

**CALLEGUAS MUNICIPAL WATER DISTRICT**

2100 Olsen Road, Thousand Oaks, California 91360

[www.calleguas.com](http://www.calleguas.com)

Written communications from the public must be received by 8:30 a.m. on the Thursday preceding a regular Board meeting in order to be included on the agenda and considered by the Board at that meeting. Government Code Section 54954.2 prohibits the Board from taking action on items not posted on the agenda except as provided in Subsection 54954.2(b).

**SPECIAL BOARD OF DIRECTORS MEETING**

April 17, 2024, 5:00 p.m.

**AGENDA**

**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL**

BOARD OF DIRECTORS

Scott H. Quady, President

Andy Waters, Vice-President

Raul Avila, Secretary

Jacquelyn McMillan, Treasurer

Thibault Robert, Director

**2. PUBLIC COMMENTS**

*This portion of the agenda may be utilized by any member of the public to address the Board of Directors on any matter within the jurisdiction of the Board that does not appear on the agenda. Depending on the subject matter, the Board of Directors may be unable to respond at this time, or until the specific topic is placed on the agenda at a future CMWD Board Meeting, in accordance with the Ralph M. Brown Act. Please limit remarks to three minutes.*

To participate:

[https://us06web.zoom.us/j/84561392448?pwd=H99iPlpQqxn\\_tyHwp4l9crNoDyA5og.9Lxwf-xOnu0Y39\\_z](https://us06web.zoom.us/j/84561392448?pwd=H99iPlpQqxn_tyHwp4l9crNoDyA5og.9Lxwf-xOnu0Y39_z)

Phone # +1 (720) 707-2699 \*825427# (Denver)

Webinar ID: 845 6139 2448

Passcode: 930807

### **3. PRESENTATION**

- A. Presentation by the Ventura County Chapter of the American Public Works Association of the Project of the Year Award in the Emergency Repair Category to Calleguas for the Salinity Management Pipeline, Phase 1A Emergency Repair at Sta 270+00

### **4. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)**

*Consideration of any items that require addition to the agenda due to the existence of an emergency situation, the need to take immediate action, and requests for remote participation due to emergency circumstances.*

### **5. CONSENT CALENDAR**

*Consent Calendar items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration. If any Board member requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Items portion of the Agenda.*

- A. Approve the Minutes of the April 03, 2024 Regular Board Meeting
- B. Authorize the General Manager to Execute the Turnkey Turf Transformation Program Project Partner Agreement – Jennifer Lancaster, Manager of Water Resources
- C. Adopt Resolution No. 2087, Authorizing Signatures on Instruments of Payment – Dan Smith, Manager of Finance

### **6. ACTION ITEMS**

*Action Items call for separate discussion and action by the Board for each agenda item.*

- A. Consideration of a notice to set the time and date of a public hearing regarding annual adjustment to the District's water rates and fees – Dan Smith, Manager of Finance

### **7. REPORTS**

*Report items are placed on the agenda to provide information to the Board and the public and no Board action is sought.*

#### **A. GENERAL MANAGER AND STAFF REPORTS**

- 1. General Managers Report

2. March 2024 Water Use and Sales, February 2024 Power Generation, and March 2024 Investment Summary Reports – Dan Smith, Manager of Finance
3. Association of California Water Agencies Legislative Symposium – Charlotte Holifield, Manager of External Affairs

B. GENERAL COUNSEL REPORT

1. General Counsel’s Report

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

- a. Report of ACWA Region 8 Director
- b. Report of ACWA Joint Powers Insurance Authority Representative
- c. Report of Association of Water Agencies of Ventura County Representative
- d. Report of Fox Canyon Groundwater Management Agency Representative
- e. Report of Metropolitan Water District Director
- f. Report of Ventura LAFCo Commissioner
- g. Report of Ventura County Regional Energy Alliance Representative
- h. Report of Ventura County Special Districts Association Representative

2. Directors’ List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.

3. Discussion regarding upcoming meetings to be attended by Board members

4. Request for Future Agenda Items

## 8. INFORMATION ITEMS

### A. WRITTEN COMMUNICATION

1. Water Supply Conditions Report

## 9. CLOSED SESSION

### A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS {Government Code 54956.8}

**Property:** Vacant land, Simi Valley, CA

**Site 7:** Assessor's Parcel No. 657-0-020-230

**Negotiating Parties:** Palm Investment Group, LLC

**Agency negotiator:** Manager of Engineering Fernando Baez and Associate Project Manager Gabriela Araujo with assistance from Lilian Jewell and/or Heather Johnson of Hamner Jewell & Associates

**Under negotiation:** Price and terms for Right-of-Entry.

## 10. ADJOURNMENT to Board Meeting May 01, 2024 at 4:00 p.m.

**Note:** Calleguas Municipal Water District conducts in-person meetings in accordance with the Brown Act. The District has also established alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

In addition to the above referenced methods of participation, members of the public may also participate by submitting comments by email to [info@calleguas.com](mailto:info@calleguas.com) by 5:00 p.m. on the calendar day prior to the public meeting. Email headers should refer to the Board meeting for which comments are offered. Comments received will be placed into the record and distributed appropriately.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available on the District website at [www.calleguas.com](http://www.calleguas.com).

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Secretary to the Board in advance of the meeting to ensure the availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

CALLEGUAS MUNICIPAL WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
April 3, 2024

**MINUTES**

The meeting of the Board of Directors of Calleguas Municipal Water District was held in-person at 2100 E. Olsen Road, Thousand Oaks CA 91360. The District also provided telephonic and electronic methods of participation for the public as noted on the meeting agenda.

The meeting was called to order by Scott Quady, President of the Board, at 4:00 p.m.

**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL**

Directors Present at District Headquarters: Scott Quady, President  
Raul Avila, Secretary  
Jacquelyn McMillan, Treasurer  
Thibault Robert, Director

Directors Absent: Andy Waters, Vice-President

Staff Present at District Headquarters: Kristine McCaffrey, General Manager  
Ian Prichard, Deputy General Manager  
Fernando Baez, Manager of Engineering  
Tricia Ferguson, Assistant Manager of Human Resources and Risk Management  
Henry Graumlich, Executive Strategist  
Charlotte Holifield, Manager of External Affairs  
Rob Peters, Manager of Operations and Maintenance  
Wes Richardson, Manager of Information Technology  
Steve Sabbe, IT Specialist  
Dan Smith, Manager of Finance  
Jenyffer Vasquez, Principal Water Resource Specialist  
Kara Wade, Clerk of the Board

Staff Present via Videoconference: Kayde Wade, Administrative Assistant

Legal Counsel Present at District Headquarters: Walter Wendelstein, Wendelstein Law Group, PC, District Counsel

## **2. PUBLIC COMMENTS**

None

## **3. PRESENTATION**

Presentation of new staff member, Evaristo (Tito) Aguilar, Regulatory Compliance Division intern.

The Assistant Manager of Human Resources and Risk Management introduced Evaristo (Tito) Aguilar, a recently hired intern in the Regulatory Compliance Division of the Operations & Maintenance Department. The General Manager and Board welcomed him to the District.

## **4. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)**

None

## **5. CONSENT CALENDAR**

- A. Approve the Minutes of the March 20, 2024 Board Meeting
- B. Receive and affirm the Payment Register for the District’s activities from February 27, 2024 to March 25, 2024

On a motion by Director Avila, seconded by Director Robert, the Board of Directors voted 4-0-1 to approve the Consent Calendar.

AYES: Directors Robert, McMillan, Avila, Quady

NOES: None

ABSENT: Director Waters

## **6. ACTION ITEMS**

- A. Authorize the General Manager to execute a Funding Agreement with Sensor Industries – Jenyffer Vasquez, Principal Water Resource Specialist

The Principal Water Resource Specialist provided an overview of the Funding Agreement between Calleguas and Sensor Industries. Sensor Industries would provide systems for two multi-family housing developments in Oxnard to detect toilet leaks and send alerts to the building’s maintenance staff so they can quickly address

any leaks. The project would be funded by Metropolitan Water District of Southern California's (Metropolitan's) Member Agency Administered Program (MAAP), which provides funding to its Member Agencies for customized water savings projects. Calleguas would pay Sensor directly and then receive reimbursement of the full cost from Metropolitan's MAAP funding.

On a motion by Director McMillan, seconded by Director Robert, the Board of Directors voted 4-0-1 to Authorize the General Manager to execute a Funding Agreement with Sensor Industries.

AYES: Directors Robert, McMillan, Avila, Quady

NOES: None

ABSENT: Director Waters

## **7. REPORTS**

### **A. GENERAL MANAGER AND STAFF REPORTS**

1. Update on Initiative 1935 – Richelle Noroyan, Coastal Network Public Affairs Field Coordinator, California Special Districts Association (CSDA)

Richelle Noroyan, Coastal Network Public Affairs Field Coordinator for CSDA, said that the California Business Roundtable, along with other organizations, is sponsoring an initiative to amend the California Constitution and potentially limit the ability of state and local governments to raise revenues for essential government services. Should this initiative pass, Calleguas and its purveyors could be significantly impacted. The initiative seeks to overturn court decisions concerning Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010) and to impose new requirements for adopting, extending, and collecting fees and taxes. If passed, state and local fees and taxes adopted after January 1, 2022 could be invalidated if they do not align with and/or implement the provisions of the initiative.

CSDA has joined a coalition of local government associations and leaders in adopting an oppose position on Initiative 1935.

2. Update on Metropolitan Water Rates – Dan Smith, Manager of Finance, and Henry Graumlich, Executive Strategist

The General Manager, Deputy General Manager, Manager of Finance, and Executive Strategist provided updates on the development of Metropolitan's proposed rates, including the impact on Calleguas's rates; treatment



surcharge issues; engagement with Metropolitan, the public, and purveyors; and upcoming opportunities for public comment.

3. Legislative Update – Charlotte Holifield, Manager of External Affairs

The Manager of External Affairs provided an update on bills of interest to Calleguas for the current legislative session.

4. Monthly Status Report

The Board asked questions, which the General Manager and department managers answered.

5. March 2024 Financial Report – Dan Smith, Manager of Finance

The Manager of Finance presented the reports and responded to questions from the Board.

B. GENERAL COUNSEL REPORT

1. General Counsel’s Report

No report

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

*Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.*

a. Report of ACWA Region 8 Director

Director Quady said that Region 8 has selected programs and speakers for both the spring and fall conferences.

b. Report of ACWA Joint Powers Insurance Authority Representative

No report

c. Report of Association of Water Agencies of Ventura County Representative

No report

d. Report of Fox Canyon Groundwater Management Agency Representative

Director Avila reported that the City representative on the FCGMA Board is now Tony Trembley, Mayor of the City of Camarillo, and the alternate is Bert Perello, Councilmember from the City of Oxnard. Director Avila and the Deputy General Manager provided an update on the FCGMA Executive Committee's efforts to evaluate the fiscal impacts of alternative staffing options. The Deputy General Manager also provided a brief update on the Calleguas Water Flex Allocation Program adopted by the FCGMA, as required by court order.

e. Report of Metropolitan Water District Director

Director McMillan referenced her written report on the Metropolitan meetings she attended from March 20 to April 3. Director McMillan's report is attached and made part of these minutes.

f. Report of Ventura LAFCo Commissioner

No report

g. Report of Ventura County Regional Energy Alliance Representative

No report

h. Report of Ventura County Special Districts Association Representative

Director Robert said he attended the meeting on April 2 where the General Manager was the presenter. She provided an overview of Calleguas and its water sources, discussed various water rebate programs, and spoke about Calleguas's New Model for Resilience.

2. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

*Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.*

Board members provided reports on various meetings that they attended which are subject to the District's reimbursement policy.

3. Discussion regarding upcoming meetings to be attended by Board members

Due to several Board members attending the CSDA Special Districts Academy in San Diego, it was decided that the start time for the April 17 Board Meeting would be 5:00 p.m.

4. Request for Future Agenda Items

Director Avila requested that they receive a future update on Initiative 1935.

## **8. INFORMATION ITEMS**

### **A. WRITTEN COMMUNICATION**

1. Calleguas Comment Letter to Metropolitan Water District: The Need for an Alternative to the Proposed Treated Water Surcharge
2. Joint Metropolitan Member Agency Managers Letter on Treatment Surcharge Issues
3. Association of California Water Agencies Coalition Letter, AB 2557 (Wilson) – Support, March 11, 2024
4. Letter to U.S. Senate members, Request for PFAS Liability Exemption for Water and Wastewater Agencies, March 19, 2024
5. Letter to State Water Resources Control Board, Revisions to proposed Conservation as a California Way of Life regulation, March 27, 2024

## **9. CLOSED SESSION**

None

## 10. ADJOURNMENT

Director Quady declared the meeting adjourned at 5:57 p.m.

Respectfully submitted,

---

Raul Avila, Board Secretary

SCOTT H. QUADY, PRESIDENT  
DIVISION 2

ANDY WATERS, VICE PRESIDENT  
DIVISION 3

RAUL AVILA, SECRETARY  
DIVISION 1

JACQUELYN MCMILLAN, TREASURER  
DIVISION 5

THIBAUT ROBERT, DIRECTOR  
DIVISION 4

KRISTINE MCCAFFREY  
GENERAL MANAGER



[www.calleguas.com](http://www.calleguas.com)

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

## BOARD MEMORANDUM

**Date:** April 17, 2024

**To:** Board of Directors

**From:** Jennifer Lancaster, Manager of Water Resources

**Subject:** Item 5.B – Authorize the General Manager to Execute the Turnkey Turf Transformation Program Project Partner Agreement

---

**Objective:** The purpose of this item is to promote water use efficiency within the Calleguas service area by participating in the Turnkey Turf Transformation Program (TTTP).

**Recommended Action:** Authorize the General Manager to execute the partner agreement between Inland Empire Utilities Agency (IEUA), Calleguas, Las Virgenes Municipal Water District (LVMWD), and the Upper San Gabriel Valley Municipal Water District (Upper District) for implementation of the TTTP.

**Budget Impact:** No impact – the program would be 100 percent funded by a Department of Water Resources (DWR) 2022 Urban Community Drought Relief Grant, as long as the conditions of the grant award are met.

**Discussion:** The TTTP is a regional partnership between Calleguas, IEUA, LVMWD, and Upper District, collectively referred to as the Project Partners. The Project Partners are all within Metropolitan Water District of Southern California's State Water Project Dependent Area. IEUA, on behalf of the Project Partners, applied for funding under the DWR 2022 Urban Community Drought Relief Grant Program and DWR awarded IEUA \$8,474,500 to implement the TTTP. Of this award, an estimated \$2,132,686 would be used for program implementation in the Calleguas service area.

The TTTP is designed to reduce water demands by removing large areas of non-functional turf on public properties primarily within disadvantaged communities. Helping selected public

properties reduce their water use through turf conversion will enhance local water supply reliability.

Selected sites will receive a landscape evaluation that identifies non-functional turf and provides efficient irrigation and plant material recommendations. Following the evaluation, the Program's landscape contractor will remove non-functional turf and replace plants and irrigation systems, directly reducing water usage and the installation burden on the site owner.

Staff has been coordinating with Calleguas's purveyors to identify sites within Disadvantaged Communities that meet the criteria for participation in the program (see Exhibit 4 of the attached Agreement). Ten potential projects have been identified in the Cities of Oxnard, Port Hueneme, and Simi Valley (see Exhibit 3 of the attached Agreement). The sites include landscaping at various City Halls, utility facilities, and road medians and surrounding areas.

In order to receive 100 percent funding for the program through the Urban Community Drought Relief Grant, at least 50 percent of the square footage transformed through the program must be within Disadvantaged Communities. To ensure that the Project Partners collectively meet that requirement, only sites within Disadvantaged Communities will be selected during the first phase of TTTP implementation. After this requirement is met, public properties outside of Disadvantaged Communities would be considered. This process ensures that the Project Partners will not be subject to any cost match for program implementation.

The Project Partner Agreement has been reviewed by District Counsel.

**Attachment:**

1. Turnkey Turf Transformation Program – Project Partner Agreement

**Turnkey Turf Transformation Program – Project Partner Agreement**

**Agreement between the Inland Empire Utilities Agency, Calleguas Municipal Water District, the Las Virgenes Municipal Water District, and the Upper San Gabriel Valley Municipal Water District**

**for the implementation of the Turnkey Turf Transformation Program Funded by the State of California Department of Water Resources 2022 Urban Community Drought Relief Grant**

This Agreement is made and entered into as of \_\_\_\_\_, by and between the Inland Empire Utilities Agency ("IEUA"), Calleguas Municipal Water District ("CMWD"), Las Virgenes Municipal Water District ("LVMWD"), and Upper San Gabriel Valley Municipal Water District ("Upper District"), all of which are public water agencies.

For this Agreement, IEUA will be identified as "IEUA" or the "Lead Agency" and CMWD, LVMWD, and Upper District will collectively be known as the "Project Partners" or individually as "Project Partner". References to IEUA and the Project Partners will be identified collectively as the "Parties" or individually as the "Party." The California Department of Water Resources will be referred to as the "State" or "DWR." The overall grant project, formally known as the Turnkey Turf Transformation Program, will be referred to as the "Grant" or "TTTP."

This Agreement incorporates and includes the Grant Agreement between DWR and IEUA as part of its terms and conditions, which are incorporated herein by reference and included as **Exhibit 1**. The Parties shall comply with all terms, provisions, conditions, and commitments of the Grant Agreement, to the extent applicable, and this Agreement.

**Grant Funding Split Among the Parties**

IEUA, on behalf of the Project Partners, applied for the 2022 California Department of Water Resources (DWR) Urban Community Drought Relief Grant Program, which was financed by the State's Budget Act of 2021 (Stats. 2022, ch. 44, § 25). DWR awarded IEUA a total of \$8,474,500 to implement the TTTP, a water conservation program.

The \$8,474,500 grant includes two budget categories:

1. \$770,409 has been identified for the exclusive use of IEUA as the lead agency to administer the grant for the TTTP.
2. \$7,704,091 has been identified and approved for the construction, implementation, public relations campaign, and study analysis of the TTTP. This portion of grant funding will be allocated into three funding categories:
  - a. \$100,000 has been identified to fund a public relations campaign, including but not limited to effective and tailored outreach collaterals and media events. IEUA will manage this effort and may use the funds to procure the services of a consultant to implement the campaign.

- b. \$250,000 has been identified to fund a thorough analysis of the TTTP, including but not limited to water savings per site, outreach effectiveness, and additional benefits achieved. IEUA will manage this effort and may use the funds to procure the services of a consultant to implement the study.
- c. \$7,354,091 has been identified for the construction and implementation of the TTTP, including but not limited to turf removal, landscape design, irrigation upgrades, plant installations, and quality control checks. IEUA will manage this effort and may use the funds to procure the services of a contractor to implement the construction and implementation services.

The Parties agree to distribute the Category 2.C. funds (\$7,354,091) according to the guidelines shown in Table 1, which are based on each agency's proportional share of assessed property values in 2022. Slight variations in funding splits may be needed to accomplish program requirements, but every effort will be made to share the grant proceeds as detailed below. The Project Partners agree that IEUA has the final authority to select the final list of participating sites that will ultimately determine the exact funding split.

**Table 1 – Guideline for Proportional Share of Category 2.C. Funds**

Project Partner	Assessed Property Values	Percentage Split	Estimated Grant Funding
CMWD	\$123,683,835,701	29%	\$2,132,686
IEUA	\$146,634,414,955	34%	\$2,500,392
LVMWD	\$ 29,271,920,993	7%	\$ 514,786
Upper District	\$126,877,023,875	30%	\$2,206,227
<b>Total</b>			<b>\$7,354,091</b>

**General Understandings and Agreements:**

1. The Parties shall make a good faith effort to cooperate with one another to fulfill the requirements of the Grant through, but not limited to, attending planning meetings, sharing information and identifying any issues/setbacks, and providing deliverables on time. All parties shall provide reasonable notice of any meetings, information requests, or required deliverables.
2. The Parties shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12400-12420) for data sharing, transparency, documentation, and quality control. See **Exhibit 2** for DWR's *Guidance for Grantees for Addressing the Requirements of AB 1755 (Open and Transparent Water Data Act)*.
3. The Parties agree that all work related to the TTTP must be completed by June 30, 2026. Any work not completed by this date will not be funded by the Grant. As Lead Agency, IEUA has the authority to redistribute grant funds among the other Parties if necessary to meet the timeline and/or other requirements of the TTTP.



4. The Parties understand that the distribution of grant funds between Parties is not guaranteed and can change at any time at IEUA's discretion to ensure the fulfillment of Grant requirements.
5. The Parties understand that more than 50% of the total project conservation benefits must benefit Underrepresented Communities for the Parties to be eligible for a \$0 cost share under the terms of DWR's agreement with IEUA. As such, sites located in Underrepresented Communities will be prioritized for service under the TTTP.
  - a. Underrepresented Communities are defined in one of three ways: 1) the top 25% most impacted census tracts as identified by the California Office of Environmental Health Hazard Assessment's CalEnviroScreen tool; 2) the Department of Water Resources Disadvantaged Community (DAC) Mapping tool; and/or 3) by census data indicating income levels are at or below 80% of median household income.
  - b. An initial list of sites selected by the Parties to participate in the TTTP Program can be found in Exhibit 3. This list identifies a majority of conservation benefits occurring within Underrepresented Communities at an assumed cost per square foot of \$7. It is understood that the final list of sites selected for TTTP participation will be based on assuring a majority of conservation benefits occur in Underrepresented Communities, subject to the final pricing for landscaping services established through the competitive bidding process.
  - c. The Parties understand that the service area of LVMWD does not include any Underrepresented Communities. As such, IEUA, CMWD, and Upper District agree to focus on submitting eligible sites, with an emphasis on those located in Underrepresented Communities, to compensate for the lack of Underrepresented Communities in LVMWD's service area.
  - d. The Parties agree to initially service properties in Underrepresented Communities until DWR agrees in writing that the TTTP has met its obligation in providing more than 50% of the conservation benefits to Underrepresented Communities and that no cost match will be required for TTTP activities through the remainder of the Program.
  - e. Should the Parties fail to comply with the Underrepresented Communities requirement and a cost match is triggered by DWR, the Project Partners agree to split this cost of matching funds proportionally, according to percentages established in Table 1. The Parties are encouraged to track indirect costs spent on the TTTP in case a local match is required, including but not limited to staff time.

### **IEUA Responsibilities**

As Lead Agency, IEUA has the following roles and responsibilities.

1. Assure compliance with all aspects of DWR's contract and function as the Lead Agency with all communications with DWR, including the notification of DWR in writing of any public or media event publicizing the accomplishments and/or results of the grant agreement at least 14

- calendar days prior to the event. Prior to beginning any work on a site, IEUA will confirm with DWR the status of properties believed to be located in Underrepresented Communities.
2. Comply with DWR's Competitive Bidding and Procurements. Develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meetings, open and evaluate bids, select the contractor, award the contract, and issue the notice to proceed.
  3. Comply with California Environmental Quality Act (CEQA) requirements.
  4. Provide the following services:
    - a. Program Administration: Provide overall program administration, customer service, and coordination between all parties. Manage DWR Grant reporting, contract compliance, and invoicing. A consultant may be brought on board to assist with this task.
    - b. Landscape Services: Onboard a contractor that will execute all aspects of the construction and implementation as outlined in the TTTP, such as an initial water audit, landscape design, turf removal, new landscape installation, irrigation upgrades, and customer training. Assure the provision of a six-month warranty for the plants and irrigation system improvements installed by the contractor.
    - c. Public Relations Campaign: Onboard a consultant to produce a tailored public relations campaign and collateral to promote turf removal and replacement by showcasing the many benefits of California-friendly landscapes. Include appropriate acknowledgment of credit to the State for its support when promoting the TTTP or using any data and/or information developed by the TTTP.
    - d. Study Analysis: Onboard a consultant to conduct a study analysis to understand the benefits achieved by the TTTP, including but not limited to water savings.
    - e. On-site Survey Services: Onboard a contractor to perform on-site quality control visits as projects reach milestones, after project completion, or as needed.
  5. Maintain open communication among the Parties and share regular updates with Project Partners on TTTP progress. Establish a communications hub in which the Parties can find all related project forms, status updates, and reports to DWR, including a report showing the Program's status with meeting the Underrepresented Community goal to avoid a cost-match requirement.
  6. Utilize water usage and other customer information for grant reporting, water efficiency studies, and other TTTP related needs.
  7. Provide the opportunity to use competitively priced compost made from biosolids produced by IEUA, LVMWD, or other sources. Compost may be provided with the goal of enhanced soil quality and plant health, increased water savings, and alignment with respective cities' ordinances and best practices.

### **Project Partners' Responsibilities**

1. Work with IEUA to ensure compliance with the terms of DWR's agreement with IEUA and promote a successful project.
2. Collaborate with the retail agencies in each Project Partner's respective service area to select and submit properties to IEUA for initial screening for program participation eligibility. IEUA has the final authority to select properties for participation in the program based upon the criteria above as well as those listed in **Exhibit 4**.
3. The Project Partner will estimate the square footage of selected sites through discussions with the customer, utilize GIS, Google Satellite, or other means, and then provide IEUA with their methodology and backup documentation as needed.
4. Outreach to eligible customers explaining program requirements and confirming their commitment to participate with a signed Interest form produced by IEUA outlining the TTTP's terms and conditions.
5. Consider utilization of compost from IEUA, LVMWD, or other sources for increased plant and soil health, higher water savings, and alignment with respective cities' ordinances and best practices.
6. Administer any outreach or Public Relations campaign created for the TTTP or from grant funds within their service areas, as directed by IEUA.
7. Coordinate with retail agencies within their service areas, if applicable, and act as a liaison with sites within their service area to coordinate public relations activities, water usage data requests, and/or address other issues as needed.
8. Provide IEUA and/or DWR with pre- and post-turf removal water usage; Up to 10 years prior to installation and up to 30 years after or as needed to satisfy the grant requirements and water savings study.
9. IEUA will work with the Project Partners to design standard landscape "styles" that will be offered to participating sites. The Project Partners agree that landscape materials, irrigation system, land cover, and the overall site designs provided by the TTTP will be consistent with any permitting requirements for commercial, industrial, institutional, or public agency-owned properties in order to assure compliance with future regulatory requirements for water use efficiency in California, including the incorporation of stormwater retention features when needed and protecting the health of existing trees. Each approved project site will receive the removal of existing non-functional turf/grass in the project areas, a landscape redesign, the installation of weed barriers, climate-appropriate plants, and drip/micro-bubbler irrigation devices. Transformed landscape areas will include appropriate ground covers.
10. Project Partners further agree that the standard landscape styles offered by the TTTP will not include more deluxe options such as public art, fountains, rock features, water features such as

ponds, etc. However, these options can be made available by separate agreement with the landscape contractor if non-grant funds are made available.

11. Project Partners agree to maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.)
12. Project Partners agree that the TTTP is designed to be a permanent change to the participating site's landscape. The landscaped area must remain in place for a minimum of 5 years. If the landscape work completed under the TTTP has been removed, the site owner will be invoiced to reimburse public funding utilized to pay for their landscaping project. Project Partners agree to assist with site visits within their respective service areas if requested by DWR. IEUA will coordinate with Project Partners on any request for site visits by DWR and will provide Project Partners with reasonable notice thereof. Should any program participant be requested to reimburse TTTP funds, Project Partners agree to collaborate with IEUA as needed.
13. During the term of this Agreement, the Project Partners agree to report any customer complaints or issues they are made aware of as quickly as possible and document issues they are made aware of in case of liability disputes.
14. During this agreement's term, Project Partners will be the main liaison for communications between their retail agencies and IEUA, which may include correspondence, emergencies, programmatic requests, conflicts, and questions. In turn, the Partner Agencies will communicate with IEUA as needed.
15. Immediately notify IEUA of any initiation of any litigation or threat of litigation against the Parties regarding the TTTP or any other action that may affect the TTTP in any way.

