

# NOTICE OF MEETING

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

OF THE  
BOARD OF DIRECTORS  
OF THE



IS SCHEDULED FOR  
**WEDNESDAY, MAY 13, 2015**  
**9:00 A.M.**

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



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

**WEDNESDAY, MAY 13, 2015  
9:00 A.M.**

**CALL TO ORDER**

**PUBLIC COMMENT**

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

**ADDITIONS TO THE AGENDA**

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

**1. ACTION ITEMS**

**A. MINUTES**

The Committee will be asked to approve the Public, Legislative Affairs, and Water Resources Committee meeting minutes of April 8, 2015.

**B. COMMERCIAL, INDUSTRIAL, INSTITUTIONAL (CII) TURF REBATE PROGRAM POLICY PRINCIPLES**

It is recommended that the Committee/Board:

1. Approve the Policy Principles for the CII Turf Removal Rebate Program; and
2. Authorize staff to execute the required Supplemental Funding Authorization, setting a maximum CII Turf application funding level.

**C. ADOPTION OF RESOLUTION NO. 2015-5-8, CALLING FOR SUPPORT OF THE GOVERNOR'S EXECUTIVE ORDER B-29-15**

It is recommended that the Committee/Board adopt Resolution No. 2015-5-8, calling for support of the Governor's Executive Order B-29-15; Statewide Mandatory Water Reductions to sustain regional water supplies in the Chino Basin.

**D. SANTA ANA RIVER WATERSHED-SCALE CONJUNCTIVE USE PROGRAM**

It is recommended that the Committee/Board:

1. Approve the Foundational Principles of the Santa Ana River Watermaster Action Team;
2. Approve the final draft Memorandum of Understanding (MOU) for the Santa Ana River Watershed-Scale Conjunctive Use Program (SARCUP);
3. Authorize the General Manager to make non-substantive changes and execute the final MOU; and
4. Approve in concept the submission of a grant application of \$60-million in funding from SAWPA and DWR for project totaling \$125-million.

**E. APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION IN THE DEVELOPMENT OF THE SANTA ANA RIVER MULTIPLE SPECIES HABITAT CONSERVATION PLAN**

It is recommended that the Committee/Board:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency and San Bernardino Valley Municipal Water District for participation in the development of the Santa Ana River Multiple Species Habitat Conservation Plan to address permitting issues of threatened and endangered species associated with Recharge Master Plan construction projects; and
2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

**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. STATE LEGISLATION MATRIX (WRITTEN)
  - E. ORDINANCE NO. 103, ESTABLISHING WATER CONNECTION FEES, CLASSES OF WATER SERVICE, AND REGULATING THE SALE AND DELIVERY OF IMPORTED WATER (WRITTEN)
  - F. PLANNING AND ENVIRONMENTAL COMPLIANCE UPDATE (ORAL)
- 3. GENERAL MANAGER'S COMMENTS
  - 4. COMMITTEE MEMBER COMMENTS
  - 5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS
  - 6. ADJOURN

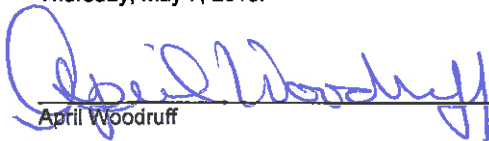
\*A Municipal Water District

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, May 7, 2015.

  
\_\_\_\_\_  
April Woodruff

**ACTION  
ITEM  
1A**



## MINUTES

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

WEDNESDAY, APRIL 8, 2015  
9:00 A.M.

#### **COMMITTEE MEMBERS PRESENT**

Steven J. Elie, Chair  
Michael Camacho

#### **STAFF PRESENT**

Jasmin A. Hall, Director  
P. Joseph Grindstaff, General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Tom Ash, Senior Environmental Compliance Officer  
Kathy Besser, Manager of External Affairs  
Andrea Carruthers, Senior External Affairs Specialist  
Lucia Diaz, Senior Site Administrator  
Jason Gu, Grants Officer  
Liz Hurst, Water Resource Analyst I  
Majid Karim, Acting Manager of Engineering  
Sylvie Lee, Manager of Planning and Environmental Compliance  
Lisa Morgan-Perales, Water Resources Analyst II  
April Woodruff, Board Secretary/Office Manager

#### **OTHERS PRESENT**

Congressman Peter Aguilar  
Drew Tatum, Innovative Federal Strategies  
Leticia White, Innovative Federal Strategies

The meeting was called to order at 9:04 a.m. There were no public comments received or additions to the agenda.

#### **ACTION ITEMS**

The Committee:

- ◆ Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of March 11, 2015.
- ◆ Recommended that the Board adopt Resolution No. 2015-4-2, authorizing the IEUA to enter into a Financial Assistance Agreement under the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants with the U.S. Department of Interior – Bureau of Reclamation and designating a representative to execute the Financial

Assistance Agreement, and any amendments thereto for the Groundwater Recharge Yield Enhancement Project for stormwater capture;

as a Consent Calendar Item on the April 15, 2015 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
- ◆ Commercial, Industrial, Institutional Turf Rebate Update
- ◆ Planning and Environmental Compliance Update

### **GENERAL MANAGER'S COMMENTS**

General Manager P. Joseph Grindstaff reported that last night the State Board released their draft plan to implement the Governor's Executive Order, which the Governor issued a week ago. He stated that the draft plan would require two of the member agencies – Cucamonga Valley Water District and the City of Upland – to reduce water use by 35%, the rest of the member agencies by 25%, of total water usage based on 2013 usage. Mr. Grindstaff reported that the Governor's Executive Order calls for a 25% statewide reduction in urban water usage by February 28, 2016. He stated that this is going to be very financially challenging for the member agencies. He stated that it foretells a dramatic change in landscape. He mentioned that by using a lot less water on landscape, it may impact safe yield long-term. Mr. Grindstaff noted that the Governor's Executive Order is strong by stating that we have to reduce urban usage by 25%.

### **COMMITTEE MEMBER COMMENTS**

None.

### **COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

None.

### **GUEST SPEAKER CONGRESSMAN PETE AGUILAR**

Congressman Peter Aguilar introduced himself to the Board. He stated that he represents the 31<sup>st</sup> Congressional District, which includes South Upland, Rancho Cucamonga, Fontana (area north of the 210), Rialto (area north of Foothill), Colton, San Bernardino, Loma Linda, Grand Terrace, and Redlands. He stated that he appreciates the work that IEUA is doing. Congressman Aguilar provided a brief legislative update. He mentioned that IEUA has the good fortune to have many members of Congress represent a portion of the service area, which gives the members a great opportunity to work together. For example, IEUA's Title XVI grant application – brine reduction project – six members of Congress signed the letter. He committed that Congress will continue to be supportive as we move forward. Congressman Aguilar reported that it has been an incredible 90 days as a new member of Congress.

With no further business, the meeting adjourned at 9:50 a.m.

Respectfully submitted,

April Woodruff  
Board Secretary/Office Manager

\*A Municipal Water District

**APPROVED: MAY 13, 2015**



**ACTION  
ITEM  
1B**



Date: May 20, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)

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: Commercial, Industrial, Institutional (CII) Turf Rebate Program Policy Principles

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Policy Principles for the CII Turf Removal Rebate Program; and
2. Authorize staff to execute the required Supplemental Funding Authorization, setting a maximum CII Turf application funding level.

### **BACKGROUND**

The CII Turf Removal Rebate Program promotes the removal of high water-consuming turf, encourages participants to install climate appropriate plants, and to convert overhead sprinklers to more efficient technologies such as micro-spray or drip system irrigation. Over 65 percent of the region's water is used to irrigate landscape with outdoor water use representing a major source of waste.

As a part of regional water use efficiency planning and programming, the Agency works with its member agencies to develop an annual budget. A component of that budget includes allocating funding to enhance rebates for Residential and CII customers. Metropolitan Water District (MWD) provides water use efficiency rebates with a base rate. The Agency, in partnership with its members, augments those rebates to increase the base rate and attract greater participation.

In response to the Governor’s Drought Declaration and call for an immediate reduction in water use, on July 1, 2014, the Agency and its members increased the regional CII Turf Removal Rebate by adding \$1 to MWD’s base rebate rate of \$2, for a total enhanced incentive of \$3 per square foot. To expand program participation, on July 10, 2014, the Agency issued a press release notifying the public of the \$1 increase to the rebate and encouraged southern Californians to significantly reduce outdoor water use during this exceptional period of drought.

On August 6, 2014, staff reported to the Board that after the issuance of the CII Turf Removal Rebate press release that the program experienced a considerable increase in participant interest, and that it was anticipated customer demand would significantly exceed the existing budget. On October 15, 2014, staff recommended that the Board approve an inter-fund transfer and loan of \$3,000,000 from the Administrative Services (GG) Fund to the Water Resources (WW) Fund in order to honor current and future requests.

The following table represents the total number of CII turf removal applications that are in-process through MWD’s Socialwater\$mart rebate program from July 1, 2014 through April 20, 2015. A total of 47 applications have been paid to date, representing Agency sponsored funding of \$538,516 (\$1 per square foot). The remaining applications are in-progress.

IEUA CII TURF REMOVAL										
(Total Turf Project Applications In-Process through 4-20-15)										
Agency	# of Projects	Square Footage	Public		Private		HOA		IEUA Supplemental TOTAL	TOTAL REBATE AMOUNT
			# of Projects	IEUA Supplemental	# of Projects	IEUA Supplemental	# of Projects	IEUA Supplemental		
City of Chino	11	1,640,447	3	\$9,985	4	\$200,834	4	\$87,247	\$298,066.00	\$3,578,960.00
City of Chino Hills	25	575,221	21	\$499,893	1	\$42,259	3	\$17,069	\$559,221.00	\$1,709,663.00
Cucamonga Valley WD	35	1,495,259	13	\$96,562	18	\$146,269	4	\$32,748	\$275,579.00	\$3,266,097.00
Fontana Water Co.	5	177,511	0	\$0	5	\$177,512	0	\$0	\$177,511.80	\$537,415.40
Monte Vista WD	8	162,884	0	\$0	3	\$17,346	5	\$145,538	\$162,884.00	\$488,652.00
Ontario Municipal	17	532,597	2	\$32,050	11	\$421,126	4	\$41,229	\$494,405.00	\$1,559,599.00
City of Upland	12	128,179	0	\$0	5	\$37,452	7	\$90,727	\$128,179.00	\$384,537.00
<b>TOTALS</b>	<b>113</b>	<b>4,712,098</b>	<b>39</b>	<b>\$638,490</b>	<b>47</b>	<b>\$1,042,798</b>	<b>27</b>	<b>\$414,558</b>	<b>\$2,095,845.80</b>	<b>\$11,524,923.40</b>

\*Note: Totals are subject to change after Post-Inspection

The program continues to be very popular with a high demand from the CII sector. Agency supplemental funding of \$2,095,845.80 has been committed to date with \$1,094,124.20 remaining in Agency approved funding. In order to ensure that Agency supplemental funding is equitably disbursed; staff is recommending that the Board approve several policy principles:

1. Principle: Set a maximum application funding level for Agency approved supplemental funding (\$1 per square foot):
  - a. **Option 1:** No maximum application funding limit – this would allow very large projects to consume the entire Agency provided supplemental funding.
  - b. **Option 2:** Set a maximum application funding level at \$50,000 or a maximum project size of 50,000 square feet. Total projects under 50,000 square feet represent **100** sites.

- c. **Option 3:** Set a maximum application funding level at \$100,000 or a maximum project size of 100,000 square feet. Total projects between 50,000 – 100,000 square feet represent **8** sites.
- d. **Option 4:** Set a maximum application funding level at \$250,000 or a maximum project size of 250,000 square feet. Total projects between 100,000 – 250,000 square feet represent **3** sites. There are **2** projects over 250,000 square feet that represent two golf courses (Red Hill Country Club and El Prado Golf Course)

Staff has reviewed all applications submitted from July 1, 2014 through April 20, 2015 and has determined the average size of CII turf projects to be approximately 21,238 square feet with the majority of projects below 50,000 square foot. Setting a funding level maximum will prevent a few larger CII turf projects from consuming the entire supplemental funding budget while limiting the opportunity for HOAs, smaller public agency projects, or smaller commercial properties from participating in the program. *Staff recommends the Board approve a maximum application funding level set at \$100,000 or 100,000 square feet per project.*

2. **Principle:** Staff recommends allowing eligibility for CII customers who utilize groundwater supplies for irrigation by allowing CII groundwater users to participate, it will reduce irrigation use and increase available supplies for other uses.
3. **Principle:** Staff recommends allowing eligibility for CII customers who utilize recycled water for irrigation by allowing CII recycled water users to participate, it allows the Agency to utilize additional recycled water supplies for groundwater recharge and assists in reducing peaking demands during the summer months when irrigation usage is at its highest.

While the Agency's supplemental funding is available to accommodate all requests, a modification is necessary to achieve the following objectives in a sustainable manner:

- Increase public awareness regarding use of water efficiency landscaping.
- Transforming the market towards use of more efficient outdoor water use practices.
- Accelerating the region's ability to comply with 20 percent water use reduction by 2020.
- Achieving increased water savings during this critical period of drought.

In addition, Agency staff is currently working with the Santa Ana Watershed Project Authority (SAWPA) on the Department of Water Resources (DWR) Proposition 84 Integrated Regional Water Management (IRWM) Drought Emergency Grant and has confirmed that the Agency is anticipated to receive approximately \$813,000 in reimbursements for CII turf removal, specifically related to public sector and homeowner's association projects. To date, the Agency has already met that obligation for grant reimbursement and will be submitting invoicing once an SAWPA and DWR have an executed agreement.

MWD is in the process of considering changes to their turf removal program. This will be considered at their May 12, 2015 Board Meeting. In the event that MWD staff make adjustments

to their program that affect the proposed policy principles, a revised recommendation will be brought to the Committee on May 13, 2015.

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 October 15, 2014, the Board of Directors approved an inter-fund transfer and loan of \$3,000,000 from the Administrative Services Fund to the Water Resources Fund in order to honor current and future CII turf removal application requests.

#### **IMPACT ON BUDGET**

The \$2,095,845.80 in supplemental rebates committed to date is supported by the approved funding budgeted in the Agency's Water Resources (WW) fund.

# Commercial, Institutional & Industrial Turf Rebate Update May 2015



*Inland Empire Utilities Agency*  
A MUNICIPAL WATER DISTRICT

Lisa Morgan-Perales  
Water Resources Analyst II

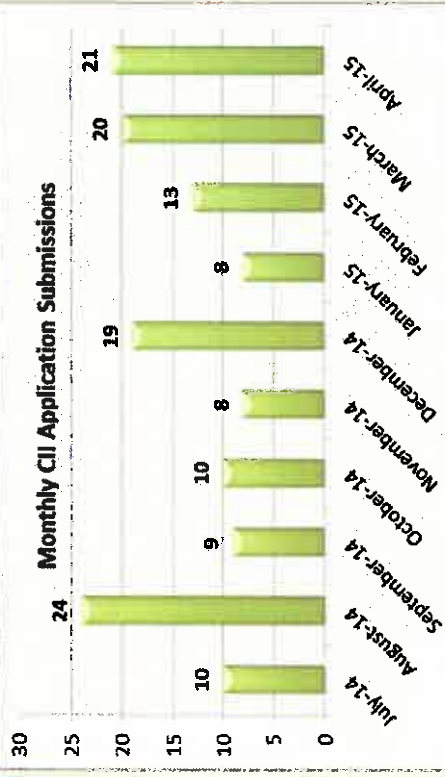


# Project Scope

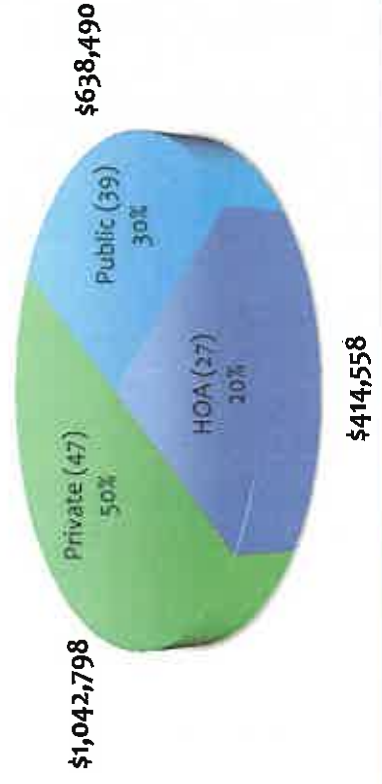
## IEUA Supplemental Funding

### July 1, 2014 – April 20, 2015

- \* 113 applications in-process (4.7 M sq. ft.)
- \* Funding committed (\$2 M)
- \* 47 applications paid (\$0.5 M)



### CII Supplemental Turf Funding by Sector (July 1, 2014 - April 20, 2015)



# Program Budget

\$1 / Square Foot Supplemental Funding

Description	Budget
Revised FY 2014-2015 Budget	\$3,189,970
IEUA supplemental funding - reserved to date	\$2,095,846
IEUA supplemental funding - paid to date	\$ 538,516
IEUA supplemental funding – uncommitted	\$1,094,124





# Program Scopes

- \* Total Projects under 50,000 sq. ft. = **100**
- \* Total Projects between 50,000 – 99,000 sq. ft. = **8**
- \* Total Projects between 100,000 – 250,000 sq. ft. = **3**
- \* Total Projects over 250,000 sq. ft. = **2**



**Legend**

**HOA**

Total Square Feet

- Under 50,000
- 50,000 - 99,999
- 100,000 - 250,000
- Over 250,000

**Public**

Total Square Feet

- Under 50,000
- 50,000 - 99,999
- 100,000 - 250,000
- Over 250,000

**Private**

Total Square Feet

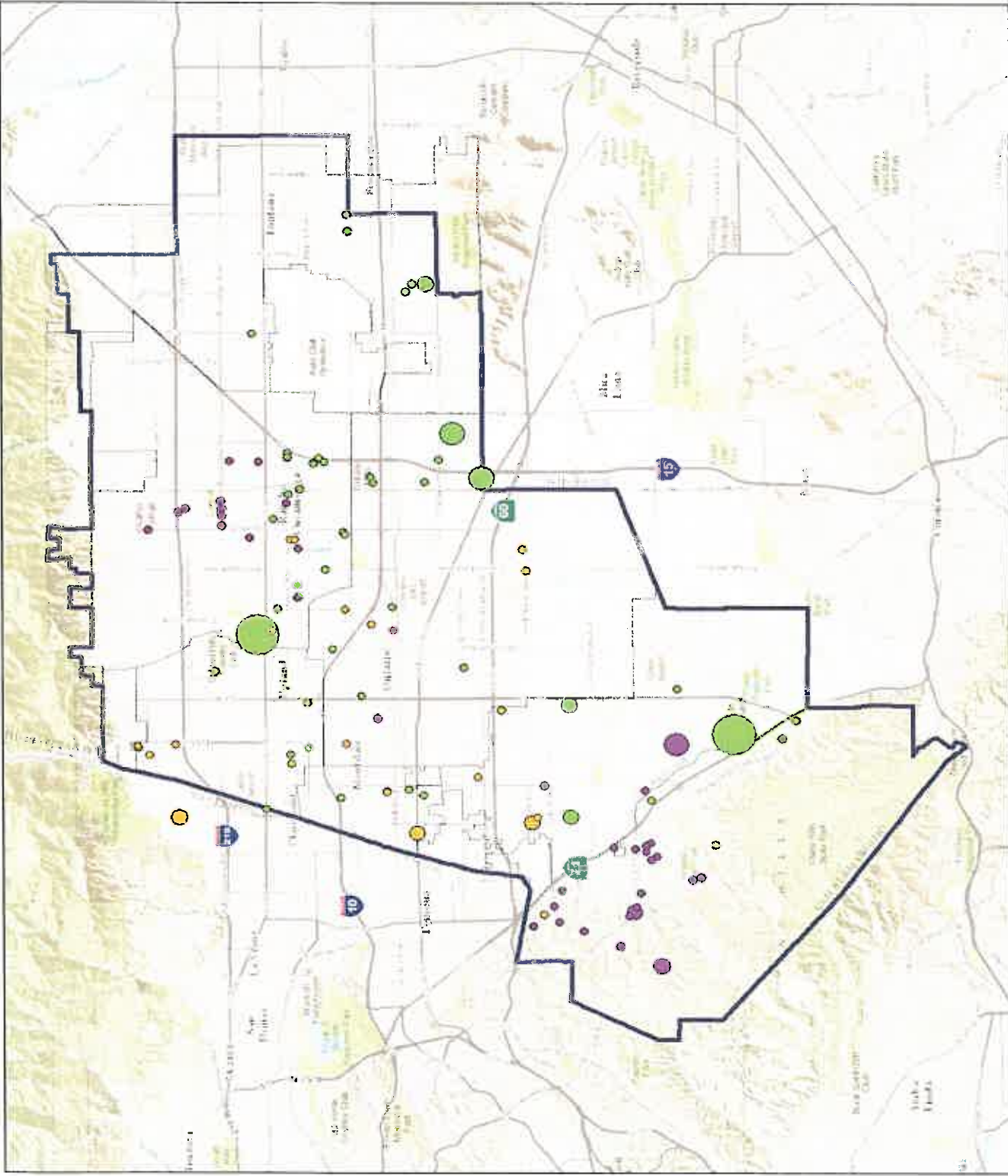
- Under 50,000
- 50,000 - 99,999
- 100,000 - 250,000
- Over 250,000



IEUA Service Area



Prepared by: AECOM  
Date Created: 04/29/15



# Policy Principles

- \* **Principle:** Set a maximum application funding level for Agency approved supplemental funding (\$1 per square foot):
  - **Option 1:** No maximum application funding limit – this would allow very large projects to consume the entire Agency provided supplemental funding.
  - **Option 2:** Set a maximum application funding level at \$50,000 or a maximum project size of 50,000 square feet per project.
  - **Option 3:** Set a maximum application funding level at \$100,000 or a maximum project size of 100,000 square feet per project.
  - **Option 4:** Set a maximum application funding level at \$250,000 or a maximum project size of 250,000 square feet per project.
- \* **Principle:** Allowing eligibility for CII customers who utilize groundwater supplies for irrigation.
- \* **Principle:** Allow eligibility for CII customers who utilize recycled water for irrigation.

# Recommendation

- ❖ Approve Staff Recommended Policy Principles, and
- ❖ Approve a maximum application funding level at \$100,000 (\$1 / sq. ft.) for Agency approved supplemental funding

*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.*



Discussion?

**ACTION  
ITEM  
1C**



Date: May 20, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)

From: *for* P. Joseph Grindstaff *WJG*  
General Manager

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

*for* Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Adoption of Resolution No. 2015-5-8, Calling for Support of the Governor's Executive Order B-29-15

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### **RECOMMENDATION**

It is recommended the Board of Directors adopt Resolution No. 2015-5-8, calling for support of the Governor's Executive Order B-29015; Statewide Mandatory Water Reductions to sustain regional water supplies in the Chino Basin.

### **BACKGROUND**

The State of California is currently experiencing unprecedented drought conditions with the distinct possibility that current water supply challenges will continue into a fifth straight year in 2016 and beyond. On January 17, 2014, Governor Edmund G. Brown, Jr. declared a drought state of emergency, and urged Californians to voluntarily reduce water use by 20 percent.

On April 25, 2014, the Governor issued a second Executive Order calling upon all water suppliers to redouble efforts to conserve water. Among other things, the Executive Order directed the State Water Resources Control Board (SWRCB) to adopt emergency regulations to ensure that urban water suppliers implemented drought response plans to limit outdoor irrigation and other wasteful water practices.

Under the directive from the Governor, on July 15, 2014, the SWRCB adopted an emergency regulation for water conservation to prevent waste and unreasonable use. Prohibited water use included three mandatory requirements: 1) a prohibition on certain types of water use; 2) an order for all urban water suppliers to implement mandatory conservation measures consistent

with their drought contingency plans, and 3) monthly water production reporting by all water suppliers to the SWRCB.

With the Emergency Regulation set to expire on April 25, 2015, the SWRCB took action to extend and expand it on March 17, 2015. The expanded portion includes: 1) prohibiting irrigation of turf or ornamental landscapes during and 48 hours following measurable precipitation; 2) serving water only on request at restaurants and other food service providers, and 3) establishing an option for guests of hotels and motels to choose not to launder towels and linens daily.

For the first time in California's history, the Governor issued Executive Order B-29-15; calling for statewide mandatory water reductions to reduce water usage across the State by 25% from 2013 levels to safeguard the State's remaining water supplies. Other Provisions in the Order include: 1) reductions in potable water use at commercial, industrial and institutional properties (P5); 2) prohibition on using potable water for irrigation of ornamental turf in street medians (P6); 3) prohibition on using potable water for irrigation outside of new home construction without drip or microspray systems (P7), and 4) rate structures and other pricing mechanisms (Provision 8) that will be developed separately from Provisions 2, 5, 6 & 7.

The Metropolitan Water District (MWD) responding to the Governor's Order and historically dry conditions, approved the implementation of a Water Supply Allocation Plan Level 3, declaring a Regional Shortage Level and reducing Tier 1 Allocations by 15%.

Since the Governor's first Executive Order, the Agency has been aggressively accelerating water use efficiency efforts to preserve regional supplies, including working closely with member agencies and MWD to improve programming and outreach actions that produce increased public response to reduce their water use.

