LAS VIRGENES - TRIUNFO
JOINT POWERS AUTHORITY
AGENDA
899 North Kanan Road, Oak Park, CA

CLOSING TIME FOR AGENDA IS 8:30 A.M. ON THE TUESDAY PRECEDING THE MEETING. GOVERNMENT CODE SECTION 54954.2 PROHIBITS TAKING ACTION ON ITEMS NOT ON POSTED AGENDA UNLESS AN EMERGENCY, AS DEFINED IN GOVERNMENT CODE SECTION 54956.5 EXISTS OR UNLESS OTHER REQUIREMENTS OF GOVERNMENT CODE SECTION 54954.2(B) ARE MET.

5:00 PM September 2, 2014

PLEDGE OF ALLEGIANCE

1. CALL TO ORDER AND ROLL CALL

A The meeting was called to order at _____ p.m. by _____ in the Oak Park Library and the Clerk of the Board called the roll.

Las Virgenes Municipal Water District	Present	Left	Absent
Charles Caspary, Chair	_____	_____	_____
Glen Peterson	_____	_____	_____
Leonard Polan	_____	_____	_____
Lee Renger	_____	_____	_____
Barry Steinhardt	_____	_____	_____
Triunfo Sanitation District			
Steven Iceland, Vice Chair	_____	_____	_____
Michael McReynolds	_____	_____	_____
Janna Orkney	_____	_____	_____
Michael Paule	_____	_____	_____
James Wall	_____	_____	_____

2. APPROVAL OF AGENDA

3. PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

4. CONSENT CALENDAR

A Minutes: Regular Meeting of August 4, 2014 (Pg. 4) Approve

5. ACTION ITEMS

A Rancho Las Virgenes Third Digester Construction: Approval of Scope Change for Professional Services During Construction and Change Order No. 5 (Pg. 10)

Authorize the General Manager/Administering Agent to execute a Change in Scope Agreement in the amount of $71,580.00 with Kennedy/Jenks Consultants for additional professional services during construction and staff training for start-up and operation of the new facility; approve Change Order No. 5 in the amount of $29,952.46 to Pacific Hydrotech Corporation for additional work associated with eight work directives, and approve a budget and appropriation increase in the amount of $121,445 to CIP Job No. 10487 for the Rancho Las Virgenes Third Digester Project.

B Hach Water Information Management System Software Implementation: Authorization to Issue Purchase Order (Pg. 21)

Approve a budget and appropriation of $32,350 to CIP Job No. 10552, Miscellaneous IT Capital Purchases, and authorize the Administering Agent/General Manager to issue a purchase order to Hach Company in an amount of $32,350 for installation, configuration and training of software to take advantage of additional functionality of the Water Information Management System.

C Financial Review: Fourth Quarter of Fiscal Year 2013-14 (Pg. 29)

Receive and file the Financial Review for the Fourth Quarter of Fiscal Year 2013-14.

6. BOARD COMMENTS

7. ADMINISTERING AGENT/GENERAL MANAGER REPORT

8. FUTURE AGENDA ITEMS

9. INFORMATION ITEMS

A Recycled Water Reservoir No. 2 Improvements: Call for Bids (Pg. 37)

B Malibu Creek Discharge Avoidance: Tapia Effluent Alternatives Study (Pg. 39)

C Water Bond: Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Pg. 49)

D Board Meeting Follow-up Items (Pg. 93)

10. PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

11. CLOSED SESSION

A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

1. Las Virgenes - Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

12. ADJOURNMENT

LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES

5:00 PM August 4, 2014

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Chairman Caspary.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at **5:05 p.m.** by Chairman Caspary in the Board Room of Las Virgenes Municipal Water District Headquarters. Daryl Betancur, Clerk of the Board conducted the roll call.

Present:	Director(s):	Polan, Renger, Steinhardt, Peterson, Caspary, Iceland, McReynolds, Orkney and Wall
Absent:	Director(s):	Paule

2. APPROVAL OFAGENDA

A Approval of agenda

Administering Agent/General Manager Pedersen indicated that there were no changes to the agenda.

On a motion by Director Iceland, seconded by Director Renger, the Board voted 9-0 to approve the agenda as presented. Motion carried unanimously.

3. PUBLIC COMMENTS

Jason Barnes, Field Representative with the Office of Congresswoman Julia Brownley introduced himself to the JPA Board.

