

FOOTHILL MUNICIPAL WATER DISTRICT RATES AND CHARGES

As a water wholesale agency, Foothill Municipal Water District (FMWD or District) does not directly charge residential and other end-use customers for supplies. Instead, FMWD distributes imported water that it receives from the Metropolitan Water District of Southern California (MWD or Metropolitan) to its member agencies. The FMWD member agencies deliver water to their retail customers based on the cost of service to those agencies.

These costs are broken into the following categories:

- I. MWD Charges**
 - a. Full Service Treated Imported Water Commodity Rate – Tier 1/Tier 2
 - b. Readiness-to-Serve Charge
 - c. Capacity Charge
- II. Energy Charges**
- III. FMWD Charges**
 - a. Administrative and Operations and Maintenance Charge
 - b. Capital Improvement and Rehabilitation Charge
 - c. Assessment for Kinneloa Irrigation District

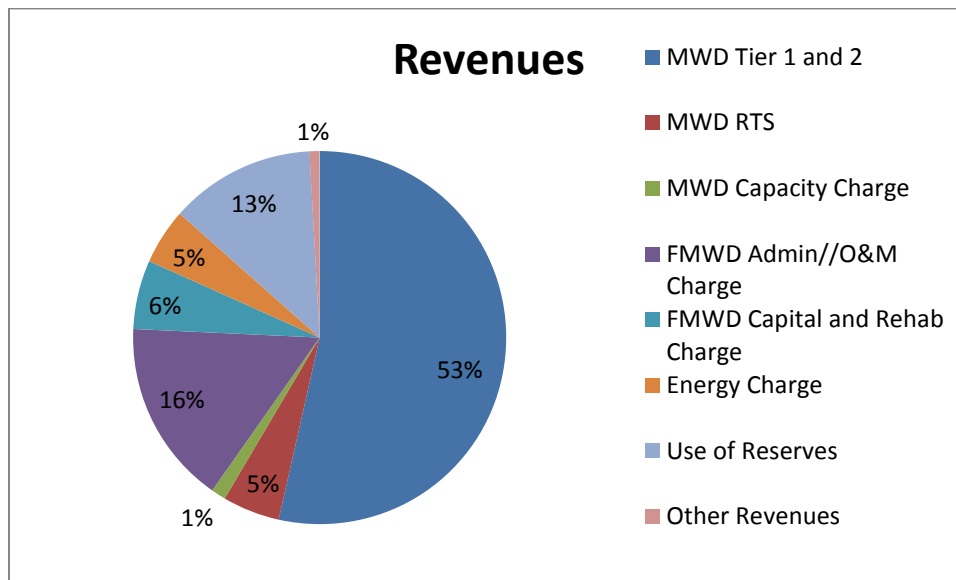
In order to derive the charges, FMWD staff must first prepare a budget. FMWD staff prepares a budget on a fiscal year basis. Once the preliminary budget is prepared, FMWD staff reviews it, along with associated preliminary rates and charges and reserve levels, with its retail agencies for comments. FMWD staff next reviews these items with the District’s Finance Committee for further input. Staff then reviews the revised preliminary budget, rates and charges and reserves again with the retail agencies for any further input. The District then holds a Board workshop where the preliminary budget, rates and charges and reserves are reviewed. Revisions are again presented to the retail agencies. A final preliminary budget, rates and charges and reserve levels are presented to the Board in June for action.

The table below shows the expenses from the preliminary budget adopted for fiscal Year (July through June) 2013-2014:

	FY 2012-2013 Budget	FY 2013-2014 Budget
MWD Charges	\$ 7,606,996	\$ 7,731,053
Energy Charges	\$ 551,103	\$ 624,445
FMWD Charges*	\$ 3,305,357	\$ 4,584,065
Grand Total	\$ 11,463,456	\$ 12,939,562

*FMWD Charges includes Administrative and Operation and Maintenance Charge, Capital Improvement and Rehabilitation Charge, Assessment for Kinneloa Irrigation District, and Depreciation

The chart below reflects the revenues from rates and charges used to pay the expenses listed above. FMWD charges make up about 20% of revenues for the District. In addition, in fiscal year 2013-2014, the District has the unusual situation of using about \$1.6 million from reserves that had been previously set aside with the intention of paying the replacement of emergency standby generators, a rather expensive capital project.



The discussion in the following pages describes the assessed rates and charges by FMWD and identifies the amounts for each retail agency. All charges are on a calendar year basis although budgets are set on a fiscal year (July through June) basis.

I. MWD Charges

FMWD is currently 100 percent reliant on imported water supplies from MWD to distribute to its member agencies. **FMWD passes through all of the rates and charges associated with purchasing MWD imported water into its service area to its member agencies proportional to their own imported water purchases.** The MWD Rate Structure applicable to FMWD is provided below:

Purchase Orders

Effective January 1, 2003, the District entered into a ten-year purchase order agreement with MWD. The agreement established an Initial Base Firm Demand (IBFD) for the District of 12,219 acre-feet per year. A tier 1 limit was established for water purchases which totaled 90% of the IBFD or 10,997 acre-feet per year. Purchases greater than the Tier 1 rate limit are purchased at the Tier 2 rate.

Additionally, the District also committed to purchase 60% of its IBDF for the entire length of the ten year purchase order contract or 73,314 acre-feet. As of December 31, 2012, the District had purchased 103,506 acre-feet. Although the agreement was set to expire effective December 31, 2012, it was extended for two more years through December 31, 2014. Historically, Metropolitan included a water rate for replenishment service. This rate made water supplies available for local storage at a discount compared to the full service rate in exchange for the ability of an agency to interrupt those deliveries when called upon by Metropolitan. Water sold under this rate was not included as part of the IBFD. This rate has been eliminated by Metropolitan. At its November 2012 meeting, Metropolitan's Board approved an action item to include historical replenishment deliveries in the Tier 1 limit. Thus, FMWD's IBFD increased to 13,081 acre-feet per year and its Tier 1 limit increased to 11,773 acre-feet per year. Its purchase order commitment based on the extended two-years and increased IBFD increased to 87,975 acre-feet for the twelve-year period. Foothill has already met this obligation with its purchases.

FMWD allocates the Tier 1 limit to its member agencies based on historic purchases by those agencies.

The following is each agencies modified IBFD and Tier 1 allocation (acre-feet per year):

Agency	Base Allocation (IBFD)	Tier 1 Allocation
Crescenta Valley Water District (CVWD)	2,393.3	2,154.0
La Cañada Irrigation District (LCID)	2,946.7	2,651.9
La Flores Water Company (LFWC)	776.2	698.6
Lincoln Avenue Water Company (LAWC)	1,813.9	1,632.5

Mesa Crest Water Company (MCWC)	744.2	669.8
Rubio Cañon Land & Water Assoc. (RCLWA)	1,037.9	934.1
Valley Water Company (VWC)	3,368.6	3,031.7
TOTAL	13,080.8	11,772.6

MWD Full Service Treated Imported Water Commodity Rate – Tier 1/Tier 2

The MWD imported water commodity rate is either Tier 1 or Tier 2 and is comprised of the following:

- **Tier 1 Supply Rate:** Recovers the cost of maintaining a reliable amount of supply.
- **Tier 2 Supply Rate:** Set at MWD’s cost of developing additional supply to encourage efficient use of local resources.
- **System Access Rate:** Recovers a portion of the costs associated with the delivery of supplies.
- **Water Stewardship Rate:** Recovers the cost of MWD’s financial commitment to conservation, water recycling, groundwater clean-up and other local resource management projects.
- **System Power Rate:** Recovers MWD’s power costs for pumping supplies to Southern California.
- **Treatment Surcharge:** Recovers the costs of treating imported water.

A table displaying these rates is provided below:

Category	Calendar Year 2013	Calendar Year 2014
Tier 1 Supply Rate (\$/AF)	\$140	\$148
Tier 2 Supply Rate (\$/AF)	\$290	\$290
System Access Rate (\$/AF)	\$223	\$243
Water Stewardship Rate (\$/AF)	\$41	\$41
System Power Rate (\$/AF)	\$189	\$161
Treatment Surcharge (\$/AF)	\$254	\$297
Total Tier 1 Treated Rate (\$/AF)	\$847	\$890
Total Tier 2 Treated Rate (\$/AF)	\$997	\$1,032

MWD has a meter at its connection with FMWD near the Rose Bowl. MWD charges FMWD monthly according to the amount of water taken the previous month through this meter at the connection.

FMWD, in turn, meters each of its retail agencies and charges the Tier 1 or Tier 2 rate based on monthly deliveries of imported water through each agency's meter and the above Tier 1 allocation to each agency.

MWD Readiness-to-Serve Charge

MWD's readiness-to-serve (RTS) charge recovers a portion of MWD's debt service costs associated with regional infrastructure improvements and is determined by the member agencies' firm imported deliveries for the past ten years. Each member agency of MWD is allocated a percentage share of this yearly fixed charge. A standby charge, assessed by MWD on tax rolls, is used to offset the RTS charge by agency. In October of each year, a reconciliation is made of the total amount assessed to FMWD versus the amount collected through the tax roll and the amount billed to FMWD through its water bill. If the amount collected is higher than the amount assessed, FMWD receives a credit on its water bill and passes it through to its agencies. If the amount collected is less than the amount assessed, FMWD has an additional charge for the difference on its water bill and must pass through this charge to its agencies.

A table displaying this charge and how it relates to FMWD is provided below:

	CY 2013	CY 2014
Total MWD RTS Charge	\$142,000,000	\$166,000,000
FMWD Share of RTS - %	0.61%	0.61%
FMWD Share of RTS - \$	\$866,200	\$1,011,235
Standby Charge Adjustment from MWD for FY 2012-13	\$(298,782)	\$(298,363)
FMWD RTS Revenue Required	\$567,418	\$712,872

FMWD allocates this charge among its own member agencies in the same methodology MWD has allocated its RTS to its member agencies. The charge is allocated in proportion to a ten-year rolling average of imported water sales on a per acre foot basis:

	CY 2013 Annual Charge	CY 2014 Annual Charge
CVWD	\$114,343	\$143,202
LCID	\$139,462	\$178,840
LFWC	\$33,571	\$41,831
LAWC	\$69,903	\$82,249
MCWC	\$36,302	\$46,657
RCLWA	\$40,011	\$45,367
VWC	\$133,826	\$174,727
Total	\$567,418	\$712,872

MWD Capacity Charge

The MWD capacity charge was developed to recover the costs of providing distribution capacity use during peak summer demands. The aim of this charge is to encourage member agencies to reduce peak day demands during the summer months (May 1 – September 30) and shift usages to the winter months (October 1 – April 30), which will result in more efficient utilization of MWD existing infrastructure and defers capacity expansion costs. Currently, MWD’s capacity charges for CY 2013 and CY 2014 are \$6,400/cfs and \$8,600/cfs respectively.

The capacity charge is applied to an agency’s maximum usage rate, which is the highest daily average usage (per cfs) for the past three summer periods. A table displaying this charge to FMWD for CY 2013 is provided below:

Peak Flow 2009 (cfs)	Peak Flow 2010 (cfs)	Peak Flow 2011 (cfs)	3-Year Max (cfs)	Capacity Charge
24.3	20.2	19.0	24.3	\$155,520

FMWD uses the peak daily flow to allocate the capacity charge to its retail agencies. The peak daily flow at FMWD’s service connection may not match the flows to the retail agencies for the same day due to operational requirements. For CY 2013, the capacity charge to the retail agencies based on their flow during the FMWD peak is as follows:

Agency	Flow for CY 2013 Charge	Percentage of Flow for CY 2013 Charge	CY 2013 Annual Charge
CVWD	6.1	27%	\$41,427
LCID	6.5	28%	\$44,143
LFWC	0.9	4%	\$6,112
LAWC	4.3	19%	\$29,202
MCWC	1.7	7%	\$11,545
RCLWA	-	0%	-
VWC	3.4	15%	\$23,090
Total	22.9	100%	\$155,520

A table displaying this charge to FMWD for CY 2014 is provided below:

Peak Flow 2010 (cfs)	Peak Flow 2011 (cfs)	Peak Flow 2012 (cfs)	3-Year Max (cfs)	Capacity Charge
20.2	19.0	17.6	20.2	\$173,720

For CY 2014, the capacity charge to the retail agencies based on their flow during the FMWD peak is as follows:

Agency	Flow for CY 2014 Charge	Percentage of Flow for CY 2014 Charge	CY 2014 Annual Charge
CVWD	3.4	19%	\$33,560
LCID	4.9	28%	\$48,365
LFWC	0.9	5%	\$8,883
LAWC	3.7	21%	\$36,521
MCWC	1.4	8%	\$13,819
RCLWA	-	0%	-
VWC	3.3	19%	\$32,573
Total	17.6	100%	\$173,720

II. ENERGY CHARGES

FMWD operates two pump stations to lift water to three pressure zones within its service area. Both pump stations require significant amounts of energy to accomplish these lifts and are served by two separate electrical utility providers.

Each retail agency is charged power costs based on the proportionate amount of energy used for delivering water to that agency compared to other agencies times the amount of the energy bill for that month or portion of month. Bills are tendered in arrears. If an agency causes an increase in the peaking charge by a power provider, that agency is assessed increased charges.

The following table shows the total paid for energy by retail agency for CY 2012. It also shows the amount of water that was delivered to that agency and the acre-foot cost:

	Actual Costs for CY 2012	CY 2012 Sales	Average Dollars Per AF
CVWD - Main Plant	\$70,483	1,514.7	\$47
CVWD Berkshire	\$126,768	1,514.7	\$84
LCID - Main Plant	\$114,017	2,443.3	\$47
LCID - Berkshire	\$107,147	1,284.1	\$83
LFWC	\$25,153	465.9	\$54
LAWC	\$9,671	185.5	\$52
MCWC	\$29,782	639.7	\$47
RCLWA	-	-	-
VWC	\$122,710	2,621.0	\$47

Please note that FMWD must use both pump stations to deliver water to Crescenta Valley Water District and parts of La Cañada Irrigation District.

III. FMWD CHARGES

Because of the large amount of rehabilitation work required for FMWD's distribution system and minor amount of variable costs associated with FMWD's budget outside of imported water, the Board decided effective January 1, 2010 to change FMWD's rates to charges proportional to each agency's use of the FMWD system. These charges are the Administration and Operations and Maintenance Charge and the Capital Improvement and Rehabilitation Charge.

These charges also support FMWD being able to obtain financing should it be needed by increasing its rating with credit agencies, thus decreasing the interest rate of the financing. When FMWD began its rehabilitation program, it was not able to obtain financing because of its low reserve levels and then in place rate structure.

Administration and Operations and Maintenance Charge

The Administrative and Operations and Maintenance Charge is based on the adopted budget and uses a ten-year average of deliveries to account for the charge by retail agency. A recent change in the charge now includes groundwater pumping rights leased by another agency outside of FMWD to its retail agencies as deliveries. This change has been adopted due to the fact that although an agency is able to temporarily roll off of FMWD, FMWD still has to continue maintaining the system and paying expenses with both maintaining the system and administrative costs of existing. Without the relabeling of groundwater leases, there was a cost shift to those agencies which did not temporarily roll off the system to maintain the system for agencies that would then roll back on the system. This ten-year average was also frozen so agencies can have predictability in charges.

A table displaying the calendar year 2013 and 2014 FMWD Administration and Operations and Maintenance charge is shown below:

	CY 2013 Charge	CY 2014 Charge
CVWD	\$380,339	\$382,995
KID	\$7,234	\$7,210
LCID	\$467,915	\$474,973
LFWC	\$112,809	\$111,038
LAWC	\$264,557	\$274,107
MCWC	\$120,753	\$122,534
RCLWA	\$177,607	\$156,278
VWC	\$537,836	\$540,123
Total	\$2,069,050	\$2,069,257

Capital Improvement and Rehabilitation Charge

The District assesses a Capital Improvement and Rehabilitation Charge for improvements, repairs or replacement made to the District's infrastructure where the value is greater than

\$10,000. This charge is again based on a ten-year average of deliveries including groundwater leased from an agency outside of FMWD. The District only assesses for those facilities used by the agency when the District is moving water. The charge also shows the District's investment in development of new supplies. This charge is based on forecasted demands by each agency in the Water Resources Plan.

Shown below is a table reflecting the 2013 and 2014 Capital Improvement and Rehabilitation Charge:

	CY 2013 Charge	CY 2014 Charge
CVWD	\$204,665	\$204,665
KID	\$(281)	-
LCID	\$204,473	\$204,473
LFWC	\$19,937	\$19,937
LAWC	\$26,000	\$38,997
MCWC	\$37,475	\$37,475
RCLWA	\$52,977	\$52,977
VWC	\$220,872	\$220,872
Total	\$766,118	\$779,396

Assessment for Kinneloa Irrigation District

Although Kinneloa Irrigation District is a retail agency of FMWD, it is not physically connected to FMWD's distribution system and has never taken imported water from FMWD. It is unlikely that in the next 20 years, Kinneloa would take any imported water. Should something happen to its wells, it is anticipated that Kinneloa would have Pasadena pump its groundwater and deliver it to them using an interconnection. However, FMWD still spends some administrative time on Kinneloa and there are costs incurred through Board meetings. These costs are collected through a charge established specifically for Kinneloa.

The charge is based on the number of meters Kinneloa has on June 30 of each year compared to the number of meters within the rest of the retail agencies have on June 30 of each year. That percentage of meters is then used to calculate the administrative and professional service charge for Kinneloa. Additionally, an estimate of MWD's readiness-to-serve charge that is collected on Kinneloa's tax roll and property taxes are subtracted from the amount owed by Kinneloa. For fiscal year 2013-2014, Kinneloa has 2.38% of all meters within the retail agencies' service areas. The administrative and professional service costs allocated for Kinneloa are \$15,921, the RTS offset is estimated at \$7,125 and property tax offset is estimated at \$791. Thus the total charge on Kinneloa's invoice from FMWD is \$8,004.

FOOTHILL MUNICIPAL WATER DISTRICT
4536 Hampton Road
La Cañada Flintridge, California

A G E N D A
REGULAR MEETING OF THE
BOARD OF DIRECTORS
FOOTHILL MUNICIPAL WATER DISTRICT
June 17, 2013
3:00 PM

Posted, June 14, 2013, 3 p.m.

Teleconferencing will be used during this meeting from the following location:

Director Dean Wiberg
Mobile Motel Williston, 325 Depot Lane, Williston, North Dakota

- 1. Call to Order and Determination of a Quorum**
- 2. Pledge of Allegiance**
- 3. Preliminary Matters**
 - 3.1. Additions to Agenda (as required by Gov. Code 54954.2)
- 4. Public Comments**
 - 4.1. Opportunity for members of the public to address the board directly on items of public interest those are within the subject matter jurisdiction of the board (as required by Gov. Code 54954.3(a)). Speakers may be limited to two minutes each at the discretion of the President of the Board.
 - 4.2. Presentation by JPL on remediation of Monk Hill Basin
- 5. Consent Calendar**
 - 5.1. Discussion and action approving the Minutes of the April 15, 2013 Regular Meeting of the Board of Directors.
 - 5.2. Action approving the Financial Statement for April 2013; monthly Director Compensation, Expense Report and Treasurer's Report.
 - 5.3. Action approving Resolution #817-0613 nominating Director Melvin Matthews to ACWA Region 8 Board and Resolution #818-0613 nominating Director Melvin Matthews to the ACWA Finance Committee.
- 6. Directors' Oral Reports**
 - 6.1. Reports and appropriate action on ACWA, MWD, and other association and organization activities.

7. Action Calendar

- 7.1. Discussion and Action Regarding Fiscal Year 2013-2014 Budget. Rates and Charges
- 7.2. Discussion and Action Regarding Fiscal Year 2013-2014 Conservation Program
- 7.3. Discussion and Action Regarding Metropolitan Water District of Southern California's Foundational Actions Program.
 - 7.3 (a) Presentation by David Gould of Crescenta Valley Water District

8. Information Item

- 8.1 Discussion regarding the Bay Delta Conservation Plan

9. Staff Reports

General Manager Nina Jazmadarian: Reports and appropriate action on administrative and operating projects and activities:

- 9.1. Operations/sales summary report for prior month
- 9.2. Great Pacific Securities
- 9.3. Student Art
- 9.4. Update on FMWD Recycled Water Project
- 9.5. Replacement of Generators Update
- 9.6. Foothill's Ford Escape
- 9.7. Late Payment
- 9.8. Water Supply Update
- 9.9. Other

Operations Report Justin Bailey, Operations Manager: Report on system operations.

MWD Representative James Edwards: Report regarding MWD activities.

Attorney: Report on legal and related matters relevant to the District.

10. Other Business

Related to general operations, administration and policy items, future agenda items, and concerns of Board members

Next Board meetings:
3 P.M., Monday, July 15, 2013
3 P.M., Monday, August 19, 2013

Public Hearing Regarding CEQA Plus Document for FMWD Recycled Water Project
3 P.M., Monday, July 22, 2013

11. Closed Session

- 11.1. Pending litigation- Gov't code section 54956.9 San Diego County Water Authority v. Metropolitan Water District of Southern California
- 11.2. Acquisition of Real Property - APN - 5823-001-016.

12. Adjournment

**FOOTHILL MUNICIPAL WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 20, 2013**

A Regular Meeting of the Board of Directors of the Foothill Municipal Water District was held in the conference room of the Robert Williams Operations and Administration Center at 4536 Hampton Road, La Cañada Flintridge, California, on the 20th day of May 2013.

Call to Order and Determination of a Quorum

Directors Present:	
Division 1	Garry E. Bryant
Division 2	Melvin Matthews, Vice President
Division 3	LaDrena Dansby
Division 4	Richard W. Atwater, President
MWD Representative	James Edwards

Directors Not Present:	
Division 5	Dean V. Wiberg

Staff Present:	
General Manager	Nina Jazmadarian
Administrative Mgr/Treasurer	Karen Oblak
Operations Manager	Justin Bailey
Water Resources Technician	Daniel Drugan
Legal Counsel	Wayne K. Lemieux

Others Present:	
David Gould	Crescenta Valley Water District
James Bodnar	Crescenta Valley Water District
Larry Duncan	Lincoln Avenue Water Co.
Bob Hayward	Lincoln Avenue Water Co.
John Robinson	John Robinson Consulting, Inc.
Lillian Woods	Rubio Canon Land & Water Association
Bob Fan	Valley Water Company
Tim Brick	Arroyo Seco Foundation
Marietta Kruells	Public
Michele Zach	Public
Mark Goldschmidt	Public
Lori Paul	Public
Meredith McKenzie	Cal Poly Pomona
Nancy Steele	Council for Watershed Health

President Atwater called the Regular Board meeting to order at 3:00 PM.

2. Pledge of Allegiance

Director Bryant led the Board, staff and others in reciting the Pledge of Allegiance.

3. Preliminary Matters

The following Action items were added to the agenda: None

4. Public Comments – Mr. James Bodnar, President and Chair of Crescenta Valley Water District conveyed his appreciation to the Foothill Board regarding the awarding of the generator project to Global Power Group. He stated that the savings incurred can help fund other capital projects. Mr. Bodnar mentioned that the Crescenta Valley Water District is interested in the Foundational Actions Program Funding offered through the Metropolitan Water District of Southern California. A storm water project is ready to go and CVWD has already set aside more than 50% of the necessary matching funds. Rate increases were also mentioned by Mr. Bodnar and he requested that Foothill take a look at its long term vision to make sure it is on a sustainable path so it can appropriately fund its own capital projects while being careful to match revenues and costs. Mr. Bodnar stated that he fears a situation where a district does not raise its rates appropriately.

5. Consent Calendar

5.1 Discussion and action approving the Minutes of the April 15, 2013 Regular Meeting of the Board of Directors; **5.2** Action approving the Financial Statements for April 2013; monthly Director Compensation Expense Report and Treasurer's Report for April 2013.

A motion was made by Director Matthews and seconded by Director Bryant. Motion Carried.

6. Directors' Oral Reports – Director Matthews reported that he was at the ACWA Conference and attended the JPIA Town Hall Board meetings and sessions and as a member of the Finance Committee, attended those sessions as well. HBA (Health Benefits Authority) is fully integrated now with many website changes being made that will allow employees direct access to their health information, completion of forms, etc. ACWA currently has a 98.8% membership renewal rate, however, going forward there will be a membership building campaign to help replace those members that have left with new members. ACWA's financial statements are now being prepared on a full accrual basis which will make it easier for everyone to see how they are doing at any particular point in time.

7. Action Calendar

7.1 Altadena Force Main Inspection. It was recommended that the Board authorize the General Manager to execute a revised agreement with Pure Technologies for reduced rates for the Altadena Force Main Inspection for a total of \$107,103.

Prior to the robotics inspection of the Altadena Force Main, Pure Tech reported that they would not have the ability to inspect the amount of pipe as

previously believed based on a recent inspection of an agency in San Diego. Pure Tech offered to provide at no cost an additional method of inspecting the force main called a SmartBall which detects leaks in pipes. After discussion with the Board, we accepted the offer.

Staff found as they proceeded with reviewing the SmartBall technology that there would be problems with the SmartBall becoming stuck in the transmission main with no inexpensive means of retrieval should that occur. Staff opted to not use the SmartBall technology for this reason. Pure Tech was then asked to submit a reduced price on the inspection that had occurred minus the areas where inspection was not feasible. An agreement was reached on reducing the total price by 10%. The new total for the inspection was now \$107,103.

A motion was made by Director Matthews and seconded by Director Bryant. Motion Carried.

8. Information Item - None

9. Board Workshop – Preliminary Fiscal Year 2013-2014 Budget, Rates and Charges.

A presentation was given by General Manager Jazmadarian on the Fiscal Year 2013-2014 Preliminary Budget (not included with these minutes).

10. Board Workshop – FMWD Recycled Water Project

A presentation was given by Mr. John Robinson of John Robinson Consulting, Inc. on Foothill's Recycled Water Project (not included with these minutes).

11. Staff Reports (Reports included w/Board packet, however not included with these minutes.

- 11.1 Operations/Sales Summary Report for prior month**
- 11.2 IRS Payroll Compliance Audit**
- 11.3 Great Pacific Securities**
- 11.4 Landscape Class**
- 11.5 Student Art**
- 11.6 Turf Replacement Rebate**
- 11.7 Update on FMWD Recycled Water Project**
- 11.8 Late Payment**
- 11.9 Quite Claim at Berkshire Pump Station**
- 11.10 Water Supply Update**
- 11.11 Other**

Operations Report - Operations Manager, Justin Bailey – Complete report included with board packet, however, not included with these minutes.

MWD Representative, Jim Edwards – A summary report is attached for convenience.

Attorney – Wayne Lemieux – Briefly stated that the San Diego County Water Authority vs. Metropolitan Water District of Southern California law suit is still in the discovery stage.

12. Other Business

Next Two Regularly Scheduled Board Meetings:

Monday, June 17, 2013 at 3PM

Monday, July 15, 2013 at 3PM

Adjourned public session and entered into Closed Session at 4:50 PM.

13. Closed Session –

13.1 Pending litigation – Gov't Code Section 54956.9 San Diego County Water Authority v. Metropolitan Water District of Southern California.

13.2 Acquisition of Real Property – APN – 5823-001-016.

Reconvened Public Session at 5:15 PM. No reportable actions.

14. Adjournment - As there was no further business, the meeting of the Board of Directors of May 20, 2013 was adjourned at 5:15 PM.