The Agency's major initiatives to respond to the drought include the following:

- The Agency adopted Resolution 2014-4-3 on April 16, 2014, supporting the Governor's call for voluntary 20% reduction in water use and committing the Agency to do its part in helping to reduce water use during this extraordinary drought.
- The Agency adopted Resolution 2014-8-2 on August 6, 2014, calling for support of the Emergency Regulations to sustain regional water supplies.
- Since July 1, 2014, the Agency significantly increased participation in the commercial, industrial, and institutional turf removal rebate program by providing supplemental funding to enhance the rebate.
- The Agency substantially increased funding within the FY 14/15 Water Conservation Budget to further fund and expanded local programs and activities in support of the member agencies.



Adoption of Resolution 2015-5-8, Calling for Support  
of the Governor's Executive Order B-29-15

May 20, 2015

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- Since July 1, 2014, the Agency expanded the residential turf removal program by doubling the program budget from previous years.
- The Agency, along with regional agencies within the Santa Ana Watershed Project Authority (SAWPA) area, was awarded a \$12 million Prop. 84 Drought Grant to support Commercial Turf Removal, Customer Outreach, and tools to support the development of conservation based rate structures.
- The Agency covers a variety of rebates through MWD's So Cal Water Smart Program for Turf Removal, On-Site Recycled Water Conversions and an array of other high efficiency devices. Drought funds from the Agency's water resources program are used to support landscape water reduction programs, sustainable rate structures, and other initiatives.

In response to the new emergency water conservation prohibitions, staff will continue to develop comprehensive and coordinated actions with our member agencies to support them in attaining their state mandated water use reductions requirements. Proposed actions include the following:

- Launch a Residential Turf Removal Rebate Program in May 2015.
- Provide financial support for targeted outreach activities such as programming that provides information tailored specifically to individual water customers, customized information based on their water use, and water use relative to reasonable use.
- Develop a coordinated regional communication strategy to emphasize the severity of the drought and support local compliance with the mandatory conservation measures.
- Work to develop partnerships with public agencies, such as school districts within the service area to remove non-functional high-water using turf and replace with climate appropriate landscaping or alternative materials.
- Encourage additional measures and local investments to enhance conservation, increase and maximize use of recycled water (connect medians, streetscapes and potential customers), and enhance groundwater recharge capacity (recycled water and capture of storm water).
- Encourage and support the development of sustainable rate structures by member agencies that support long term reductions resulting in efficient water usage.
- Provide additional funding to member agencies to assist with the implementation of water shortage contingency plans.

The MWD Water Supply Allocation Plan (WSAP) will be effective July 1, 2015. As a result, the Agency will be implementing the Level 3 WSAP with the member agencies. Cucamonga Valley Water District (CVWD), Fontana Water Company (FWC), and Water Facilities Authority (WFA) Tier 1 allocation will be reduced proportionally based on their baseline purchases which established the Agency's WSAP. Penalties rates will be assessed consistent with the MWD penalty rates only if the Agency exceeds the level 3 allocation at the end of the fiscal year, as a pass through to CVWD, FWC, and WFA.

In response to these needs, Resolution 2015-5-8 recommends the following:

- The Inland Empire Utilities Agency supports a Level 3 reduction in imported water supplies as proposed by the Metropolitan Water District of Southern California in its Water Supply Allocation Plan, which will require a 15 percent reduction of wholesale imported water within the Agency's service area and will contribute to achieving the water use reductions required under the Governor's Executive Order; and,
- The Inland Empire Utilities Agency will coordinate with its member agencies, cities and communities to develop a unified regional message and significantly accelerate its outreach efforts in order to communicate the urgent need to reduce all water use, especially water used for lawns and other outdoor landscaping, immediately to Inland Empire public officials, residents and businesses; and
- The Inland Empire Utilities Agency will offer additional financial resources to support member agencies in expediting actions needed to accelerate the enforcement of mandatory conservation levels, including the development of conservation-based rate structures that will protect member agency revenues while helping to permanently reduce excessive water use; and
- The Inland Empire Utilities Agency encourages cities, agencies and businesses to accelerate the implementation of recycled water projects and new connections and use available recycled water in place of drinking water supplies for outdoor irrigation, industrial process water, dust control and other uses wherever possible.

### **PRIOR BOARD ACTION**

On August 6, 2014, the Board adopted Resolution 2014-8-2, Calling for Support of Emergency Regulations to Sustain Regional Water Supplies.

On April 16, 2014, the Board adopted Resolution 2014-4-3, Calling for Enhanced Water Use Efficiency Efforts to Extend Regional Water Supplies for Inland Empire Residents and Business.

On April 15, 2009, the IEUA Board adopted the IEUA Drought Plan with a level 2 Shortage (10%) Allocation.

Adoption of Resolution 2015-5-8, Calling for Support  
of the Governor's Executive Order B-29-15  
May 20, 2015  
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**IMPACT ON BUDGET**

None.

Attachment: Resolution 2015-5-8

**RESOLUTION NO. 2015-5-8**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, CALLING FOR SUPPORT OF THE GOVERNOR'S EXECUTIVE ORDER B-29-15; STATEWIDE MANDATORY WATER REDUCTIONS TO SUSTAIN REGIONAL WATER SUPPLIES IN THE CHINO BASIN.**

**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 relies on imported water from Northern California provided through the Metropolitan Water District of Southern California ("MWD") to meet approximately 30% of its supply demand; with the balance of the service area's demand being met by local groundwater via the Chino Basin and surface water, and through local water recycling and water use efficiency; and

**WHEREAS**, the state of California is experiencing unprecedented drought conditions, with a distinct possibility that current water supply challenges will stretch into a fifth straight year in 2016 and beyond; and

**WHEREAS**, additional aggressive actions to reduce outdoor water use are needed to preserve remaining water supplies and to reduce significant impacts to the region from water shortages; and

**WHEREAS**, on January 17, 2014, Governor Edmund G. Brown Jr. declared a State of Emergency due to drought conditions and asked for a voluntary 20 percent water use reduction by everyone in California; and

**WHEREAS**, on July 15, 2014, the State Water Resources Control Board adopted Emergency Water Conservation Regulations to prevent the waste, unreasonable use, unreasonable method of use, and to promote water conservation and recycling to reduce outdoor urban water use; and

**WHEREAS**, on March 17, 2015, the State Water Resources Control Board adopted the expansion and extension of Emergency Water Conservation Regulations to safeguard the State's remaining water supplies; and

**WHEREAS**, on April 1, 2015, the Governor issued Executive Order B-29-15, declaring a State of Emergency throughout the State of California due to severe drought conditions and ongoing drought; and

**WHEREAS**, on April 14, 2015, MWD approved the implementation of a Water Supply Allocation Plan Level 3, declaring a Regional Shortage Level and reducing Tier 1 Allocations by 15 percent; and

**WHEREAS**, over the past 21 years, the Agency has invested more than \$275 million in the region to enhance groundwater recharge, infrastructure improvements, recycled water, and water use efficiency programs; and

**WHEREAS**, the cities and agencies providing service within the Agency's boundaries have worked collaboratively to develop water-management strategies and to implement comprehensive water use efficiency programs that have prepared the region to cope with extended periods of drought; and

**WHEREAS**, the Agency and its member agencies are expanding conservation efforts that focus on outdoor water use reduction immediately to support the region in meeting its water needs now and in the future; and

**WHEREAS**, the Agency and its member agencies are increasing their public outreach and messaging activities to heighten public awareness and trigger a "call for action" to respond to the Governor's Executive Order, the severe statewide drought and the urgency for everyone to do their part to implement extraordinary conservation measures to reduce water use and preserve existing regional supplies; and

**WHEREAS**, there are numerous resources and programs to assist us in our region-wide water use efficiency efforts, including rebates for turf removal, landscape equipment upgrades, indoor water saving devices, free landscape evaluations, and information on water-saving strategies at [www.ieua.org](http://www.ieua.org), and [www.bewaterwise.com](http://www.bewaterwise.com).

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

- The Inland Empire Utilities Agency recognizes that the State of California is in a state of emergency due to the unprecedented drought conditions and the possibility that this drought could extend into 2016 and beyond;
- The Inland Empire Utilities Agency urges every member agency, public agency, resident and business to take the necessary actions to reduce their water usage to achieve the statewide 25 percent water use reduction goal set by Governor Brown in Executive Order B-29-15 and implemented through the State Water Resources Control Board's (Emergency Drought Regulations); and,
- The Inland Empire Utilities Agency supports a Level 3 reduction in imported water supplies as proposed by the Metropolitan Water District of Southern California in its Water Supply Allocation Plan, which will require a 15 percent reduction of wholesale imported water within the Agency's service area and will contribute to achieving the water use reductions required under the Governor's Executive Order; and,
- The Inland Empire Utilities Agency will coordinate with its member agencies, cities and communities to develop a unified regional message and significantly accelerate its outreach efforts in order to communicate the urgent need to reduce all water use, especially water used for lawns and other outdoor landscaping, immediately to Inland Empire public officials, residents and businesses; and

- The Inland Empire Utilities Agency will offer additional financial resources to support member agencies in expediting actions needed to accelerate the enforcement of mandatory conservation levels, including the development of conservation-based rate structures that will protect member agency revenues while helping to permanently reduce excessive water use; and
- The Inland Empire Utilities Agency encourages cities, agencies and businesses to accelerate the implementation of recycled water projects and new connections and use available recycled water in place of drinking water supplies for outdoor irrigation, industrial process water, dust control and other uses wherever possible.

**ADOPTED** this 20<sup>th</sup> day of May, 2015.

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

ATTEST:

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

\*A Municipal Water District



***Immediate Actions to Cut Water Use***  
***Examples of Practical and Common-Sense***  
***Water Use Efficiency Best Practices***

- Remove non-functional lawns now and replace with drought tolerant landscapes when the drought emergency is over;
- Install high efficiency irrigation technologies such as drip irrigation, micro-bubblers/sprays, and pressure regulated sprinkler nozzles to keep trees and non-lawn landscapes alive;
- Install a weather based irrigation controller and program it correctly to ensure that water used for irrigation is not wasteful;
- Do not allow irrigation water to runoff or overspray onto sidewalks, driveways and streets;
- Turn off landscape irrigation systems during rain events and no irrigation for a minimum of 48 hours after rain events;
- Limit the number of days per week that customers can irrigate outdoors;
- Turn-off decorative water features such as fountains;
- Repair indoor and outdoor leaks quickly within 48 hours;
- Use hoses with automatic shut-off valves for watering areas that aren't on an automated irrigation system;
- Wash cars, trailers, boats and other types of mobile equipment at a commercial carwash equipped with a water recycling system;
- Wash paved areas for health and safety purposes only with the use of a waterbroom or water-efficient pressure washer;
- Restaurants serve and refill water only upon request; and
- Hotels offering guests the option of not laundering their linens and towels daily.



# Statewide Mandatory Water Reductions

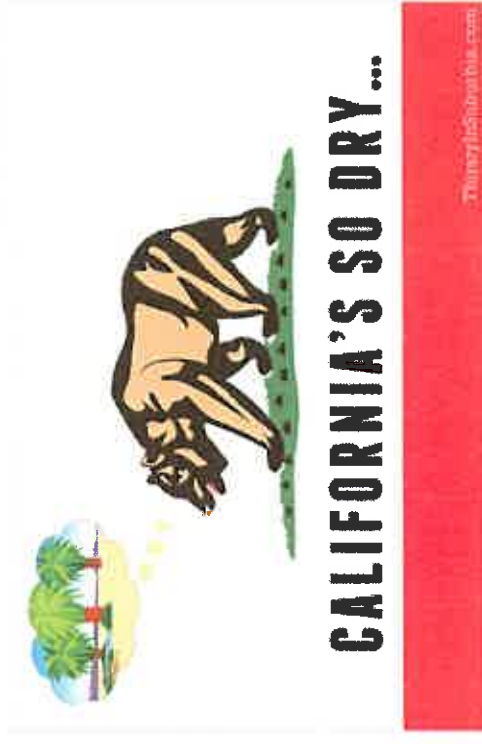
May 2015



*Inland Empire Utilities Agency*  
A MUNICIPAL WATER DISTRICT

# Topics of Discussion

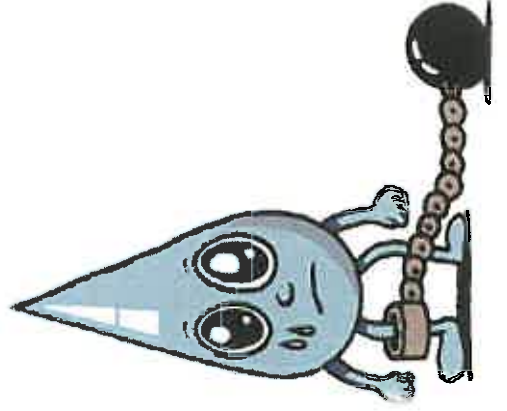
- \* Adopt Resolution 2015-5-8 in support of the Governor's Executive Order for Statewide Mandatory Water Reductions
  - o Governor's Executive Order
  - o Water Supply Allocation Plan
  - o Drought Response



# Governor's Executive Order

- Statewide Mandatory Reductions - 25% (Provision 2)
- IEUA Member Agency Proposed Conservation Standard

Agency	4-1-2015	4-18-2015
Chino	25%	24%
Chino Hills	25%	28%
CVWD	35%	32%
FWC	25%	28%
MVWD	25%	24%
Ontario	25%	24%
Upland	35%	36%



# New Proposed Emergency Regulation

- \* Reductions in potable water use at commercial, industrial and institutional properties
- \* Prohibition on using potable water for irrigation of ornamental turf in street medians
- \* Prohibition on using potable water for irrigation outside of new home construction without drip or microspray systems
- \* Rate structures and other pricing mechanisms to be addressed separately





# Water Supply Allocation Plan (WSAP)

## Level 3 – 15% Reduction

Effective July 1, 2015

Agency	2012-13	2013-14	% IW Delivery		Baseline	Level 2	Level 3	Level 4	Level 6	Level 8	Level 10
CVWD	25,845	28,825	43%		28,069	27,677	26,640	25,602	23,526	21,450	19,374
WFA	27,954	28,438	45%		28,953	28,549	27,479	26,408	24,267	22,126	19,984
FWC	5,215	9,792	12%		7,705	7,597	7,313	7,028	6,458	5,888	5,318
<b>TOTAL</b>	<b>59,014</b>	<b>67,055</b>	<b>100%</b>		<b>64,726</b>	<b>63,824</b>	<b>61,431</b>	<b>59,038</b>	<b>54,251</b>	<b>49,464</b>	<b>44,677</b>

• Note: Data is in AF

- Baseline for MWD WSAP formula: FY12/13 and FY13/14
- Values are estimates and are subject to change. Final allocations expected from MWD by end April or early May.
- Penalty rates for exceeding level 3 allocation will be assessed consistent with the MWD penalty rate structures, only if the Agency exceeds its allocation, at the end of the assessment period.

# Regional Drought Response

## \* Major Initiatives

- Adoption of Resolution 2014-4-3 – Support Governor’s call for voluntary 20% reduction in water use (April 16, 2014)
- Adoption of Resolution 2014-8-14 – Support of Emergency Regulation for Water Conservation (August 6, 2014)
- Significantly increased commercial turf removal by enhancing rebate with supplemental funding
- Doubled residential turf removal budget from previous years



# Regional Drought Response

- \* **Current Drought Responses**
  - Adopt Resolution 2015-5-8 – Supporting the Governor’s call for mandatory 25% reduction in statewide water use
  - Residential Turf Removal Rebate Program Launch (May 2015)
  - Provide additional financial support for targeted outreach activities and the acceleration of water conservation efforts
  - Develop a new coordinated regional communication strategy
  - Develop public agency partnerships to target the removal of non-functional high-water using turf
  - Development of tools that will establish an efficiency standard for indoor/outdoor water use



# Recommendations

- \* Support a Level 3 – Tier 1 (15%) reduction in imported water supplies
- \* Support the coordination of regional unified messaging and outreach that triggers a “call for action”
- \* Support the Agency’s ability to provide additional funding to support increasing conservation efforts
- \* Support the acceleration of recycled water conversions and new connections





# Questions?

*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.*

**ACTION  
ITEM  
1D**



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Date: May 20, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)  
Finance, Legal, and Administration Committee (05/13/15)

From: *For* P. Joseph Grindstaff *PG*  
General Manager

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

*For* Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Santa Ana River Watershed-Scale Conjunctive Use Program

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Foundational Principles of the Santa Ana River Watermaster Action Team;
2. Approve the final draft Memorandum of Understanding (MOU) for the Santa Ana River Watershed-Scale Conjunctive Use Program (SARCUP);
3. Authorize the General Manager to make non-substantive changes and execute the final MOU; and
4. Approve in concept the submission of a grant application of \$60-million in funding from SAWPA and DWR for project totaling \$125-million.

### **BACKGROUND**

In 2014, Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (SBVMWD), Eastern Municipal Water District (EMWD), Western Municipal Water District (WMWD), and Orange County Water District (OCWD) formed the Santa Ana River Watermaster Action Team (Team) for the main purposes of developing cooperative plans for SARCUP, a watershed-scale conjunctive use program. Developing phase 1 of SARCUP would be the basis for the 2015 OWOW grant application for \$60 million in DWR funding. Other phases would be the core of future grant opportunities, for example from future State funding from 2014's Proposition 1. Through 2014 and into 2015, the general managers of the Team's

founding agencies developed Foundation Principles and a Memorandum of Understanding (MOU), which are attached to this board letter. The principles and MOU are statements of cooperation to maximize development of local and imported supplies, to collaborate as equitable partners, and to not compete for grants or imported water supplies that can be used for SARCUP. In addition to conjunctive use of the regions aquifers and infrastructure, the Team would also work cooperatively on regional water use efficiency programs and habitat restoration/*Arundo* removal programs. The Team is supported by a consulting team of experts in water supply namely Rich Atwater, Mark Wildermuth, Ed Means, and Bob Ohlund.

In 2015, planning managers for the Team met regularly to develop concepts for infrastructure for a water bank that could be used by all Team members as needed to store water during wet years when there is surplus water in State Water Project Water and to extract water during dry years when there is a shortage of water in the State Water Project. The infrastructure would be available for other uses by their owners when not in use for the water bank. Program elements of the conjunctive use program will form \$90 million of a \$125 million project list in the grant application to SAWPA and DWR. Habitat and conservation within the watershed will comprise \$35 million in projects and programs.

For the 2015 OWOW funding, the Team is preparing a proposal for submission that includes:

<b>Grant Application Costs and Benefits</b>	<b>Supply Benefit</b>	<b>DWR Grant</b>	<b>Local Match <sup>(1)</sup></b>	<b>Total Project <sup>(1)</sup></b>
Habitat Restoration: <i>Arundo</i> Removal	4,000 AFY	\$ 5M	\$ 5M	\$10M
Water Use Efficiency: Turf Replacement	500 AFY	\$10M	\$20M <sup>(2)</sup>	\$30M
SARCUP Water Bank: Put & Take Facilities	60,000 AFY <sup>(3)</sup>	\$45M	\$40M	\$85M
	64,500 AFY <sup>(3)</sup>	\$60M	\$65M <sup>(2)</sup>	\$125M

(1) All 5 SAWPA member agencies share local match and total costs equally. Agency Local match is \$9M (\$65M total - \$20M MWD / 5 agencies). Local match is 36 cents per 1 dollar in total project costs.

(2) Cost share includes MWD \$2.00/ square foot turf removal program

(3) Dry-Year Yield

The benefits and costs of the program will be shared by all Team members. While the OWOW/Proposition 84 DWR funding requires a 25% match, the Team has agreed to pursue the grant application with a match just above 50%. While the groundwater bank will be available for use by all five Team members, it will be located in the four main groundwater basins in upper Santa Ana River watershed (Chino, San Bernardino, Elsinore, and San Jacinto Basins) to facilitate cascading multiple reuses of the waters put into the bank. The created bank will require later filling with water coordinated by the agency desiring the bank's use. Institutional agreements among the Team and governing water management agencies will be required to operate the water bank puts and takes. Puts (deposits) into the bank may be wet water recharge

Santa Ana River Watershed-Scale Conjunctive Use Program

May 20, 2015

Page 3 of 4

or in lieu deliveries. Takes (withdrawals) from the bank may be from wet water exchanges or paper transfers.

Within the Chino Basin, proposed SARCUP would include 100,000 AF of storage capacity and up to 35,000 AFY of dry year extraction available to the Action Team agencies. The 2015 proposal will include the following phase 1 water supply elements in the Chino Basin:

- Baseline Feeder extension from Rialto to San Sevaine Creek
- One recharge and two potable intertie on the extended Feeder
- Recharge diversion capacity increases at Jurupa and Montclair Basins
- Recharge turnout on the Devil Canyon-Azusa pipeline
- Well rehabilitations and retrofits for exchanging banked for recycled water

The below table lists the general Phase 1 SARCUP projects and capacities of the bank by basin.

Action Team 2015 OWOW Grant Application Elements	Water Bank Storage	New Dry-Year Yield	New Annual Yield
<b>SARCUP</b>			
<b>Bunker Hill Groundwater Basin</b>	60,000 AF	20,000 AFY	
5 Extraction Wells			
Transmission pipeline			
Expand Redlands PS (add 20 cfs pump)			
Baseline Feeder extension from Rialto to San Sevaine Creek			
<b>San Jacinto Groundwater Basin</b>	19,500 AF	6,500 AFY	
Mountain Ave. West Recharge Basin			
3 Extraction Wells			
<b>Elsinore Groundwater Basin</b>	4,500 AF	1,500 AFY	
2 Dual Use Wells (Injection and Extraction)			
<b>Chino Groundwater Basin</b>	96,000 AF	32,000 AFY	
Baseline Feeder extension from Rialto to San Sevaine Creek			
One recharge and two potable intertie on the extended Feeder			
Recharge diversion capacity increases at Jurupa and Montclair Basins			
Recharge turnout on the Devil Canyon-Azusa pipeline			
Well rehabilitations and retrofits for exchanging banked for recycled water			
<b>Water Use Efficiency</b>			4,000 AFY
<b>Habitat Restoration</b>			500 AFY
<b>Totals</b>	<b>180,000 AF</b>	<b>60,000 AFY</b>	<b>4,500 AFY</b>

**PRIOR BOARD ACTION**

On May 21, 2014, the IEUA Board approved the Memorandum of Understanding for the Santa Ana River Action Team.

**IMPACT ON BUDGET**

IEUA would be required to fund \$18 million of the \$125 million in capital improvements, habitat restoration, and water use efficiency programs in the Santa Ana River Watershed, with significant direct costs used in the Chino Basin. IEUA will need to establish \$18 million in funding for these grant projects. Of the \$18 million, 50% would be grant funded by the 2015 OWOW program. The net \$9 million costs to IEUA would be expended over 5 years and would be part of the region's planned drought year projects.

## MEMORANDUM OF UNDERSTANDING

This amendment to the May 2014 Memorandum of Understanding ("MOU") to collaborate to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed is executed as of \_\_\_\_\_, 2015 ("Effective Date"), by and among, Inland Empire Utilities Agency ("IEUA"), Orange County Water District ("OCWD"), San Bernardino Valley Municipal Water District ("Valley District"), Western Municipal Water District ("Western"), and Eastern Municipal Water District ("Eastern"). IEUA, OCWD, Valley District, Western and Eastern are collectively referred to herein as "Parties" and individually as "Party."

### RECITALS

- A. On April 17, 1969, the Superior Court entered a Stipulated Judgment as a result of the case of Orange County Water District v. City of Chino, *et al.*, (Case No. 117628-County of Orange), concerning rights of the water users and other entities in the lower area of the Santa Ana River basin downstream of Prado Dam as against those in the upper area tributary to Prado Dam. The Judgment designates the Parties, excluding Eastern, as responsible for representing the interests of the upper and lower areas and gives such agencies the responsibility to fulfill the obligations set forth in the Stipulated Judgment.
- B. Each Party represents a regional water agency that covers the Santa Ana River watershed, and with the exception of Eastern, collectively makes up the Santa Ana River Watermaster created by the Stipulated Judgment.
- C. Although Eastern is not a member of the Santa Ana River Watermaster, the Parties collectively desire to participate in large-scale water supply reliability and water use efficiency projects/programs that benefit the entire Santa Ana Watershed, which projects may only be possible through securing grant funding. The combination of such projects and water resources management programs comprise a Santa Ana River Conjunctive Use Program (SARCUP).
- D. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, commonly known as Proposition 84, authorized over \$1.5 billion for water supply and water quality projects throughout the State of California. The Proposition 84 funding is allocated to various regions with the Santa Ana region receiving a funding allocation of \$114 million.
- E. To date, the state of California has released Proposition 84 funding in two rounds, with \$12 million released in the first round and \$16 million released in the second round. A third round is expected in 2015.
- F. The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), approved by California voters in November 2014, authorizes \$7.12 billion in general obligation bonds for state water supply infrastructure projects, such as public water system improvements, surface and groundwater storage, drinking water protection, water recycling and advanced water treatment technology, water supply management and conveyance, wastewater treatment, drought relief, emergency water supplies, and ecosystem and watershed protection and restoration. Specific spending proposals in Proposition 1 include:

- \$520 million to improve water quality for “beneficial use,” for reducing and preventing drinking water contaminants, disadvantaged communities, and the State Water Pollution Control Revolving Fund Small Community Grant Fund.
- \$1.495 billion for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects.
- \$810 million for expenditures on, and competitive grants and loans to, integrated regional water management plan projects.
- \$2.7 billion for water storage projects, dams and reservoirs.
- \$725 million for water recycling and advanced water treatment technology projects.
- \$900 million for competitive grants and loans for projects to prevent or clean up the contamination of groundwater that serves as a source of drinking water.
- \$395 million for statewide flood management projects and activities.

