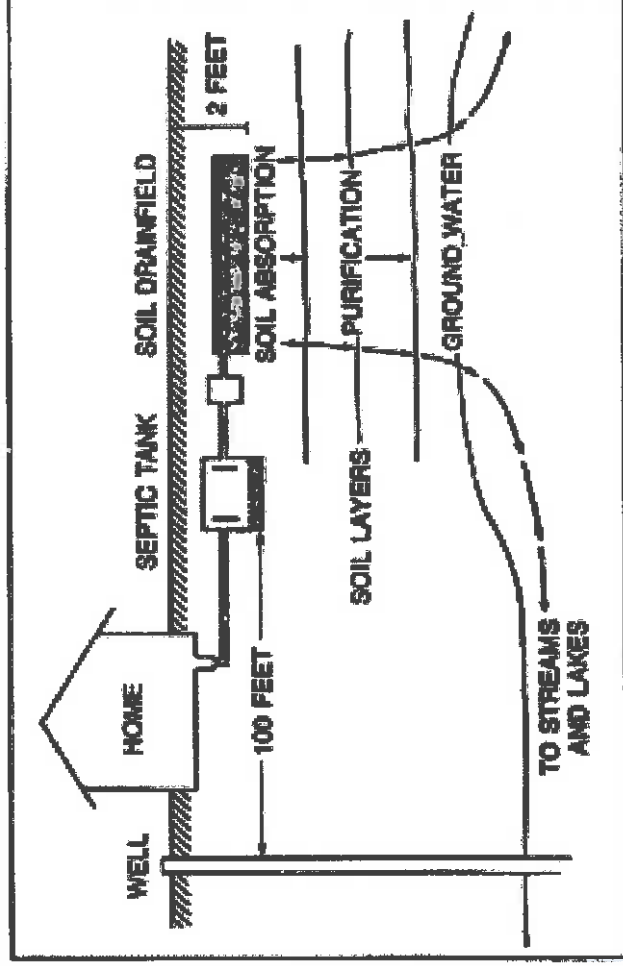
Septic Tanks use in Service Area

- * **Regional Water Board**

Septic tank use causes nitrate contamination in Chino Basin groundwater.

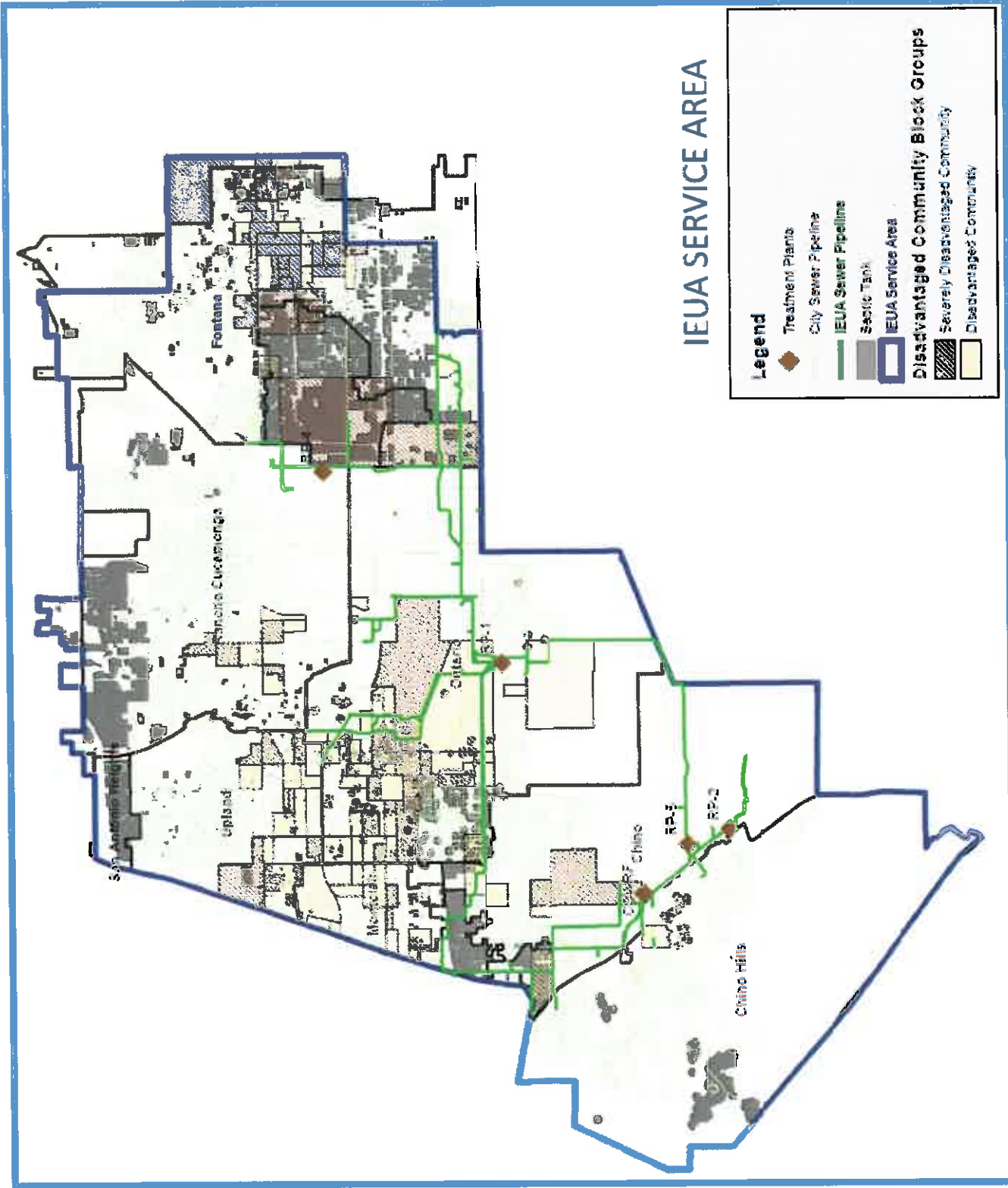
- * **Local Agencies**

Build expensive treatment plants to protect public health and meet drinking water standards (CDA: \$300M capital, \$21M O&M)