Richard Atwater, President

Prepared By:

Karen Oblak, Administrative Mgr/Treasurer

**Summary Report for
The Metropolitan Water District of Southern California
Board Meetings
May 14, 2013**

COMMITTEE ASSIGNMENTS

None. (Agenda Item 5E)

FINANCE AND INSURANCE COMMITTEE

Set a Public Hearing for the June 2013 Board Meeting to consider suspending Section 124.5 of the Metropolitan Water District Act to maintain the ad valorem tax rate at current levels, and instructed the Board Executive Secretary to provide notice of the Public Hearing, as provided in Section 124.5. (Agenda Item 8-1)

Adopted the resolution to continue the water standby charge for fiscal year 2013/14. (Agenda Item 8-2)

Approved the Official Statement substantially in the form attached to the board letter, with changes approved by the General Manager and General Counsel; authorized the General Manager to execute the Official Statement; and authorized distribution of the Official Statement in connection with the issuance of the Special Variable Rate Water Revenue Refunding Bonds, 2013 Series D. (Agenda Item 8-3)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated \$6.3 million; awarded \$3,032,940.84 contract to Val-Matic Valve & Manufacturing to furnish rubber-lined butterfly valves; awarded \$281,550.85 contract to DeZURIK to furnish high-performance butterfly valves; authorized final design for installation of filter valves at the Diemer plant; and authorized agreement with Carollo Engineers, Inc., in an amount not to exceed \$243,000, for preliminary design to replace filter valves at the Weymouth plant. (Approps. 15436 and 15369). (Agenda Item 8-4)

Appropriated \$2.7 million; authorized final design to refurbish filters at the F. E. Weymouth plant; authorized preparation of environmental documentation for planned Weymouth plant improvements; authorized agreement with MWH Americas, Inc. in an amount not to exceed \$1,275,000; and authorized increase of \$400,000 to the existing agreement with Environmental Science Associates, for a new not-to-exceed total of \$1.15 million. (Approp. 15477). (Agenda Item 8-5)

Authorized increase of \$5 million for capital projects costing less than \$250,000 for fiscal years 2012/13 and 2013/14. (Agenda Item 8-6)

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Authorized entering into a long-term lease with the Metropolitan Water District Federal Credit Union at Metropolitan Headquarters Building and F. E. Weymouth Water Treatment Plant in Los Angeles County. (Agenda Item 8-7)

LEGAL AND CLAIMS COMMITTEE

Authorized amendment of the contract with Caufield & James, LLP for special counsel services in connection with existing and potential litigation alleging Metropolitan is legally responsible for plumbing leaks allegedly caused by copper corrosion: (1) Lennar Homes of California, Inc. v. MWD, et al., Case No. 30-2012-00543908; (2) Briosia Owners Association v. Moulton Niguel Water District, et al., Case No. 30-2012-00586258; (3) Cantora Community Association v. MWD, et al., Case No. 30-2012-00619294; (4) Cypress Point Condominium Association v. MWD, et al., Case No. 30-2012-00619476; (5) Lisa Williams and Shawn Williams v. Irvine Ranch Water District, et al., Case No. 30-2012-00616648; (6) Shapell v. Moulton Niguel Water District, et al., Case No. 30-2011-00519887; and one Government Code Claim; to increase in the maximum amount payable by \$400,000 to a maximum amount of \$500,000. **(Agenda Item 8-8)**

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to pay the listed expected membership dues/assessments for FY 2012/13 as listed in the Board letter. **(Agenda Item 8-9)**

Authorized the General Manager to express Metropolitan's opposition, unless amended, to AB 145, as amended April 24, 2013; and, in addition to the potential amendments articulated in the Board letter, the motion was amended to add language that would require, in the event of a transfer of the Safe Drinking Water SRF to the State Water Resources Control Board, an independent evaluation of the program's performance and report of the results to the public. **(Agenda Item 8-10)**

CONSENT CALENDAR

In other action, the Board:

Granted conditional approval for Meadowood Annexation concurrently to San Diego County Water Authority (SDCWA) and Metropolitan, conditioned upon receipt in full of annexation fee of \$1,172,420 to Metropolitan if completed by December 31, 2013, or if completed later, the current annexation charge applies; approved SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines (Attachment 2 of the Board letter); and adopted the resolution of intention to impose water standby charge within the proposed annexation territories, substantially in the form of Attachment 3 of the Board letter. **(Agenda Item 7-1)**

Authorized the General Manager to enter into a Local Resources Program agreement for the Leo J. Vander Lans Water Treatment Facility Expansion Project with the city of Long Beach and the Water Replenishment District of Southern California, to provide up to 3,475 acre-feet per year of additional recycled water under terms included in the Board letter. **(Agenda Item 7-2)**

Appropriated \$1.36 million; and award \$415,000 contract to Environmental Construction, Inc. for valve structure modifications on West Valley Feeder No. 1. **(Agenda Item 7-3)**

Appropriated \$255,000; and authorized final design of chemical containment upgrades at the Jensen plant. **(Agenda Item 7-4)**

OTHER MATTERS

The Board approved a 30-day leave of absence for Director Gail Pringle, effective May 13, 2013. **(Agenda Item 5C)**

Director Suja Lowenthal, representing the city of Long Beach, received a 5-year service pin. **(Agenda Item 5D)**

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser <http://edmsidm.mwdh2o.com/idmweb/home.asp>.

Check History Report
Sorted By Check Number

Activity From: 5/1/2013 to 5/31/2013

Bank Code: D UNION BANK, CHECKING

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type	Description
010169	5/1/2013	0000120	Lance Allen Company, Inc.	217.45	Auto	Copier Supplies
010170	5/1/2013	0000154	Anawalt Lumber & Materials Co.	6.63	Auto	Materials
010171	5/1/2013	0000178	City of La Canada Flintridge	210.00	Auto	Cerro Negro Lease
010172	5/1/2013	0000185	Crescentia Valley Water Distric	39.84	Auto	Utilities
010173	5/1/2013	0000208	Dixie Diesel & Electric, Inc.	971.50	Auto	Repair & Maintenance Distribution
010174	5/1/2013	0000229	Hach Company	476.20	Auto	Water Quality
010175	5/1/2013	0000315	Eurofins Eaton Analytical, Inc	1,512.00	Auto	Water Quality
010176	5/1/2013	0000337	OSH Comm. Services-COMENITY	50.73	Auto	Materials
010177	5/1/2013	0000388	Public Employees' Retirement	1,853.81	Auto	Benefits
010178	5/1/2013	0000414	STANDARD INSURANCE CO	177.80	Auto	Benefits
010179	5/1/2013	0000420	The Gas Company	34.21	Auto	Utilities
010180	5/1/2013	0000420	The Gas Company	21.54	Auto	Utilities
010181	5/1/2013	0000460	Underground Service Alert	82.50	Auto	Repair & Maintenance Distribution
010182	5/1/2013	0001111	Stephen P. Korejwo	2,835.00	Auto	IT Services
010183	5/1/2013	0001160	Darren C. Giles	50.00	Auto	Cell Phone Reimbursement
010184	5/1/2013	0001170	Nina Jazmadarian	80.00	Auto	Cell Phone Reimbursement (2 Mo
010185	5/1/2013	0001188	Advanced Electronics, Inc.	2,647.18	Auto	Regulatory Compliance
010186	5/1/2013	0001207	Marlin Leasing Corp	273.28	Auto	Copier Lease
010187	5/1/2013	0001263	FedEx	16.26	Auto	Postage
010188	5/1/2013	0001279	GeoScience Support Services In	12,467.00	Auto	Recycled Water
010189	5/1/2013	0001289	Charter Communications	224.99	Auto	Surveillance
010190	5/1/2013	0001308	CalPERS Suppl. Income 457 Plan	2,148.73	Auto	Benefits
010191	5/1/2013	0001320	Daniel E. Drugan	54.35	Auto	Mileage Reimbursement
010192	5/1/2013	0001340	Crestline Specialties, Inc.	2,168.16	Auto	Conservation
010193	5/1/2013	0001362	Christopher Weggener	130.00	Auto	Licenses
010194	5/1/2013	0001369	Tom Dodson & Associates	600.00	Auto	Recycled Water
010195	5/1/2013	0001371	Kiyohara & Takahashi, LLP	1,200.00	Auto	Accounting Services
010196	5/1/2013	0001380	Kenneth T. Soergel	1,900.00	Auto	Recycled Water
010197	5/1/2013	0000120	Lance Allen Company, Inc.	67.58	Auto	Copier Supplies
010198	5/1/2013	0001210	Outlook Newspaper	250.00	Auto	Water Conservation
010199	5/13/2013	0000100	ACWA-JPIA/CB&T	16,102.19	Auto	Benefits
010200	5/13/2013	0000104	Altadena Hardware Co.	5.56	Auto	Materials
010201	5/13/2013	0000108	AT&T LONG DISTANCE	115.09	Auto	Phone
010202	5/13/2013	0000139	Capital One Commercial	177.99	Auto	Costco
010203	5/13/2013	0000142	Allied Waste Services #902	102.90	Auto	Repair & Maintenance
010204	5/13/2013	0000171	Chevron & Texaco Card Services	789.38	Auto	Auto & Truck
010205	5/13/2013	0000178	City of La Canada Flintridge	210.00	Auto	Cerro Negro Lease
010206	5/13/2013	0000186	CA Department of Public Health	415.80	Auto	Water Quality

Foothill Municipal Water District (FMW)

010207	5/13/2013	0000270	Lincoln Avenue Water Company	29.00	Auto	Utilities
010208	5/13/2013	0000270	Lincoln Avenue Water Company	44.00	Auto	Utilities
010209	5/13/2013	0000278	La Cañada Firestone	36.51	Auto	Auto & Truck
010210	5/13/2013	0000283	Lemieux & O'Neill	4,343.30	Auto	Legal Services
010211	5/13/2013	0000315	Eurofins Eaton Analytical, Inc	466.00	Auto	Water Quality
010212	5/13/2013	0000345	AT&T # 4670	1,242.61	Auto	Utility & Utility Expense
010213	5/13/2013	0000375	Pasadena Municipal Services	99.94	Auto	Utilities
010214	5/13/2013	0000376	Pasadena Municipal Services	38,847.41	Auto	Utilities
010215	5/13/2013	0000415	Southern California Edison Co.	1,584.20	Auto	Utilities
010216	5/13/2013	0000486	Valley Water Company	92.10	Auto	Utilities
010217	5/13/2013	0000502	Western Exterminator Company	83.00	Auto	Repair & Maintenance
010218	5/13/2013	0001169	AT&T Mobility # 4020	234.75	Auto	Telemetry
010219	5/13/2013	0001181	Oblak, Karen	240.89	Auto	Section 125
010220	5/13/2013	0001202	Pasadena Weekly	230.00	Auto	Water Conservation
010221	5/13/2013	0001242	JIN ELECTRIC	999.00	Auto	Repair & Maintenance Admin.
010222	5/13/2013	0001256	Crescenta Valley Weekly	250.00	Auto	Art Poster Contest
010223	5/13/2013	0001262	La Cañada Presbyterian Church	271.50	Auto	Room Rental
010224	5/13/2013	0001289	Charter Communications	118.98	Auto	Surveillance
010225	5/13/2013	0001354	Phoenix Civil Engineering, Inc	3,000.00	Auto	Recycled Water
010226	5/13/2013	0001381	DDB ENGINEERING, INC.	8,280.00	Auto	Recycled Water
010227	5/16/2013	0000388	Public Employees' Retirement	1,869.84	Auto	Benefits
010228	5/16/2013	0001182	Phillip A. Gilbert	450.00	Auto	Repair & Maintenance Admin.
010229	5/16/2013	0001308	CalPERS Suppl. Income 457 Plan	2,145.86	Auto	Benefits
010230	5/22/2013	0000336	Office Depot Credit Plan	259.54	Auto	Office Supplies
010231	5/22/2013	0000350	AT&T # 5929	138.34	Auto	Telemetry
010232	5/22/2013	0000415	Southern California Edison Co.	18,408.54	Auto	Utilities
010233	5/22/2013	0000511	Zee Medical Inc.	143.79	Auto	First Aid
010234	5/22/2013	0001104	BANK OF AMERICA	1,113.59	Auto	Various
010235	5/22/2013	0001160	Darren C. Giles	50.00	Auto	Cell Phone Reimbursement
010236	5/22/2013	0001199	AT&T Mobility # 0289	43.43	Auto	Telemetry
010237	5/22/2013	0001289	Charter Communications	118.98	Auto	Surveillance
010238	5/22/2013	0001289	Charter Communications	224.99	Auto	Surveillance
010239	5/24/2013	0001182	Phillip A. Gilbert	165.00	Auto	Repair & Maintenance Admin.
010240	5/29/2013		***Void Check***			
010240	5/30/2013	0000271	Star Ford Lincoln	40.93	Auto	Auto & Truck
010241	5/29/2013		***Void Check***			
010241	5/30/2013	0000277	Klauser Enterprises	300.00	Auto	Janitorial
010242	5/29/2013		***Void Check***			
010242	5/30/2013	0000315	Eurofins Eaton Analytical, Inc	672.00	Auto	Water Quality
010243	5/30/2013	0000420	The Gas Company	30.57	Auto	Utilities
010243	5/30/2013		***Void Check***			
010244	5/30/2013	0000420	The Gas Company	22.93	Auto	Utilities
010245	5/30/2013	0000421	South Coast A.Q.M.D.	116.61	Auto	Regulatory Compliance
010246	5/30/2013	0001111	Stephen P. Korejwo	2,115.00	Auto	IT Services
010247	5/30/2013	0001170	Nina Jazmadarian	26.68	Auto	GM Exp/Office Supplies
010248	5/30/2013	0001182	Phillip A. Gilbert	500.70	Auto	Repair & Maintenance Admin.
010249	5/30/2013	0001193	Melvin L. Mathews	1,869.63	Auto	ACWA Conf. Reimbursement
010250	5/30/2013	0001207	Marlin Leasing Corp	273.28	Auto	Copier Lease

Account	Date	Amount	Category	Payment Method
010251	5/30/2013	1,038.50	JIN ELECTRIC	Auto
010252	5/30/2013	37.44	FedEx	Auto
010253	5/30/2013	181.61	Daniel E. Drugan	Auto
010254	5/30/2013	195.00	ARXIS Technology, Inc.	Auto
010255	5/30/2013	6,702.00	Tom Dodson & Associates	Auto
010256	5/30/2013	1,915.81	Public Employees' Retirement	Auto
010257	5/30/2013	2,174.20	CalPERS Suppl. Income 457 Plan	Auto
013166	5/29/2013	530,106.80	Metropolitan Water District	Manual
Bank D Total:				
			684,630.43	
Report Total:			684,630.43	

Repair & Maintenance Admin.
 Postage
 Misc./Licenses
 Computer Related
 Recycled Water
 Benefits
 Benefits
 Water Purchases

ASSETS

ASSETS & OTHER DEBITS

11120	LAND	\$	418,998.31	
11150	MAIN PUMPING PLANT	\$	1,203,357.46	
11155	BERKSHIRE PUMPING STATION	\$	841,542.91	
11170	RESERVOIRS	\$	2,787,454.39	
11171	MAINS	\$	1,782,599.48	
11172	CONNECTIONS	\$	427,875.15	
11173	FHCUP	\$	1,686,891.00	
11181	AUTO AND TRUCK	\$	188,907.11	
11182	EQUIPMENT AND TOOLS	\$	355,028.89	
11183	MOBILE RADIO	\$	60,082.14	
11184	TELEMETRY SYSTEMS	\$	116,758.14	
11186	OFFICE BUILDING	\$	92,192.28	
11187	OFFICE EQUIPMENT	\$	53,205.48	
11190	OPERATIONS CENTER	\$	415,451.11	
11200	CONSTRUCTION IN PROGRESS	\$	464,462.00	
11430	OPERATIONS CENTER	\$	-178,622.36	
11450	MAIN PUMPING PLANT	\$	-754,051.35	
11455	BERKSHIRE PUMPING PLANT	\$	-339,864.74	
11460		\$	-147,602.98	
11470	RESERVOIRS	\$	-1,246,955.39	
11471	MAINS	\$	-1,074,770.83	
11472	CONNECTIONS	\$	-348,114.48	
11481	AUTO AND TRUCK	\$	-138,756.89	
11482	EQUIPMENT AND TOOLS	\$	-308,145.78	
11483	MOBILE RADIO	\$	-60,082.14	
11484	TELEMETRY SYSTEM	\$	-116,757.20	
11486	OFFICE BUILDING	\$	-67,840.45	
11487	OFFICE EQUIPMENT	\$	-39,273.82	
	Total ASSETS & OTHER DEBITS:			\$ 6,073,967.44

CURRENT ASSETS

13130	UNION BANK - GENERAL ACCOUNT	\$	2,638,341.98	
13425	EMERGENCY FUND	\$	2,000.00	
13456	BOND, FFCB-C FEDERAL FARM CREDIT	\$	498,200.00	
13500	Bond, FHLBB #2 Treasury	\$	490,195.00	
13525	GREAT PACIFIC SECURITIES (CASH ACCT.)	\$	8,124.29	
13560	LAIF	\$	4,035,023.75	
13710	ACCOUNTS RECEIVABLE/AGENCIES	\$	1,044,649.58	
13740	INTEREST RECEIVABLE	\$	3,121.98	
13745	ACCOUNTS RECEIVABLE/OTHER	\$	100.00	
14300	INVENTORY	\$	68,644.48	
14410	ACWA/JPIA PROPERTY PREPAYMENT	\$	4,485.82	
14420	ACWA/JPIA LIABILITY PREPAYMENT	\$	8,539.64	
14450	ACWA ADVANCE DUES PAYMENT	\$	4,785.84	
14500	Proposition 1A Loan (Prop. Tax Rev.)	\$	6,677.00	
	Total CURRENT ASSETS:			\$ 8,812,889.36
	Total ASSETS:			\$ 14,886,856.80

LIABILITIES

ACCOUNTS PAYABLE

20000	ACCOUNTS PAYABLE	\$	1,514,430.96	
21000	PURCHASES CLEARING	\$	15.79	
	Total ACCOUNTS PAYABLE:			\$ 1,514,446.75

OTHER LIABILITIES

25212	CalPERS 457 Liability(EER Contrib.+ ER Portion)	\$	614.64	
25215	Section 125	\$	1,626.51	
25231	PERS SURVIVORS BENEFIT	\$	-219.70	

Balance Sheet
As of 5/31/2013

Foothill Municipal Water District (FMW)

OTHER LIABILITIES		(Continued)		
25240	UNPAID SICK LEAVE		\$	23,384.59
25250	UNPAID VACATION		\$	136,706.13
25260	GASB45 OPEB		\$	196,801.00
25500	MISCELLANEOUS CLEARING ACCOUNT		\$	<u>1,000.00</u>
	Total OTHER LIABILITIES:			\$ 359,913.17
	Total LIABILITIES:			\$ 1,874,359.92
EQUITY				
INVESTMENT IN FIXED ASSETS				
30101	INVESTMENT IN OFC BUILDING		\$	36,736.38
30105	INVESTMENT IN FMWD		\$	274,773.72
30110	INVESTMENT IN STATE CONTRIBUT.		\$	142,117.00
30120	INVESTMENT IN IMPROVT. DIST.		\$	<u>524,999.00</u>
	Total INVESTMENT IN FIXED ASSETS:			\$ 978,626.10
FUND BALANCES				
31100	GENERAL FUND, UNAPPROPRIATED		\$	2,206,634.67
31210	GENERAL FUND, APPROPRIATED		\$	2,104,075.00
31220	DONATED CAPITAL		\$	9,175.00
35000	RETAINED EARNINGS-CURRENT YEAR		\$	66,159.06
35000	RETAINED EARNINGS - PRIOR		\$	<u>7,647,827.05</u>
	Total FUND BALANCES:			\$ 12,033,870.78
	Total EQUITY:			\$ 13,012,496.88
	Total LIABILITIES & EQUITY:			<u>\$ 14,886,856.80</u>

Income Statement
For The 11 Periods Ended 5/31/2013

Foothill Municipal Water District (FMW)

		Period to Date	% of Revenue	Year to Date	% of Revenue
REVENUE					
REVENUE OPERATING					
41500	SALES FOR RESALE	\$ 636,859.30	64.94%	\$ 5,986,541.50	60.03%
41505	SALES FOR RESALE (Excess Tier 2 Collection)	\$ 0.00	0.00%	\$ 33,843.60	0.34%
41510	CAPACITY CHARGE REVENUE	\$ 12,960.00	1.32%	\$ 154,720.00	1.55%
41511	READINESS-TO-SERVE CHARGE REVENUE	\$ 47,285.00	4.82%	\$ 492,093.74	4.93%
41600	CAPITAL & REHABILITATION CHARGE - CVWI	\$ 17,055.42	1.74%	\$ 187,609.62	1.88%
41601	CAPITAL & REHABILITATION CHARGE - KID	\$ -23.41	0.00%	\$ -2,136.05	-0.02%
41602	CAPITAL & REHABILITATION CHARGE - LCID	\$ 17,039.42	1.74%	\$ 187,433.62	1.88%
41603	CAPITAL & REHABILITATION CHARGE - LFWC	\$ 1,661.42	0.17%	\$ 18,275.62	0.18%
41604	CAPITAL & REHABILITATION CHARGE - LAWC	\$ 2,166.67	0.22%	\$ 23,833.37	0.24%
41605	CAPITAL & REHABILITATION CHARGE - MCW	\$ 3,122.92	0.32%	\$ 34,352.12	0.34%
41606	CAPITAL & REHABILITATION CHARGE - RCLV	\$ 4,414.75	0.45%	\$ 48,562.25	0.49%
41607	CAPITAL & REHABILITATION CHARGE - VWC	\$ 18,406.00	1.88%	\$ 202,466.00	2.03%
41700	ADMIN & O & M CHARGES - CVWD	\$ 31,694.90	3.23%	\$ 350,293.48	3.51%
41701	ADMIN & O & M CHARGES - KID	\$ 602.85	0.06%	\$ 6,698.73	0.07%
41702	ADMIN & O & M CHARGES - LCID	\$ 38,992.94	3.98%	\$ 428,981.20	4.30%
41703	ADMIN & O & M CHARGES - LFWC	\$ 9,400.73	0.96%	\$ 104,847.13	1.05%
41704	ADMIN & O & M CHARGES - LAWC	\$ 22,046.45	2.25%	\$ 241,071.25	2.42%
41705	ADMIN & O & M CHARGES - MCWC	\$ 10,062.74	1.03%	\$ 110,132.20	1.10%
41706	ADMIN & O & M CHARGES - RCLWA	\$ 14,800.57	1.51%	\$ 172,501.85	1.73%
41707	ADMIN & O & M CHARGES - VWC	\$ 44,819.65	4.57%	\$ 496,232.27	4.98%
Total REVENUE OPERATING:		\$ 933,368.32	95.18%	\$ 9,278,353.50	93.03%
REVENUE NON-OPERATING					
49150	BOARDROOM REVENUE	\$ 0.00	0.00%	\$ 74.00	0.00%
49200	INTEREST REVENUE	\$ 0.00	0.00%	\$ 16,515.16	0.17%
49250	UNREALIZED GAINS (LOSSES)/SECURITIES	\$ -8,820.39	-0.90%	\$ -1,933.95	-0.02%
49300	TAXES AND ASSESSMENTS	\$ 10,039.08	1.02%	\$ 92,097.94	0.92%
49311	ABx1 26 Revenue Prop. Tax Distrib. Redev	\$ 0.00	0.00%	\$ 223.23	0.00%
49312	CONSERVATION GRANTS - REVENUE	\$ 0.00	0.00%	\$ 528.00	0.01%
49400	INSURANCE REFUNDS, PRIOR YEARS	\$ 0.00	0.00%	\$ 9,473.33	0.09%
49425	MISC. REFUNDS & REIMBURSEMENTS	\$ 0.00	0.00%	\$ 18.24	0.00%
49430	BID DOCUMENTS REVENUE	\$ 0.00	0.00%	\$ 330.00	0.00%
49460	SALE OF EQUIPMENT	\$ 0.00	0.00%	\$ 1,274.39	0.01%
49500	MISCELLANEOUS	\$ 300.00	0.03%	\$ 731.70	0.01%
49505	CONSERVATION REBATES (\$ ADDED)	\$ 100.00	0.01%	\$ -100.00	0.00%
49510	MWD ALLOCATED CONSERVATION \$\$\$	\$ -5,619.40	-0.57%	\$ 2,280.60	0.02%
49700	ENERGY CHARGE REIMBURSEMENT - CVWC	\$ 15,774.00	1.61%	\$ 185,029.00	1.86%
49702	ENERGY CHARGE REIMBURSEMENT - LCID	\$ 17,808.00	1.82%	\$ 211,207.00	2.12%
49703	ENERGY CHARGE REIMBURSEMENT - LFWC	\$ 1,752.00	0.18%	\$ 23,106.00	0.23%
49704	ENERGY CHARGE REIMBURSEMENT - LAWC	\$ 438.00	0.04%	\$ 9,682.00	0.10%
49705	ENERGY CHARGE REIMBURSEMENT - MCWC	\$ 2,297.00	0.23%	\$ 27,665.00	0.28%
49707	ENERGY CHARGE REIMBURSEMENT - VWC	\$ 13,187.00	1.34%	\$ 116,437.00	1.17%
Total REVENUE NON-OPERATING:		\$ 47,255.29	4.82%	\$ 694,638.64	6.97%
Total REVENUE:		\$ 980,623.61	100.00%	\$ 9,972,992.14	100.00%
GROSS PROFIT:		\$ 980,623.61	100.00%	\$ 9,972,992.14	100.00%
EXPENSES					
SOURCE OF SUPPLY					
51300	Purchased Water	\$ 633,132.50	64.56%	\$ 5,948,285.80	59.64%
51510	CAPACITY CHARGE	\$ 12,960.00	1.32%	\$ 154,710.00	1.55%
51511	READINESS-TO-SERVE CHARGE	\$ 47,420.00	4.84%	\$ 526,848.75	5.28%
Total SOURCE OF SUPPLY:		\$ 693,512.50	70.72%	\$ 6,629,844.55	66.48%
PUMPING					
52310	PASADENA MUNICIPAL SERVICE	\$ 28,288.33	2.88%	\$ 351,018.33	3.52%
52320	SOUTHERN CALIFORNIA EDISON	\$ 18,408.54	1.88%	\$ 224,536.17	2.25%
Total PUMPING:		\$ 46,696.87	4.76%	\$ 575,554.50	5.77%
TRANSMISSION & DISTRIBUTION					

Income Statement
For The 11 Periods Ended 5/31/2013

Foothill Municipal Water District (FMW)

		Period to Date	% of Revenue	Year to Date	% of Revenue
TRANSMISSION & DISTRIBUTION					
	(Continued)				
54105	OPERATIONS LABOR	\$ 33,923.76	3.46%	\$ 367,316.18	3.68%
54112	CERTIFICATION TESTING AWARD	\$ 0.00	0.00%	\$ 1,000.00	0.01%
54116	WATER QUALITY LABOR	\$ 0.00	0.00%	\$ 1,707.20	0.02%
54121	REPAIR & MAINTENANCE/OPS OFFICE	\$ 0.00	0.00%	\$ 26,101.19	0.26%
54122	REPAIR & MAINTENANCE/DISTRIBUTION	\$ 178.64	0.02%	\$ 92,758.60	0.93%
54125	SHOP OFFICE	\$ 73.05	0.01%	\$ 3,600.11	0.04%
54130	MATERIALS	\$ 57.31	0.01%	\$ 11,275.46	0.11%
54140	AUTO AND TRUCK	\$ 1,718.95	0.18%	\$ 13,996.66	0.14%
54150	EQUIPMENT AND TOOLS	\$ 11.41	0.00%	\$ 10,071.43	0.10%
54160	RADIO AND ALARM COMMUNICATIONS	\$ 210.00	0.02%	\$ 17,565.44	0.18%
54170	TELEMETRY SYSTEM (hardware only)	\$ 673.34	0.07%	\$ 22,126.11	0.22%
54172	SECURITY/SAFETY MONITORING (OPS CTR)	\$ 60.73	0.01%	\$ 1,070.63	0.01%
54180	UTILITIES	\$ 1,542.91	0.16%	\$ 18,108.52	0.18%
54190	WATER QUALITY MONITORING	\$ 1,553.80	0.16%	\$ 24,067.96	0.24%
54192	REGULATORY COMPLIANCE/PERMITS	\$ 116.61	0.01%	\$ 4,665.99	0.05%
54193	EE Education/WShops/Conferences, OPS	\$ 0.00	0.00%	\$ 250.00	0.00%
54195	SHOP MISCELLANEOUS	\$ 73.08	0.01%	\$ 1,952.52	0.02%
54205	VEHICLE REPLACEMENT PURCHASE	\$ 0.00	0.00%	\$ 297.28	0.00%
54229	METER REPLACEMENT (CIP)	\$ 0.00	0.00%	\$ 2,869.52	0.03%
54232	SURGE ARRESTORS P-2	\$ 0.00	0.00%	\$ 5.43	0.00%
54280	SURVEILLANCE	\$ 462.95	0.05%	\$ 5,729.73	0.06%
54285	SECURITY/SAFETY IMPROVEMENTS -TRANS	\$ 0.00	0.00%	\$ 7,168.03	0.07%
Total TRANSMISSION & DISTRIBUTION:		\$ 40,656.54	4.15%	\$ 633,703.99	6.35%
CIP & REHAB					
55100	SCADA REPLACEMENT/SERVERS (SCADA/IT	\$ 0.00	0.00%	\$ 21,518.00	0.22%
55135	PIPELINE INSPECTION/REHAB PROGRAM	\$ 107,103.00	10.92%	\$ 108,499.40	1.09%
55240	RECYCLED WATER FACILITY STUDY (ARROY	\$ 23,982.00	2.45%	\$ 85,288.84	0.86%
55352	EARTHQUAKE VALVE - LA CRESCENTA	\$ 0.00	0.00%	\$ 9,947.32	0.10%
55425	REHAB 4B	\$ 0.00	0.00%	\$ 11,405.48	0.11%
55725	GEN SET DESIGN & REPLACEMENT (P-2)	\$ 0.00	0.00%	\$ 33,277.38	0.33%
55730	GEN SET DESIGN & REPLACEMENT (P-1)	\$ 0.00	0.00%	\$ 50,574.42	0.51%
Total CIP & REHAB:		\$ 131,085.00	13.37%	\$ 320,510.84	3.21%
ADMINISTRATIVE & GENERAL					
56105	ADMINISTRATIVE SALARIES	\$ 21,665.00	2.21%	\$ 229,285.50	2.30%
56110	CLERICAL EXPENSE	\$ 0.00	0.00%	\$ 590.00	0.01%
56120	LEASE EXPENSE/COPIER	\$ 273.28	0.03%	\$ 3,056.93	0.03%
56125	LEASE POSTAGE MACHINE	\$ 0.00	0.00%	\$ 833.75	0.01%
56130	MISCELLANEOUS BANK CHARGES/FEES	\$ 300.57	0.03%	\$ 3,750.69	0.04%
56210	AUTOMOBILE REIMBURSEMENT	\$ 400.00	0.04%	\$ 4,400.00	0.04%
56220	OFFICE SUPPLIES	\$ 557.70	0.06%	\$ 9,913.45	0.10%
56225	POSTAGE	\$ 37.44	0.00%	\$ 1,262.52	0.01%
56230	COMPUTER EQUIP./SOFTWARE & RELATED I	\$ 237.69	0.02%	\$ 17,933.02	0.18%
56235	OFFICE EQUIPMENT SERVICE	\$ 0.00	0.00%	\$ 1,177.45	0.01%
56240	SECURITY/SAFETY MONITORING (ADMIN)	\$ 0.00	0.00%	\$ 794.16	0.01%
56245	WEBSITE EXPENSE	\$ 0.00	0.00%	\$ 1,128.00	0.01%
56250	UTILITY EXPENSES	\$ 1,348.63	0.14%	\$ 17,517.73	0.18%
56258	REPAIR & MAINTENANCE ADMIN.	\$ 3,581.20	0.37%	\$ 32,475.55	0.33%
56260	PAYROLL SERVICES	\$ 274.34	0.03%	\$ 3,108.72	0.03%
56310	PROPERTY INSURANCE	\$ 448.59	0.05%	\$ 4,592.41	0.05%
56320	LIABILITY INSURANCE	\$ 2,134.92	0.22%	\$ 23,407.34	0.23%
56340	WORKERS COMP INSURANCE	\$ 0.00	0.00%	\$ 21,701.00	0.22%
56410	HEALTH INSURANCE	\$ 14,540.74	1.48%	\$ 148,973.98	1.49%
56420	LIFE INSURANCE	\$ 119.22	0.01%	\$ 1,225.18	0.01%
56430	LONG TERM DISABILITY INSURANCE	\$ 179.16	0.02%	\$ 2,302.43	0.02%
56435	DENTAL INSURANCE	\$ 703.82	0.07%	\$ 7,330.10	0.07%
56436	VISION INSURANCE	\$ 228.67	0.02%	\$ 2,427.42	0.02%
56440	Cal PERS Retirement	\$ 3,762.25	0.38%	\$ 995,508.86	9.98%
56445	CalPERS 457 ER Match	\$ 1,116.22	0.11%	\$ 15,727.59	0.16%
56455	PAYROLL TAX	\$ 1,016.55	0.10%	\$ 15,684.03	0.16%
56460	LONGEVITY PAY	\$ 0.00	0.00%	\$ 970.00	0.01%
56600	PASA LEASE/PIPELIN AGRMT	\$ 0.00	0.00%	\$ 3,593.00	0.04%
56810	DIRECTOR FEES	\$ 1,058.94	0.11%	\$ 8,706.84	0.09%