These monies are expected to be distributed to worthy projects in the next few years.

G. The Santa Ana Watermaster Committee supports the Parties' desire to explore and identify possible watershed-wide projects, and has unofficially named the Parties the "Santa Ana Watermaster Action Team."

I. The Parties desire to collaborate to secure Proposition 84 and 1 funding and any other available funding for the identification, evaluation and implementation of certain SARCUP projects and any future projects determined by the Parties, all of which will wholly affect and benefit the Santa Ana River Watershed per the Foundational Principles attached as Exhibit A.

J. This MOU may be amended in the future to include other interested public agencies, non-profit organizations and other stakeholders.

Now, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the Parties agree as follows:

#### OPERATIVE PROVISIONS

1. **Purpose.** The Parties desire to collaborate in the implementation of SARCUP including any future projects identified by the Parties, concerning large-scale water supply reliability projects that will provide benefits to the entire watershed. Further, the Parties will work together and take such action as may be necessary to secure grants or other necessary funding, including Propositions 84 and 1 funding, to pay for the SARCUP projects selected by the Parties.

2. **Term.** The term of this MOU shall commence on the Effective Date and shall continue until terminated upon the written consent of the Parties. An individual Party may terminate its participation in the MOU at any time without approval of the remaining Parties.

3. **Projects.** The current proposed SARCUP contemplated by this MOU includes the following:

a. **Habitat Restoration and *Arundo* Removal.** Develops plans and creates habitat for listed species to help offset any "take" associated with water projects and removes *Arundo*, an invasive plant that consumes approximately 4 acre-feet of water per acre.



b. **Regional Conjunctive Use.** Regional conjunctive use is an integrated water resources management strategy that optimizes all sources of water in a coordinated surface and groundwater storage program including water use efficiency best practices in order to maximize the drought reliability of water supplies for the whole Santa Ana River watershed and better manage emergency outages from imported supplies. Agencies in the watershed participate in and receive reliability benefit from regional projects that increase the storage of local stormwater and imported water primarily in wet years for later extraction, treatment and delivery both directly and through in-lieu exchange primarily during dry years.

c. **Economic Based Water Use Efficiency Program.** Develops a set of innovative, best-in-class water conservation tools, new and supplemental incentive programs, and water use efficiency rate structure implementation support that can be applied on a regional basis to help achieve water conservation targets established by the State of California.

4. **Future Projects.** In addition to the SARCUP projects identified in Section 3 above, the Parties will continue, during the term of this MOU, to diligently work together to identify, examine and implement additional SARCUP projects, all of which will be subject to this MOU. The implementation of any SARCUP project, and the associated terms and obligations, will be determined and may be memorialized in a separate written agreement executed by participating Parties.

5. **Contracting Party.** One of Parties will serve as the contracting Party for each of the SARCUP projects contemplated by this MOU. The Parties hereby agree that whichever agency is designated as the contracting Party for the SARCUP project has the authority and power to bind the Santa Ana River Watermaster Action Team within the authority previously established by the Team. The designated Party shall not bind the Team in excess of the previously established authority without prior approval of the Team. The Contracting Party will also provide necessary administrative support for the various SARCUP projects contemplated and/or implemented by the Parties. The Parties agree that the Contracting Party shall have no liability of any kind for acts performed or taken as the contracting party in furtherance of the purpose of this MOU. Selection of the Contracting Party will be done by general consensus and will be ratified by an action of the Contracting Party's Board of Directors.

6. **Obligations of the Parties.** Each Party agrees to cooperate in the fulfillment of the purpose of this MOU and to act in good faith at all times. Exhibit A contains the Foundational Principles of the collaboration. The Parties will be responsible for cost sharing, in such amounts as determined by the Parties, of any costs or fees incurred in connection with the SARCUP projects. The Parties will make every effort to collaborate to identify possible projects that satisfy the intent of this Agreement and further agree to enter into additional agreements and execute documents reasonably necessary to carry out the intent of this MOU.

7. **General.**

a. **Notices.** Any written communication required or permitted to be given hereunder will be deemed received upon personal delivery or forty-eight (48) hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

If to IEUA: Inland Empire Utilities Agency  
6075 Kimball Ave.  
Chino, CA 91708  
Attn: Joe Grindstaff, General Manager

If to OCWD: Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708  
Attn: Michael R. Markus, General Manager

If to Valley District: San Bernardino Valley Municipal Water District  
3 80 East Vanderbilt Way  
San Bernardino, California 92408  
Attn: Douglas D. Headrick, General Manager

If to Western: Western Municipal Water District  
14205 Meridian Parkway  
Riverside, CA 92518  
Attn: John V. Rossi, General Manager

If to Eastern: Eastern Municipal Water District  
2270 Trumble Road  
Perris, CA 92570  
Attn: Paul D. Jones II, P.E., General Manager

b. Entire Agreement. This MOU contains the entire agreement between the Parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the Parties.

c. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.

d. Signing Authority. Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of

**Inland Empire Utilities Agency**

By: \_\_\_\_\_

Name: Joe Grindstaff

Its: General Manager

**Orange County Water District**

By: \_\_\_\_\_

Name: Shawn Dewane

Its: President, Board of Directors

**San Bernardino Valley Municipal  
Water  
District**

By: \_\_\_\_\_

Name: Douglas D. Headrick

Its: General Manager

**Western Municipal Water District**

By: \_\_\_\_\_

Name: John V. Rossi

Its: General Manager

**Eastern Municipal Water District**

By: \_\_\_\_\_

Name: Paul D. Jones II, P.E.

Its: General Manager

## EXHIBIT "A"

### Santa Ana River Conjunctive-Use Program (SARCUP)

#### Foundational Principles

The goals of the SARCUP are to maximize the development and use of local and imported water supplies and to conjunctively manage these local water supplies such that the aggregate yield and water supply reliability generated by the SARCUP is greater than the independent management of these resources. Local supplies include surface water, groundwater, and recycled water originating in the Watershed. Imported supplies include State Water Project (SWP), Colorado River Aqueduct (CRA) water and other supplies that can be imported into the Watershed through SWP, CRA and other facilities. When the total of local and imported supplies exceed demand the surplus supplies will be stored in Watershed groundwater basins, groundwater basins outside the Watershed and potentially surface storage facilities. The basic principles required to build the SARCUP are listed below.

1. **Maximize the Development and Use of Local and Imported Supplies.** Local water supplies will be developed to their maximum potential limited by water rights agreements and permits issued by the State Board. The Parties will maximize their take of imported water by taking as much imported water as is available to them.
2. **Collaborative Management of Unused Storage Space in the Watershed.** Unused storage space in a groundwater basin consists of the volume of unsaturated sediments that is not needed to regulate normal sources of recharge to achieve the current yields of a basin. The maximum unused storage space in the Watershed is about 1,000,000 af and is distributed as follows:
  - Chino Basin – 500,000 af<sup>1</sup>
  - Elsinore and Riverside Basins – 60,000 af
  - Orange County Basin – 100,000 af
  - San Bernardino Basin Area (SSBA) – 40,000 af
  - San Jacinto Basin – 300,000 af
3. **There are many projects that can be used to exploit this unused storage to improve water supply reliability and reduce demand on imported-water sources during drought and other periods of reduced local and imported water supplies.** Some of the lower cost and simpler drought/emergency water supply projects are currently known and can be implemented rapidly while the more expensive and complex projects need information to flesh out and time to

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<sup>1</sup> IEUA and the Chino Basin and Watermaster have an existing 150,000 storage program included in the 500,000 af space.

develop implementation agreements. A watershed-scale conjunctive-use architecture is proposed herein to facilitate the implementation of the lower cost and simpler projects in the context of the regional need for conjunctive use projects that improve drought/emergency water supply, and to assure that regional benefit of watershed-scale conjunctive-use projects. The Parties propose to:

- Work together to develop and implement conjunctive-use projects that improve water supply reliability by increasing drought/emergency water supply. Such projects will include water conservation measures and habitat improvement activities (e.g. *Arundo* removal) that improve watershed water reliability.
  - Facilitate cooperative use of the unused storage space in the watershed's groundwater basins by identifying storage blocks that will be sequentially developed to increase dry-year yield for the watershed.
    - Conjunctive-use projects will be developed to produce dry-year yield from each storage block with the lowest cost and simplest projects being developed in first storage block and subsequent storage blocks consisting of more expensive and complex projects.
    - The early dry-year yield projects would use exchange agreements and existing conveyance facilities to put water into storage and produce water from storage and convey it to Parties when a dry-year call is made. Subsequent projects may require new conveyance facilities to achieve more aggressive dry-year yield goals.
    - The Parties would conduct planning investigation that result in a watershed-scale conjunctive-use program master plan that would lead to the implementation of conjunctive-use programs with successive storage blocks of unused storage.
  - Use the next round of Proposition 84 funding plus local matching funds to implement the first storage block projects and to develop a master plan for the maximum development of water supplies and conveyance facilities for the utilization of the remaining unused storage space in the watershed.
  - Establish baseline storage levels, recharge and recovery capacity from which to measure dry-year yield performance.
4. **The Parties share equitably for the benefits of the SARCUP.** The benefits and costs of the SARCUP would be allocated based on each Party's relative financial participation.
5. **Water may be stored asymmetrically relative to where the dry-year yield benefits occur.** For example, water may be stored in the Chino and San Jacinto

basins and the water produced from this storage would be distributed to all the participating Parties based on their participation.

6. **Non-compete for grant funding.** A Party(s) that opts out of participating in a new local water supply development project, imported water supply project and or conjunctive-use project will not compete for grant funding from the Proposition 84 funding source and other grant funding sources that the participating Parties are pursuing.
7. **The Parties will not compete for the imported water that can be obtained for the purposes of the SARCUP.** Imported water sources include SWP and CRA water acquired from Metropolitan Water District of Southern California (Metropolitan), SWP water acquired by SBVMWD, Sacramento Valley water acquired by a Party or the Parties and conveyed to the watershed through the SWP, and water produced by future ocean desalinization<sup>2</sup> projects. The Parties will pool their resources, based on their level of participation, to acquire and convey imported water being sought by the SARCUP participants to the watershed for the SARCUP projects.
8. **Recovery of water from storage.** In the initial development of the SARCUP, the Parties that overlie basins with stored SARCUP water would reduce their take of imported water during stored water recovery periods. Imported water deliveries will be reprogrammed from Parties that have direct access to water in storage to Parties that do not have direct access to the SARCUP stored water. This will require exchange agreements that involve the Parties and Metropolitan and others.

In the subsequent expansion of the SARCUP, the Parties will seek to maximize the use of existing regional conveyance facilities to deliver SARCUP water to and from storage and subsequently improve regional conveyance facilities consistent with the SARCUP master plan.

9. **Continue Expansion of the SARCUP.** The Parties will continue to: refine the SARCUP over time adapting to changes in the water supply environment and economic conditions; implement subsequent phases of the SARCUP; and collaborate on the acquisition of grant funding.

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<sup>2</sup> Ocean desalinization is characterized herein as imported water as it originates outside what is conventionally referred to as the Santa Ana Watershed.

# SANTA ANA RIVER CONJUNCTIVE USE PROGRAM (SARCUP) PHASE 1 PRINCIPLES, MOU, & GRANT APPLICATION



Prop 84, 2015 OWOW Grant Application Description  
Santa Ana River Watermaster Action Team

Andy Campbell

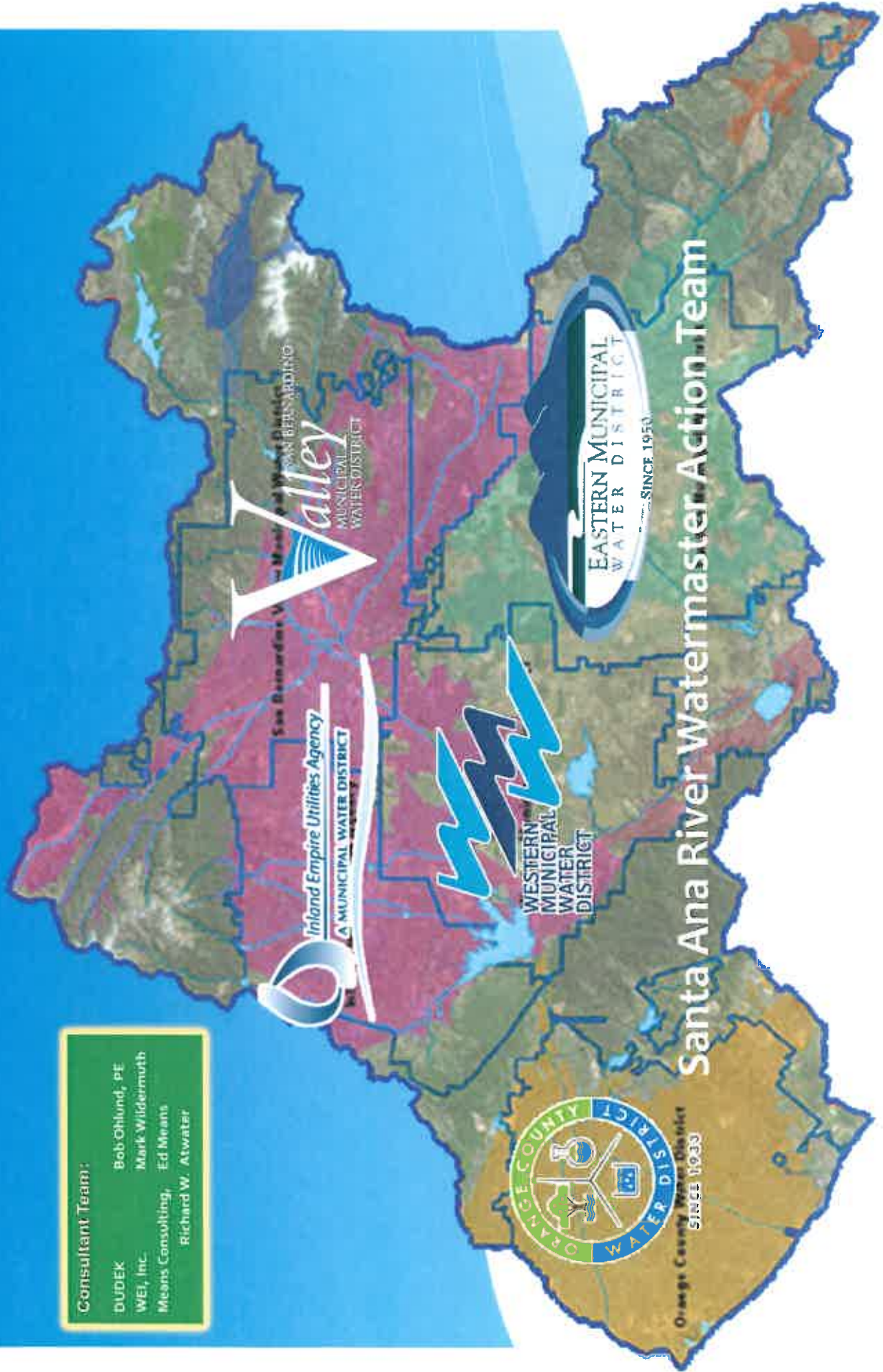
May 20, 2015



# WATERSHED-SCALE COLLABORATION

## Consultant Team:

DUDEK Bob Ohlund, PE  
WEI, Inc. Mark Wildermuth  
Means Consulting, Ed Means  
Richard W. Atwater



# Concepts Meet Key Grant Goals

- \* Provides watershed-wide regional collaboration
- \* Creates new supply
  - 4,500 AFY from Arundo and Turf removal
  - 60,000 AFY dry-year yield capacity
- \* Increases resiliency of water supply
- \* Improves natural environment/reduces pollution
- \* Is a key element of the OWOW IRWMP

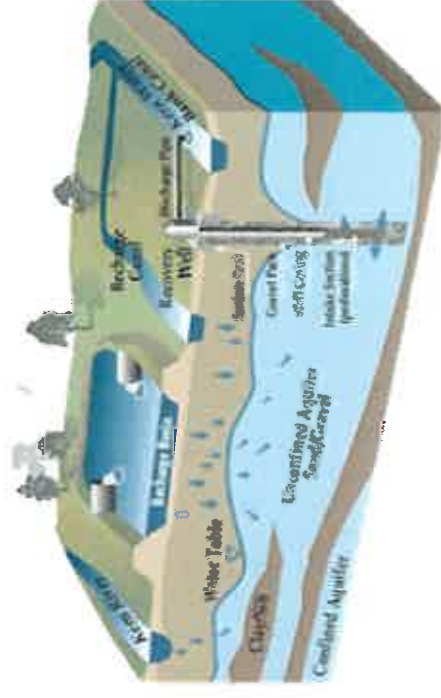
# Action Team - Foundational Principles

- \* Maximize development of local and imported supplies
- \* Collaborate as an equitable partnership of SAR Agencies
- \* Do not compete as individual SAR Agencies for grants or for imported water that can be used for SARCUP



# SARCUP Elements

- \* Habitat Restoration: Arundo Removal
- \* Water Use Efficiency: Turf Replacement
- \* Groundwater Bank: Put & Take Facilities



# Benefits & Costs

## Proposed Phase 1

Grant Application Costs and Benefits	Supply	DWR	Local	Total
	Benefit	Grant	Match <sup>(1)</sup>	Project <sup>(1)</sup>
Habitat Restoration: Arundo Removal	4,000 AFY	\$ 5M	\$ 5M	\$10M
Water Use Efficiency: Turf Replacement	500 AFY	\$10M	\$20M <sup>(2)</sup>	\$30M
SARCUP Water Bank: Put & Take Facilities	60,000 AFY <sup>(3)</sup>	\$45M	\$40M	\$85M
	64,500 AFY <sup>(3)</sup>	\$60M	\$65M <sup>(2)</sup>	\$125M

(1) All 5 SAWPA member agencies share local match and total costs equally. Agency Local match is \$9M (\$65M total - \$20M MWD / 5 agencies). Local match is 36 cents per 1 dollar in total project costs.

(2) Cost share includes MWD \$2.00/ square foot turf removal program

(3) Dry-Year Yield

# Habitat Restoration & Water Use Efficiency

- \* 1,000 acres of Arundo removal
- \* 1 acre uses 4 feet of water per year
- \* 4,000 AFY of water conserved
- \* Removal to be completed within 5 years
- \* 5,000,000 sq. ft. turf removal
- \* 500 AFY water savings
- \* Adds \$1.00/sq. ft. to MWD turf replacement Program

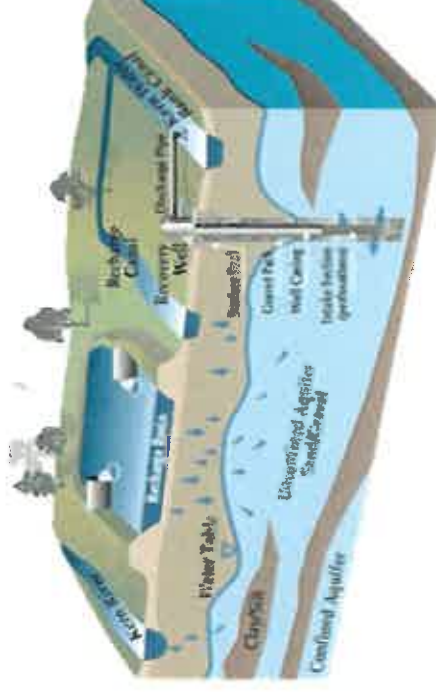




# SARCUP Groundwater Bank

- \* 1,000,000 AF potential storage capacity in SAR GW Basins
- \* Phase 1 of SARCUP Water Bank: 180,000 AF
- \* Build recharge and extraction infrastructure to take advantage of wet year extraordinary supply
- \* Storage on use-side of major earthquake faults
- \* Cost benefit comparison

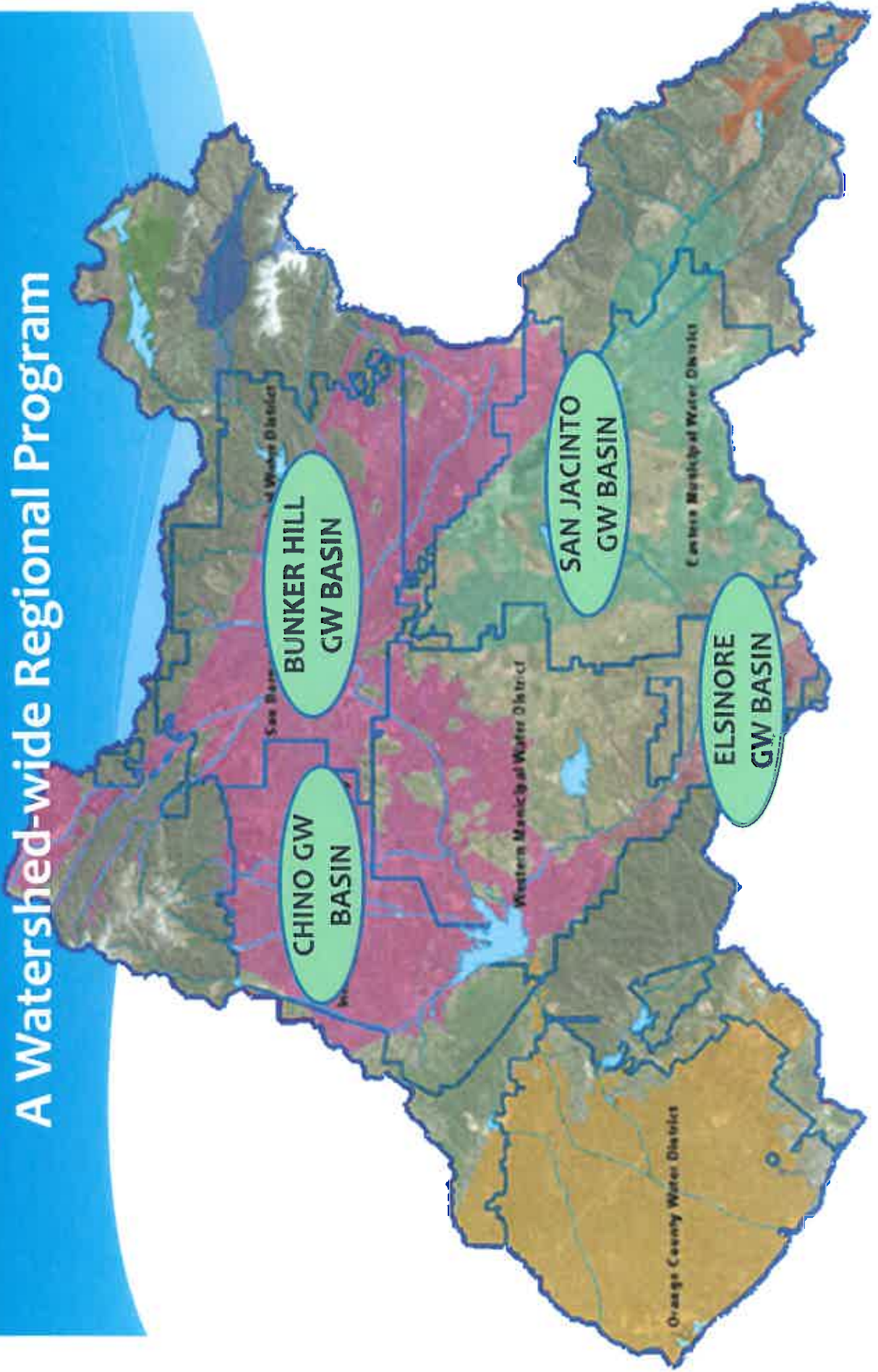
- \* Phase 1 Dry-Year Yield: \$1,000/AF
- \* 2015 Spot Market: \$1,500/AF
- \* Ocean Desalination: \$2,000/AF