### **Non-disclosure and Indemnity**

#### **Section 1 – Effective Date**

This Agreement shall be effective from the date of execution of this Agreement by both Parties and shall terminate upon completion of the TTTP and its associated grant requirements.

#### **Section 2 – Mutual Indemnification**

Each Party agrees to protect, defend, indemnify, and hold harmless the other Parties and their officers, directors, agents, employees, volunteers, attorneys, consultants, and subcontractors from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons and damage to property, occurring as a result of its own or its respective officers', directors', agents', employees', volunteers', attorneys', consultants', or subcontractors' wrongful or negligent acts or omissions in performing or failing to perform this Agreement. Each Party shall be responsible only to the extent of its negligence. To the extent that a claim, demand, or suit is not subject to this mutual indemnification provision, each party further agrees to investigate, handle, respond to, and provide defense for any such claim, demand, or suit required hereunder at its sole expense. The respective obligations of the Parties under this Section shall survive the expiration or termination of this Agreement.

### **Section 3 – Observing Laws and Ordinances**

The Parties shall at all times observe and comply with all applicable laws, ordinances, regulations, requirements, orders, and decrees affecting their respective performance under this Agreement, and a Party's failure to comply with applicable laws, ordinances, regulations, requirements, orders or decrees may constitute a breach of this Agreement and entitle a non-breaching Party and/or the non-breaching Parties to remedies as provided in this Agreement.

### **Section 4 – Dispute Resolution**

The Parties shall seek to resolve any dispute concerning the interpretation or implementation of this Agreement, including but not limited to an alleged breach of this Agreement, through good faith negotiation, involving, as and when appropriate, the general manager or chief executive officer of each of the Parties. A Party alleging a breach of this Agreement or other dispute arising under this Agreement shall send written notice with a reasonably detailed description of the alleged breach or other dispute to the other Party and/or Parties. The Party and/or Parties receiving the notice of the alleged breach or other dispute shall have thirty (30) calendar days to cure any such alleged breach or dispute to the satisfaction of the Party alleging the breach or other dispute. Any alleged breach or other dispute that remains unresolved sixty (60) days after the initial written notice of alleged breach or other dispute is delivered, or such other date as agreed to in writing, shall be subject to mediation as a condition precedent to arbitration. Mediation shall be conducted by a Judicial Arbitration and Mediation Services (JAMS) mediator in accordance with JAMS mediation rules. The Party alleging breach or other dispute under this Agreement shall tender a request for mediation to the breaching or defaulting Party and/or Parties. The Parties sending and receiving notice of the alleged breach or other default shall meet and confer on the selection of a mediator and share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. In the event that the any breach or other dispute arising out of this Agreement cannot be resolved by mediation, it shall be submitted to a single arbitrator with substantial experience in the matter or matters in dispute and conducted by a JAMS arbitrator. The JAMS arbitrator shall apply the JAMS rules of arbitration, which shall govern any arbitration. If the Parties cannot agree on a single arbitrator within ten (10) days of the written election to submit the matter to arbitration, any Party may request JAMS to appoint a single, neutral arbitrator. The Parties shall use their reasonable best efforts to have the arbitration proceedings concluded within ninety (90) business days of selection of the arbitrator.

### **Section 5 – Notice**

Written notices to be given to any Party pursuant to Section 1 to Section 14 of this Agreement must be given by personal delivery or by registered or certified mail addressed and delivered as set forth below. Other correspondence and invoices may be sent by first class mail or by electronic mail, addressed and delivered as set forth below:

Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, CA 91708  
Attention: Shivaji Deshmukh, P.E.  
Email: sdeshmukh@ieua.org

Calleguas Municipal Water District  
2100 E. Olsen Rd.  
Thousand Oaks, CA. 91360  
Attention: Kristine McCaffrey, P.E.  
Email: kmccaffrey@calleguas.com

Las Virgenes Municipal Water District  
4111 Las Virgenes Rd.  
Calabasas, CA. 91302  
Attention: David W. Pederson, P.E.  
Email: dpedersen@lvmwd.com

Upper San Gabriel Valley Municipal Water  
District  
248 E. Foothill Blvd., Suite 200  
Monrovia, CA 91016  
Attention: Thomas A. Love, P.E.  
Email: tom@usgvmwd.org

### **Section 6 – Termination for Convenience**

In addition to other rights set forth in this Agreement, each Party reserves and has the right to immediately suspend, cancel, or terminate this Agreement at any time upon ninety (90) days written notice to the other Parties. In the event of such termination, the terminating Party forfeits grant funding established as its proportional share and shall pay IEUA its proportionate share of any and all amounts owed for all authorized costs or any obligations incurred hereunder, up to the date of such termination.

### **Section 9 – Representation of Authority**

Each Party represents to the other that it has the authority to enter into this Agreement and that the individual signing this Agreement on behalf of their respective Party has the authority to execute this Agreement and to bind their respective Party to the terms and conditions of this Agreement.

### **Section 10 – Governing Law**

This Agreement shall be governed by and constructed in accordance with the laws of the State of California in the County of San Bernardino.

### **Section 11 – Incorporation of Recitals**

The Recitals set forth above are incorporated herein and made a part of this Agreement between IEUA and CMWD, LVMWD, and Upper District.

### **Section 12 – Entire Agreement: No Third-party Beneficiaries**

This Agreement is intended by the Parties as a complete and exclusive statement of the terms of their agreement and it supersedes all prior agreements, written or oral, as to the subject matter of this Agreement. This Agreement may be modified only upon the mutual written agreement of the Parties hereto. No third-party beneficiary is intended or created by the execution of this Agreement.

**Section 13 – Attorney’s Fees and Costs**

In any proceeding to enforce or interpret the terms or provisions of this Agreement, the prevailing Party, in addition to costs, shall be entitled to recover its reasonable attorney's fees.

**Section 14 – Counterparts**

This Agreement may be signed in counterparts, each of which shall constitute an original and which, taken together shall constitute one and the same Agreement. Verifiable facsimile and electronic execution copies of this Agreement shall constitute original counterparts or copies of this Agreement.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its respective duly authorized officers. The effective date of this Agreement shall be in accordance with the terms of this Agreement.

DRAFT

**INLAND EMPIRE UTILITIES  
AGENCY\***

**Approved as to Form:**

Title: General Manager \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Shivaji Deshmukh

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

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

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

\* a Municipal Water District

**CALLEGUAS MUNICIPAL WATER DISTRICT**

**Approved as to Form:**

Title: General Manager \_\_\_\_\_

Title: District Counsel \_\_\_\_\_

By: \_\_\_\_\_  
Kristine McCaffrey

By: \_\_\_\_\_  
Walter E. Wendelstein

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

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

**LAS VIRGENES MUNICIPAL WATER  
DISTRICT**

**Approved as to Form:**

Title: General Manager \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
David W. Pederson

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

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

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

**UPPER SAN GABRIEL VALLEY MUNICIPAL  
WATER DISTRICT**

**Approved as to Form:**

Title: General Manager \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas Love

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

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

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



# Exhibit 1

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
(DEPARTMENT OF WATER RESOURCES) AND  
INLAND EMPIRE UTILITIES AGENCY  
AGREEMENT NUMBER 4600015372  
URBAN COMMUNITY DROUGHT RELIEF GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR," and the Inland Empire Utilities Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

- 1) PURPOSE. The State shall provide funding from the Budget Act of 2021, as amended (Stats. 2022, ch. 44, § 25) to the Grantee to assist in financing the Project. By executing this Agreement, the Grantee certifies that the purpose of the Project is in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or, (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.
- 2) TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on July 1, 2022, and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Grant Agreement. However, all work shall be completed by June 30, 2026, in accordance with the Schedule as set forth in Exhibit C and no funds may be requested after September 30, 2026.
- 3) GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$8,474,500. Any additional costs are the responsibility of the Grantee.
- 4) GRANTEE REQUIRED COST SHARE. The Grantee is required to provide a local cost share (non-State funds) in the amount of \$0, as set forth in Exhibit B (Budget). Required Cost Share must be for Eligible Project Costs directly related to the Project as set forth in Exhibit A (Work Plan), incurred after June 30, 2022.
- 5) BASIC CONDITIONS.
  - A. The State shall have no obligation to disburse money for the Project(s) under this Grant Agreement until the Grantee has satisfied the following conditions (if applicable):
    - i. The Grantee shall demonstrate compliance with all eligibility criteria as set forth in the 2022 Urban Community Drought Relief Grant Program Guidelines and Proposal Solicitation Package (2022 Guidelines).
    - ii. For the term of this Agreement, the Grantee shall submit Quarterly Progress Reports which must accompany an invoice and all invoice backup documentation. The Quarterly Progress Report shall be submitted within 60 days following the end of the calendar quarter (i.e., reports due May 30, August 29, November 29, and March 1) and all other deliverables as required by Paragraph 13, "Submission of Reports" and Exhibit A, "Work Plan".
    - iii. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State.
      1. Final plans and specifications certified, signed and stamped by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A of this Grant Agreement.

2. Work that is subject to the California Environmental Quality Act (CEQA) (including final land purchases) shall not proceed under this Grant Agreement until the following actions are performed:

- a) The Grantee submits to the State all applicable environmental permits, as indicated on the Environmental Information Form to the State,
- b) Documents that satisfy the CEQA process are received by the State, and
- c) The Grantee receives written notification from the State of concurrence with the Lead Agency's CEQA documents (s) and State's notice of verification of environmental permit submittal.

The State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project, or to require changes, alterations, or other mitigation. Proceeding with work subject to CEQA prior to the State's concurrence shall constitute a material breach of this Agreement. The Grantee or Local Project Sponsor (LPS) shall also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including Environmental Impact Statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/ implementation.

- iv. A monitoring plan as required by Paragraph 15, "Monitoring Plan Requirements," if applicable.

- 6) DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest-bearing account and shall be used solely to pay Eligible Project Costs.
- 7) ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Costs incurred after June 30, 2022, may be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to, the following items:

- A. Costs, other than those noted above, incurred prior to July 1, 2022.
- B. Costs for preparing and filing a grant application.
- C. Purchase of equipment that is not an integral part of a project.
- D. Establishing a reserve fund.
- E. Purchase of water supply.

- F. Replacement of existing funding sources (e.g., bridge loans).
  - G. Meals, food items, or refreshments.
  - H. Payment of any punitive regulatory agency requirement, federal or state taxes.
  - I. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
  - J. Overhead and Indirect Costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee or LPSs; non-project-specific accounting and personnel services performed within the Grantee's or LPS' organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee, LPSs, and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
  - K. Mitigation for environmental impacts not resulting from implementation of a project funded by this Agreement. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- 8) **METHOD OF PAYMENT.** After the disbursement requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee of an electronic invoice certified and transmitted via electronic/digital signature system (e.g., DocuSign) or via US mail or Express mail delivery of a "wet signature" for costs incurred, including Local Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Quarterly Progress Report must accompany an invoice and shall be submitted within 60 days following the end of the calendar quarter (i.e., invoices due May 30, August 29, November 29, and March 1). The State will notify the Grantee, in a timely manner, whenever, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.

- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
- i. Invoices shall contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
  - ii. Invoices shall be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget." The amount claimed for salaries/wages/consultant fees shall include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - iii. One set of sufficient evidence (i.e., receipts, copies of checks, personnel hours' summary table, time sheets) shall be provided for all costs included in the invoice.
  - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount".
  - v. Original signature and date of the Grantee's Project Representative. Submit an electronic invoice, certified and transmitted via electronic/digital signature system (e.g., DocuSign), from authorized representative to the Project Manager or the original "wet signature" copy of the invoice form to the Project Manager at the following address: Financial Assistance Branch, DWR, P.O. Box 942836, Sacramento, CA 94236.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Standard Condition Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

- 9) **ADVANCED PAYMENT.** Water Code section 13198.4(c) authorizes advanced payment by the State for grantees that demonstrate cash flow issues. A project may receive an advanced payment of twenty-five (25) percent of its grant award; the remaining seventy-five (75) percent of the grant award will be reimbursed in arrears after the advanced funds have been fully expended. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after the execution of this Agreement will not be eligible to receive an advanced payment. The Advanced Payment Request shall contain the following:
- A. Documentation demonstrating that each LPS (if different from the Grantee, as listed in Exhibit I) was notified about their eligibility to receive an advanced payment and a response from the LPS stating whether it wishes to receive the advanced payment or not.
  - B. If the Grantee is requesting the advanced payment, the request(s) shall include:
    - i. Descriptive information of each project with an update on project status.

- ii. Description and documentation of the cash flow issues the LPS has that requires funds to be advanced.
  - iii. The names of the entities that will receive the funding for each project.
  - iv. A detailed Funding Plan which includes how the advanced payment will be expended (in terms of workplan, budget, and schedule) within the timeframe agreed upon by DWR and the Grantee. The Funding Plan must clearly identify the total budget (at Budget Category Level) for each project clearly showing the portion of advanced payment and reimbursement funds.
  - v. Any other information that DWR may deem necessary.
- C. Upon review and approval of the Advanced Payment Request, DWR may authorize payment of the requested amount or a lesser amount for those entities that have requested advanced funds. Based on the project's Funding Plan and other considerations, DWR may develop a "Disbursement Schedule," to disburse funds in installments. This Disbursement Schedule may change based on the project's ongoing compliance with the Advanced Payment requirements and the project's cash flow needs.
- D. Once DWR authorizes the Advanced Payment Request, the Grantee shall submit Advanced Payment Invoice(s) for the initial amount based on the "Disbursement Schedule" on behalf of the LPS(s), containing the request for each project requesting advanced funds, to the State with signature and date of the Grantee's Project Representative, as indicated in Paragraph 19, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds to the respective LPS(s). The Advanced Payment Invoice(s) shall be submitted on forms provided by the State and shall meet the following format requirements:
- i. Invoice shall contain the date of the invoice, the time period covered by the invoice, and the total amount due.
  - ii. Invoice shall be itemized based on the budget categories specified in Exhibit B, "Budget."
  - iii. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit A, the State will reject the claim and remove them from the Accountability Report.
  - iv. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
    - 1. An itemization of how advanced funds have been spent to-date (Expenditure Report), including documentation that supports the disbursements (e.g., contractor invoices, receipts, personnel hours, etc.). Accountability Reports shall be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
    - 2. An updated Accountability Report including an updated Funding Plan that depicts how the remaining advanced funds will be expended and the activities and deliverables associated with the advanced funds within the timeframe agreed upon by DWR and the Grantee when the advanced payment request was approved.

3. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
4. Proof of distribution of advanced funds to LPS(s), if applicable.

E. Once the Grantee has spent all advanced funds in a budget category, then the method of payment will revert to the reimbursement process for that budget category specified in Paragraph 8, "Method of Payment."

10) WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 11, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a material breach subject to the default provisions in Paragraph 11, "Default Provisions." If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

11) DEFAULT PROVISIONS. The Grantee shall be in default under this Grant Agreement if any of the following occur:

- A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
- C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
- D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Standard Condition Paragraph D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
- F. Failure to routinely invoice the State pursuant to Paragraph 8.
- G. Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

- A. Declare the funding be immediately repaid.
- B. Terminate any obligation to make future payments to the Grantee.
- C. Terminate the Grant Agreement.

D. Take any other action that it deems necessary to protect its interests.

In the event the State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, the Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12) CONTINUING ELIGIBILITY. The Grantee shall meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2022 Guidelines to remain eligible to receive State funds:

- A. An urban water supplier that receives grant funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) as set forth on page 21 of the 2022 Guidelines and Proposal Solicitation Package.
- B. An agricultural water supplier receiving grant funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply shall have their 2021 AWMP identified on the State's website. For more information, visit the website listed in the 2022 Guidelines and Proposal Solicitation Package.
- C. A surface water diverter receiving grant funds shall maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et. seq.
- D. If applicable, the Grantee shall demonstrate compliance with the Sustainable Groundwater Management Act (SGMA) as set forth in the 2022 Guidelines and Proposal Solicitation Package.
- E. If the Grantee has been designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, the Grantee shall maintain reporting compliance, as required by Water Code section 10932 and the CASGEM Program. Alternatively, if the Grantee has submitted a Groundwater Sustainability Plan (GSP) or Alternative Plan pursuant to the GSP Regulations (Cal. Code Regs., tit. 23, § 350 et seq.), groundwater level data must be submitted through the SGMA Portal at: <https://sgma.water.ca.gov/portal/>.
- F. The Grantee shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406, et seq.) for data sharing, transparency, documentation, and quality control.
- G. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.



- 13) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Project Manager and shall be submitted via the DWR "Grant Review and Tracking System" (GRanTS). If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such project.
- A. Quarterly Progress Reports: The Grantee shall submit quarterly Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Progress Reports shall, in part, provide a brief description of the work performed, the Grantee's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Progress Report must accompany an invoice and shall be submitted within 60 days following the end of the calendar quarter (i.e., invoices due May 30, August 29, November 29, and March 1).
  - B. Project Completion Report: The Grantee shall prepare and submit to the State a separate Project Completion Report for each project included in Exhibit A. The Grantee shall submit a Project Completion Report (or a Component Completion Report, if a Project has multiple Components) within ninety (90) calendar days of Project/Component completion as outlined in Exhibit F.
  - C. Grant Completion Report: Upon completion of all the Projects included in Exhibit A, the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibits A and F. Retention for any grant administration line items in the Budget of this Grant Agreement will not be disbursed until the Grant Completion Report is approved by the State.
  - D. Post-Performance Reports: The Grantee shall prepare and submit to the State Post-Performance Reports for the applicable project(s). Post-Performance Reports shall be submitted to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the project begins operation.
- 14) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to

be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 11, "Default Provisions."

- 15) MONITORING PLAN REQUIREMENTS. A Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post-Performance Monitoring Report requirements as defined and listed in Exhibit F, and follow the guidance provided in Exhibit L, "Project Monitoring Plan Guidance."
- 16) NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  - B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
  - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find shall cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
  - D. The initiation of any litigation or the threat of litigation against the Grantee or an LPS regarding the Project or which may affect the Project in any way.
  - E. Applicable to construction projects only: Final inspection of the completed work on a project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/licensed Professional), in accordance with Exhibit D. The Grantee shall notify the State's Project Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the State the opportunity to participate in the inspection.
- 17) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
  - B. By certified U.S. mail, return receipt requested, postage prepaid.
  - C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.

- D. By electronic means.
- E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

18) PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, the Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

19) PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources

Arthur Hinojosa  
Manager, Division of Regional  
Assistance  
P.O. Box 942836  
Sacramento, CA 94236  
Phone: (916) 902-6713  
Email: [Arthur.Hinojosa@water.ca.gov](mailto:Arthur.Hinojosa@water.ca.gov)

Inland Empire Utilities Agency

Shivaji Deshmukh  
General Manager  
6075 Kimball Ave.  
Chino, CA 91708  
Phone: (909) 993-1600  
Email: [sdeshmuhk@ieua.org](mailto:sdeshmuhk@ieua.org)

Direct all inquiries to the Project Manager:

Department of Water Resources

Haley Miller  
Environmental Scientist  
P.O. Box 942836  
Sacramento, CA 94236  
Phone: 916 326-9832  
Email: [Haley.Miller@water.ca.gov](mailto:Haley.Miller@water.ca.gov)

Inland Empire Utilities Agency

Ashley Womack  
Grants and Government Affairs Officer  
6075 Kimball Ave.  
Chino, CA 91708  
Phone: (909) 925-7205  
Email: [awomack@ieua.org](mailto:awomack@ieua.org)

Either party may change its Project Representative or Project Manager upon written notice to the other party.

20) STANDARD PROVISIONS. This Grant Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Grant

Agreement by this reference:

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements for the Grantee

Exhibit I – Local Project Sponsors and Project Locations

Exhibit J – Appraisal Specifications

Exhibit K – Information Needed for Escrow Processing and Closure

Exhibit L – Project Monitoring Plan Guidance

Exhibit M – Invoice Guidance for Administrative and Overhead Charges

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

INLAND EMPIRE UTILITIES  
AGENCY

Mathew Bates For  
Arthur Hinojosa  
Manager, Division of Regional Assistance

Shivaji Deshmukh  
Shivaji Deshmukh  
General Manager

Date 11/15/2023

Date 11/15/2023

Approved as to Legal Form and Sufficiency

James Herink For  
Robin Brewer  
Assistant General Counsel,  
Office of the General Counsel

Date 11/15/2023

## EXHIBIT A

### WORK PLAN

#### Grant Administration

**IMPLEMENTING AGENCY:** Inland Empire Utilities Agency (Grantee)

**PROJECT DESCRIPTION:** The Grantee will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. This Grantee will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this Agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc.), obtaining data for progress reports from individual project managers, assembling and submitting progress reports to the State, and coordinating all invoicing and payment of invoices.

#### Budget Category (a): Project Administration

##### Task 1: Agreement Administration

The Grantee will respond to DWR's reporting and compliance requirements associated with the grant administration and will coordinate with the project managers responsible for implementing the projects contained in this Agreement.

##### Task 2: Invoicing

The Grantee will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation and compiling the information into a DWR Invoice Packet.

##### **Deliverables:**

- Quarterly Invoices and associated backup documentation

##### Task 3: Reporting

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will coordinate with Local Project Sponsor staff to retain consultants as needed to prepare and submit progress reports and final project completion reports for each project, as well as the grant completion report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement.

##### **Deliverables:**

- Quarterly Progress Reports
- Grant Completion Report

**PROJECT 1: Turnkey Turf Transformation Program****IMPLEMENTING AGENCY:** Inland Empire Utilities Agency

**PROJECT DESCRIPTION:** Inland Empire Utilities Agency, Calleguas Municipal Water District, Las Virgenes Municipal Water District and Upper San Gabriel Valley Municipal Water District will implement the Turnkey Turf Transformation Program (Program). The Program identifies non-residential sites in critically drought-stricken service areas that are in highly visible locations and contain large amounts of non-functional turf. These sites will receive a landscape evaluation that identifies opportunities to reduce water usage and provide efficient irrigation and plant material recommendations. The Program's goal is to immediately reduce water usage while encouraging the public to install water-efficient landscaping on their properties and reduce their water usage. The Program will be implemented in underrepresented communities in each service area of the participating agencies where possible. At least 50% of the total project benefit will be to Underrepresented Communities. The Program will transform between 1.0 and 1.5 million square feet of non-functional turf to yield estimated water savings of between 264 and 396 acre-feet per year.

**Budget Category (a): Project Administration**Task 1: Project Management

Manage Grant Agreement including compliance with grant requirements, and preparation and submission of supporting grant documents. Prepare invoices including relevant supporting documentation for submittal to DWR. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

**Deliverables:**

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement. Submit reports to DWR.

Prepare Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

**Deliverables:**

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit & Signage" per Standard Condition D.2

**Budget Category (b): Land Purchase/Easement**Task 3: Land Purchase

Not Applicable.

### **Budget Category (c): Planning/Design/Engineering/Environmental Documentation**

#### Task 4: Feasibility Studies

Not Applicable.

#### Task 5: CEQA Documentation

Not Applicable.

#### Task 6: Permitting

Not Applicable.

#### Task 7: Planning

The Partner Agencies are responsible for collaborating with the retail agencies in their respective service areas to select and submit properties to Inland Empire Utilities Agency for initial screening for program participation eligibility. Inland Empire Utilities Agency has the final authority to select properties to participate in the program based upon the following initial criteria: 1) assures that more than 50% of the conservation benefit occurs on properties located within underrepresented areas; 2) honors the proportional sharing agreement among the Partner Agencies; 3) is a non-residential properties with a dedicated irrigation meter(s) and an automated irrigation controller(s); 4) provides optimal water savings and stormwater retention; 5) has sufficient water use history and data to participate in water savings study; 6) is located in an area that is highly visible or can otherwise amplify the promotion of the benefits of relandscaping; 7) agrees to participate in the accompanying public relations campaign; and 8) diversifies participating property locations among the 60+ communities serviced by the Partner Agencies.

Representatives of property owners selected to participate in the program will meet individually with the landscape contractor and discuss options for relandscaping of non-functional turf. Before any work is done, the property owner will receive a site plan detailing the layout, irrigation system update, plant materials to replace the non-functional turf and any other elements of the relandscaping work to be completed. Marketing campaign material shall notify applicants of potential tax liability for rebates.

#### **Deliverables:**

- Copy of signed Site Plans detailing work to be done and signed by property owner or his/her representative.
- Summary of proposed public relations promotion efforts.

#### Task 8: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 15 for DWR's review and approval.

#### **Deliverables:**

- Project Monitoring Plan

### **Budget Category (d): Construction/Implementation**



### Task 9: Contract Services

This task must comply with the Standard Condition D.10 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

#### **Deliverables:**

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

### Task 10: Implementation

Requirements to be met by Selected Properties:

Selected properties will be required to meet the following conditions before commencing with any work:

- Undertake an initial water audit provided by entities such as but not limited to Metropolitan Water District or Chino Basin Water Conservation District.
- Allow retail water agencies to share water use data for water use survey, post-performance reports, and any other reporting requirements of the grant.
- Participant must maintain and care for the new landscaping once the project has been completed.
- The new landscaped area must remain in-place for a minimum of 5 years, or the participant will be invoiced to reimburse the program partners for the state and public funding utilized to pay for their landscaping project.

Each approved project site (property) will receive a landscape evaluation, the removal of living non-functional turf/grass in the project areas, a landscape redesign, the installation of weed barriers, climate-appropriate plants, and drip/micro-bubbler irrigation devices. Transformed landscape areas will include applicable ground covers. A certified contractor will work with the site manager to re-program the existing controller for irrigating the new landscaping. Customer training, follow-up site visits (max 2), and a Post Completion Form will be completed at the conclusion of the project. Participants will receive a six-month Warranty (plant/irrigation upgrades), a customer site plan and design, and a plant palette template.

#### **Deliverables:**

- Summary of plant materials and irrigation system updates utilized in turf conversion and measures incorporated to ensure the maximization of on-site water infiltration, where feasible.
- Summary of public relations promotions deployed.
- Photographic Documentation of Progress
- Copy of post completion forms

**EXHIBIT B  
BUDGET****AGREEMENT BUDGET SUMMARY**

Minimum Required Cost Share: \$0

	<b>PROJECTS</b>	<b>Grant Amount</b>	<b>Required Cost Share</b>	<b>All Other Cost</b>	<b>Total Cost</b>	<b>Cost Share Waiver</b>
	Grant Administration	\$770,409	\$0	\$0	\$770,409	N/A
1	Turnkey Turf Transformation Program	\$7,704,091	\$0	\$0	\$7,704,091	Yes
	<b>GRAND TOTAL</b>	<b>\$8,474,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,474,500</b>	

**Grant Administration**

Implementing Agency: Inland Empire Utilities Agency

	<b>BUDGET CATEGORY</b>	<b>Grant Amount</b>	<b>Required Cost Share</b>	<b>All Other Cost</b>	<b>Total Cost</b>
(a)	Project Administration	\$770,409	\$0	\$0	<b>\$770,409</b>
	<b>TOTAL COSTS</b>	<b>\$770,409</b>	<b>\$0</b>	<b>\$0</b>	<b>\$770,409</b>

**PROJECT 1: Turnkey Turf Transformation Program**

Implementing Agency: Inland Empire Utilities Agency

	<b>BUDGET CATEGORY</b>	<b>Grant Amount</b>	<b>Required Cost Share</b>	<b>All Other Cost</b>	<b>Total Cost</b>
(a)	Project Administration	\$0	\$0	\$0	\$0
(b)	Land Purchase / Easement	\$0	\$0	\$0	\$0
(c)	Planning / Design / Engineering / Environmental Documentation	\$350,000	\$0	\$0	\$350,000
(d)	Construction / Implementation	\$7,354,091	\$0	\$0	\$7,354,091
	<b>TOTAL COSTS</b>	<b>\$7,704,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,704,091</b>

**EXHIBIT C  
SCHEDULE****Grant Administration**

	<b>BUDGET CATEGORY</b>	<b>Start Date</b>	<b>End Date</b>
a	Project Administration	03/01/2023	06/30/2026

**PROJECT 1: Turnkey Turf Transformation Program**

	<b>BUDGET CATEGORY</b>	<b>Start Date</b>	<b>End Date</b>
a	Project Administration	03/01/2023	03/01/2026
b	Land Purchase / Easement	N/A	N/A
c	Planning / Design / Engineering / Environmental Documentation	03/01/2023	03/01/2026*
d	Construction / Implementation	03/01/2023	03/01/2026

\*Project covers multiple sites in overlapping stages of development. As a result, Category C and D overlap.