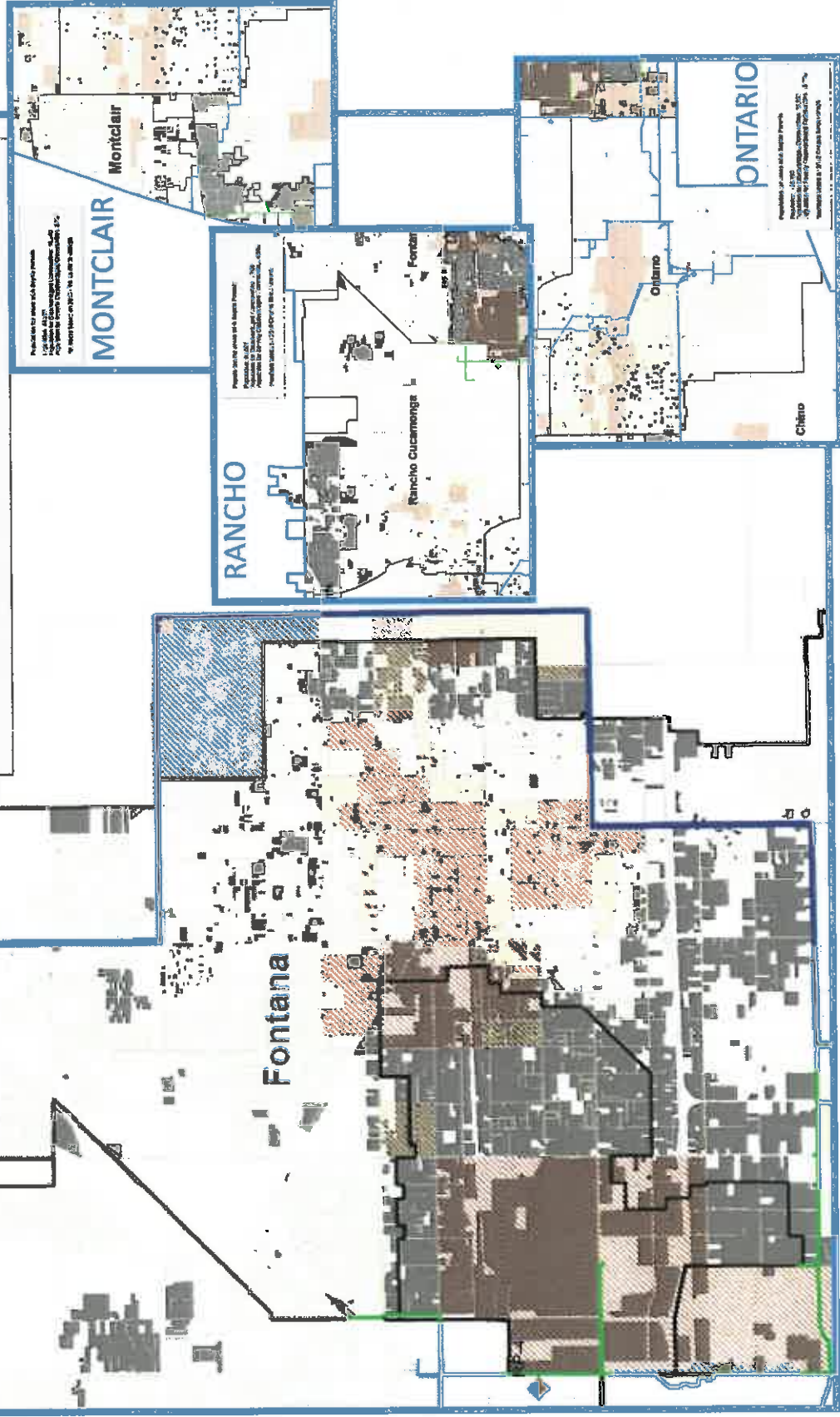
Feasibility Studies

- * **2015 Planning Department Preliminary Study**
 - * Septic tank users are in seven cities and unincorporated areas.
 - * Many of the areas are financially disadvantaged communities.
- * **2016 RFP for Feasibility Study**
 - * Convert septic tank users to sewer service (connect to IEUA).
 - * Technical feasibility and cost effectiveness to all stakeholders.
 - * Overall economical and environmental benefits.
 - * \$500,000 estimated feasibility study cost included in current budget.



FONTANA

Population for areas with Septic Parcels
Population: 200,656
Population for Disadvantaged Communities: 21,870
Population for Severely Disadvantaged Communities: 31,548
Numbers based on 2010 Census Block Groups



Small Community Wastewater Grant (SCWG)

- * **Grant Program**
 - * Public health and water quality problems.
 - * Financially disadvantaged communities.
 - * Populations < 20,000 and Median Household Income < 80%.
 - * \$500,000 planning grant to DAC without local match.
 - * Planning grant can be rolled into construction SRF loan.
- * **Planning Grant Application**
 - * Submitted in February 2016, seeking \$500,000.
 - * The SCWG grant requires two resolutions by IEUA Board.

Recommendation

- * Adopt Resolution No. 2016-3-1, authorizing the General Manager to execute the Financial Assistance Agreement & Related Documents
- * Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the grant application

This action supports Agency's mission of promoting sustainable use of groundwater and increase local water supply. It is consistent with the Agency's mission of pursuing grants and loan interest financing.

INFORMATION

ITEM

2A



Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (3/9/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser *KAB*
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

March

- March 21, IEUA Hosted Special District's Dinner, Panda Inn - 3223 E. Centrelake Drive, Ontario, 6:00 p.m. – 9:00 p.m.

April

- April 20, IEUA Earth Day Event (Student Day), Chino Creek Park, 9:00 a.m. – 2:00 p.m.
- April 21, IEUA Earth Day Event (Community Day), Chino Creek Park, 4:00 p.m. – 7:00 p.m.
- April 22, Eagle Canyon Elementary GIES Dedication, 13435 Eagle Canyon Drive, Chino Hills, 11:30 a.m. – 1:00 p.m.

May

- May 5, Truman Middle School GIES Dedication, 16224 Mallory Drive, Fontana, 2:00 p.m. – 3:00 p.m.
- May 13-15, MWD Solar Cup Competition, Lake Skinner
- May 24, Cortez Elementary School GIES Dedication, 12750 Carissa Ave., Chino, 5:45 p.m.

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff has been working in collaboration with Civic Publications to develop and distribute *Kick the Habit* display ads that focus on irrigation tips during the winter season.

The display ads are linked to the *Kick the Habit* micro-site, which displays IEUA's campaign message, tips and member agency links.

- IEUA sent an email blast to 157,000 households in the IEUA service area on February 24, 2016. The email blast led viewers to the *Kick the Habit* micro-site.