Income Statement
For The 11 Periods Ended 5/31/2013

Foothill Municipal Water District (FMW)

		Period to Date	% of Revenue	Year to Date	% of Revenue
ADMINISTRATIVE & GENERAL		(Continued)			
56815	MWD REPRESENTATIVE	\$ 1,529.58	0.16%	\$ 7,647.90	0.08%
56820	DIRECTOR EXPENSE	\$ 1,869.63	0.19%	\$ 5,898.35	0.06%
56825	ELECTION EXPENSES	\$ 0.00	0.00%	\$ 459.65	0.00%
56829	IT SERVICES	\$ 2,025.00	0.21%	\$ 20,521.54	0.21%
56830	LEGAL SERVICE	\$ 4,479.56	0.46%	\$ 68,140.89	0.68%
56840	AUDIT SERVICE	\$ 0.00	0.00%	\$ 4,850.00	0.05%
56841	LAFCO Fees	\$ 0.00	0.00%	\$ 3,309.30	0.03%
56845	EE EDUCATION/CONFERENCES, WSHOPS, A	\$ 405.94	0.04%	\$ 6,034.66	0.06%
56850	GENERAL MANAGER EXPENSE	\$ 52.00	0.01%	\$ 1,676.08	0.02%
56860	MEMBERSHIP/DUES/LICENSES	\$ 275.00	0.03%	\$ 15,645.00	0.16%
56865	SUBSCRIPTIONS	\$ 7.96	0.00%	\$ 699.56	0.01%
56880	PUBLIC INFORMATION/ADVERTISING	\$ 0.00	0.00%	\$ 863.80	0.01%
56885	WATER CONSERVATION	\$ 329.88	0.03%	\$ 16,124.85	0.16%
56889	RAIN BARREL REBATE	\$ 0.00	0.00%	\$ 783.14	0.01%
56890	MISCELLANEOUS	\$ 36.61	0.00%	\$ 2,187.83	0.02%
56891	CONSERVATION CONTEST	\$ 250.00	0.03%	\$ 250.00	0.00%
56895	RECYCLED WATER FAC. STUDY(ARROYO)	\$ 0.00	0.00%	\$ 498.00	0.00%
Total ADMINISTRATIVE & GENERAL:		\$ 65,246.09	6.65%	\$ 1,734,968.20	17.40%
OTHER OPERATING EXPENSES					
57315	MANAGEMENT/CONSULTING	\$ 0.00	0.00%	\$ 560.00	0.01%
57320	ACCOUNTING	\$ 1,200.00	0.12%	\$ 9,352.50	0.09%
57330	MISCELLANEOUS PROFESSIONAL EXPENSE	\$ 0.00	0.00%	\$ 2,338.50	0.02%
Total OTHER OPERATING EXPENSES:		\$ 1,200.00	0.12%	\$ 12,251.00	0.12%
Total EXPENSES:		\$ 978,397.00	99.77%	\$ 9,906,833.08	99.34%
NET INCOME FROM OPERATIONS:		\$ 2,226.61	0.23%	\$ 66,159.06	0.66%
EARNINGS BEFORE INCOME TAX:		\$ 2,226.61	0.23%	\$ 66,159.06	0.66%
NET INCOME (LOSS):		\$ 2,226.61	0.23%	\$ 66,159.06	0.66%

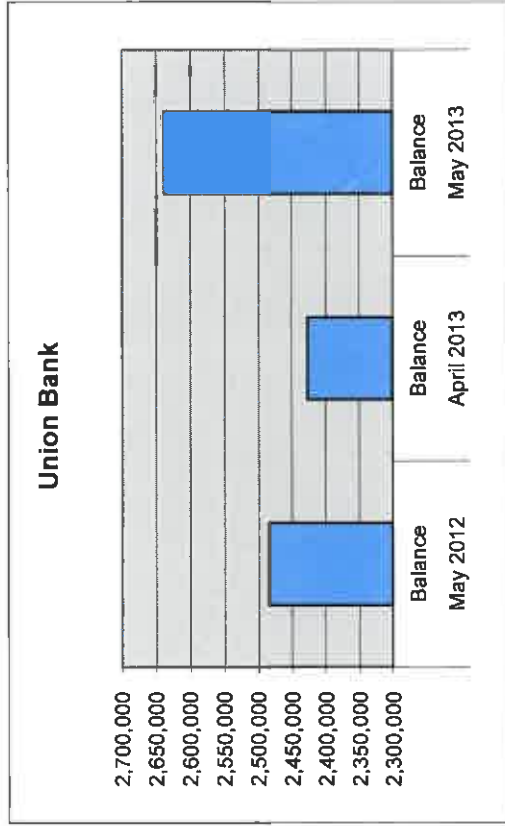
Budget vs. Actual

	Adopted 2012-2013 Budget	Actual Year to Date	Remaining Budget	% of Budget Spent
	(based on 8,350 AF of sales)	5/31/2013	5/31/2013	5/31/2013
Acres Feet Sold	8,350	7,339	1011	88%
REVENUES				
1. Operating Revenues				
Sales for Resale	\$ 10,454,415	\$ 9,278,354	\$ 1,176,061	89%
2. Non-Operating Revenues				
Interest earnings	\$ 15,000	\$ 16,515	\$ (1,515)	110%
Taxes	\$ 85,000	\$ 92,098	\$ (7,098)	108%
Insurance Refunds	\$ -	\$ 9,473	\$ (9,473)	0%
FHCUP Reimbursement (Put Power)	\$ -	\$ -	\$ -	0%
FHCUP Admin Reimbursement	\$ 13,000	\$ -	\$ 13,000	0%
Energy Charge Reimbursement	\$ 555,282	\$ 573,126	\$ (17,844)	103%
Other	\$ -	\$ 3,429	\$ (3,429)	0%
	\$ -	\$ 3		
	\$ 668,282	\$ 694,642	\$ (26,360)	104%
TOTAL REVENUE	\$ 11,122,696	\$ 9,972,995	\$ 1,149,701	90%
EXPENSES				
1. Commodity Costs				
MWD water purchases	\$ 7,606,996	\$ 6,629,845	\$ 977,151	87%
Power	\$ 551,103	\$ 575,555	\$ (24,452)	104%
FHCUP GW Power and O&M	\$ -	\$ -	\$ -	0%
Power-FHCUP	\$ -	\$ -	\$ -	0%
	\$ 8,158,099	\$ 7,205,399	\$ 952,700	88%
2. Wages & Employee Benefits				
Administration	\$ 218,000	\$ 229,286	\$ (11,286)	105%
O&M	\$ 411,000	\$ 370,023	\$ 40,977	90%
Benefits	\$ 556,000	\$ 1,211,851	\$ (655,851)	218%
	\$ 1,185,000	\$ 1,811,159	\$ (626,159)	153%
3. Repairs & Maintenance				
Maintenance + Service	\$ 137,500	\$ 149,360	\$ (11,860)	109%
Materials & Equipment	\$ 26,500	\$ 21,347	\$ 5,153	81%
Telemetry & Communications	\$ 25,000	\$ 39,692	\$ (14,692)	159%
Utilities	\$ 18,000	\$ 18,109	\$ (109)	101%
Water Quality Monitoring	\$ 40,000	\$ 24,068	\$ 15,932	60%
Miscellaneous	\$ 19,500	\$ 7,939	\$ 11,561	41%
	\$ 266,500	\$ 260,514	\$ 5,986	98%
4. Administration and General				
Office expense/insurances	\$ 154,650	\$ 125,352	\$ 29,298	81%
Pasa license agrmt	\$ 4,000	\$ 3,593	\$ 407	90%
Miscellaneous	\$ 31,300	\$ 31,504	\$ (204)	101%
Water Conservation	\$ 27,500	\$ 17,158	\$ 10,342	62%
Director fee/expense	\$ 48,500	\$ 22,253	\$ 26,247	46%
Director Election Costs	\$ 20,000	\$ 460	\$ 19,540	0%
	\$ 285,950	\$ 200,320	\$ 85,630	70%
5. Professional Services				
Legal, Audit & Professional Svcs.	\$ 91,000	\$ 82,343	\$ 8,657	90%
IT Services	\$ 35,000	\$ 20,522	\$ 14,478	59%
Consulting Services	\$ 40,000	\$ 2,899	\$ 37,102	7%
	\$ 166,000	\$ 105,763	\$ 60,237	64%
6. Capital Improvements & Rehab	\$ 1,095,600	\$ 320,511	\$ 775,089	29%
7. Equipment Replacement	\$ 47,000	\$ 3,167	\$ 43,833	7%
TOTAL EXPENSE	\$ 11,204,149	\$ 9,906,833	\$ 1,297,316	88%
INCOME/(LOSS)	\$ (81,453)	\$ 66,162	\$ (147,615)	-81%
DEPRECIATION EXPENSE	\$ 259,100	\$ 21,592	\$ 237,508	8%
Total Expenses	\$ 11,463,249	\$ 9,928,425	\$ 1,534,824	87%
Income/(Loss)	\$ (340,553)	\$ 44,570	\$ (385,123)	-13%
Use of Water Resource Fund	\$ 27,500	\$ 17,158	\$ 10,342	62%
Use of Previously Collected CIP Charge/Reserves	\$ 313,053	\$ -	\$ 313,053	0%
Net Income/(Loss)	\$ -	\$ 61,728	\$ (61,728)	

FOOTHILL MUNICIPAL WATER DISTRICT
TREASURER'S REPORT
MAY 2013

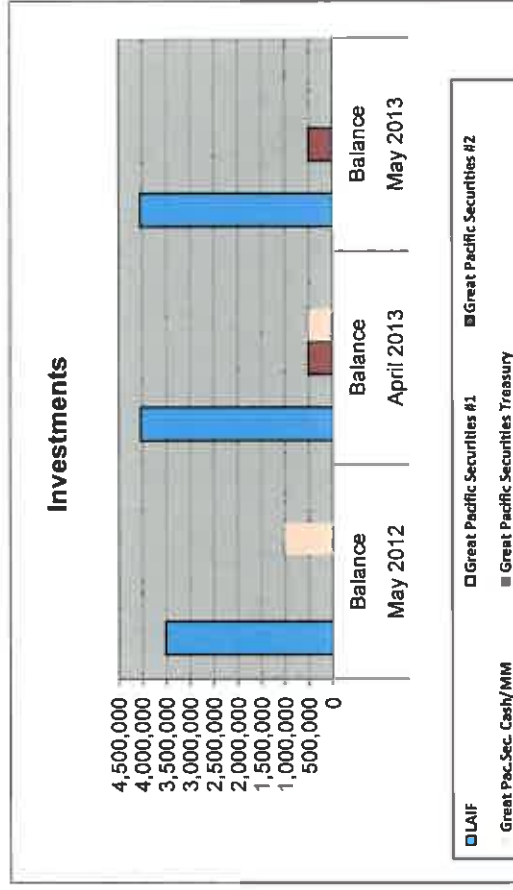
<u>Account Type</u>	<u>Financial Institution</u>	<u>May 2012 Balance</u>	<u>April 2013 Balance</u>	<u>May 2013 Balance</u>	<u>Fixed or Current %</u>	<u>Maturity Date</u>	<u>Monthly Interest Earned</u>	<u>Bond Type</u>
Checking	Union Bank	\$ 2,483,946.18	\$ 2,426,957.69	\$ 2,638,341.98	-	-	-	-
Investment	LAIF	\$ 3,514,854.59	\$ 4,035,023.75	\$ 4,035,023.75	0.2450%	-	856.00	-
Investment-FFCB #1	Great Pacific Securities #1	\$ -	\$ -	\$ -	-	-	-	FFCB
Investment-FFCBC #2	Great Pacific Securities #2	\$ -	\$ 501,115.00	\$ 498,200.00	0.9700%	8/7/2017	(2,915.00)	FFCB-C
Investment-Treasury	Great Pacific Securities #3	\$ -	\$ -	\$ 490,195.00	0.7900%	4/30/2018	-	Treasury
Cash/Cash Equivalent	Great Pac.Sec. Cash/MM	\$ 1,005,845.07	\$ 504,224.68	\$ 8,124.29	-	-	-	Money Market

This statement certifies that (1) all investment action executed since last month's report has been made in full compliance with the Foothill Municipal Water District's Investment Policy, and (2) the District will meet its expenditure obligations for the next six months as required by CGC 53646 (b)(2) and (3), respectively.



Certified

Treasurer



Approved

Finance Committee

**FOOTHILL MUNICIPAL WATER DISTRICT
DIRECTOR COMPENSATION & EXPENSE REIMBURSEMENT**

**REPORT
MONTH OF MAY 2013**

FMWD Meetings Attended other than Regular Board Meetings

MATTHEWS	ACWA SPRING CONFERENCE	5/6 – 5/10/13	117.66	588.30
			Sub-Total:	588.30

Reimbursements

MATTHEWS	ACWA SPRING CONFERENCE		1869.63	1869.63
			Sub-Total:	1869.63

MWD Meetings Attended by MWD Representative

EDWARDS	MWD NORTHERN GROUP	4/5/13	117.66	117.66
	MWD COMMITTEE MEETINGS	4/8/13	117.66	117.66
	MWD BOARD MEETING	4/9/13	117.66	117.66
	MWD EXEC. MEETING	4/23/13	117.66	117.66
	AG TOUR	4/25 – 4/26/13	117.66	235.32
	MWD EE'S AWARDS LUNCH	5/2/13	117.66	117.66
	MWD COMMITTEE MEETINGS	5/13/13	117.66	117.66
	MWD BOARD MEETING	5/14/13	117.66	117.66
	CRWUA TRUSTEE MEETING	5/15 – 5/17/13	117.66	352.98
	FMWD BOARD MEETING	5/20/13	117.66	117.66
			Sub-Total:	1529.58
			Grand Total:	3987.51



June 2013 Board Letter

Date: 06/10/13

To: Board of Directors

From: General Manager

RE: ACWA Region 8 Nominations

Consent Item: 5.3

Recommendation: It is recommended that the Board adopt the attached resolutions (#817-0613 and #818-0613) placing Vice President, Melvin Matthews in nomination for ACWA Region 8 Board Member and also as a Member on the ACWA Finance Committee.

The Region 8 Nominating Committee of ACWA is looking for members who are interested in leading the direction of ACWA Region 8 for the 2014-2015 term. The Nominating Committee is currently seeking candidates for the Region 8 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

Members of the Region 8 Board determine the direction and focus of region issues and activities as well as support the fulfillment of ACWA's goals on behalf of members.

Foothill Board Vice President, Melvin Matthews has expressed an interest in a Member position on the Region 8 Board.

The ballot is to be returned to ACWA by **June 30, 2013**. Ballots received after that date will not be accepted.

Vice President Matthews is also interested in continuing his tenure as a Member of the ACWA Finance Committee for another two-year term. Committee consideration forms will not be available from ACWA until sometime in August. The incoming ACWA President for the new term will make appointments in January, with recommendations from the chairs of each ACWA region.

Prior Board Action:

September 2011 – Approve per diem payments for ACWA representation

December 2011 – Approve Director Matthews for ACWA representation

Impact to Budget:

Expenses associated with being on the Region 8 Board would be charged to Foothill. These expenses are unknown and based on number of meetings and location of meetings.

RESOLUTION NO 817-0613

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
FOOTHILL MUNICIPAL WATER DISTRICT
NOMINATING MELVIN L. MATTHEWS AS A MEMBER
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES ("ACWA")
REGION 8 BOARD**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT ("DISTRICT") as follows:

1. Purpose.

This resolution nominates Melvin L. Matthews as a member of ACWA's Region 8 Board.

2. Recitals.

(a) ACWA has announced that a Nominating Committee has been formed to develop a slate for ACWA'S statewide positions of President and Vice President. The individual who fills the position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office. The nominee must also be able to provide the dedication of time and energy to effectively serve in this capacity.

(b) The Board of Directors ("Board") of the District encourages and supports the participation of its members in the affairs of ACWA.

(c) Melvin L. Matthews, the District's Board Vice President, has indicated a desire to serve as a Board Member of ACWA Region 8.

(d) The Board finds that Melvin L. Matthews possesses all of the qualities needed to fulfill the duties described in subsection (a), above.

B. Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT as follows:

(a) The Board hereby nominates Melvin L. Matthews for the position of Board Member of ACWA Region 8, and places its full and unreserved support in that nomination.

(b) The Board hereby determines that the expenses attendant with the service of Melvin L. Matthews in ACWA Region 8 shall be borne by the District.

PASSED, APPROVED, AND ADOPTED on June____, 2013.

Richard W. Atwater, Board President
Foothill Municipal Water District

ATTEST:

Secretary, Nina Jazmadarian

(Seal)

RESOLUTION NO. 818-0613

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
FOOTHILL MUNICIPAL WATER DISTRICT
NOMINATING MELVIN L. MATTHEWS AS A MEMBER
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' ("ACWA")
FINANCE COMMITTEE**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT ("DISTRICT") as follows:

1. Purpose.

This resolution nominates Melvin L. Matthews as a member of ACWA's Finance Committee.

2. Recitals.

(a) ACWA currently solicits nominations for membership of its Finance Committee.

(b) The Board of Directors ("Board") of the District encourages and supports the participation of its members in the affairs of ACWA.

(c) Melvin L. Matthews, the District's Board Vice President, has indicated a desire to serve as a member of ACWA's Finance Committee.

(d) The Board finds that Melvin L. Matthews possesses all of the qualities needed to fulfill the duties required to serve as a member of ACWA's Finance Committee.

B. Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT as follows:

(a) The Board hereby nominates Melvin L. Matthews to serve as a member of ACWA's Finance Committee, and places its full and unreserved support in that nomination.

(b) The Board hereby determines that the expenses attendant with the service of Melvin L. Matthews on ACWA's Finance Committee shall be borne by the District.

PASSED, APPROVED, AND ADOPTED on June____, 2013.

Richard W. Atwater, Board President
Foothill Municipal Water District

ATTEST:

Secretary, Nina Jazmadarian

(Seal)



June 2013 Board Letter

Date: 06/17/2013

To: Board of Directors

From: General Manager

RE: Proposed Budget and Rate and Charges

Action Item: 7.1

Recommendation: It is recommended that the Board adopt the proposed budget for fiscal year 2013-2014 as described in this letter and shown in the attached budget summary, adopt the attached resolution (#819-0613) reflecting the appropriate rates and charges based on the proposed budget along with modifications to the Administrative Code (#643-0100) and adopt the proposals as listed in items numbered 1-6 of this letter.

Background

In June 2009, the District revised the rate structure to replace existing commodity rates with fixed charges for the District portion of expenses. Two charges were developed, an Administrative and Operations and Maintenance Charge based on a ten-year rolling average of total sales to each agency and a Capital and Rehabilitation Charge based on a ten-year rolling average of total sales to each agency and the facilities used to deliver that water. This was done as a result of:

1. The realization that the District's facilities had reached the end or were reaching the end of their useful lives and a large rehabilitation program loomed ahead,
2. A desire to gain more water supply independence considering the restrictions placed on the Bay-Delta,
3. A goal to gain more water supply reliability because of the District's dependence on one connection to imported water, and
4. The unfeasibility of adopting a parcel charge which the District had pursued so that it could obtain financing to proceed with the capital outlays it foresaw in the future.

In June 2010, the District adopted new rates and charges absorbing 75% of MWD's rate increase equaling about \$376,000. Since that time, the District has not increased its total charge to the retail agencies, although shifts in charges have occurred as a result of the rolling average.

Process

Traditionally, District staff includes in its budget process a presentation of the preliminary budget to the retail agencies in April with follow ups in May and June, meeting with the Finance Committee, a Board workshop in May and recommendation to the Board in June of each year. This year, the process has included the presentation to the retail agencies in April, two follow up meetings in May and June, two Finance Committee meetings in April and June and a Board Workshop in May.

These meetings were held because of issues surrounding the preliminary budget including:

1. Those retail agencies that purchase water from other entities rather than Foothill are causing a shifting of costs to the rest of the retail agencies and a method to stop this shifting is desired.
2. The agencies agree that "FMWD should focus its CIP for the next few years on upgrades to the existing infrastructure..." and that "...the recycled water project needs to be discussed further...". (Please see Attachment A.)

3. Capital Improvement Program alternatives including financing the five-year CIP.
4. A desire to investigate the appropriate approach for the CIP charge between agencies.

Proposal

Attached is the proposed budget for fiscal year 2013-2014. The budget reflects total revenues of about \$11.3 million and expenses of 12.7 million including depreciation. The use of the Water Resource Fund and previously collected CIP and Rehabilitation charges offsets the approximately \$1.6 million difference between the revenues and expenses with the PAYG option that is assumed in this proposed budget. However, as part of the steps in proceeding forward with the Capital Improvement Program, it is recommended that the Board proceed with obtaining financing to offset rate increases and ensure that those individuals benefitting from the long-term projects in the CIP are paying for those projects.

Based on 7,975 AF of Metropolitan water purchases, expenses are about:

- \$7.7 million for the cost of purchasing water
- \$624,000 for the purchase of power
- \$1.15 million for wages and employee benefits
- \$235,500 for utility plant repairs and maintenance
- \$239,540 for administrative and general expenses
- \$166,000 for professional services
- \$2.4 million for capital projects, and
- \$224,000 for depreciation.

Revenues include about:

- \$10.6 million from sales,
- \$15,000 from interest earnings,
- \$85,000 from taxes, and
- \$13,000 for administration of the Foothill Conjunctive Use Program.
- \$27,500 is budgeted to be used from the Water Resource and Conservation fund for conservation efforts next year.
- \$1.63 million is budgeted to be used from previously collected Capital and Rehabilitation charge and the Rehab and Rehabilitation Reserves.

In addition to the budget, the following items are proposed:

1. Change the methodology of the Administration and Operations and Maintenance Charge so that water transfers, whether groundwater or surface from an entity outside of the District and its retail agencies, would be included as part of the transferee agency's base for its ten-year average when calculating the charge and the percentage be fixed for the next five years with a review each year to ensure there is no anomaly with an agency.

2. Change the methodology of the Capital and Rehabilitation charge so that water transfers, whether groundwater or surface from an entity outside of the District and its retail agencies, would be included as part of the transferee agency's base for its ten-year average when calculating the charge for this calendar year.
3. Direct the General Manager to begin the process to hire a consultant to resolve the issue of how the Capital and Rehabilitation charge is split between agencies and bring a proposal on the scope and budget back to the Board for action.
4. Direct the General Manager to begin the process of hiring consultant for assistance with financing and bring the proposal on the scope and budget to the Board for action.
5. For Lincoln Avenue, provide an easy payment plan to recover the charge with a two-step increase. The payment plan was based on expected total CIP costs needed to be recovered from Lincoln for the next four years excluding costs of pipeline repair work averaged evenly for that timeframe. The step increase is based on the first step being an annual charge of \$38,997 as shown in the attached resolution for CY 2014. The second step for CY 2015 and beyond to be determined based on the methodology used to determine the Capital and Rehabilitation charge and cost of financing and assuming the cost difference between the average and the first step is recovered over the next three years. An estimate of \$52,000 has been derived based on the current CIP excluding pipeline repairs and method for allocating costs.
6. Due to a late bill, Kinneloa Irrigation District owes \$40 on the recycled water project feasibility study. It is recommended that the Board waive this payment.

Attached is a resolution which provides for adopting the proposed changes to the rates and charges. The resolution has been attached in final form for ease in reading and also strikeout/underline for comparison purposes. The resolution modifies the Administrative Code.

Please note that costs for work associated with repairing any of the items found in the Eastside Force Main Inspection have been included in this budget. It is anticipated that there will be some costs for further investigation such as test pits and engineering services this coming fiscal year. Funds can be used from one of the reserve categories and then reimbursed from the financing vehicle.

Prior Board Action:

June 2009 – Adopted fiscal year 2009-2010 budget, revised rate structure and adopted calendar year 2010 rates and charges

June 2010 – Adopted fiscal year 2010-11 budget and adopted calendar year 2011 rates and charges

June 2011 – Adopted fiscal year 2011-12 budget and adopted calendar year 2012 rates and charges

June 2012 – Adopted fiscal year 2012-13 budget and adopted calendar year 2013 rates and charges

Impact on Budget:

As outlined in letter.

Attachments:

Letter from Member Agencies
Proposed Budget
Resolution #819-0613

OCRESCENTA VALLEY WATER DISTRICT

FMWD Budget Option Review

Meeting Notes

May 13, 2013

A meeting was held with the FMWD sub-agencies with the following people in attendance:

Lillian Woods	Rubio Canon Land & Water Association
Lisa Yamashita-Lopez	Rubio Canon Land & Water Association
Bob Fan	Valley Water Company
Doug M. Caister	La Canada Irrigation District
Bob Hayward	Lincoln Avenue Water Company
Bill Kimberling	Las Flores Water Company
Dennis Erdman	CVWD
Ron Mitchell	CVWD
David Gould	CVWD

The group met to discuss the proposed FMWD FY 2013/14 budget and the distribution of costs among the member agencies. On May 8, 2013, FMWD's GM Nina Jazmadarian provided five (5) options at the FMWD managers meeting for review. The managers requested that they have the opportunity to review the budget and the breakdown of costs for each member agency.

Ms. Jazmadarian provided additional information and a sixth option to the member agency managers on 5/10/13.

Mr. Gould began the discussion speaking about each option as shown below with the goal to make sure that the cost distribution is fair to all sub-agencies.

1. Current Method Using 10-Year Rolling Average of Sales for Apportioning Costs
2. Apportions Costs Based on Number of Meters in Agency's Service Area
3. Convert Groundwater Transfers to FMWD Water Sales to Apportion Costs
4. Apportion Costs Based on Flow Capacity of Meter Per Discussion with Agency
5. Apportion Costs According to Main Pump Station Capacity
6. Requested Alternative - 50% Main Station Flow Entitlement and 50% Ten-Year Rolling Average

After much discussion among the group, it was agreed to recommend to Ms. Jazmadarian to use Option 3 for the cost distribution of FMWD's O & M costs and that the cost distribution percentages be fixed for a least five years.