# SARCUP Groundwater Bank

## A Watershed-wide Regional Program

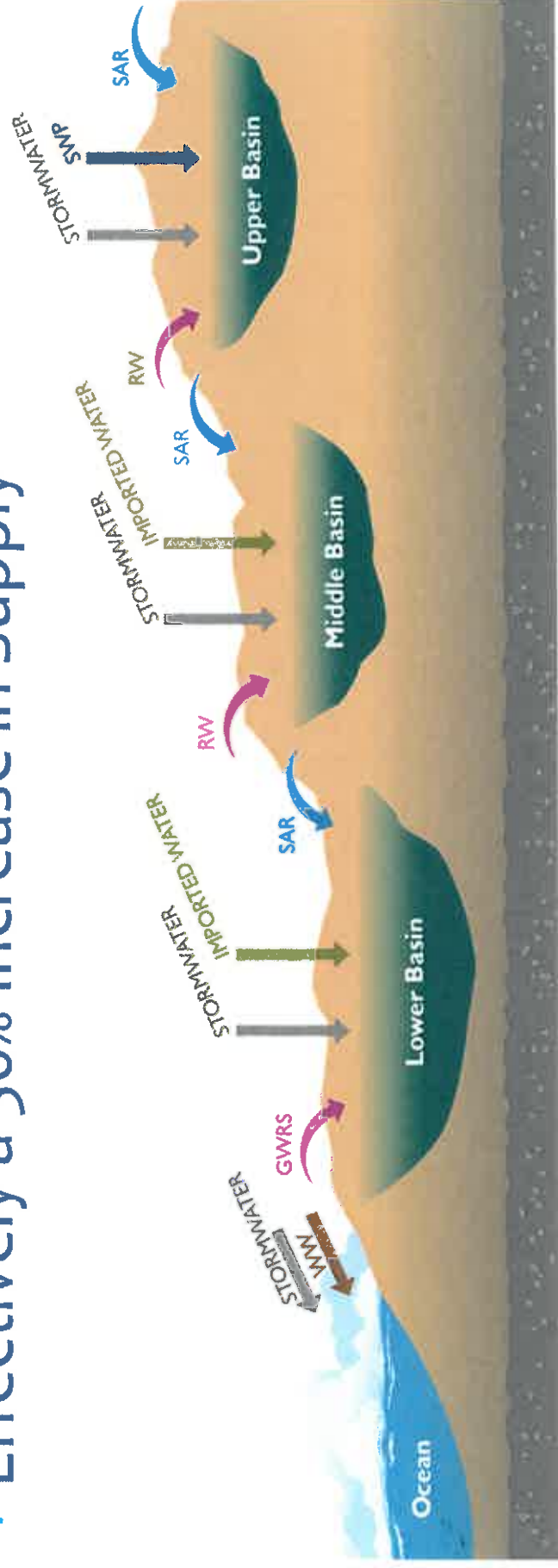


# Groundwater Bank – Phase 1

<b>Agency</b>	<b>GWR Basin</b>	<b>Storage (AF)</b>	<b>DY (AFY)</b>
SBVMWD	Bunker Hill	60,000	20,000
IEUA	Chino	96,000	32,000
EMWD	San Jacinto	19,500	6,500
WMWD	Elsinore	4,500	1,500
OCWD	Orange County	0	0
		180,000	60,000

# SARCUP Side Benefit: Cascading Effect

- \* Banked supplies in upper watershed can be reused as recycled water is added back to river/ basin.
- \* Effectively a 30% Increase in Supply





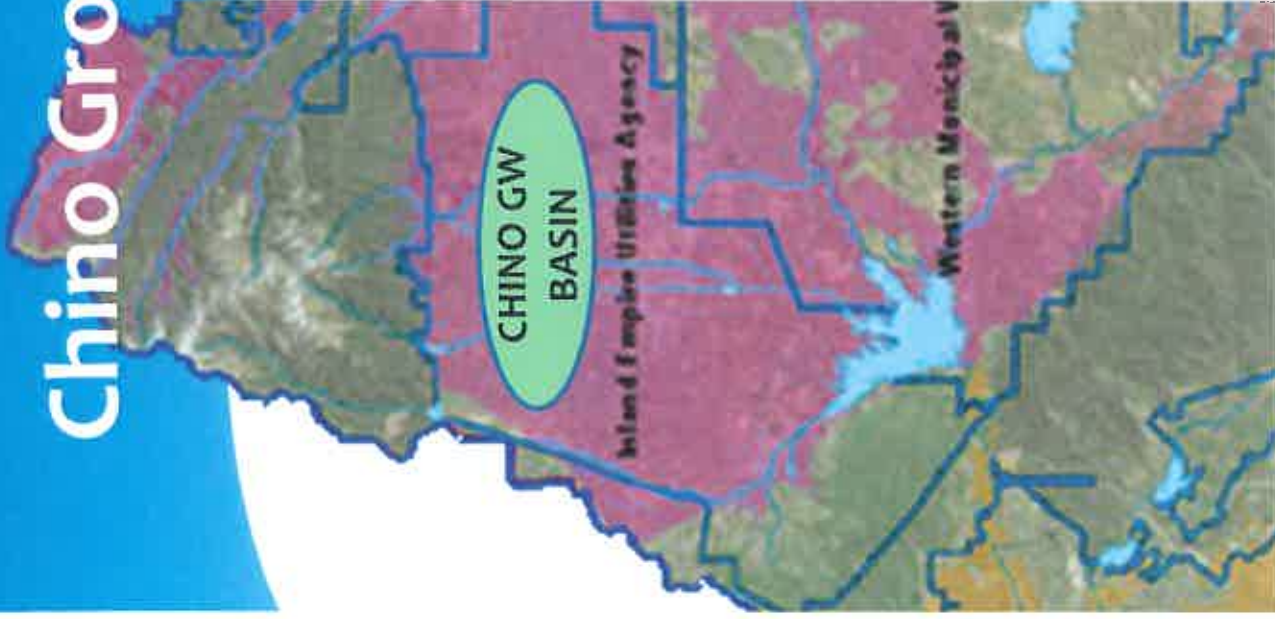
# Chino Groundwater Basin (IEUA)

## Features

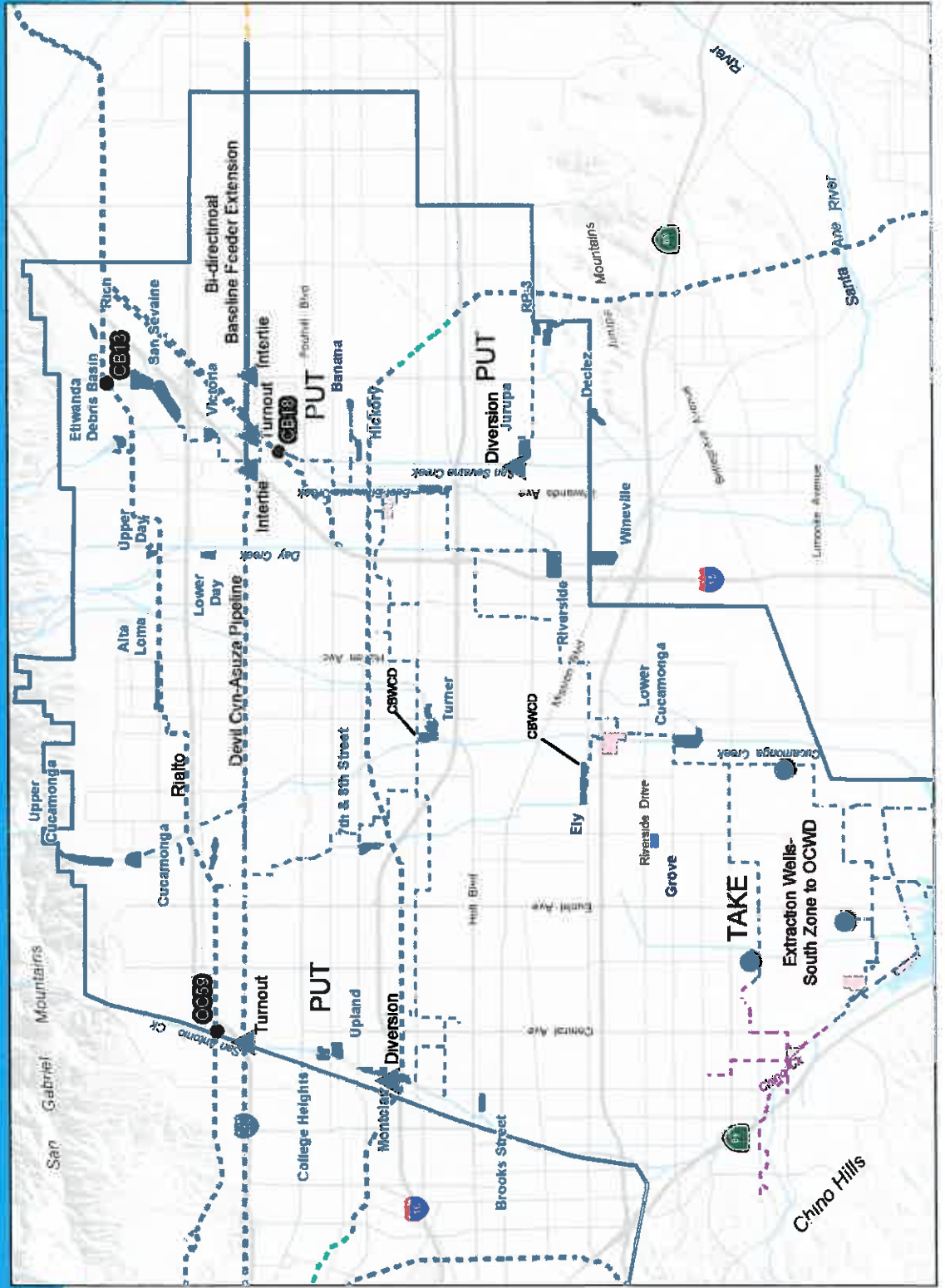
- \* 96,000 AF Storage Capacity
- \* 32,000 AFY New Dry-Year Yield Production and exchanges

## Construct

- \* 48-in. Baseline Feeder Extension
- \* Turnout & Interties at San Sevaine Crk
- \* Devil Canyon-Azusa PL dual use turnout near San Antonio Crk
- \* Extraction wells – into South Pressure Zone of RW system (for OCWD take)

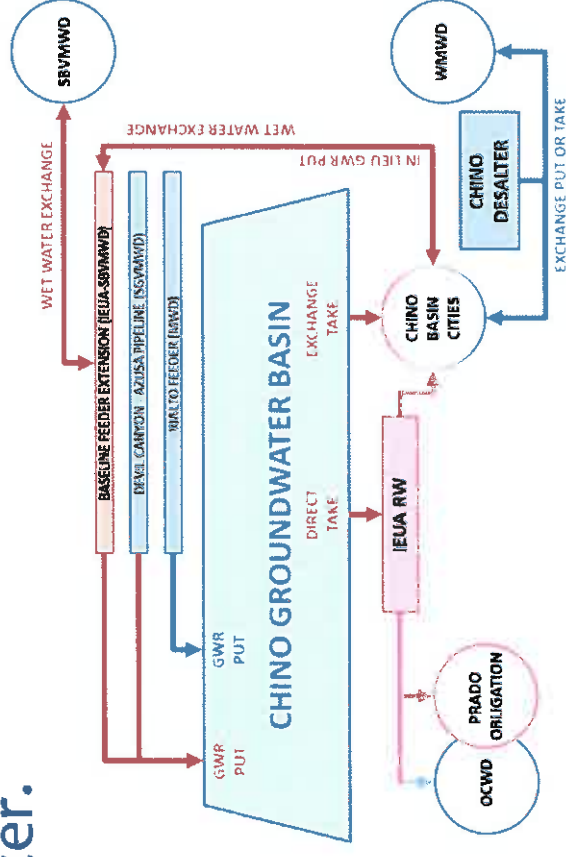
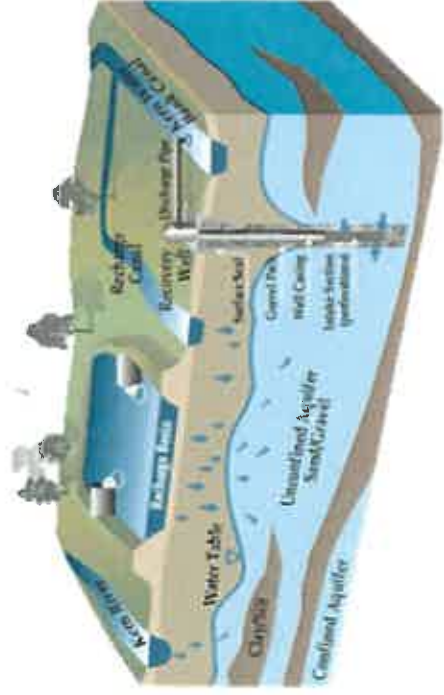


# Chino Groundwater Basin Proposed Phase 1



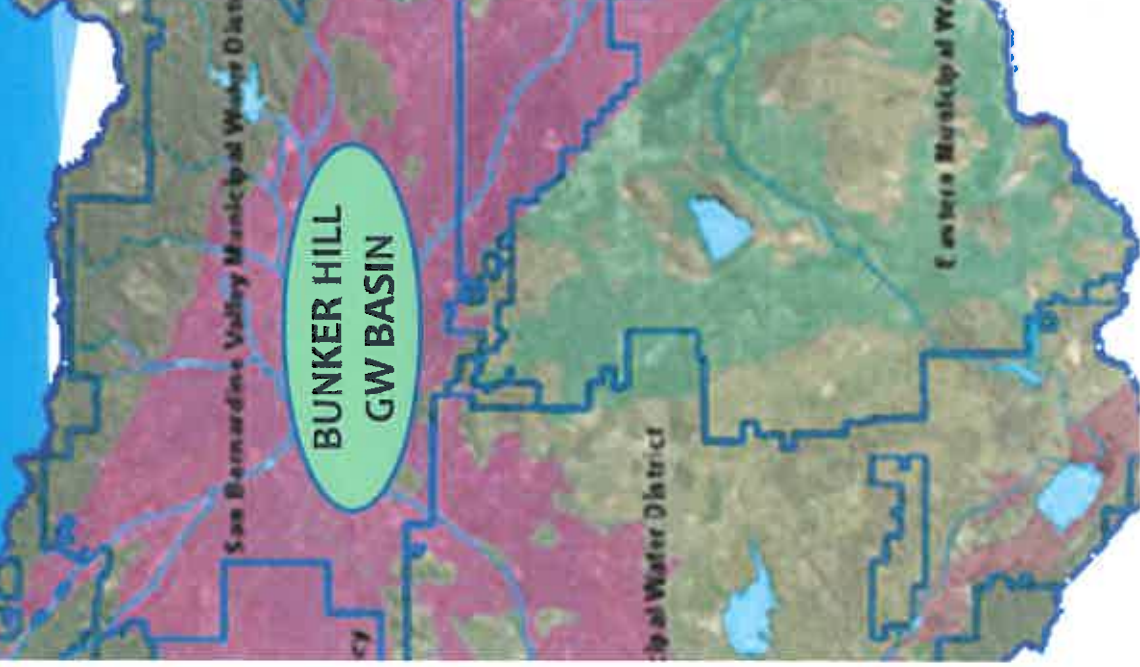
# Chino Groundwater Basin Proposed Phase 1

- \* Chino Basin exchanges can be paper SWP exchanges, wet water put and takes, or exchanges through CDA.
- \* Institutional agreements will be required for puts & takes.
- \* The Water Bank requires a storage account with each groundwater basin's Watermaster.





# Bunker Hill GW Basin (SBVMWD)



## Features

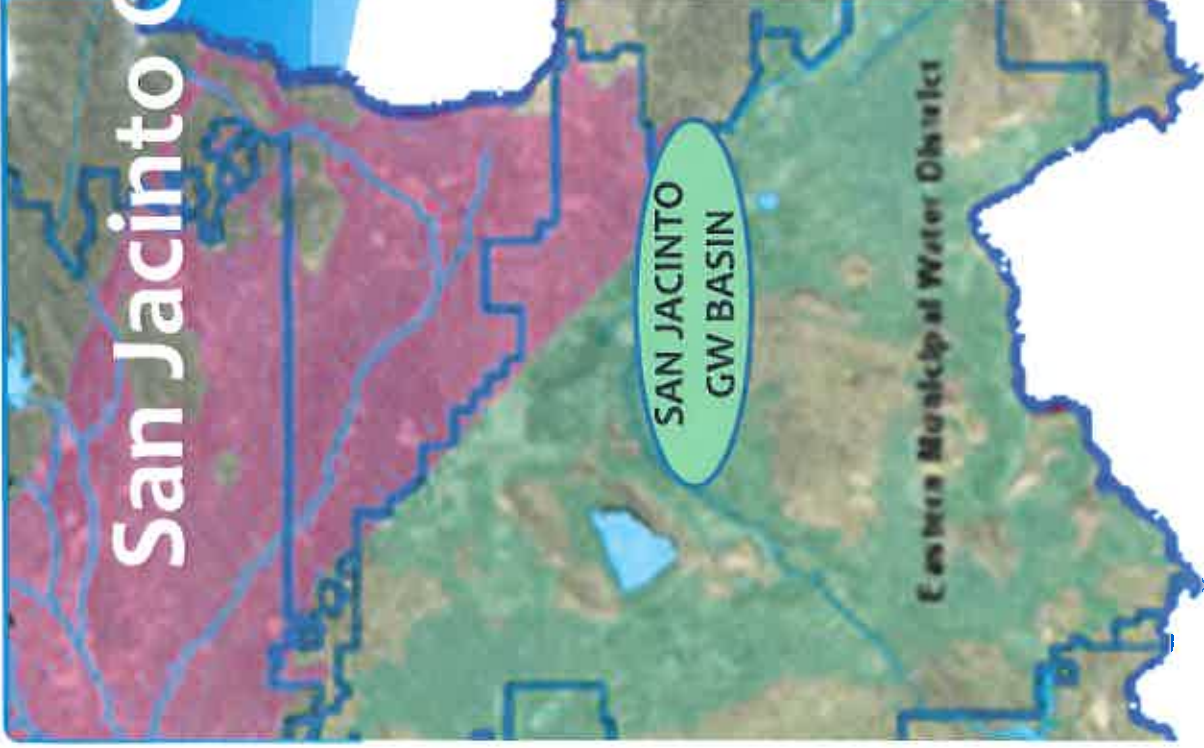
- \* 60,000 AF Storage Capacity
- \* 20,000 AFY New Dry-Year Yield

## Construct

- \* 5 Extraction Wells
- \* Transmission pipeline
- \* Expand Redlands PS  
(add 20 cfs pump)



# San Jacinto GW Basin (EMWD)

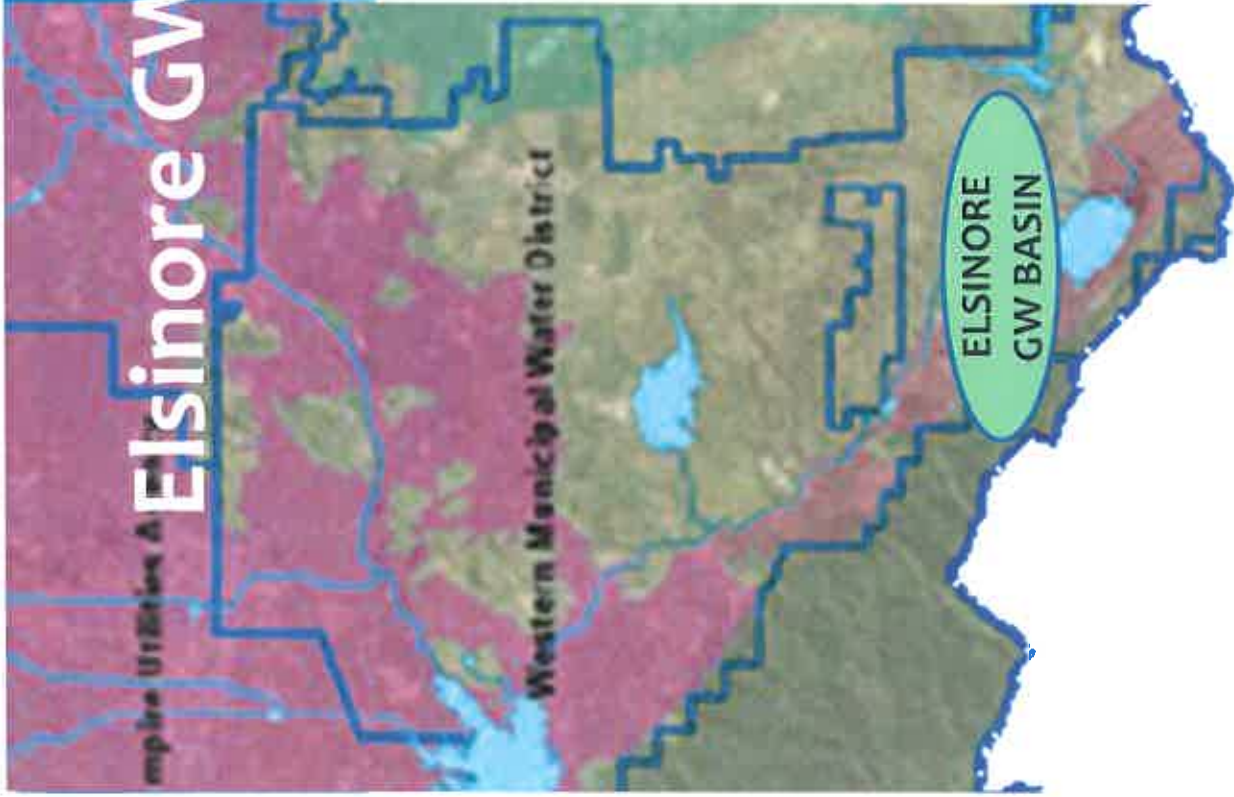


## Features

- \* 19,500 AF Storage Capacity
- \* 6,500 AFY New Dry-Year Yield

## Construct

- \* Mountain Ave. West Recharge Basin
- \* 3 Extraction Wells



# Elsinore GW Basin (WMWD)

## Features

- \* 4,500 AF Storage
- \* 1,500 AFY New Dry-Year Yield

## Construct

- \* 2 Dual Use Wells (Injection and Extraction)

# Schedule

- \* May - SAR Agencies consider approval of Foundational Principals and MOU to Support Prop 84 Grant Application
- \* May 27, 2015 - SARCUP OWOW Application
- \* August 2015 – With OWOW award, submit SARCUP Application to DWR for Prop 84 Grant

# Recommended for Board Approval

1. Approve the Foundational Principles of the Santa Ana River Watermaster Action Team
2. Approve the final draft MOU for SARCUP while authorizing the General Manager to make non-substantive changes and execute the final MOU; and
3. Approve submission a \$60-million SAWPA-DWR grant application for \$125-million in projects

**ACTION  
ITEM  
1E**



Date: May 20, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)

From: *for* P. Joseph Grindstaff *CSJ*  
General Manager

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

*for* Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Approval of a Memorandum of Understanding for Participation in the Development of the Santa Ana River Multiple Species Habitat Conservation Plan

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency and San Bernardino Valley Municipal Water District for participation in the development of the Santa Ana River Multiple Species Habitat Conservation Plan to address permitting issues of threatened and endangered species associated with Recharge Master Plan construction projects; and
2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

### **BACKGROUND**

The Agency has been actively involved in the implementation of the groundwater recharge basin improvements and expansion projects identified in the Chino Basin Water Master's 2013 Recharge Master Plan Update. These projects include improvements to the Wineville, Victoria, San Sevaine, Lower Day, and Montclair basins. In order to make the improvements in the basins, environmental permits for areas temporarily and permanently impacted by construction are



required. The process of obtaining permits can be arduous and time consuming, as individual impacts and mitigation measures are assessed, and frequently delays project implementation.

By participating in the Santa Ana River Multiple Species Habitat Conservation Plan, these regionally prioritized projects will be incorporated into a regional plan to offset the biological impacts of future water projects in the Upper Santa Ana River region that have the potential to impact federally-listed endangered, threatened or special status species. The US Fish and Wildlife Service (Service) is involved in the development of the plan, and it will result in a permit from the Service. Projects which would benefit, that have been proposed in either the 2010 or 2013 RMPU are listed in the table below.

<b>Project</b>	<b>Activities</b>	<b>Acres Impacted</b>
Wineville Basin (2010, 2013 RMPU)	Improvements, Maintenance, Pump Station, and Pneumatic Gate	51.5 permanent; 5.0 temporary
Victoria Basin (2013 RMPU)	Improvements, Maintenance	1.0 permanent; 20.3 temporary
San Sevaine Basin Cells 1-5 (2013 RMPU)	Improvements, Maintenance, Pump Station	3.0 permanent; 101.7 temporary
Lower Day Basin (2010 RMPU)	Improvements, RW Turnout, Secondary Diversion Structure	1.5 permanent; 15.1 temporary
Montclair Basin Cells 1-3 (2013 RMPU)	Improvements, Maintenance	5.0 permanent; 23.5 temporary

The Plan is being led by the San Bernardino Valley Municipal Water District (SBVMWD). Ten agencies are participating in the Santa Ana River Multiple Species Habitat Conservation Plan and sharing the plan development costs. As the lead, SBVMWD is administering and managing the project. This MOU has been developed to ensure that IEUA is able to reimburse SBVMWD for the IEUA cost share of the Plan. Cost share criteria was developed based on an Agency’s area of impact compared to the overall project area of impact. IEUA’s cost share of the Plan is 5.6 percent, or approximately \$107,000.

This MOU is consistent with the Agency’s Business Goals of increasing *Water Reliability* through groundwater recharge by maximizing all sources of groundwater recharge within the Chino Groundwater Basin; *On-Time Construction* commitment of ensuring that projects are implemented in a timely and economically responsible manner; and *Environmental Stewardship* regulatory compliance goal of complying with all federal, state and local laws.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None. Funding for participation in the Santa Ana River Multiple Species Habitat Conservation Plan is included in the FY14/15 Budget in the Groundwater Recharge Fund.