**EXHIBIT D****STANDARD CONDITIONS**

- D.1. **ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**
- A. **Separate Accounting of Funding Disbursements:** Grantee shall account for the money disbursed pursuant to this Funding Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
  - B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest-bearing account, administered, and accounted for pursuant to the provisions of applicable law.
  - C. **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.
- D.2. **ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Budget Act of 2021 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.3. **AMENDMENT:** This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.
- D.4. **AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
- D.5. **AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report

prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Funding Agreement and Grantee shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Grantee to reflect the reduced amount.
- D.7. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10.
- D.8. **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
  - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

- D.9. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10. COMPETITIVE BIDDING AND PROCUREMENTS: Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.11. COMPUTER SOFTWARE: Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12. CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- C. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
- D. Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political

Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Grantee agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
  - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
    - i. The dangers of drug abuse in the workplace,
    - ii. Grantee's policy of maintaining a drug-free workplace,
    - iii. Any available counseling, rehabilitation, and employee assistance programs, and
    - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
  - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
    - i. Will receive a copy of Grantee's drug-free policy statement, and
    - ii. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.
- D.16. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently

transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement or other title restriction acceptable to the State may result in termination of this Agreement.

- D.17. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.18. GRANTEE'S RESPONSIBILITIES: Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
  - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
  - C. Comply with all applicable California, federal, and local laws and regulations.
  - D. Implement the Project in accordance with applicable provisions of the law.
  - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
  - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall provide copies of permits and approvals to State.
  - G. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.
  - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.19. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20. INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages



(including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

- D.21. INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantees, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.22. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.23. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.24. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.25. MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.26. NONDISCRIMINATION: During the performance of this Funding Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use

restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, gender identity, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

- D.27. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.28. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Civ. Code, § 9550, et seq.; Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.29. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.30. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.31. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.32. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.

- D.33. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.34. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.35. RIGHTS IN DATA: Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.36. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.37. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Grantee, its contractors, or subcontractors have made a false certification, or
  - B. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.38. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.39. TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.40. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Funding Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.41. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.42. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement.

Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources for excluded employees. These rates may be found at: <https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

- D.43. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.44. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.45. UNION ORGANIZING: Grantee, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Grantee, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
  - B. Grantee shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
  - C. Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
  - D. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.46. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.47. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

**EXHIBIT E**  
**AUTHORIZING RESOLUTION**

**RESOLUTION NO. 2022-11-4**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE INLAND EMPIRE UTILITIES AGENCY, SAN  
BERNARDINO COUNTY, AUTHORIZING THE GRANT  
APPLICATION, ACCEPTANCE, AND EXECUTION FOR  
THE TURNKEY TURF TRANSFORMATION PROGRAM**

**WHEREAS**, the Inland Empire Utilities Agency\* (Agency) proposes to implement the Turnkey Turf Transformation Program;


**WHEREAS**, the Agency has the legal authority and is authorized to enter into a funding agreement with the State of California; and

**WHEREAS**, the Agency intends to apply for grant funding from the California Department of Water Resources for the Turnkey Turf Transformation Program; and

**NOW THEREFORE BE IT RESOLVED** by the Board of Directors of the Inland Empire Utilities Agency as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, Ch. 240, § 80) as amended (Stats. 2022, ch. 400, § 25), the Inland Empire Utilities Agency Board of Directors, or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions necessary or appropriate to obtain grant funding.
2. The Inland Empire Utilities Agency Board of Directors, or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The Inland Empire Utilities Agency Board of Directors, or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

**ADOPTED** this 16<sup>th</sup> day of November, 2022.

  
\_\_\_\_\_  
Steven J. Elie  
President of the Inland Empire Utilities  
Agency\* and of the Board of Directors thereof

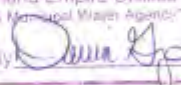
\*a Municipal Water District

Resolution No. 2022-11-4  
Page 2

ATTEST:



\_\_\_\_\_  
Marco Tule  
Secretary/ Treasurer of the Inland Empire  
Utilities Agency\* and of the Board of  
Directors thereof

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.  
Inland Empire Utilities Agency  
\*A Municipal Water Agency  
By  Date 11/16/2022

Resolution No. 2022-11-4  
Page 3

STATE OF CALIFORNIA                         )  
   )SS  
COUNTY OF SAN BERNARDINO             )

I, Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2022-11-4, was adopted at a regular Board  
meeting on November 16, 2022 of said Agency\* by the following vote:

AYES:           Camacho, Elie, Hall, Hofer, Tule

NOES:           None

ABSTAIN:       None

ABSENT:        None

  
\_\_\_\_\_  
Marco Tule, Secretary/Treasurer of the  
Inland Empire Utilities Agency\* and of the  
Board of Directors thereof

(SEAL)

\* A Municipal Water District

## EXHIBIT F

### REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

#### **PROGRESS REPORTS**

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A:

- Percent complete (by work)
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Meetings held or attended.
- Scheduling concerns and issues encountered that may delay completion of the task.

For each project, discuss the following at the project level, as organized in Exhibit A:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

#### **PROJECT COMPLETION REPORT**

The Project Completion Report (or a Component Completion Report, if a Project has multiple Components) shall generally use the following format provided below for each project after completion.

##### **Executive Summary**

The Executive Summary should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- List any official amendments to this Grant Agreement, with a short description of the amendment.

##### **Reports and/or Products**

The following items should be provided, unless already submitted as a deliverable:

- A copy of any final technical report or study, produced for or utilized in this Project as described in the Exhibit A
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final project schedule showing actual progress versus planned progress as shown in Exhibit C



Additional information that may be applicable for implementation projects includes the following:

- Record drawings
- Final geodetic survey information
- Project photos

### **Cost & Disposition of Funds**

A list showing:

- Summary of Project costs including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original Project cost estimate.

### **Additional Information**

- Benefits derived from the Project, with quantification of such benefits provided.
- If applicable, Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Exhibit D, that the project was conducted in accordance with the approved Work Plan in Exhibit A and any approved amendments thereto.
- Submittal schedule for the Post-Performance Report.

### **GRANT COMPLETION REPORT**

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects funded by this Grant Agreement, and includes the following:

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion whether the level, type, or magnitude of benefits of each project are comparable to the original project proposal; any remaining work to be completed and mechanism for their implementation; and a summary of final funds disbursement for each project.

**Additional Information:** Summary of the submittal schedule for the Post-Performance Reports applicable for the projects in this Grant Agreement.

### **POST-PERFORMANCE REPORT**

The Post-Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance; whether the project is being operated and maintained and providing intended benefits as proposed. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

### **Reports and/or products**

- Header including the following:
  - Grantee Name

- Implementing Agency (if different from Grantee)
- Grant Agreement Number
- Project Name
- Funding grant source
- Report number
- Post-Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the project.

## EXHIBIT G

### REQUIREMENTS FOR DATA SUBMITTAL

#### **Surface and Groundwater Quality Data:**

If applicable, groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at:

[https://www.waterboards.ca.gov/water\\_issues/programs/gama/](https://www.waterboards.ca.gov/water_issues/programs/gama/). If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/contact.shtml](https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml).

#### **Groundwater Level Data**

For each project that collects groundwater level data, the Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

## EXHIBIT H

### STATE AUDIT DOCUMENT REQUIREMENTS FOR THE GRANTEE

The following provides a list of documents typically required by State Auditors and general guidelines for the Grantee. List of documents pertains to both State funding and the Grantee's Local Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. The Grantee should ensure that such records are maintained for each funded project.

#### State Audit Document Requirements

##### Internal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
  - a) Receipts and deposits
  - b) Disbursements
  - c) State reimbursement requests
  - d) Expenditure tracking of State funds
  - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

##### State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

##### Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

##### Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

##### Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

##### Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.

2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Grant Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

## EXHIBIT I

### LOCAL PROJECT SPONSORS AND PROJECT LOCATIONS

The Grantee has assigned, for each project, a Local Project Sponsor (LPS). LPSs may act on behalf of the Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. LPSs are identified for each sponsored Project below:

#### Local Project Sponsor Agency Designation

**Sponsored Project:** Project 1: Turnkey Turf Transformation Project

**Sponsor Agency:** Inland Empire Utilities Agency (IEUA)

**Agency Address:** 6075 Kimball Ave.

**Project Location:** Chino, CA 91708 (38.1234456, -121.123456)

**EXHIBIT J****APPRAISAL SPECIFICATIONS**

For property acquisitions funded by this Grant Agreement, the Grantee shall submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. This information should be submitted at least 90 days prior to a reimbursement request to account for review time. All appraisal reports, regardless of report format, shall include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be a narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by California Code of Civil Procedure, § 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three (3) year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the State. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.

14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).
16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data shall include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel shall be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in-depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.



25. In-depth discussion of comparable properties, similarities and differences compared to the subject property, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties shall include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
- a. For sales, include information on grantor/Grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
  - b. For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
  - c. For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements shall be segregated from the land value.
27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber shall be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.

34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites shall also provide:
  - a. A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
  - b. An analysis of other leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

**EXHIBIT K****INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE**

The Grantee shall provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents shall be submitted within the term of this Grant Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (i.e., Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

## EXHIBIT L

### PROJECT MONITORING PLAN GUIDANCE

#### Introduction

For each project contained in Exhibit A, please include a brief description of the project (maximum ~150 words) including project location, implementation elements, need for the project (what problem will the project address) and responds to the requirements listed below.

#### Project Monitoring Plan Requirements

The Project Monitoring Plan shall contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (e.g., upon project completion, five years after completion)?
- How often will monitoring be undertaken (e.g., monthly, yearly).
- Where are monitoring point locations (e.g., meter located at..., at stream mile...)? Include relevant maps.
- How will the project be maintained (e.g., irrigation, pest management, weed abatement)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (i.e., who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

## EXHIBIT M

### INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

The funds provided pursuant to this Agreement may only be used for costs that are directly related to the funded Project. The following provides a list of typical requirements for invoicing, specifically providing guidance on the appropriate methods for invoicing administrative and direct overhead charges.

#### Administration Charges

Indirect and General Overhead (i.e., indirect overhead) charges are not an allowable expense for reimbursement. However, administrative expenses that are apportioned directly to the project are eligible for reimbursement. Cost such as rent, office supplies, fringe benefits, etc. can be "Direct Costs" and are eligible expenses as long as:

- There is a consistent, articulated method for how the costs are allocated that is submitted and approved by the Grant Manager. The allocation method must be fully documented for auditors.
- A "fully-burdened labor rate" can be used to capture allowable administrative costs.
- The administrative/overhead costs can never include:
  - Non-project specific personnel and accounting services performed within the Grantee or an LPS' organization
  - Generic markup
  - Tuition
  - Conference fees
  - Building and equipment depreciation or use allowances
- Using a general overhead percentage is never allowed

#### Labor Rates

The Grantee must provide DWR with supporting documentation for personnel hours (see personnel billing rates letter in example invoice packet). The personnel rate letter should be submitted to the DWR Grant Manager prior to submittal of the first invoice. The supporting documentation must include, at a minimum, employee classifications that will be reimbursed by grant funds and the corresponding hourly rate range. These rates should be "burdened"; the burdened rate must be consistent with the Grantee's/Local Project Sponsors standardized allocation methodology. The supporting documentation should also provide an explanation of what costs make up the burdened rate and how those costs were determined. This information will be used to compare against personnel hours summary table invoice back up documentation. Periodic updates may be needed during the life of the grant which would be handled through a revised billing rate letter.

## Exhibit 2

## **Guidance for Grantees for Addressing the Requirements of AB 1755 (Open and Transparent Water Data Act)**

### **What is AB 1755?**

The Open and Transparent Water Data Act (Assembly Bill [AB] 1755, Stats. 2016, ch. 506) was adopted with the goal of improving water resources management through the development of a state-wide open source (i.e. freely available and non-proprietary) data platform that integrates existing water and ecological data. AB 1755 requires the Department of Water Resources, in consultation with the California Water Quality Monitoring Council, the State Water Resources Control Board, and the California Department of Fish and Wildlife, to create, operate, and maintain the data platform; and to develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms and decision support tools related to water data.

### **Who needs to comply with AB 1755?**

Any recipient of state funds through a grant or contract for projects or research relating to the improvement of water or ecological resources must adhere to the protocols developed under AB 1755 (see note below). Failure to adhere to these protocols shall result in the loss of any state funds awarded to grantees. Grantees and Local Project Sponsors (LPS) whose projects generate any water or ecological data (e.g. surface and groundwater quality, groundwater levels, water transfers and exchanges, toxicity, bioassessments, etc.) must comply with AB 1755's protocols.

### **How do grantees (and LPSs as applicable) comply with AB 1755's requirements?**

A grantee or LPS must provide their data in the accessible/compatible format to the relevant state program so that the data can be published on the open data platform. For most grantees and LPSs this is the equivalent of the requirements already set forth in your Proposition 1 Implementation Grant Agreement requirements found in "Exhibit G – Requirements for Data Submittal." Simply put, the data generated by the IRWM-funded projects must be submitted in a format compatible with the California Environmental Data Exchange Network (CEDEN), California Statewide Groundwater Elevation Monitoring (CASGEM), and Groundwater Ambient Monitoring and Assessment Program (GAMA). IRWM Grantees and LPS with projects that monitor and collect data will fall under one or more of the following three data type scenarios.

**1. Data for CEDEN.** Data compatible with CEDEN will also address AB 1755 requirements for data submittal (Water Code, § 12415(b)(2)). In this instance submitting the data to CEDEN per the requirements of Exhibit G will address AB 1755's requirements.

**2. Data for CASGEM and GAMA.** Data for groundwater level monitoring (CASGEM) and groundwater quality monitoring (GAMA) submitted in accordance with Exhibit G to the appropriate database will meet AB 1755's requirements. The Department of Water Resources is currently working on these protocols for CASGEM, and the State Water Resources Control Board is doing so for GAMA. Contact these agencies (see Exhibit G for contact information) to see if there is any change at this time in how data is submitted.

## Guidance for Grantees for Addressing the Requirements of AB 1755 (Open and Transparent Water Data Act)

**3. Data not Included in the above.** Contact the applicable state programs for any water environmental data not accounted for in the programs listed in Exhibit G.

Note:

Please note that all recipients of state funding have legal responsibility to comply with the requirements of the Open and Transparent Water Data Act (Water Code, § 12406.) While development of AB 1755's protocols is still in its early stages of state-wide implementation, the *Protocols for Assembly Bill 1755, the Open and Transparent Water Data Act* contains initial minimum protocols that will support its early implementation. This document, any changes to these protocols, or other announcements concerning the development of AB1755's protocols shall be posted on DWR's AB1755 page found here: <https://water.ca.gov/ab1755>.



## **Exhibit 3**

Priority Properties	Partner	City	Zip Code	Sq/Ft	Sub type	Retail Agency
2	Calleguas	Port Hueneme	93041	8,298	City Hall	City of Port Hueneme
1	Calleguas	Oxnard	93030	25,275	Utility	City of Oxnard
2	Calleguas	Port Hueneme	93041	45,850	Park	City of Port Hueneme
1	Calleguas	Oxnard		43,950	Utility	City of Oxnard
1	Calleguas	Simi Valley		156,342	City Hall	Golden State Water Company
2	Calleguas	Oxnard	93030	35,627	City Hall	City of Oxnard
2	Calleguas	Oxnard	93033	6,784	Landscape Maintenance District (median/road surrounding areas)	City of Oxnard
2	Calleguas	Oxnard	93033	3,732	Landscape Maintenance District (median/road surrounding areas)	City of Oxnard
2	Calleguas	Oxnard	93033	10,081	Landscape Maintenance District (median/road surrounding areas)	City of Oxnard
2	Calleguas	Oxnard	93033	5,000	Landscape Maintenance District (median/road surrounding areas)	City of Oxnard
1	Las Virgenes	Westlake Village	91361	35,631	Median	City of Westlake Village
2	Las Virgenes	City of thousand Oaks	91362	40,591	Median	
	Upper District	Baldwin Park	91706	560	School	Valley County
	Upper District	Temple City	91780	1,980	Museum	Sunny Slope Water Co.
	Upper District	Baldwin Park	91706	2,230	School	Valley County
	Upper District	Baldwin Park	91706	2,770	School	Valley County
	Upper District	Baldwin Park	91706	3,700	School	Valley County
	Upper District	Baldwin Park	91706	3,750	School	Valley County
	Upper District	Baldwin Park	91706	3,835	School	Valley County
	Upper District	Baldwin Park	91706	4,870	School	Valley View Mutual Water
	Upper District	Covina	91724	5,000	Utility	Covina
	Upper District	Baldwin Park	91706	5,770	School	San Gabriel Valley Water
	Upper District	Baldwin Park	91706	5,800	School	Valley County
	Upper District	Baldwin Park	91706	5,820	School	Valley County
	Upper District	Monrovia	91016	6,000	Park	Monrovia
	Upper District	Baldwin Park	91706	6,275	School	Valley County
	Upper District	Baldwin Park	91706	6,300	School	Valley County
	Upper District	Baldwin Park	91706	6,340	School	Valley County
	Upper District	Duarte	91010	9,000	Park	Cal American Water
	Upper District	Baldwin Park	91706	9,295	School	Valley County
	Upper District	Baldwin Park	91706	11,700	School	Valley County
	Upper District	Baldwin Park	91706	13,810	City Hall	Valley County
	Upper District	Covina	91722	15,000	Park	Covina
	Upper District	Baldwin Park	91706	15,180	School	Valley County
	Upper District	Baldwin Park	91706	15,815	School	San Gabriel Valley Water
	Upper District	Baldwin Park	91706	16,708	School	San Gabriel Valley Water
	Upper District	Baldwin Park	91706	17,400	School	Valley County
	Upper District	Baldwin Park	91706	22,260	School	Valley County
	Upper District	Baldwin Park	91706	36,750	School	Valley County
	Upper District	Monrovia	91016	66,275	Library	Monrovia
1	IEUA	Rancho Cucamonga	91729	48,780	Park	Cucamonga Valley Water District
2	IEUA	Rancho Cucamonga	91730	7,579	School	Cucamonga Valley Water District
2	IEUA	Rancho Cucamonga	91730	19,620	school	Cucamonga Valley Water District
2	IEUA	Rancho Cucamonga	91730	39,000	Shopping Center	Cucamonga Valley Water District
1	IEUA	Rancho Cucamonga	91739	80,000	Street scape	Cucamonga Valley Water District
1	IEUA	Fontana	92335	117,550	Medians, parkways, Streetscapes	Cucamonga Valley Water District
2	IEUA	Rancho Cucamonga	91737	130,000	School	Cucamonga Valley Water District
2	IEUA	Montclair	91763	4,469	Multi-family	Monte Vista WD
2	IEUA	Montclair	91763	868	Multi-family	Monte Vista WD
2	IEUA	Montclair	91763	1,015	Multi-family	Monte Vista WD
2	IEUA	Montclair	91763	2,023	Multi-family	Monte Vista WD
1	IEUA	Montclair	91763	11,549	Fire Station	Monte Vista WD
1	IEUA	Chino	91710	67,285	City Hall	City of chino
1	IEUA	Chino Hills	91709	93,862	Park	City of Chino Hills
1	IEUA	Ontario	91761	66,862	Airport	Ontario

1	IEUA	Upland	91786	42,640	Multi-family	Upland
2	IEUA	Upland	91786	41,411	Multi-family	Upland
2	IEUA	Upland	91786	46,376	Multi-family	Upland
2	IEUA	Upland	91786	20,000	City Hall	Upland
1	IEUA	Fontana	92335	30,012	Medians, parkways, Streetscapes	Fontana Water Company
2	IEUA	Fontana	92335	24,697	Medians, parkways, Streetscapes	Fontana Water Company
2	IEUA	Fontana	92337	19,023	Medians, parkways, Streetscapes	Fontana Water Company
2	IEUA	Fontana	92335	7,618	Medians, parkways, Streetscapes	Fontana Water Company
2	IEUA	Fontana	92337	18,634	Shopping Center	Fontana Water Company
2	IEUA	Fontana	92337	38,726	Medians, parkways, Streetscapes	Fontana Water Company

## Exhibit 4

# Turnkey Turf Transformation Program

## Pre-Qualification Criteria for Participating Sites

Property Criteria	Check or Describe
1. Is this a commercial, industrial, institutional, or public agency-owned property?	_____
2. Does the property have a dedicated irrigation meter(s) (DIM) and automated irrigation controller(s)?	_____
3. Is the site's water supplied with potable or recycled water?	_____
4. Is the property located in an Underrepresented Community? If so, how was that determined?	_____
5. Is the property located in a highly visible or highly trafficked location, and can it amplify the promotion of the TTTP's benefits?	_____
6. Does the property have non-functional turf?	_____
7. Does the property have at least five years of water-use records for DIMs?	_____
8. Does the property owner and/or representative with equivalent authority agree to participate in a public relations campaign promoting the TTTP?	_____
9. Does the property owner and/or representative with equivalent authority understand that before landscape services are implemented, the site will undergo a California Environmental Quality Act (CEQA) review, which will determine whether it can participate in the TTTP?	_____
10. Does the property owner and/or representative with equivalent authority understand that new landscaping may include compost to enhance soil quality and plant health, increase water savings, and align with respective cities' ordinances and best practices standards?	_____

11. Does the property owner and/or representative with equivalent authority understand that landscape work completed under the TTTP is designed to be a permanent change?

---

12. Does the property owner and/or representative with equivalent authority agree to properly maintain relandscaping and irrigation components to ensure optimal water efficiency, and understand that compromise of these efforts may require the site owner to reimburse and return grant funding?

---

13. Does the property owner and/or representative with equivalent authority understand that major changes to the permanent landscape work of the TTTP may require the site owner to reimburse IEUA for grant funding received from TTTP?

---

14. Does the property owner and/or representative with equivalent authority understand the project may be selected for an on-site visit at any time, and access to the area transformed must be provided?

---

15. Does the property owner and/or representative with equivalent authority agree their water use consumption data, pre-and post-service photos, and other relevant information may be shared with the Parties as required to fulfill the needs of the Grant?

---

16. Does the property owner and/or representative with equivalent authority agree that by participating in the TTTP, information shared with IEUA may be subject to disclosure to requesting parties pursuant to the California Public Records Act?

---

17. Does the property owner and/or representative with equivalent authority agree to a redesigned landscaping that conforms with standards for water usage that conforms with the respective cities' ordinances and best practices standards for commercial, industrial, institutional, or public agency-owned properties?

---

18. Does the property owner and/or representative with equivalent authority agree to include stormwater retention features?

---

19. Does the property owner and/or representative with equivalent authority understand that a reduced water bill is not guaranteed?

---

20. Does the property owner and/or representative with equivalent authority understand that the services provided as part of the TTTP will not be taxed? However, any additional work done outside the scope of the TTTP may be subject to taxes if utility-sponsored rebates or other similar interventions are involved.

---

21. Will the property owner and/or representative with equivalent authority sign an agreement that will waive and release the Parties and their contractors or agents from any and all claims and causes of action arising out of the installation and use of services, products, and devices pursuant to the TTTP?

---

22. Does the property owner and/or representative with equivalent authority understand that indicating interest in the TTTP does not guarantee that the proposed property will ultimately be selected to participate in the Program?

---

SCOTT H. QUADY, PRESIDENT  
DIVISION 2

ANDY WATERS, VICE PRESIDENT  
DIVISION 3

RAUL AVILA, SECRETARY  
DIVISION 1

JACQUELYN MCMILLAN, TREASURER  
DIVISION 5

THIBAUT ROBERT, DIRECTOR  
DIVISION 4

KRISTINE MCCAFFREY  
GENERAL MANAGER



[www.calleguas.com](http://www.calleguas.com)

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

## BOARD MEMORANDUM

**Date:** April 17, 2024  
**To:** Board of Directors  
**From:** Dan Smith, Manager of Finance  
**Subject:** Item 5.C - Adopt Resolution No. 2087, Authorizing Signatures on Instruments of Payment

---

**Objective:** The purpose of this item is to update the list of authorized signatories on instruments of payment to reflect changes in the District's organizational structure.

**Recommended Action:** Adopt Resolution No. 2087, Authorizing Signatures on Instruments of Payment

**Budget Impact:** None.

**Discussion:** To address changes in the District's organizational structure, it is necessary to revise the positions authorized as signatories on the District's bank accounts to include the Deputy General Manager in the absence of the General Manager. Additionally, this resolution allows the District to continue utilizing the Uniform Facsimile Signature of Public Officials Act to place a facsimile signature on the District's checks.

**Attachment:**  
Resolution No. 2087



RESOLUTION NO. 2087  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALLEGUAS  
MUNICIPAL WATER DISTRICT AUTHORIZING SIGNATURES ON  
INSTRUMENTS OF PAYMENT

WHEREAS, Calleguas Municipal Water District (“Calleguas”) Ordinance No. 18 provides authority for certain officers to execute contracts and instruments; and

WHEREAS, the Calleguas Administrative Code also provides authority for the execution of contracts and instruments, including delegations of authority for same; and

WHEREAS, Calleguas desires to authorize the use of facsimile signatures on public securities and instruments of payment as defined in the Uniform Facsimile Signatures of Public Officials Act [Government Code §§5500-5506]; and

WHEREAS, the Uniform Facsimile Signatures of Public Officials Act defines “public security” as a bond note, certificate of indebtedness, or other obligation for the payment of money and “instrument of payment” as a check, draft, warrant or order for the payment, delivery or transfer of funds; and

WHEREAS, it is in the best interest of Calleguas that facsimile signatures be authorized and utilized when possible for economy and efficiency of Calleguas operations;

THE BOARD OF DIRECTORS OF CALLEGUAS MUNICIPAL WATER DISTRICT DOES HEREBY DETERMINE AND RESOLVES AS FOLLOWS:

1. That this resolution supersedes all previous Board resolutions regarding signatures on Calleguas public securities and instruments of payment.

2. That, subject to the authority and requirements of Calleguas Ordinance No. 18, the Calleguas Administrative Code, and the Uniform Facsimile Signature of Public Officials Act, the persons holding the following positions are authorized to utilize facsimile signatures on public securities and instruments of payment on behalf of Calleguas, and Calleguas’s designated bank is hereby authorized to honor any such documents signed by any two of following:

President of the Board of Directors  
Treasurer of the Board of Directors  
General Manger  
Deputy General Manager  
Manager of Finance  
Accounting Supervisor

3. That the individuals designated in Section 2 are authorized to file with the Secretary of State their manual signatures pursuant to the rules established by the Uniform Facsimile Signature of Public Officials Act and are authorized to use their facsimile signatures in lieu of manual signatures when executing Calleguas public securities and instruments of payment.

ADOPTED, SIGNED AND APPROVED this 17th day of April, 2024.

\_\_\_\_\_  
Scott H. Quady, President  
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at a meeting of the Board of Directors of Calleguas Municipal Water District held on April 17, 2024.

ATTEST:

\_\_\_\_\_  
Raul Avila, Secretary  
Board of Directors

SCOTT H. QUADY, PRESIDENT  
DIVISION 2

ANDY WATERS, VICE PRESIDENT  
DIVISION 3

RAUL AVILA, SECRETARY  
DIVISION 1

JACQUELYN MCMILLAN, TREASURER  
DIVISION 5

THIBAUT ROBERT, DIRECTOR  
DIVISION 4

KRISTINE MCCAFFREY  
GENERAL MANAGER



[www.calleguas.com](http://www.calleguas.com)

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

### BOARD MEMORANDUM

**Date:** April 17, 2024  
**To:** Board of Directors  
**From:** Dan Smith, Manager of Finance  
**Subject:** Item 6.A - Consideration of a notice to set the time and date of a public hearing regarding annual adjustment to the District’s water rates and fees

---

**Objective:** The purpose of this item is to set the time and date for a public hearing for the annual adjustment to the District’s water rates and other fees for calendar year 2025.