Media and Outreach

- IEUA staff is working with member agencies to distribute *Kick the Habit* mirror clings and vehicle magnets. To date, the city of Chino, city of Ontario, Chino Basin Water Conservation District, Fontana Water Company, and San Antonio Water Company have requested and received vehicle magnets and clings. Internally, Facilities Management has completed placement of vehicle magnets on all Agency vehicles.
- *Fix a Leak Week* print advertisements will run in the *Daily Bulletin* in March.
- *Kick the Habit* bus advertisements in English and Spanish began on October 5, 2015 for an initial six month run and will continue to run for another six months.
- IEUA staff worked with Tripepi Smith and Associates to develop a movie theater ad that is currently showing at Victoria Gardens and Ontario Palace. The ad will run through mid-May. The trailer ad is also running on YouTube and has had over 46,000 views – a 30,000 increase in February alone.
- In March, 12 items were posted to Facebook and 19 tweets were sent under the @IEUAWater Twitter handle.
- Staff will begin implementing Friday Foliage as a weekly spot on IEUA's social media channels that highlight water efficient California native and drought tolerant plants. It also features pictures of the plants and information regarding the plant (i.e. good for slopes, attractive to butterflies, etc.).

Education and Outreach Updates

- Water Discovery Program: 754 Girl Scout troop members, elementary, middle and high school students have taken part in the park field trip from July 1, 2015 through February 29, 2016. The Busing Mini-Grant program was extended through December 2020.
- The GIES Dedication for Cypress Elementary in Fontana was held on February 25. The principal and assistant principal were given a certificate and framed pictures of their garden for display. Representatives from Fontana Water Company were in attendance.
- Staff has begun outreaching for IEUA's "Water is Life" poster contest. Deadline for submissions is March 3, 2016.
- Staff, in cooperation with member agencies, has recruited three teams for MWD's 2016 Solar Cup Competition to be held May 13-16, 2016. Final team names and contact information were submitted to MWD on October 1, 2015 for the 2016 program year: Chino High School (Chino), Chino Hills High School (Chino Hills) and Henry J. Kaiser High School (Fontana).
- Staff has begun scheduling schools for the Earth Day field trip portion. Currently, 1,244 students are scheduled to attend the student day.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2015/16 Administrative Service Fund, External Affairs Services budget.

**INFORMATION
ITEM
2B**



February 26, 2016

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

Overview:

February 19 was the bill introduction deadline. Hundreds of bills were introduced, many in “spot” format and bills must be in print for 30 days before they can be acted on or amended. The Legislature spent most of February getting their bills ready for introduction. As bills pass the 30-day mark, policy committees will start to meet to report bills out ahead of the April 22 policy committee deadline.

The State Water Resources Control Board has approved a resolution implementing a 2012 law declaring that every human has the right to clean, affordable and accessible water. The primary objective of the resolution is to provide direction and guidance to the regional boards to ensure consistency in the manner in which the human right to water is considered in certain board actions.

Since the beginning of the year more than 500,000 acre-feet of water has been lost due to biological opinion requirements. That is enough water for over one million families for one year. Significant legislative concern is developing as that water flows into the ocean when it could be used to replenish groundwater and fill critically low basins.

The State Water Resources Control Board recently voted to adopt an emergency conservation regulation that extends mandatory urban conservation through October. There were many requests for the regulations to be eased in light of heavy early-winter precipitation, but Board members said they would revisit the regulation in the spring when more complete information is available about the water year.

During a call to announce a multi-state clean energy initiative, Governor Brown stated his interest in a carbon tax. Brown noted that there would be significant political hurdles to such a tax, and no legislative measures have been introduced to implement the tax. A carbon tax is only one of the many measures that are being discussed as tools to help the state meet its ambitious greenhouse gas reduction goals.

Among the hundreds of bills introduced in the beginning of February, there were quite a few dealing with biogas. Several by Assemblymember Das Williams (D- Santa Barbara) look to ease gas standards and increase funds to help with interconnection costs.

ACWA has received title and summary for its joint proposal to amend Article X of the State Constitution to create an alternative rate setting process for budget-based rates and stormwater

projects. The coalition is now testing the language in a voter survey and will consider next steps after evaluating the poll results.

Early winter storms created a strong snowpack up and down the Sierras. Recent warmer temperatures have caused significant snowmelt and leave many worried if the El Niño will continue. Additionally, the recent storms and snow melt have helped to replenish many of Northern California's critically low reservoirs. Unfortunately, with the inability to move water to the southern part of the state, southern reservoirs still remain critically low.

Inland Empire Utilities Agency Status Report – February 2016

Human Right to Water

The State Water Resources Control Board has approved a resolution implementing a 2012 law declaring that every human has the right to clean, affordable and accessible water. There were last minute amendments to the resolution that ease the language to ensure it will not spur any new rules.

The primary objective of the resolution is to provide direction and guidance to the regional boards to ensure consistency in the manner in which the human right to water is considered in certain board actions.

Water Loss

As California struggles to recover from record drought conditions, environmental regulations continue to force hundreds of thousands of acre-feet of precious water to be flushed through the Sacramento-San Joaquin Delta and out to the ocean. At the same time, State Water Project contractors have received allocation estimates of only 30 percent.

Since the beginning of the year more than 500,000 acre-feet has been lost due to biological opinion requirements. That is enough water for over one million families for one year.

The amount of water lost has been an increasingly hot topic among regulators and Legislators in Sacramento. State Water Resources Control Board Chair Felicia Marcus and Senator Fran Pavley are among those who have questioned if there is anything that can be done to capture that water and get it into storage or use it to replenish groundwater basins.

With the warm weather continuing, many are also questioning the Army Corps' 30 year-old policies to keep certain amounts of capacity available for flood protection. Folsom Reservoir has been releasing water for the past few weeks which is also being lost due to the pumping restrictions in the Delta.

Emergency Conservation Regulations Extended

The State Water Resources Control Board recently voted to adopt an emergency conservation regulation that extends mandatory urban conservation through October.

There were many requests for the regulations to be eased in light of heavy early-winter precipitation, but Board members said they would revisit the regulation in the spring when more complete information is available about the water year. Local water agency representatives called for modifications to recognize local drought resilient supplies and to address on-the-ground conditions in different parts of the state. For example, requests were made to credit agencies that have invested in local resilient supplies through projects such as recycling, local storage, desal of brackish and ocean water and other measures.

Board chair Felicia Marcus noted that regional differences are a factor, and that other adjustments may be needed after April. But now is not the time, she said, for a major overhaul of the regulation that has been in place since June 2015.

Carbon Tax

During a call to announce a multi-state clean energy initiative, Governor Brown stated his interest in a carbon tax. Brown noted that there would be significant political hurdles to such a tax, and no legislative measures have surfaced to implement such a tax.

The comments from the Governor came after California Air Resources Board Chair Mary Nichols warned legislators that California cannot meet its long-term GHG-reduction targets if it does not set a higher price on carbon. Her statement underscores the administration's desire to continue a cap and trade program post 2020 and increase the state's emissions reductions goals.