Attachment:

1. Memorandum of Understanding

## MEMORANDUM OF UNDERSTANDING

### Between the Inland Empire Utilities Agency and the San Bernardino Valley Municipal Water District Regarding Joint Participation in the Development of the Proposed Santa Ana River Habitat Conservation Plan

The Inland Empire Utilities Agency (**IEUA**) and the San Bernardino Valley Municipal Water District (**SBVMWD**) are signatories to this Memorandum of Understanding (**MOU**) and shall be collectively referred to as “the **PARTIES**”. **IEUA** has agreed to cooperate in the **SBVMWD** led development of a Habitat Conservation Plan (**HCP**) for the upper Santa Ana River Watershed;

#### RECITAL

**WHEREAS**, the **HCP** will address the numerous endangered and threatened species’ permitting issues associated with water supply projects in the upper Santa Ana River Watershed; and

**WHEREAS**, the **HCP** will also specifically address the endangered and threatened species’ permitting issues associated with **IEUA**’s proposed improvements to the Wineville, Victoria, San Sevaine, Lower Day, and Montclair basins consistent with the 2010 and 2013 Recharge Master Plan Update; and

**WHEREAS**, **IEUA** contributed Thirty-Three Thousand Five Hundred and Thirty-Eight Dollars (\$33,538) towards the funding of a scoping study produced by **SBVMWD** for the Development of the Santa Ana River **HCP**; and

**WHEREAS**, the scoping study, now complete, estimates that the Santa Ana River **HCP** will take three (3) years and a total cost of \$1,911,039 to develop; and

**WHEREAS**, the estimated cost for the development of the Santa Ana River **HCP** in the amount of \$1,119,039 has been allocated among the nine (9) participating agencies as shown in **Exhibit “A”**; and

**WHEREAS**, **IEUA**’s share of the cost is \$106,644 or 5.6% of the total cost, and

**WHEREAS**, **SBVMWD** is the lead agency for the development of the Santa Ana River **HCP**; and

**WHEREAS**, as the lead agency, **SBVMWD** is responsible for collecting the respective cost shares from the other collaborative partners and administering the development of the Santa Ana River **HCP** and any appurtenant permitting components; and

**WHEREAS**, the **PARTIES** desire to set forth responsibilities and obligations of each as they pertain to their respective participation in the development of the Santa Ana River HCP.

**NOW, THEREFORE, IEUA and SBVMWD agree as follows:**

**SECTION I:**

**3.0 IEUA shall:**

- 1.1 Within sixty (60) days from the date of approval of this **MOU** by the **PARTIES** remit its cost share of \$106,644 to **SBVMWD**.
- 1.2 Continue to participate and collaborate with **SBVMWD** and with the other collaborative partners in the development of the Santa Ana River HCP.
- 1.3 Continue to provide relevant information as necessary and appropriate for the development of the Santa Ana River HCP.

**SECTION II:**

**2.0 SBVMWD shall:**

- 2.1 Act as the Lead Agency in the preparation of all plans, specifications, and engineer's estimates.
- 2.2 Be responsible for project administration for all projects for the development of Santa Ana River HCP including, advertisements for bids, bid reviews, contract awards.
- 2.3 Administer and manage the development of the Santa Ana River HCP in a responsible and businesslike manner.
- 2.4 Advertise, award, administer, and fund contracts associated with the development of the Santa Ana River HCP in accordance with the California Public Contract Code.
- 2.5 Provide status reports regarding the development of the Santa Ana River HCP to **IEUA** upon request.
- 2.6 Retain all records and accounting documents relating to the development of the Santa Ana River HCP and make such materials available for audit by **IEUA** or other government auditors for a period of three (3) years from the date of the final payment.

- 2.7 Obtain IEUA approval for any and all uses of IEUA property, including, but not limited to: covered activity or conservation use as outlined in the Santa Ana River HCP, ground disturbance, hydrologic impacts (including discharge) and groundwater recharge.

**SECTION III:**

**3.0 AMENDMENTS**

This MOU may be amended by mutual agreement of SBVMWD and IEUA. It shall remain in full force and effect until otherwise determined.

**AS WITNESS HEREOF, the parties hereto have caused the Memorandum of Understanding to be entered as of the day and year written below.**

**Approved: Douglas D. Headrick**

\_\_\_\_\_  
**General Manager & Chief Engineer, San Bernardino Valley Municipal Water District**

Date: \_\_\_\_\_

**Approved: P. Joseph Grindstaff**

\_\_\_\_\_  
**General Manager, Inland Empire Utilities Agency, a Municipal Water District**

Date: \_\_\_\_\_

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**Exhibit A: Cost Allocation for Santa Ana River Multiple-Species Habitat Conservation Plan by Participating Agency**

OTF Applicant	Agency-Specific Cost-Weighted Proportion					Additional Shared Costs		Total Cost Share Allocation	
	Weighted Proportion	Weighted Relative Cost	Base Effort Cost	Total HCP Preparation Cost	Weighted Cost for USFWS Support	Contingency Funds (20% of HCP Cost)	Total without 50% Cont.	Total Cost Share	Relative Cost Proportion
Conservation District	0.11%	\$16,842	\$75,426	\$62,547	\$6,757	\$9,189	\$110,914	\$110,914	0.5%
East Valley	0.04%	\$59,439	\$75,426	\$114,223	\$56,035	\$11,494	\$182,276	\$182,276	0.5%
Flood Control	4.1%	\$14,133	\$75,426	\$69,749	\$41,159	\$9,979	\$140,907	\$140,907	0.5%
FEVA	2.0%	\$11,717	\$75,426	\$57,119	\$11,717	\$6,724	\$97,512	\$97,512	0.6%
FRU	2.6%	\$13,886	\$75,426	\$119,657	\$40,284	\$11,036	\$199,419	\$199,419	0.6%
Valley Divisak	4.3%	\$142,036	\$75,426	\$116,364	\$110,112	\$24,309	\$518,500	\$518,500	19.7%
Water Department	17.9%	\$185,514	\$75,426	\$176,275	\$64,574	\$17,900	\$379,579	\$381,479	15.3%
West Valley	0.5%	\$2,819	\$75,426	\$78,128	\$1,365	\$7,833	\$82,312	\$83,749	0.6%
Western	18.1%	\$182,035	\$75,426	\$165,383	\$14,577	\$10,348	\$399,361	\$410,197	14.1%
Total	100.0%	\$577,911	\$672,426	\$1,137,625	\$609,100	\$105,761	\$1,295,507.60	\$1,911,639	100%



# Upper Santa Ana River Multiple Species Habitat Conservation Plan



# Objectives

- Plan for impacts of federal endangered species regulations on future projects
- Regional coordination of habitat management opportunities
- Access to US Fish & Wildlife Service regional permit
- Approve MOU to continue participation in the Habitat Conservation Plan



# Benefits of Coordination with Other Regional Agencies

- Build on existing efforts
- More efficient
- Cost-effective
- Greater biological success
- Benefits:
  - Mitigation banks
  - Habitat owned by Habitat Conservation Plan Team partners
  - Habitat enhancement opportunities

## Team includes 10 participating resource agencies:

- San Bernardino Valley Municipal Water District
- San Bernardino County Flood Control District
- Western Municipal Water District of Riverside County
- Inland Empire Utilities Agency
- East Valley Water District
- San Bernardino Municipal Water Department
- San Bernardino Valley Water Conservation District
- Riverside Public Utilities
- West Valley Water District
- City of Rialto







# Covered Species



Santa Ana Sucker



Kangaroo Rat



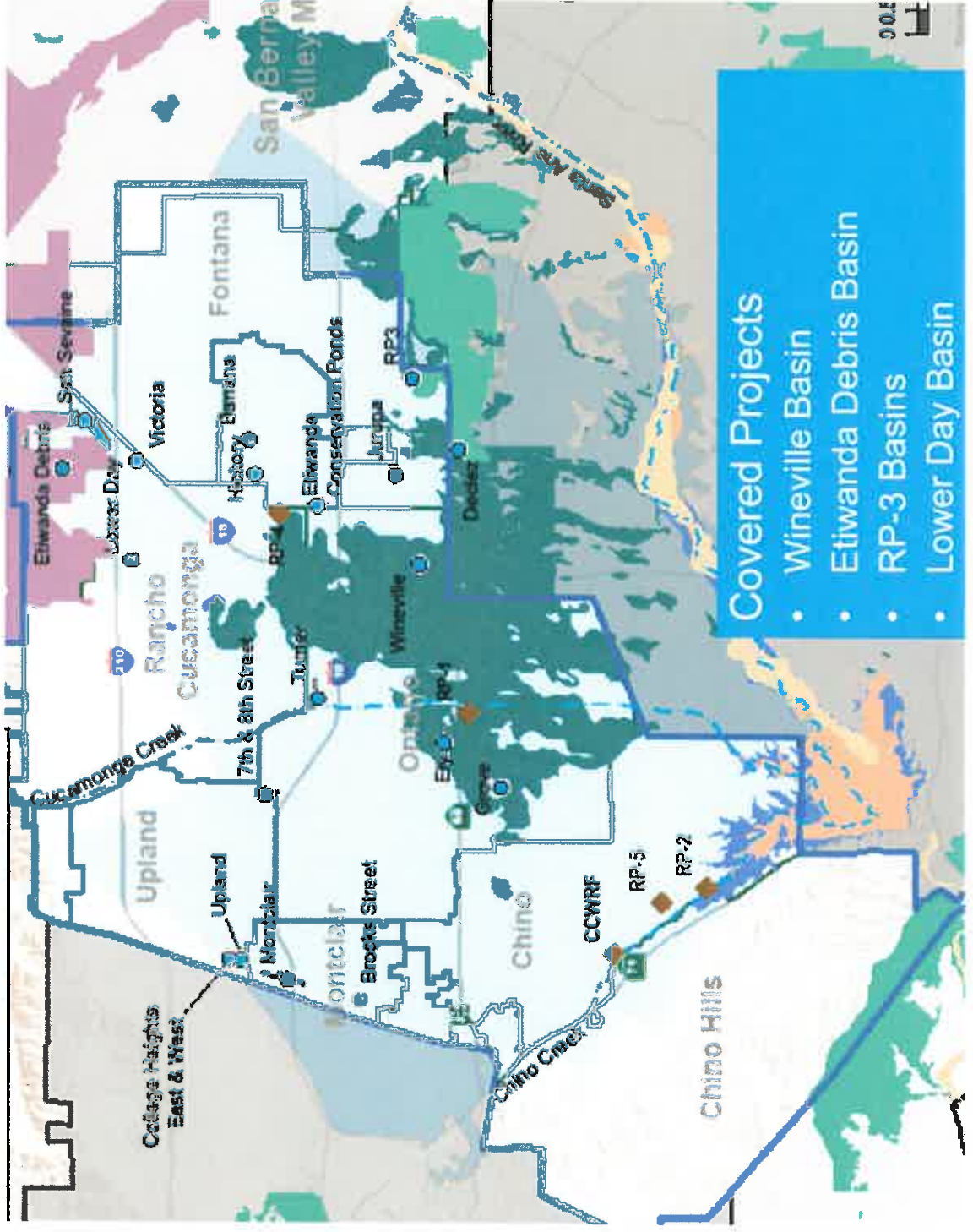
Delhi Sand Loving Fly



Least Bell's Vireo



Gnatcatcher



- Covered Projects**
- Wineville Basin
  - Etiwanda Debris Basin
  - RP-3 Basins
  - Lower Day Basin

# Scope of Work

Phase	Description	Cost (Excluding Federal Grant)	IEUA Est. Share*
Phase I	Planning Development, Key Issues, and Preparing the Data	\$455,000	\$32,000
Phase II	Preparing the Environmental Documents and Writing the Plan	\$651,000	\$36,000
Phase III	Permit Application Package and Permits	\$805,000	\$39,000
<b>Total</b>	-	<b>\$1,911,000</b>	<b>\$107,000</b>

\* Total Project Budget of \$107,000 included in FY 14/15 Budget



# Staff Recommendation

- Approve MOU to continue participation in the Santa Ana River Multiple Species Habitat Conservation Plan and authorize cost-share payments.

This MOU is consistent with the Agency's Business Goals of Water Reliability, On-Time Construction, and Environmental Stewardship

Questions?

**INFORMATION**

**ITEM**

**2A**



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Date: May 20, 2015  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)  
From: *for* P. Joseph Grindstaff *PKG*  
General Manager  
Submitted by: Kathy Besser *KAB*  
Manager of External Affairs  
Subject: Public Outreach and Communication

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### **RECOMMENDATION**

This is an informational item for the Board of Directors to review.

### **BACKGROUND**

#### May 2015

- May, Water Awareness Month
- May 3-9, International Compost Awareness Week
- May 6, Compost Giveaway, IEUA HQA Parking Lot, 9:00 a.m.-2:00 p.m.
- May 15-17, MWD Solar Cup Competition, Lake Skinner

#### July 2015

- July 15, IEUA Annual Employee Appreciation Picnic, Location TBD, 11:30 a.m.-3:00 p.m.

#### August 2015

- August 21, 9<sup>th</sup> Annual San Bernardino County Water Conference, Cal State San Bernardino (5500 University Pkwy, San Bernardino), 8:00 a.m.-12:00 p.m.

#### Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff ran an email blast for the 2015 Earth Day event. 54,500 emails were distributed with the subject line reading "Join IEUA for an Earth Day Event in Chino on April 16th". The Earth Day flier was shown in the body of the email, which linked to the IEUA website. 52,000 emails were received. The email blast had a 24 percent open rate.

Based on those opened, about 50 percent clicked through to the IEUA website (approximately 6,093).

- IEUA staff is working with Civic Publications to develop a spring 2015 water-saving campaign. This campaign will include display ads, an email blast and print media as well. The display ads will feature ACWA's water saving messages and will be distributed mid-May. The email blast will be distributed early May and feature a local reservoir that has been affected by drought. Both digital methods will link to the IEUA micro-site with water-saving tips and rebate information.
- Staff will be running ads in the Daily Bulletin for Water Awareness Month and Compost Awareness Week.

#### Media and Outreach

- A water softener ad ran in the Champion Newspaper's Chino Connection Magazine on May 2, 2015. A compost giveaway ad ran in the Champion the first weekend in May.
- IEUA Staff ran Earth Day ads on La Opinion and Fontana Herald News' leaderboards for the month of April.
- IEUA staff has implemented an additional twelve week drought campaign in movie theaters featuring the 15 second ad that was created in fall 2014. The ad is currently being featured on all screens at Ontario Palace (Ontario), Victoria Gardens (Rancho Cucamonga) and Harkins (Chino Hills). This ad will be featured for 12 weeks and will play on all theaters as well as the Lobby Entertainment Network (LEN).
- IEUA staff will be working with member agencies to develop a regional drought alert logo and tagline and will be developing an outreach plan for consistent drought messaging across the region.

#### Education and Outreach Updates

- Water Discovery Program: 1,437 Girl Scout troop members, elementary and high school students have taken part in the park field trip from September 24, 2015 through April 30, 2015.
- IEUA staff held the annual Earth Day event on Wednesday, April 15, 2015 and Thursday, April 16, 2015. A total of 13 schools participated on Wednesday's school day with approximately 2,000 students, teachers and chaperones. Approximately 1,000 community members, vendors, etc. attended the April 16, 2015 community day. IEUA had over 50 volunteers assist throughout the two-day event.
- IEUA staff received applications for the 2015/16 Garden in Every School® Program (Deadline: April 3, 2015). Staff has reviewed the applications and is scheduling site evaluations for those schools that qualify. Final decisions will be made mid-May.
- Solar Cup 2015 will be taking place May 15-17 at Lake Skinner. Los Osos High School (Rancho Cucamonga), Chino High School (Chino), and Chino Hills High School (Chino Hills) will all be participating in this year's event. The teams are on track to compete and will be receiving team shirts and promotional items from IEUA.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

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



**INFORMATION**

**ITEM**

**2B**



**May 1, 2015**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
President

**RE:** April Legislative Report

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**Overview:**

The Legislature spent April with a packed schedule of policy committee hearings as hundreds of bills moved through the policy committee process ahead of the May 1 policy committee deadline. Budget sub committees also met weekly to review specific items in the budget, but are waiting for the Governor to release his May Revise. Once the revise, which includes updated revenues after April tax receipts, budget sub committees and the full committee will start to work on finalizing the budget before the June 15 deadline.

The California Public Utilities Commission (CPUC) released a report outlining the results of the Investor Own Utility (IOU) energy efficiency programs from 2010-2012. The report concluded that the \$2.5 billion the utilities have spent in the three-year cycle resulted in 7,745 GWh of energy savings, enough to power 800,000 homes for a year and cut carbon emissions by 5.3 million tons.

The third draft of emergency drought regulations to implement the 25 percent reduction in urban water use outlined in Governor Brown's April 1 executive order was released by the State Water Resources Control Board on April 28. This "formal" draft was released after a high volume of comments from stakeholders on the previous two drafts. The new draft makes minor modifications to the established tiers.

On April 9, the California Energy Commission (CEC) passed water conservation measures that are expected to save 10 billion gallons of water in the first year. By 2039, the regulations are expected to save 105 billion gallons annually. The new standard, adopted under authority granted by Governor Brown's executive order, regulates flow in toilets, urinals, and residential bathroom and kitchen faucets installed after January 2016.

On April 29, Governor Brown issued an executive order to establish a California greenhouse gas reduction target of 40 percent below 1990 levels by 2030 - the most aggressive benchmark enacted by any government in North America to reduce carbon emissions.

SB 385 (Lara, D- Los Angeles), sponsored by the Association of California Water Agencies would allow water agencies to apply for a short extension period to comply with the state's new hexavalent chromium (chrom 6) standards. The bill initially met significant opposition from environmentalists, but amendments have been taken to alleviate their concerns. This bill is important because there was a very short window for agencies to come to compliance with the

new maximum containment load (MCL). Agencies that prove they are on the way to complying will be able to apply for a short extension, should the bill pass and be signed by the Governor.

With the rainy season over, the Department of Water Resources conducted the final Sierra Snowpack Survey of 2015, finding the statewide snowpack at just 5 percent, the lowest total snowpack on record.

A new report by the Union of Concerned Scientists (UCS), “Clean Energy Opportunities in California’s Water Sector,” concluded that there are significant opportunities for water and wastewater utilities in California to invest in clean energy resources, but barriers limit the role the water sector can currently play in reducing the state’s carbon footprint. The report offers several suggestions about how the water and wastewater sectors can participate further in the states energy and emissions goals.

## **Inland Empire Utilities Agency Status Report – April 2015**

### ***Energy Efficiency Review***

The California Public Utilities Commission (CPUC) released a report outlining the results of the Investor Own Utility (IOU) energy efficiency programs from 2010-2012. The report concluded that the \$2.5 billion the utilities have spent in the three-year cycle resulted in 7,745 GWh of energy savings, enough to power 800,000 homes for a year and cut carbon emissions by 5.3 million tons. The report also found that for every dollar the IOUs invest in energy efficiency, \$1.31 in savings is returned to ratepayers. CPUC Commissioner Carla Peterman was pleased that the energy savings exceeded original goals for the program, but noted that there is significant room for improvement in the program.

### ***Energy Drought Regulations***

The third draft of emergency drought regulations to implement the 25 percent reduction in urban water use outlined in Governor Brown’s April 1 executive order was released by the State Water Resources Control Board on April 28. This “formal” draft was released after a high volume of comments from stakeholders on the previous two drafts.

Comments are due on the formal regulation May 4 at 10 a.m. The State Board is scheduled to take action on the package May 5 or 6.

The latest draft does address with the requests of many stakeholders to modify the tiers from four percent increments to two percent increments, which would create 15 tiers, rather than nine. It is still possible that a change in the tiers could come ahead of the final adoption.

Officials said some water districts and cities fell into new reduction tiers under the current regulation because they recalculated their gallons per capita per day.

Among the changes officials made to the proposal is allowing commercial, industrial and institutional water use to be reported to the State Board as a combined figure, rather than separated out into different categories.

### ***CEC Water Conservation Measures***

On April 9, the California Energy Commission (CEC) passed water conservation measures that are expected to save 10 billion gallons of water in the first year. By 2039, the regulations are expected to save 105 billion gallons annually. The new standard, adopted under authority granted by Governor Brown's executive order, regulates flow in toilets, urinals, and residential bathroom and kitchen faucets installed after January 2016.

- Toilets shall not consumer more than 1.28 gallons per flush.
- Urinals shall not consumer more than 0.125 gallons per flush.
- Kitchen faucets shall not exceed 1.8 gallons per minute flow rate and may have capability to increase to 2.2 gallons per minute momentarily for filling pots and pans.

### ***Governor Brown Executive Order on GHG Reductions***

On April 29, Governor Brown issued an executive order to establish a California greenhouse gas reduction target of 40 percent below 1990 levels by 2030 - the most aggressive benchmark enacted by any government in North America to reduce dangerous carbon emissions.

The Governor's executive order aligns California's greenhouse gas reduction targets with those of leading international governments ahead of the United Nations Climate Change Conference in Paris later this year. The 28-nation European Union, for instance, set the same target for 2030 just last October.

California is on track to meet or exceed the current target of reducing greenhouse gas emissions to 1990 levels by 2020, as established in the California Global Warming Solutions Act of 2006 (AB 32). California's new emission reduction target of 40 percent below 1990 levels by 2030 will make it possible to reach the ultimate goal of reducing emissions 80 percent under 1990 levels by 2050. This is in line with the scientifically established levels needed in the U.S. to limit global warming below 2 degrees Celsius - the warming threshold at which scientists say there will likely be major climate disruptions, such as super droughts and rising sea levels.

### **Climate Adaptation**

The executive order also specifically addresses the need for climate adaptation and directs state government to:

- Incorporate climate change impacts into the state's Five-Year Infrastructure Plan;
- Update the Safeguarding California Plan - the state climate adaption strategy - to identify how climate change will affect California infrastructure and industry and what actions the state can take to reduce the risks posed by climate change;
- Factor climate change into state agencies' planning and investment decisions; and
- Implement measures under existing agency and departmental authority to reduce greenhouse gas emissions.

### ***Hexavalent Chromium Bill Moves Through Legislative Process***

A bill to grant water agencies an additional five years, until 2020, to comply with drinking water maximum containments level (MCL) for hexavalent chromium (chrom 6) is successfully moving through the legislative process. SB 385 (Hueso) has passed the Senate Environmental Quality Committee and is awaiting a hearing in the Judiciary Committee.

The bill, sponsored by the Association of California Water Agencies (ACWA), allows water agencies to apply for a short delay in complying with the 2014 MCL of 0.02 ppb for chrom 6. According to the author, the bill is crucial to avoid litigation as agencies try to comply with the short compliance timeframe.

Opposition to the measure has been removed with some amendments that were taken in Environmental Quality Committee.

### ***Water Supply Update***

With the rainy season over, the Department of Water Resources conducted the final Sierra Snowpack Survey of 2015, finding the statewide snowpack at just 5 percent, the lowest total snowpack on record.

Despite the lack of snowpack, California's water storage system improved earlier in the water year, due to a series of wet storms this winter, but remains historically low. With little snowpack in the Sierras, the reservoirs will have little runoff to recharge with later in the spring and reservoir conditions are expected to continue to decline.

The following is a chart of water levels at several California reservoirs, as of April 28:

<b>Reservoir</b>	<b>Percent of Capacity</b>	<b>Percent of Historical Average</b>
Lake Shasta	59%	68%
Lake Oroville	51%	62%
Folsom Lake	59%	80%
San Luis Reservoir	63%	70%
Lake Perris	39%	46%
Castaic Lake	30%	33%

### ***Future Renewable Portfolio Standard at CPUC***

A new proceeding at the California Public Utilities Commission (CPUC) could explore increasing the renewable portfolio standard (RPS), increasing distributed generation's role in meeting RPS targets, and accounting for the greenhouse gas (GHG) emissions reduction value of different resources. At an April 16 prehearing conference, Commissioner Carla Peterman laid out the top possible priorities for the case to address:

- Updating the RPS calculator: a modeling tool that develops possible portfolios of renewables that meet RPS targets.
- Revising the least-cost, best-fit process to evaluate bids.
- Increasing the RPS percentage requirement.

- Making GHG reduction and an RPS program goal or incorporating GHG reduction into procurement mechanism.
- Using more distributed generation toward RPS compliance.

There are many parties to the case with many different opinions about the future of the RPS programs. Notably, Southern California Edison and the other Investor Owned Utilities urged that the CPUC wait until the Legislature acts on a new RPS target and not set one administratively.

### ***Union of Concerned Scientists Report on Water Energy Nexus***

A new report by the Union of Concerned Scientists (UCS), “Clean Energy Opportunities in California’s Water Sector,” concluded that there are significant opportunities for water and wastewater utilities in California to invest in clean energy resources, but barriers limit the role the water sector can currently play in reducing the state’s carbon footprint. They claim that while the water sector accounts for nearly 20 percent of the state’s electricity demand, the electricity purchased or generated by water utilities is not typically addressed by California’s climate and renewable energy policies.

The report recommends that in order for the state to understand the opportunities for the water sector to be part of the “climate solution,” water and wastewater utilities must publically report electricity usage in a standard format.

Additionally, they recommend that funding from the 2014 water bond, Department of Water Resources grants, or cap and trade revenues be contingent upon proven, utility-wide emissions reductions.

Finally, the report recommends if that the California Energy Commission and the California Public Utilities Commission assess the potential for water and wastewater utilities to provide grid flexibility, so the utilities “know how much flexibility they have within their system to adjust operations and the financial incentives for doing so.”

The Union of Concerned Scientists is also sponsoring a bill, SB 471 (D-Pavley), that addresses the energy used at water agencies. IEUA is monitoring the progress of this bill.

### ***Legislative Update***

The Legislature worked fervently on hundreds of bills ahead of the May 1 policy committee deadline for bills needing to go to appropriations committees. Non-fiscal bills have an additional week to be heard in policy committee.