**Recommended Action:** Set the time and date of a public hearing on the annual adjustment to the District’s water rates and other fees at 4:00 p.m. on June 19, 2024.

**Budget Impact:** Water rates and other fee adjustments will be reflected in the Fiscal Year (FY) 2024-25 annual budget.

**Discussion:** On April 9, 2024, the Metropolitan Water District of Southern California (Metropolitan) adopted its water rates for calendar years 2025 and 2026. The Metropolitan rate process began in February and Metropolitan staff developed 13 different rate alternatives over the course of the process. Calleguas staff worked with the purveyors, cities within the service area, and the public to comment in person and in writing on Metropolitan’s proposed rates. This effort helped the Metropolitan Board and staff understand the impacts their rate decision would have on customers in the Calleguas service area.

The alternative approved by the Metropolitan Board adjusted the property tax collected to support the cost of the State Water Project from 0.0035% of a property’s assessed valuation to 0.0070%. The other adopted Metropolitan increases that directly affect Calleguas rates are an 11.1% increase in the Tier 1 treated water rate, 8% increase in the Readiness to Serve charge, and 16.1% increase in the Capacity Reservation Charge.

The District has incorporated the Metropolitan increases into the Calleguas proposed rate structure. Because the Metropolitan rates comprise 75% of the Calleguas Tier 1 rate, the impact to the District's rates is significant, but necessary to continue to secure the needed water supply for the service area.

District staff has prepared the FY 2025-26 Calleguas annual budget as part of the rate setting process. Staff worked diligently to keep costs down and is working to rebuild the reserves utilized over the last few years during the drought. Staff is continuing to budget for reduced water sales and has estimated water sales of 73,000 acre-feet (AF) in calendar year 2025, the same as the 2024 estimates. Based on the proposed budget and water sales, staff anticipates a 5.5% increase on the Calleguas portion of the Tier 1 water rate.

The proposed water rates, fees, and charges are developed based on the cost of service to provide water to the Calleguas service area. The water rates are based on the District's ability to generate sufficient funds to cover labor costs, purchases of water, treatment of water, and operation costs, as well as to provide funding for the District's ongoing Capital Improvement Program. The cost of purchasing imported water from Metropolitan and the cost to operate and maintain the complex water system have increased. Staff has calculated there are insufficient funds available with the current rates to meet the above referenced objectives, so staff is recommending an increase to these rates to meet Calleguas's funding needs.

To allow for the required public noticing, the date for the public hearing on this matter is proposed for June 19, 2024. Below is a brief description of the proposed changes to the water rates and fees.

## **Water Rates**

Variable Rates: The proposed 2025 rate for potable water is Tier 1 at \$1,895 per AF and reflects a 9.5% increase. The proposed rates include the 11.1% increase in Metropolitan's Tier 1 treated water rate and the 5.5% increase in Calleguas's rate. With the adoption of the 2025 and 2026 Metropolitan water rates, there is no longer a separate rate for Tier 2 water. Calleguas has also eliminated Tier 2 from its rate schedule.

Capacity Charge (CC): The CC is based on the highest weekly flow rate for a purveyor between May 1 and September 30. Purveyors with substantial production capacity from local supplies have the ability to take less water during that high demand period, which allows for wholesale water treatment, storage, delivery, and emergency supply infrastructure to be built at smaller capacities and saves money. The proposed CC for 2025 is \$55,472 per peak week flow (in cubic feet per second [cfs]), representing a decrease of 3.3%. Although the revenue requirement to fund the Capacity Charge increased by 3.0% due to the increase in the Metropolitan rate, the 6.5% increase in the peak cfs has reduced the overall Capacity Charge rate. The increase in cfs from year to year is due to the termination of Metropolitan's Emergency Water Conservation Program, which required significant restrictions in water use.

Readiness to Serve Charge (RTS): The RTS Charge is a direct pass through from Metropolitan, with no Calleguas component. An increase of 8.8% is proposed in 2025 based on the adopted Metropolitan RTS Charge.

Temporary Water Rate: The Temporary Water Rate is the rate charged to someone other than a purveyor, typically a contractor, and may only be used for short-term purposes. In the past, the rate was set at two times the Tier 2 variable rate. Since the District no longer has a Tier 2 rate, the Temporary Water Rate is now set at two times the Tier 1 rate.

Overall: Considering all fixed and variable costs, as well as lower sales, the overall increase to the purveyors is expected to average 9.18%, with slight variations due to different purveyors' payments under the CC and RTS. All proposed changes would become effective January 1, 2025.

### **Wheeling Rate**

During FY 2015-16, the District completed the Cost of Service study developing a rate to wheel water through the system, assuming capacity for the water is available. A rate of \$29.39 per AF was calculated for calendar year 2025 by determining the fair share of the construction costs of the pipelines and dividing by the 10-year average annual delivery capacity of the pipelines. The current change represents an 8.1% increase in the rate. The increase in the rate is due to the decrease in water sales the District has experienced over the last few years. The 10-year average in annual deliveries continues to decrease.

### **Salinity Management Pipeline (SMP) Rates**

The first SMP rates were effective on January 1, 2012 and were established at a rate that would make it cost effective for purveyors to build and operate groundwater desalters. Since 2012, the SMP rates have been tied to the Tier 1 rate of potable water. The rates for discharge in 2025 are proposed to increase 9.5%, consistent with the increase in the potable water rate. The rate for brine is proposed to be \$749.10 per AF and the rate for non-brine is proposed to be \$60.00 per AF. In accordance with Ordinance No. 19, Rules and Regulations for Use of the SMP, rates for SMP discharges outside the service area are 150% of the rates inside the service area.

### **Annexation Fees**

Each year Calleguas adjusts its per-acre fee using financial information from the preceding fiscal year. The fee is based on a back property tax due calculation based on the assessed valuation of property within the District and converted into a per acre charge. An Annexation Fee rate of \$4,179 per acre is proposed for 2025 and represents an increase of \$191 or 5.0%.

**Attachments:**

1. 2025 Proposed Water Rates
2. 2025 Annexation Charge Calculation
3. Written and oral comments provided to Metropolitan regarding rates from the Calleguas service area

<b>Calleguas MWD</b>			
<b>2025 Proposed Water Rates - Final</b>			
	Effective Jan 1, 2024	Proposed Jan 1, 2025	% Change
<b>MWD Rates</b>			
Tier 1 Supply Rate (\$/AF)	\$332	\$290	(12.7%)
System Access Rate (\$/AF)	\$389	\$463	19.0%
System Power Rate (\$/AF)	\$182	\$159	(12.6%)
Treatment Surcharge (\$/AF)	\$353	\$483	36.8%
<b>MWD Treated Water Rates</b>			
MWD Tier 1 (\$/AF)	\$1,256	\$1,395	11.1%
<b>CMWD Rates</b>			
O&M Surcharge (\$/AF)	\$202	\$214	5.9%
Capital Construction Surcharge (\$/AF)	\$272	\$286	5.1%
<b>Total Calleguas Rates</b>			
	\$474	\$500	5.5%
<b>Combined MWD &amp; CMWD Rates</b>			
Tier 1 Rate (\$/AF)	<b>\$1,730</b>	<b>\$1,895</b>	9.5%
Temporary Water Rate (per 100 cu ft)	<b>\$8.86</b>	<b>\$8.70</b>	(1.8%)
<b>Capacity Charge</b>			
Estimated MWD Capacity Charge	\$ 2,123,520	\$ 2,464,800	16.1%
CMWD Capacity Charge Requirement	\$ 5,615,216	\$ 5,508,644	(1.9%)
<b>Estimated MWD &amp; CMWD Capacity Charge</b>	<b>\$7,738,736</b>	<b>\$7,973,444</b>	3.03%
Estimated Purveyor CFS	134.92	143.74	6.5%
Capacity Charge /cfs - MWD	\$15,739	\$17,148	
Capacity Charge /cfs - CMWD	\$41,619	\$38,324	
<b>Combined MWD &amp; CMWD Capacity Charge</b>	<b>\$57,358</b>	<b>\$55,472</b>	<b>(3.3%)</b>
<b>RTS Charge</b>			
Estimated MWD RTS Charge	\$ 8,358,310	\$ 9,096,290	8.8%

AF of Sales to calculate Capacity Chg & RTS Rate 73,000 73,000

	2024	2025	% Chg
MWD Per AF Rate	\$ 1,256	\$ 1,395	
MWD Capacity Charge	\$ 29	\$ 34	
MWD RTS	\$ 114	\$ 125	
	<u>\$ 1,399</u>	<u>\$ 1,554</u>	11.1%
CMWD Per AF Rate	\$ 474	\$ 500	
CMWD Capacity Charge	\$ 77	\$ 75	
	<u>\$ 551</u>	<u>\$ 575</u>	4.4%
<b>Total MWD &amp; CMWD Combined Rates</b>	<b>\$ 1,950</b>	<b>\$ 2,129</b>	<b>9.18%</b>

# Calleguas MWD

## 2025 Proposed SMP & Wheeling Rates

	Effective Jan 1, 2024	Effective Jan 1, 2025	% Change
Current SMP rate (\$/AF)			
Brine	\$683.90	\$749.10	9.5%
Non-Brine	\$54.80	\$60.00	9.5%
Outside District SMP rate (\$/AF)			
Brine	\$1,025.90	\$1,123.70	9.5%
Non-Brine	\$82.20	\$90.00	9.5%
Wheeling Rate (\$/AF)	\$27.20	\$29.39	8.1%



## DEFINITIONS:

**Tier 1 Supply Rate** (Metropolitan) - recovers the cost of maintaining a reliable amount of supply.

**System Access Rate** (Metropolitan) – recovers a portion of the costs associated with the delivery of supplies.

**System Power Rate** (Metropolitan) – recovers power costs for pumping supplies to Southern California.

**Water Stewardship Rate** (Metropolitan) – recovers the cost of Metropolitan’s financial commitment to conservation, water recycling, groundwater clean-up and other local resource management programs.

**Treatment Surcharge** (Metropolitan) – recovers the costs of treating imported water.

**Readiness-to-Serve Charge** (Metropolitan) - a fixed charge that recovers the capital cost of the portion of system capacity that is on standby to provide emergency service and operational flexibility. Based upon a calendar ten year rolling average.

**Capacity Charge** (Metropolitan) - recovers the cost of the assets that are providing peak capacity within the distribution system. Based on peak day delivery in previous three years.

**Operations and Maintenance Surcharge** (Calleguas) - recovers the cost of operating and maintaining system facilities and District administrative functions.

**Capital Construction Surcharge** (Calleguas) - recovers a portion of the cost of infrastructure expansion to accommodate new demand and increase system reliability.

**Capacity Charge** (Calleguas) recovers the cost of infrastructure to meet peaking and emergency demands. Based on the peak week demand on the system between May 1 and September 30, for the prior calendar year

# CALLEGUAS MUNICIPAL WATER DISTRICT

## 2025 Readiness To Serve (RTS) Charge By Purveyor Calculation

# Estimate\*

Metropolitan 2024-25 RTS Obligation 9,096,290

Purveyor	FY 15-24 Average Water Sales	% of Total	Annual RTS Amount	Monthly Contribution
Butler Ranch Mutual Water	0.0	0.00%	-	-
Berylwood Heights Mutual Water Co.	2.8	0.00%	-	-
Brandeis Mutual Water Co.	50.7	0.06%	5,458	455
California American Water Co.	13,878.3	16.69%	1,518,171	126,514
California Water Service Co.	6,409.2	7.71%	701,324	58,444
Camarillo, City of	4,300.5	5.17%	470,278	39,190
Camrosa Water District	4,788.3	5.76%	523,946	43,662
Crestview Mutual Water Co.	171.8	0.21%	19,102	1,592
Golden State Water Company	4,948.3	5.95%	541,229	45,102
Oxnard, City of	10,026.6	12.06%	1,097,013	91,418
Pleasant Valley Mutual Water Company	294.6	0.35%	31,837	2,653
Simi Valley, City of	17,888.6	21.51%	1,956,613	163,051
Solano Verde Mutual Water Co.	294.7	0.35%	31,837	2,653
Thousand Oaks, City of	9,407.4	11.31%	1,028,790	85,733
Triumfo Water and Sanitation District	1,944.8	2.34%	212,853	17,738
Ventura Co WWD #1	7,077.4	8.51%	774,094	64,508
Ventura Co WWD #19	369.3	0.44%	40,024	3,335
Ventura Co WWD #38	1,316.1	1.58%	143,721	11,977
<b>TOTALS</b>	<b>83,169.4</b>	<b>100.00%</b>	<b>9,096,290</b>	<b>\$ 758,025</b>

\* To complete the estimated Average Water Sales from 2015-2024, April, May and June 2024 water sales were estimated using 2023 water sales for those months. Final RTS amounts will be distributed in July 2024 after the June water sales are final.

# CALLEGUAS MUNICIPAL WATER DISTRICT

## 2025 Capacity Charge by Purveyor

# Final

\$55,472 cfs (cubic foot per second)

Purveyor	A	B	C	Previous Year Comparison	
	2023 Peak Week	2025 Annual CRC (A X \$55,472)	2025 Monthly Capacity Charge (B /12)	2022 Peak Week	2024 Annual CRC (2022 cfs X \$57,358)
Berylwood Heights Mutual Water Co.	-	\$ -	\$ -	0.76	\$ 43,592
Brandeis Mutual Water Co.	0.12	\$ 6,657	\$ 554	0.11	\$ 6,309
California American Water Co.	22.14	\$ 1,228,150	\$ 102,345	21.49	\$ 1,232,623
California Water Service Co.	10.74	\$ 595,769	\$ 49,647	9.65	\$ 553,505
Camarillo, City of	4.70	\$ 260,718	\$ 21,726	9.34	\$ 535,724
Camrosa Water District	10.22	\$ 566,924	\$ 47,243	8.07	\$ 462,879
Crestview Mutual Water Co.	-	\$ -	\$ -	-	\$ -
Golden State Water Company	8.11	\$ 449,878	\$ 37,489	7.08	\$ 406,095
Oxnard, City of	22.80	\$ 1,264,762	\$ 105,396	17.55	\$ 1,006,633
Pleasant Valley Mutual Water Company	0.71	\$ 39,385	\$ 3,282	0.23	\$ 13,192
Simi Valley, City of	29.81	\$ 1,653,620	\$ 137,801	26.95	\$ 1,545,798
Solano Verde Mutual Water Co.	0.63	\$ 34,947	\$ 2,912	0.70	\$ 40,151
Thousand Oaks, City of	14.21	\$ 788,257	\$ 65,688	14.88	\$ 853,487
Triumfo Water and Sanitation District	3.01	\$ 166,971	\$ 13,914	2.85	\$ 163,470
Pooled:					
Ventura County WWD #1	12.59			10.71	
Ventura County WWD #19	0.48			1.74	
Ventura County WWD #38	3.47			2.81	
Pooled Total	16.54	\$ 917,507	\$ 76,458	15.26	\$ 875,283
<b>Purveyor's Total:</b>	143.74	\$ 7,973,545	\$ 664,455	134.92	\$ 7,738,741

## Calleguas Municipal Water District Annexation Charge Calculation

Year	% Change in AV	Assessed Land Value	Share of Prop Tax	Net Present Value	Year	% Change in AV	Assessed Land Value	Share of Prop Tax	Net Present Value
1953	18%	\$24,464	2.33	\$35.00	1990	2%	\$227,549	21.66	\$77.70
1954	6%	\$25,886	2.46	\$35.55	1991	2%	\$232,100	22.09	\$76.23
1955	-5%	\$24,476	2.33	\$32.39	1992	2%	\$236,742	22.53	\$74.80
1956	6%	\$25,824	2.46	\$32.90	1993	2%	\$241,477	22.98	\$73.39
1957	16%	\$30,050	2.86	\$36.80	1994	2%	\$246,307	23.44	\$72.02
1958	12%	\$33,597	3.2	\$39.61	1995	2%	\$251,233	23.91	\$70.68
1959	10%	\$36,924	3.51	\$41.80	1996	2%	\$256,257	24.39	\$69.36
1960	5%	\$38,782	3.69	\$42.27	1997	2%	\$261,383	24.88	\$68.06
1961	1%	\$39,351	3.75	\$41.33	1998	2%	\$266,610	25.37	\$66.77
1962	2%	\$40,173	3.82	\$40.50	1999	2%	\$271,942	25.88	\$65.53
1963	6%	\$42,718	4.07	\$41.52	2000	2%	\$277,381	26.4	\$64.30
1964	1%	\$43,000	4.09	\$40.14	2001	2%	\$282,929	26.93	\$63.10
1965	-9%	\$39,141	3.73	\$35.21	2002	2%	\$288,588	27.47	\$61.93
1966	-5%	\$37,361	3.56	\$32.33	2003	2%	\$294,359	28.01	\$60.75
1967	0%	\$37,278	3.55	\$31.02	2004	2%	\$300,246	28.57	\$59.63
1968	8%	\$40,221	3.83	\$32.19	2005	2%	\$306,251	29.15	\$58.51
1969	16%	\$46,685	4.44	\$35.90	2006	2%	\$312,376	29.73	\$57.41
1970	26%	\$58,877	5.6	\$43.56	2007	2%	\$318,624	30.32	\$56.32
1971	19%	\$70,162	6.68	\$49.99	2008	2%	\$324,996	30.93	\$55.28
1972	7%	\$75,372	7.17	\$51.62	2009	2%	\$331,496	31.55	\$54.24
1973	8%	\$81,650	7.77	\$53.82	2010	2%	\$338,126	32.18	\$53.23
1974	21%	\$98,850	9.41	\$62.70	2011	2%	\$344,889	32.82	\$52.22
1975	29%	\$127,181	12.1	\$77.57	2012	2%	\$351,787	33.48	\$51.25
1976	22%	\$154,998	14.75	\$90.97	2013	2%	\$358,822	34.15	\$50.29
1977	13%	\$175,903	16.74	\$99.32	2014	2%	\$365,999	34.83	\$49.35
1978	2%	\$179,421	17.08	\$97.49	2015	2%	\$373,319	35.53	\$48.43
1979	2%	\$183,009	17.42	\$95.65	2016	2%	\$380,785	36.24	\$47.52
1980	2%	\$186,670	17.77	\$93.87	2017	2%	\$388,401	37.24	\$46.62
1981	2%	\$190,403	18.12	\$92.09	2018	2%	\$396,169	38.24	\$45.75
1982	2%	\$194,211	18.48	\$90.35	2019	2%	\$404,092	39.24	\$44.90
1983	2%	\$198,095	18.85	\$88.66	2020	2%	\$412,174	40.24	\$44.06
1984	2%	\$202,057	19.23	\$87.01	2021	2%	\$420,417	41.24	\$43.23
1985	2%	\$206,098	19.61	\$85.36	2022	2%	\$428,825	42.24	\$42.42
1986	2%	\$210,220	20.01	\$83.80	2023	2%	\$437,402	43.24	\$41.63
1987	2%	\$214,425	20.41	\$82.23					
1988	2%	\$218,713	20.82	\$80.69					
1989	2%	\$223,088	21.23	\$79.16					

Total	\$	4,179
2024 Rate	\$	3,981
Difference	\$	198
% Change		5.0%

**Transcript of Public Comments, Councilmember Burt Perello, City of Oxnard, to Metropolitan Water District Board of Directors at the Finance and Asset Management Committee Meeting and the Metropolitan Water District's Board Meeting of April 9, 2024.**

My name is Bert Perello, and I am a Councilmember from the City of Oxnard. Oxnard is a beautiful community in Ventura County comprised of almost a quarter million mostly Latino low-income residents who are struggling to make it to the end of each week. With gas prices up to \$5 per gallon, and electricity pricing exploding in the last 3 years, our residents, who have a per capita income of \$29,000 per year, are really struggling.

We understand water rates are going up primarily due to historic low water sales. We further understand Met used reserves over the last 2 years to fund operations to compensate for shortfalls.

However, if the cost of water is increasing due to low sales, how does Met factor in the emergency water conservation it imposed in 2022, when some – but not all – of us were unable to access water for the use in other parts of Met and were required to reduce water use to one day a week outdoor watering and to send water waste patrols around our region? Should those of us that had to disproportionately deal with those regulations get a break from this negative result? Met is seeking more stable, fixed revenues but access to water just 2 years ago in Ventura County was not stable and fixed – nor equitable to the rest of Met's service area, for that matter.

Are there rate alternatives for the largest rate element increase in the overall rates, the treated water surcharge? Is the reward for achieving the required water conservation in 2022 a 30% increase on the treatment surcharge? If so, what is the messaging to our residents next time Met asks us to conserve? And after many conversations, letters, and meetings, why are there still no rate alternatives presented for the proposed treated water surcharge?

Finally, should Met consider the disproportionate impact of these rate increases on low-income households? How is equity addressed when Met is passing along a 30% increase on the treatment surcharge only to some households? Could there be additional assistance provided to residents that simply can't afford these huge increases over the next 2 years? For our low-income residents, increasing the property tax creates more harm than only increasing the rates. Must Met increase property taxes on low-income households? Perhaps that would be valuable to consider before your Board adopts property tax rates in August.

On behalf of Oxnard's hard working residents, if the Met Board chooses to increase property taxes on low-income households, I request the Board select option 3, which is

the lowest AV property tax rate increase of the 3 options. I also request you adopt the resolution with the following language committing to address the treated water surcharge: "Metropolitan will work with member agency staff and the CAMP4Water Task Force to understand and analyze the treatment surcharge and specifically address issues that arise from that analysis including but not limited to modifying the way the charge is calculated. A final method will be prioritized as part of the new business model discussion and recommended for adoption as soon as possible thereafter but no later than approval of the new business model."

**Transcript of Public Comments, Mayor Chris Enegren, City of Moorpark, to Metropolitan Water District Board of Directors at the Metropolitan Water District's Board Meeting of April 9, 2024.**

My name is Chris Enegren. I'm the Mayor of Moorpark, and I'm speaking on Item 8-7. Raising the rates dramatically is very problematic for our citizens, just as the previous speaker [Bert Perello, City of Oxnard] was saying. A regular small to moderate increase – 5% a year – is normal and preferable, obviously, to doing nothing to address cost increases. And then doing a sudden irregular 20% increase, that just shows poor management on that side of it, and it's a really big problem with our residents.

A solution to help out would be to distribute the costs of the treated water surcharge across all customers instead of just customers that purchase only treated water, like Calleguas – and in effect Moorpark, since we get our water from Calleguas. MWD had to upsize its infrastructure and facilities to meet the peak demand including occasional customers of treated water. Customers who only buy treated water should not pay for the added costs needed to meet the peak demand from occasional customers. And the CAMP4Water Task Force is a step in the right direction – it's a good move – but we really need a more sustainable business model to address the water shortages going forward. Thank you.



# CITY OF MOORPARK

799 Moorpark Avenue, Moorpark, CA 93021

Main City Phone Number (805) 517-6200 | Fax (805) 532-2205 | moorpark@moorparkca.gov

March 12, 2024

Rickita Hudson  
Board Executive Secretary  
Metropolitan Water District of Southern California  
700 N. Alameda Street, Los Angeles, CA 90012

Re: Finance and Asset Management Committee, March 12, 2024  
Item 9-2, Budget Workshop No. 3

Honorable Chair Smith, Members of the Finance and Asset Management Committee, and Members of the Board of Directors for the Metropolitan Water District of Southern California (MWD):

The proposed water rates and charges outlined in MWD's biennial budget for fiscal years 2024/25 and 2025/26 will have devastating economic impacts to the residents and businesses of the City of Moorpark. Ventura County Waterworks District No. 1 is the water purveyor for Moorpark, which in turn relies heavily on imported water from MWD via Calleguas Municipal Water District (Calleguas).

MWD's biennial budget and rate proposal provided on February 13, 2024, proposes rate increases of 13% for fiscal year 2024/25 and 8% for fiscal year 2025/26 for untreated water, in addition to a proposed 30% increase in the treatment surcharge. Due to the fact that Calleguas only purchases treated water from MWD, this will ultimately result in direct water rate increases of 17% in 2024/25 and 8% in 2025/26. The pace of these rate increases is unreasonable and will have devastating impacts on many Moorpark families, many of which are already struggling to keep pace with recent inflation.

Like many of our neighbors, Moorpark did its part by reducing water use to one day a week for outdoor watering during the most recent drought, resulting in historically low water usage. It seems that we are now facing a proposed rate structure that is punishing customers for doing the right thing in reducing water usage.

Moorpark opposes the proposed rate structure for fiscal years 2024/25 and 2025/26 and expects MWD to identify and present some rate alternatives to the current proposal that reflect both immediate moderation of the rate increases and the long-term viability of MWD's revenue models that are currently based on volumetric usage, even when funding fixed costs.

Sincerely,

Chris Enegren  
Mayor, City of Moorpark

CC: City Council and City Manager

CHRIS R. ENEGREN  
Mayor

RENEE DELGADO  
Councilmember

DANIEL GROFF  
Councilmember

TOM MEANS  
Councilmember

DR. ANTONIO CASTRO  
Councilmember



SCOTT H. QUADY, PRESIDENT  
DIVISION 2

RAUL AVILA, SECRETARY  
DIVISION 1

THIBAUT ROBERT, DIRECTOR  
DIVISION 4



ANDY WATERS, VICE PRESIDENT  
DIVISION 3

JACQUELYN MCMILLAN, TREASURER  
DIVISION 5

KRISTINE MCCAFFREY  
GENERAL MANAGER

web site: [www.calleguas.com](http://www.calleguas.com)

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

March 22, 2024

Chair Adán Ortega and Board of Directors  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
Los Angeles, California 90012

Transmitted as pdf to [dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

The Need for an Alternative to the Proposed Treated Water Surcharge:  
Background Materials on Public Hearing Comments on Proposed Water Rates and Charges for  
Calendar Years 2025 and 2026

Dear Chair Ortega,

On March 12, 2024, Calleguas Municipal Water District Board President Scott Quady presented public comments at Metropolitan Water District of Southern California's (Metropolitan's) Public Hearing on proposed water rates and charges for calendar years 2025 and 2026. The purpose of this letter is to memorialize President Quady's public hearing comments, provide supporting background material, and reiterate his request for your Board's development of a treated water surcharge rate alternative consistent with your Board's adopted policy.

President Quady cited Metropolitan Resolution No. 9221 which adopted policy principles for the treated water surcharge. Those principles included two key provisions:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as *operational benefits such as available treatment capacity used by member agencies.* (emphasis added)

The policy principles were adopted to "provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future." The future is now. As proposed, the treated water surcharge does not appropriately distribute the operational benefit of available treatment capacity.

Member agencies that have access to both treated and untreated water from Metropolitan find it cost-effective to purchase Metropolitan's untreated water and treat it themselves while continuing to benefit from the ability to meet peak demands utilizing Metropolitan's treated water capacity. For the 15 Metropolitan member agencies that receive only treated water, this is not an option. As presented to your Board, 85% of the treatment costs are fixed, including the cost to make that treatment capacity available on demand, and those fixed costs are collected on a 100% volumetric basis. As a result, those agencies that can only access treated water pay a disproportionate cost to maintain the treatment capacity for those that use treated water on an as-needed basis.

There is a solution. In 2017, a member agency working group and Metropolitan staff developed an alternative consistent with Metropolitan's cost of service principles that allocates fixed costs to account for the benefit of the treatment capacity. It was not adopted largely on the vote of member agencies who had the alternative to avoid paying for the treatment capacity. At the time, it was hoped that the cost differential between untreated and treated rates would narrow in the future, but that has not occurred.

We now have a clear view of how lower sales will affect Metropolitan's future financial sustainability. For Metropolitan as a whole, a new balance must be struck between fixed costs and fixed revenues. The treated water surcharge is the same issue, just a more extreme example: 85% fixed costs funded on 100% volumetric revenues. The reserve for the Water Treatment Surcharge Stabilization Fund stands at zero and is projected to remain at zero for the next two years. This is not a model for future sustainability.