The last carbon tax bill was introduced in 2014 by then President Pro Tem Steinberg and was met with significant opposition including Governor Brown.

Biogas Bills

There have been a significant number of bills introduced all taking aim at trying to increase biogas production in California.

AB 2206 (Williams) aims to address on the gas quality standards for biomethane injection into common carrier pipelines.

AB 2313 (Williams) targets the \$40 million set aside at the CPUC for biomethane interconnection costs. The author is interested in increasing the funding cap from \$1.5 million per project to \$3 million per project.

SB 1043 (Allen) is similar to his SB 687 from last year. The bill would require CARB to look at ways to increase biogas production in the state. Options still include a biogas procurement requirement, similar to the electric Renewable Portfolio Standard.

SB 1153 (Cannella) will address possibly rate-basing gas corporation capital investments to facilitate pipeline biomethane development and injection in California.

SB 1402 (Pavley) would authorize investing from the Greenhouse Gas Reduction Fund (GGRF) to promote in-state production of low-carbon intensity fuels.

All of these bills are still in draft format and conversations with the authors' offices about what the final goal of the bills are ongoing, but the topic of biomethane injection is clearly a very hot topic in the Legislature this year.

Title and Summary Received for ACWA Prop 218 Initiative

The coalition working to make changes to Article X of the constitution to try to mitigate some of the Prop. 218 hurdles to adopting budget based rates and financing stormwater projects has received title and summary from the Attorney General's office for their ballot initiative.

“LOCAL GOVERNMENT. WATER, SEWER, STORMWATER, AND FLOOD CONTROL SERVICES. FEE STRUCTURES. INITIATIVE CONSTITUTIONAL AMENDMENT. Establishes alternative process for local government to impose fees for water, sewer, stormwater, and flood control services, as defined, without voter approval. Authorizes fee structures that recover reasonable costs of providing service, encourage water conservation and resource management, and provide fee reductions for low-income households. Requires notice of and public hearing on proposed fees. Allows fee payers to prevent proposed fee by majority filing written protests. Prohibits use of fee revenues for other purposes. Requires independent audit of revenues and expenditures. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased local government revenues and spending for flood control services and stormwater management in the range of low hundreds of millions of dollars up to more than \$1 billion annually, depending on future actions by local governing boards and voters.”

The coalition has taken this language and is now testing it in a voter survey. Results are expected at the beginning of March.

In the meantime, they are still working to get a constitutional amendment on the ballot with a two-thirds vote of the Legislature.

Snow Pack

The early-winter storms that brought the statewide snowpack to above normal levels have tapered off. With unseasonably warm temperatures, the snow has started to melt and the snowpack numbers have decreased. Statewide, the snowpack is 91 percent of average to date. In the northern Sierra, it is 96 percent of the norm; in the central Sierra, 92 percent of average and in the southern Sierra, 84 percent of the norm.

When it comes to snowpack, the critical date is still looming. April 1 is when snowpack reaches its peak, and in a typical year that snow provides Californians with roughly a third of their water supply.

Weather forecasts for the next ten days only predict negligible precipitation in Northern California watersheds.

Reservoir Conditions

The recent storms have helped replenish critically low reservoirs in Northern California. Unfortunately, with pumping restrictions in the Delta, the regulators have been unable to move water into south of delta storage reservoirs and basins. The chart below shows how northern basins are increasing capacity, while the basis south of the Delta are seeing more moderate or even negative storage changes.

The following is a chart of water levels at several California reservoirs comparing end of September 2015 levels to end of February levels:

Reservoir	Percent of Capacity		Percent of Historical Average	
	Sept. 28	Feb. 25	Sept. 28	Feb. 25
Lake Shasta	35%	59%	59%	82%
Lake Oroville	30%	51%	48%	74%
Folsom Lake	18%	64%	32%	116%
San Luis Reservoir	20%	47%	42%	50%
Lake Perris	36%	35%	47%	42%
Castaic Lake	36%	32%	45%	32%

Legislative Update

February 19 was the last day for members to introduce new bills for the 2016 year. Hundreds of bills were introduced before the deadline, a majority of which are in “spot” form. “Spot” bills are bills that are introduced, but do not have any real operative language. Many of these bills will be amended after they have been in print for 30 days to add more substantive language in order to be set for a policy committee hearing.

Agricultural Resources

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February 26, 2016

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

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

SU: Legislative Report, February 2016

With the arrival of February, the congressional year finally “got underway.” At the beginning of the month, all eyes were on the El Nino on the West Coast and on Congress here on the East Coast.

Snapshot.

- In January, the El Nino weather system arrived in California, the West Coast and even into the Rocky Mountains. After a wet month (above average in some places), the El Nino rains and snow slowed and then all but came to a halt by the month’s end.
- Senator Feinstein formally introduced her long-awaited Drought Bill (S. 2553, The California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act).
- California remains in drought (month-to-month, this report is unchanging) El Nino rains and snow notwithstanding. As February came to a close, approximately half the state, including the San Joaquin Valley, remained in “extreme” or “exceptional” drought condition (the two highest of five categories)
- CASA and ACWA held their annual Washington, DC fly-ins. IEUA was represented by

Director Hall, General Manager Grindstaff and External Affairs Director, Kathy Besser. The conference meetings were supplemented with meetings with Reps. Norma Torres, Ken Calvert, Judy Chu, Pete Aguilar, Ed Royce and Rep. Grace Napolitano's water staff. IEUA held a policy luncheon with Orange County attended by about 15 House Members on a bi-partisan basis.

- **Unexpected Death of Justice Scalia.** On February 13, Justice Scalia died while on a hunting trip in West Texas. The opening on the High Court instantly overwhelmed the political agenda for the year with Senate Rs insisting that any nominee (yet to be identified) won't even get a hearing. The President is making it clear that he will submit a highly qualified nominee to the Senate (which must Advise and Consent – approve or reject – the nomination). This unexpected development has the potential to derail the Senate's political and legislative agenda for the remainder of 2016.
- The primary election “season” is finally underway. Voting began in Iowa, moved to New Hampshire and then South Carolina and Nevada.
- White House Water Innovation Conference – IEUA being considered by WH and Office of Science and Technology Policy for participation.

2016 Agenda – Top Priority

- House Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) jointly decided that considering, marking up, passing and then conferencing all 12 funding (appropriations) bills was their top priority (which hasn't been done in years).
- The House-Senate leadership wanted to avoid the need and use of a Continuing Resolution (CR) or Omnibus bill as has almost routinely occurred in recent years.
- House-Senate leadership effort, however, has been stalled by the House Freedom Caucus – the same 50 or so House Rs who opposed Boehner on just about everything. They are insisting that the budget agreement reached last Fall be rejected and are calling for massive cuts in domestic spending accounts. That single internal House disagreement has prevented Speaker Ryan from presenting a budget (step one in the budget/spending process) to the House and starting the budget/spending/appropriations process.