4. CONSENT CALENDAR

A Minutes: Regular Meeting of July 7, 2014. Approve

Director Peterson moved to approve the minutes of July 7, 2014. Director Wall seconded. Director McReynolds commented that there was a mistake on page 2 of the minutes. The last sentence of the third paragraph is missing the word "type" before the word "of". With the noted correction and the approval of the motion maker and seconder, the minutes were approved by the following vote:

AYES:	Director(s): Directors, Polan, Renger, Steinhardt, Peterson, Chairman Caspary, Iceland, Orkney, and Wall
NOES:	Director(s): None
ABSTAIN:	Director(s): McReynolds

ITEM 4A

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Introduction of Independent Auditor: Pun & McGeady, LLP

Administering Agent/General Manager Pedersen made brief introductory remarks about Pun & McGeady, the newly hired Auditors and asked Mr. Ken Pun, Managing Partner with Pun & McGeady to introduce himself. Mr. Pun introduced himself and spoke briefly about his company.

6. ACTION ITEMS

A Woodland Hills Country Club Recycled Water System Extension: Authorization to Execute Agreement for Preliminary Design and Environmental Review and Approval of Request for Proposal.

Administering Agent/General Manager Pedersen stated that this item relates to a proposed extension of the JPA's recycled water system to serve the Woodland Hills Country Club, which is a customer in the LADWP service area; spoke about the project, which entails about 4 ½ mile of pipeline extension with about one mile being within the JPA service area; commented about the potential demand estimated to be 250 acre feet per year; that in September 2013, the JPA Board had approved the term sheets with LADWP to outline the basis for an agreement; spoke about the term sheets included in the agenda packet: 1) first term sheet pertains to a wholesale purchase agreement; and 2) second term sheet pertains to the design and construction of the facilities that are needed.

Mr. Pedersen outlined the process to move forward associated with the project: 1) the agreement, which is for the preliminary design of the facilities needed and; 2) the CEQA environmental document. Both of these events would take place concurrently.

He further outlined the key of the entire arrangement by speaking of the term sheets; he indicated that the first term sheet deals with the purchase and sale agreement and it provides for recycled water to be sold by the JPA at the JPA wholesale recycled water price at a pre-determined point in time plus an additional cost for potable supplement; and the wholesale price of the recycled water is to be escalated annually based on the Consumer Price Index (CPI); with the term of the agreement being 30 years; mentioned that LADWP has agreed to pay for and finance all of the capital facilities needed both within their service area and also the portion of the pipeline of about one mile within the JPA service area.

Administering Agent/General Manager Pedersen stated that essentially the JPA invests no capital and that additionally, the City through LADWP has also agreed to pay a 10% administrative cost for managing the project with the understanding that the JPA will be the lead agency for purposes of the CEQA process within the JPA service area and the City's boundaries.

Mr. Pedersen commented that the action before the Board is to consider the agreement to enable staff to move forward with the CEQA process; that the agenda item also includes an RFP; and that the financial impact to the JPA is minimal.

There were several comments and questions from the Board, among these: clarification on the payment terms (30 days v. 45 days) and that this needs to be tightened up; whether or not these terms can be modified; putting potable water into the recycled water system and the cost distribution associated with this; how many acre feet of potable water will have to be produced to replace the recycled water that flows into the LADWP system during peak times; and ownership of the pipeline and its maintenance.

Additional concerns expressed by Board members related to the proposal to link price to the CPI since potable water rates tend to increase in multiples considerably more than the CPI; the 30-year term being too long due to the difficulty in knowing all the factors associated with the future pricing structure of water; how to manage payments for this project on a cash-flow basis; whether or not moving forward

with this will increase the JPA's chances for seasonal storage.

Administering Agent/General Manager Pedersen and Director of Facilities and Operations, David Lippman provided answers to the Board's questions, making reference to the term sheets, the financial impact to the JPA, payment structure, rates, capacity, cost of potable water supplement and other related points.

Director Steinhardt moved to approve as presented. Director Iceland second. Motion carried unanimously.

B JPA Board Meeting Minutes and Video Recording Retention.

Select and approve a retention period for the JPA Board meeting video recordings.

Administering Agent/General Manager Pedersen explained that this item was discussed at the May JPA meeting and that the topics of discussion then were the minutes and the video recordings; and that the issue of a retention period for the video recordings was not addressed.

There were several questions from Board members related to the retention period being 5-years.

Clerk of the Board Betancur explained the process for the destruction of records, which is done in accordance with LVMWD Board policy; addressed the issue of retention period for different types of record series and how any destruction requires the LVMWD Board's approval.

Director Iceland moved to have the video recordings of the meeting kept for a period of three-and-half years, to have them reviewed and if appropriate destroyed. Motion died for lack of a second.