Mr. Gould then proceeded to discuss the proposed Capital Improvement Projects (CIP) for FY 2013/14 and for the next 5 years. After much discussion, it was agreed upon by the group that FMWD should focus its CIP for the next few years on upgrades to the existing infrastructure such as pipelines, reservoirs, and SCADA system. It was expressed that the recycled water project needs to be discussed further with the member agencies.

Finally, the group discussed FMWD's FY 2013/14 Administration and O & M budgets and appreciates FMWD trying to maintain its costs. However, the group realizes that operating costs are going up and the budget should reflect this. The group recommended that Ms. Jazmadarian provide the FY 2014/15 budget which would reflect increased operating costs and necessary improvements that have been deferred over the last few years.

Preliminary FY 2013-2014 Budget

	Adopted 2012-2013 Budget	Budget to Actual	Proposed 2013-2014 Budget	Difference
	(based on 8,350 AF of sales)	1/31/2013	(based on 7,975 AF of sales)	between 2012- 13 and 2013-14
Acre Feet Sold	8,350		7,975	-375
REVENUES				
1. Operating Revenues				
MWD Charges	\$ 7,606,996	\$ 4,367,249	\$ 7,731,053	\$ 124,057
Capital and Rehab Charge	\$ 764,240	\$ 445,024	\$ 772,757	\$ 8,518
Admin and O&M Charge	\$ 2,083,179	\$ 1,221,075	\$ 2,069,154	\$ (14,026)
	\$ 10,454,415	\$ 6,033,347	\$ 10,572,963	\$ 118,549
2. Non-Operating Revenues				
Interest earnings	\$ 15,000	\$ 10,381	\$ 15,000	\$ -
Taxes	\$ 85,000	\$ 52,183	\$ 85,000	\$ -
AB1290 Revenue	\$ -	\$ -	\$ -	\$ -
ABx1 28 Revenue Prop Tax Dist Redevel	\$ -	\$ 200	\$ -	\$ -
Conservation Grants Revenue	\$ -	\$ 1,200	\$ -	\$ -
Insurance Refunds	\$ -	\$ -	\$ -	\$ -
FHCUP Reimbursement (Put Power)	\$ -	\$ -	\$ -	\$ -
FHCUP Admin Reimbursement	\$ 13,000	\$ -	\$ 13,000	\$ -
Energy Charge Reimbursement	\$ 551,103	\$ 409,054	\$ 624,445	\$ 73,342
Other	\$ -	\$ 5,486	\$ -	\$ -
	\$ 664,103	\$ 478,505	\$ 737,445	\$ 73,342
TOTAL REVENUE	\$ 11,118,517	\$ 6,511,852	\$ 11,310,408	\$ 191,890
EXPENSES				
1. Commodity Costs				
MWD water purchases	\$ 7,606,996	\$ 4,338,585	\$ 7,731,053	\$ 124,057
Power	\$ 551,103	\$ 376,048	\$ 624,445	\$ 73,342
FHCUP GW Power and O&M	\$ -	\$ -	\$ -	\$ -
	\$ 8,158,099	\$ 4,714,632	\$ 8,355,497	\$ 197,398
2. Wages & Employee Benefits				
Administration	\$ 218,000	\$ 142,611	\$ 271,000	\$ 53,000
O&M	\$ 411,093	\$ 227,735	\$ 455,000	\$ 43,907
Benefits	\$ 556,114	\$ 1,113,131	\$ 423,000	\$ (133,114)
	\$ 1,185,207	\$ 1,483,477	\$ 1,149,000	\$ (36,207)
3. Repairs & Maintenance				
Maintenance + Service	\$ 137,500	\$ 94,242	\$ 132,500	\$ (5,000)
Materials and Equipment	\$ 26,500	\$ 12,352	\$ 38,500	\$ 12,000
Telemetry & Communications	\$ 25,000	\$ 33,775	\$ 25,000	\$ -
Utilities	\$ 18,000	\$ 11,273	\$ 18,000	\$ -
Water Quality Monitoring	\$ 40,000	\$ 17,895	\$ 28,000	\$ (12,000)
Miscellaneous	\$ 19,500	\$ 4,306	\$ 11,500	\$ (8,000)
	\$ 266,500	\$ 173,844	\$ 253,500	\$ (13,000)
4. Administration and General				
Office expense/Insurances	\$ 154,650	\$ 87,446	\$ 140,140	\$ (14,510)
Pass license agrmt	\$ 4,000	\$ 3,593	\$ 4,000	\$ -
Miscellaneous	\$ 31,300	\$ 23,443	\$ 35,500	\$ 4,200
Water Conservation	\$ 27,500	\$ 5,711	\$ 27,500	\$ -
Director fee/expense	\$ 48,500	\$ 14,020	\$ 32,400	\$ (16,100)
Director Election Costs	\$ 20,000	\$ -	\$ -	\$ (20,000)
	\$ 285,950	\$ 134,212	\$ 239,540	\$ (46,410)
5. Professional Services				
Legal, Audit & Professional Svcs	\$ 91,000	\$ 57,737	\$ 91,000	\$ -
IT Services	\$ 35,000	\$ 13,187	\$ 35,000	\$ -
Consulting Services	\$ 40,000	\$ 2,339	\$ 40,000	\$ -
	\$ 166,000	\$ 73,262	\$ 166,000	\$ -
6. Capital Improvements & Rehab				
	\$ 1,095,800		\$ 2,374,308	\$ 1,278,708
7. Equipment Replacement				
	\$ 47,000		\$ -	\$ (47,000)
8. Replenishment of Reserves				
	\$ -		\$ 178,000	\$ 178,000
TOTAL EXPENSE	\$ 11,204,356	\$ 6,579,427	\$ 12,715,845	\$ 1,511,489
INCOME/(LOSS)	\$ (85,839)		\$ (1,405,437)	\$ (1,319,599)
DEPRECIATION EXPENSE	\$ 259,100		\$ 223,717	\$ (35,383)
Total Expenses	\$ 11,463,456		\$ 12,939,562	\$ 1,476,106
Income/(Loss)	\$ (364,231)		\$ (1,629,154)	\$ (1,264,923)
Use of Water Resource Fund	\$ 27,500		\$ 27,500	\$ -
Use of Previously Collected CIP Charge/Reserves	\$ 336,731	\$ 336,731	\$ 1,601,654	\$ 1,264,923
Net Income/(Loss)	\$ -	\$ -	\$ -	\$ -

RESOLUTION NO. 819-0613

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
FOOTHILL MUNICIPAL WATER DISTRICT
AMENDING RESOLUTION NO. 643-0100
(THE ADMINISTRATIVE CODE)
AS IT RELATES TO RATES, FEES AND CHARGES
FOR WATER DELIVERIES**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT as follows:

1. Purpose.

This resolution substantially revises Resolution No. 643-0100 as it relates to rates, fees and charges by the District for the delivery of water.

2. Findings.

The board of directors finds:

(a) The rates, fees and charges set forth herein are based on evidence presented to the board at a duly-noticed public hearing.

(b) The rates, fees and charges set forth herein do not exceed the reasonable cost of the service for which the rate, fee or charge has been levied.

(c) The rates, fees and charges set forth herein are reasonable and necessary to maintain service at the current level.

(d) The adoption of this resolution and the levy and collection of the rates, fees and charges set forth herein will have no significant impact on the environment.

3. Amendment.

Chapter 4 of Title 3 of Resolution No. 643-0100 is amended and reenacted to read as follows:

"CHAPTER 4. WATER RATES AND CHARGES

3-4.001 GENERAL

This Chapter sets forth the rates and charges for water delivered by the District.

3-4.002 DEFINITIONS

The following terms are defined for the purposes of this chapter:

Customer means a water district, agency, association, firm or corporation which purchases water from the District.

District means Foothill Municipal Water District.

Firm deliveries means the direct use of water, other than groundwater, for reasonable and beneficial uses.

Replenishment deliveries mean water delivered for groundwater storage/injection under Metropolitan's Long Term Storage Program.

Metropolitan means The Metropolitan Water District of Southern California.

Treated water means water treated by filtration and disinfection at a Metropolitan surface water treatment facility and meets drinking water standards.

3-4.003 FIRM DELIVERIES

(a) The amount of firm water the District can deliver for direct use and the price is a function of the terms under which Metropolitan delivers water to the District. In brief,

Metropolitan has assigned an "initial base firm demand" to the District for the period between January 1, 2003, and December 31, 2012. Metropolitan amended that "initial base firm demand" effective January 1, 2013 to include historic replenishment sales. Metropolitan will change the base firm amount if the rolling ten-year average Metropolitan firm water purchases by Foothill are greater than this initial base firm demand. The District must purchase 60% times ten of the initial base firm demand from Metropolitan during the ten-year period. Metropolitan will charge lower rates ("Tier 1") for 90% of the base firm demand purchased annually. Metropolitan will charge higher rates ("Tier 2") for purchases greater than 90% of the base firm demand.

(b) The District has allocated the base firm demand among customers based on actual fiscal year 2001-02 firm deliveries amended to include replenishment sales. The amount assigned annually to each customer by the District is called the customer's "base allocation." The following is the base allocation and Tier 1 acre foot allocations for the District's agencies for calendar years ~~2009-2013~~ and 2010~~4~~:

	Base Allocation	Tier 1 Allocation	Tier 2 Allocation
<u>Crescenta Valley Water District</u>	<u>2,393.3</u>	<u>2,154.0</u>	<u>all excess of Tier 1</u>
<u>La Cañada Irrigation District.</u>	<u>2,946.7</u>	<u>2,651.9</u>	<u>"</u>
<u>Las Flores Water Company</u>	<u>776.2</u>	<u>698.6</u>	<u>"</u>
<u>Lincoln Avenue Water Company</u>	<u>1,813.9</u>	<u>1,632.5</u>	<u>"</u>
<u>Mesa Crest Water Company</u>	<u>744.2</u>	<u>669.8</u>	<u>"</u>
<u>Rubio Cañon Land & Water Assoc.</u>	<u>1,037.9</u>	<u>934.1</u>	<u>"</u>
<u>Valley Water Company</u>	<u>3,368.6</u>	<u>3,031.7</u>	<u>"</u>
	<u>13,080.8</u>	<u>11,772.6</u>	

	Base Allocation	Tier 1 Allocation	Tier 2 Allocation
<u>Crescenta Valley Water District</u>	<u>2,393.3</u>	<u>2,154.0</u>	<u>all excess of Tier 1</u>
<u>La Cañada Irrigation District.</u>	<u>2,878.9</u>	<u>2,590.9</u>	<u>"</u>
<u>Las Flores Water Company</u>	<u>776.2</u>	<u>698.6</u>	<u>"</u>
<u>Lincoln Avenue Water Company</u>	<u>1,774.4</u>	<u>1,597.0</u>	<u>"</u>
<u>Mesa Crest Water Company</u>	<u>744.2</u>	<u>669.8</u>	<u>"</u>
<u>Rubio Cañon Land & Water Assoc.</u>	<u>1,037.9</u>	<u>934.1</u>	<u>"</u>
<u>Valley Water Company</u>	<u>2,613.8</u>	<u>2,352.4</u>	<u>"</u>
	<u>12,218.7</u>	<u>10,996.8</u>	

Each customer's base allocation may change if the District's initial base firm demand is changed, but the sum of the base allocations of all customers shall continue to be the same as the base firm demand assigned by Metropolitan to the District.

(c) If the District's base firm demand is changed, a customer's base allocation will change in proportion to the amount the customer contributed to the change in comparison to the total increase in the District's base firm demand. However, a customer's initial base allocation will not decrease because of increases to other agency allocations.

(d) Customers shall pay the following rates per acre foot for firm deliveries from the listed reservoir or main transmission line leading thereto:

		<u>Effective January 1, 2012</u>
<u>Tier 1</u>	<u>\$ 794</u>	
<u>Tier 2</u>	<u>\$ 920</u>	
		<u>Effective January 1, 2013</u>
Tier 1	\$ 847	
Tier 2	\$ 997	

Effective January 1, 2014

Tier 1	\$ 890
Tier 2	\$1,032

(e) In the month that any agency exceeds 90% of its base firm demand, that agency will be billed Tier 2 rates. The District will be charged Tier 2 rates by Metropolitan when it exceeds its Tier 1 allocation. Any surplus Tier 2 revenue collected by the District through Tier 2 charges when the District does not go into Tier 2 allocation will be used for conservation and reliability projects within the District.

(f) Each customer shall purchase for direct use not less than 60% times ten of its initial base allocation of potable water during the ten-year period commencing January 1, 2003. Each customer shall pay the average of the Tier 1 Supply Rate in effect for the ten-year period beginning January 1, 2003, plus District charges per acre-foot for the difference between the portion of this requirement that is delivered and the amount not delivered if the District has not purchased 60% times ten of its initial base allocation of potable water during the ten-year period commencing January 1, 2003.

3-4.004 REPLENISHMENT CHARGE

(a) The District may obtain Metropolitan water for indirect uses such as groundwater storage/injection.

(b) Customers shall pay the following rates for water delivered for Long Term Storage:

~~(1) Effective January 1, 2012, customers shall pay \$651 per acre-foot for water delivered for Long Term Storage.~~

(2) Effective January 1, 2013, customers shall pay the Tier 1 or Tier 2 rate per acre-foot for replenishment deliveries, as described in section 3-4.002.

(c) Long Term Storage deliveries shall be available at Metropolitan's and the District's discretion, and may be interrupted at any time by Metropolitan or the District. District agencies shall comply with Metropolitan's adopted terms and conditions for Long Term Storage.

3-4.005 CAPACITY CHARGE

(a) Each customer shall pay a charge based on the capacity of the District's system and the capacity of the system of Metropolitan needed to serve water to the customer.

~~(1) After January 1, 2012, each customer shall pay \$7,852.46 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2012, as follows:~~

	Flows	Monthly Amount
Crescenta Valley Water District	6.1	\$ 3,992
La Cañada Irrigation District	6.5	4,253
Las Flores Water Company	0.9	589
Lincoln Avenue Water Company	4.3	2,814
Mesa Crest Water Company	1.7	1,112
Rubio Cañon Land & Water Assoc.	0.0	0
Valley Water Company	3.4	2,225

(21) After January 1, 2013, each customer shall pay \$6,791.27 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2013, as follows:

	Flows	Monthly Amount
Crescenta Valley Water District	6.1	\$ 3,452
La Cañada Irrigation District	6.5	3,679
Las Flores Water Company	0.9	509
Lincoln Avenue Water Company	4.3	2,434
Mesa Crest Water Company	1.7	962
Rubio Cañon Land & Water Assoc.	0.0	0
Valley Water Company	3.4	1,924

~~(2) After January 1, 2014, each customer shall pay \$9,870 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2014, as follows:~~

	Flows	Monthly Amount
Crescenta Valley Water District	3.4	\$ 2,797
La Cañada Irrigation District	4.9	4,030
Las Flores Water Company	0.9	740
Lincoln Avenue Water Company	3.7	3,043
Mesa Crest Water Company	1.4	1,152
Rubio Cañon Land & Water Assoc.	0.0	0
Valley Water Company	3.3	2,714

(b) If the capacity charge is revised by Metropolitan the revised capacity charge will be reallocated to each customer based on the capacity of the District's system and the capacity of Metropolitan's system needed to serve water to the customer on the effective date of the revision. The District will allocate the revised capacity charge to customers in proportion to their share in the revised peak twenty-four hour demand.

(c) Demands measured for the purposes of billing the capacity charge include all firm demand deliveries. Replenishment service is not included in the measurement of peak day demand for purposes of billing the capacity charge.

(d) The capacity charge shall be paid regardless of the quantity of water delivered. The capacity charge shall be in addition to and shown separate from other charges invoiced by the District.

3-4.006 READINESS-TO-SERVE (RTS) CHARGES

(a) Metropolitan has adopted Readiness-to-Serve (RTS) charges applicable to the District, based upon historic average annual water deliveries as calculated and defined by Metropolitan. A portion of the District RTS charge obligation will be met through a parcel charge imposed by Metropolitan within the District service area. However, the parcel charge is inadequate to cover the District's entire RTS charge. The District will collect the remainder of the RTS charge from customers, using the same methodology as Metropolitan.

(b)

~~(1) Commencing January 1, 2012, each customer shall pay the following monthly RTS charge to the District:~~

Crescenta Valley Water District	\$ 10,305
La Cañada Irrigation District	\$ 12,433
Las Flores Water Company	\$ 3,077
Lincoln Avenue Water Company	\$ 6,057
Mesa Crest Water Company	\$ 3,214
Rubio Cañon Land & Water Assoc.	\$ 3,876
Valley Water Company	\$ 11,778

(21) Commencing January 1, 2013, each customer shall pay the following monthly RTS charge to the District:

Crescenta Valley Water District	\$ 9,529
La Cañada Irrigation District	\$ 11,622
Las Flores Water Company	\$ 2,798
Lincoln Avenue Water Company	\$ 5,825
Mesa Crest Water Company	\$ 3,025
Rubio Cañon Land & Water Assoc.	\$ 3,334
Valley Water Company	\$ 11,152

~~(2) Commencing January 1, 2014, each customer shall pay the following monthly RTS charge to the District:~~

Crescenta Valley Water District	\$ 11,933
La Cañada Irrigation District	\$ 14,903
Las Flores Water Company	\$ 3,486
Lincoln Avenue Water Company	\$ 6,854
Mesa Crest Water Company	\$ 3,888
Rubio Cañon Land & Water Assoc.	\$ 3,781
Valley Water Company	\$ 14,561

(c) The monthly RTS charge shall be paid regardless of the quantity of water delivered during the month. The monthly RTS amount due shall be in addition to and shown separate from other charges invoiced by the District.

3-4.007 CAPITAL AND REHABILITATION CHARGE

(a) Each customer shall pay for a share of the District's capital and rehabilitation costs necessary to serve each customer.

~~(b) Commencing January 1, 2012, the monthly capital and rehabilitation fee for each customer is as follows:~~

Crescenta Valley Water District	\$ 17,055.42
Kinneloa Irrigation District	\$ (336.50)
La Cañada Irrigation District	\$ 17,039.42
Las Flores Water Company	\$ 1,661.42
Lincoln Avenue Water Company	\$ 2,166.67
Mesa Crest Water Company	\$ 3,122.92
Rubio Cañon Land & Water Assoc.	\$ 4,414.75
Valley Water Company	\$ 18,406.00

(eb) Commencing January 1, 2013, the monthly capital and rehabilitation fee for each customer is as follows:

Crescenta Valley Water District	\$ 17,055.42
Kinneloa Irrigation District	\$ (23.41)

La Cañada Irrigation District	\$ 17,039.42
Las Flores Water Company	\$ 1,661.42
Lincoln Avenue Water Company	\$ 2,166.67
Mesa Crest Water Company	\$ 3,122.92
Rubio Cañon Land & Water Assoc.	\$ 4,414.75
Valley Water Company	\$ 18,406.00

(c) Commencing January 1, 2014, the monthly capital and rehabilitation fee for each customer is as follows:

Crescenta Valley Water District	\$ 17,055.42
Kinneloa Irrigation District	\$ 0.0
La Cañada Irrigation District	\$ 17,039.42
Las Flores Water Company	\$ 1,661.42
Lincoln Avenue Water Company	\$ 38,997.00
Mesa Crest Water Company	\$ 3,122.92
Rubio Cañon Land & Water Assoc.	\$ 4,414.75
Valley Water Company	\$ 18,406.00

3-4.008 ADMINISTRATIVE AND OPERATING CHARGES

(a) Each customer shall pay for a share of the District's administrative and operating costs attributable to the provision of water service to that customer. The customer's share is based on the ten-year rolling averages of sales, including wheeled water, groundwater transfers and surface water transfers during each fiscal year commencing July 1, 1998.

(b) The District shall bill each customer for administrative and operating costs based on the approved budget for the fiscal year commencing July 1, 2009. For each subsequent fiscal year, the billing shall commence on January 1st for the fiscal year commencing on the preceding July 1st.

~~(c) Commencing January 1, 2012, the monthly administrative and operating charge for each customer is as follows:~~

Crescenta Valley Water District	\$31,969.83
Kinneloa Irrigation District	\$ 614.08
La Cañada Irrigation District	\$39,002.75
Las Flores Water Company	\$ 9,640.58
Lincoln Avenue Water Company	\$21,806.50
Mesa Crest Water Company	\$ 9,969.75
Rubio Cañon Land & Water Assoc.	\$16,416.50
Valley Water Company	\$45,355.67

~~(d) Commencing January 1, 2013, the monthly administrative and operating charge for each customer is as follows:~~

Crescenta Valley Water District	\$31,694.90
Kinneloa Irrigation District	\$ 602.85
La Cañada Irrigation District	\$38,992.94
Las Flores Water Company	\$ 9,400.73
Lincoln Avenue Water Company	\$22,046.45
Mesa Crest Water Company	\$10,062.74
Rubio Cañon Land & Water Assoc.	\$14,800.57
Valley Water Company	\$44,819.65

(d) Commencing January 1, 2014, the monthly administrative and operating charge for each customer is as follows:

Crescenta Valley Water District	\$31,906.25
Kinneloa Irrigation District	\$ 600.84
La Cañada Irrigation District	\$39,581.04
Las Flores Water Company	\$ 9,253.15
Lincoln Avenue Water Company	\$22,842.23
Mesa Crest Water Company	\$10,211.14
Rubio Cañon Land & Water Assoc.	\$13,023.15
Valley Water Company	\$45,010.29

3-4.009 POWER COSTS

Commencing January 1, 2010, each customer will be charged power costs based on the proportionate amount of energy used for delivering water to that customer compared to other customers times the amount of the energy bill for that month or portion of month. Bills will be tendered in arrears. If an agency causes an increase in the peaking charge by a power provider, that agency will be assessed increased charges.

3-4.010 OTHER CHARGES

(a) A retail agency shall reimburse the District for the District’s stranded costs as determined by the Board of Directors if the retail agency imports water from a source other than the District.

(b) Water, in excess of regular deliveries, transported or “wheeled” through the District distribution system for the benefit of a District distributing agency or agencies shall be assessed an administration charge of \$5.00 per acre-foot, plus an amount to reflect any costs to the District arising from the transporting or wheeling of water. Such water shall meet California Department of Public Health standards and approval before being introduced into Foothill’s distribution system.

4. Other.

Except as provided herein, Resolution No. 643-0100 is reaffirmed and readopted.

PASSED, APPROVED AND ADOPTED on _____, ~~2012~~**2013**.

President

ATTEST:

Secretary

(Seal)

RESOLUTION NO. 819-0613

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
FOOTHILL MUNICIPAL WATER DISTRICT
AMENDING RESOLUTION NO. 643-0100
(THE ADMINISTRATIVE CODE)
AS IT RELATES TO RATES, FEES AND CHARGES
FOR WATER DELIVERIES**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT as follows:

1. Purpose.

This resolution substantially revises Resolution No. 643-0100 as it relates to rates, fees and charges by the District for the delivery of water.

2. Findings.

The board of directors finds:

(a) The rates, fees and charges set forth herein are based on evidence presented to the board at a duly-noticed public hearing.

(b) The rates, fees and charges set forth herein do not exceed the reasonable cost of the service for which the rate, fee or charge has been levied.

(c) The rates, fees and charges set forth herein are reasonable and necessary to maintain service at the current level.

(d) The adoption of this resolution and the levy and collection of the rates, fees and charges set forth herein will have no significant impact on the environment.

3. Amendment.

Chapter 4 of Title 3 of Resolution No. 643-0100 is amended and reenacted to read as follows:

"CHAPTER 4. WATER RATES AND CHARGES

3-4.001 GENERAL

This Chapter sets forth the rates and charges for water delivered by the District.

3-4.002 DEFINITIONS

The following terms are defined for the purposes of this chapter:

Customer means a water district, agency, association, firm or corporation which purchases water from the District.

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Firm deliveries means the direct use of water, other than groundwater, for reasonable and beneficial uses.

Replenishment deliveries mean water delivered for groundwater storage/injection under Metropolitan's Long Term Storage Program.

Metropolitan means The Metropolitan Water District of Southern California.

Treated water means water treated by filtration and disinfection at a Metropolitan surface water treatment facility and meets drinking water standards.

3-4.003 FIRM DELIVERIES

(a) The amount of firm water the District can deliver for direct use and the price is a function of the terms under which Metropolitan delivers water to the District. In brief,

Metropolitan has assigned an "initial base firm demand" to the District for the period between January 1, 2003, and December 31, 2012. Metropolitan amended that "initial base firm demand" effective January 1, 2013 to include historic replenishment sales. Metropolitan will change the base firm amount if the rolling ten-year average Metropolitan firm water purchases by Foothill are greater than this initial base firm demand. The District must purchase 60% times ten of the initial base firm demand from Metropolitan during the ten-year period. Metropolitan will charge lower rates ("Tier 1") for 90% of the base firm demand purchased annually. Metropolitan will charge higher rates ("Tier 2") for purchases greater than 90% of the base firm demand.

(b) The District has allocated the base firm demand among customers based on actual fiscal year 2001-02 firm deliveries amended to include replenishment sales. The amount assigned annually to each customer by the District is called the customer's "base allocation." The following is the base allocation and Tier 1 acre foot allocations for the District's agencies for calendar years 2013 and 2014:

	Base <u>Allocation</u>	Tier 1 <u>Allocation</u>	Tier 2 <u>Allocation</u> all excess of Tier 1
Crescenta Valley Water District	2,393.3	2,154.0	"
La Cañada Irrigation District.	2,946.7	2,651.9	"
Las Flores Water Company	776.2	698.6	"
Lincoln Avenue Water Company	1,813.9	1,632.5	"
Mesa Crest Water Company	744.2	669.8	"
Rubio Cañon Land & Water Assoc.	1,037.9	934.1	"
Valley Water Company	<u>3,368.6</u>	<u>3,031.7</u>	"
	13,080.8	11,772.6	

Each customer's base allocation may change if the District's initial base firm demand is changed, but the sum of the base allocations of all customers shall continue to be the same as the base firm demand assigned by Metropolitan to the District.

(c) If the District's base firm demand is changed, a customer's base allocation will change in proportion to the amount the customer contributed to the change in comparison to the total increase in the District's base firm demand. However, a customer's initial base allocation will not decrease because of increases to other agency allocations.

(d) Customers shall pay the following rates per acre foot for firm deliveries from the listed reservoir or main transmission line leading thereto:

<u>Effective January 1, 2013</u>	
Tier 1	\$ 847
Tier 2	\$ 997
<u>Effective January 1, 2014</u>	
Tier 1	\$ 890
Tier 2	\$1,032

(e) In the month that any agency exceeds 90% of its base firm demand, that agency will be billed Tier 2 rates. The District will be charged Tier 2 rates by Metropolitan when it exceeds its Tier 1 allocation. Any surplus Tier 2 revenue collected by the District through Tier 2 charges when the District does not go into Tier 2 allocation will be used for conservation and reliability projects within the District.

(f) Each customer shall purchase for direct use not less than 60% times ten of its initial base allocation of potable water during the ten-year period commencing January 1, 2003. Each customer shall pay the average of the Tier 1 Supply Rate in effect for the ten-year period beginning January 1, 2003, plus District charges per acre-foot for the difference between the portion of this requirement that is delivered and the amount not delivered if the District has

not purchased 60% times ten of its initial base allocation of potable water during the ten-year period commencing January 1, 2003.

3-4.004 REPLENISHMENT CHARGE

(a) The District may obtain Metropolitan water for indirect uses such as groundwater storage/injection.

(b) Customers shall pay the following rates for water delivered for Long Term Storage:

(1) Effective January 1, 2013, customers shall pay the Tier 1 or Tier 2 rate per acre-foot for replenishment deliveries, as described in section 3-4.002.

(c) Long Term Storage deliveries shall be available at Metropolitan's and the District's discretion, and may be interrupted at any time by Metropolitan or the District. District agencies shall comply with Metropolitan's adopted terms and conditions for Long Term Storage.

3-4.005 CAPACITY CHARGE

(a) Each customer shall pay a charge based on the capacity of the District's system and the capacity of the system of Metropolitan needed to serve water to the customer.

(1) After January 1, 2013, each customer shall pay \$6,791.27 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2013, as follows:

	Flows	Monthly Amount
Crescenta Valley Water District	6.1	\$ 3,452
La Cañada Irrigation District	6.5	3,679
Las Flores Water Company	0.9	509
Lincoln Avenue Water Company	4.3	2,434
Mesa Crest Water Company	1.7	962
Rubio Cañon Land & Water Assoc.	0.0	0
Valley Water Company	3.4	1,924

(2) After January 1, 2014, each customer shall pay \$9,870 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2014, as follows:

	Flows	Monthly Amount
Crescenta Valley Water District	3.4	\$ 2,797
La Cañada Irrigation District	4.9	4,030
Las Flores Water Company	0.9	740
Lincoln Avenue Water Company	3.7	3,043
Mesa Crest Water Company	1.4	1,152
Rubio Cañon Land & Water Assoc.	0.0	0
Valley Water Company	3.3	2,714

(b) If the capacity charge is revised by Metropolitan the revised capacity charge will be reallocated to each customer based on the capacity of the District's system and the capacity of Metropolitan's system needed to serve water to the customer on the effective date of the

revision. The District will allocate the revised capacity charge to customers in proportion to their share in the revised peak twenty-four hour demand.