Administration Submits Budget

- Interior Department Budget submitted to Congress is \$13.4 billion. The centerpiece of the budget is found in several key points:
 - * 14 million jobs created during the Obama Administration
 - * More than 70 consecutive months adding new jobs
 - * Unemployment now below 5%
 - * Deficit reduced (annually) by about three-quarters
- BuRec Budget request – \$1.1 Billion. Overall request for BuRec programs and facilities

in the 17 Western States.

- BuRec Request for Title XVI – \$21 million (or, about 1.7-1.8% of the overall BuRec budget request). This is the fifth year of drought. Demand for the program is overwhelming (evidence by the 100+ projects in California alone identified in the Feinstein bill and the more than \$600 million being advanced by the State for recycling projects from Prop. 1. BuRec’s dislike of this program is well-known and already is a point of discussion for Appropriators and other House Members.

Tax Reform Agenda

- House R leadership continues to insist that tax reform is a major issue to be considered this congressional session, but it keeps being pushed back and delayed.
- It remains a priority, but between on-going primary elections, the death of Justice Scalia, and the unexpected internal budget fight – it’s been all but impossible for a new Chair (Rep. Kevin Brady, TX) to both staff up and prepare for tax reform too. This is fast becoming a 2017 issue legislatively. 2016 will be devoted to on-going “educational” efforts.
- As reported last month, *“IEUA, along with ACWA, NWRA along with almost every major form of infrastructure (water, airports, energy, transportation, hospitals, schools, libraries, recreation, etc.), have worked with the Municipal Bonds Coalition of America, headed by Columbia, SC Mayor, Steve Benjamin to protect this tax code provision and oppose efforts to eliminate or modify it. This is also a high priority for the US Conference of Mayors and the bond industry in the finance sector.”*
- The MBCA is actively in the process of changing itself from an informal working group to a formal legal entity and expects to be even more active in 2016 and beyond.

Water/Weather/Drought

Feinstein Bill Introduced – Fate Unclear

- Drought legislation is gridlocked. Serious disagreements exist between some San Joaquin Valley irrigators (especially those with low water rights) and just about everybody else.
- Senator Feinstein circulated a new bill earlier this year with Senator Boxer. The bill was finally introduced, but Senator Boxer was not willing to put her name on it.
- The bill is still being reviewed – there are unanswered questions about operational impacts to Southern California.
- The bill does something not typically done in legislation. That is, it prescribes “operational” standards. Usually, bills establish *policy*, even a detailed set of policies. Once enacted, the agency, in this case BuRec, then designs an implementation plan – which includes operational considerations, standards and protocols. By statutorily

mandating certain operational standards, the bill has been very atypically complex.

- No date for Senate Energy Committee hearings yet.
- As reported last month, “*of special important to IEUA, there is a provision that will allow recycling projects, not authorized by Congress to be considered. If enacted, this would allow the Cucamonga Valley WD project to be considered for funding, BuRec’s current opposition notwithstanding.*” This provision is included.
- A key addition to the bill – the MWD/LA Sanitation Recycling Project is now identified in the Feinstein bill.

Appropriations – \$100 Million for Drought Relief

- The massive appropriations bill signed into law in December provided for \$100 million drought relief (the provision was requested by Senator Feinstein).
- IEUA has applied for grant pursuant to a BuRec Request for Proposal (RFP).
- IEUA worked with its House delegation (Cook, Aguilar, Torres, Royce, Chu and Napolitano) to submit a letter to Secretary Jewell urging that a portion of the \$100 million be allocated to Title XVI/Water Smart programs.

El Nino

- El Nino arrived in January. Rain and snow came. Wet was good and welcomed by all.
- In February, the El Nino season abruptly came a near-halt by the end of the month. El Nino stalled.
- All of California, according to the Drought Monitor, remains “in some category of drought.” Approximately half the entire state, including all of the San Joaquin Valley, is still in *severe* or *exceptional* drought status.

Unanticipated Drought-Related Federal Tax Issue

- As previously reported, the “unintended tax penalty” resulting from the Governor’s Drought Orders (from MWD’s turf rebates) remains unresolved and unclarified.
- Clarification from Treasury/IRS is still pending.

Drought Status – CA and Rest of the West

- **Drought Conditions – California.** Even with El Nino storms, the Drought Monitor indicates that all 58 counties remained in various levels of drought.
- **El Nino.** Drought Monitor also reports that westwide, that drought conditions are lessening in most western states.

- **Lake Mead.** BuRec is projecting that Lake Mead remains at risk (even with storms in the Rocky Mountains) and 2017 remains highly problematic.

Looking Into March 2016

- Primary voting continues with Super Tuesday (12 states and one territory)
- On the R side, almost a dozen candidates have now dropped out. The race is down to Trump, Rubio, Cruz and OH's Governor, John Kasich. On the D side, it's a Clinton-Sanders race. It's openly speculated that conventions could be deadlocked. If that happens, all bets are off.
- An energy bill, first time in a decade, has been under consideration in the Senate, guided in a bi-partisan fashion by Senate Energy Committee Chair, Sen. Lisa Murkowski and the Committee's ranking D, Sen. Maria Cantwell. The bill was on the Senate floor early in February but became embroiled in partisan opposition to relief for Flint, Michigan. Indications are that a solution is emerging and the bill will be finalized soon. The fate of the energy bill has the potential to impact a Senate water bill. If the energy bill is blocked, then hope for a bi-partisan Senate water/drought bill goes way down. If it passes, then hope for a drought bill increases.
- Appropriations Committees (even with the uncertainty) are now moving forward with hearings and budget reviews.
- The President is expected to submit a nomination for the Supreme Court.

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA

From: Letitia White, Jean Denton, and Drew Tatum

Date: February 29, 2016

Re: February Monthly Legislative Update

Appropriations Chairman Takes on Army Corps over “Waters” Rule

House Appropriations Committee Chairman Hal Rogers (R-KY) took aim at the Army Corps of Engineers for its part in the waters of the United States rule issued by the agency and the Environmental Protection Agency. “I’m shooting real bullets here,” Chairman Rogers said at an Energy-Water subcommittee hearing on the agency’s \$4.62 billion fiscal 2017 budget request. Due to the prevalence of mining in his home state, Rogers specifically took issue with the rule’s impact on mining permits. “It’s practically impossible to get a permit to mine through your agency and EPA, and I’m just very chagrined that the Corps of Engineers has kowtowed to the EPA,” Rogers said. “You’re so afraid of a lawsuit that you’ve let the EPA bully you into doing whatever they want to do.”