Director Steinhardt stated that the minutes are vague and having the video helps to supplement the minutes. Therefore, he moved to have the video recordings retained for a period of 25-years. Director Polan seconded the motion. Director Renger offered a substitute motion that the JPA only retain the video recordings for a period of 5-years. Substitute motion seconded by Director Peterson and was carried by the following roll call vote:

AYES: Director(s): Renger, Peterson, Chairman Caspary, McReynolds, Iceland, and Wall
NOES: Director(s): Polan, Steinhardt and Orkney
ABSTAIN: Director(s): None

7. BOARD COMMENTS

Director Iceland commended staff for the tour of the facilities on Saturday, August 2 stating that it was well attended and thanked staff for a job well-done.

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager Pedersen made brief comments about the facilities tour and stated that it was well attended and spoke about completed facility projects.

9. FUTURE AGENDA ITEMS

Director Polan made brief comments about the incident that occurred recently at the UCLA campus related to the water-main break in relation to maintenance and replacement of pipes and whether or not the JPA has a system-wide pipe-by-pipe analysis in place; if we have ever done one for all the sewage piping the JPA is responsible for; he proposed that subject as a future agenda item.

Director Orkney stated that her proposed future agenda item is related to having a look at the pricing for the wholesale recycled water sold to LADWP.

ITEM 4A

Director McReynolds asked about what it would it take for the JPA to sell the recycled water not only to Woodlands Hills, but also to onto Pierce College and how many months out of the year that would actually get us out of the creek; and if we could use that as a bargaining chip to negotiate with the EPA on terms for the JPA's NDPES.

Administering Agent/General Manager Pedersen stated that there are a series of reports that have been completed by the JPA on creek avoidance; that we have a two or three-page pamphlet that talks about the different alternatives for creek avoidance and maybe we can bring some of those materials back and have a discussion.

Director Polan asked whether or not those studies talk about the Endangered Species Act requiring the JPA to put water into the creek.

10. INFORMATION ITEMS

A Tapia Water Reclamation Facility: Review of Plant Footprint.

B Tapia Water Reclamation Facility NPDES Effluent Limit Exceedences: Update on Discussions with the Los Angeles Regional Water Quality Control Board.

C Fish Flow Augmentation to Malibu Creek: Quantity and Economic Impact.

D Ventura River Project: Summary of Fish Flow Litigation for Robles Diversion Dam and Fish Passage/Ladder Facility.

E Allocation of Vehicle Costs and Depreciation.

F Information Systems Master Plan and Operational Review.

G Board Meeting Follow-up items.

Director Orkney stated that she wanted to thanked staff for the vehicle information that was provided; that she had found it to be very informative. Director Orkney asked a question relative to the depreciation process on the fleet of vehicles.

Director McReynolds asked a question related to item 10C in relation the JPA's monitoring costs for Fish Flow Augmentation to the Malibu Creek and asked why is it more expensive to put water in the creek for monitoring as opposed to putting it into the recycled water system.

David Lippman, Director of Facilities and Operations commented that whenever the JPA discharges to receiving waters, the JPA's monitoring requirements change; that we actually have to monitor the receiving water and that when we put the recycled water into the system all we are doing is monitoring the quality of the recycled water, not the receiving water; by discharging to 001 for fish flows, it triggers the receiving water monitoring; and that is a requirement of the permit.

Director Renger asked if we monitor the upstream flows as well. Staff indicated that we do.

Director Polan thanked staff for the study on the cost of the water and fish flows for the Endangered Species Act; he expressed a concern about the cost to the JPA associated with the discharge requirements; and that $600,000 is a significant number in terms of costs; he asked whether or not the folks of the JPA are losing that kind of money.

Administering Agent/General Manager Pedersen stated that the costs affect the JPA and the two members of the JPA in different ways; he explained that there is a loss of revenue to the JPA; that the water that is put to the creek is water that could have been sold by the JPA, therefore, this is a

component of lost revenue; that there is a component of additional cost for the monitoring as well as a component of cost to purchase more expensive potable water supplement, which is a cost component of Las Virgenes not Triunfo Sanitation District currently. Mr. Pedersen commented that these are the three components that make-up the fish flow cost.

Chairman Caspary had a question on item 10A related to the Tapia footprint and the irrevocable offer to dedicate that made permanent open space out of some of the land that the JPA owns; that he noticed that there are two different dedications, one for open space and one for a park trail; and how the irrevocable offer to dedicate appears to sunset in 21 years.

District Counsel Lemieux clarified how the acceptance of the offer works and commented briefly on the dedication legal intent.

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION

The Board recessed to closed session at 6:41 p.m., and reconvened at 7:06 p.m.