(c) Demands measured for the purposes of billing the capacity charge include all firm demand deliveries. Replenishment service is not included in the measurement of peak day demand for purposes of billing the capacity charge.

(d) The capacity charge shall be paid regardless of the quantity of water delivered. The capacity charge shall be in addition to and shown separate from other charges invoiced by the District.

3-4.006 READINESS-TO-SERVE (RTS) CHARGES

(a) Metropolitan has adopted Readiness-to-Serve (RTS) charges applicable to the District, based upon historic average annual water deliveries as calculated and defined by Metropolitan. A portion of the District RTS charge obligation will be met through a parcel charge imposed by Metropolitan within the District service area. However, the parcel charge is inadequate to cover the District's entire RTS charge. The District will collect the remainder of the RTS charge from customers, using the same methodology as Metropolitan.

(b)

(1) Commencing January 1, 2013, each customer shall pay the following monthly RTS charge to the District:

Crescenta Valley Water District	\$ 9,529
La Cañada Irrigation District	\$ 11,622
Las Flores Water Company	\$ 2,798
Lincoln Avenue Water Company	\$ 5,825
Mesa Crest Water Company	\$ 3,025
Rubio Cañon Land & Water Assoc.	\$ 3,334
Valley Water Company	\$ 11,152

(2) Commencing January 1, 2014, each customer shall pay the following monthly RTS charge to the District:

Crescenta Valley Water District	\$ 11,933
La Cañada Irrigation District	\$ 14,903
Las Flores Water Company	\$ 3,486
Lincoln Avenue Water Company	\$ 6,854
Mesa Crest Water Company	\$ 3,888
Rubio Cañon Land & Water Assoc.	\$ 3,781
Valley Water Company	\$ 14,561

(c) The monthly RTS charge shall be paid regardless of the quantity of water delivered during the month. The monthly RTS amount due shall be in addition to and shown separate from other charges invoiced by the District.

3-4.007 CAPITAL AND REHABILITATION CHARGE

(a) Each customer shall pay for a share of the District's capital and rehabilitation costs necessary to serve each customer.

(b) Commencing January 1, 2013, the monthly capital and rehabilitation fee for each customer is

as follows:

Crescenta Valley Water District	\$ 17,055.42
Kinneloa Irrigation District	\$ (23.41)
La Cañada Irrigation District	\$ 17,039.42
Las Flores Water Company	\$ 1,661.42
Lincoln Avenue Water Company	\$ 2,166.67
Mesa Crest Water Company	\$ 3,122.92
Rubio Cañon Land & Water Assoc.	\$ 4,414.75
Valley Water Company	\$ 18,406.00

- (c) Commencing January 1, 2014, the monthly capital and rehabilitation fee for each customer is as follows:

Crescenta Valley Water District	\$ 17,055.42
Kinneloa Irrigation District	\$ 0.0
La Cañada Irrigation District	\$ 17,039.42
Las Flores Water Company	\$ 1,661.42
Lincoln Avenue Water Company	\$ 38,997.00
Mesa Crest Water Company	\$ 3,122.92
Rubio Cañon Land & Water Assoc.	\$ 4,414.75
Valley Water Company	\$ 18,406.00

3-4.008 ADMINISTRATIVE AND OPERATING CHARGES

(a) Each customer shall pay for a share of the District's administrative and operating costs attributable to the provision of water service to that customer. The customer's share is based on the ten-year rolling averages of sales, including wheeled water, groundwater transfers and surface water transfers during each fiscal year commencing July 1, 1998.

(b) The District shall bill each customer for administrative and operating costs based on the approved budget for the fiscal year commencing July 1, 2009. For each subsequent fiscal year, the billing shall commence on January 1st for the fiscal year commencing on the preceding July 1st.

- (c) Commencing January 1, 2013, the monthly administrative and operating charge for each customer is as follows:

Crescenta Valley Water District	\$31,694.90
Kinneloa Irrigation District	\$ 602.85
La Cañada Irrigation District	\$38,992.94
Las Flores Water Company	\$ 9,400.73
Lincoln Avenue Water Company	\$22,046.45
Mesa Crest Water Company	\$10,062.74
Rubio Cañon Land & Water Assoc.	\$14,800.57
Valley Water Company	\$44,819.65

- (d) Commencing January 1, 2014, the monthly administrative and operating charge for each customer is as follows:

Crescenta Valley Water District	\$31,906.25
Kinneloa Irrigation District	\$ 600.84
La Cañada Irrigation District	\$39,581.04
Las Flores Water Company	\$ 9,253.15
Lincoln Avenue Water Company	\$22,842.23
Mesa Crest Water Company	\$10,211.14
Rubio Cañon Land & Water Assoc.	\$13,023.15
Valley Water Company	\$45,010.29

3-4.009 POWER COSTS

Commencing January 1, 2010, each customer will be charged power costs based on the proportionate amount of energy used for delivering water to that customer compared to other customers times the amount of the energy bill for that month or portion of month. Bills will be tendered in arrears. If an agency causes an increase in the peaking charge by a power provider, that agency will be assessed increased charges.

3-4.010 OTHER CHARGES

(a) A retail agency shall reimburse the District for the District's stranded costs as determined by the Board of Directors if the retail agency imports water from a source other than the District.

(b) Water, in excess of regular deliveries, transported or "wheeled" through the District distribution system for the benefit of a District distributing agency or agencies shall be assessed an administration charge of \$5.00 per acre-foot, plus an amount to reflect any costs to the District arising from the transporting or wheeling of water. Such water shall meet California Department of Public Health standards and approval before being introduced into Foothill's distribution system.

4. Other.

Except as provided herein, Resolution No. 643-0100 is reaffirmed and readopted.

PASSED, APPROVED AND ADOPTED on _____, 2013.

President

ATTEST:

Secretary

(Seal)



June 2013 Board Letter

Date: 06/17/2013

To: Board of Directors

From: General Manager

RE: Foothill Conservation Program

Action Item: 7.2

Recommendation: It is recommended that the Board adopt the conservation program as described in this letter effective July 1, 2013.

Background

In May 2010, Metropolitan Water District of Southern California revised its conservation program to include an "MWD Funded/Member Agency Administered Program". Metropolitan has allocated funds to member agencies for use towards water conservation. This funding allows flexibility for agencies to implement projects specific to their service area and to explore innovative new projects. Funding was allocated based on the amount of total municipal and industrial demands from calendar year 2004 to 2006.

For fiscal year 2012-2013, the funding allocation to Foothill stayed the same as previous years at \$33,000. This funding was used to provide rebates for high efficiency toilets and turf replacement. Additionally, in fiscal year 2012-2013, \$25,300 was provided separately to the District for turf rebates at \$1 per square foot. Once those funds were used, the rebate became \$0.30 per square foot from the MWD Funded/Member Agency Administered Program." Foothill provided a total of \$30,041 from the \$58,300 total MWD funds.

In addition to the devices funded by MWD, Foothill also funded rebates for rain barrels. A total of about \$1,041 was provided to customers that purchased rain barrels out of the \$10,000 allocated from the Water Resource and Conservation Fund. Unused funds will remain in the Water Resource and Conservation Fund. An accounting as of the writing of this Board letter of the number of conservation devices and dollars provided is shown in Attachment A.

Proposed New Fiscal Year Program

Metropolitan has allocated to Foothill \$33,000 in funding again for the MWD Funded/Member Agency Administered Program for fiscal year 2013-2014.

It is proposed that the amount allocated to Foothill be divided for high efficiency toilets and turf replacement as described below. This program has been vetted with the retail agencies.

1. \$5,000 of MWD funds would be allocated for high efficiency toilet incentives. The rebates are \$50 per toilet. Thus, about 100 toilets can be replaced with this incentive.
2. \$28,000 of MWD funds would be allocated for turf replacement. The current incentive is \$0.30 per square foot up to 800 square feet per site. Should MWD receive grant funding the incentive per square foot may be raised.

In addition to the program funded by MWD, it is proposed that the District continue with rebates for rain barrels. The program would allow the District to fund 50% of the cost of a rain barrel only (does not include additional supplies for modification or installation) up to \$100. The rain barrels will be limited to 8 per customer.

All rebates would be on a first-come, first-served basis. Rebate funds may be reallocated from one device to the other by the General Manager based on the demands for the rebates.

Prior Board Action:

August 2009 – Adopted conservation program for rebates for synthetic turf and weather based irrigation controllers.

July 2010 – Adopted revised conservation program for rebates for turf replacement, high efficiency toilets and rain barrels and acceptance of partial MWD funding.

January 2011 – Changed funding limits and authorized General Manager to transfer funds further should it be necessary.

June 2011 – Adopted fiscal year 2011-12 conservation program for rebates for turf replacement, high efficiency toilets and rain barrels and acceptance of partial MWD funding.

January 2012 – Modified program and accepted funding for direct purchase and installation of high efficiency toilets.

June 2012 – Adopted fiscal year 2012-2013 conservation program for rebates for turf replacement, high efficiency toilets and rain barrels and acceptance of partial MWD funding.

Impact on Budget:

1. Use of up to \$33,000 allocated from MWD.
2. Use of up to \$10,000 from Fiscal Year 2013-14 budget for rain barrels. (This money is deducted from the Water Resources and Conservation Fund.)
3. Total use of funds \$43,000

Total Budget	Amount Budgeted for FY 2012-13	Amount Previously Used or Committed	Fee/Cost Estimate	Remaining
On-going	\$27,500	On-going	\$10,000	\$17,500

Based on approval of FY 2013-14 proposed budget. MWD allocated dollars not included in table.

**Attachment A
Breakdown of Fiscal Year 2012-2013 Refund**

AGENCY	Number of Toilets	TOILET Dollars	TURF @ \$1.00 per square foot	TURF @ \$0.30 per square foot	Number of Rain Barrels	RAIN BARREL Dollars	Total Dollars
CVWD	52	\$2,600.00	\$18,600.00	\$30.00	2	\$131.49	\$21,331.49
KINNELOA		\$0.00					\$0.00
LA CANADA IRRIGATION	4	\$200.00	\$800.00		3	\$187.50	\$1,187.50
LAS FLORES	3	\$150.00	\$800.00	\$382.80			\$950.00
LINCOLN AVENUE	12	\$600.00	\$4,700.00	\$637.80	6	\$721.84	\$6,021.84
MESA CREST		\$0.00					\$0.00
RUBIO CANON	2	\$100.00	\$400.00	\$30.00			\$500.00
VALLEY WATER	1	\$50.00					\$50.00
Total	74	\$3,700.00	\$25,300.00	\$1,080.60		\$1,040.83	\$30,040.83



June 2013 Board Letter

Date: 6/17/2013

To: Board of Directors

From: General Manager

RE: MWD Foundational Actions Funding Program

Action Item: 7.3

Recommendation: It is recommended that the Board decide on submittal of projects for the Foundational Actions Funding Program based on the information provided at the Board meeting.

Background

The Metropolitan Water District of Southern California (MWD) has introduced a grant called the "Foundational Actions Funding Program" (FAF) to help address regional funding needs for actions that reduce barriers to future water resource production (RFP attached). Only MWD member agencies may submit to FAF and each proposal requires a non-Metropolitan monetary match of at least 100 percent of the MWD funded amount. Sub-agencies of MWD member agencies are allowed to submit proposals to FAF, but the proposal must be submitted through their respective MWD member agency. An MWD member agency is allowed to submit multiple proposals, however MWD may ask each agency to rank by priority each proposal based on the number of proposals and dollar amount requests submitted. Funding requests for each MWD member agency are capped at \$500,000, which is for the total amount of the proposals submitted, and proposals are due by July 3, 2013. Each proposal is also limited to \$500,000.

In addition to attending a pre-proposal workshop on May 20, 2013, Foothill Municipal Water District (FMWD) staff has conducted outside meetings with MWD on FAF to obtain clarification on evaluation criteria for the proposal. MWD explained that they will not be inclined to fund similar projects through separate proposals and as such only one eligible proposal may be accepted for funding. MWD encourages those agencies aiming to submit for similar projects to team together in a capacity that will be best suited for FAF. MWD also underlined that projects for consideration must be unique, innovative, and potentially transferable to other regions within the MWD service area.

Infiltration Galleries

FMWD staff identifies FAF as an opportunity to secure supplemental funding for the lead discharge option of constructing infiltration galleries underneath an athletic field located on the campus of La Cañada High School as part of the FMWD Recycled Water Project. Infiltration galleries are permeable horizontal or inclined conduits into which water can infiltrate into the groundwater basin from an overlying or adjacent source. They are constructed beneath the earth in an area where there is sufficient recharge capacity and where the permeability of the soil is sufficient to transmit mass quantities of water. FMWD staff recognizes that little data is currently available from infiltration gallery technology in use today, including the impact of different qualities of water being recharged into groundwater basins. Data on soil kinetics when interacting with percolating waters of varying qualities is of particular interest to the California Department of Public Health, as current criteria outlined for recycled water recharge is limited to either surface spreading or full injection. Infiltration galleries may be presented as an acceptable hybrid-alternative to these options which allows for a condensed range of soil aquifer treatment that has yet to have been fully understood or explored within the MWD service area.

FMWD staff has learned that Orange County Water District (OCWD) is also considering applying to FAF under a similar infiltration technology based project. It is in FMWD's and OCWD's best interest to partner on the application so that both agencies receive some funding for the project. The combined proposal funding would be used for investigating infiltration gallery technology in each district's service area within the context of evaluating the characteristics of the two qualities of water to be percolated (OCWD's GWRS water and FMWD's Recycled Water Project water) and the

efficacy of the technology through a data analysis to be included as a final action report deliverable to MWD. Because OCWD is not a MWD member agency, it will be going through the City of Anaheim for its share of funding. Data from the proposed infiltration gallery projects, as well as documenting the implementation strategies unique to each project, will assist other MWD agencies preparing to embark on similar programs which directly correspond to evaluation criteria outlined in FAF. OCWD has indicated that they would be interested in obtaining \$100,000 funding. Below is the budget for FMWD for the funding that we would seek.

Cost Category	Non-Metropolitan Share (Funding Match)		Requested Funding	Total
	Source	Amount		
Planning	FMWD	\$49,065	\$0	\$49,065
Design	FMWD	\$38,750	\$65,000	\$103,750
Site Work				\$0
Booster Pump Station				\$0
Distribution System				\$0
Infiltration System				\$0
Lysimeters				\$0
Monitoring Wells				\$0
Natural Turf Irrigation System				\$0
Environmental Review	FMWD	\$35,000		\$35,000
Permits	FMWD	\$70,100		\$70,100
Construction/Implementation	FMWD	\$503,310	\$295,000	\$798,310
Construction Contracting (Administration)				\$0
Site Work				\$0
Booster Pump Station				\$0
Distribution System				\$0
Infiltration System				\$0
Lysimeters				\$0
Monitoring Wells				\$0
Natural Turf Irrigation System				\$0
Construction/Project Management	FMWD	\$19,000	\$15,000	\$34,000
Education and Outreach Development	FMWD	\$5,775		\$5,775
Direct Project Administration	FMWD	\$48,000	\$25,000	\$73,000
TOTAL		\$769,000	\$400,000	\$1,169,000

In addition, Crescenta Valley Water District is interested in applying for grant funding under this program. Attached is a letter and presentation from Crescenta Valley Water District. CVWD staff is planning to provide a presentation on their project at the Board meeting. At that time, it is recommended that the Board take action on the projects.

Prior Board Action:

None

Impact on Budget:

None

Attachments:

RFP

Crescenta Valley Letter and Presentation

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group**

**2013 Request for Proposals for
Foundational Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....May 6, 2013
Pre-proposal Workshop.....May 20, 2013 @ 10:00 a.m.
Proposal Due By.....July 3, 2013 @ 11:00 a.m.

NOTICE

A non-mandatory pre-proposal workshop will be held May 20, 2013, from 10:00 a.m. to 12:00 p.m. at Metropolitan Headquarters, Union Station 700 North Alameda Street, Los Angeles, CA 90012, Room US2-145.

All potential applicants are encouraged to attend.

Metropolitan Contact: Stacie N. Takeguchi
E-mail Address: stakeguchi@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot projects to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2013 Foundational Actions Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit a proposal for the program described herein.

1.1 Objective

Metropolitan has proposed a Foundational Action Funding (FAF) Program to help address regional funding needs for actions that reduce barriers to future water resource production, and:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (2010 IRP Update) established a planning framework, including a core resources program, that is designed to ensure the region's reliability into the future. The 2010 IRP Update also recognized that the future is uncertain and under some conditions, additional water resources may need to be developed. Addressing this future uncertainty, the 2010 IRP Update established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supply programs, should the need arise. This FAF Program represents one component of the overall IRP Foundational Actions strategy.

1.2 Description

Actions proposed under the FAF Program would consist of technical studies or pilot projects to enable effective future resource planning and potential implementation for the following resources (in no particular order):

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FAF Program may include, but are not limited to:

- determination of optimal desalination integration practices or treatment processes
- assessment of the stormwater runoff quantity potential in a region and its effect on groundwater production yields
- analysis of how to maximize opportunities for indirect potable reuse
- study of how to reduce barriers to direct potable reuse

- study to support permitting agencies in establishing policies and regulatory criteria for future regional water resources
- analysis of the ability for reduced brine-discharge approaches to help improve resource availability
- study of basin-wide water quality management programs and their impact on improved groundwater yields.

FAF Program would not include:

- funding CEQA documentation for projects
- existing studies or projects
- acquisition of property
- design of full-scale projects
- construction of full-scale projects

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or with other entities, but the proposal must be submitted by one designated lead Member Agency.

1.4 Funding

Member Agencies may submit proposal funding requests up to \$500,000 per agency or a given proposal. If a Member Agency submits multiple proposals, that Member Agency must indicate the priority ranking of each proposal. If partnering on a proposal, the Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency. A proposal may only be submitted once. Also, if partnering on a proposal, a breakdown of each member agency’s funding request and respective monetary match is required and will be used to track that agency’s total funding request (see Section 2.2F). Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Funding will not be provided for any work that will not allow results to be released to the public.

1.5 Anticipated Process Schedule

Date	Milestone
05/06/13	Release of RFP
05/20/13	Non-mandatory Pre-proposal Workshop
05/22/13	Questions for Clarification Closes at 11:00 a.m.
07/03/13	RFP Proposals Due By 11:00 a.m.
09/17/13	Proposal Awards (Contingent Upon Board Action)
11/15/13	Agreement Signed by Recipient Due
01/31/14	Work Initiation Deadline
02/01/16	Final Report Deadline

1.6 Non-mandatory Pre-proposal Workshop

1. A pre-proposal workshop will be held from 10:00 a.m. to 12:00 p.m., Monday, May 20, 2013, at Metropolitan's Headquarters at 700 North Alameda Street, Los Angeles, CA 90012, in Room US2-145. Metropolitan will discuss the details of the FAF Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal workshop (see Questions for Clarification section).
2. While attendance is not mandatory, all interested parties and prospective applicants are encouraged to attend. Attendees are invited to present relevant questions at the pre-proposal workshop.
3. Metropolitan headquarters is located next to the Los Angeles Union Station with many public transportation options. There are also numerous parking lots nearby (http://mwdh2o.com/mwdh2o/pages/about/union_station_parking_map.pdf). Parking will not be validated. Sign in at the front desk for a temporary badge and the location of the workshop. Allow sufficient time to sign in and locate the workshop.

1.7 Questions for Clarification

Address questions for clarification regarding this RFP in writing via e-mail to **Ms. Stacie Takeguchi** at stakeguchi@mwdh2o.com by 11:00 a.m., May 22, 2013. As appropriate, Metropolitan will provide responses to questions, information updates, and RFP addendums through a link near the bottom of the main page of Metropolitan's website, www.mwdh2o.com.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety prior to preparation of the proposal.
2. All proposals submitted will become the property of Metropolitan.
3. Applicants may modify or amend its proposals only if Metropolitan receives the amendment prior to the deadline stated herein for receiving proposals.
4. A proposal may be considered non-responsive if conditional, incomplete, or if it contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal.
5. Additional copies of the RFP may be downloaded through a link near the bottom of the main page of Metropolitan's website at: www.mwdh2o.com.

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals and revise terms and conditions, and elect to not award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.

4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Once submitted, the proposal shall be considered to be property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section 6250 et. seq. As such, all required submittal information is subject to disclosure to the general public. Consequently, unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.
2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code § 6254, including "trade secrets" under Evidence Code § 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential, supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential, supplemental information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FAF Program objectives and eligibility, and evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Metropolitan's Board of Directors (Board) approval.

2. During the evaluation process, the review panel may request clarification, as necessary, from the applicant. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results, are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that could be collectively part of an overall study/project, then only one eligible proposal may be selected for funding.
4. Review panel may elect to have the applicant interview or give an oral presentation. Applicant(s) must be prepared for the interview or to give their presentation within five business days of the request by review panel. The review panel may ask questions about the applicant's written proposal and other issues regarding the scope of work. The interview may be evaluated as part of the proposal.

1.13 Agreement Process

1. After proposals are selected for program participation, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if agreements are not signed by the recipient within three months of proposal selection.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit quarterly progress reports (including invoices), interim study/project documents, and a final report documenting study/project results, other findings, and recommendations for future action. Recipients must also submit a brief update report annually for a period of five years, summarizing related post-grant activities.
4. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
5. Funding will be provided quarterly based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per quarterly progress payment. A minimum 25 percent withholding is required until a final report is accepted by Metropolitan.
6. Final reports must be completed and submitted no later than **February 1, 2016**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of final report.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate proposals and make its selection recommendations. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document. The order of the listed criteria is not indicative of their priority, weighting, or importance.

Criteria:

1. Work Plan/Schedule
2. Costs
3. Reduces Barriers to Future Production
4. Regional Benefit/Applicability

The selection criteria are described further in Section 2.2 of this document.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Format Guidelines

- The proposal must be on white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 single-sided pages, including attachments.
- Proposals must be stapled on the upper left hand corner; no other type of binding will be accepted.
- Provide one original and six hard copies of the proposal.
- An electronic copy of the proposal must be submitted on a CD in Microsoft Word format. Do not include video or other additional media.
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- **Proposals that are not in conformance with these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Work Plan / Schedule
- F. Criteria Two – Costs
- G. Criteria Three – Reduces Barriers to Future Production
- H. Criteria Four – Regional Benefit / Applicability

A. Executive Summary Letter

This letter shall be a brief, formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). This letter shall provide a brief description of the proposal, and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP.

An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from necessary participants (not considered as part of the 20-page limit for proposals).

C. Key Individuals

- Proposal participants / cooperating agencies
- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal, conveying a clear understanding of the proposal's goals and objectives.

E. Criteria One – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also provide a description of the technical expertise and overall strength of the proposal team.

Cite proposed schedule including start date (no later than January 31, 2014), tasks, deliverables, reports, completion date (no later than February 1, 2016), and other key milestone dates. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instruction for evaluation:

- Work plan and schedule needs to include adequate detail and completeness so that it is clear that the proposed actions can be implemented and proposal success can be measured. Identify potential challenges, issues, and prerequisites related to proposal implementation, and describe how they will be addressed.
- Describe how the proposal objectives can be achieved in the stated time period with the allotted personnel and budget.

F. Criteria Two – Costs

Provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include any in-kind services. If partnering with other Member Agencies, provide separate cost tables for each Member Agency and a proposal total cost table. For each cost table, the grand total non-Metropolitan funding match must equal or exceed the Metropolitan funded amount requested. Also provide a list summarizing all sources of the funding match, their respective monetary contribution, and status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and also for the status of the matching funds.

Cost Table Example – Member Agency 1					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Member Agency 2					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Proposal Total					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total					

The following includes additional information and instruction for evaluation:

- Describe the cost effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FAF Program agreement.

G. Criteria Three – Reduces Barriers to Future Production

In this section, applicant shall describe in narrative form the following:

- Describe how the proposed actions are critical to resource implementation and planning efforts. If applicable, include how the proposed actions expedite future permitting or facilitate beneficial regulations for future water resources.
- Describe how these actions will advance the field of knowledge for development of future water resources. Include how the results of the proposed actions could be used in future research.

- Describe how these actions are unique and innovative. Describe the current state of technology, and include any completed or ongoing similar studies and how proposed actions differ (include a literature search summary).
- Describe how the proposed actions increase future local supply potential.

H. Criteria Four – Regional Benefit / Applicability

In this section, applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan’s member agencies, retail agencies, and regional stakeholders (transferable to other areas of the region). If applicable, describe other benefits, such as environmental, water quality, energy, wastewater, infrastructure, etc.

2.3 Submittal Instructions

Proposals for this RFP will be accepted at the following address:

<u>By Mail</u>	<u>In Person or by Courier</u>
The Metropolitan Water District of Southern California Water Resource Management Group P.O. Box 54153 Los Angeles, CA 90054-0153 Attn.: Business Resource Center Desk, US 5-113 RFP for Foundational Actions Funding Program	The Metropolitan Water District of Southern California Water Resource Management Group 700 North Alameda Street Los Angeles, CA 90012 Attn.: Business Resource Center Desk, US 5-113 – Telephone (213) 217-6000 RFP for Foundational Actions Funding Program

Proposals received after the stated time and date will be considered late and will be automatically rejected by Metropolitan. The applicant is **solely responsible to ensure that its proposal is submitted correctly both in form and content and within the stipulated deadline.** Proposals that are late will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 11:00 a.m., July 3, 2013.

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

To: Honorable President and Members of the Board of Directors June 17, 2013
From: David S. Gould, P.E. – CVWD, District Engineer
Subject: Discussion on CVWD's request to submit a grant application for MWD's Foundational Actions Funding Program

ACTION ITEM:

Metropolitan Water District - Foundational Actions Funding Program – Discussion of CVWD's request for FMWD to submit a grant proposal to MWD for funding of \$92,500 for CVWD's Crescenta Valley County Park Stormwater Recharge Facility Study as part of MWD's Foundational Actions Funding Program

BACKGROUND:

Local Groundwater Assistance Grant Program

CVWD submitted a grant proposal to the Department of Water Resources (DWR) under the Local Groundwater Assistance (LGA) grant program for Stormwater Recharge Facility Study at Crescenta Valley County Park for \$250,000. CVWD's proposal received a score of 38 out of 40 points and was ranked as a project that was to receive funding. However, DWR did not have enough money allocated to award funding to all the projects state-wide that were eligible. After a lengthy process, DWR decided to award projects that scored a 38, such as CVWD, 63% of the proposal request, which equals \$157,500.

Staff had a choice of canceling the study, using other funds to make up the difference, or reducing the scope of work to meet the amount awarded to CVWD.

Staff reviewed the grant application and determined that the study could be reduced by \$92,500 if the following was removed from the original scope of work:

- Installation & calibrating a channel gauge for verification of surface water flows in the Verdugo Wash. While this information is important to the study, the information can be extrapolated from existing data available from LA County.
- Perform a topographic survey and identify & catalog trees at CVC Park. This information could be obtained from LA County and field work by CVWD staff.
- Environmental and regulatory compliance and permit review. This work effort could be completed by CVWD staff.

The remaining scope of work which includes the installation of two monitoring wells, performing infiltration tests, water quality sampling in the Verdugo Wash, and groundwater modeling will remain the same.

The projected schedule from DWR is to award the project in July 2013 and have the study completed within two years.

Foundational Actions Funding Program

The Metropolitan Water District of Southern California (MWD) has introduced a grant called "Foundational Actions Funding Program" (FAF) to help address regional funding needs for actions that reduce barriers to future water resource production. The FAF program is open to MWD members only and it is a 50/50 matching grant up to \$500,000.

The FAF program is looking for technical studies or pilot projects that enable effective future resources planning and potential development in the areas of recycled water, seawater desalination, stormwater, and groundwater enhancement. The grant proposals are due by July 3, 2013, and the project will have to be completed in two years.

MWD held a pre-proposal workshop on May 20, 2013 to explain the program and the submittal process. MWD explained that the maximum amount one member agency could request is \$500,000, which is for the total amount of projects submitted. A member agency could submit more than one project and, those projects would have to be ranked.

DISCUSSION:

CVWD reviewed the request for proposals that was provided by MWD and it appears that the Crescenta Valley County Park Stormwater Recharge Facility Study meets the criteria set by MWD. Staff believes that the FAF could provide the additional funding of \$92,500 needed to complete the original study. Since the MWD grant is a matching grant, the funding awarded from DWR for the study can be used as the matching funds required by MWD.

However, CVWD is not a MWD member agency, but a sub-agency to Foothill Municipal Water District (FMWD), so the grant has to be submitted under FMWD's signature. At the last FMWD Board Meeting, CVWD's Director Bodnar requested that FMWD support CVWD with the submittal of a grant proposal to MWD.