The “waters” rule is still on hold by the U.S. Court of Appeals for the 6th Circuit based in Cincinnati, Ohio. The three-judge panel put the regulation on hold in October of 2015 when the majority held that the petitioners (the states who filed suit against the federal government) have demonstrated a substantial possibility of success on the merits of their claims. On February 22, the same court ruled against arguments that it did not have proper jurisdiction to review challenges to the rule. Barring an effort to seek review of this decision — either en banc or with the Supreme Court — the decision means the 6th Circuit will hear the merits of the challenge to the waters of the United States rule, which may be good for challengers of the rule based on prior comments.

While taking aim at the agency’s involvement in the rulemaking process, lawmakers lamented the administration’s budget request for the agency. The request calls for \$4.62 billion in discretionary appropriations, a drop from the \$6 billion enacted in the fiscal year 2016. Lawmakers believe the request would do little to address a massive backlog of projects at the agency. Lt. Gen. Thomas P. Bostick, chief of engineers for the Army Corps, told lawmakers that completing all the construction projects currently budgeted at the agency would cost \$19.7 billion and take nearly 20 years to complete. Acknowledgement of the agency’s lack of resources was met with incredulity by Energy-Water Chairman Mike Simpson, R-Idaho, who said in his opening statements that if enacted, the president’s fiscal 2017 request would amount to the lowest funding level since 2004.

Innovative Federal Strategies LLC

President Obama Sends Final Budget Request to Congress

President Obama delivered his final budget proposal to Congress on February 9, requesting \$4.15 trillion in spending for fiscal year 2017 that begins on October 1, 2016. The proposal would boost total spending by 4.9 percent, mainly as a result of increases in mandatory programs and a rise in interest payments on the national debt. In keeping with the two-year budget deal struck with Congress in December, the president requested only a slight increase, less than 1 percent, in discretionary spending programs overall.

Constrained by tight caps that keep discretionary spending relatively flat, the White House has proposed paying for new initiatives by seeking funding that it considers "mandatory." The use of the "mandatory" label has infuriated Republican appropriators, who view the move as an end-run around spending limits and their own ability to control funding. Mandatory spending programs, which usually require separate authorizing legislation, don't count against the spending limits put in place under last year's bipartisan budget deal. In response, Republicans on the Budget Committee have looked to cut at least \$30 billion from mandatory spending in the fiscal year 2017 budget resolution. House Republican leaders are attempting to woo members of the conservative Freedom Caucus to support a budget resolution after they announced their opposition to any framework that allows for spending above the limits set in the Budget Control Act of 2011.

Obama Designates New National Monuments

President Obama designated three new national monuments in the California desert Thursday, February 11, expanding federal protection to 1.8 million acres of landscapes in California. The designation came after Senator Dianne Feinstein (D-CA) introduced a new California Desert Conservation and Recreation Act to protect the areas that were not included in her 1994 Desert Protection Act legislation. Unable to move the legislation in Congress, Senator Feinstein decided to take a two-pronged approach—encouraging the president to act unilaterally with an Antiquities Act designation while also encouraging Congress to consider her legislation. In an effort to dissuade the president from acting unilaterally, Representative Paul Cook (R-CA) had introduced his own legislation in the House that would have covered many of the areas included in Feinstein's bill, while protecting some mining interests.

President Obama ultimately decided to move forward after the Department of Interior participated in a field hearing hosted by Senator Feinstein in late 2015. The three proclamations designate the Sand to Snow National Monument, Mojave Trails National Monument, and Castle Mountains National Monument, comprised entirely of existing federal lands. The national monuments will be managed by the Department of the Interior's Bureau of Land Management and National Park Service and by the Department of Agriculture's Forest Service. The proclamations direct the agencies to engage the public in comprehensive planning for the management of these areas, building upon the provisions outlined in the proclamations. The three designations all honor valid existing rights, and provide for continued use for training activities of the U.S. military.

Specifically, the Sand to Snow designation states:

“Nothing in this proclamation shall be construed to interfere with the operation or maintenance, or with the replacement or modification within the existing authorization

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boundary, of existing water resource, flood control, utility, pipeline, or telecommunications facilities that are located within the monument. Existing water resource, flood control, utility, pipeline, or telecommunications facilities located within the monument may be expanded, and new facilities may be constructed within the monument, to the extent consistent with the proper care and management of the objects identified above. This proclamation does not alter or affect the valid existing water rights of any party, including the United States. This proclamation does not reserve water as a matter of Federal law.”

Republicans Promise to Block Supreme Court Nominee

Upon the passing of Associate Supreme Court Justice Antonin Scalia speculation immediately began around who President Barack Obama might nominate to replace him. After learning of his passing, Senate Majority Leader Mitch McConnell (R-KY) indicated he believed that the president should allow his successor to nominate a replacement. McConnell has reiterated that Republicans do not plan to hold confirmation hearings before the Senate Judiciary Committee when the president sends a nomination to the Senate.

Democrats made clear they are prepared to wage war over Senate Majority Leader Mitch McConnell's refusal to consider any nomination to the court made by President Barack Obama. "When the hard right doesn't get its way, their immediate reaction is, 'shut it down' — and the Republican leadership marches in lockstep," Sen. Chuck Schumer (D-NY) said in a statement Tuesday. Since the majority controls the floor calendar, Democrats could not force a vote against the will of a united Republican caucus. However, Democrats could use tools at their disposal—including the filibuster—to make it difficult for Republicans to accomplish anything until they held a vote on a Supreme Court nominee. While there was initial speculation that Democrats would hold up the appropriations process, Senate Minority Leader Harry Reid (D-NV) told reporters that his party would not be an obstructionist party.

Outlook for March

House Republican Leaders are still holding out hope that they will be able to pass a budget resolution in March. Conservatives have called for reductions in mandatory spending programs (Social Security, Medicare, etc.) in the annual budget resolution, which has not been done in prior years. Appropriators believe that targeting mandatory spending in the budget process sets a dangerous precedent in future years.

The House will spend the first week of the month voting on a number of bills under a suspension of the rules, including a reauthorization bill for the Federal Emergency Management Agency. The Senate is expected to bring the Energy Policy Modernization Act back to the floor early in March after coming to an agreement on a federal response to the water crisis in Flint, Michigan. Additionally, Senate Majority Leader Mitch McConnell has teed up consideration of an anti-opioid bill, the Comprehensive Addiction and Recovery Act of 2015.