**Bills IEUA is watching:**

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*Water Quality*

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**AB 888 (Bloom D) Waste management: plastic microbeads.**

**Last Amend:** 4/22/2015

**Status:** 4/29/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 28). Re-referred to Com. on APPR.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of plastic microbeads, as provided. This bill contains other related provisions.

**AB 1173 (Williams D) Water equipment: backflow prevention devices testing: certification.**

**Last Amend:** 3/26/2015

**Status:** 4/29/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 0.) (April 28). Re-referred to Com. on APPR.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would require, if a local health officer does not maintain a program for certification of backflow prevention device testers, the testing and maintenance of a backflow prevention device be performed by a person who has received a California-specific certification for testing backflow prevention devices from one of specified entities or a similar certification provider deemed acceptable by the state board or the local health officer. Because a violation of these requirements would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 1463 (Gatto D) Onsite recycled water.**

**Status:** 4/29/2015-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (April 28). Re-referred to Com. on APPR.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would require the State Water Resources Control Board, in consultation with the State Department of Public Health, the California Building Standards Commission, and stakeholders, to establish water quality standards and distribution, monitoring, and reporting requirements for onsite water recycling systems prior to authorizing the use of onsite recycled water in internal plumbing of residential and commercial buildings.

**SB 385 (Hueso D) Primary drinking water standards: hexavalent chromium: compliance plan.**

**Last Amend:** 4/7/2015

**Status:** 4/24/2015-Set for hearing May 5.

**Location:** 4/16/2015-S. JUD.

**Calendar:** 5/5/2015 1:30 p.m. - Room  
112 SENATE JUDICIARY, JACKSON, Chair

**Summary:** Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system that prepares and submits a compliance plan to the state board, to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan, as prescribed. This bill would require a public water system to provide specified notice regarding the compliance plan to its customers and the public water system to send written status reports to the state board.

**SB 625 (Galgiani D) Waste management: synthetic plastic microbeads.**

**Last Amend:** 4/20/2015

**Status:** 4/30/2015-April 29 set for first hearing canceled at the request of author.

**Location:** 4/22/2015-S. E.Q.

**Summary:** Would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing synthetic plastic microbeads, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of synthetic plastic microbeads, as provided. This bill contains other related provisions.

*Bay Delta*

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**AB 1201** **(Salas D)** Fish and wildlife: Sacramento-San Joaquin Delta: predation by nonnative species.

**Last Amend:** 4/22/2015

**Status:** 4/28/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 28). Re-referred to Com. on APPR.

**Location:** 4/28/2015-A. APPR.

**Calendar:** 5/6/2015 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GOMEZ, Chair

**Summary:** Under the California Endangered Species Act, the Department of Fish and Wildlife may authorize the take of listed species if the take is incidental to an otherwise lawful activity and the impacts are minimized and fully mitigated. This bill would require the department, by June 30, 2016, to develop and initiate a science-based approach that addresses predation by nonnative species upon species of fish listed pursuant to the act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta.

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## *Water*

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

**Status:** 4/23/2015-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 4/23/2015-S. RLS.

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

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

**Last Amend:** 4/6/2015

**Status:** 4/20/2015-In committee: Set, second hearing. Referred to REV. & TAX. suspense file.

**Location:** 4/20/2015-A. REV. & TAX SUSPENSE FILE

**Calendar:** 5/18/2015 1:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION SUSPENSE, TING, Chair

**Summary:** Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from their sales of tangible personal property sold at retail

in this state, or on the storage, use, or other consumption of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and specify certain exemptions from the amount of tax imposed. This bill would exempt from these taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program. This bill contains other related provisions and other existing laws.

**AB 149 (Chávez R) Urban water management plans.**

**Last Amend:** 4/29/2015

**Status:** 4/30/2015-Read second time. Ordered to third reading.

**Location:** 4/30/2015-A. CONSENT CALENDAR

**Calendar:** 5/4/2015 #101 ASSEMBLY CONSENT CALENDAR-FIRST LEGISLATIVE DAY ASSEMBLY MEASURES

**Summary:** The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its plan no later than 30 days after adoption and requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act. The act requires each urban water supplier to update and submit its 2015 plan to the department by July 1, 2016. This bill would require each urban water supplier to update and submit its 2020 plan to the department by July 1, 2021, and would require the department to submit its 2015 report to the Legislature by July 1, 2016, and its 2020 report by July 1, 2022 .

**AB 349 (Gonzalez D) Common interest developments: property use and maintenance.**

**Status:** 3/2/2015-Referred to Com. on H. & C.D.

**Location:** 3/2/2015-A. H. & C.D.

**Calendar:** 5/13/2015 9 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHAU, Chair

**Summary:** Current law makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies in a common interest development declaration that prohibits use of low water-using plants, or prohibits or restricts compliance with water-efficient landscape ordinances or regulations on the use of water, as specified. This bill would also make void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits use of low

water-using landscapes that require not more than a specified amount of water. This bill contains other existing laws.

**AB 401 (Dodd D) Low-Income Water Rate Assistance Program.**

**Last Amend:** 4/8/2015

**Status:** 4/15/2015-In committee: Set, first hearing. Referred to suspense file.

**Location:** 4/15/2015-A. APPR. SUSPENSE FILE

**Summary:** Would require the Department of Community Services and Development, no later than January 1, 2017, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. The bill would require the department, no later than January 1, 2017, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken. This bill contains other existing laws.

**AB 478 (Harper R) Desalination.**

**Status:** 2/24/2015-From printer. May be heard in committee March 26.

**Location:** 2/23/2015-A. PRINT

**Summary:** Current law provides that it is the intention of the Legislature that the Department of Water Resources shall undertake to find economic and efficient methods of desalting saline water so that desalted water may be made available to help meet the growing water requirements of the state. This bill would make a nonsubstantive change in these provisions.

**AB 585 (Melendez R) Outdoor Water Efficiency Act of 2015: personal income tax credits: outdoor water efficiency.**

**Last Amend:** 3/16/2015

**Status:** 3/17/2015-Re-referred to Com. on REV. & TAX.

**Location:** 3/17/2015-A. REV. & TAX

**Calendar:** 5/4/2015 1:30 p.m. - State Capitol, Room  
126 ASSEMBLY REVENUE AND TAXATION, TING, Chair

**Summary:** The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill, for taxable years beginning on or after January 1, 2015, and before January 1, 2021, or an earlier specified date, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements made to outdoor landscapes on

qualified real property in this state, not to exceed \$2,500 per taxable year, as specified. This bill contains other related provisions.

**AB 603 (Salas D) Income taxes: turf removal tax credit.**

**Status:** 4/13/2015-In committee: Set, first hearing. Referred to REV. & TAX. suspense file.

**Location:** 3/9/2015-A. REV. & TAX SUSPENSE FILE

**Calendar:** 5/18/2015 1:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION SUSPENSE, TING, Chair

**Summary:** Would, under Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program, as defined, in an amount equal to \$2 per square foot of conventional lawn removed from the taxpayer's property. The bill would make findings and declarations in this regard. This bill contains other related provisions.

**AB 606 (Levine D) Water conservation.**

**Last Amend:** 4/13/2015

**Status:** 4/29/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 29). Re-referred to Com. on APPR.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would, when the Department of General Services replaces landscaping or irrigation on public property or when new public property is added to the department's statewide property inventory, require the department to reduce water consumption and increase water efficiencies for that property, where feasible, through replacement of landscaping, irrigation timers, or spray sprinkler heads, implementation of recycled water irrigation, or any combination thereof.

**AB 647 (Eggman D) Beneficial use: storing of water underground.**

**Last Amend:** 4/15/2015

**Status:** 4/29/2015-Do pass as amended.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would declare that the storing of water underground constitutes a beneficial use of water if the diverted water is used while it is in underground storage for specified purposes. This bill would provide that the period for the reversion of a water right does not include any period when the water is being used in the aquifer or storage area or is being held in storage for later application to beneficial use, as prescribed.



**AB 725 (Wagner R) Water quality: recycled water: storm-induced overflow.**

**Last Amend:** 3/26/2015

**Status:** 4/20/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 4/6/2015-A. W.,P. & W.

**Summary:** Would, on or before December 31, 2016, require the State Water Resources Control Board, in consultation with stakeholders, to adopt a policy to address the potential for a storm-induced overflow from an impoundment in which recycled water is stored for subsequent beneficial use or aesthetic purposes.

**AB 977 (Mayes R) State Water Pollution Control Revolving Fund.**

**Last Amend:** 3/26/2015

**Status:** 4/28/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 4/6/2015-A. E.S. & T.M.

**Summary:** Current law continuously appropriates state and federal funds in the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for the construction of publicly owned treatment works and other related purposes, to a municipality, intermunicipal agency, interstate agency, or state agency in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. Current law requires the loans to meet certain criteria, including requiring full amortization not later than 20 years after project completion, except as specified. This bill would, subject to the same exception, require full amortization not later than 30 years after project completion.

**AB 1128 (Jones-Sawyer D) Water conservation.**

**Status:** 3/2/2015-Read first time.

**Location:** 2/27/2015-A. PRINT

**Summary:** Current law declares the intent of the Legislature to, among other things, promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and specified requirements for demand management. This bill would make nonsubstantive changes to these findings and declarations.

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

**Status:** 4/28/2015-Read second time. Ordered to third reading.

**Location:** 4/28/2015-S. THIRD READING

**Calendar:** 5/4/2015 #31 SENATE SENATE BILLS-THIRD READING FILE

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

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

**Last Amend:** 4/23/2015

**Status:** 4/30/2015-In Assembly. Read first time. Held at Desk.

**Location:** 4/30/2015-A. DESK

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

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

**Status:** 4/27/2015-April 27 hearing: Placed on APPR. suspense file.

**Location:** 4/27/2015-S. APPR. SUSPENSE FILE

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

**SB 208** **(Lara D) Integrated regional water management plans: grants: advanced payment.**

**Status:** 4/27/2015-April 27 hearing: Placed on APPR. suspense file.

**Location:** 4/27/2015-S. APPR. SUSPENSE FILE

**Summary:** Would require a regional water management group, within 90 days of notice that a grant has been awarded, to provide the state entity administering the grant with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization, as defined, or a disadvantaged community, as defined, or the project benefits a disadvantaged community. This bill contains other existing laws.

**SB 471 (Pavley D) Water, energy, and reduction of greenhouse gas emissions: planning.**

**Last Amend:** 4/13/2015

**Status:** 4/29/2015-Do pass as amended, and re-refer to the Committee on Appropriations.

**Location:** 4/29/2015-S. APPR.

**Summary:** Would require the State Air Resources Board, in cooperation with various other agencies, to develop an emissions inventory of greenhouse gas emissions from the water system in the state, using best available data. The bill would provide water recycling, wastewater treatment, water end-use efficiency, water technology improvements, best management practices, and other projects that reduce water system greenhouse gas emissions shall be eligible for funding from the Greenhouse Gas Reduction Fund. This bill contains other related provisions and other existing laws.

**SB 553 (Wolk D) Water conservation.**

**Status:** 4/28/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 28). Re-referred to Com. on APPR.

**Location:** 4/28/2015-S. APPR.

**Calendar:** 5/11/2015 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** Would require the Department of General Services to identify each public property in the department's state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendations where feasible, except as specified. This bill contains other existing laws.

**SB 555 (Wolk D) Urban retail water suppliers: water loss management.**

**Last Amend:** 4/16/2015

**Status:** 4/27/2015-April 27 hearing: Placed on APPR. suspense file.

**Location:** 4/27/2015-S. APPR. SUSPENSE FILE

**Summary:** Would require each urban retail water supplier, on or before July 1, 2017, and annually each year thereafter, to submit a completed and validated water loss audit report for the previous calendar year as prescribed by rules adopted by the Department of Water Resources on or before January 1, 2017, and updated as provided. The bill would require the department to post all validated water loss audit reports on its Internet Web site in a manner that allows for comparisons across water suppliers and to make these reports available for public viewing. This bill would require the department to provide technical assistance to guide urban retail water suppliers' water loss detection programs. The bill would require the department, in consultation with the State Water Resources Control Board, to develop metrics for reporting year-over-year progress on water loss reduction and would require the board to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses.

**SB 615 (Berryhill R) Waste discharge requirements: waivers: managed wetlands.**

**Last Amend:** 4/6/2015

**Status:** 4/28/2015-April 29 set for first hearing canceled at the request of author.

**Location:** 4/9/2015-S. E.Q.

**Summary:** Would require that managed wetlands be presumed to not pose a significant threat to water quality and would require, with respect to managed wetlands, the state board and regional boards to waive the above-described reporting requirements, regional board prescribed waste discharge requirements, and monitoring requirements of the waiver program, except that the state board or a regional board shall require water quality monitoring of a managed wetland not more than once during the duration of each waiver period unless results of downstream monitoring demonstrate a violation of water quality discharge standards. The bill would limit this monitoring to contaminants that are actually applied by wetland managers to the wetland and contaminants that are known to be naturally present in the wetland environment.

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## *Energy*

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**AB 645 (Williams D) Electricity: California Renewables Portfolio Standard.**

**Status:** 4/28/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 3.) (April 27). Re-referred to Com. on APPR.

**Location:** 4/28/2015-A. APPR.

**Calendar:** 5/6/2015 9 a.m. - State Capitol, Room  
4202 ASSEMBLY APPROPRIATIONS, GOMEZ, Chair

**Summary:** Would express the intent of the Legislature for the purposes of the Renewables Portfolio Standard (RPS) program that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount equal to at least 50% by December 31, 2030, and would require the PUC, by January 1, 2017, to establish the quantity of electricity products from eligible renewable energy resources to be procured by each retail seller for specified compliance periods sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 50% of retail sales by December 31, 2030, and that retail sellers procure not less than 50% of retail sales in all subsequent years.

**AB 1144 (Rendon D) California Renewables Portfolio Standard Program: unbundled renewable energy credits.**

**Last Amend:** 4/14/2015

**Status:** 4/28/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 27). Re-referred to Com. on APPR.

**Location:** 4/28/2015-A. APPR.

**Summary:** Would, under the California Renewables Portfolio Standard Program, provide that unbundled renewable energy credits may be used to meet the first category of the portfolio content requirements if among other things that the credits are earned by electricity that is generated by an entity that, if it were a person or corporation, would be excluded from the definition of an electrical corporation by operation of the exclusions for a corporation or person employing landfill gas technology or digester gas technology. This bill contains other existing laws.

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

**Last Amend:** 3/16/2015

**Status:** 4/29/2015-Do pass as amended, and re-refer to the Committee on Appropriations.

**Location:** 4/29/2015-S. APPR.

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

and appropriate agencies to adopt complementary policies that ensure long-term emissions reductions advance specified criteria.

**SB 180 (Jackson D) Electricity: emissions of greenhouse gases.**

**Last Amend:** 4/20/2015

**Status:** 4/29/2015-Do pass as amended, and re-refer to the Committee on Appropriations.

**Location:** 4/29/2015-S. APPR.

**Summary:** Would, on July 1, 2017, replace the greenhouse gases emission performance standards for baseload generation with greenhouse gases emission performance standards for nonpeaking generation and peaking generation. The bill would require the Public Utilities Commission, by June 30, 2017, through a rulemaking proceeding and in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to establish a greenhouse gases emission performance standard for all nonpeaking generation of load-serving entities, and a separate standard for peaking generation.

**SB 189 (Hueso D) Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee.**

**Last Amend:** 3/26/2015

**Status:** 4/27/2015-April 27 hearing: Placed on APPR. suspense file.

**Location:** 4/27/2015-S. APPR. SUSPENSE FILE

**Summary:** Would create the Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee, comprised of 7 members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules, as provided. The bill would prescribe the terms and qualifications of committee members and would require the committee to advise state agencies on the most effective ways to expend clean energy and GHG-related funds and implement policies in order to maximize California's economic and employment benefits, and to take specified actions in that regard.

**SB 471 (Pavley D) Water, energy, and reduction of greenhouse gas emissions: planning.**

**Last Amend:** 4/13/2015

**Status:** 4/29/2015-Do pass as amended, and re-refer to the Committee on Appropriations.

**Location:** 4/29/2015-S. APPR.



**Summary:** Would require the State Air Resources Board, in cooperation with various other agencies, to develop an emissions inventory of greenhouse gas emissions from the water system in the state, using best available data. The bill would provide water recycling, wastewater treatment, water end-use efficiency, water technology improvements, best management practices, and other projects that reduce water system greenhouse gas emissions shall be eligible for funding from the Greenhouse Gas Reduction Fund. This bill contains other related provisions and other existing laws.

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## *Public Agency*

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**AB 168 (Maienschein R) Local government finance.**

**Status:** 1/23/2015-From printer. May be heard in committee February 22.

**Location:** 1/22/2015-A. PRINT

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

**AB 712 (Mullin D) Redevelopment: successor agencies: Recognized Obligation Payment Schedule.**

**Status:** 3/12/2015-Referred to Coms. on L. GOV. and H. & C.D.

**Location:** 3/12/2015-A. L. GOV.

**Summary:** Would, commencing July 1, 2016, revise the timeline for the preparation of the required Recognized Obligation Payment Schedule to provide

that the successor agency prepare a schedule for a 12-month fiscal period, with the first of these periods beginning July 1, 2016, and would authorize the Recognized Obligation Payment Schedule to be amended by the oversight board during a 12-month fiscal period if the amendment is approved at least 90 days before the date of the next property tax distribution.

**AB 806 (Dodd D) Redevelopment: successor agencies to redevelopment agencies.**

**Last Amend:** 4/6/2015

**Status:** 4/29/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 29). Re-referred to Com. on APPR.

**Location:** 4/29/2015-A. APPR.

**Summary:** Would authorize a successor agency, if the successor agency has received a finding of completion, to amend or modify existing, contracts and agreements, or otherwise administer projects in connection with enforceable obligations, if the contract, agreement, or project will not commit new property tax funds or otherwise adversely affect the flow of specified tax revenues or payments to the taxing agencies, as specified. This bill contains other related provisions and other existing laws.

**AB 1315 (Alejo D) Public contracts: water pollution prevention plans: delegation.**

**Last Amend:** 4/21/2015

**Status:** 4/30/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 29). Re-referred to Com. on APPR.

**Location:** 4/30/2015-A. APPR.

**Summary:** Would prohibit a public entity, charter city, or charter county from delegating to a contractor the development of a plan, as defined, used to prevent or reduce water pollution or runoff on a public works contract, except as provided. By requiring a public entity, charter city, or charter county to prepare a plan, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 1362 (Gordon D) Local government: assessments, fees, and charges: stormwater definition.**

**Status:** 3/23/2015-Referred to Com. on L. GOV.

**Location:** 3/23/2015-A. L. GOV.

**Summary:** Would define "stormwater" for purposes of the Proposition 218 Omnibus Implementation Act to mean any system of public improvements or service intended to provide for the quality, conservation, control, or conveyance

of waters that land on or drain across the natural or man-made landscape. This bill contains other related provisions.

**SB 272** (**Hertzberg D**) **The California Public Records Act: local agencies: inventory.**

**Last Amend:** 4/6/2015

**Status:** 4/24/2015-Set for hearing May 4.

**Location:** 4/22/2015-S. APPR.

**Calendar:** 5/4/2015 11 a.m. - John L. Burton Hearing Room  
(4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** Would require each local agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site. The bill would require the catalog to disclose a list of the enterprise systems utilized by the agency, and, among other things, the current system vendor and product. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

## *CEQA*

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

**Last Amend:** 4/20/2015

**Status:** 4/24/2015-Set for hearing May 4.

**Location:** 4/20/2015-S. APPR.

**Calendar:** 5/4/2015 11 a.m. - John L. Burton Hearing Room  
(4203) SENATE APPROPRIATIONS, LARA, Chair

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

## *Other*

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**AB 1045 (Irwin D) Organic waste: composting.**

**Last Amend:** 4/20/2015

**Status:** 4/30/2015-Read second time. Ordered to third reading.

**Location:** 4/30/2015-A. THIRD READING

**Calendar:** 5/4/2015 #87 ASSEMBLY ASSEMBLY THIRD READING FILE

**Summary:** Would require the California Environmental Protection Agency, in coordination with the Department of Resources Recycling and Recovery, to develop and implement policies to aid in diverting organic waste from landfills by promoting the composting of specified organic waste and by promoting the appropriate use of that compost throughout the state. The bill would require the agency to promote a goal of reducing at least 5 million metric tons of greenhouse gas emissions per year through the development and application of compost on working lands, and would require the agency to work with the Department of Food and Agriculture to achieve this goal.

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Comprehensive Government Relations

## MEMORANDUM

**To:** Joe Grindstaff and Kathy Besser, IEUA

**From:** Letitia White, Jean Denton, and Drew Tatum

**Date:** April 30, 2015

**Re:** April Monthly Legislative Update

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Congress had an unusually productive month in spite of the first two weeks of the month scheduled as a district/state work period. Congress has started moving appropriations bills more quickly this year than we have seen in the last several decades. This month, the House has already passed the Military Construction / VA bill, the Energy and Water bill, the Legislative Branch Appropriations bill, and the Transportation-HUD bill out of Committee with the first two making their way to the floor for consideration by the full House. The passage of those bills marks the earliest point in the year that the House has considered an appropriations bill in the time they have been using the current process. Additionally, after ironing out an agreement, the House and Senate are on track to pass a budget resolution negotiated by a House and Senate conference committee after each chamber passed its own version. The House has already passed the compromise, and the Senate is expected to move it the first week of May. If it does pass, it will be the first time in several years that the Congress has agreed to a spending plan through regular order. The Senate has not begun the process of marking appropriations bills, but they usually start several weeks behind the House. We've included a few bill highlights below for measures of interest:

### Transportation, Housing and Urban Development:

- The bill includes \$17.2 billion in discretionary appropriations for the Department of Transportation for fiscal year 2016. This is \$1 billion below the fiscal year 2015 enacted level. Of that money, the following will be spent on specific program areas.
  - Highways - \$40.25 billion from the Highway Trust Fund, contingent on a new authorization being enacted before the end of May. This puts the funding roughly even with last year's levels.
  - Air - \$15.0 billion for the FAA, which is a \$159 million increase over FY15 funding. It provides full funding for air traffic control and includes funding for the NextGen system.
  - Grants – Tiger Grants are funded at \$100 million, which is \$400 million below last year's number. This program has taken a hit over the last several years with Members concerned that smaller cities are losing out on funding dollars to large cities.
- Housing and Urban Development Community Development Block Grants are funded at \$3 billion which is equal to funding for FY15.

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### Energy and Water Appropriations:

- The Energy and Water Appropriations bill included language instructing the Department of Interior to use flexibility and tools available to mitigate the impact of the western drought. The additional money for Western Drought Relief came out of the Senate last year, so we are hopeful that they will do the same again this year.
- The bill also instructed the Bureau of Reclamation to work with both Houses of Congress to develop and propose “recommendations for improvements, which may include programmatic changes and project specific authorizations”.

### ***Bipartisanship (somewhat) Continues in the Senate***

Progress in the Senate came to a screeching halt at the end of March over what was originally thought to be a noncontroversial human trafficking bill. Democrats discovered language in the bill related to abortions that they did not catch when the bill was passed at the Committee level. A senior staff member for a Democratic Senator admitted that she saw the language before Democrats supported it at the Committee level, but didn't run it up the chain of command. When the language was brought to light, Democrats withdrew their support of the legislation, denying Republicans the votes they needed to overcome procedural hurdles and pass the bill. In response, Majority Leader Mitch McConnell (R-KY) said that he would not move on to consider the nomination of Loretta Lynch to be Attorney General until the issues with the bill had been resolved—drawing the ire of Senate Democrats and the White House.

After several weeks, a bipartisan agreement was reached on the legislation that allowed both sides of the aisle to offer and vote on additional amendments. The controversial language was also replaced by setting up two funding mechanisms for money directed to Human Trafficking Programs. It ensures that no federal money is used to fund abortions while not placing the same restrictions on other money in the program. This is the same type of agreement that has been used in the past to overcome obstacles related to abortion language. Even though the disagreement held up progress on the floor for other bills, it proved yet again that an open amendment process can help move legislation across the finish line. Earlier this year, we saw the open amendment process pave the way for the Keystone XL pipeline to pass the Senate before ultimately being vetoed by the President. Even though the Senate had a filibuster-proof majority with several Democrats supporting the legislation, they did not have enough to override a presidential veto.

Mitch McConnell made good on his promise to bring up the nomination of Loretta Lynch, with the Senate confirming her nomination two days after the trafficking bill cleared the Senate. The agreement also paved the way for the Senate to confirm its first judicial nomination of the year. Democrats were also disappointed in the amount of time Republicans burned before considering judicial nominations, but Republicans pointed to the unprecedented number of nominees confirmed in the closing days of the last Congress that would typically sit until the new Congress was seated a part of the reason for the holdup. There is also speculation that the Democrats use of the nuclear option in the last Congress might have also caused Republicans to stall consideration of nominees.