Your Board's commitment to addressing the treated water surcharge imbalance in this budget cycle can demonstrate Metropolitan's commitment to a balanced approach. We urge you to develop an alternative that follows your Board's policy to properly apportion the costs and benefits associated with maintaining treatment capacity. Thank you for your consideration.

Sincerely,



Kristine McCaffrey, P.E.  
General Manager

cc: Adel Hagekhalil, General Manager  
Mohsen Mortada, Chief of Staff  
Katano Kasaine, Chief Financial Officer / Assistant General Manager  
Marjorie Wheeler, Executive Strategist

Attachments

1. Transcript of Public Comments, Scott Quady, President of Calleguas Municipal Water District Board of Directors at Metropolitan March 12, 2024 Public Hearing on Proposed Water Rates and Charges
2. Metropolitan Water District of Southern California Resolution 9221 Approving the Treatment Charge Workgroup's Proposed Policy Principles
3. Metropolitan Water District of Southern California Board Letter 8-1, Board Meeting of April 11, 2017 including Attachment 1, "Proposed Policy Principles, Recommendations, and Implementation Considerations

Good afternoon Chair Ortega, Director McMillan, members of the Board; my name is Scott Quady, I'm president of the Calleguas Municipal Water District. I appreciate the opportunity to address you today.

Calleguas delivers water to 19 retail agencies, most of which, as community water systems, must engage in a Proposition 218 process to set rates. As you've heard, a rate increase of this magnitude will almost certainly lead to rate protests. Rate protests, even when ultimately unsuccessful, have the effect of eroding trust in the institution seeking the increase. They can change the politics of the city or water agency, and often not in a good way.

Given the principle of transparency, so central to a Cost of Service Analysis, ratepayers will be able to clearly identify the drivers of the higher rates their suppliers will be seeking to collect.

While Metropolitan is not subject to Proposition 218, you have historically been fairly transparent about the rates. You have been fairly clear in defining what constitutes the capacity charge, for instance: the cost, apportioned on a pro rata share by each member agency, of providing and maintaining a distribution system with the capacity to meet peak demands.

Fifteen of your 26 member agencies—more than half—receive only treated water. There are other member agencies who receive both treated and untreated water, but depend on Metropolitan's treated water capacity when they need it. Metropolitan's capacity to distribute water to meet peak demands means the capacity to distribute **treated** water to meet peak demands.

Treatment capacity is part of the cost of Metropolitan's treatment service.

This isn't just my idea. Or Calleguas's perspective.

It is, in fact, Metropolitan policy.

On April 11, 2017, the Metropolitan Board of Directors adopted Resolution 9221, Approving the Treatment Charge Workgroup's Proposed Policy Principles. There were three principles. I'll cite the first two.

1. *Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.*
2. *Treatment services shall be recognized to include physical water treatment, **as well as operational benefits such as available treatment capacity** used by member agencies.*

Available treatment capacity—the ability for Metropolitan to treat all the water required even by its occasional customers—is part of Metropolitan's cost of service.

Calleguas urges the Board to create a rate that adheres with your own principles.

President Quady's March 12, 2024 Public Comments to the Metropolitan Board

Recognizing that it is unlikely you'll be able to do so before the rates need to be adopted next month, Calleguas encourages your Board to defer action on the treatment surcharge until the issue can be developed completely.

Thank you.

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**RESOLUTION 9221**

---

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA  
APPROVING  
THE TREATMENT CHARGE WORKGROUP'S PROPOSED POLICY PRINCIPLES**

---

WHEREAS, the Board of Directors (“Board”) of The Metropolitan Water District of Southern California (“Metropolitan”), pursuant to Sections 133, 134 and 134.5 of the Metropolitan Water District Act (the “Act”), is authorized to fix such rate or rates for water as will result in revenue which, together with revenue from any water standby or availability of service charge or assessment, will pay the operating expenses of Metropolitan, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by Metropolitan, and provide for the payment of the interest and principal of its bonded debt, including payment of the interest and principal of Metropolitan’s non-tax funded debt; and

WHEREAS, on April 12, 2016, the Board voted to (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for discussion in fall 2016, and (3) bring a possible recommendation to the Board for a new treated water charge effective January 1, 2018; and

WHEREAS, on June 28, 2016, the Executive Committee of the Board approved the formation of a Workgroup to achieve its objectives, with participation made open to all member agencies; and

WHEREAS, the Executive Committee established a timeline for the Workgroup to provide recommendations to Metropolitan’s Finance and Insurance (F&I) Committee, and directed the Workgroup to:

- Define objectives of a fixed treated water charge;
- Determine costs to be included in a fixed charge;
- Determine allocation methodology;
- Address issues related to the implementation of a new charge; and
- Consider implementation in January 2018 or as part of the next biennial budget.

WHEREAS, Metropolitan retained Dr. Tom Chesnutt of A&N Technical Services, Inc. to facilitate the process, which took place from September 2016 through February 2017; and

WHEREAS, at the February meeting of the F&I Committee, the Workgroup presented its Proposal in a document titled, “Treatment Charge Workgroup Proposed Policy Principles, Recommendations, and Implementation Considerations” (Proposal), dated February 2, 2017; and

WHEREAS, the Proposal recommends that the Board adopt three policy principles, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future, as follows:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

WHEREAS, the Proposal recommends a Treatment Capacity Charge that mirrors the existing Metropolitan Capacity Charge, to be allocated to member agencies based upon a three-year trailing maximum peak day flow through treated water service connections during the May 1 through September 30 peak summer demand period; and

WHEREAS, the recommended Treatment Capacity Charge would recover the capital financing costs incurred to meet maximum summer treatment capacity, also referred to as “fixed demand costs”; and

WHEREAS, the F&I Committee considered the Proposal at its regular February 2017 and March 2017 meetings, pursuant to informational presentations, review, and deliberation; and

WHEREAS, on April 10, 2017, the Proposal, together with a staff review thereof, was further discussed and reviewed by the F&I Committee and by the Board on April 11, 2017; and

WHEREAS, each of said meetings of the Board were conducted in accordance with the Brown Act (commencing at 54950 of the Government Code), at which due notice was provided and quorums were present and acting throughout; and

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

**Section 1.** That the Board of Directors of Metropolitan hereby adopts the following policy principles for the recovery of treatment costs, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.

2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

**Section 2.** That this Board finds that the adoption of the policy is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

**Section 3.** That the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation.

**Section 4.** That the Board Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member agency.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on April 11, 2017.



---

Board Executive Secretary  
The Metropolitan Water District  
of Southern California





● **Board of Directors**  
***Finance and Insurance Committee***

4/11/2017 Board Meeting

---

**8-1**

**Subject**

---

Adopt CEQA determination and adopt resolution approving Treatment Charge Workgroup's proposed policy principles, recommended treatment capacity charge, and treatment capacity charge implementation

**Executive Summary**

---

In February 2017, a report was presented to the Finance and Insurance (F&I) Committee providing an overview of the work of the Treatment Charge Workgroup (Workgroup). The Workgroup met from September 2016 through February 2017. The culmination of this effort is the "Proposed Policy Principles, Recommendations, and Implementation Considerations" (Proposal) for a treatment fixed charge beginning no sooner than January 1, 2021, with the remaining treatment revenue requirement to continue to be recovered through a uniform, volumetric rate. The Proposal, included as [Attachment 1](#), was presented to and discussed by the F&I Committee at its February 2017 and March 2017 regular meetings. Pursuant to the Committee's consensus that the Proposal be presented as an action item at the April meetings of the F&I Committee and the Board, this letter recommends approval of the Proposal. Specifically, it recommends adoption of the Resolution approving the Treatment Charge Workgroup's proposed policy principles, recommendations for a treatment capacity charge, and implementation of a treatment capacity charge, provided as [Attachment 2](#).

**Details**

---

On April 12, 2016, Metropolitan's Board of Directors adopted the biennial budget for fiscal years (FY) 2016/17 and 2017/18, water rates for calendar years (CY) 2017 and 2018, and charges for CY 2017. Pursuant to requests for staff to review and present alternatives to the 100% volumetric treatment surcharge, which recovers all revenue requirements allocable to Metropolitan's treatment function, staff, with consultation provided by Raftelis Financial Consultants, Inc., proposed the Board adopt a two-part Treated Water Fixed Charge based upon the cost of service report which was included in Board Letter 8-1 dated April 12, 2016. The first component of the proposed charge would have recovered the Fixed Standby costs of the treatment function and would have been apportioned to member agencies based on the average treated water sales by member agency for the most recent ten fiscal years (ten-year rolling average). The second component would have recovered the Fixed Demand costs and would have been apportioned to member agencies based on each agency's peak treated water demand for the last three summer seasons, defined as the highest daily treated water demand for May through September.

The Board voted instead to continue the 100% volumetric Treatment Surcharge and to: (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for further discussion in fall 2016, and (3) bring a possible recommendation to the Board for a new treated water charge effective January 1, 2018. Staff proposed the following process to the Executive Committee to achieve those objectives:

- Staff would chair a Workgroup of member agencies to work on the issues;
- The Workgroup would use the monthly Member Agency Managers meeting to receive input and information;
- The Workgroup would provide analyses for the Board and develop options and approaches; and
- The F&I Committee would receive regular updates, review proposals and provide direction to the Workgroup.

On June 28, 2016, the Executive Committee formed the Workgroup, which was open to representatives of all of Metropolitan's member agencies, and directed the Workgroup participants to address the following policy issues:

- Define objectives of a fixed treated water charge;
- Determine costs to be included in a fixed charge;
- Determine allocation methodology;
- Address issues related to the implementation of a new charge; and
- Consider implementation in January 2018 or as part of the next biennial budget.

The Executive Committee also established a timeline pursuant to which the Workgroup would be formed in July/August 2016, the F&I Committee would receive a recommendation from the Workgroup in March 2017, and the F&I Committee would make a recommendation to the Board in July 2017 for potential implementation in CY 2018 or CY 2019.

Metropolitan retained Dr. Tom Chesnutt of A&N Technical Services, Inc. to facilitate the process for the participating member agencies. Sixteen member agencies participated in the process (List of Workgroup Participants, Attachment 5). On August 15, 2016, staff provided an update to the F&I Committee regarding the formation of the Workgroup, the Executive Committee's directions to the Workgroup on policy, and the intended process for the Workgroup.

The Workgroup met six times from September 2016 to February 2017. During the process, staff presented information to the Workgroup and Member Agency Managers, including information regarding water treatment plant flows, financial statement and rate impacts of write-down of treatment plants, review of the Metropolitan budget, review of the functionalization and allocation of Metropolitan's treatment costs, and a long-term Treatment Surcharge forecast. The Member Agency Managers were also provided with updates from September 2016 to November 2016 (there was no Member Agency Managers meeting in December 2016) and January 2017.

In February 2017, the Workgroup voted to present the "Proposed Policy Principles, Recommendations, and Implementation Considerations" included as [Attachment 1](#). Updates were provided to the F&I Committee from September 2016 to February 2017, with discussions of the Workgroup's Proposal at the February 2017 and March 2017 F&I Committee meetings.

### **Workgroup Proposal**

The Proposal consists of:

- Policy Principles for Treatment Rates and Charges;
- Recommendations for Treatment Rates and Charges; and
- An implementation consideration for Treated Water Charges.

#### Policy Principles for Treatment Rates and Charges

The Workgroup proposes that the Board adopt the following Policy Principles quoted in full below, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

#### Recommendations for Treatment Rates and Charges

The Workgroup further recommends the adoption of a Treatment Capacity Charge that mirrors the existing Metropolitan Capacity Charge. The Treatment Capacity Charge would recover the capital financing costs

functionalized to the Treatment function that are allocated to the Fixed Demand category. Fixed Demand costs are those capital costs incurred to meet maximum summer treatment capacity. These Treatment Fixed Demand costs would be recovered from member agencies based on their three-year trailing maximum summer peak day demand through treated water connections. The summer demand period is defined as May 1 through September 30. All other Treatment function costs would continue to be recovered through a uniform, volumetric rate per acre-foot of treated water sales. The Workgroup's recommended Treatment Capacity Charge reflects the second component of the two-part Treated Water Fixed Charge proposed by staff to the Board on April 12, 2016, which also proposed to recover Fixed Demand costs based on three-year trailing maximum summer peak day demand.

#### An implementation consideration for Treated Water Charges

To provide member agencies with sufficient time to plan for operational and financial impacts, the Workgroup proposes to incorporate the Treatment Capacity Charge into Metropolitan's biennial cost of service process and implement it no sooner than January 1, 2021. If implemented for CY 2021, the Treatment Capacity Charge for each agency would be determined based on the three-year trailing maximum summer peak day demand through treated water connections for CYs 2017 through 2019.

A resolution approving the Treatment Charge Workgroup's Policies, Recommendations, and Implementation, which includes the Treatment Capacity Charge, is provided as **Attachment 2**. If the resolution approving all of the Workgroup's recommendations is approved, staff will include a Treatment Capacity Charge in the proposed rates and charges effective January 1, 2021 and January 1, 2022, developed in the manner described above. A resolution approving only the Workgroup's proposed Policy Principles is provided as **Attachment 4**. If the resolution approving only the Workgroup's Policy Principles is approved, the principles would provide a guidance framework for changes Metropolitan may consider regarding treatment rates or charges in the future.

#### **Requests from the March 13, 2017 F&I Committee Meeting**

Members of the F&I Committee, at its March 13, 2017 meeting, requested that staff provide additional information regarding two topics.

##### 1. Resiliency

One of the attributes of effective treated water cost recovery identified by the Workgroup was the structuring of Metropolitan's treatment revenues with low variability and appropriate levels of resiliency. The request was made for information about the need for financial resiliency through a treatment fixed charge, if financial resiliency is going to be part of the principles recommended by the Workgroup

The Workgroup provided background statements in their written communication to the F&I Committee, concluding "structuring MWD's treatment revenues with low variability and appropriate levels of resiliency" is one of "several important attributes of effective treated water cost recovery." (Page 1 of **Attachment 1**.) Thus, the Workgroup is not proposing that the Board adopt financial resiliency as a policy principle, but the Workgroup does conclude that financial resiliency is an important attribute of the recovery of Metropolitan's treatment costs.

Financial resiliency has been in the forefront of recent water utility research. Financial resiliency is defined as "the ability to thrive in the presence of fiscal stresses that threaten to temporarily or systematically move an organization or industry off-balance or out of fiscal equilibrium."<sup>1</sup> Key to financial resiliency is the robustness of the utility business model in generating stable and adequate revenue streams. Fixed charges, when replacing revenues generated by volumetric rates, contribute to stable revenue streams and enhance financial resiliency.

The proposed Treatment Capacity Charge would generate a fixed revenue stream to replace a portion of the current treatment revenue requirement that is 100 percent dependent on sales volumes. By definition, the Treatment Capacity Charge would improve the stability of treatment cost recovery, of which 91 percent are fixed

---

<sup>1</sup> Water Research Foundation, "Defining a Resilient Business Model for Water Utilities", prepared by: Jeff Hughes, Mary Tiger, Shadi Eskaf, Stacey Isaac Berahzer, Sarah Royster, Christine Boyle, and Dayne Batten, Environmental Finance Center at the University of North Carolina at Chapel Hill, Chapel Hill, NC 27599-3330; and Peiffer Brandt and Catherine Noyes, Raftelis Financial Consultants, Inc., 1031 South Caldwell St., Suite 100, Charlotte, NC 28203; ©2014, page 2.

costs. This would result in less revenue dependent on sales volumes, a more stable revenue stream, and improved financial resilience across a range of hydrologic variability.

## 2. Background Information Regarding Treatment Costs

At the March 13, 2017 F&I Committee meeting, staff presented a summary slide (slide 6 of the PowerPoint presentation) containing the costs, by category, that make up Metropolitan's 2017/18 Treatment Revenue Requirement, which are functionalized as treatment costs pursuant to Metropolitan's cost of service process. A request was made for background information that makes up each of the categories of treatment costs summarized in slide 6. Staff made a detailed presentation to Workgroup participants on October 20, 2016, which contains the background information requested, and is included herein as **Attachment 3**. The presentation referenced cost data shown in the current biennial budget document; it also referenced the relevant schedules in the cost of service study, which was included in Board Letter 8-1 dated April 12, 2016. This information was also provided as part of Attachment 4 in Board Letter 8a to the F&I Committee, dated February 14, 2017.

The budget is the foundation of the cost of service report. There is much detail in the budget document on Metropolitan's website regarding departmental operating and capital financing expenditures. Budgets are developed in detail by line item (labor, chemicals, materials, professional services, travel, etc.) for each team. The budgeted dollars by team roll up to units, units roll to sections, sections roll to groups. The largest portions of the budget for the Water System Operations (WSO) group are the Water Treatment and Conveyance and Distribution section budgets, which together make up 59 percent of WSO's budget. The other six WSO sections (Office of the General Manager, Operations Support Services, Water Quality, Water Operations and Planning, Safety and Environmental Services, Power Operations and Planning) serve a support function within the group. The Water Treatment section of the WSO budget of \$74.5 million includes the budget for the five treatment plants. (Page 63 of the budget, and slide 5 in **Attachment 3**.) The Water Treatment Section budget includes the salaries and benefits, professional services, materials and supplies, outside services, and variable treatment costs for chemicals, power, and solids. Accordingly, a large portion of the Treatment Revenue Requirement is contained in the WSO Budget.

Treatment revenue requirements are made up of the following items: WSO direct departmental O&M costs at the five treatment plants; WSO support O&M costs; Support O&M costs from Other Groups; Capital Financing costs; Revenue Offsets; Administrative & General costs. (Schedules 8 and 9 in the cost of service report, and slide 10 in **Attachment 3**.)

- WSO Direct O&M costs come from the budget and are functionalized to treatment by location and by activity so that they include only costs pertaining to treatment; thus, a portion of the Electrical and Control Teams O&M at the five treatment plants is subtracted because they perform Distribution functions. (Slide 9 in **Attachment 3**.)
- WSO support O&M costs includes a portion of Operations Support, Operations Planning, Water Quality, Safety & Environmental, and Power Operations. These are functionalized to treatment by time keeping and team function.
- Support O&M costs from Other Groups includes Engineering, functionalized to treatment by Net Book Value (NBV) shares; it also includes Information Technology, Human Resources, and Office of the General Manager, and these costs are functionalized prorata by labor costs.
- Capital financing costs includes debt service and Pay-As-You-Go funding of the Capital Investment Plan. Capital costs are functionalized to treatment by NBV shares. Treatment NBV includes all Metropolitan facilities which perform treatment functions. Treatment NBV is around 31% in FY 2017/18. (Schedule 4 in the cost of service report, and slide 11 in **Attachment 3**.)
- Revenue Offsets includes interest income and property tax revenues. These are functionalized prorata by total costs and by NBV shares, respectively.
- Administrative & General includes departmental O&M for Administrative Services, General Counsel, General Auditor, Ethics, and Office of the CFO. These costs are functionalized prorata by total costs.

The supporting treatment cost details can be found in the budget documents pages 36, 62, and 63; the cost of service report, pages 63 to 72; and the Workgroup October 20, 2016 presentation.

## Policy

---

Metropolitan Water District Act Section 133: Fixing of Water Rates

Metropolitan Water District Act Section 134: Adequacy of Water Rates; Uniformity of Rates

Metropolitan Water District Act Section 134.5: Water Standby or Availability of Service Charge

Metropolitan Water District Administrative Code Section 4301(a): Cost of Service and Revenue Requirement

By Minute Item 50438, the Board, at its April 12, 2016 meeting, approved a motion that the Board (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for further discussion in fall 2016, and (3) bring a possible recommendation for a new treated water charge effective January 1, 2018.

## California Environmental Quality Act (CEQA)

---

### CEQA determination for Options #1, #2, and #3:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

The CEQA determination for Options #1, #2, and #3 is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2), 15378(b)(4), and 15061(b)(3) of the State CEQA Guidelines.

## Board Options

---

### Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup's Policy Principles, Recommendation for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge.

**Fiscal Impact:** None

### Option #2

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup's Proposed Policy Principles and take no further action at this time.

**Fiscal Impact:** None

### Option #3

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Take no action at this time and maintain Metropolitan's current 100% volumetric Treatment Surcharge.

**Fiscal Impact:** None

**Staff Recommendation**

---

Option #1

  
\_\_\_\_\_  
Gary Breaux  
Chief Financial Officer/  
Assistant General Manager

4/4/2017  
Date

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

4/4/2017  
Date

**Attachment 1 – Proposed Policy Principles, Recommendations, and Implementation Considerations**

**Attachment 2 – Resolution Approving the Treatment Charge Workgroup’s Proposed Policy Principles, Recommendations for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge**

**Attachment 3 – October 20, 2016 Presentation to the Treatment Charge Workgroup, containing background material on treatment costs**

**Attachment 4 – Resolution Approving the Treatment Charge Workgroup’s Proposed Policy Principles**

**Attachment 5 – List of Workgroup Participants**

Ref# cfo12650105

**TREATMENT CHARGE WORKGROUP**  
**PROPOSED POLICY PRINCIPLES, RECOMMENDATIONS, AND**  
**IMPLEMENTATION CONSIDERATIONS**

**February 2, 2017**

The Treatment Charge Workgroup (“Workgroup”) was initially established by the MWD Board of Directors to develop recommendations for a fixed treatment surcharge for subsequent consideration by the Board. The constraints placed on the Workgroup were simply that any recommendations had to be based on the existing Cost of Service Study. Several meetings of the Workgroup have been utilized to discuss the attributes of successful treatment cost recovery, and the methods of accounting for assets, revenues and costs.

The Workgroup concluded there are several important attributes of effective treated water cost recovery. These include, but are not limited to, providing a clear nexus between member agency treatment service costs and the benefits received, and structuring MWD’s treatment revenues with low variability and appropriate levels of resiliency.

Prior to establishing a specific rate-related proposal, the Workgroup recommends the Board’s consideration and potential adoption of Policy Principles. These principles would provide a guidance framework for changes MWD may wish to make to the treated water portion of its rate structure in the future.

Potential imposition of a new treated water charge would more ideally be done in the context of a full rate refinement review. This would ensure the components of the resultant rate structure are fully harmonized. However, absent a full rate refinement review, modifications to MWD’s existing charges may be implemented to incorporate policy changes regarding the recovery of treatment component costs. This document presents Proposed Policy Principles, Recommendations, and an implementation consideration.

**Policy Principles for Treatment Rates and Charges:**

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD

should obtain member agency commitment to utilize new or expanded future treatment capacity.

**Recommendations for Treatment Rates and Charges:**

1. Adopt a Treatment Capacity Charge that mirrors the existing Capacity Charge in a manner consistent with cost of service principles.
2. This Treatment Capacity Charge should be implemented based upon a three-year trailing maximum peak day flow through treated water service connections during the May 1 through September 30 peak summer demand period.

**An Implementation Consideration for Treated Water Charges:**

1. To provide member agencies with sufficient time to plan for operational and financial impacts to their agencies and sub-agencies, this Treatment Capacity Charge should be integrated into MWD's biennial cost of service process and considered for implementation at the Board's discretion with rates and charges effective no sooner than January 1, 2021 (thus, inclusive only of the summer peaks of 2017-2019.)





# CITY OF PORT HUENEME

## Memorandum

**DATE:** March 22, 2024  
**TO:** Metropolitan Water District  
**FROM:** Dennis Martinez, Water General Manager  
**SUBJECT:** MWD PROPOSED WATER RATE INCREASE

Metropolitan Water District Board Members,

I am writing to express our opposition to the proposed water rate increase, particularly the aspect regarding the Treated Water Surcharge. As a purveyor who receives treated water from the Calleguas Municipal Water District, I am deeply concerned about the potential ramifications of this increase on our community and the lack of consideration for alternative rate structures.

There are several key points that I believe warrant careful consideration before moving forward with the proposed rate increase:

- 1. Absence of Rate Alternatives:** It is troubling that there are no alternative rate structures presented, especially considering that the treated water surcharge constitutes the largest rate element increase in the overall rates. Ratepayers deserve transparency and options when it comes to such significant financial changes.
- 2. Imbalance in Cost Recovery:** The current structure of the treated water surcharge unfairly burdens occasional users who rely on Metropolitan's treatment for peaking or intermittent needs. Recovering fixed costs at a 100% volumetric rate fails to account for the true benefit of treatment capacity for these users, leading to an unbalanced and inequitable cost recovery system.
- 3. Impact of Low Sales and Water Conservation:** The increase in the treated water surcharge due to low sales raises questions about how Metropolitan considers the emergency water conservation measures imposed in 2022. During that time, Calleguas customers faced significant restrictions on water usage, yet this does not seem to have been factored into the current rate proposal.
- 4. Need for Balanced Approach:** The 30% increase in the treatment rate surcharge stands out as an extreme outlier within the proposed rates. This highlights a broader issue with

the overall rate proposal's lack of balance and fairness. It is crucial to address this outlier and ensure that any rate adjustments are consistent with principles of equitable cost distribution.

5. Call for Suspension of Implementation: If Metropolitan cannot address the issues surrounding the treatment surcharge before the scheduled April adoption of rates, I urge you to consider suspending implementation until viable rate alternatives can be developed. This would demonstrate a commitment to addressing the concerns of ratepayers and working towards a fair and sustainable solution.

In conclusion, I implore the Metropolitan Water District to reconsider the proposed water rate increase and take into account the concerns raised regarding the Treated Water Surcharge. It is essential to prioritize fairness, transparency, and the long-term interests of all ratepayers in any decision-making process.

Thank you for considering my input on this matter. I hope that you will carefully weigh the implications of the proposed rate increase and take appropriate action to address the concerns raised.

Sincerely,



Dennis Martinez

Water General Manager

City of Port Hueneme / Port Hueneme Water Agency

March 25, 2024

Chair Adán Ortega and Board of Directors  
General Manager Adel Hagekhalil  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
Los Angeles, California 90012

Transmitted as pdf to [dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

Water Treatment Surcharge Rate Questions and Alternatives:  
Comments to Board of Directors Workshop on Proposed Biennial Budget,  
March 26, 2024

Dear Chair Ortega, Board of Directors, and General Manager Hagekhalil;

We understand how hard the Chair, the Board of Directors, and Metropolitan staff have worked at developing the proposed biennial budget, rates and charges. We thank you for your collaborative approach.

In discussions, and on-going coordination, among our fellow member agency managers, we have identified many significant concerns regarding the large treatment surcharge increases, ranging from 47% to 56%, that are proposed in the rate increase alternatives shown by Metropolitan. The issue is not simply the extraordinarily high rate increases, it is the many questions around the calculation of the water treatment surcharge, the management of the associated water treatment surcharge rate stabilization fund, and the equity issues around the class of member agencies that can only receive treated water.

We would like a meeting with financial staff to discuss our concerns and understand the methods used to determine the treatment surcharge and its proposed increases. We would like this meeting to be held before the April Board meeting where action is currently scheduled to be taken on Metropolitan's proposed biennial budget, rates and charges. We, as General Managers, do not feel comfortable endorsing a rate alternative to our agencies' Metropolitan representatives until we have a full understanding of how the treatment surcharge and its proposed increases are being derived. We ask that without a complete understanding and agreement on the methods used to derive the treatment surcharge and a possible solution to attenuate the very large increases, the adoption of the biennial budget, rates and charges be delayed until May or June 2024.

Listed below are the main questions and concerns we have with the treatment surcharge.

1. **Why is the treatment surcharge increasing even more when the ad valorem tax increases?** The original alternative with 1.44 million acre-feet of sales and no ad valorem tax resulted in a 47% increase over two years. This increase is untenable, but now the other alternatives with the ad valorem tax are showing even greater percentage increases with Alternative 2a at 56% over two years. We need an explanation as to how

costs are being allocated so that when the ad valorem tax is increased, the treatment surcharge also increases. The ad valorem tax increase should be lowering all rate components of the composite rate except the treatment surcharge which should, if calculated correctly, stay the same. However, the increase in the ad valorem tax revenue is increasing the treatment surcharge, which is counterintuitive and aggravating the problem.