JPA General Counsel Lemieux reported that as it relates to the matter of Las Virgenes v. Onsite, there was nothing to report other than the possibility of attempting to get a judgment against the principals. After a brief discussion and on a motion by Director Orkney, seconded by Director Renger, the JPA Board directed JPA General Counsel to take no further action. Motion carried by the following vote:

AYES:	Director(s): Polan, Renger, Peterson, Chairman Caspary, McReynolds, Iceland, Orkney and Wall
NOES:	Director(s): Steinhardt
ABSTAIN:	Director(s): None

On the matter of Las Virgenes-Triunfo JPA v. United States Environmental Protection Agency, JPA General Counsel stated that no reportable action was taken.

A. Conference with District Counsel- Existing Litigation pursuant to Government Code Section 54956.9 (a).

1. Las Virgenes Municipal Water District v. Onsite Power Systems, Inc.
2. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

13. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **7:07 p.m.**

ITEM 4A

Charles Caspary, Chair

ATTEST:

Steven Iceland, Vice Chair

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject: Rancho Las Virgenes Third Digester Construction: Approval of Scope Change for Professional Services During Construction and Change Order No. 5 (Pg. 10)

SUMMARY:

A scope change in the amount of $51,780 is recommended for Kennedy/Jenks Consultants, the firm providing construction management services for the Rancho Las Virgenes Third Digester Project, to cover extra work performed on the project and to provide for continued construction management services through the completion of construction.

Additionally, staff requested a proposal from Kennedy/Jenks to provide operator training in basic anaerobic digester theory and details of operating the new facility. Together, the additional work to be performed by Kennedy/Jenks, totaling $71,580, will support the completion of construction and effective start-up of the facility.

Change Order No. 5 addresses eight work directives, including a combination of both deductions and increases, that were necessary for completion of the progress to-date. A detailed description of the changes is provided below. Also, attached is a copy of the Change Order No. 5 for reference.

RECOMMENDATION(S):

Authorize the General Manager/Administering Agent to execute a Change in Scope Agreement in the amount of $71,580.00 with Kennedy/Jenks Consultants for additional professional services during construction and staff training for start-up and operation of the new facility; approve Change Order No. 5 in the amount of $29,952.46 to Pacific Hydrotech Corporation for additional work associated with eight work directives, and approve a budget and appropriation increase in the amount of $121,445 to CIP Job No. 10487 for the Rancho Las Virgenes Third Digester Project.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

No

FINANCIAL IMPACT:

A budget and appropriation increase of $121,445 is required for the project. This amount consists of the sum of the proposed scope change for Kennedy/Jenks Consultants ($71,580.00) and Change Order No. 5 ($29,952.46), plus an additional $19,912.54 to account for project-related expenses incurred directly by the JPA. Among the expenses incurred directly by the JPA were the fees for issuance of a South Coast Air Quality Management District permit for the new boiler and the cost of purging methane gas from existing piping prior to the contractor performing a tie-in.

DISCUSSION:

Background:

On March 4, 2013, the JPA Board approved a proposal from Kennedy/Jenks Consultants to perform construction engineering and management services for the project in the amounts of $265,670 and $280,000, respectively. With authorization from the JPA Board, the General Manager executed a professional services agreement in the amount of $545,670 ($265,670 plus $280,000) for the project.

Proposed Change in Scope for Kennedy/Jenks Consultants:

The attached request was recently submitted by Kennedy/Jenks Consultants for additional budget to cover two items: (1) extra construction engineering and management services provided to-date beyond those included in the original proposal, and (2) projected additional construction management services through completion of the project. The extra work performed to-date included additional submittal/resubmittal reviews, preparation of responses to a larger-than-expected number of Requests For Information (RFIs) and preparation of a South Coast Air Quality Management District (SCAQMD) permit application.

Specifically, this work consisted of the following:

1. Review of 214 submittals and resubmittals versus the original scope of 130 submittals and resubmittals.

2. Preparation of responses to 115 RFIs versus the original scope of 110 RFIs.

3. Review of the indirect fire boiler documentation with the supplier and preparation of a required SCAQMD permit for the boiler, including payment of the permit application fee of approximately $2,200 (the permit issuance fee was paid by the JPA directly).

Also, construction management services through completion of the project are expected to be higher than originally proposed because of additional time required to complete the project. The original construction completion date for the project was June 21, 2014, but Pacific Hydrotech's latest schedule shows completion of the project by the end of September 2014. A portion of the additional time (28 calendar days) was approved in conjunction with Change Order No. 4 due to unforeseen field conditions. However, the remaining delay and associated costs to complete construction will be discussed with Pacific Hydrotech during the project close-out process.