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### ***White House Issues Early Veto Threats on Spending Bills***

The White House has taken the unusual step of weighing in early to criticize and threaten to veto appropriations bills before they were brought up on the floor of the House. In a Statement of Administration Policy, senior White House advisors have said they would recommend that the President veto the Energy and Water as well as the Military Construction-VA bills in addition to any bill that implements the Republican budget framework because it “blocks the investments we need for our economy to compete in the future.” In the same statement, administration officials urged the House to reverse sequestration for both defense and non-defense priorities. They also gave the general outline that they would like to see increased spending offset with “commonsense spending and tax expenditure cuts”. In other words, the White House would like to see another agreement like the 2013 plan negotiated by the Chairmen of the House Budget Committee Paul Ryan (R-WI) and Senate Budget Committee Chairwoman Patty Murray (D-WA). Their agreement increased defense and domestic spending by mandatory spending cuts and an increase in certain fees, though the White House has indicated interest in raising taxes on the wealthiest Americans this time.

The White House threat has also further emboldened House Democrats, who might no longer support the two bills that typically receive bipartisan support. These bills tend to move through the process first due to strong support. Democrats and Republicans alike have been reluctant to oppose the Veterans spending bill in the past in order not to appear to be anti-Veteran. There are several conservative Republicans who have also threatened to vote against the measure due to spending being shifted to a non-capped fund (the Overseas Contingency Operation). With defectors on both sides, Speaker John Boehner (R-OH) has already indicated privately that there is a possibility that a continuing resolution might be on the table if no agreement between Republicans and the White House can be reached.

Since the current spending bills run through the remainder of the fiscal year expiring on September 30, 2015, Congress still has plenty of time to forge ahead with the twelve annual appropriations bills. Republicans hope that at least some portions of the government will be funded through regular order, something Capitol Hill hasn't seen in years.

### ***GOP Focuses Attention on Water Rules***

The Environmental Protection Agency has proposed a rule that would give them additional jurisdiction over water quality regulations. Last year the agency and Army Corps of Engineers released their proposed rule to redefine the “water of the United States” under the Clean Water Act. The proposal has drawn sharp criticism from the GOP who unsuccessfully attempted to block the rule from being finalized last year in an appropriations bill. This year's Energy and Water Appropriations bill includes similar language that was cited in a veto threat from the White House.

Republicans are taking several different approaches this year, with legislation being introduced in both the House and Senate. These bills would both set parameters for what can be covered in the final regulation and force the agencies to seek more public input before the final regulation is released. Senator John Barrasso (R-WY) indicated last week that he plans to introduce a bipartisan bill that would mirror a Senate budget resolution proposal that received a nearly filibuster proof majority with several Western state Democrats joining in support. The budget amendment, which is a non-binding proposal, signaled the Senate's intent to limit federal

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jurisdiction over puddles, roadside ditches, irrigation ditches, and storm and wastewater systems. Their inclusion in a final regulation could cost municipalities and farmers billions of dollars to comply.

In the House, Members advanced a bill with Democratic support from the Transportation and Infrastructure Committee that would force the EPA and Army Corps to withdraw the proposed rule and restart the conversation with stakeholders. While there is bipartisan support for the current proposals, the administration has made it clear that they do not support this type of legislation while the rule making process is ongoing. At this point, it doesn't appear that Congress would have the votes necessary to override a veto from President Obama.

### ***More Transportation Reauthorization Hearings Coming***

Congressman Paul Ryan (R-WI), the Chairman of the House Ways and Means Committee told reporters this week that he is planning to hold hearings on the Highway Trust Fund during the month of May. Ryan's committee is responsible for tax policy, and he has said that he is working on a short term extension that would keep the fund solvent through the end of the year. He has also indicated that he has ruled out repatriation, or a tax on profits being held abroad, as an option to bolster the fund. He did not indicate how he plans to come up with additional dollars to prop up the fund for the remainder of the year, telling reporters "I'll give you the answer to your question in about three weeks, because I don't have it right now." The Senate's top tax writer, Senator Orrin Hatch (R-UT) has also dismissed the idea of repatriation. There is speculation that his opposition stems from a desire for a broad tax overhaul, which could be complicated by taking this option off the table to pay for the Highway Trust Fund.

The Congressman's comments come in the wake of a flurry of transportation activity on the Senate side, where various committees have held hearings on reauthorization during April. Even with busy hearing schedules, neither the House nor Senate have put forth a legislative vehicle to reauthorize the nation's transit programs before the May 31<sup>st</sup> deadline, nor does consensus seem to be forming around the broad proposals touted by lawmakers. With the House in recess for the first week of the month, we anticipate a short-term bill will eventually make its way to the floor while lawmakers hope for the political will power to push for a long term bill.

### ***Outlook for May***

The Senate is expected to take up and pass the budget resolution negotiated between the House and Senate during the first week of May. They are also schedule to continue working on the Iran Nuclear Agreement legislation that will give Congress more oversight of any agreement negotiated between Iran and the United States. The House will be in recess the first week of the month as Members return home for a district work period. They are expected to continue to move appropriations bills when they return, and we anticipate that the process will only become more difficult going forward.

# *Agricultural Resources*

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April 30, 2015

## **Legislative Report**

**TO: Joe Grindstaff**  
**General Manager, Inland Empire Utility Agency**

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

**SU: Legislative Report, April 2015**

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**Snapshot.** Congress moved to finalize an overall federal government budget (first time in years) mandating \$5 Trillion in cuts over the next ten years. House Rs were split on defense spending. Military hawks prevailed and the budget contains a major multi-billion dollar increase for DOD funding requiring a proportionate decrease in “*non-defense discretionary spending.*” Appropriators began marking up the first of twelve annual funding bills beginning with VA-Mil Con and Energy and Water Development. Drought conditions in California prevail. All of OR, CA, NV, AZ and UT are in drought (at some level). Governor’s Brown’s mandatory cut for urban water agencies made national news. The unintroduced and unseen drought bill advanced by SJ Valley House Members and Senator Feinstein was expected (rumors of its imminent introduction persisted, but the bill was not introduced. Meanwhile, IEUA joined many others submitting detailed comments to the Senate Finance Committee on the importance of retaining municipal bonds.

### **Budget Issues Dominate March in House and Senate**

■ ***At Close of April, House and Senate Budget Conferees Reached Agreement.*** For the first time in years, the House and Senate reached agreement on an overall federal budget spending level. It calls for \$5 Trillion in cuts over the next ten years to “balance” the Federal budget. It is, to be sure, highly controversial. R fiscal hawks oppose the increase and Ds generally oppose it. Budget conferees provided an almost \$100 Billion increase for defense spending over baseline caps which will require offset reductions in EPA,

DOI, DoCommerce, USDA, DOT, DoEducation and other domestic departments and agencies.

- ***First Funding Bill – VA/Military Construction Brought to House Floor – Then Immediately Pulled (Bill Would Have Been Rejected).*** Conflict over spending levels forced the House leadership to pull the first funding bill presented to the House at the end of April. House R fiscal hawks, objecting to the funding levels for DOD signaled unwavering opposition to the bill. It was pulled and now leadership will have to figure out how to move the bill early next month (if they are unable to do so – that would signal trouble for all funding bills).
- ***Energy and Water Annual Funding Bill Brought to House Floor – Passed at the End of April.*** Rep. Sam Farr (D-Monterey), an Appropriator from Central California declared that the bill failed to address the drought and voted against it. The Administration threatened to veto it. Rep. McClintock offered an amendment, which was accepted, to prohibit Federal agencies from purchasing water for fish (ESA) implementation. BuRec was provided its flatline budget of \$1 Billion. Money for Title XVI was minimal. Language was added that may reduce the Trinity River’s restoration program (at least two and perhaps three Tribes will turn against the bill). One Member said, this bill is a “conflict-generator.” It is assumed (and rumored) that a California drought bill may only surface as an amendment to the Appropriations bill when considered in the Senate.

#### **International Issues Continue to Dominate and Influence the Congressional Agenda**

- ***Major Foreign Policy and International Conflict Issues Continue to Dominate National Agenda.*** As reported the past several months, more than a dozen international issues “continue to dominate – and, at times, overwhelm – the national and congressional agenda. They compete for time, attention and dollars.”

#### **2016 – Presidential Politics.**

- ***2016 President Election – Very Underway.*** Each week brings new announcements and new entrants into the Presidential sweepstakes. Senators Rand Paul (R-KY) and Senator Mario Rubio (R-FL) formally entered on the Republican side and Vermont Independent Senator Bernie Sanders tossed his hat in the ring on the Democratic side. In May, an additional two, three or more candidates are expected to formally announce campaigns.

#### **Water and Drought**

- ***End of Wet Season in California.*** Stating the obvious, statewide April was dry. A few late-season storms were of minor consequence and did little or nothing to dent the on-going drought.
- ***Governor’s Mandatory Urban Water Cuts – Jolted California – Made News Nationally.*** Stating the obvious – for the past four years, the California drought has been serious. It became VERY serious the moment the Governor issued an Executive Order making cuts mandatory. Controversy followed as the exclusion of agriculture (consuming 80% of the

State's water), as the "why?" questions immediately arose. As April came to a close, the State's implementing regulations were announced – raising new questions and generating even more controversy.

- ***State Water Resources Control Board Signals that Historic Water Rights to Be Reviewed, Possibly Reconsidered.*** In a single word, this development is "radical" and is certain to invite conflict and explosion of litigation. No one quite knows what this means or how it will be addressed. Dozens of questions have or will surface. One thing is certain: that is, what constitutes "reasonable use" will become a central if not defining issue.
- ***Ever-Mysterious Drought Legislation.*** Last November, a drought relief bill negotiated behind closed doors blew up. At the time, negotiators said that another day or two and the final issues could have been resolved. Statements were made suggesting that drafting would be completed and the bill introduced at the top of the 114<sup>th</sup> Congress in January. Since, rumors circulated that it would be introduced following the President's Birthday recess in February and the Easter Break last month. April came to a close and there's still no word on a drought bill. Meanwhile, Senator Boxer has now been excluded from the talks, Boxer and Rep. McCarthy (House Majority Leader) have been publicly feuding over the bill. Still other interests in the State (North Coast and American River) have requested a seat at the negotiating table, but those requests were ignored. Based on reports, and "sneak peaks" at the ever-changing bill reveal that it is NOT a 58-County bill, even though drought is impacting the entire state. Rumors persist that a bill is about to be introduced "any day now." Reportedly talks have now included Sen. Energy Committee Chair, Sen. Lisa Murkowski. In March, it was reported that the State raised numerous questions about the bill, but it is not known how the drafters addressed those concerns – if at all. If the bill is introduced AND if the bill has the effect of allowing junior water right holders (think Westlands) to jump the water rights line, then that has the potential to become a federal issue, not only in California, but in Washington as well (during my entire career, federal preemption of state water rights has been "third-rail" taboo).
- ***Drought Conditions – California.*** All 58 California Counties are today experiencing drought (again). March to April was the traditional transition from wet to dry periods in the State. According to the NOAA/USDA's Drought Monitor, 100% of California is in drought. The Monitor's weekly report for April 28 indicated that more than 90% of the entire State was in severe, extreme or exceptional drought status.
- ***Drought Conditions – Rest of the West.*** This month, all 17 Western States are still experiencing some level of drought (Montana only mildly). It begins in the Pacific Northwest, comes down the map through California and Nevada. All of OR, AZ, UT and CO are experiencing some level of drought. Approximately half of NM is in drought and Texas and Oklahoma continue to be in serious drought.

- ***Governor Brown Sends Water Tunnel Plan Back to Drawing Board for Modification – No One Knows What It Really Means.*** As April came to a close, the Governor ordered his twin tunnel water plan back to the drawing board. He also ordered the mitigation provisions to be dealt with separately. What this means for BDCP is not known. Speculation is on over-drive. Some think the plan has collapsed. Others believe it can now move. This announcement cannot be considered to be positive.

### **Municipal Bonds**

- ***50 Associations Write President – Urge Muni Bonds Be Protected.*** At the very end of March some 50 different Associations, part of the DON'T MESS WITH OUR BONDS COALITION weighed in to protect Muni Bonds. Firefighters, engineers, NACO and many others – covering all of infrastructure signed the letter. AWWA, CASA, WEF, WIN and AMWA all signed from the water sector.
- ***124 House Members Send Bi-Partisan Letter to Boehner-Pelosi Opposing Administration's Tax Cap on Bonds.*** Letter highlights that bonds finance schools, hospital, transportation, airports, water and waste water, public utilities and others dependent on bonds are at risk to the Administration's proposals to modify tax rules could undermine future investments. In 2013 alone, 11,000 bonds were issued amounting to a third of a trillion dollars in infrastructure funding.
- ***Municipal Bonds for America Coalition Submitted Comprehensive Comments to Senate Finance Committee Urging Tax-Exempt Municipal Bonds Be Protected, Preserved and Retained – IEUA Signed Letter.*** The Senate Finance Committee, under the direction of Chairman Hatch (R-UT) established five bi-partisan "working groups" – one of which was Community Development and Infrastructure, headed by Senator Heller (R-NV) and Senator Michael Bennet (D-CO). MBFA prepared and submitted comprehensive comments on April 15 urging the Committee, when considering tax reform, not alter or amend bond provisions.

**Quick Takes.** ***Drought Bill Has New Problem – Farm Income Strong (Drought Notwithstanding).*** It's one of those quirky inconvenient reports. Overall, farm income in California has been relatively strong, severe drought notwithstanding (to be sure, there are some hurt badly), but overall...not so. ***Media Reports Slamming One Another – Drought Story Misrepresented.*** Reports emerged criticizing certain media reports for sensationalizing and distorting the drought story. To be sure, the drought is serious and in some individual or regional cases catastrophic. But overall, it's being managed. But photos of parched fields created the impression that the entire SJ Valley was parched (not accurate). Water banking, water transfers, water sales and conservation are making a difference (for now). ***Professor Michaels, University of the Pacific, Says Reports of Job Dislocation in SJ Valley are Distorted – Overstated.*** Michaels surprised many when he cited new data from the US Bureau of Labor Statistics that revealed drought rhetoric and drought reality were not in sync. ***Former HP CEO and Soon-to-Be Presidential Candidate, Carly Fiorina Further Politicized the Drought.*** She weighed in on the issue calling the drought "man-made" and blaming "radical environmentalists." ***Rep. Kevin***

**McCarthy (R-Bakersfield) Accused Senator Boxer of Blowing Up Drought Bill.** Drought politics have become increasingly partisan – not good. **ABC News, Based on State Health Department Reports, Reports that Severe Drought Can Lead to Disease (Health Impacts).** According to the Report, “the ongoing California drought could cause more problems for state residents by creating favorable conditions for dangerous infectious diseases previously limited to hotter, drier climates, experts said. The California Department of Public Health announced this week the state had a record-breaking number of deaths related to the mosquito-borne West Nile Virus in 2014, with 31 fatalities recorded. And 801 cases of West Nile Virus were reported in 2014, the second-highest number of cases ever recorded, second only to 2005, where there were 800 reported cases.” **Rep. Jared Huffman (D-Marin), the ranking D on Water and Power, Called Almond Production a Recipe for Disaster.** Huffman gave a talk this month calling almond production inappropriate, further inflaming relations between and among CA delegation members. **On April 11, a Fresno Bee Editorial Lauded “Southern California” for its Water Management during Drought Conditions.** After the State Water Resources Control Board posted per capita water consumption numbers, it was revealed that, when it came to per capita water consumption, San Francisco and Southern California were vastly more responsible than cities in the Valley. In response, the Bee saluted Southern California (LA and Long Beach citizens were consuming 40% less per capita). More extreme, Modesto’s per capita water use is MORE THAN DOUBLE LA and Long Beach’s water use. **Enviros Ask Court to Reopen CAFO Rules.** According to media reports, several environmental groups are asking the Court to reopen the 2008 CAFO rules. **Lake Mead Dropped to Lowest Level in 80 Years.** Lake Mead has dropped 140 feet in the past 15 years and is expected to drop an additional ten feet this calendar year. **AGs in Four States File Amicus Brief in Ninth Circuit Asking that Interior Ban on Uranium Mining at the Grand Canyon Be Overturned.** AGs in Montana, Nevada, Arizona and Utah asked Appellate Court to overturn the Interior Department ban on uranium mining near the Grand Canyon (Colorado River).

# # # # #



**INFORMATION**

**ITEM**

**2C**



CALIFORNIA STRATEGIES, LLC

Date: May 01, 2015  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: April Activity Report

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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 Management Team to review priority issues and to discuss activities for April that they want accomplished-April 6.
- Additional follow up with elected leadership in the City of Fontana regarding issue that the IEUA Executive staff wanted completed
- Participated in discussions with staffs of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas that Executive Staff wanted.
- Monitored LAFCO staff on the status and key issues related to the MSR process currently underway for water conservation districts countywide. Developing a response letter to draft MSR report. LAFCO hearing to be scheduled for May 20.
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Provided an update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.

**INFORMATION**  
**ITEM**  
**2D**

**IEUA**  
**2015 Legislation Tracking Matrix-- POSITIONS**

Bill	Author	Subject	Status	Description	IEUA Position	Notes
<u>AB</u> 143	STONE (R)	Diamond Valley Reservoir: recreational use.	4/15/15 S-ENVIRONMENTAL QUALITY 9:30 a.m. - Room 3191 WIECKOWSKI, Chair .	Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.	Support	Bill was made a two-year bill.
<u>SB</u> 75	Budget Committee	Emergency Drought Appropriations	Held in Assembly	Emergency Drought Expenditures	Support	The Emergency Drought bills were passed in separate vehicles, ABs 91 & 92, contained the same language as SB 75

**INFORMATION**

**ITEM**

**2E**



Date: May 20, 2015

To: Public, Legislative Affairs, and Water Resources Committee (05/13/15)  
Finance, Legal, and Administration Committee (05/13/15)

From: *for* P. Joseph Grindstaff *WJG*  
General Manager

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

*for* Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Ordinance No. 103, Establishing Water Connection Fees, Classes of Water Service and Regulating the Sale and Delivery of Imported Water

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### **RECOMMENDATION**

Ordinance No. 103, establishing Water Connection Fees, Classes of Water Service and Regulating the Sale and Delivery of Imported Water, is an informational item for the Board to receive and file.

### **BACKGROUND**

The Agency's current Ordinance No. 100, was adopted by the Board of Directors on June 14, 2014. The purpose of this Ordinance is to establish classes of water service, rates, and charges for the delivery of imported and supplemental water within the IEUA service area, to promote the conservation and reuse of water resources, and to provide procedures for complying with requirements placed upon the IEUA by the Metropolitan Water District of Southern California.

During the process of the Cost of Service Study, Agency staff identified revisions needed in Ordinance No. 100 to include for water connection fees and ensure that the Agency adopts resolutions in compliance with the approved legislation pursuant to the authority contained in the Municipal Water District Law of 1911, California Water Code, §71616. Ordinance No. 103 has been developed to include these revisions and upon approval, shall supersede Ordinance No. 100. The Agency's General Counsel has also reviewed the proposed revisions to Ordinance No. 103. Some of the key proposed revisions are summarized below:

Part I, Section 102 – Purpose and Objectives

- Revise objective of Ordinance to include provisions for establishing water connection fees from each new connection or upsized connection within IEUA’s service area as a condition of receiving water deliveries from any source provided by IEUA.

Part I, Section 107 – Definition of Terms

- Included Connection Fee to define a one -time charge imposed on any new retail water connection or upsized connection, based upon the connected capacity, to any water system within the Agency’s service area.
- Deleted Connection Maintenance Charge, Local Agency New Demand Charge Base and Local Agency New Demand Charge Rolling Average as these are redundant and defined in Part III, Section 301 of Ordinance 103.

Added Part II, Section 202 – Connection Fees: to include language needed to establish and collect by IEUA water connection fees in order to proportionally recover the costs to create regional supplies that are available to meet the water demands of the future development.

Added Part II, Section 203 – Right to Inspect Documents and Property: to include language for IEUA to retain rights, upon reasonable notice, to audit all public records and accounts of any local agency, to ensure ongoing compliance and enforcement of this ordinance.

Added Part II, Section 204 – Lien for Charges: to include language to allow the charges fixed by IEUA to be a lien on all the property benefitted thereby as provided in California Water Code 71637 and shall have the same force and effect as other liens for taxes and may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Part III, Division III, Section 104 – Rates of Flow

- Deleted subparagraphs (B) for rate of flow monitoring and (C) for minimum and maximum service connection charges as these are not administered by the Agency. Minimum and maximum service charges will be assessed by MWD and the Agency will pass-through these charges as they occur.

Part III, Division III, Section 108 – Delinquent Payment

- Revised the delinquent in payments penalty from two (2) to ten (10) percent of unpaid bills for water rates and charges per California Government Code Section 926.10.
- Added delinquent payment penalty for connection fees of ten (10) percent.

The Connection Fee, Classes of Water Service and Regulating the Sale and Delivery of Imported Water Ordinance No. 103 is consistent with the Agency’s Business Goal of *Customer Service* by applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.



Ordinance No. 103, Establishing Water Connection Fees, Classes of  
Water Service and Regulating the Sale and Delivery of Imported Water  
May 20, 2015  
Page 3

**PRIOR BOARD ACTION**

On June 14, 2014, the Agency's Board of Directors approved the Classes of Water Service and Regulating the Sale and Delivery of Imported Water Ordinance No. 100 to supersede Ordinance No. 70.

On November 15, 2000, the Agency's Board of Directors approved the Classes of Water Service and Regulating the Sale and Delivery of Imported Water Ordinance No. 70;

**IMPACT ON BUDGET**

None.

Attachment: 1. Ordinance No. 103 – Establishing Connection Fees, Classes of Water Service and Regulating the Sale and Delivery of Imported Water

**ORDINANCE NO. 103**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING WATER CONNECTION FEES, CLASSES OF WATER SERVICE AND REGULATING THE SALE AND DELIVERY OF WATER WITHIN THE INLAND EMPIRE UTILITIES AGENCY\* SERVICE AREA**

**BE IT ORDAINED** by the Board of Directors of the Inland Empire Utilities Agency\* (“Agency”) as follows:

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## **DIVISION 1 – GENERAL**

### **PART I - ADMINISTRATION**

#### **SECTION 101 -AUTHORIZATION:**

This Ordinance is enacted pursuant to the authority contained in the Municipal Water District Law of 1911, California Water Code, §71616- et. seq., as amended, and California Government Code §66013 and §54999.

#### **SECTION 102 - PURPOSE AND OBJECTIVES:**

The purpose of this Ordinance is to establish classes of water service, rates, and charges for the delivery of imported and supplemental water within the Inland Empire Utilities Agency service area, to promote the conservation and reuse of water resources, and to provide procedures for complying with requirements placed upon the Inland Empire Utilities Agency by the Metropolitan Water District of Southern California.

Inland Empire Utilities Agency is a member agency of the Metropolitan Water District of Southern California.

The objectives of this Ordinance are:

- (A) To establish water connection fees to cover IEUA's cost of water infrastructure and supplies and other related expenses and financial requirements.
- (B) To adopt terms and conditions for the fixing of water connection fees from time to time by resolution by the Board of Directors.
- (C) To define classifications of water service and establish water rates and charges for the sale of imported water sufficient to cover IEUA's cost of water and other operating expenses and financial requirements.
- (D) To adopt terms and conditions for the provision of the various classes of water and to provide for the fixing of water rates and charges from time to time by resolution of the Board of Directors.
- (E) To establish water connection fees from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA.
- (F) To provide for the collection from each IEUA Local Agency, those charges imposed by Metropolitan on IEUA as a condition of receiving water deliveries from Metropolitan, including but not limited to, a Readiness-to-Serve Charge, a New Demand Charge, a Retail Meter Charge, and a Connection Maintenance Charge.

- (G) To encourage the use of recycled water to supplement existing surface and underground water supplies to assist in meeting the future water requirements within the service area. To encourage the efficient use of water and affect change in water-use habits to reduce imported water demand.
- (H) To establish provisions for obtaining funds for capital projects necessary to support supplemental water supply sources, development and implementation of conservation and water use efficiency programs to increase supply reliability and meet future water demands within the service area.

**SECTION 103 – SEVERABILITY:**

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason found to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the remaining portion of this Ordinance. The Inland Empire Utilities Agency Board of Directors declares that it would have approved this Ordinance by section, subsection, sentence, clause, or phrase irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**SECTION 104 - SERVICE AREA:**

This Ordinance pertains to Local Agencies within the boundaries of the IEUA service area unless otherwise stated.

**SECTION 105 – ADMINISTRATOR:**

Except as otherwise provided herein, the General Manager shall administer, implement, and enforce the provision of this Ordinance. The General Manager may, at his discretion, delegate any or all of these powers and duties.

**SECTION 106 - RIGHT OF REVISION:**

IEUA reserves the right to amend this Ordinance, as it deems appropriate.

**SECTION 107 - DEFINITION OF TERMS:**

- (A) **AGRICULTURAL PURPOSES:** the growing or raising in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for

human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefor.