2. **How is PAYGO and debt service being allocated to the treatment surcharge?** We understand that capital financing costs are allocated based on a "Net Book Value Plus Work-in-Progress" methodology. Because Metropolitan's five treatment plants have high book value as compared to much of its other, aging infrastructure, a greater portion of PAYGO and debt service are being allocated to the treatment surcharge. However, there is no clear nexus between the actual projects funded or financed through debt service and the treatment surcharge. Please verify how PAYGO and debt service are allocated to the treatment surcharge and provide details on the actual capital investments proposed for treatment infrastructure. Additionally, how are the costs of the La Verne Water Quality Laboratory upgrades being allocated to the various rate components? How are costs for Pure Water Southern California allocated?
3. **How would the treated water surcharge rate differ if you used the fixed cost recovery methodology proposed in the 2017 Metropolitan staff recommendation?** While Metropolitan staff has proposed numerous alternatives to address the untreated water rate and even numerous cost recovery alternatives for the proposed Pure Water Southern California, the treated water surcharge remains unabated under all alternatives. This limits the ability of the Board of Directors to fulfill its policy making role to address the problem.
4. **What are the projections for treated versus untreated sales?** Based on lower overall sales projections, should the assumed ratio of treated versus untreated sales be different? A change in this ratio could make a major difference in the calculation of the treatment surcharge.
5. **How has the water treatment rate stabilization fund been used that its level is now zero dollars?** Did the low water sales from last year eliminate all funds and were those funds specifically directed to address treatment costs? How is that fund being managed? Are there certain guidelines/policies being used? If not, should guidelines/policies be established?
6. **What would be the cost of providing raw water to all agencies?** The inaccessibility of raw water for 15 of Metropolitan's 26 member agencies puts them at an unfair advantage when it comes to their rates and the economy within those agencies' service areas. The treatment surcharge is increasing to such a level that it would be conducive for many of these agencies to build their own treatment plants and process the water themselves.

What would be the cost for Metropolitan to provide all member agencies with equitable access to untreated water?

In 2017, Metropolitan established a workgroup to review the treatment surcharge. Recommendations were made to the Board of directors which included a treated water capacity charge. The charge was not adopted by the Board, and only policy principles were adopted with two key provisions:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.

The payment for operational benefits such as available treatment capacity has been ignored and those agencies that cannot take raw water have been left paying more and more of the treatment surcharge that has been constructed to benefit almost all agencies. We propose one or a combination of all of the following solutions for this dilemma.

1. Until a full understanding and agreement is reached on the method used to determine the treatment surcharge, do not increase the current treatment surcharge and pay for that portion of additional expenses through other reserves. We understand that the other reserves are low as well and part of the goal is to build up those reserves. Through this solution, those reserves would build up at a slower pace than would otherwise occur.
2. A fixed charge should be adopted based on treated water connection capacity. This would entail no agency being able to roll off of Metropolitan for some portion of fixed costs that are attributable to the readiness-to-serve and peaking components of treatment. Peaking should be considered year-round instead of summer only since agencies that have their own treatment plants would normally use Metropolitan's treatment capacity for maintenance of their plants during the winter period. In the meantime, those agencies that can only take treated water are still paying for the others to ride the system.
3. Until such time as a new structure can be developed, fixed treatment costs should be assigned to all rate components and only the variable cost of treatment should be applied to the treatment surcharge.
4. Transition the cost of service methodology for capital financing (PAYGO and debt service) from "Net Book Value Plus Work-in-Progress" to "Direct Assignment" to more accurately attribute treatment infrastructure investments with the associated charges.

We would like the discussion to begin sooner rather than later on ways to provide more fixed revenues to Metropolitan and further analyze the reserves considering climate change impacts to ensure that Metropolitan has both stable revenues and rate increases.

We and our fellow managers look forward to meeting with Metropolitan's financial staff.

Regards,

Nina Jazmadarian  
General Manager  
Foothill Municipal Water District

David W. Pedersen, P.E.  
General Manager  
Las Virgenes Municipal Water District

Stacie N. Takeguchi, P.E.  
Assistant General Manager – Water  
Pasadena Water and Power

Henry Graumlich  
Executive Strategist  
Calleguas Municipal Water District

cc: Mohsen Mortada, Chief of Staff  
Katano Kasaine, Chief Financial Officer / Assistant General Manager  
Marjorie Wheeler, Executive Strategist





Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSO.COM

**DATE:** April 1, 2024  
**TO:** Metropolitan Water District  
**FROM:** Peter Martinez, General Manager  
**SUBJECT:** MWD PROPOSED WATER RATE INCREASE

Metropolitan Water District Board Members,

I am writing to express our opposition to the proposed water rate increase, particularly concerning the Treated Water Surcharge. As a recipient of treated water from the Calleguas Municipal Water District, I am deeply concerned about the potential impact this increase on our community and the lack of consideration for alternative rate structures.

Here are key points to consider before proceeding with the proposed rate increase:

- 1. Absence of Rate Alternatives:** It is concerning that no alternative rate structures have been presented, especially given that the treated water surcharge represents the largest rate element increase. Ratepayers deserve transparency and options for such significant financial changes.
- 2. Impact of Low Sales and Water Conservation:** The increase in the treated water surcharge due to low sales raises questions about how the Metropolitan Water District considers past emergency water conservation measures. The lack of consideration for these measure in the current rate proposal is troubling.
- 3. Need for a Balanced Approach:** The 30% increase in the treatment rate surcharge is disproportionately high compared to the proposed rates, indicating a lack of balance and fairness in the overall rate proposal. It is essential to ensure that any rate adjustments adhere to principles of equitable cost distribution.
- 4. Call for Suspension of Implementation:** If the Metropolitan Water District cannot address the issues surrounding the treatment surcharge before the scheduled April adoption of rates, I urge you to suspend implementation until viable rate



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSD.COM

alternatives can be developed. This would demonstrate a commitment to addressing ratepayer concerns and working towards a fair solution.

In conclusion, I implore the Metropolitan Water District to reconsider the proposed water rate increase and take into account the concerns raised regarding the Treated Water Surcharge. Prioritizing fairness, transparency, and the long-term interests of all ratepayers is essential in any decision-making process. Our District is presently operating within a 5-year rate structure, and the proposed implementation of MWD rates has the potential to initiate an expensive and premature Prop 218 process for our ratepayers.

Thank you for considering my input on this matter. I hope you will carefully weigh the implications of the proposed rate increase and take appropriate action to address the concerns raised.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Martinez', with a long, sweeping underline.

Peter Martinez

General Manager

Channel Islands Beach Community Services District



**From:** [Berna Arnold](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Rate Increase. NO THANK YOU  
**Date:** Friday, April 5, 2024 4:40:30 PM

---

Dear MWD Board:

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Plus with all the new taxes and increases to other utilities, I am going broke! How can any family or single people afford this anymore? Stop ruining California and making the state only for the elitist-wealthy.

Sincerely,

Berna Arnold

1894 Rambling Road

Simi Valley, CA 93065

**From:** [Halla Maher](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Water Rate Increase  
**Date:** Friday, April 5, 2024 1:52:28 PM

---

Dear MWD Board-

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors, and we did. Our area reduced water by 31.5 percent during this time compared to previous years.

Now, we are being asked to pay more for water- a lot more! There are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Best Regards,

Halla Maher

**From:** [Marques Crutchfield](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Letter To The Board  
**Date:** Friday, April 5, 2024 4:00:55 PM

---

Dear MWD Board,

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Marques Crutchfield

**From:** [Michael Francis](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Metropolitan's Board voting on the rates on April 9.  
**Date:** Friday, April 5, 2024 2:17:17 PM

---

April 5, 2024

Dear MWD Board:

I am a resident of Simi Valley who receives water from your system.

I have just been made aware that your agency is considering a major rate increase for our area. I'm writing to strongly object to this proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Michael Francis  
4377 Springfield St.  
Simi Valley, CA 93063



# City of Camarillo

601 Carmen Drive • Camarillo, CA 93010

Office of the Mayor  
(805) 388-5307  
FAX (805) 388-5318

April 5, 2024

Adán Ortega, Chair, Board of Directors  
Members, Board of Directors  
Metropolitan Municipal Water District  
Board of Directors  
P.O. Box 54153  
Los Angeles, CA 90054-0153  
Email: [AOrtegaJr@mwdh2o.com](mailto:AOrtegaJr@mwdh2o.com); [dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

## **Re: Proposed Rate Increases**

Dear Chair Ortega and Members of the Metropolitan Water District Board of Directors:

I am writing to express my objection and deep concern regarding Metropolitan Water District's proposed double-digit rate increases, including an extraordinary (30%) increase proposed by MWD staff for the treated water surcharge. Calleguas Municipal Water District, which serves our region, is only able to receive treated water from Metropolitan. This circumstance compounds our prior concerns related to MWD's lack of reliability and our region's longstanding inequitable access to water, as described in our City's past letters to your Board. As you well recall, our City's criticisms of MWD were prompted by the then-emergency water shortage condition and MWD's inability—because of decades of inaction—to convey available stored water to our area, resulting in our SWP-dependent region unfortunately continuing its current unequal status within MWD as a “second class” citizen.

During the prior drought emergency, our region rallied to Metropolitan's call for draconian water conservation and significantly reduced our water use. Many thousands of our residents and businesses were financially harmed by Metropolitan's actions. Now Metropolitan staff proposes to raise rates primarily due to low water sales. The proposed rate increase methodology will disproportionately, and severely, affect our region, our City residents and our area businesses.

The proposed increases raise serious concerns regarding fairness and in essence again place an unfair burden on the backs of our area residents and businesses who have sacrificed greatly the last several years as second-class citizens of Metropolitan. It is evident that MWD agencies with intermittent usage of large quantities of treated water

may disproportionately benefit, while those areas (including our City) which receive solely treated water will bear the brunt of the cost burden. We urge the MWD Board to reject such excessive and inherently unfair increases proposed by staff and explore alternative solutions which do not place an undue financial burden on certain ratepayer groups. Additionally, Metropolitan must develop a treated water surcharge mechanism which structurally aligns with your own policy principles outlined in Resolution 9221.

Your Board's failure to identify and consider alternative solutions will directly and further undermine the confidence of ratepayers in MWD's decision-making process. If Metropolitan is unable to resolve the treatment surcharge issue, I strongly recommend your Board reject current proposals and delay any implementation of new rates until alternative rate options can be thoughtfully identified and developed.

I acknowledge Metropolitan's efforts to ensure reliable water service. However, I urge the Board to reject the proposed rate increases and explore alternative solutions which prioritize fairness, equity, and affordability for all ratepayers, especially in our highly impacted geographic area. Consistent with our personal discussion and your personal invitation to me following the February 7, 2024 Calleguas Board meeting, I am ready to engage in constructive and collaborative efforts with you and the Board to address these pressing issues in a manner that serves the best interests of our communities and the long-term financial viability of MWD.

Sincerely,



Tony Trembley  
Mayor

C: Camarillo City Council  
MWD Board of Directors (all)



# CITY OF MOORPARK

PARKS, RECREATION & COMMUNITY SERVICES DEPT. | 799 Moorpark Avenue, Moorpark, CA 93021  
Main City Phone Number (805) 517-6200 | Fax (805) 532-2550 | moorpark@moorparkca.gov

April 5, 2024

**TRANSMITTED ELECTRONICALLY**

[dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

Rickita Hudson  
Board Executive Secretary  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
Los Angeles, CA 90012

Re: Finance and Asset Management Committee, April 9, 2024  
Item 8-7: Budget and Water Rates and Charges for 2025 and 2026

Honorable Chair Smith and Members of the Finance and Asset Management Committee:

Metropolitan's proposed water rates and charges for calendar years 2025 and 2026 will have devastating economic impacts on residents and businesses within the City of Moorpark. Ventura County Waterworks District No. 1 is the water purveyor for Moorpark, which in turn relies heavily on treated imported water from MWD via Calleguas Municipal Water District (Calleguas).

Particularly alarming is the proposed 30% increase in the treated water surcharge. As proposed, MWD wants to recover water treatment costs – of which 85% are fixed costs – entirely with volumetric sale revenue. While this may purport to make sense on its surface, the fact that some MWD customers alternate between buying treated water and untreated water based on availability of other water sources throws off this balance.

In developing its treatment capacity, MWD must develop capacity to meet demand to cover customers that occasionally purchase treated water and customers that always purchase treated water. MWD invests extra capital to meet peak demand. However, as proposed, occasional treated water customers escape their fair share of the escalated fixed costs incurred to meet their occasional demand whenever they pause purchases of treated water. When this occurs, the full financial costs of building excess capacity are placed on remaining treated water customers, even though those treated water customers do not need the excess capacity needed to meet occasional user demands. This places an unfair burden on customers, like Calleguas, who purchase only treated water.

In 2017, MWD recognized this in adopting Resolution 9221, approving the treatment charge workgroup's proposed policy principles. It stated that "treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles" and "treatment services should be recognized to include physical water treatment as well as operational benefits such as available treatment capacity used by member agencies." The proposed treated water surcharge increase is not consistent with these policy principles.

**The City of Moorpark respectfully requests that MWD reconsider its treated water surcharge to reflect occasional users of treated water such that a portion of the fixed costs of treatment infrastructure be attributed to occasional users.** Doing so would more fairly distribute treatment costs among MWD customers and would provide some relief to end-user customers in Moorpark, across Calleguas' customer base, and across much of the customer base served by MWD across southern California.

If Metropolitan cannot resolve this treatment surcharge issue immediately, MWD should consider delaying implementation until such alternative rates can be calculated and implemented. This would demonstrate MWD's commitment to finding a fairer solution and show ratepayers that MWD is responsive to its customers' concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Enegren", with a horizontal line extending to the right.

Chris Enegren  
Mayor, City of Moorpark

cc: City Council and City Manager  
Calleguas Municipal Water District





# CITY OF MOORPARK

PARKS, RECREATION & COMMUNITY SERVICES DEPT. | 799 Moorpark Avenue, Moorpark, CA 93021  
Main City Phone Number (805) 517-6200 | Fax (805) 532-2550 | moorpark@moorparkca.gov

April 5, 2024

**TRANSMITTED ELECTRONICALLY**

[dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

The Honorable Adán Ortega, Jr.  
Chair, Board of Directors  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
Los Angeles, CA 90012

Re: Item 8-7: Budget and Water Rates and Charges for 2025 and 2026

Dear Chair Ortega, Jr. and Members of the Board:

Metropolitan's proposed water rates and charges for calendar years 2025 and 2026 will have devastating economic impacts on residents and businesses within the City of Moorpark. Ventura County Waterworks District No. 1 is the water purveyor for Moorpark, which in turn relies heavily on treated imported water from MWD via Calleguas Municipal Water District (Calleguas).

Particularly alarming is the proposed 30% increase in the treated water surcharge. As proposed, MWD wants to recover water treatment costs – of which 85% are fixed costs – entirely with volumetric sale revenue. While this may purport to make sense on its surface, the fact that some MWD customers alternate between buying treated water and untreated water based on availability of other water sources throws off this balance.

In developing its treatment capacity, MWD must develop capacity to meet demand to cover customers that occasionally purchase treated water and customers that always purchase treated water. MWD invests extra capital to meet peak demand. However, as proposed, occasional treated water customers escape their fair share of the escalated fixed costs incurred to meet their occasional demand whenever they pause purchases of treated water. When this occurs, the full financial costs of building excess capacity are placed on remaining treated water customers, even though those treated water customers do not need the excess capacity needed to meet occasional user demands. This places an unfair burden on customers, like Calleguas, who purchase only treated water.

In 2017, MWD recognized this in adopting Resolution 9221, approving the treatment charge workgroup's proposed policy principles. It stated that "treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles" and "treatment services should be recognized to include physical water treatment as well as operational benefits such as available treatment capacity used by member agencies." The proposed treated water surcharge increase is not consistent with these policy principles.

**The City of Moorpark respectfully requests that MWD reconsider its treated water surcharge to reflect occasional users of treated water such that a portion of the fixed costs of treatment infrastructure be attributed to occasional users.** Doing so would more fairly distribute treatment costs among MWD customers and would provide some relief to end-user customers in Moorpark, across Calleguas' customer base, and across much of the customer base served by MWD across southern California.

If Metropolitan cannot resolve this treatment surcharge issue immediately, MWD should consider delaying implementation until such alternative rates can be calculated and implemented. This would demonstrate MWD's commitment to finding a fairer solution and show ratepayers that MWD is responsive to its customers' concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Enegren", with a horizontal line extending to the right.

Chris Enegren  
Mayor, City of Moorpark

cc: City Council and City Manager  
Calleguas Municipal Water District

**From:** [Richard Moore](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** develop a fair and reasonable rate structure  
**Date:** Saturday, April 6, 2024 12:44:31 AM

---

Dear MWD Board:

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Richard Moore

1539 Eloise Circle, Simi Valley, CA 93063-4527

**From:** Anita Garatie <a\_garatie@hotmail.com>

**Sent:** Sunday, April 7, 2024 3:37 PM

**To:** DL-Board Support Team <DL-BoardSupportTeam@mwdh2o.com>

**Subject:** water rate increase

Dear MWD Board:

I am a resident of Ventura County who receives water from your system. I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Anita E. Garatie

**From:** Sheila Johnson <shelaw1@aol.com>

**Sent:** Sunday, April 7, 2024 2:57 PM

**To:** DL-Board Support Team <DL-BoardSupportTeam@mwdh2o.com>

**Subject:** Proposed Rate Increase

Dear MWD Board,

I am a resident of Ventura County who receives water from your system. I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5% during this time compared to previous years.

Now we're being asked to pay more for water – a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Sheila Johnson  
Ventura County Resident

**From:** Steven Nash <mrswn@hotmail.com>

**Sent:** Sunday, April 7, 2024 9:55 AM

**To:** DL-Board Support Team <DL-BoardSupportTeam@mwdh2o.com>

**Subject:** Metropolitan Rate Increases

Dear MWD Board:

I am a resident of Ventura County who receives water from your system. Specifically, I live in Oxnard which currently purchases approximately 36% of its water supply from the Calleguas Municipal Water District, which buys its water from the Metropolitan Water District of Southern California (Met). Met is currently considering adopting 17% rate increases.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of an unprecedented drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases. However, if you decide to impose the rate increase it should be as an ad valorem tax which seems to me to be the most equitable way of paying for the needed financial obligations Met is facing. Volumetric charges would unfairly burden disadvantaged communities which are already struggling with the ever-increasing cost of living in this area.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Best,  
Steven Nash

SUSAN WOLK  
P.O. BOX 70  
SOMIS, CA 93066-0070  
[wolk.susan@gmail.com](mailto:wolk.susan@gmail.com)  
(310) 277-1132

Adan Ortega, Chair, Board of Directors  
Members, Board of Directors  
Metropolitan Municipal Water District  
Board of Directors  
P.O. Box 54153  
Los Angeles, CA 90054-0153

April 7, 2024

Emailed on April 8, 2024 to: [AOrtegaJr@mwdh2o.com](mailto:AOrtegaJr@mwdh2o.com) and  
[dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

**Re: The Proposed Rate Increases  
for Calleguas Municipal Water District**

Dear Chair Ortega and Members of the Metropolitan Water District  
Board of Directors:

Saturday, April 6, 2024, I learned that there is a proposed thirty percent increase by the Metropolitan Water District (MWD) which serves my residence in Camarillo. I am respectfully requesting that any increase be postponed until there has been at least one public hearing. Those served by the MWD deserve to have a level of transparency. The consumers should be provided with accurate, unbiased information.

I am 72 years old and still employed. I reside in the Mission Oaks area of Camarillo and receive water service from the Calleguas Municipal Water District (CMWD). Increases of this nature essentially dictate that I will never be able to retire and live on a fixed income. I would like to emphasize that CMWD serves Leisure Village in Camarillo, a 55+ senior community. My limited research reflects 2,136 one-story homes exist in that 440-acre complex. It is reasonable to assume that more than 2,136 seniors will be severely financially impacted by the proposed rate increase, making it challenging to afford the basic necessities. Given the age range of these residents, it is realistic to conclude that many, if not the majority of these

individuals, are on a fixed income and the basics of living, such as food, shelter, and clothing will suffer if this extraordinary and unexpected increase takes effect.

With all due respect, it appears the proposed rate increase is the direct result of mismanagement of MWD's infrastructure, as well as mismanagement of its budget. Because of the issue with MWD's infrastructure, Camarillo was unable to receive its portion of water during the drought. Consequently, we were asked to drastically cut back our water usage. It appears that our compliance resulted in MWD's budget deficit. Personally, among other consequences, my compliance with the water restrictions caused thousands of dollars in dead landscaping, altered bathing habits (no baths...only short showers), and eliminated all discretionary water usage. During this time, I was scrutinized and monitored by "the water police" and felt harassed. Even with the rain in 2023 and this year, we continue to be told the importance of water conservation. Does this mean with less water usage, the water rates will continue to skyrocket beyond affordability?

The imposition of a thirty percent increase constitutes discriminatory enforcement of the rate increase. If an increase is to occur, it should be spread across the board to all communities served by MWD. This is particularly true because it has been demonstrated that Camarillo does not receive adequate service by MWD.

The current proposal is manifestly unfair and provides no due process whatsoever to those residents served by MWD and CMWD. I hope the Board considers public hearings and transparency prior to implementing any increase because this unexpected increase in water bills can tip the scale of habitability for many families.

Sincerely,

SUSAN WOLK



**From:** [Kevin Guthrie](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Don't spike my water rate  
**Date:** Monday, April 8, 2024 10:06:09 AM

---

No to raising my water rates again. Find a way to be more efficient.

--

Kevin Guthrie  
(805) 990 - 5086  
DRE 01972167  
Sold2000.com

**From:** [Margie Wiatt](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Rate increase  
**Date:** Monday, April 8, 2024 12:34:58 PM

---

Dear MWD Board:

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Don't punish us for following your rules!!

**Margie Wiatt**

**From:** [Richard Wiatt](#)  
**To:** [DL-Board Support Team](#)  
**Subject:** Rate increase  
**Date:** Monday, April 8, 2024 1:16:34 PM

---

Dear MWD Board:

I am a resident of Ventura County who receives water from your system.

I understand that your agency is considering a double-digit rate increase for our area. I'm writing to strongly object to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now we're being asked to pay more for water—a lot more – and there are a number of unresolved issues regarding the proposed rate increases.

I urge you to postpone any final decision until you can develop a fair and reasonable rate structure.

Sincerely,

Richard Wiatt

Sent from [Outlook](#)



# CITY OF SIMI VALLEY

*Home of The Ronald Reagan Presidential Library*

April 8, 2024

Rickita Hudson  
Board Executive Secretary  
Metropolitan Water District of Southern California  
700 Alameda Street  
Los Angeles, CA 90012

Re: Proposed Biennial Budget and Proposed Water Rates for 2024/25 and 2025/26

Honorable Chair Smith, Metropolitan Water District of Southern California's (MWD) Board of Directors, and Members of the Finance and Asset Management Committee (FAM):

I write to you as the City of Simi Valley/Waterworks District No. 8 (District) has concerns over the Metropolitan Water District's (MWD) biennial budget and rate proposal for fiscal years 2024/25 and 2025/26. The District understands that due to water conservation efforts followed by an abundance of rainfall in past years amounted to low water sales throughout the region. Although the need to increase rates to stabilize MWD's costs of operations and replenish its reserves is understandable, it is not however, justifiable to increase rates in such a rapid manner that has a detrimental impact to its member agencies and water retailers.

Most, if not all, approximately 99.7% of the District's water is imported treated water supplied by Calleguas Municipal Water District (Calleguas). MWD's proposed overall rate increase of 13% for 2024/25 and 8% for 2025/26, with the additional 30% increase in treatment surcharge poses a heavy financial burden on the District and its customers. Similar with MWD, we too are facing the effects of low water sales, higher costs of living, increased costs of operating and maintaining our facilities, and inflated costs of construction. MWD's proposed budget includes an alternative to offset the rates by increasing the ad valorem tax but only to the untreated water rate. I urge MWD to implement the same methodology to the treated water surcharge, lessening the impact of rate increases to water agencies receiving only treated water from MWD. I also urge for MWD to adhere to Resolution 9221 adopted in 2017 when setting the fully treated water rates.

The City of Simi Valley/Waterworks District No 8 opposes the current rates structure as presented by MWD, and encourages MWD to find alternatives to lessen the impact of increased rates to their member agencies.

Sincerely,

Brian P. Gabler,  
City Manager City of Simi Valley/District Manager Ventura County Waterworks District No. 8



April 8<sup>th</sup>, 2024,

Metropolitan Water District of Southern California  
700 North Alameda Street  
Los Angeles, CA 90012-2944

**RE: Agenda Item 8-7**

Dear Members of the Metropolitan Water District of Southern California Board,

The Ventura County Taxpayers' Association (VCTA) is a non-partisan 501(c) (4) organization emphasizing issues that affect Ventura County.

Since 1954, we have informed taxpayers, promoted the wise use of public funds, opposed waste, advised public officials regarding issues of concern to taxpayers and recommended positions that will best serve the taxpayers' interests.

Additionally, as chair of VCTA, I am also a resident of Ventura County who receives water from your system.

We understand that your agency is considering a double-digit rate increase for our area. The Ventura County Taxpayers Association strongly objects to that proposal.

Two years ago, Ventura County was in the middle of a terrible drought. Your agency required that we cut back drastically on water use both indoors and outdoors. And we did. Our area reduced water use by 31.5 percent during this time compared to previous years.

Now the residents are being asked to pay more for water—a lot more – and there are several unresolved issues regarding the proposed rate increases.

The Ventura County Taxpayers Association urges you to postpone any final decision until you can develop a fair and reasonable rate structure.

Respectfully submitted,

Don Brodt  
Chair of the Board

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0038  
(916) 319-2038  
FAX (916) 319-2138  
DISTRICT OFFICE  
300 E. ESPLANADE DRIVE, SUITE 1790  
OXNARD, CA 93036  
(805) 485-4745  
FAX (805) 485-4779  
E-MAIL  
Assemblymember.Bennett@assembly.ca.gov



COMMITTEES  
CHAIR: BUDGET SUBCOMMITTEE NO. 4 ON  
CLIMATE CRISIS, RESOURCES, ENERGY,  
AND TRANSPORTATION  
BUDGET  
ELECTIONS  
EMERGENCY MANAGEMENT  
WATER, PARKS AND WILDLIFE

April 9, 2024

Attn: Board of Directors  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90054-0153

Dear Board Chair Ortega and Members,

As the Assemblymember whose district overlaps significantly with Calleguas Municipal Water District's service territory, I urge you to consider the feedback of Calleguas and their retailers regarding the proposed rate increases. I hope the final decision takes into account measures of equity to ensure burdens are distributed fairly among all the stakeholders that Metropolitan Water District represents.

Sincerely,

A handwritten signature in cursive script that reads "Steve Bennett".

**Steve Bennett**  
Assemblymember  
38<sup>th</sup> District

Andrew P. Powers  
City Manager

April 9, 2024

Hon. Adan Ortega Jr.,  
Chair of the Board  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90054-0153

Via: [dl-boardsupportteam@mwdh2o.com](mailto:dl-boardsupportteam@mwdh2o.com)

Hon. Adel Hagekhalil,  
General Manager  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90054-0153

**RE: AGENDA Item 8- Section 8-7: Proposed Biennial Budget for fiscal years 2024/25 and 2025/26, which includes the Capital Investment Plan and revenue requirements for fiscal years 2024/25 and 2025/26 and the ten-year forecast; adopt resolutions fixing and adopting the water rates and charges for calendar years 2025 and 2026 - NOTICE OF OPPOSITION TO PROPOSED RATE INCREASE**

Dear Chair Ortega and General Manager Hagekhalil:

On behalf of the City of Thousand Oaks, we write to express our respectful opposition to Agenda Item 8 - Section 8-7. The City of Thousand Oaks, located in Ventura County, serves 17,000 potable water customers, and we are currently 100% reliant on treated water from the State Water Project through the Metropolitan Water District (MWD), and our local wholesaler, Calleguas Municipal Water District (CMWD).