Appropriations Committees in the House and Senate will continue the process of crafting FY17 spending bills in March, with some subcommittee markups possibly occurring at the end of the month.

INFORMATION

ITEM

2C



CALIFORNIA STRATEGIES, LLC

Date: February 26, 2016
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: February 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 February that Executive Staff wanted accomplished.
- Discussed ways to highlight the customer return on investment for the building of recharge basins in our service territory.
- Discussed LAFCO and made recommendations to staff about upcoming issues. Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis. Review and comment on Webb Engineering Plan of Services Scope of Work.
- Provided a progress update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activate. Made recommendation regarding the request for money from various state special funds.
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.

INFORMATION
ITEM
2D

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R.2029	House and Senate Appropriations Committees	Consolidated Appropriations Act, 2016	<p>The Consolidated Appropriations Act funds all federal agencies through the end of the Fiscal Year, which runs through September 30, 2016.</p> <p>IFS spearheaded an effort with Members of Congress to ask that the Department of the Interior devote money allocated to "western drought relief" for Title XVI and WaterSMART projects. The following Members of Congress signed on to the letter: Aguilar, Cook, Chu, Napolitano, Royce, and Torres.</p> <p>**Update: The Bureau of Reclamation announced that it was allocating \$22.6 million for Title XVI and WaterSMART grants in fiscal year 2016.</p> <p>The President's budget request to Congress was released on February 9, 2016.</p> <p>The president requested the following funding levels for water recycling and conservation programs: Title XVI: \$21.5 million, \$1.5 million above the FY16 request, but \$1.8 million below the FY16 enacted level WaterSMART: \$23.4 million, \$35,000 above the FY16 request, and \$3.4 million above the FY16 enacted level.</p> <p>The Appropriations subcommittees may start marking up their respective bills by the end of March. At that time we will know how Congress will respond to the budget request for Title XVI and WaterSMART grants. IFS has undertaken two efforts on your behalf and submitted appropriations requests for both Title XVI and WaterSMART that together equal an additional \$22.6 million in requested additional funds for FY17.</p>
H.R. ____ / S. ____	Rep. Mike Simpson / Sen. Lamar Alexander	FY 17 Energy and Water Development and Related Agencies	<p>With her original legislation not gaining traction at the committee level, Senator Feinstein reintroduced drought legislation in February after receiving additional feedback from stakeholders in California. The bill also comes after House Republicans attempted to insert their own drought provisions into the Consolidated Appropriations Act, 2016.</p> <p>Feinstein said that she has continued to work with local, state, and federal partners to create her new legislation, though California Republicans in the House have said they were not involved in the latest discussions. California House Republicans have reiterated that they have already passed a drought bill</p>
S.2533	Sen. Dianne Feinstein	California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act	<p>With her original legislation not gaining traction at the committee level, Senator Feinstein reintroduced drought legislation in February after receiving additional feedback from stakeholders in California. The bill also comes after House Republicans attempted to insert their own drought provisions into the Consolidated Appropriations Act, 2016.</p> <p>Feinstein said that she has continued to work with local, state, and federal partners to create her new legislation, though California Republicans in the House have said they were not involved in the latest discussions. California House Republicans have reiterated that they have already passed a drought bill</p>

			<p>this year, and they believe it is the only legislation that can be passed until the Senate moves legislation that can be conferenced between the two chambers.</p>
H.R.2898	Rep. David Valadao	Western Water and American Food Security Act of 2015	<p>Passed the House.</p> <p>First Legislative Committee Hearing was held in early October 2015 in the Senate. As mentioned above, Senator Feinstein has reintroduced drought legislation in the Senate in an effort to conference a bill with the House before the end of the 114th Congress.</p>
S.2012	Sen. Lisa Murkowski	Energy Policy Modernization Act of 2015	<p>The Senate is considering its first broad energy reform policy bill in eight years. The bill includes a number of policy priorities from both Republicans and Democrats and came as a result of months of negotiations, meetings outreach and other activities aimed at a truly bipartisan bill. The bill instead on fossil fuels and infrastructure: natural gas pipeline permitting, authorizing the main federal conservation fund, job training, updating the grid, as well as a push on energy efficiency.</p> <p>The legislation was pulled from the floor in February after amendments related to the water crisis in Flint, Michigan caused procedural delays. Republicans and Democrats believe they have an agreement that will allow the legislation to return to the floor in March.</p>
H.R.4470	Rep. Dan Kildee (D-MI) / Rep. Fred Upton (R-MI)	Safe Drinking Water Act Improved Compliance Awareness Act	<p>The House has approved legislation to clarify the Environmental Protection Agency's authority to notify the public about danger from lead in their drinking water. The bill is the first approved by Congress to respond to the water crisis in Flint, Michigan. The legislation requires the Environmental Protection Agency to notify the public when concentrations of lead in drinking water rise above mandated levels and to create a plan to improve communication between the agency, utilities, states, and consumers. While the bill's authors admit that the new legislation will not prevent future water contamination, they contend that it will prevent the situation from dragging out as has happened in Flint.</p> <p>The legislation has not been taken up in the Senate, but it is expected to receive bipartisan support when Senators vote.</p>

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State Legislation to Watch

Bill Number	Sponsor	Title and/or Summary	Summary/Status
AB 1713	Eggman	Sacramento-San Joaquin Delta: peripheral canal	Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.
AB 1738	McCarty	Building Standards: Dark Graywater	Would define "dark graywater" as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.
AB 1749	Mathis	California Environmental Quality Act: exemption: recycled water pipelines	CEQA exempts from its requirements projects consisting of the construction or expansion of recycled water pipeline and directly related infrastructure within existing rights of way, and directly related groundwater replenishment, if the project does not affect wetlands or sensitive habitat, and where the construction impacts are fully mitigated, and undertaken for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor on a certain date. CEQA provides that this exemption remains operative until the state of emergency has expired or until January 1, 2017, whichever occurs first. This bill would extend that date to January 1, 2022.
AB 1842	Levine	Water Pollution: Fines	Current law imposes a maximum civil penalty of \$25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than \$10 for each gallon or pound of polluting material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party.
AB 2206	Williams	Biomethane: interconnection and injection into common carrier pipelines: research	Would request the California Council on Science and Technology to undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications adopted by the Public Utilities Commission for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates.