- (B) **BOARD OF DIRECTORS:** the Board of Directors of the Inland Empire Utilities Agency.
- (C) **GENERAL MANAGER:** the General Manager or a duly Authorized Representative of the Inland Empire Utilities Agency.
- (D) **CONNECTED CAPACITY:** a measure of the size of the service connection to the Metropolitan System or to any water system within the Agency's service area, which will be used for purposes of determining the fixed operation and maintenance charges among the Service Connections.
- (E) **CONNECTION FEE:** a one-time charge imposed on any new retail water connection or upsized connection, based upon the connected capacity, to any water system within the Agency's service area..
- (F) **CONSERVATION CHARGE:** the charge for capital projects necessary to support water conservation program development within the service area.
- (G) **DOMESTIC AND MUNICIPAL PURPOSES:** the use of water for all domestic, municipal, commercial, industrial and recreational purposes commonly, but not exclusively, serviced by the water supply of a city, town, or other similar population group, but shall not include water use for agricultural purposes.
- (H) **DROUGHT CHARGE:** the charge for the programs needed to meet the reduced water supply made available to the region.
- (I) **FISCAL YEAR:** the time period which commences July 1 of each calendar year and ends June 30 of the following calendar year.
- (J) **FULL SERVICE:** service of Metropolitan water that does not meet the criteria for other classes of service or special programs.
- (K) **GROUNDWATER BASIN:** any groundwater basin located entirely or partially within the boundaries of Inland Empire Utilities Agency.
- (L) **GROUNDWATER REPLENISHMENT:** the act of spreading, injecting, or causing to be spread or injected, water for the purpose of replenishing natural groundwater basins, without regard to subsequent use of the water.
- (M) **IMPORTED WATER:** water which is acquired by IEUA from Metropolitan and other Agencies or Entities, except for recycled water.
- (N) **IEUA:** Inland Empire Utilities Agency or its officers or representatives when in the exercise of their official business.

- (O) **IEUA READINESS-TO-SERVE (RTS) CHARGE SHARE or RTS SHARE:** a pass-through of Metropolitan's annual percent share of RTS charge imposed on the IEUA service area.
- (P) **IEUA RETAIL METER CHARGE:** an annual basic charge for each active retail water meter served by an IEUA Local Agency which exists as of January 1 of each year. The charge shall be established at a level which will yield revenues sufficient to cover the Net RTS charge by Metropolitan, Program Charge and costs incurred for the Water Conservation Program, including the Conservation and Drought Charges.
- (Q) **IN-LIEU GROUNDWATER REPLENISHMENT:** maintenance or replenishment of water supplies in groundwater basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to IEUA local agencies from surface distribution facilities in-lieu of such extraction.
- (R) **LONG-TERM SEASONAL STORAGE (LTSS):** delivery of imported water by IEUA to an IEUA Local Agency, for storage, by direct or in-lieu methods, beyond the 12-month Seasonal Storage Service program period. Local production is reduced over the winter period and IEUA deliveries are increased under this program. LTSS may be made available at other times based on terms and conditions established by the General Manager.
- (S) **LOCAL AGENCY:** any individual, partnership, association, corporation, governmental entity or agency, mutual water company, water company, or any other organization and users of water in such quantity as to merit being considered for an individual service connection from IEUA.
- (T) **METROPOLITAN:** Metropolitan Water District of Southern California.
- (U) **METROPOLITAN CONNECTION MAINTENANCE CHARGE (CMC):** the monetary charge imposed by Metropolitan to recover a portion of the cost associated with operating and maintaining service connections and other connection related costs.
- (V) **METROPOLITAN NEW DEMAND CHARGE BASE:** the water demand measured in acre-feet allocated by Metropolitan to IEUA as the basis for determining whether IEUA or its local agencies will incur a charge and the amount of the charge under Metropolitan's New Demand Charge.
- (W) **METROPOLITAN WATER DISTRICT FACILITIES:** those facilities of Metropolitan that can provide water service to IEUA.
- (X) **METROPOLITAN READINESS-TO-SERVE CHARGE or RTS CHARGE:** the total monetary RTS charge, as determined by the RTS Share, imposed by Metropolitan on IEUA to cover fixed costs associated with the water quality and reliability benefits provided by Metropolitan's system.



- (Y) **NET METROPOLITAN READINESS-TO-SERVE CHARGE or NET RTS CHARGE:** portion of the Metropolitan RTS charge which is not collected as a standby charge on property within IEUA's boundaries and is billed by Metropolitan directly to IEUA.
- (Z) **PROGRAM CHARGE:** the charge levied by the IEUA on imported water deliveries to offset administration, operation, maintenance, depreciation expenses, and debt service incurred by the IEUA in association with the water resources program.
- (AA) **RECYCLED WATER;** as defined in Title 22, Division 4, of the California Administrative Code, as amended from time to time, is water which as a result of treatment of wastewater, is suitable for direct beneficial use or a controlled use that otherwise would not occur.
- (BB) **RESERVOIR STORAGE:** the act of storing water in surface reservoirs or the maintenance of reservoir storage by reduction or elimination of reservoir withdrawals through substitution of surface deliveries of water to consumers from surface distribution facilities in lieu of such withdrawals.
- (CC) **SEASONAL STORAGE SERVICE:** additional summer production of local water supply sources by the IEUA Local Agency that is offset by equivalent IEUA imported winter water deliveries to the Local Agency within a 12-month period.
- (DD) **SERVICE CONNECTION:** outlet pipe together with a shutoff valve and a meter to record the flow of water.
- (EE) **SEASONAL SHIFT STORAGE:** deliveries of water by IEUA to an IEUA local agency in the winter period for groundwater replenishment by spreading or injecting or in-lieu deliveries of water which would have otherwise been produced from local sources, and which replaces local storage depleted by increased pumping from local sources during the preceding summer period to reduce, by an equivalent amount, the water deliveries from IEUA which would otherwise have been taken by the IEUA local agency during the preceding summer period, as calculated in their seasonal storage service certification form. Local production and IEUA deliveries remain the same for the combined summer and winter periods under this program.
- (FF) **STANDBY CHARGE:** revenue collected by Metropolitan on parcels of land within the IEUA service area to offset all or a portion of the RTS charge obligation.
- (GG) **SUPPLEMENTAL WATER:** includes recycled water, captured and treated stormwater, and water imported by IEUA which does not represent a delivery from Metropolitan to IEUA.
- (HH) **WATER CONSERVATION:** programs developed and implemented to achieve efficient use of water resources to help meet future water demands.

**SECTION 108 - DUTY TO COMPLY:**

All Local Agencies shall comply with all conditions of this Ordinance. Any Local Agency that is not in compliance with any provision of this Ordinance constitutes a violation of this Ordinance and is grounds for enforcement action as provided for in Division I, Part II of this Ordinance.

**SECTION 109- RECYCLED WATER:**

All Local Agencies are encouraged to promote the reuse of recycled water supplies in their service areas wherever technically and economically reasonable, and in compliance with the IEUA's Regional Reclamation Ordinance No. 63, as amended from time to time. Recycled water is available for the following uses: agricultural, recharge, wildlife habitat, recreational impoundments and any additional use provided for under Title 22, Division 4, of the California Administrative Code, as amended from time to time. To support the development of recycled water projects, IEUA may implement, from time to time, financial incentive programs, and levy additional imported water administrative charges to fund these incentive programs.

**SECTION 110- WATER CONSERVATION:**

All Local Agencies are encouraged to promote urban water conservation to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the region. To support the implementation of water conservation programs, IEUA may implement, from time to time, financial incentive programs and levy additional imported water administrative charges to fund these programs.

**PART II – ENFORCEMENT**

**SECTION 201 -PROTECTION FROM DAMAGE:**

No person, organization, or Local Agency shall maliciously, willfully, or negligently break, damage, destroy, impair the usefulness, uncover, deface, or tamper with any structure, appurtenance, or equipment which is a part of IEUA's Water Distribution System.

**SECTION 202 - PENALTY FOR VIOLATION:**

The IEUA shall have the right to assess such penalties as may be permitted by law and/or discontinue the water service to the connection, up to and including seizure of the service connection, of any Local Agency for failure to comply with any rule or regulation of the IEUA. A Local Agency will be notified of the IEUA's intention to discontinue service for non-compliance, with an explanation of the violation or infraction committed. A Local Agency shall have thirty (30) calendar days to respond before any action will be taken by the IEUA. However, no such notice to afford an opportunity to comply need be given in those instances in which the non-compliance may cause conditions dangerous and detrimental to public health, safety and

welfare, or are in violation of State law or applicable section of the California Penal Code. These violations include, but are not limited to trespass, assault, water theft, cross connection, and water system damage.

## **DIVISION II -SERVICE CLASSIFICATION, RATES AND CHARGES**

### **PART I – CLASSIFICATION**

#### **SECTION 101 -CLASSES OF SERVICE:**

The classes of service for water are as follows:

- (A) Full Service Untreated (for domestic and municipal purposes, including groundwater replenishment, in-lieu groundwater replenishment and reservoir storage).
- (B) Full Service Treated (for domestic and municipal purposes).
- (C) Interim Agricultural Untreated (for agricultural purposes without incidental domestic use for dwellings).
- (D) Seasonal Storage (for Long Term Seasonal Shift-Untreated and Seasonal Shift Storage-Untreated).
- (E) Recycled Water (recycled water delivered by the IEUA to the Local Agencies for selected non-potable uses).
- (F) Replenishment (untreated water for groundwater replenishment by spreading).
- (G) Supplemental Water (includes recycled water and water imported to the IEUA service area from outside the Chino Basin Watershed, other than imported water delivered from Metropolitan to IEUA).

### **PART II- WATER RATES**

#### **SECTION 201 -RATES:**

The water rate shall be established in an amount which in combination with revenues from other charges collected by IEUA will result in revenues sufficient for the purposes set forth in §71616 of the California Water Code, and shall include but not be limited to, components for:

- (A) the cost for the acquisition of water (e.g., for water acquired from Metropolitan the cost of acquisition would be Metropolitan's water rate for each class, including any penalties and other applicable charges); and

- (B) the cost incurred for the Program Charge by IEUA.
- (C) the cost incurred for the Water Conservation Program which includes the Conservation and Drought Charges.

The Board shall establish said rates by resolution and shall adjust said rates from time to time by resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all local agencies not less than 45 days prior to the meeting at which such resolution will be considered.

### **SECTION 202 – CONNECTION FEES:**

The water connection fees shall be established and collected by IEUA in order to proportionally recover the costs to create regional supplies that are available to meet the water demands of future development. Any customer requesting a new connection to a water distribution system within IEUA service area, or requiring an additional connection as a result of any addition, improvement, modification, or change in use of an existing connection to a water distribution system shall pay a water connection fee. The connection fee may not be sold, traded, or conveyed in a manner to another site or customer. The connection does not convey or imply ownership in or of any facilities of the Agency's water system.

Customers subject to payment of the water connection fee shall pay 100% of the fee prior to issuance of the applicable permit to construct. Any plan changes may result in a revised connection fee payment. Assessment of the applicable connection fee will be based on the date that the General Manager receives the final permit application and building plans. If full payment of all fees and charges is not received in accordance with the General Manager's payment requirements, the new or additional water services will not be authorized.

The connection fees have been developed in accordance with California Government Code §66013 and California Water Code §71616 and shall include, but not be limited to components for:

- (A) The cost for the construction of capture, treatment, transmission, distribution, and injection facilities;
- (B) The cost incurred for the Water Conservation Program which includes the Conservation and Drought Charges;
- (C) Provide a reasonable surplus for improvements, extensions, and enlargements for operating contingency and debt services;
- (D) The cost to administer the program incurred by IEUA; and
- (E) Any other costs that are deemed appropriate and comply with governing laws.

The Board shall establish said connection fees by resolution and shall adjust said fees from time to time by resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all local agencies not less than 15 days prior to the meeting at which such resolution will be considered.

### **SECTION 203 - RIGHT TO INSPECT DOCUMENTS AND PROPERTY:**

IEUA retains the right, upon reasonable notice, to audit all public records and accounts of any local agency, to ensure ongoing compliance and enforcement of this ordinance. Additionally, pursuant to California Water Code 71601, IEUA may enter upon the private property of any person to investigate possible violations of this ordinance, including, but not limited to the verification of meter connections previously issued by IEUA to verify that no unauthorized or non-permitted meter change has occurred.

### **SECTION 204 - LIEN FOR CHARGES:**

Charges fixed by IEUA shall be a lien on all the property benefitted thereby as provided in California Water Code 71637 and shall have the same force and effect as other liens for taxes and may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

## **PART III - OTHER CHARGES**

### **SECTION 301 -OTHER CHARGES:**

In addition to the water rates provided in Division II, Part II, Section 201, this ordinance authorizes IEUA to levy on each IEUA Local Agency the following charges:

- (A) IEUA Readiness-to-Serve-Charge: a pass-through of Metropolitan's annual monetary charge imposed on IEUA which provides a firm revenue source to cover the fixed costs associated with the water quality and reliability benefits provided by Metropolitan's system.
- (B) IEUA New Demand Charge: a pass-through of Metropolitan's charge imposed on IEUA which shall be assessed to an IEUA Local Agency for each increment of water by which the IEUA Local Agency New Demand Charge Rolling Average exceeds the IEUA Local Agency's New Demand Charge Base allocated to that IEUA Local Agency.
- (C) IEUA Connection Maintenance Charge: a pass-through of Metropolitan's annual monetary charge which shall be assessed to each IEUA Local Agency based upon that IEUA Local Agency's connected capacity at each Metropolitan Service Connection.
- (D) The IEUA Readiness-to-Serve Charge, IEUA New Demand Charge, and IEUA Connection Maintenance Charge shall be set by the Board of IEUA by resolution and

shall be established at a level which will yield revenues sufficient to cover the charges imposed by Metropolitan upon IEUA under Metropolitan's Readiness-to-Serve Charge, New Demand Charge, and Connection Maintenance Charge, provided that IEUA charges may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges which cannot be calculated in advance.

- (E) Retail Meter Charge: an annual basic charge for each active retail water meter served by an IEUA Local Agency which exists as of January 1 of each year. The meter charge shall be set by the Board of IEUA by resolution and shall be established at a level which will yield revenues sufficient to cover the Net RTS charge, Program Charge and costs incurred for the Water Conservation Program, including the Conservation and Drought Charges.
- (F) Capacity Charge: a pass-through of Metropolitan's semiannual monetary charge imposed on IEUA based on the maximum summer day demand placed on Metropolitan's system between May 1 and September 30.
- (G) Any additional charges imposed on IEUA by Metropolitan shall be administered as a pass-through charge.

## **DIVISION III – REGULATIONS AS RELATED TO THE SALE OF IMPORTED WATER FROM METROPOLITAN**

### **PART I- WATER SERVICE REGULATIONS**

#### **SECTION 101- OBLIGATION TO PAY FOR WATER DELIVERED:**

All water delivered through any service connection to an IEUA Local Agency for use within the Local Agency shall be supplied in accordance with the provisions of the Metropolitan Water District Act and the rules and regulations of IEUA. IEUA shall bill the Local Agency for all water delivered through the service connection, and the Local Agency shall pay IEUA for all water so delivered at the rate or rates fixed by the Board of Directors by Resolution.

#### **SECTION 102 - LIABILITY AND INDEMNIFICATION:**

All contracts for the delivery of water to others shall contain the following language: Neither IEUA nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied by IEUA to a Local Agency after such water has been delivered to such Local Agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water beyond the point of such delivery; and the Local Agency shall indemnify and hold harmless

IEUA and its officers, agents, and employees from any such damages or claims of damages, and shall reimburse IEUA for costs of repair of IEUA's facilities and other damages resulting from the operations of the Local Agency. Neither the Local Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water prior to such water being delivered to the Local Agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water prior to its delivery to such Local Agency, excepting, however, claims by IEUA for costs of repair to IEUA's facilities and other damages resulting from the operations of the Local Agency; and IEUA shall indemnify and hold harmless the Local Agency and its officers, agents, and employees from any such damages or claim of damages, except claims by IEUA for costs of repair of IEUA's facilities and other damages resulting from the operations of the Local Agency.

### **SECTION 103 - SUSPENSION OF DELIVERIES:**

Whenever repairs or maintenance of Metropolitan's and/or IEUA's system shall require suspension of delivery of water at any point or points, such delivery may be suspended without liability on the part of the IEUA; provided, that except in cases of emergency, as determined by the General Manager, notice of such suspension of service shall be given to the affected Local Agency in advance of such suspension.

Each Local Agency should have a seven (7) day supply of water in case of an interruption in Metropolitan deliveries. Except in cases of emergency, IEUA will notice long term (over seven days) shutdowns at least one year in advance and produce a shutdown schedule in September of each year for shutdowns less than seven days.

Seasonal Storage Service certifications will be adjusted for the reduction of credits that are accrued due to shutdowns that are greater than seven days. No adjustments will be made for shutdowns seven days or less.

### **SECTION 104 - RATES OF FLOW:**

- (A) IEUA shall have the right to regulate and prescribe the maximum and minimum quantities of water that shall be discharged or delivered through any service connection so as to assure equitable service to all Local Agencies, and maintain compliance with Metropolitan's rules and regulations as may be amended from time to time.

### **SECTION 105 - WATER REQUIREMENTS AND SCHEDULE OF DELIVERIES:**

- (A) Before January 31 of each year or at such time as the General Manager may specify, each IEUA Local Agency shall furnish IEUA, on form provided by IEUA, an estimate of the amounts of water to be furnished to such IEUA Local Agency by IEUA, and an estimate of the quantity of water anticipated to be obtained from local sources to meet IEUA Local Agency needs. The estimate shall constitute the Local Agency's request for deliveries for the first of the five (5) years covered therein.



- (B) Each estimate furnished by a Local Agency shall contain, as a minimum, for each service connection and for each month of the fiscal year beginning with the succeeding July 1, and for each month of the succeeding years, the following information:
- (1) The quantity of untreated water to be delivered by IEUA to the IEUA Local Agency in full service.
  - (2) The quantity of water to be delivered by IEUA to the IEUA Local Agency in Interim Agricultural Water Service.
  - (3) The quantity of water to be delivered by IEUA to IEUA Local Agency in Seasonal Storage Service.
  - (4) With regard to water estimated to be delivered in Seasonal Storage Service, the quantity of water to be used for:
    - (a) Domestic and municipal purposes, exclusive of groundwater replenishment by spreading or injecting;
    - (b) Groundwater replenishment by spreading or injecting;
    - (c) Direct Reservoir Storage.

#### **SECTION 106- METERING OF WATER:**

All water delivered by IEUA shall be metered. Meter readings shall be made on or about the last day of each calendar month for billing purposes. Any Local Agency may request that the meter through which its water is being furnished be examined and tested by IEUA for the purpose of checking its accuracy. Such requests shall be made in writing to the General Manager and shall be accompanied by a deposit of the estimated cost of such examination and test as determined by the General Manager. Such demands may not be made more often than once a year without evident cause.

Any Local Agency affected shall have the right to be represented by a qualified observer at and during any such tests. In the event that any such test shall disclose an error exceeding two (2) percent, an adjustment shall be made in charges made to the affected Local Agency, covering the known or estimated period of duration of such error, but in no event exceeding six months, and the deposit shall be refunded. In the event that any such test shall disclose an error below two (2) percent, the deposit shall be retained by IEUA and the water bill paid as rendered.

#### **SECTION 108 - DELINQUENT PAYMENT:**

- (A) In the event any IEUA Local Agency is delinquent in payment of bills for water rates and charges, a penalty of ten (10) percent of the original unpaid invoice amount shall be added to any fee or charge that becomes delinquent. Interest at the maximum rate provided by California Government Code Section 926.10 as may be amended from time

to time, shall accrue on the total of all delinquent fees or charges, commencing on the 25th calendar day after the postmark of the invoice, and shall be added to any fee or charge that becomes delinquent. Invoices for delinquencies, including additional charges, shall be mailed within five (5) business days of delinquency. Additional charges provided herein for delinquent payments may be waived by the Board upon written request by the IEUA Local Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the IEUA Local Agency, provided that the delinquent Local Agency reimburses IEUA for all costs and penalties actually incurred by IEUA as a result of the delinquent payment. In the event that any IEUA Local Agency which receives deliveries of water from IEUA shall be delinquent for more than 25 calendar days in the payment of billings for IEUA's charges, the Board, at its discretion and upon other conditions as it may prescribe, after giving the IEUA Local Agency a 20 calendar day notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to IEUA, and may authorize such other action as may be appropriate.

In the event a mistake is discovered in a water sales record of IEUA, the General Manager shall initiate appropriate corrective action, except that no mistake made more than three (3) years prior to discovery shall be corrected. If an incorrect invoice has been issued to a Local Agency, the General Manager shall notify the affected Local Agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

- (B) In the event that a retail water customer does not pay required connection fees in full, a penalty charge shall be imposed and must be paid in full prior to continued water service. The delinquent payment shall include any unpaid portion of the connection fee plus a penalty charge of ten (10) percent interest per annum beginning from the date of delinquency. All charges and penalties shall be assessed based on the connection fee that is in place at the time that full payment occurs.

#### **SECTION 109 – NOTICES:**

All notices and communications from Local Agencies to IEUA, relating to the service of water or the administration of these regulations by IEUA, shall be addressed to the General Manager, Post Office Box 697, Rancho Cucamonga, California 91729-0697, or such address as may be established by IEUA.

#### **SECTION 110 - WATER AVAILABILITY:**

All sales and deliveries of water at the rates established by Board resolution shall be subject to the ability of IEUA to sell and deliver such water under operating conditions determined by the General Manager.

- (A) IEUA may restrict the use of available water during any emergency caused by drought or other threatened or existing water shortages and during such periods prohibit wastage of

IEUA water or the use of available IEUA water for any purpose other than household uses or such other limited uses as may be determined by IEUA to be essential. IEUA shall prohibit use of water during such periods for specific uses which IEUA may deem to be nonessential.

- (B) IEUA shall have the right to turn off water from lines and pipes of the system in case of an emergency, without notice. However, when possible, advance notice will be given by IEUA whenever Metropolitan announces an impending temporary shut-down of service or if a need arises for IEUA to shut down temporarily for routine or emergency repairs.

### **SECTION 111 - ANNEXATIONS AND DETACHMENTS:**

IEUA makes available water to the people and land within its service area boundaries. A request for annexation of area to the IEUA shall be made in writing and executed on behalf of the Local Agency responsible for providing water service to the annexing area, the area which is or is proposed to be situated. Local Agency annexation proposals shall be evaluated according to the requirements set forth by IEUA, and in accordance with Metropolitan's Administrative Code, as amended from time to time.

## **PART II - SERVICE CONNECTIONS**

### **SECTION 201 -GENERAL AUTHORIZATION:**

The General Manager is authorized to construct, or have constructed, any service connection requested by a Local Agency, which, in the opinion of the General Manager, should be authorized and which is not specifically precluded by resolution of the Board; subject to the terms and conditions deemed reasonable and proper, and which shall include the following:

- (A) The IEUA shall cause a service connection to be constructed pursuant to a written request by a Local Agency in accordance with plans and specifications approved by the General Manager and by an authorized representative of the Local Agency.
- (B) The service connection shall include the facilities for diversion of water from Metropolitan's system and for delivery of such water into the pipeline distribution system of IEUA or of IEUA's Local Agency. The service connection up to and including the fitting connecting with the pipeline through which IEUA will receive water delivered through the service connection, which shall include metering instruments and a cabinet therefor, shall be the property of Metropolitan and shall be operated, maintained and controlled by Metropolitan.
- (C) All service connections shall be installed at the sole expense of the Local Agency. IEUA shall furnish the Local Agency with an estimated cost of the service connection. The Local Agency shall deposit with IEUA the amount of such estimate prior to the start of construction. Any difference between the deposit and the actual cost shall be refunded to

the Local Agency, if in excess of actual cost, or if the cost of the connection exceeds the estimate, the Local Agency shall be required to pay the difference.

- (D) Prior to the release of water by Metropolitan into the pipeline distribution system of IEUA or of IEUA's Local Agency, the Local Agency shall install its own flow control device or devices as a means of maintaining uniform flow. The flow control device shall be of a type approved by the General Manager and shall be accessible to and available for operation by representatives of IEUA when necessary. Tampering of the Local Agency's flow control device to take water at times not agreed upon with IEUA is forbidden under penalty of disconnection.
- (E) The number, design, and location of all service connections, meters, and the charges to be made therefore shall be as established by the Board of IEUA. Before any service connection shall be installed, the Local Agency desiring such connection shall execute an application on the form provided by IEUA and file the same with IEUA together with any and all deposits required, in accordance with IEUA rules and regulations as may be amended from time to time.

#### **SECTION 202 - DISCONTINUANCE OF SERVICE:**

- (A) A Local Agency's water service may be discontinued if a bill is not paid within twenty-five (25) days after the date of billing. The Board of Directors, in its discretion and upon such other conditions as it may prescribe after giving the Local Agency a reasonable opportunity to be heard, may order the termination of service to such Local Agency until all delinquent payments, including additional charges, are made to IEUA.
- (B) Whenever notice is given by IEUA to a Local Agency to discontinue service, the water may be shut off and the meter removed at the option of IEUA.
- (C) A Local Agency may have its water service discontinued by notifying IEUA thirty (30) days in advance of the date of discontinuance. The Local Agency shall be required to pay all water charges until the date of discontinuance.
- (D) If a Local Agency requests water service be restored, the meter shall be reinstalled at the sole expense of the Local Agency. If a Local Agency requests service be reinstated within a twenty-four (24) month period after discontinuance, the Local Agency shall be required to pay IEUA all outstanding charges up to the time of discontinuance.

#### **SECTION 203 - INTERFERENCE BY LOCAL AGENCIES:**

No Local Agency shall take or draw water from any water line or pipe of IEUA without paying the established charges therefore. Any Local Agency interference constitutes a violation of the Ordinance and is grounds for discontinuance of service.

**SECTION 204 - EFFECTIVE DATE:**

Upon the effective date of this Ordinance No. 103, Ordinance No. 100, including any amendments thereto, shall be repealed and superseded by this Ordinance. This Ordinance shall be in full force and effect immediately following its passage, approval, and publication, as provided by law.