While we understand the rate increases are driven by low water rate sales, maintenance of reserves, and increased costs of labor, debt financing, and inflation, the proposed overall increase for the next two years will require ratepayers to pay an additional 21% for water, plus additional increases in the following two years for a total increase of 41% over four years. We ask the Board of Directors to consider other options that will reduce this extreme rate increase and do so without impacting public health and safety.

The proposed 41% rate increase over four years will have a negative impact on all local ratepayers but most importantly our disadvantaged communities.

Ratepayers are already struggling as they have been dealing with the rising cost of living including higher gasoline and electricity bills, as well as increased housing costs. Since much of the City is a high wildfire zone, many households have also experienced increases of up to 600% in insurance premiums.

Thousand Oaks has several federally identified low-and-moderate income communities, and many of these ratepayers fall below the threshold of qualifying for the federally funded Low-Income Household Water Assistance Program or LIHWAP or the Thousand Oaks Utility Assistance Program. In fact, as of March 31, 2024, the federal government ended the LIHWAP which now eliminates this additional subsidy for water. These communities consist of families, senior adults, and disabled residents who are on fixed or limited incomes. The extra burden of significant increases to water costs will negatively impact these households. Many will have to choose between paying for food or medical expenses.

Just over a year ago ratepayers of Thousand Oaks put forth incredible efforts to achieve water conservation targets in response to MWD's Emergency Water Conservation Program. With MWD's proposed rate increases and the additional increases related to treated water surcharge, communities like Thousand Oaks will be most impacted by these enormous increases.

Options for reducing the currently proposed overall rate increases could include deferring non-critical capital investments, or even suspending rate increases until other alternative options are studied. Additionally, we ask that MWD staff work with State legislators to develop and adopt sustainable solutions toward reasonable rate increases that will not only support our ratepayers but most importantly the disadvantaged residents in our community that will be most impacted by the proposed rate and surcharge increases.

For these reasons, the City of Thousand Oaks requests your consideration and opposes your proposed rate increases.

Sincerely,



Andrew Powers  
City Manager

cc: Assemblymember Jacqui Irwin  
Senator Henry Stern

CMO: 660-40/MWD Board Letter 040924 A.ml





Andrew P. Powers  
City Manager

April 9, 2024

Hon. Tim M. Smith,  
Chair Finance and Asset Management Committee  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90054-0153

Hon. Adel Hagekhalil,  
General Manager  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90054-0153

**RE: AGENDA 4- Item 8-7: Approve the Proposed Biennial Budget for fiscal years 2024/25 and 2025/26, which includes the Capital Investment Plan and revenue requirements for fiscal years 2024/25 and 2025/26 and the ten-year forecast; adopt resolutions fixing and adopting the water rates and charges for calendar years 2025 and 2026- NOTICE OF OPPOSITION TO PROPOSED RATE INCREASES**

Dear Committee Chair Smith and General Manager Hagekhalil:

On behalf of the City of Thousand Oaks, we write to express our respectful opposition to Agenda Item 8 - Section 8-7. The City of Thousand Oaks, located in Ventura County, serves 17,000 potable water customers, and we are currently 100% reliant on treated water from the State Water Project through the Metropolitan Water District (MWD), and our local wholesaler, Calleguas Municipal Water District (CMWD).

While we understand the rate increases are driven by low water rate sales, maintenance of reserves, and increased costs of labor, debt financing, and inflation, the proposed overall increase for the next two years will require ratepayers to pay an additional 21% for water, plus additional increases in the following two years for a total increase of 41% over four years. We ask the Board of Directors to consider other options that will reduce this extreme rate increase and do so without impacting public health and safety.

The proposed 41% rate increase over four years will have a negative impact on all local ratepayers but most importantly our disadvantaged communities.

Ratepayers are already struggling as they have been dealing with the rising cost of living including higher gasoline and electricity bills, as well as increased housing costs. Since much of the City is a high wildfire zone, many households have also experienced increases of up to 600% in insurance premiums.

Thousand Oaks has several federally identified low-and-moderate income communities, and many of these ratepayers fall below the threshold of qualifying for the federally funded Low-Income Household Water Assistance Program or LIHWAP or the Thousand Oaks Utility Assistance Program. In fact, as of March 31, 2024, the federal government ended the LIHWAP which now eliminates this additional subsidy for water. These communities consist of families, senior adults, and disabled residents who are on fixed or limited incomes. The extra burden of significant increases to water costs will negatively impact these households. Many will have to choose between paying for food or medical expenses.

Just over a year ago ratepayers of Thousand Oaks put forth incredible efforts to achieve water conservation targets in response to MWD's Emergency Water Conservation Program. With MWD's proposed rate increases and the additional increases related to treated water surcharge, communities like Thousand Oaks will be most impacted by these enormous increases.

Options for reducing the currently proposed overall rate increases could include deferring non-critical capital investments, or even suspending rate increases until other alternative options are studied. Additionally, we ask that MWD staff work with State legislators to develop and adopt sustainable solutions toward reasonable rate increases that will not only support our ratepayers but most importantly the disadvantaged residents in our community that will be most impacted by the proposed rate and surcharge increases.

For these reasons, the City of Thousand Oaks requests your consideration and opposes your proposed rate increases.

Sincerely,



Andrew Powers  
City Manager

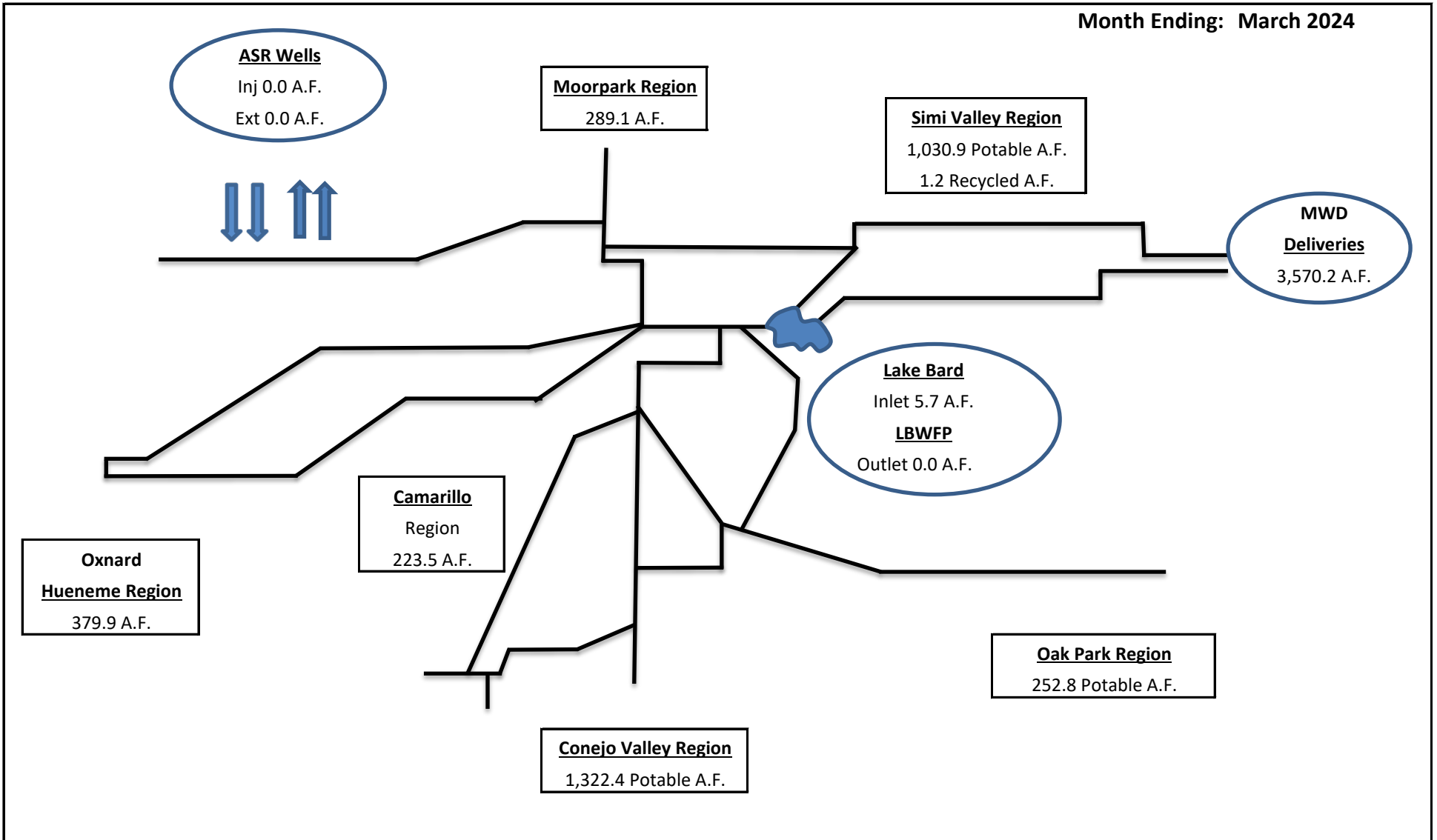
cc: Assemblymember Jacqui Irwin  
Senator Henry Stern

CMO: 660-40/MWD Board Letter 040924 A.ml



**Calleguas Municipal Water District  
Water Use and Sales  
System Usage by Region**

Month Ending: March 2024



**Current Fiscal Year to Date:**

48,537.1	A.F. Potable
45.7	A.F. Recycled
584.4	A.F. SMP Brine
0.1	A.F. SMP Non-Brine

**As of Fiscal Year 03/31/23**

44,327.4	A.F. Potable
47.4	A.F. Recycled
271.5	A.F. SMP Brine
-	A.F. SMP Non-Brine

**As of Fiscal Year 03/31/22**

66,916.2	A.F. Potable
48.8	A.F. Recycled

**Calleguas Municipal Water District  
Revenues from Water Sales  
For the Month of March 2024**

Organization	Water Use Acre Feet	Water Sales	RTS, CRC, Penalties & Pumping Charges	Billing Amount
<b>Potable Water</b>				
Berylwood Heights Mutual Water Co.	-	\$ -	\$ 150.00	\$ 150.00
Brandeis Mutual Water Co.	0.5	857.85	944.00	1,801.85
Butler Ranch	-	-	151.50	151.50
California American Water Co	692.0	1,197,236.73	217,715.00	1,414,951.73
Camarillo, City of	144.5	249,988.18	81,072.00	331,060.18
Camrosa Water District	73.1	126,421.85	79,180.00	205,601.85
Crestview Mutual Water Co.	-	-	1,752.00	1,752.00
Ventura Co WWD #38	52.8	91,384.99	16,329.06	107,714.05
Solano Verde Mutual Water	4.6	7,875.55	5,854.00	13,729.55
Oak Park Water Service	97.9	169,354.13	60,247.72	229,601.85
Oxnard, City of	379.9	657,221.28	168,862.00	826,083.28
Pleasant Valley Mutual Water Co.	5.9	10,123.44	3,676.00	13,799.44
California Water Service Co.	280.1	484,554.89	135,782.99	620,337.88
Simi Valley, City of	781.4	1,351,739.23	284,784.82	1,636,524.05
Golden State Water	249.0	430,688.98	75,075.00	505,763.98
Thousand Oaks, City of	447.8	774,656.23	149,692.00	924,348.23
Ventura Co WWD #1	289.1	500,155.07	137,327.10	637,482.17
Ventura Co WWD #19	-	-	3,842.00	3,842.00
<b>Potable Total</b>	<b>3,498.6</b>	<b>\$ 6,052,258.40</b>	<b>\$ 1,422,437.19</b>	<b>\$ 7,474,695.59</b>

<b>Potable 2023</b>	3,043.4
<b>Potable 2022</b>	6,970.3

Organization	Water Use Acre Feet	Water Sales	Pumping Charges	Billing Amount
<b>Recycled Water</b>				
Simi Valley, City of (Rec)	1.2	1,692.03	-	1,692.03
<b>Recycled Sales Total</b>	<b>1.2</b>	<b>\$ 1,692.03</b>	<b>\$ -</b>	<b>\$ 1,692.03</b>

<b>Recycled 2023</b>	0.0
<b>Recycled 2022</b>	7.1

**Calleguas Municipal Water District  
Revenues from Other Water Sales & SMP  
For the Month of March 2024**

Organization	Water Use Acre Feet	Water Sales	RTS, CRC, Penalties & Pumping Charges	Billing Amount
<b>Construction Water Sales</b>				
Environmental Construction		\$	\$	\$
		\$	\$	\$
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
<b>Construction Water Sales Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Organization	Discharge Acre Feet	Water Sales	Const Replacement, Maint Fee & Penalties	Billing Amount
<b>SMP Brine Discharge</b>				
Camrosa	23.7	\$ 16,204.29	\$ 1,255.97	\$ 17,460.26
Oxnard		\$ -	\$ -	\$ -
Camarillo	35.4	\$ 24,192.41	\$ 297.44	\$ 24,489.85
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
<b>Total SMP Discharge</b>	<b>59.1</b>	<b>\$ 40,396.70</b>	<b>\$ 1,553.41</b>	<b>\$ 41,950.11</b>

SMP Brine 2023

<b>SMP Non-Brine Discharge</b>				
Camrosa	0.1	\$ 4.71	\$ -	\$ 4.71
Oxnard		\$ -	\$ -	\$ -
Camarillo		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
<b>Total SMP Discharge</b>	<b>0.1</b>	<b>\$ 4.71</b>	<b>\$ -</b>	<b>\$ 4.71</b>

SMP Non-Brine 2023

**Calleguas Municipal Water District  
MWD Invoice Reconciliation  
For the Month of March 2024**

<b>Source-MWD</b>			
Metropolitan Delivery		3,570.2	\$ 4,484,171.20

<b>Sales</b>			
Purveyor Sales		3,498.6	\$ 4,394,241.60
Construction Sales		-	-
		-	-
<b>Total Sales Potable Water</b>		<b>3,498.6</b>	<b>\$ 4,394,241.60</b>

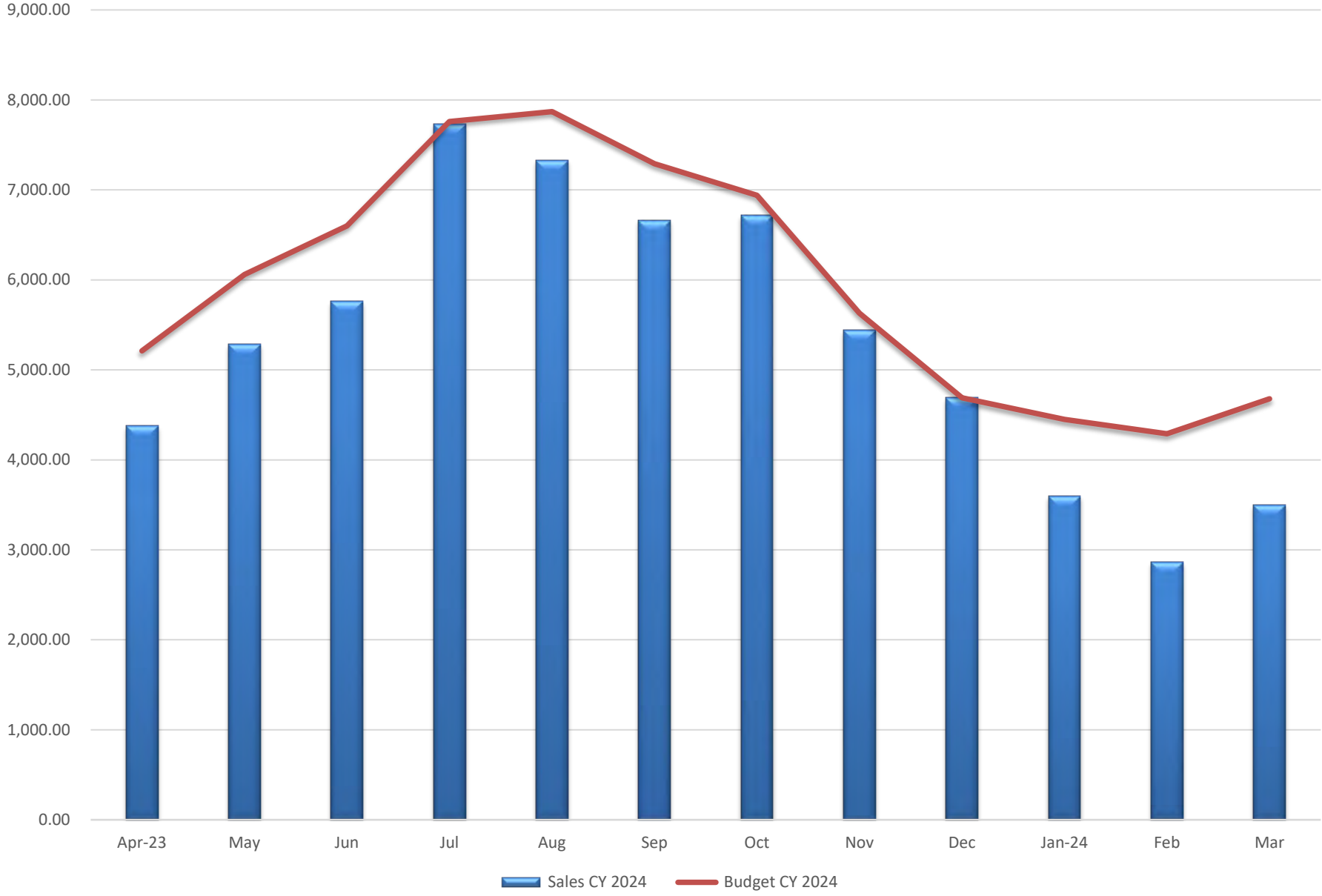
<b>Storage</b>			
Lake Bard Input (Storage)		5.7	7,159.20
Lake Bard Water Filter Plant Output (Use)		-	-
ASR Wells Input (Storage)		-	-
ASR Wells Output (Use)		-	-
ASR Cyclic Storage @ \$ 992 A.F.			-
ASR Reverse Cyclic Storage - Prepaid			-
<b>Total Storage Activity</b>		<b>5.7</b>	<b>7,159.20</b>

<b>Total Water Sales &amp; Use</b>	3,504.3	4,401,400.80
<b>Reconciliation Adjustment</b>	65.9	82,770.40
<b>Water Sales per MWD</b>	3,570.2	4,484,171.20

CRC	176,960.00
RTS	725,718.00
LRP	(94,425.00)
Conservation Program Costs	544.13
Turf Replacement	10,330.00
Tier 2 Surcharge	-
RTS Adjustment for FY 2022/23	

**Total MWD Invoice for March 2024**                      5,303,298.33

### Sales vs Budget Last 12 Months



**Calleguas Municipal Water District  
Record Of Power Generation  
Revenue Summary  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	3,480
Hours On Line - Generating:	37
Hours Off Line - Flow Conditions:	2,051
Hours Off Line - Maintenance:	1,392
Hours Off Line - Power Loss:	0

<b>Monthly Revenue - FY 2023-24</b>	
July - 2023	\$ 120,462.53
August	72,072.53
September	94,225.28
October	62,673.90
November	38,439.22
December	21,078.00
January - 2024	5,619.59
February	(718.79)
March	
April	
May	
June	
<b>FY 2023-24 Total</b>	<b>\$ 413,852.26</b>

**FY 2023-24 Budget                    300,000.00**

<b>Monthly Revenue - FY 2022-23</b>	
July - 2022	\$ 37,070.98
August	2,062.47
September	164.63
October	753.05
November	(271.09)
December	(152.85)
January - 2023	(14.16)
February	796.38
March	
April	
May	
June	
<b>FY 2022-23 Total</b>	<b>\$ 40,409.41</b>

**ANNUAL REVENUE**

**FY 2022-23 Total                    169,954.19**

**FY 2021-22 Total                    456,746.87**

**FY 2020-21 Total                    673,148.24**



**Calleguas Municipal Water District  
Record Of Power Generation  
Conejo Pump Station  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	696
Hours On Line - Generating:	0
Hours Off Line - Flow Conditions:	696
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

<b>Monthly Revenue - FY 2023-24</b>		<b>Estimated Monthly Cost Savings - FY 2023-24</b>		<b>Monthly Revenue - FY 2022-23</b>	
July - 2023	\$ 3,652.18	July - 2023	\$ 5,944.00	July - 2022	\$ 0.00
August	4,894.15	August	13,003.00	August	0.00
September	2,253.54	September	3,858.00	September	0.00
October	69.98	October	0.00	October	0.00
November	0.00	November	0.00	November	0.00
December	0.00	December	0.00	December	0.00
January - 2024	0.00	January - 2024	0.00	January - 2023	0.00
February	0.00	February		February	1.68
March		March		March	0.00
April		April		April	0.00
May		May		May	0.00
June		June		June	890.68
<b>FY 2023-24 Total</b>	<b>\$ 10,869.85</b>	<b>FY 2023-24 Total</b>	<b>\$ 22,805.00</b>	<b>FY 2022-23 Total</b>	<b>\$ 892.36</b>

<b>ESTIMATED COST SAVINGS</b>	<b>ANNUAL REVENUE</b>
<b>FY 2022-23 Total \$ 1,148.00</b>	<b>FY 2022-23 Total \$ 892.36</b>
<b>FY 2021-22 Total \$ 19,736.00</b>	<b>FY 2021-22 Total \$ 7,828.83</b>

**Calleguas Municipal Water District  
Record Of Power Generation  
East Portal  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	696
Hours On Line - Generating:	0
Hours Off Line - Flow Conditions:	0
Hours Off Line - Maintenance:	696
Hours Off Line - Power Loss:	0

<b>Monthly Revenue - FY 2023-24</b>	
July - 2023	\$ 91,842.59
August	81,508.92
September	75,779.41
October	46,029.29
November	29,014.78
December	14,452.02
January - 2024	0.00
February	0.00
March	
April	
May	
June	
<b>FY 2023-24 Total</b>	<b>\$ 338,627.01</b>

<b>Monthly Revenue - FY 2022-23</b>	
July - 2022	\$ 23,451.74
August	0.00
September	0.00
October	0.00
November	0.00
December	0.00
January - 2023	0.00
February	0.00
March	0.00
April	6,649.17
May	33,050.31
June	66,214.03
<b>FY 2022-23 Total</b>	<b>\$ 129,365.25</b>

<b>ANNUAL REVENUE</b>	
<b>FY 2021-22 Total</b>	<b>\$ 303,122.01</b>
<b>FY 2020-21 Total</b>	<b>\$ 521,107.83</b>
<b>FY 2019-20 Total</b>	<b>\$ 616,724.23</b>

**Calleguas Municipal Water District  
Record Of Power Generation  
Santa Rosa  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	696
Hours On Line - Generating:	2
Hours Off Line - Flow Conditions:	694
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

<b>Monthly Revenue - FY 2023-24</b>	
July - 2023	\$ 2,706.07
August	3,011.62
September	1,892.42
October	2,239.12
November	708.17
December	13.29
January - 2024	41.23
February	23.80
March	_____
April	_____
May	_____
June	_____
<b>FY 2023-24 Total</b>	<b>\$ 10,635.72</b>

<b>Monthly Revenue - FY 2022-23</b>	
July - 2022	\$ 776.98
August	352.99
September	0.00
October	825.30
November	99.94
December	0.00
January - 2023	62.46
February	0.00
March	0.00
April	106.80
May	0.00
June	124.23
<b>FY 2022-23 Total</b>	<b>\$ 2,348.70</b>

<b>ANNUAL REVENUE</b>	
<b>FY 2021-22 Total</b>	<b>\$ 7,598.93</b>
<b>FY 2020-21 Total</b>	<b>\$ 14,115.14</b>
<b>FY 2019-20 Total</b>	<b>\$ 36,264.11</b>

**Calleguas Municipal Water District  
Record Of Power Generation  
Springville  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	696
Hours On Line - Generating:	0
Hours Off Line - Flow Conditions:	0
Hours Off Line - Maintenance:	696
Hours Off Line - Power Loss:	0

<b>Monthly Revenue - FY 2023-24</b>		<b>Revenues</b>	<b>Fees</b>	<b>Monthly Revenue - FY 2022-23</b>	
July - 2023	\$ 8,311.68	\$ 8,478.94	\$ (167.26)	July - 2022	\$ 5,579.15
August	(25,904.96)	5,381.35	(31,286.31)	August	1,697.42
September	2,666.76	2,875.23	(208.47)	September	164.63
October	6,199.89	6,736.56	(536.67)	October	(72.25)
November	3,158.60	3,158.60	0.00	November	(371.03)
December	92.18	721.92	(629.74)	December	(214.25)
January - 2024	(336.50)	239.54	(576.04)	January - 2023	(167.72)
February	(1,145.64)	0.00	(1,145.64)	February	(562.22)
March				March	345.70
April				April	940.45
May				May	(234.54)
June				June	2,440.64
<b>FY 2023-24 Total</b>	<b>\$ (6,957.99)</b>	<b>\$ 27,592.14</b>	<b>\$ (34,550.13)</b>	<b>FY 2022-23 Total</b>	<b>\$ 9,545.98</b>

**ANNUAL REVENUE**

<b>FY 2021-22 Total</b>	<b>\$ 70,145.01</b>
<b>FY 2020-21 Total</b>	<b>\$ 60,788.34</b>
<b>FY 2019-20 Total</b>	<b>\$ 90,265.88</b>

**Calleguas Municipal Water District  
Record Of Power Generation  
Grandsen Pump Station  
Fiscal Year 2023-24**

**February 1, 2024 to February 29, 2024**

Hours Possible Generating:	696
Hours On Line - Generating:	35
Hours Off Line - Flow Conditions:	661
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

**Monthly Revenue - FY 2023-24**

July - 2023	\$ 13,950.01
August	8,562.80
September	11,633.15
October	8,135.62
November	5,557.67
December	6,520.51
January - 2024	5,914.86
February	403.05
March	_____
April	_____
May	_____
June	_____
<b>FY 2023-24 Total</b>	<b>\$ 60,677.67</b>

**Monthly Revenue - FY 2022-23**

July - 2022	\$ 7,263.11
August	12.06
September	0.00
October	0.00
November	0.00
December	61.40
January - 2023	91.10
February	1,356.92
March	6,873.39
April	308.57
May	3,907.17
June	7,928.18
<b>FY 2022-23 Total</b>	<b>\$ 27,801.90</b>

**ANNUAL REVENUE**

<b>FY 2021-22 Total</b>	<b>\$ 68,052.09</b>
<b>FY 2020-21 Total</b>	<b>\$ 76,711.53</b>
<b>FY 2019-20 Total</b>	<b>\$ 48,923.13</b>

## Calleguas Municipal Water District Cash & Investment Summary March 31, 2024

Account	Balance	Interest Rate
<b><u>Pooled Investment Accounts</u></b>		
LAIF	\$ 2,407,426.67	4.23%
Ventura County Pool	16,329.06	4.29%
<b>Total Pooled Investments</b>	<b>\$ 2,423,755.73</b>	
<b><u>Other Investments</u></b>		
Chandler Asset Management (US Bank)	\$ 169,980,507.19	5.13%
<b><u>Restricted Investments</u></b>		
US Bank - 2008 Series A	17,238.13	
Wells Fargo Bank - 2010 Series A & B Payment Acct	5,378.08	
US Bank - 2021 Payment Fund	906.85	
US Bank - 2014 Series A Payment Acct	0.10	
US Bank - 2016 Series A Payment Acct	1.04	
<b>Total Restricted Investments</b>	<b>\$ 23,524.20</b>	
<b>Total - All Investments</b>	<b>\$ 172,427,787.12</b>	
<b>Cash Balance</b>	<b>1,982,220.45</b>	
<b>Total Cash and Investments</b>	<b>\$ 174,410,007.57</b>	

### Pooled Investment Summary

<b><u>Ventura County Pool</u></b>	
Balance as of February 29, 2024	\$ 16,329.06
Current Month Activity:	
Interest Paid	-
Transfer to General Fund Checking	-
Balance on Hand as of March 31, 2024	<u>\$ 16,329.06</u>

<b><u>Local Agency Investment Fund (LAIF)</u></b>	
Balance as of February 29, 2024	\$ 2,407,426.67
Current Month Activity:	
Interest Paid	-
Transfer to General Fund Checking	-
Balance on Hand as of March 31, 2024	<u>\$ 2,407,426.67</u>

All investments are in conformity with the Investment Policy of Calleguas Municipal Water District.  
The cash & investments provide sufficient cash flow liquidity to meet all the estimated expenditures for the next six months.