Staff contacted FMWD to request that they add an agenda item to FMWD's June 17, 2013 Board meeting to present the grant proposal and to get FMWD's support to submit the proposal to MWD.

CVWD will make a presentation to FMWD's Board requesting support of the grant request of \$92,500 and to authorize FMWD's General Manager to submit the proposal to MWD.

In addition, staff will be getting letters of support from various agencies and stakeholders such as the City of Glendale, Los Angeles County Department of Public Works, Los Angeles County Parks & Recreation Department, ULARA – Watermaster, Council for Watershed Health, Crescenta Valley Town Council and Los Angeles County, Supervisor Antonovich.

CVWD has the majority of the grant application written, but the application needs to be put into MWD's proposal form. CVWD will be working on the final grant application for submittal on July 3, 2013

Prepared & Submitted by:

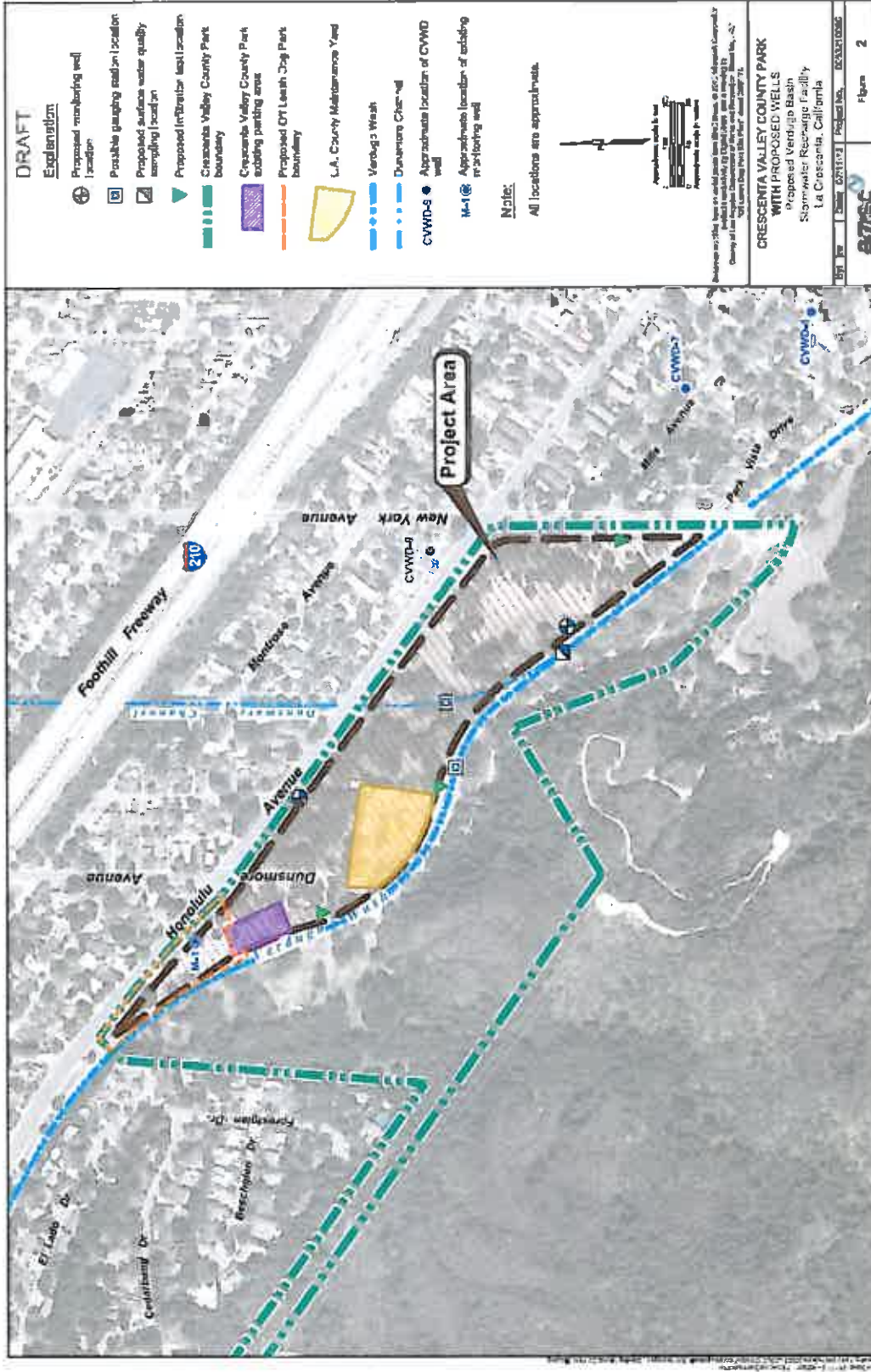


David S. Gould, P.E.
District Engineer

Attachments:

1. Project Location Map for CVC Park Stormwater Recharge Facility Study
2. CVWD – CVC Park Stormwater Recharge Facility Study Presentation

Figure 4-2: Project Area with Proposed Facilities





Crescenta Valley County Park Stormwater Recharge Facility Study

**Presented by
Crescenta Valley Water District**



June 17, 2013

CVWD Water Supply Sources

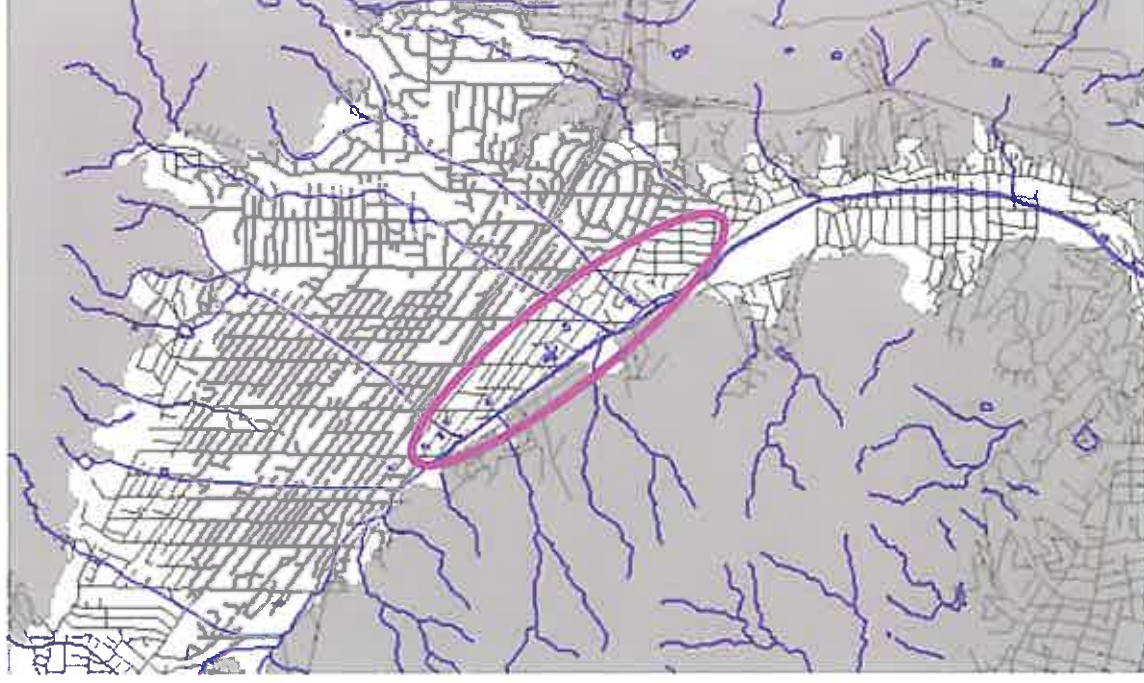
Local Groundwater – Verdugo Basin

- 11 GW wells located along Verdugo Wash
- Drilled between 1930 - 1956
- Provides 3.8 MGD max
- Today – 60% of water demand
- Dry Years – 50% of water demand

Imported Water – FMWD/MWD

- Provides 5.9 MGD max
- Today - 40% of water demand
- Dry Years – 50% of water demand

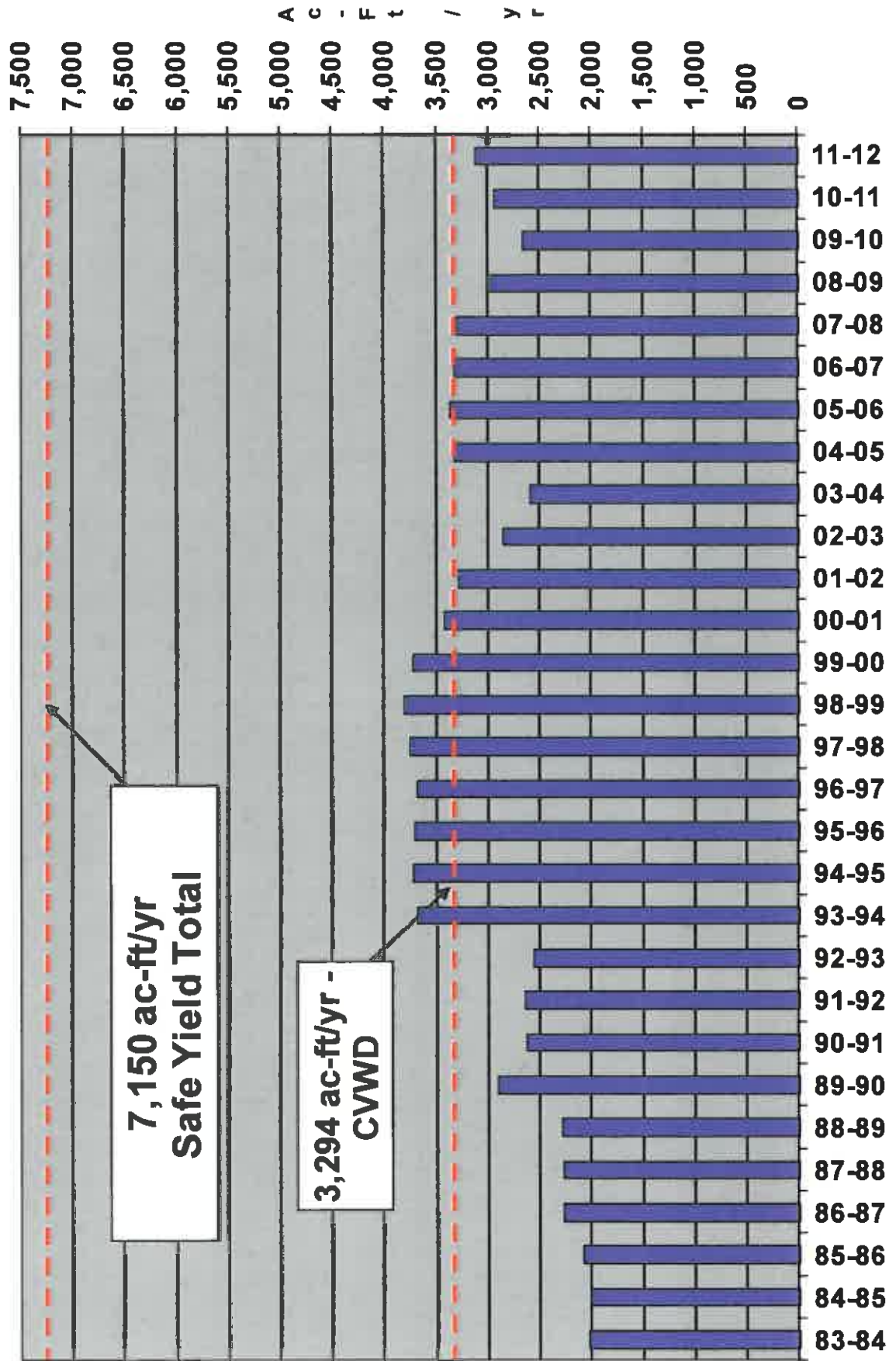
Groundwater Cost - \$450/ac-ft
FMWD Cost - \$1450/ac-ft



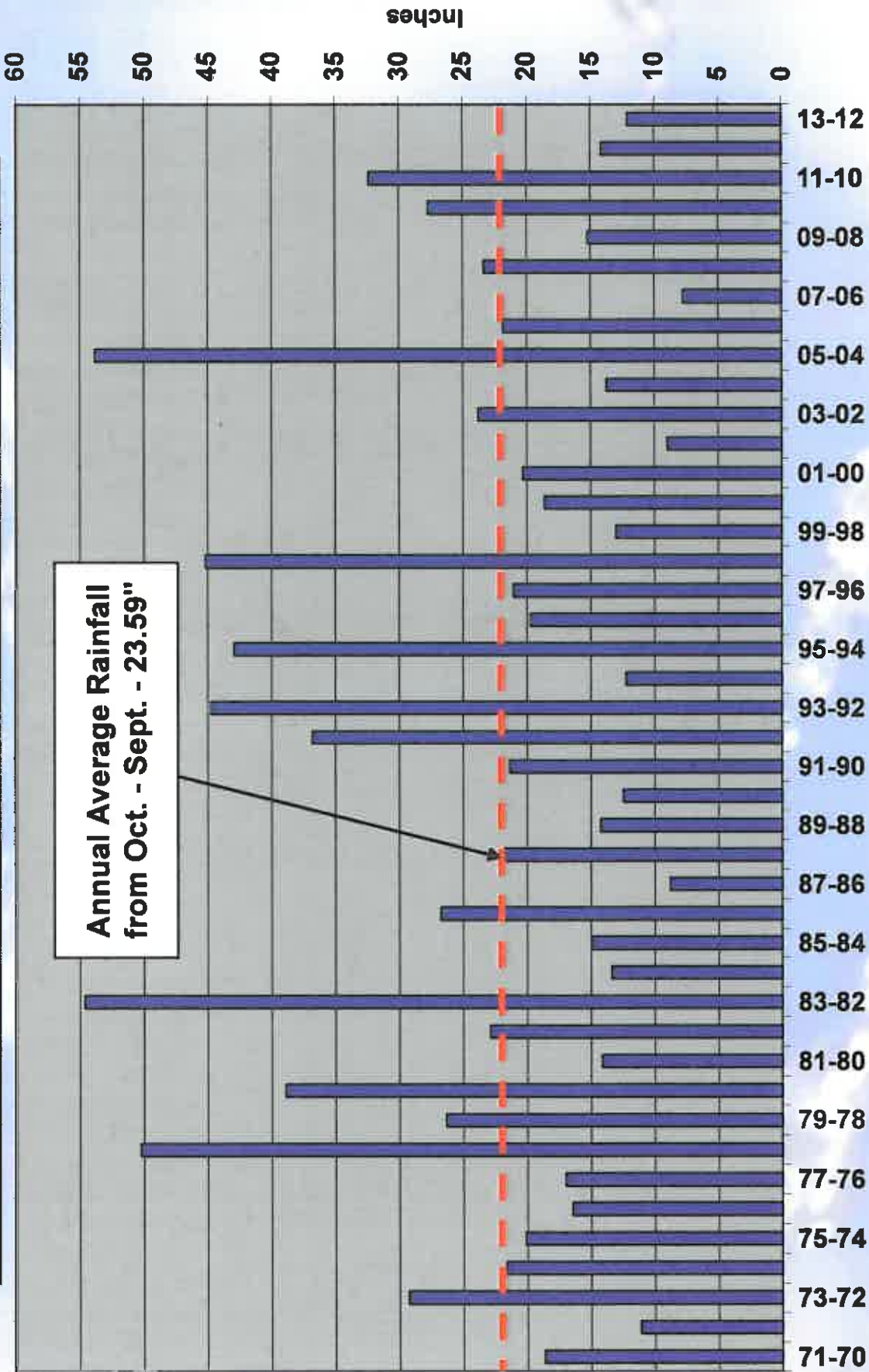
Upper Los Angeles River Area (ULARA)

- Upper Los Angeles River Area (ULARA) is the San Fernando Valley Basin with a Court Appointed Watermaster
- Adjudicated by 1979 Judgment
- 5 Parties within ULARA
 - City of Los Angeles City of Glendale
 - City of Glendale City of San Fernando
 - Crescenta Valley Water District
- Verdugo Basin - a sub-basin of the San Fernando Basin
- Water Rights
 - CVWD - 3,294 ac-ft
 - Glendale - 3,856 ac-ft
 - Safe Yield – 7,150 ac-ft

Crescenta Valley Water District Groundwater Production - 83/84 to 11/12



Monthly Rainfall - 1970/71 - 2012/13 (Oct. - Sept.)

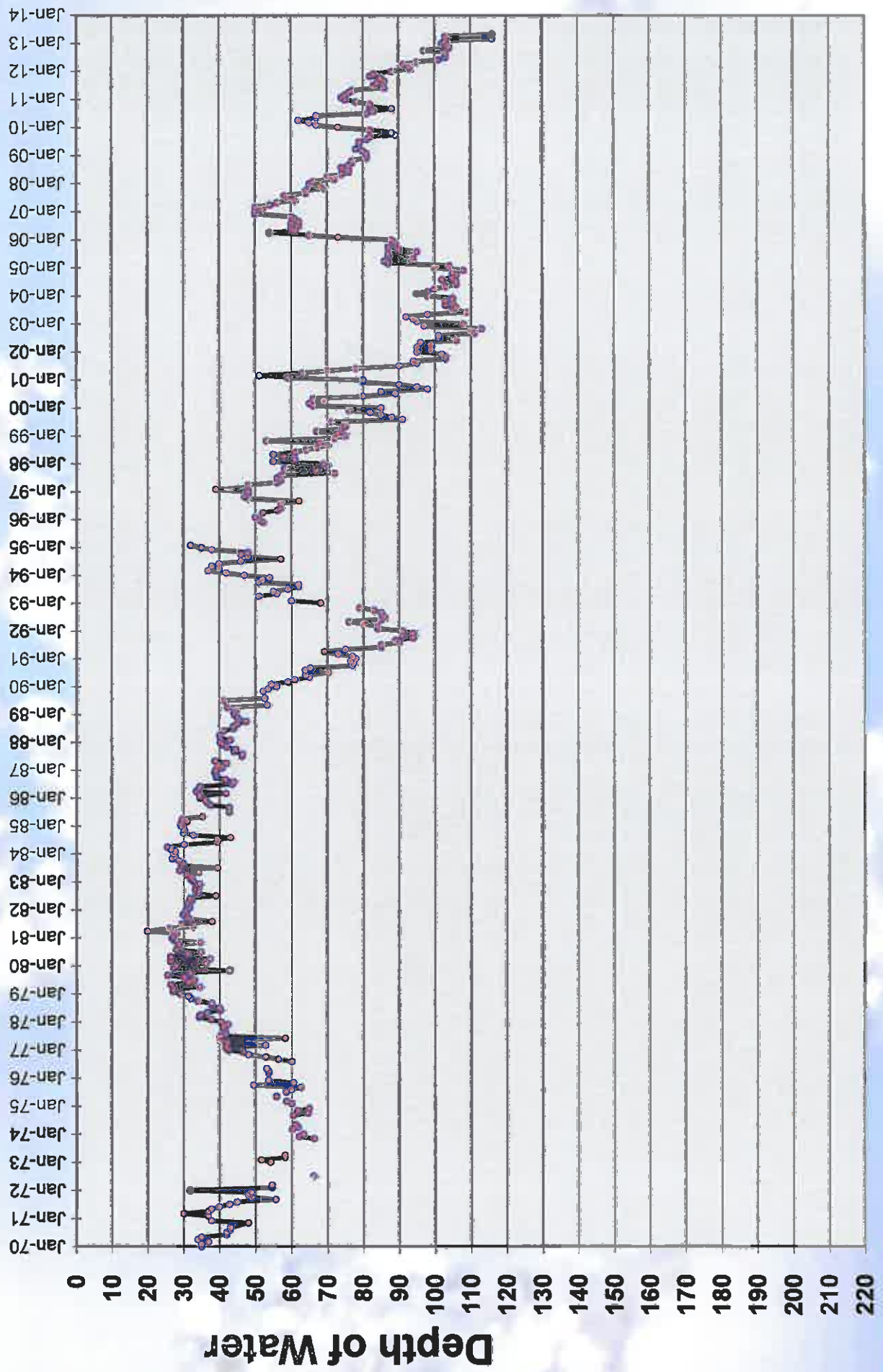


Annual Average Rainfall from Oct. - Sept. - 23.59"

Rainfall Year



Well 1 - Static Level - 1970 - 2013



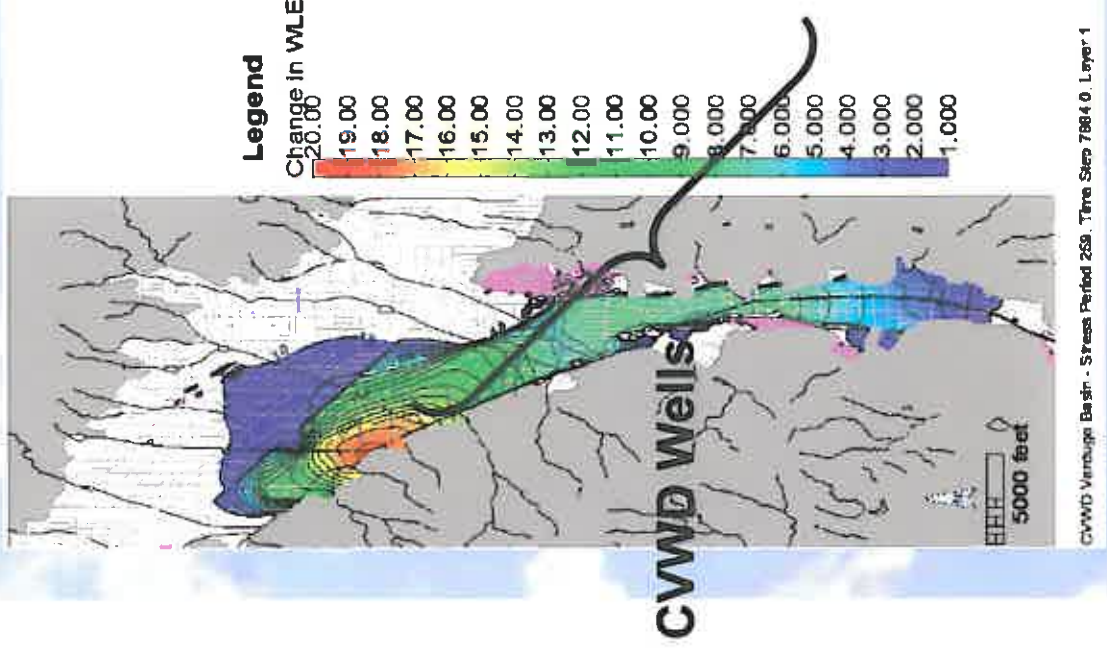
CVWD Groundwater Wells

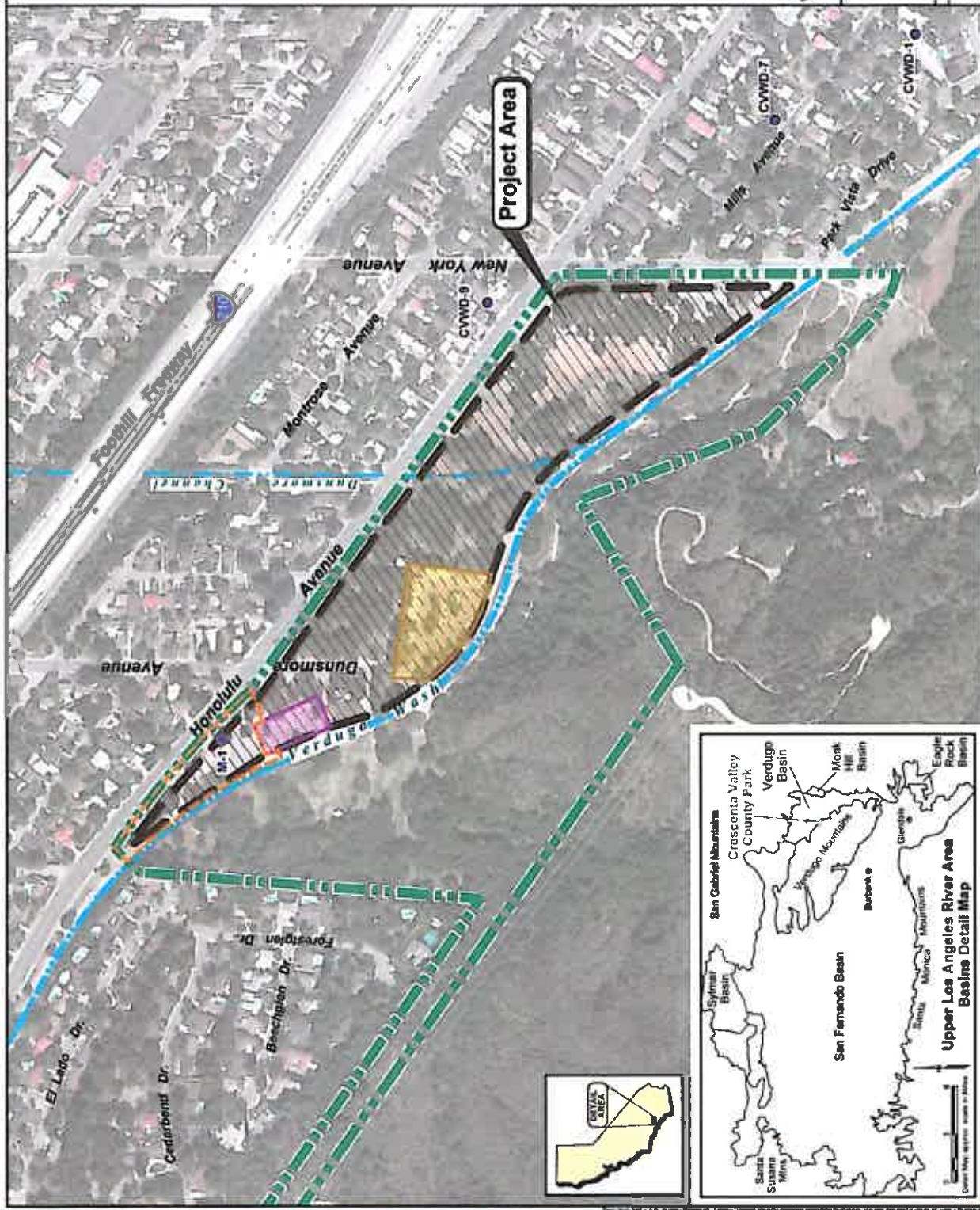
- **No work in Basin from 1956 – 1999**
- **Need to replace old & efficient wells**
- **1999 – Water Well Replacement Study**
- **2000 – Drilled Well 15 – 110 gpm; 35 gpm**
- **2001 – Drilled Well 17 - >20 gpm, not completed**
- **Studies – Three DWR AB 303 grants for \$785,000**
 - **2003 - Installed 3 Monitoring Wells**
 - **2005 - Verdugo Basin Recharge & Conjunctive Use Study**
 - **2006 - Geophysical Study of the Verdugo Basin**

Storm Water Recharge

Crescenta Valley County Park:

- Starting in April 1984
- Recharge about 340 AF/Yr over about 40 acres at CV Park
- GWL increased by 20 feet in recharge area
- GWL increased from 5 to 18 feet in well field area
- Based on April 1984 to Dec 2002 water levels:





PROJECT LOCATION MAP

Crescenta Valley County Park



Dunsmuir Channel



Verdugo Wash

Project Goal

- **The Goal of the Study**
 - **Evaluate the feasibility of using portions of Crescenta Valley County Park to capture and recharge stormwater, reduce dry weather runoff, and reduce surface water pollution**
 - **Recharge of stormwater and surface water runoff will help improve groundwater quality, increase water-supply reliability, and improve surface water quality in downstream receiving waters.**

Project Scope of Work - Phase 1

- Monitor and sample storm water runoff to evaluate its quality and assess the amount of storm water runoff available for recharge at and near CVC Park;
- Test & evaluating the recharge capacity of soils through infiltration tests at CVC Park;
- Install two (2) groundwater monitoring wells
- Groundwater modeling to evaluate the amount of recharge storage capacity beneath and near CVC Park,
- Establish a collaboratively work effort with a Task Force to provide input regarding the Study, its conclusions, and to help ensure that stakeholder interests are considered.