AB 2313	Williams	Renewable Natural Gas	The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. This bill would require the state board to study and evaluate a strategy or strategies to increase the in-state production and use of renewable natural gas, as defined, to further specified goals.
AB 2702	Atkins	Climate Change	Would state the intent of the Legislature to enact legislation that would continue the work with local governments, state agencies, and others to meet the goals set forth in Governor Brown's Under 2 MOU, which brings together subnational governments willing to commit to either reducing the emissions of greenhouse gases 80% to 95% below 1990 levels by 2050 or achieving a per capita annual emissions target of less than 2 metric tons of carbon dioxide equivalent by 2050.
ACA-8	Bloom	Local government financing: water facilities and infrastructure: voter approval	Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.
SB 163	Hertzberg	Wastewater treatment: recycled water	Would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill, on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes.
SB 1043	Allen	Renewable gas: biogas and biomethane	Would require the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of renewable gas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the rapid development and use of renewable gas and potential sources of funding.
SB 1813	Wolk	Local government: drinking water	Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those

		<p>infrastructure or services: wastewater infrastructure or services</p>	<p>services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. This bill contains other related provisions and other existing laws.</p>
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Recycled Water Semi-Annual Update March 2016



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Andy Campbell

IEUA Board of Directors Meeting
March 2016

RW Project- Wineville Pipeline

■ Wineville Extension to RP3

- Complete Capital Improvements
- Increased RP3 Delivery Capacity
 - 4 cfs to 20 cfs
- Allows Declez Basin RW Start-Up
- Approx. 3,000 AFY RW Capacity



RW Project- San Sevaine

- San Sevaine 5 Pump Station & Pipeline to upper 3 Basins
 - 85% design February 2016
 - June/July 2016 Bid & Award
 - 1 year Construction
 - Approx. 4,000-6,000 AFY RW Capacity



RW Projects

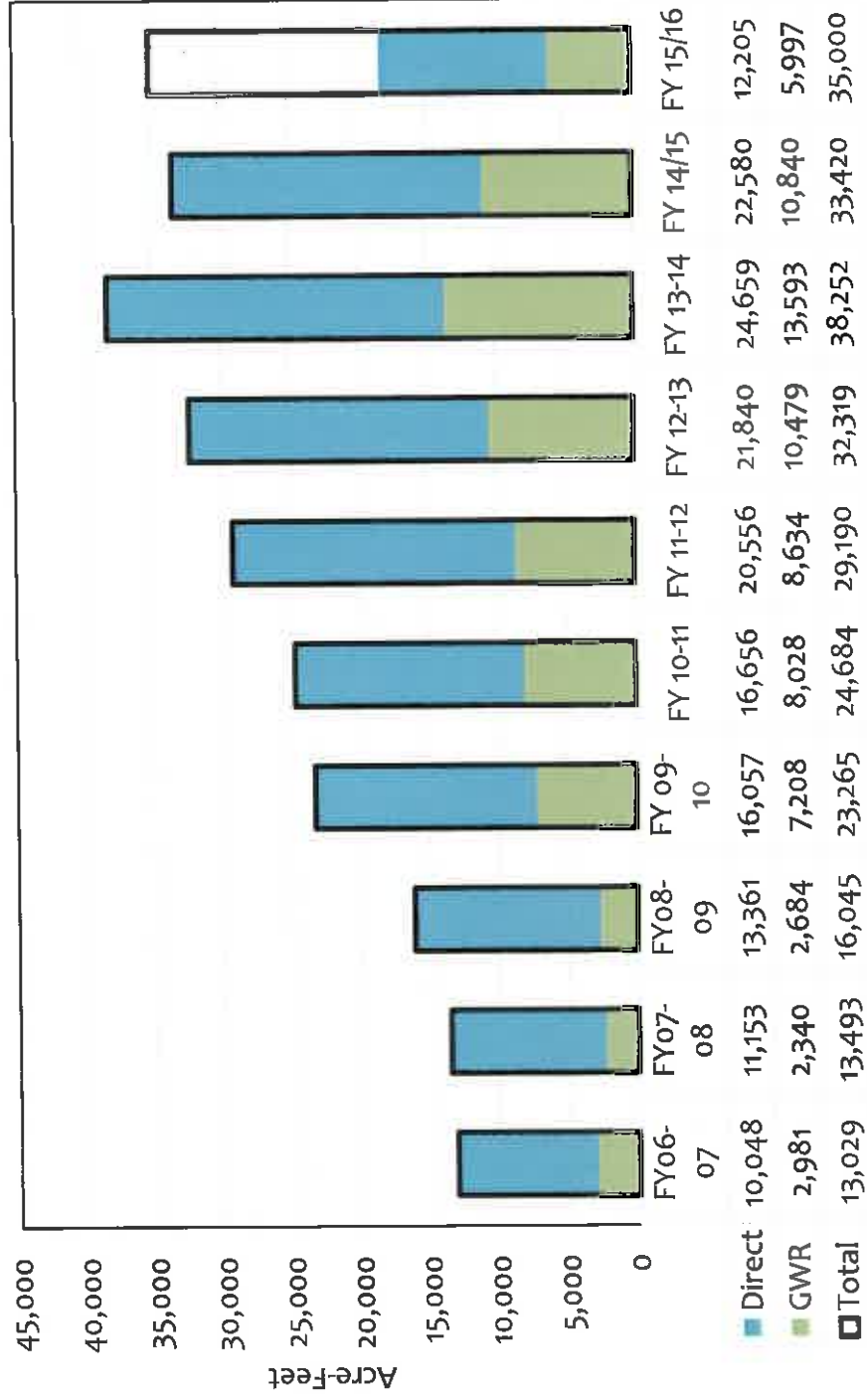
- Prop 1 Grant Projects
 - State Board requested additional CEQA Information
 - Pending Notification of Award in Summer 2016

Project Name	Status	Estimated Completion Date	Project Benefit (AFY)
San Sevaine Basin Improvements	Design	Summer 2017	4,000 - 6,000
RP-1 1158 PS Upgrades	Pre Design	December 2018	Reliability
RP-5 RW Pipeline Bottleneck	Pre Design	December 2018	Reliability
Pressure Sustaining Valve Installation	Pre Design	December 2018	Reliability
RP-1 Parallel Outfall Pipeline	Pre Design	December 2018	Reliability
Napa Lateral	Pre Design	December 2018	1,000
Baseline RW Extension	Pre Design	December 2018	100
City of Ontario Euclid/Riverside Pipeline	Design	December 2018	600 - 1,200

- 1630 W and 1630 E Surge Projection Projects

- Estimated completion: Fall 2016

FY14/15 RW Demand (through December 2015)



RW GWR Allocations (through December 2015)

Agency	Pro Rata Share (%)	Recharge Allocation (Acre-Feet) FY 15/16
Chino	10.5	570
Chino Hills	9	480
CVWD	25	1,358
Fontana	19	1,037
Montclair	4.5	240
Ontario	22	1,169
Upland	10	537
Total	100	5,392
JCSD's Allocation:		605
Total Amount Recharged:		5,997