**Calleguas Municipal Water District  
Investment Listing  
3/31/2024**

CUSIP	Issuer	Amount	Coupon Rate	Maturity Date	Cost	Book Value	Market Value	Accrued Balance	S&P Rating	Market YTM	Purchase YTM	Duration	Security Type
912828YQ7	United States	4,000,000.00	1.625	10/31/2026	3,738,945.31	3,833,563.68	3,723,281.24	27,321.43	AA+	4.610	3.355	2.470	US Treasury
91282CCX7	United States	4,000,000.00	0.375	9/15/2024	3,810,625.00	3,962,260.59	3,913,046.88	692.93	AA+	6.270	2.499	0.450	US Treasury
91282CFK2	United States	3,800,000.00	3.5	9/15/2025	3,726,968.75	3,764,091.85	3,729,046.86	6,144.02	AA+	4.910	4.192	1.400	US Treasury
91282CGA3	United States	4,900,000.00	4	12/15/2025	4,836,246.09	4,850,162.80	4,839,707.02	57,836.07	AA+	4.780	4.632	1.620	US Treasury
912797GK7	United States	2,500,000.00	0	8/8/2024	2,442,220.00	2,453,990.00	2,454,099.75	0.00	A-1+	4.990	5.345	0.350	US Treasury
91282CAB7	United States	4,000,000.00	0.25	7/31/2025	3,680,468.75	3,869,392.61	3,763,125.00	1,675.82	AA+	5.170	2.805	1.310	US Treasury
91282CEF4	United States	4,000,000.00	2.5	3/31/2027	3,698,593.75	3,737,050.69	3,787,187.52	273.22	AA+	4.490	4.910	2.810	US Treasury
912828XB1	United States	4,000,000.00	2.125	5/15/2025	3,920,468.75	3,970,747.95	3,876,406.24	32,225.27	AA+	5.150	2.803	1.090	US Treasury
91282CDS7	United States	1,500,000.00	1.125	1/15/2025	1,493,378.91	1,498,236.41	1,454,033.21	3,569.71	AA+	5.510	1.276	0.770	US Treasury
91282CED9	United States	3,000,000.00	1.75	3/15/2025	2,922,421.88	2,974,554.96	2,908,070.79	2,425.27	AA+	5.350	2.671	0.930	US Treasury
91282CDN8	United States	3,800,000.00	1	12/15/2024	3,546,320.31	3,718,998.32	3,690,638.66	11,213.11	AA+	5.650	4.171	0.690	US Treasury
9128285J5	United States	3,650,000.00	3	10/31/2025	3,618,490.23	3,635,144.66	3,550,908.19	46,026.10	AA+	4.890	3.270	1.510	US Treasury
9128286B1	United States	3,600,000.00	2.625	2/15/2029	3,350,390.63	3,350,949.98	3,344,203.12	11,942.31	AA+	4.330	4.210	4.490	US Treasury
91282CDB4	United States	3,000,000.00	0.625	10/15/2024	2,855,976.56	2,968,821.30	2,927,285.16	8,657.79	AA+	6.000	2.610	0.530	US Treasury
91282CFW6	United States	3,600,000.00	4.5	11/15/2025	3,618,843.75	3,610,337.04	3,583,828.12	61,417.58	AA+	4.780	4.308	1.530	US Treasury
91282CDZ1	United States	3,000,000.00	1.5	2/15/2025	2,903,789.06	2,970,196.03	2,907,392.58	5,686.81	AA+	5.460	2.673	0.850	US Treasury
91324PCW0	UnitedHealth Group	2,200,000.00	3.45	1/15/2027	2,121,196.00	2,123,595.36	2,126,117.07	16,023.33	A+	4.800	4.796	2.600	Corporate

Investment Type	Code	Total	%	Allowed
Treasury Obligations	US Treasury	60,787,300.08	35%	100%
Municipal Securities	Municipal Bonds	-	0%	20%
Medium Term Corporate Notes	Corporate	43,004,906.50	25%	30%
Federal Agency Bonds	Agency	44,475,868.39	26%	100%
Negotiable CD	Negotiable CD	-	0%	30%
Suprational	Supranational	5,907,174.30	3%	10%
Commercial Paper	Commercial Paper	4,357,500.69	3%	25%
Asset Backed Securities	ABS	11,162,348.53	6%	15%
Money Market Funds	Money Market Fund	186,130.70	0%	20%
Investment Cash	Cash	99,278.00	0%	20%
	LAIIF	2,407,426.67	1%	15%
	VC Pool	16,329.06	0%	15%
	Restricted Inv	23,524.20	0%	
		<b>172,427,787.12</b>	<b>100%</b>	



**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
April 9, 2024**

**CONSENT CALENDAR ITEMS - ACTION**

- (a) Certified that the Final PEIR for upcoming projects at the Weymouth plant has been completed in compliance with CEQA and the State CEQA Guidelines; certified that the Board has reviewed and considered the information presented in the Final PEIR; certified that the Final PEIR reflects Metropolitan's independent judgment and analysis; and adopted the Findings, the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program.
- (b) Awarded three procurement contracts to furnish water quality compliance laboratory equipment for Metropolitan's Water Quality Laboratory, as follows:
- (1) A \$1,512,882 contract to Agilent Technologies to furnish two GC-MS units and two GC-MS/solid phase microextraction units.
  - (2) A \$726,432 contract to SCIEX to furnish one LC-MS unit.
  - (3) A \$665,441 contract to Thermo Fisher Scientific to furnish four ion chromatography units. **(Agenda Item 7-1)**

Adopted the CEQA determination that final design of the Sepulveda Feeder rehabilitation project is within the scope of the certified 2017 Programmatic Environmental Impact Report for the Prestressed Concrete Cylinder Pipe Rehabilitation Program and authorized a new agreement with HDR Engineering Inc. for a not-to-exceed amount of \$3 million for final design to rehabilitate PCCP portions of the Sepulveda Feeder. **(Agenda Item 7-2)**

Authorized an increase to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$1,735,000 for design services for the Black Metal Mountain 2.4 kV Electrical Power Upgrades project. **(Agenda Item 7-3)**

Awarded a \$295,562 contract to The Kepler Group Inc. to implement security improvements at the Gene Pumping Plant. **(Agenda Item 7-4)**

Adopted resolution for the 113th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. **(Agenda Item 7-5)**

Expressed support for broadening Metropolitan's Board priorities to include funding for Delta levee maintenance in the State of California's climate resiliency bond proposals, AB 1567 (Garcia-D) and SB 867 (Allen-D). **(Agenda Item 7-6)**

**OTHER BOARD ITEMS – ACTION**

- (a) Appropriated \$636.48 million for projects identified in the CIP Appendix for FYs 2024/25 and 2025/26; and (b) Authorized the General Manager to initiate or continue work on the capital projects described in the CIP Appendix for FYs 2024/25 and 2025/26, subject to any limits on the General Manager's authority and CEQA requirements. **(Agenda Item 8-1)**

- (a) Approved the draft of Appendix A attached to the board letter (Attachment 1.)
  - (b) Authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A.
  - (c) Authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale and/or remarketing of bonds.
- (Agenda Item 8-2)**

Reviewed and considered Eastern Municipal Water District's five approved Initial Studies/Mitigated Negative Declarations and two Addenda, and take related CEQA actions, and authorized the General Manager to enter into a Local Resources Program Agreement with Eastern Municipal Water District for the Perris North Basin Groundwater Contamination Prevention and Remediation Program for up to 3,466 AFY of treated groundwater for potable purposes in the Eastern Municipal Water District service area. **(Agenda Item 8-3)**

Reviewed and considered the Las Virgenes Municipal Water District and Las Virgenes-Triunfo Joint Powers Authority certified Final Environmental Impact Report and two Addenda and take related CEQA actions, and authorized the General Manager to enter into a Local Resources Program Agreement with Las Virgenes Municipal Water District and Las Virgenes-Triunfo Joint Powers Authority for the PURE Water Project Las Virgenes-Triunfo for up to 5,000 AFY of treated recycled water for potable purposes in the Las Virgenes Municipal Water District service area. **(Agenda Item 8-4)**

Reviewed and considered the Lead Agency's certified Final Environmental Impact Report and take related CEQA actions, and authorized the General Manager to enter into a Local Resources Program Agreement with the Municipal Water District of Orange County and South Coast Water District for the Doheny Ocean Desalination Project for up to 5,600 acre-feet per year of treated desalinated seawater for potable purposes in the Municipal Water District of Orange County service area. **(Agenda Item 8-5)**

Reviewed and considered the Los Angeles Department of Water and Power's certified Environmental Impact Report and Addendum, and take related CEQA actions, and authorized the General Manager to enter into a Local Resources Program Agreement with the Los Angeles Department of Water and Power for the Los Angeles Groundwater Replenishment Project for up to 19,500 acre-feet per year of potable recycled water through groundwater replenishment in the San Fernando Valley. **(Agenda Item 8-6)**

Adopted option #1 as amended to state that Option #1 is based on an assumption of property taxes in an amount estimated to be collected pursuant to a rate of 0.007%, and use of new sources of revenue and attained efficiencies will prioritize replenishment of the full inspection trip program up to \$1.5 million, first, as well as public education and conservation at the discretion of the General Manager. Option 1 also includes the following actions:

#### Option 1

- (a) Approved the FY 2024/25 and FY 2025/26 Biennial Budget with overall rate increases of 8.5 percent in CY 2025 and 8.5 percent in CY 2026, which includes:
  - (i) Appropriation of \$3,453.2 million for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct (CRA), SWC operations, maintenance, power and replacement costs and SWC capital charges, including Delta Conveyance

- Planning costs 1, demand management programs including the local resources and Conservation Program, and costs associated with supply programs, for FYs 2024/25 and 2025/26;
- (ii) a continuing appropriation of \$693.9 million for FY 2024/25 and FY 2025/26 for debt service on Metropolitan general obligation and revenue bonds;
  - (iii) bond financing \$48.2 million of the budgeted Conservation Program over the biennium; and,
  - (iv) bond financing \$129.6 million of the budgeted Supply Program over the biennium.
- (b) Authorized the use of \$350 million in operating revenues to fund the Capital Investment Plan for FYs 2024/25 and 2025/26;
  - (c) Determined that the revenue requirements to be paid from rates and charges are \$1,549.5 million in FY 2024/25 and \$1,692.6 million in FY 2025/26;
  - (d) Approved the Ten-Year Financial Forecast, as summarized in Figure 2;
  - (e) Approved water rates and charges effective January 1, 2025, and January 1, 2026, as shown in Table 5;
  - (f) Adopted the Resolution Fixing and Adopting Water Rates To Be Effective January 1, 2025, and 2026, in the form of Attachment 5;
  - (g) Adopt the Resolution Fixing and Adopting A Readiness-To-Serve Charge Effective January 1, 2025, in the form of Attachment 6; and,
  - (h) Adopted the Resolution Fixing and Adopting A Capacity Charge Effective January 1, 2025, in the form of Attachment 7;
  - (i) Metropolitan will work with member agency staff and the CAMP4Water Task Force to understand and analyze the treatment surcharge and specifically address issues that arise from that analysis including but not limited to modifying the way the charge is calculated. A final method will be prioritized as part of the new business model discussion and recommended for adoption as soon as possible thereafter but no later than approval of the new business model. **(Agenda Item 8-7)**

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

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:  
<https://bda.mwdh2o.com/Pages/Default.aspx>

## Upcoming Meetings

This table includes meetings that can be attended by all Board members.

In order to ensure Brown Act compliance, a majority of members should not discuss Calleguas specific issues at meetings other than designated Calleguas Board Meetings.

Calleguas Special Board Meeting	Wed. 04/17, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Symposium*	Thu. 04/18, 8:00 a.m.	Courtyard Marriott Oxnard
Calleguas Purveyor Meeting	Thu. 04/25, 10:00 a.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY
Calleguas Board Meeting	Wed. 05/01, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
ACWA/JPIA	Sun. 05/05 to Mon. 05/06	Safe Credit Union Convention Center, Sacramento
ACWA Spring Conference*	Mon. 05/06 to Thu. 05/09	Safe Credit Union Convention Center, Sacramento
CoLAB WHEEL Meeting*	Wed. 05/15, 12:00 p.m.	1672 Donlon Street, Ventura
Calleguas Board Meeting	Wed. 05/15, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA WaterWise*	Thu. 05/16, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Proposition 1 Round 2 IRWM/Drought Relief Grant Check Presentation Event	Fri. 05/17, 10:30 a.m. - 12:30 p.m.	Garden Acres MWC Well Construction Site, 3772 Almond Dr., Oxnard
AWA Water Issues	Tue. 05/21, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Calleguas Purveyor Meeting	Thu. 05/23, 10:00 a.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY
AWA CCWUC*	Wed. 05/29, 11:30 a.m.	816 Camarillo Springs Rd., Camarillo IN PERSON ONLY
VCSDA*	Tue. 06/04, 5:00 p.m.	TBD
Calleguas Board Meeting	Wed. 06/05, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event

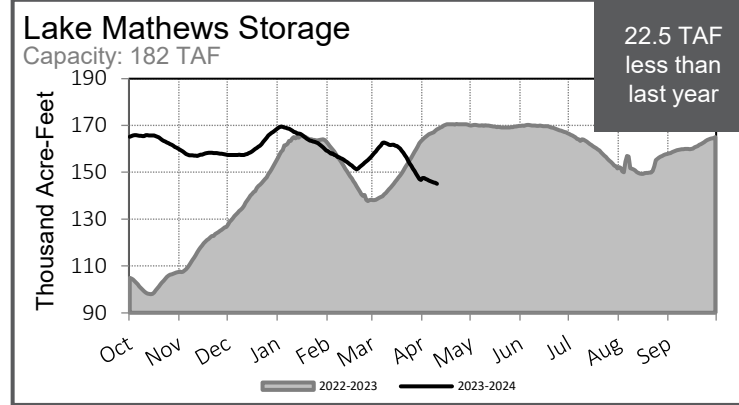
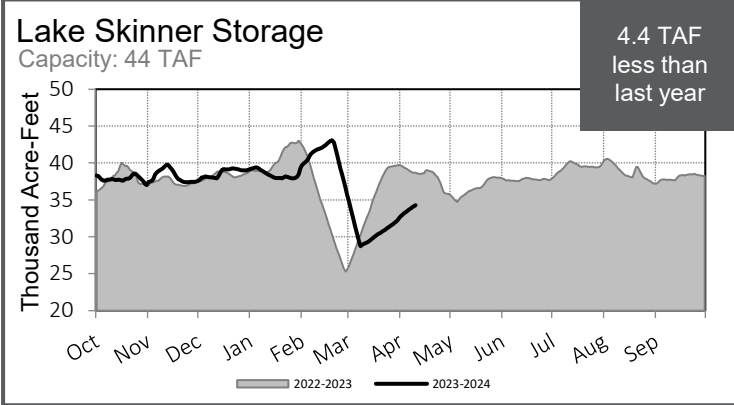
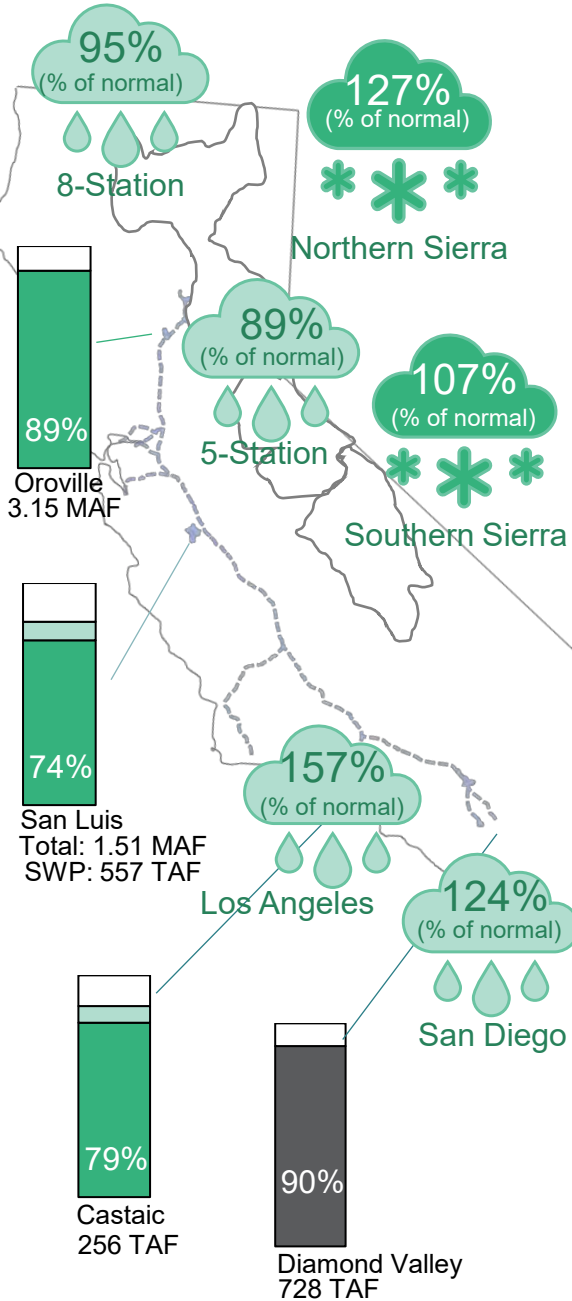
\* Reservations required. Contact Kara if you would like to attend.



2024 SWP Table A – 30% - 573,450 AF

Projected 2024 CRA Diversions – 984,000 AF

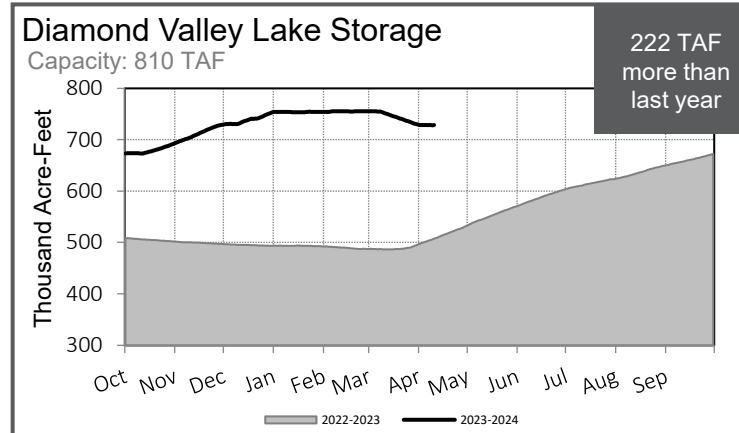
## Metropolitan Resources



### MWD WSDM Storage

Calendar Year 2024

	Take Capacity (2024)
Lake Mead ICS	212,000 acre-feet
State Water Project System	592,000 acre-feet
In-Region Supplies and WSDM Actions	634,000 acre-feet



## Highlights

- Learn more about imported supplies:
- State Water Project - <https://www.mwdh2o.com/state-water-project-map/>
  - Colorado River Aqueduct - <https://www.mwdh2o.com/colorado-river-aqueduct-map/>



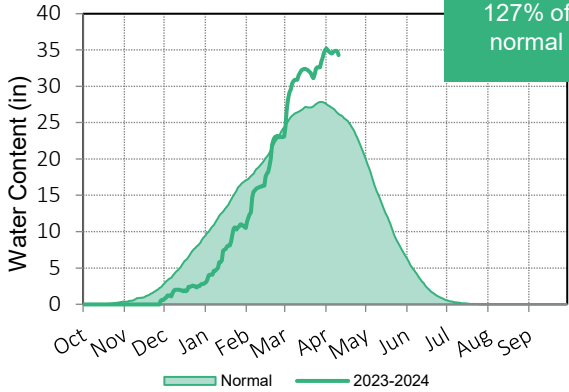
This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale.

# State Water Project Resources

As of: 04/09/2024

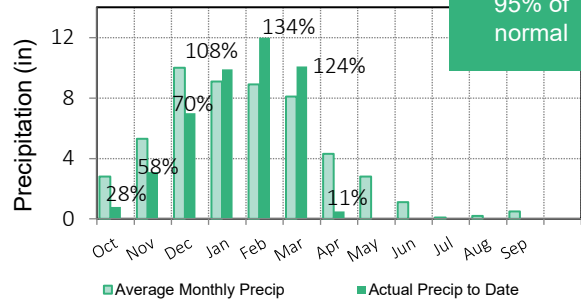
## Northern Sierra Snowpack

34.8 in  
127% of normal



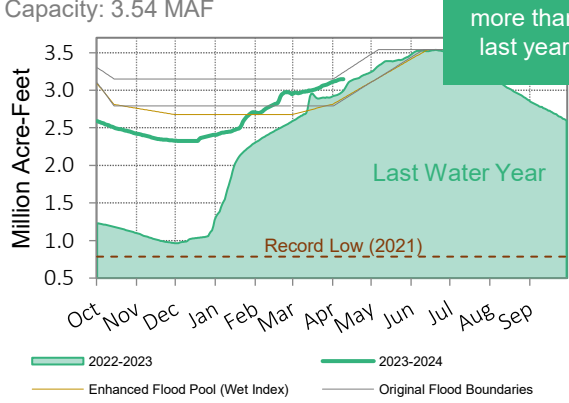
## 8 Station Index Precipitation

43.4 in  
95% of normal



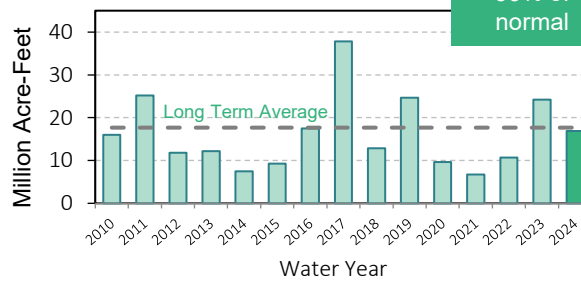
## Oroville Reservoir Storage

150 TAF  
more than last year



## Sacramento River Runoff

Forecast:  
99% of normal

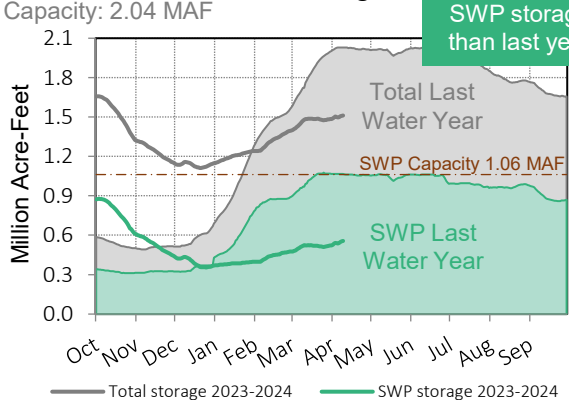


## Other SWP Supplies - Carryover

- Article 56c 200,000 acre-feet
- Article 12e 8,400 acre-feet
- Article 14b 19,500 acre-feet

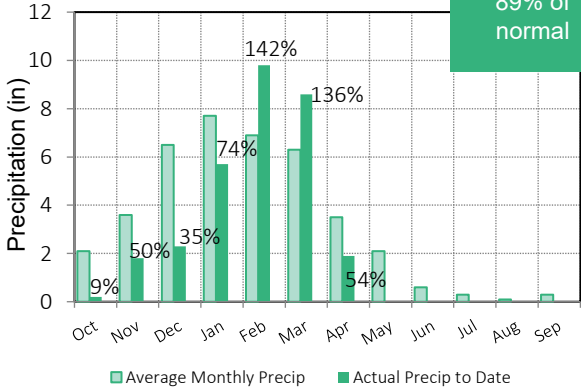
## San Luis Reservoir Storage

508 TAF less  
SWP storage  
than last year



## 5 Station Index Precipitation

30.3 in  
89% of normal

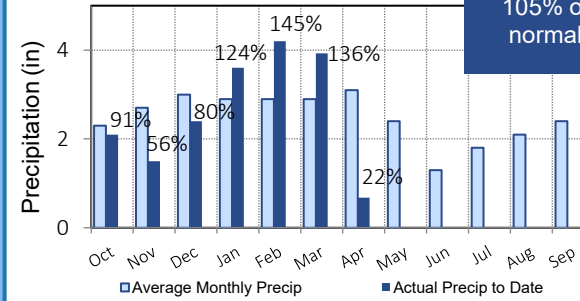


# Colorado River Resources

As of: 04/09/2024

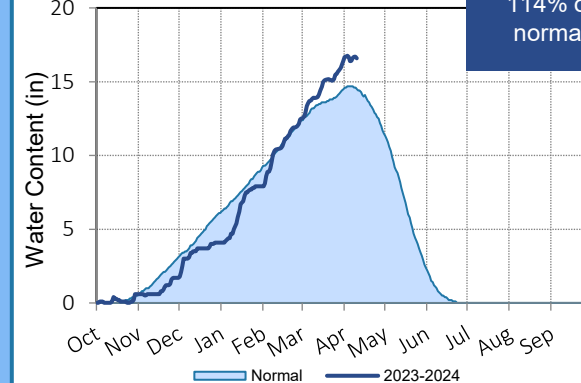
## Upper Colorado Precipitation

18.4 in  
105% of normal



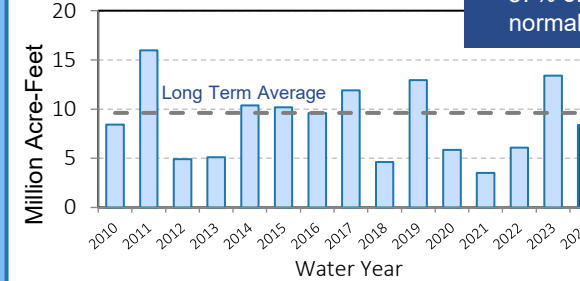
## Upper Colorado Snowpack

16.7 in  
114% of normal



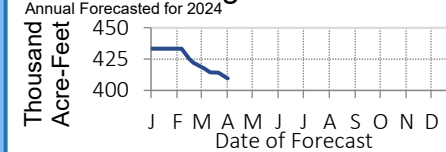
## Powell Unregulated Inflow

Forecast:  
87% of normal



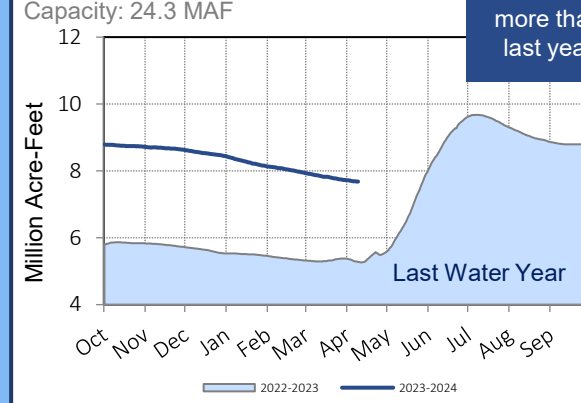
## PVID/Yuma Agricultural Use

Forecasted  
Use for 2024:  
409 TAF



## Lake Powell Storage

2.40 MAF  
more than last year



## Projected Lake Mead ICS

Calendar Year 2024  
Put (+) / Take (-)  
30,000

## Lake Mead Surplus/Shortage Outlook

	2024	2025	2026
Surplus	0%	0%	0%
Shortage	100%	90%	83%
Metropolitan DCP*			10% 195 TAF

Likelihood based on results from the January 2024 CRMMS in Ensemble Model/CRSS model run. Includes DCP Contributions.  
\* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

## Lake Mead Storage

2.14 MAF  
more than last year