Project Scope – Phase 2

- **Not a Part of This Study**
- **Storm Water Recharge**
 - Capture storm water at Crescenta Valley Park to recharge the Verdugo Basin to maintain groundwater levels
- **Upgrading Parking Lot for Zero Runoff**
 - Reconfigure parking area to capture storm water on-site and reduce to zero runoff

Status of DWR – LGA Grant

- Grant Submitted 7/27/12 – Request for \$250,000 (Max)
- CVWD received 38 out of 40 Points
- 26 of 89 Projects received 38 – 40 Points
- DWR – Not enough funding for all 26 projects
- DWR to Fund:
 - Projects that scored 40 points – 90% of request - \$225,000
 - Projects that scored 39 points – 80% of request - \$200,000
 - Projects that scored 38 points – 63% of request - \$157,500
- CVWD to reduce Scope of Work to \$157,500
 - Eliminate installation of Channel Flow Gage
 - Eliminate Topography & Tree Survey of CVC Park
 - Permitting & Environmental Tasks shifted to CVWD Staff

Foundational Actions Funding Program

- **FAF program is looking for technical studies that enable effective future resources planning and potential development in the areas of stormwater, and groundwater enhancement.**
- **CVWD's Crescenta Valley County Park Stormwater Recharge Facility Study meets the requirements of this grant**
- **CVWD requesting funding of \$92,500**
- **Matching Funds from the DWR – LGA Grant**
- **Grant Application due July 3, 2013**

Stakeholders

- City of Glendale
- LA County, Department of Parks & Recreation
- LA County, Department of Public Works, Flood Control
- LA County, Department of Public Works, Watershed Division
- ULARA Watermaster's Office
- Council for Watershed Health
- CV Town Council
- Los Angeles County, Supervisor Antonovich Office
- Southern California Water Committee
- Foothill Municipal Water District
- Glendale-Crescenta Volunteers Organized in Conserving the Environment
- Arroyo Seco Foundation

Questions and Comments



June 2013 Information Item

Date: 06/17/2013

To: Board of Directors

RE: Bay Delta Conservation Plan

Information Item: 8.1

Discussion regarding the Bay Delta Conservation Plan.

Attachment (s):

Letter from the U.S. Congress

Congress of the United States
Washington, DC 20515

June 13, 2013

The Honorable Jerry Brown
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

We are writing to you in anticipation of our California Democratic Congressional Delegation meeting with your Administration next week regarding the Bay Delta Conservation Plan (BDCP). We continue to have concerns regarding the process, administrative plan, and accompanying environmental documents that your agencies have released over the last few months. Although we can all agree that the status quo is not an option for the long-term viability of the Delta region and California's water reliability, the state's preferred alternative still does not fully adhere to the state's co-equal goals and thus remains a threat to the health of the Bay-Delta's ecosystem. Furthermore, the financing of the plan is not viable, and other alternatives to the state preferred plan have not been adequately analyzed.

As we have mentioned in previous letters, a poorly-designed plan would cause disastrous disturbances to the state's water supply. There is too much at stake in the BDCP for California to move forward with a massive project without using sound science, a viable financing plan, analyzing other options and considering the voices of all stakeholders including those in the Bay Delta and North of the Bay Delta.

For the BDCP to be successful the Administration needs to demonstrate that, going forward, it will represent all California stakeholders and prioritize a balanced approach mandated by federal and state law. It must yield a plan that can be permitted, that meets legal requirements, that provides a more reliable water supply for California and that protects, restores, and enhances the Delta ecosystem for the region's families, farmers, and small business owners.

We would like your Administration to address several points of concern in our upcoming meeting to come to a better understanding of what is needed to move forward:

- Given that the BDCP does not generate any new water or adequately estimate how much water would actually be exported, how specifically will we know that all stakeholders will maintain an adequate water supply? Especially in the third or fourth year of a drought?
- Why doesn't the BDCP meaningfully analyze investments in conservation, recycling, and other regional supplies to achieve a more reliable water supply for California?

- There have been several proposed alternatives that have generated widespread interest due to the shortcomings of the BDCP plan, including the Portfolio Alternative. These proposed alternatives include benefits such as a smaller facility, scientifically-based flow and pumping rules, and a broad, integrated package of actions. Why has little meaningful analysis of these alternatives been included in the preliminary drafts of the plan?
- Given the projected increase of over \$1 billion in the BDCP's cost to a total of \$24.7 billion, have you secured hard, financially sound commitments from stakeholders including contractors to ensure that all costs will be covered? Does this include the cost of the conservation and mitigation measures that the State has committed to paying?
- Are the State and Federal administrations proposing to pay more of the costs of the BDCP if it results in less water exports than the contractors are currently requesting?
- Does the BDCP plan to potentially use Central Valley Project Improvement Act funds, which are already scarce, to fund elements of BDCP including canal construction costs?
- Recent discussions indicate that your administration is planning to use the water bond funding to pay for project mitigation. This would result in the mitigation costs being paid out of the general fund and thereby ignoring the standard procedure of the project itself paying for mitigation. Is this the case? If the water bond fails at the ballot, how will the BDCP fund habitat and mitigation plans?
- How can you ensure that the Delta Counties will have a meaningful role in the governance of the BDCP?

Unlike past meetings, we expect your representatives will have substantive answers to our questions; otherwise our meeting will lack the productive dialogue that is necessary for real progress.

Sincerely,



GEORGE MILLER
Member of Congress



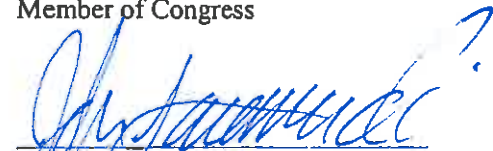
JERRY McNERNEY
Member of Congress



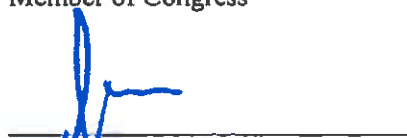
MIKE THOMPSON
Member of Congress



DORIS O. MATSUI
Member of Congress



JOHN GARAMENDI
Member of Congress




AMI BERA
Member of Congress

The Honorable Jerry Brown
June 13, 2013
Page 3 of 3



JACKIE SPEIER
Member of Congress



ANNA G. ESHOO
Member of Congress



June 2013 Board Letter

Date: 6/17/13

To: Board of Directors

From: General Manager

RE: General Manager's Report

Staff Report: 11.0

9.1 Operations/Sales Summary

Attached to the report are six charts and two tables that reflect Foothill's purchases and sales. The first chart illustrates how Foothill is performing compared with its Tier 1 allocation and last year's firm sales. The blue line on the first chart reflects firm purchases from Metropolitan for calendar year 2013 of 2,904 AF. For comparison purposes, the fuchsia line shows firm purchases for calendar year 2012 of 7,827 AF. The yellow line shown horizontally across reflects Foothill's Tier 1 maximum of 11,773 AF.

The second chart reflects total sales to member agencies for the month of May. The third chart reflects calendar year 2013 firm sales to member agencies in comparison to each agency's Tier 1 maximum allocation. The fourth chart compares water sales by month for fiscal years 2011-2012 and 2012-2013 for the District. The fifth chart compares local production by month for fiscal years 2011-2012 and 2012-2013 for the retail agencies. The sixth chart compares total water use for fiscal years 2011-2012 and 2012-2013. Through May, there was a 6% increase in total water use by agencies compared to the previous May.

9.2 Great Pacific Securities

A five-year Treasury Bond was purchased on May 10th with a yield of 0.7900%.

9.3 Student Art

This year the District received 146 pieces of artwork submitted by students within the District for the "Water Is Life" Student Art Contest. Janet Fahey, Director for Rubio Canon Land and Water Association, Dennis Erdman, Crescenta Valley Water District General Manager and Bob Fan, Valley Water Company General Manager acted as judges. Hannah Shin of Crescenta Valley High School won First Prize totaling \$250 (\$150 for the student and \$100 Office Depot card for the teacher, Mr. Ngai); Second Prize went to Amelia Seropian of La Canada Elementary School totaling \$200 (\$100 for the student and \$100 Office Depot card for the teacher, Mrs. Redecker); Third Prize went to SoYoung Kwon of La Canada High School totaling \$150 (\$50 for the student and \$100 Office Depot card for the teacher, Ms. Shin); and three Honorable Mentions each receiving a \$25 Los Gringos Locos Restaurant Gift Card went to Eun Kim of La Canada High School, Irene Lee of Paradise Canyon Elementary School, and Amanda Stepp of Aveson Charter School in Altadena. The winners have been submitted to the Metropolitan Water District of Southern California for a second round of competition to be included in its annual "Water Is Life" calendar. Thank you to the judges for their assistance with this competition. Awards will be presented at the July 15, 2013 Board meeting.

9.4 Update on FMWD Recycled Water Project

Support letters received since the last Board meeting are attached. They include a letter from the NASA – JPL CERCLA Program, CA State Senator Carol Liu, Congresswoman Judy Chu and the Los Angeles County Department of Public Works. Since that time, staff has met with the La Canada United Methodist Church Committee, La Canada High School and Rubio

Canon Land and Water Association Directors to discuss the Project. President Atwater, MWD Representative Edwards and I also met with Jeff Kightlinger, Metropolitan Water District of Southern California General Manager to discuss the Project and MWD Foundational Actions Funding Program for the project. District staff plans on presenting the project to the Crescenta Valley Water District Board on June 18, 2013, the Altadena Chamber of Commerce on June 18, 2013, and the La Canada Unified School District Board on July 9, 2013.

9.5 Replacement of Generators Update

Notice to proceed to Global Power Group was issued May 31, 2013. A pre-construction meeting is scheduled for June 19, 2013.

9.6 Foothill's Ford Escape

The District's Ford Escape is 12 years old and has about 120,000 miles on it. This past month the transmission failed and had to be replaced. The cost for that repair was about \$2400. The blue book value is \$1200. In the next few months, staff will be coming to the Board for authorization to replace this vehicle.

9.7 Late Payment

Mesa Crest Water Company is, as of June 13th, ten days delinquent in payment of Invoice #MC-0313 for March water deliveries. A partial payment was made at the due date leaving a balance of \$5,000 delinquent. A 2% late fee was assessed on their May water delivery invoice. Late fees will continue to be assessed until payment is received in full. This is the third consecutive month of assessed late fees.

9.8 Water Supply Update

Lake Powell is currently at 48.5% of its 24.3 million acre-feet (MAF) capacity and Lake Mead is at 48.1% of its 25.9 MAF capacity. San Luis is about 0.641 MAF or about 31% of capacity. Lake Oroville is at 2.7 MAF or 78% of capacity. Diamond Valley Lake is about 661 TAF or 82% full. The State Water Project allocation for calendar year 2013 is 35% of entitlement or about 665 TAF for MWD.

9.9 Other

Attachments:

- 6 sales/delivery charts
- 2 sales/delivery tables
- Recycled Water Status and Budget
- Congresswoman Judy Chu Support Letter
- Senator Carol Liu Support Letter
- NASA Support Letter
- Los Angeles County Public Works Support Letter

Chart 1

Calendar Year Firm Water Purchases

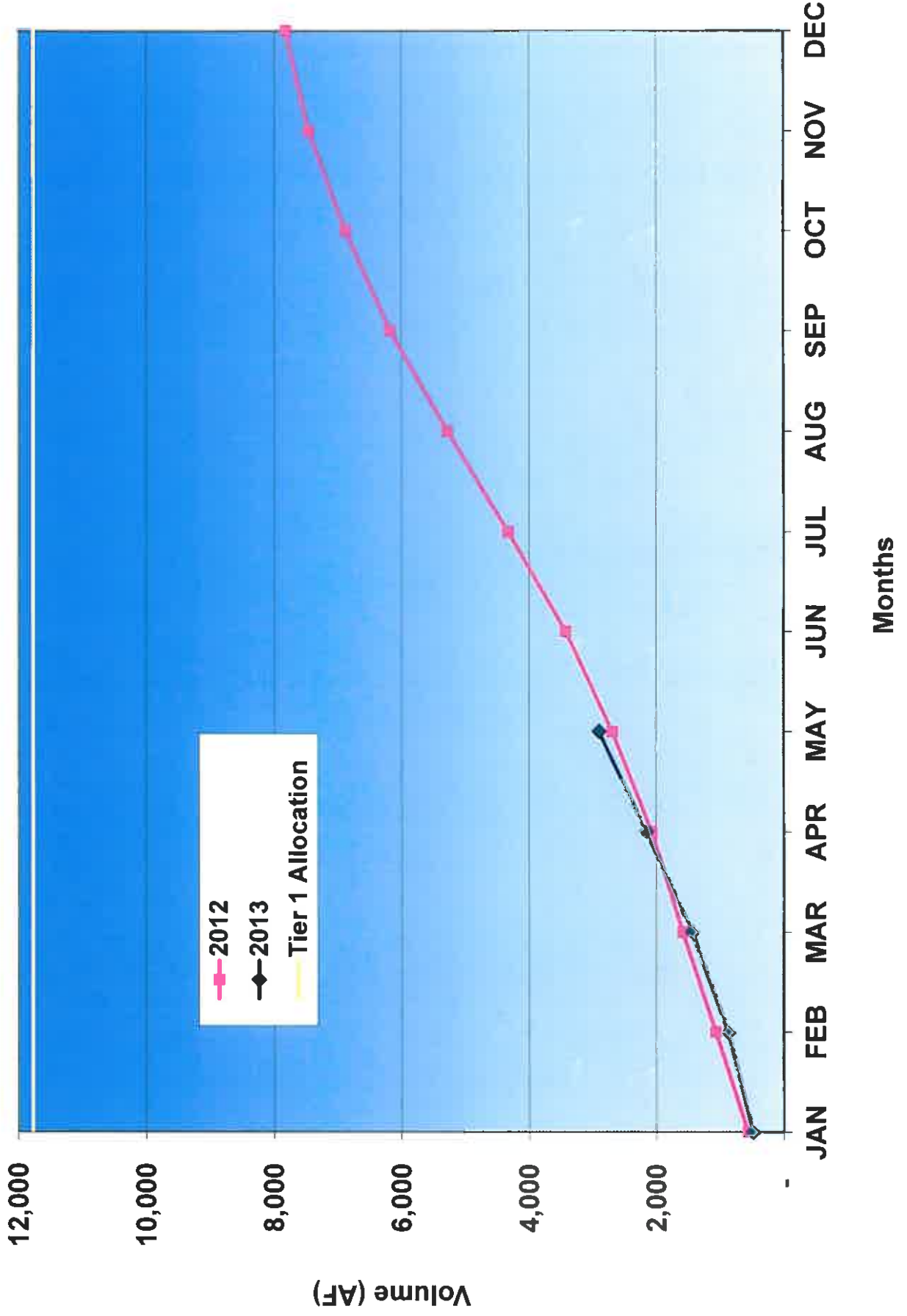
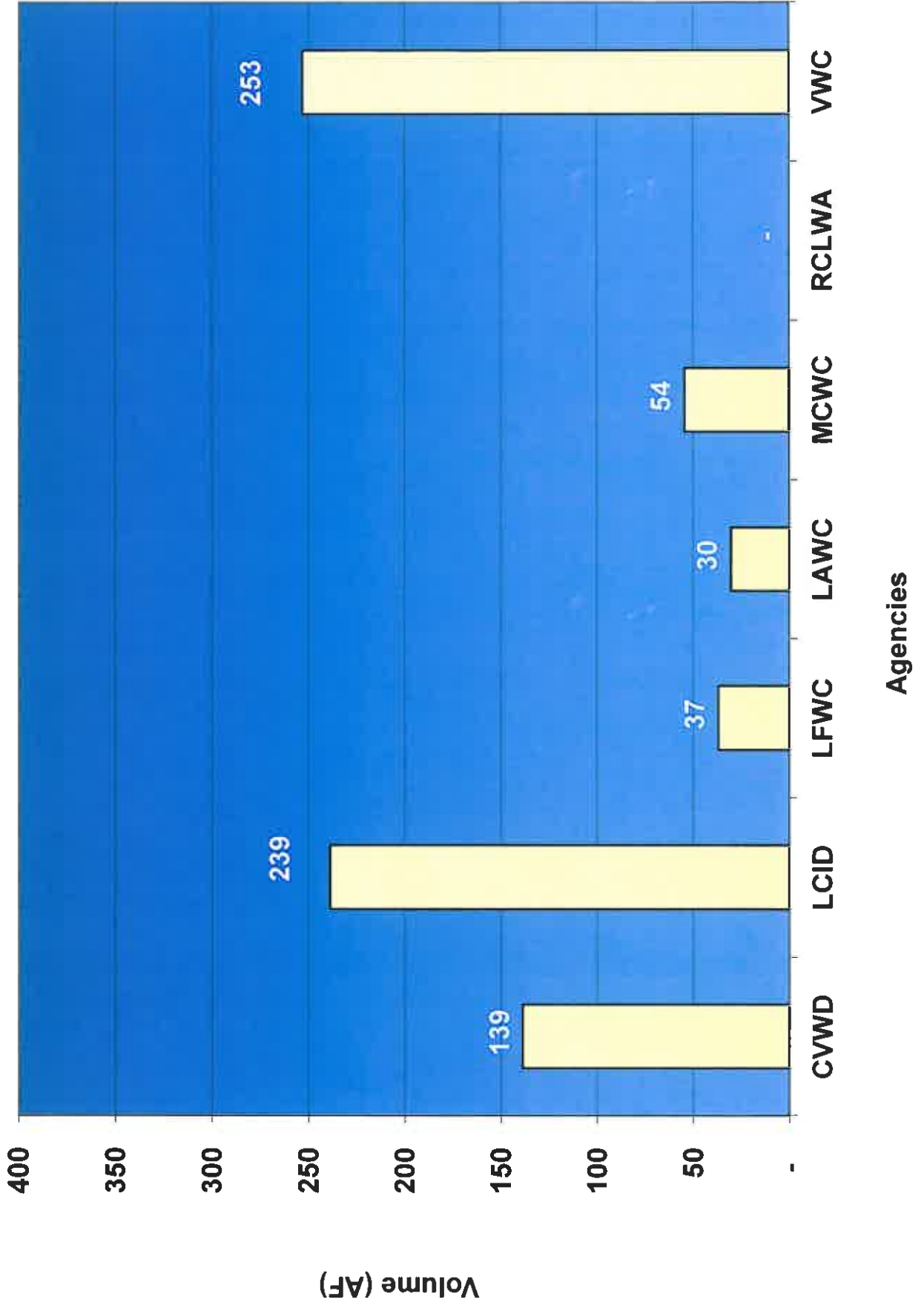


Chart 2

FMWD Agency Total Sales for May 2013



FMWD Agencies Calendar Year 2013 Water Sales

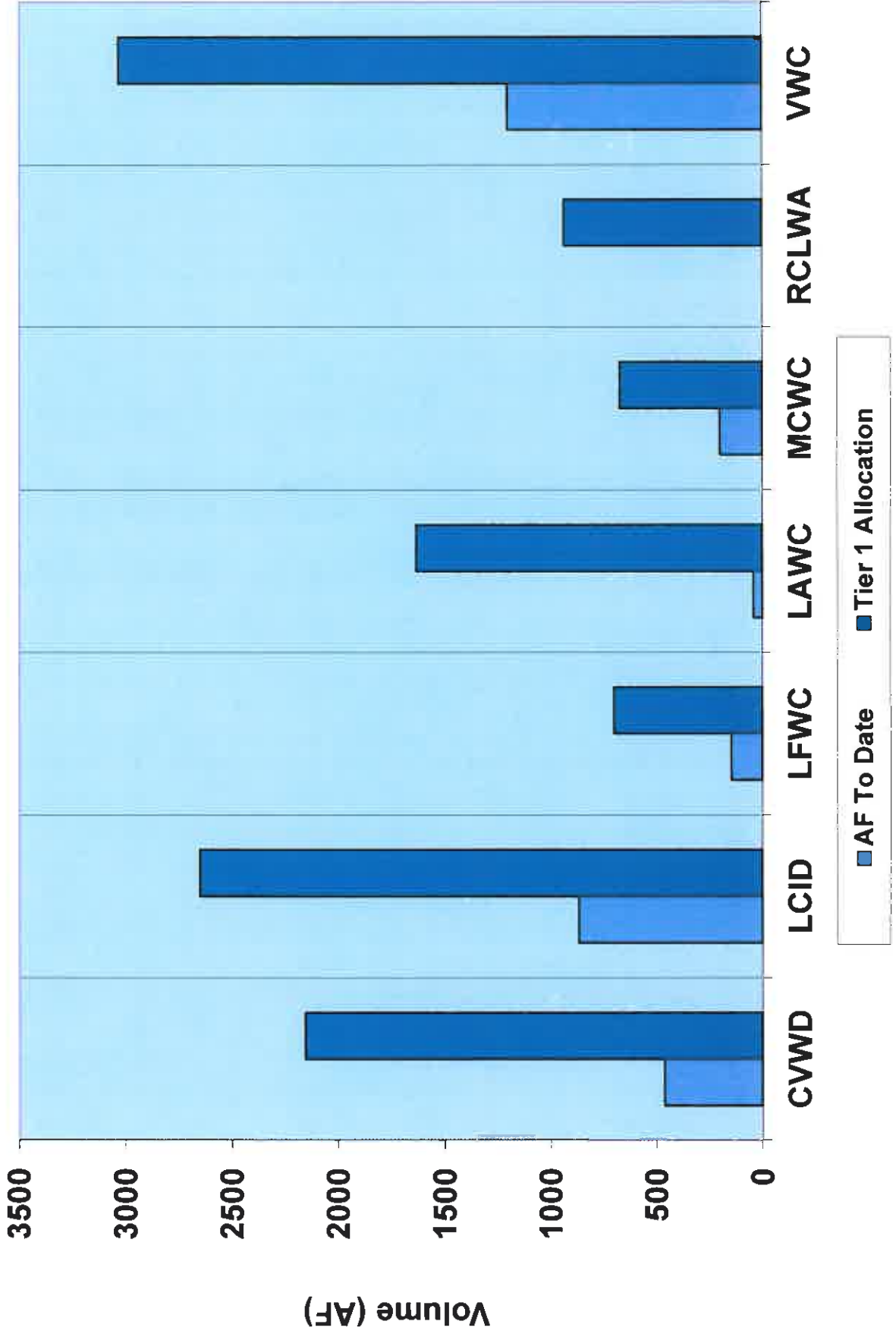
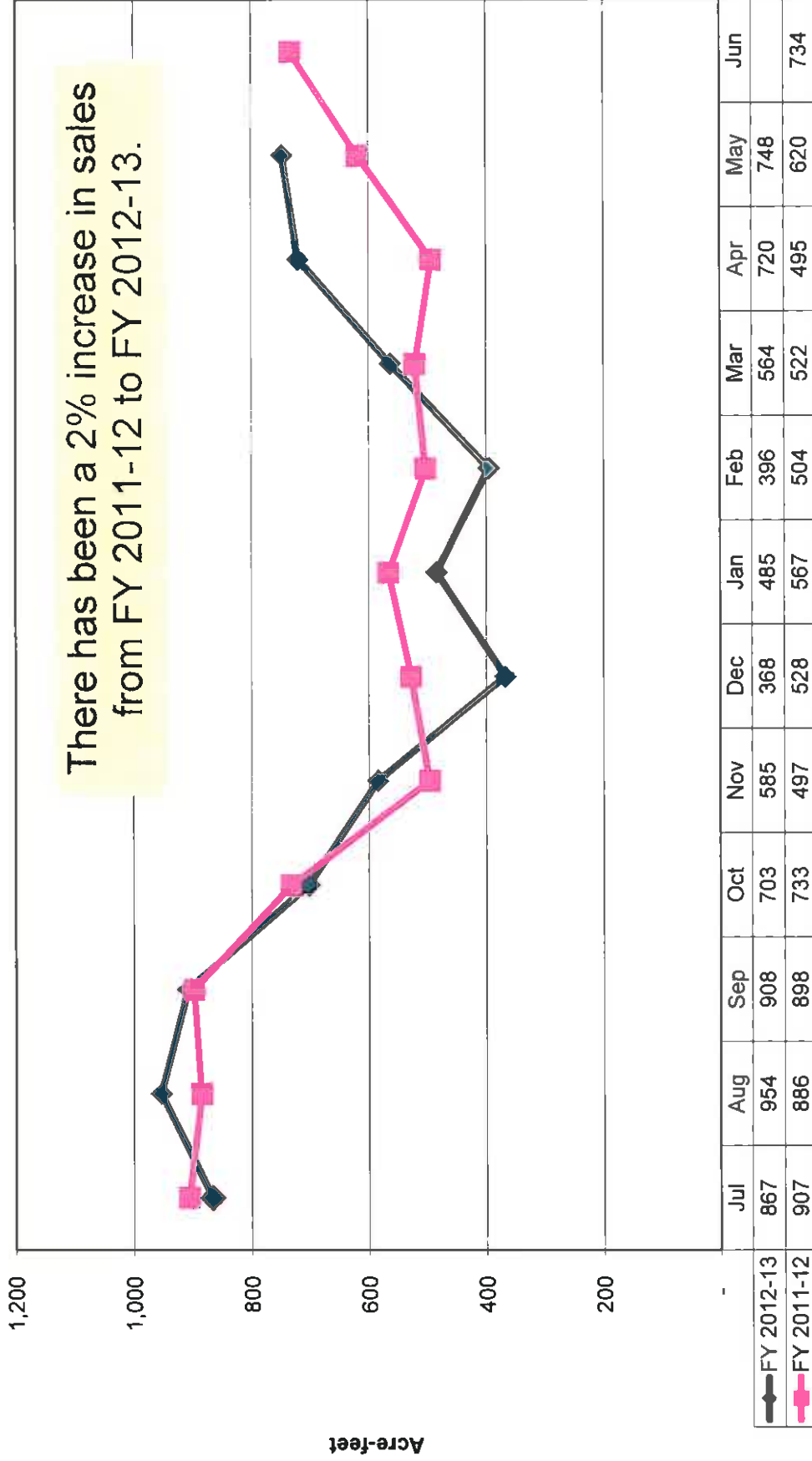


Chart 4

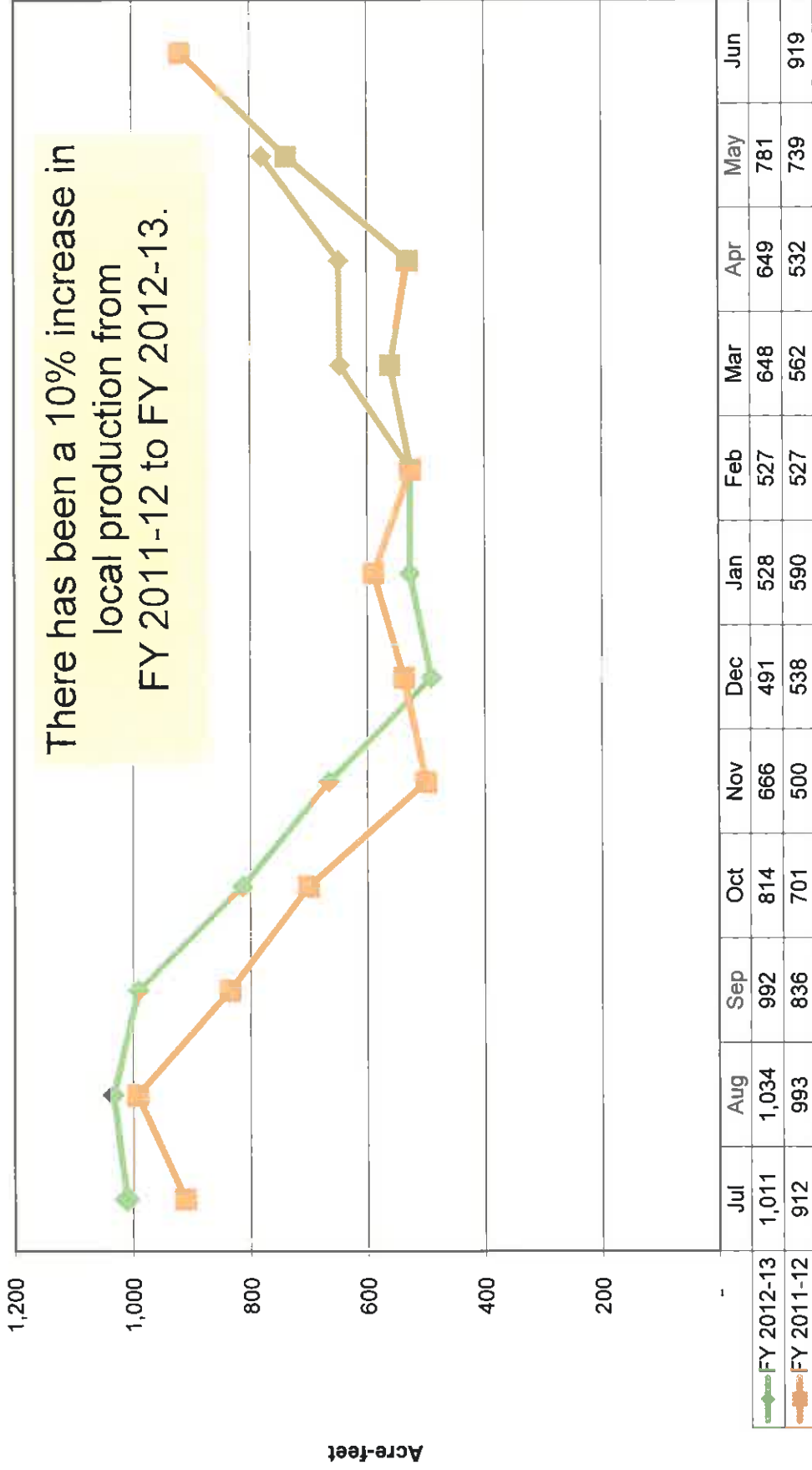
**Monthly Comparison
Change in FMWD Demands**



Months

Chart 5

**Monthly Comparison
Change in Local Production**

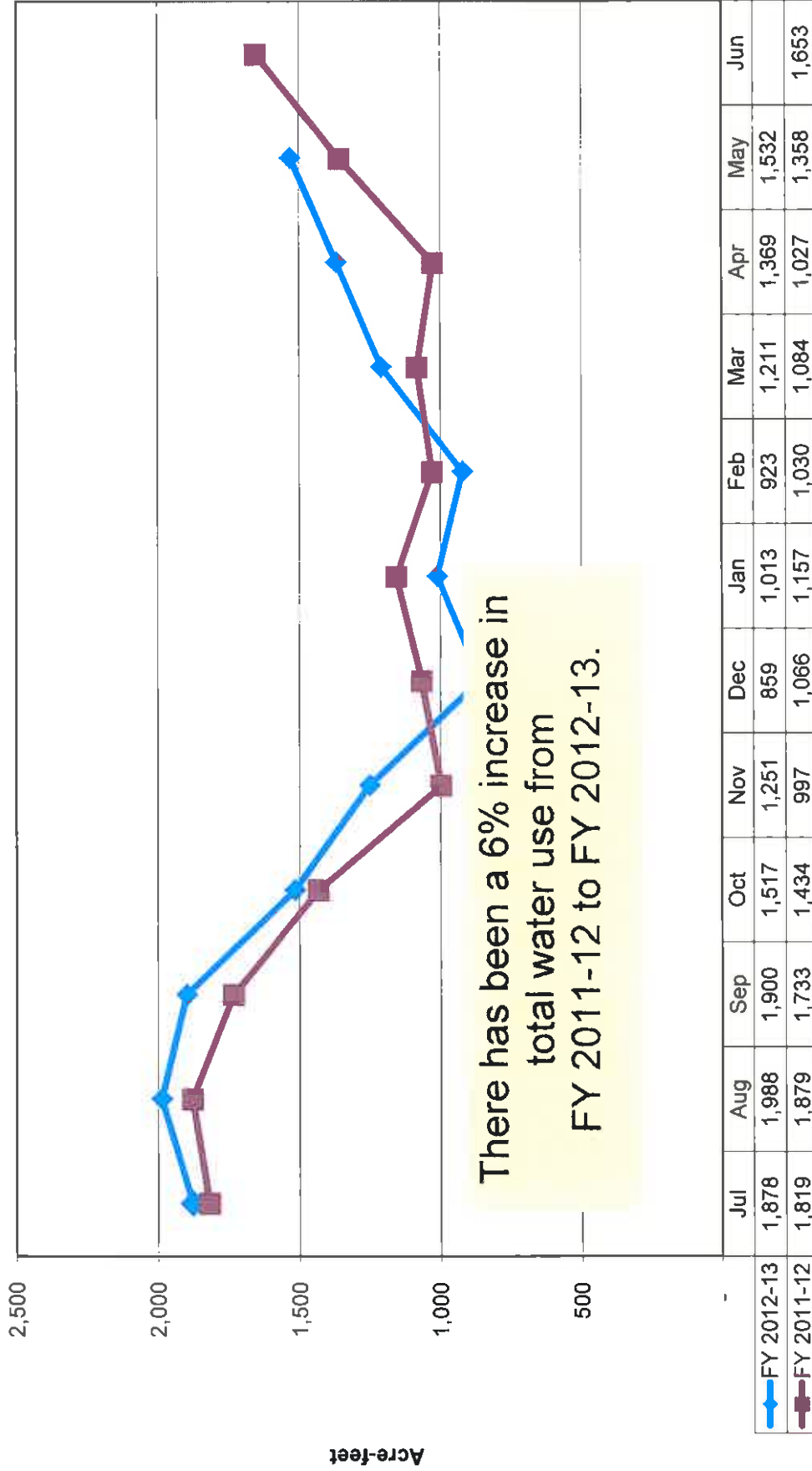


Acre-feet

Months

Chart 6

Monthly Comparison
Change in Total Water Demands



Months

GENERAL MANAGER'S REPORT

**WATER DELIVERED TO AGENCIES:
May 2013**

	CURRENT YEAR-TO-DATE										Prior Year Total		
	Tier 1		Tier 2		Total		Tier 1		Tier 2			Total	
	FHCUP	SALES	FHCUP	SALES	FHCUP	SALES	FHCUP	SALES	FHCUP	SALES		FHCUP	SALES
CVWD	138.6	138.6	0.0	138.6	138.6	138.6	1,387.1	1,387.1	0.0	0.0	1,387.1	1,387.1	1,320.4
LCID	238.7	238.7	0.0	238.7	238.7	238.7	2,279.4	2,279.4	0.0	0.0	2,279.4	2,279.4	2,114.3
LFWC	36.9	36.9	0.0	36.9	36.9	36.9	423.1	423.1	0.0	0.0	423.1	423.1	430.3
LAWC	30.4	30.4	0.0	30.4	30.4	30.4	195.6	195.6	0.0	0.0	195.6	195.6	388.2
MCWC	54.4	54.4	0.0	54.4	54.4	54.4	570.6	570.6	0.0	0.0	570.6	570.6	548.7
RCLWA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWC	252.9	252.9	0.0	252.9	252.9	252.9	2,220.7	2,489.3	0.0	0.0	2,489.3	2,489.3	2,353.3
FMWD							0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	751.9	751.9	0.0	751.9	751.9	751.9	1,471.8	7,345.1	0.0	0.0	7,345.1	7,345.1	7,155.2

WATER DELIVERED:

MWD	747.5
PASADENA	0.0
TOTAL	<u>747.5</u>

PURCHASE/SALES/DIFFERENCE:

Acre Feet	4.4
Percentage	0.65%

RAINFALL (inches)

Current Month:	2.55
Current year to date:	23.2
Prior year to date:	19.3
% average to date	69%
% average for water year	67%

AVERAGE TEMPERATURE

Minimum	57.0
Maximum	79.0

ANNUAL SALES:

CURRENT BUDGET:	8,350
PRIOR YEAR:	8,808
5-YEAR AVERAGE:	11,031

FMWD WATER PURCHASES CALENDAR YEAR 2013

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Tier 1 Total	Tier 2 Total	FHCUP Sales	TIER 1 ALLOCATION	% TIER 1
CVWD	65	54	78	125	139								460.0	460.0	-		2,154	21.4%
LCID	138	100	178	211	239								864.6	864.6	-		2,652	32.6%
LFWC	29	24	24	34	37								147.4	147.4	-		699	21.1%
LAWC	3	-	-	8	30								41.9	41.9	-		1,633	2.6%
MCWC	29	25	41	51	54								199.8	199.8	-		670	29.8%
RCLWA	-	-	-	-	-								-	-	-		934	0.0%
VWC	221	193	244	292	253								1,202.0	1,202.0	-		3,032	39.6%
	484.8	395.6	563.5	719.9	751.9								2,915.7	2,915.7	-		11,773	24.8%

FMWD Recycled Water Project

Status Date: January 22, 2013



SUCCESSSES

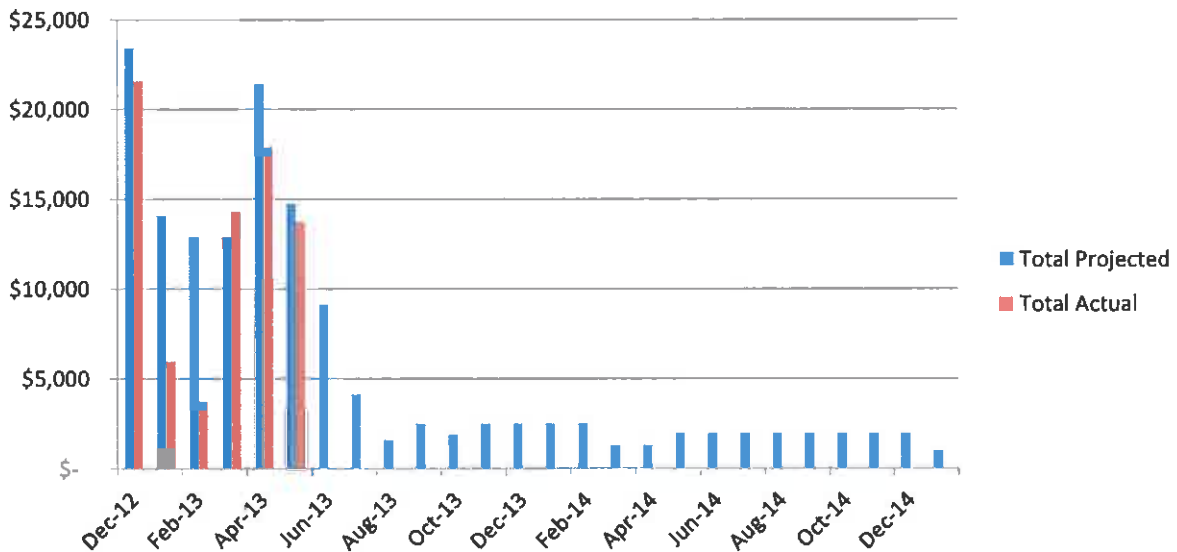
- Completed feasibility study accepted by SWRCB
- Ranked #1 in ULAR Subregion and #3 in GLAC Region for IRWMP grant
- Advanced to State level to compete for IRWMP funding
- Web site updated for recycled water

PROJECT STATUS

- Completed hydrogeologic work
- Proceeding with CEQA Plus
- Proceeding with Title 22 Concept Report
- Proceeding with negotiations with four (4) partnership agreements
- Conducted meetings with Schiff, Chu, Antonovich offices
- Conducted meetings with JPL and City of La Cañada Flintridge
- Conducted meeting with LARWQCB and CDPH
- Proceeding with LRP funding

BUDGET STATUS	COST
A. Contract Award	\$147,445
B. Contingency	\$0
C. Budget	\$147,445
D. Signed Change Orders	\$0
E. Negotiated C.O.'s	\$0
F. Changes In Progress	\$0
G. Current Exposure (A+D+E+F)	\$147,445
H. Contingency Balance (B-D-E-F)	\$0
I. Disputes / Rejections	\$0
J. Total Exposure (G+I)	\$147,445
K. Forecast	\$146,293
Payments To Date (Gross)	\$77,135

Total Projected Budget v Actual Spent



FMWD Recycled Water Project

Status Date: January 22, 2013

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	
Develop and Finalize External Funding																
Hydrogeologic Studies																
Environmental Document																
Partnership Agreements																
Title 22 Report																
Preliminary Design																

SCHEDULE STATUS

- CEQA release estimated for late June
- CEQA public workshop on July 22nd
- CEQA finalization in August and Board presentation August 19th
- Grant application(s) submitted, investigate other funding opportunities
- Title 22 Conceptual Report in progress

NEXT 60 DAYS

- Complete MWD LRP application
- Follow up on Title XVI authorization
- Continue public outreach
- Submit response by Church to Board for review and comment
- Continue negotiating (four) partnership agreements
- Draft Preliminary Design RFP
- Issue Initial Study (CEQA)
- Finalize Title 22 Conceptual Report

Pending

- MWD Foundational Actions Program Grant application - Due July 3rd
- Stormwater and urban runoff rights in the Basin - In Progress
- Follow-up meeting with the La Cañada United Methodist Church - After June 17th
- Meeting with La Cañada Unified School District - July 9
- Begin investigating funding for artificial turf replacement at School - In Progress
- Sample sanitary sewer to establish quality parameters for PDR - In Progress
- Stormwater pipeline "as-build" investigation - In Progress
- Finalize La Cañada United Methodist Church lease agreement

JUDY CHU, Ph.D.
27TH DISTRICT, CALIFORNIA

**COMMITTEE ON
THE JUDICIARY**

**SUBCOMMITTEE ON
CRIME, TERRORISM, HOMELAND SECURITY
AND INVESTIGATIONS**

**SUBCOMMITTEE ON
COURTS, INTELLECTUAL PROPERTY
AND THE INTERNET**

**COMMITTEE ON
SMALL BUSINESS**

**RANKING MEMBER, SUBCOMMITTEE ON
ECONOMIC GROWTH, TAX AND CAPITAL ACCESS**

**SUBCOMMITTEE ON
CONTRACTING AND WORKFORCE**



Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON OFFICE:

1520 Longworth House Office Building
Washington, DC 20515
(202) 225-5464
(202) 225-5467 (Fax)

PASADENA DISTRICT OFFICE:

527 South Lake Avenue, Suite 106
Pasadena, CA 91101
(626) 304-0110

May 22, 2013

Mr. Richard Atwater
President of the Board
Foothill Municipal Water District
4536 Hampton Road
La Canada Flintridge, CA 91011

Dear Mr. Atwater,

I am pleased to provide this letter to show my full support of Foothill Municipal Water District's Recycled Water Project in receiving Federal grant funding. The project, located near the intersection of Oak Grove Drive and Berkshire Place in the City of La Cañada Flintridge, is a model for the future of how successful partnerships can create multi-benefits.

As you are aware, California is prone to prolonged and severe droughts at any time. In addition to drought, Foothill's water supply has become less reliable in recent years due to legal rulings that divert water supplies for the protection of endangered fish species and the Bay-Delta habitat. Further, Senate Bill X7-7, which was adopted in 2010, requires a permanent cut in per capita urban water use of 20% by 2020. Finally, the recently adopted MS4 permit for Los Angeles County recognizes that projects which conserve stormwater and urban runoff contribute to a reduction in stormwater pollution. All of this highlights the need for greater water supply reliability and independence.

Foothill's Project meets these objectives by developing recycled water, capturing stormwater and urban runoff and increasing conservation. I am certain Foothill's Project will provide a sound means of achieving reliability and independence. Please do not hesitate to contact Anthony Duarte in my District Office at (626) 304-0110 if you have any questions about my support for this project.

Sincerely,

A handwritten signature in cursive script that reads "Judy Chu".

JUDY CHU, Ph.D.

Member of Congress, 27th District, California

CAPITOL OFFICE
STATE CAPITOL ROOM 5097
SACRAMENTO CA 95814
TEL: 916-651-4025
FAX: 916-324-7543

DISTRICT OFFICE
501 N. CENTRAL AVENUE
GLENDALE CA 91203
TEL: 818-409-0400
FAX: 818-409-1256

California State Senate

SENATOR
CAROL LIU

TWENTY-FIFTH SENATE DISTRICT

COMMITTEES
EDUCATION
CHAIR
GOVERNANCE & FINANCE
HUMAN SERVICES
PUBLIC SAFETY
TRANSPORTATION & HOUSING
JOINT COMMITTEE ON ARTS

May 24, 2013



Mr. Richard Atwater
President of the Board
Foothill Municipal Water District
4536 Hampton Road
La Cañada Flintridge, CA 91011

Dear Mr. Atwater,

I am writing in support of Foothill Municipal Water District's Recycled Water Project, located near the Oak Grove Drive and Berkshire Place in the City of La Cañada Flintridge.

As the Senator for the 25th District, I created my GREEN21 program to promote sustainable practices in the 25th Senate District by encouraging Green initiatives such as water conservation, environmental protection, natural resource conservation, and green business development. The Foothill MWD's Recycled Water Project exemplifies progress on this front at the local government level and directly supports our efforts.

As you are aware, California is prone to prolonged and severe droughts. In addition to drought, Foothill's water supply from California's State Water Project has become less reliable in recent years due to efforts to protect endangered fish species in the Bay-Delta habitat. To preserve these habitats while addressing California's growing population, climate change, and the continued need to grow California's economy, the State enacted SB X7-7 (Steinberg) in 2009 to help the state manage its water resources as efficiently as possible, requiring, in part, that urban areas permanently cut their per capita water use by 20% by the year 2020.

Also, the California Regional Water Quality Control Board for the LA region recently adopted MS4 permit requirements to comply with the federal Clean Water Act and NPDES Storm Water Permitting program. These requirements recognize that projects that capture stormwater and urban runoff reduce pollution in our waterways.

I am committed to supporting regional efforts that promote sustainability in the 25th District. Foothill's project supports the community's objectives by recycling water, capturing stormwater and urban runoff, and increasing conservation. I am therefore pleased to endorse Foothill's plan as a sound means of increasing local water supply reliability and independence.

Sincerely,

A handwritten signature in cursive script that reads "Carol Liu".

CAROL LIU
Senator
25th District

National Aeronautics and
Space Administration
Mission Support Directorate



NASA Management Office

4800 Oak Grove Drive
Pasadena, CA 91109-8099

May 21, 2013

Mr. Richard Atwater
President of the Board
Foothill Municipal Water District
4536 Hampton Road
La Canada Flintridge, CA 91011

Dear Mr. Atwater,

**NASA MANAGEMENT OFFICE, JET PROPULSION LABORATORY (JPL)
LETTER OF SUPPORT FOR THE FOOTHILL MUNICIPAL WATER DISTRICT'S
RECYCLED WATER PROJECT**

I have evaluated information from Nina Jazmadarian regarding the Foothill Municipal Water District's Recycled Water Project.

NASA's CERCLA Program for the JPL Site funds two treatment systems located east of the JPL facility: (1) a 7,000 gpm system owned and operated by Pasadena Water and Power (PWP) and (2) a 2,000 gpm system owned and operated by Lincoln Avenue Water Company (LAWC). NASA's interests are that our treatment systems remain effective, and that water rights are available within the Monk Hill subarea in order that those systems can continue to operate.

Groundwater modeling indicates the Recycled Water Project will not impact JPL plume containment by the PWP and LAWC systems. If LAWC is able to utilize the water rights/credits obtained through project implementation, then the Recycled Water Project may improve efficiency of chemical removal at LAWC.

For the reasons above, on behalf of the NASA JPL Comprehensive Environmental Response, Compensation, and Recovery Act (CERCLA) Program, this letter is in support of Foothill Municipal Water District's Recycled Water Project, located near the intersection of Oak Grove Drive and Berkshire Place in the City of La Cañada Flintridge.

If you have any questions, please contact me at (818) 393-6683.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Slaten".

Steven Slaten
NASA Remedial Project Manager
JPL CERCLA Program



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: WM-2

May 14, 2013

Mr. Richard W. Atwater, President
Foothill Municipal Water District Board of Directors
4536 Hampton Road
La Cañada Flintridge, CA 91011

Dear Mr. Atwater:

LETTER OF SUPPORT FOR PROPOSED RECYCLED WATER PROJECT CITY OF LA CAÑADA FLINTRIDGE

On behalf of the Los Angeles County Flood Control District, we have reviewed the Foothill Municipal Water District's (Foothill's) proposed recycled water project located near the intersection of Oak Grove Drive and Berkshire Place in the City of La Cañada Flintridge and are pleased to provide this letter of support.

It is our understanding that Foothill's project will contribute to local groundwater supply. The project proposes construction of a 0.25-million-gallon-per-day Membrane Bioreactor (MBR) plant to treat local sewer wastewater and construction of infiltration galleries under nearby athletic fields for groundwater recharge to capture 450 acre-feet of the MBR recycled water. The project also proposes to divert local rain and irrigation runoff from subsurface storm drains to the MBR plant.


The Los Angeles County Flood Control District endorses programs and projects that produce recycled water, capture stormwater and urban runoff, and conserve potable supplies as a means of achieving reliability and independence. Foothill's proposed recycled water project meets these objectives. Therefore, we support the proposed project and look forward to working with Foothill on future projects like this, which use water as a valuable resource.

Mr. Richard W. Atwater
May 14, 2013
Page 2

If you have any questions, please contact me at (626) 458-4300 or ghildeb@dpw.lacounty.gov or your staff may contact Ms. Angela George at (626) 458-4325 or ageorge@dpw.lacounty.gov.

Very truly yours,

GAIL FARBER
Director of Public Works



Gary Hildebrand

GARY HILDEBRAND
Assistant Deputy Director
Watershed Management Division

CD:jht
P:\wmpub\Secretarial\2013 Documents\Letter\Letter of support FMWD Recycled Water.docx\C13133

cc: Foothill Municipal Water District (Nina Jazmadarian) ✓

2, 3, 4

Operations and Maintenance Report

May 2013

Steel Reservoir Maintenance

Operations is in the process of doing some much needed exterior maintenance work to each of the Districts 3 steel 1.0 million gallon reservoirs. Peeling paint and rust are common issues that must be kept up with to preserve the integrity as well as the aesthetic characteristics of the structures. In total, the 3 tanks have needed more than 200 small to medium sized paint repairs. The steel surface is cleaned down to bare metal and then primed and painted with multiple coats. This effort is currently 90% complete and is planned to be complete by the end of July.

Pictured below: La Canada East Rooftop repair work in progress



Emergency Preparedness & Emergency Response

Metropolitan Water District held a Member Agency Radio System and Emergency Response meeting on May 23, 2013. Many local agencies continue to discuss lessons learned from the Wind Event in late 2011 and methods in which current procedures can be improved upon. Recent hurricanes and tornadoes across the country have provided additional examples of how similar events such as earthquakes can wreak havoc on local infrastructure and overwhelm response capabilities. With the age of and reliance on Foothill MWD's system, this is an important scenario to be preparing for. Cal EMA, OES and FEMA requirements also make it necessary that Foothill MWD remain involved and aware of the increasing efforts to prepare and respond to local and widespread emergencies. Participating also gives a relatively small agency Like Foothill MWD the ability to collaborate with and gain experience and knowledge from a much larger resource pool than otherwise possible.

Pictured below: Map depicting Southern California Fault Lines



Foothill 3 Maintenance Issues

The District's 2002 Ford Escape (Foothill #3) was out of service from May 24th through June 11th due to significant issues with the vehicle's transmission. This vehicle is 1 of 3 District vehicles and currently has 120,000 miles on it. It is primarily used to perform the 2 days per week of regulatory sample collection throughout the District's system as well as the routine patrols of the system. With only 2 remaining operable District Vehicles, Operations was considerably limited on capability while this vehicle was out of service. Information was put together for a range of options, including replacing the aging and broken down vehicle, but no simple or quick fix existed. Purchasing a new vehicle through Ford Fleet Sales takes 90 days. Due to the high demand on the existing District fleet, an extended period with only 2 vehicles was not an option. The transmission was replaced and the vehicle has been returned to service. The cost of the repair however, was greater than the vehicles current Kelly Blue Book value of \$1,200.

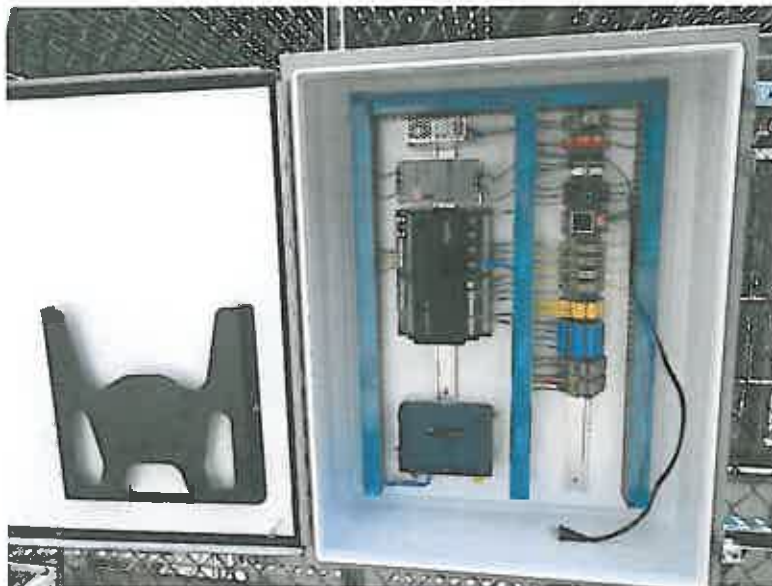
Pictured below: 2002 Ford Escape (Foothill #3)



Telemetry Restoration

Replacement of telemetry equipment that was damaged in an October 2012 lightning storm has been completed. In January, 2013, the Board authorized Byrd Electronics to proceed with replacing the existing and failed components. Over the course of the last few months, Byrd has steadily worked to install and test the new equipment for the reservoir and 2 Member Agency connections that were affected. All telemetry has now been successfully integrated into the SCADA HMI by Water Hammer Inc. and is now providing the useful real time data that has been missing for 8 months.

Pictured below: Old and new telemetry cabinets. Work done at 2 agency connections; Valley Water and LCID's Hampton Connection



**Summary Report for
The Metropolitan Water District of Southern California
Board Meetings
June 11, 2013**

COMMITTEE ASSIGNMENTS

Director Ackerman was assigned to the Special Committee on Bay-Delta; Director Apodaca was assigned to the Finance and Insurance Committee and will no longer serve on the Organization, Personnel and Technology Committee; Director Dick was appointed Vice Chair of the Real Property and Asset Management Committee; and Director Fleming was appointed as Vice Chair of the Water Planning and Stewardship Committee effective July 1, 2013. **(Agenda Item 5c)**

FINANCE AND INSURANCE COMMITTEE

Authorized the use of reserves over the reserve target established in Administrative Code Section 5202, estimated at \$75 million, and transfer of monies to the Replacement and Refurbishment (PAYGO) Fund, the OPEB Trust and the Water Transfer Fund in FY 2012/13, as specified by the Board.
(Agenda Item 8-1)

Adopted the Resolution Finding that Maintaining the Ad Valorem Tax Rate for Fiscal Year 2013/14 is Essential to the Fiscal Integrity of the Metropolitan Water District. **(Agenda Item 8-2)**

Approved the amended motion to approve the Statement of Investment Policy, with the addition of the statement that "Reverse repurchases may be entered into for temporary liquidity needs and not for the purpose of leverage;" and delegate authority to invest to the Treasurer for fiscal year 2013/14.
(Agenda Item 8-4)

Approved the draft Official Statement substantially in the form attached to the board letter, with changes approved by the General Manager and General Counsel; authorized the General Manager to execute the Official Statement; and authorized distribution of the Official Statement in connection with remarketing and marketing of the bonds. **(Agenda Item 8-5)**

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express Metropolitan's support and seek amendments to AB 803.
(Agenda Item 8-3)

WATER PLANNING AND STEWARDSHIP COMMITTEE

By two-thirds vote, authorized the General Manager to make payment of \$2.67 million to the State Water Contractors, Inc.; and authorized the General Manager to make payment of up to \$832,025 to the State Water Project Contractors Authority. **(Agenda Item 8-6)**

Authorized the General Manager to enter into a two-year agreement with the California Department of Water Resources to pay up to \$15.18 million for State Water Project supplies under the Multi-Year Water Pool Demonstration Program to help improve dry-year water supplies in 2013 and 2014.
(Agenda item 8-7)

LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to file or participate in litigation challenging the adequacy of the Program Environmental Impact Report for the Delta Plan as well as the validity of the Delta Plan. **(Agenda Item 8-8 heard in closed session)**

Authorized an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services in *John Del Toro v. Metropolitan Water District of Southern California*, Los Angeles Superior Court Case No. BC482264, by \$25,000 to an amount not to exceed \$125,000. **(Agenda Item 8-9 heard in closed session)**

CONSENT CALENDAR

In other action, the Board:

Affirmed the General Manager's determination that one parcel acquired for construction of the Inland Feeder, comprised of 8.426 acres in the unincorporated community of Mentone, San Bernardino County, California is surplus and authorized disposition of the property in its current condition; and authorized marketing the combined 18.426-acre parcel for sale on the open market for not less than its appraised value. **(Agenda Item 7-1)**

Approved up to \$1.161 million to renew or replace the Aircraft Liability, Crime, Property Damage, Excess General Liability Policies, and Excess Workers' Compensation Policy, maintaining the existing \$5 million self-insured retention, coverage limits of \$50 million. **(Agenda Item 7-2)**

Granted conditional approval for Annexation No. 97 concurrently to Calleguas Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of \$8,149.28 to Metropolitan if completed by December 31, 2013, or if completed later, the current annexation charge applies; and approved Calleguas' Statement of Compliance with the current Water Use Efficiency Guidelines; and adopted the resolution of intention to impose water standby charge within the proposed annexation territories. **(Agenda Item 7-3)**

Adopted resolution granting Eastern Municipal Water District's request for approval of the 103rd Fringe Area annexation concurrently to Eastern Municipal Water District and Metropolitan and establishing Metropolitan's terms and conditions for the annexation, conditioned upon approval by Riverside Local Agency Formation Commission, and upon receipt of annexation fee of \$56,611.93; and adopted resolution to impose water standby charge at a rate of \$6.94 per acre, or per parcel of less than one acre, within the proposed annexation area. **(Agenda Item 7-4)**

Appropriated \$1.63 million; and authorized construction to replace flow meters at the five Colorado River Aqueduct pumping plants. (Approp. 15438) **(Agenda Item 7-5)**

Appropriated \$800,000; and authorized construction to upgrade the sodium hypochlorite feed system at Garvey Reservoir. (Approp. 15377) **(Agenda Item 7-6)**

Appropriated \$270,000; and authorized final design to relocate the Intake Pumping Plant 2.4 kV power line. (Approp. 15438) **(Agenda Item 7-7)**

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser <http://edmsidm.mwdh2o.com/idmweb/home.asp>.

CLOSED SESSION

ITEMS HERE