Kennedy/Jenks Consultants has effectively used their original budget and been able to respond timely to the additional submittals and RFIs, while extending their services approximately 1.5 months beyond the original project completion date. However, as of July 25, 2014, Kennedy/Jenks has approximately $5,000 of remaining budget, excluding the amount reserved for record drawing preparation. To continue Kennedy/Jenks' services through completion of the project, staff recommends a budget augmentation of $51,780.

Additionally, staff requested a proposal from Kennedy/Jenks to provide staff training in basic anaerobic digester theory and the operation of the new facility, including the new heating system for all three digesters. The training will consist of two workshops with staff to discuss the new digester's performance and operational strategies for the facility. Also, failure indicators, causes of failure and troubleshooting will be discussed with staff to allow for efficient response to emergencies. The training is very important to ensure staff is knowledgeable and skilled in the proper operation and maintenance of the new facility. The cost of the proposed training is $19,800.

The total amount of the scope change ($71,580) exceeds 10% of Kennedy/Jenks' original contract amount; therefore, Board approval is required.

Change Order No. 5:

Change Order No. 5 in the amount of $29952.46 consists of the following changes associated with eight work directives:

1. Extend an electrical conduit and special cable in order to mount specified RTUs outside a Class 1 Hazard area.

2. Change the conduit in the Boiler Room from PVC coated galvanized rigid steel (GRS) to GRS (credit).

3. Provide and install a 4-inch x 1/4-inch steel plate to secure light weight structural framing along the roof eaves.

4. Install a line stop in the 6-inch RSL line and tie-in the new RSL pipe in accordance with the response to the associated RFI.

5. Install and provide power to the heat reclaimer for the indirect fired boiler.)

6. Relocate a 2-inch air/vacuum release valve near the new digester.

7. Provide two zero to 160 psi pressure gauges with diaphragm seals to replace the zero to 60 psi gauges and eliminate the installation of a extra disconnect that was not needed.

8. Provide piping, fittings and pipe supports to address various plumbing-related changes needed to support the effective future operation of the facility.

The total of all change orders to-date, including proposed Change Order No. 5, is $338,495 or 5.8% of the original contract amount. The General Manager/Administering Agent is authorized to approve change orders totaling up to 10% of the original amount approved by the Board provided that the amount is within budget. Because a budget increase is necessary for this action, Board approval is required.

Prepared By: Eric Schlageter, P.E., Associate Engineer

ATTACHMENTS:

Proposed Scope Change for Kennedy/Jenks Consultants

Change Order No. 5

CHANGE IN SCOPE TO PROFESSIONAL SERVICES AGREEMENT # 14778 - OJ

Project Title: Rancho Las Virgenes Third Digester

Consultant:DD Kennedy/Jenks Consultants

Nature Of Changes:

The change in scope is for two independent items of work beyond the scope of the original agreement as follows:

Item 1: Includes the cost of extra work performed as well as additional budget required for continued construction engineering and management services required through the remainder of the project.

Item 2: Is to provide operator training for the digester in support of the District's overall project goals for staff training in support of wastewater operations

(See attached exhibits for further detail of the requested items)

Fee Adjustment		Time Adjustment	
Previous Fee:	$545,670.00	Previous Deadline:	
Increase/~~Decrease~~:	$71,580.00	Additional Time:	
Estimate ☐ Lump Sum ☐ Not to Exceed ☑		New Deadline:	
Revised Fee:	$617,250.00		

Las Virgenes Municipal Water District

David W. Pedersen, General Manager

Date:

Kennedy/Jenks Consultants
Engineers & Scientists
2775 North Ventura Road, Suite 100
Oxnard, California 93036
805-973-5700
FAX: 805-973-1440

30 July 2014

Mr. John Zhao, P.E.
Principal Engineer
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302-1994

Subject: Budget Augmentation Request
Rancho Las Virgenes Third Digester Construction Engineering and Management Services
K/J 1389014*00(2.01)

Dear Mr. Zhao:

In accordance with our Agreement for Professional Services for the Rancho Las Virgenes Third Digester Construction Engineering and Management Services Project, and as we discussed previously, Kennedy/Jenks Consultants is submitting this request for additional budget to cover; 1) the cost of extra work performed and, 2) to provide continued Construction Engineering and Management Services through completion of the project.

The extra work performed includes additional submittal/resubmittal review, additional preparation of responses to Requests For Information (RFI's) and work performed for preparation of the South Coast Air Quality Management District (SCAQMD) permit application. Specifically this work includes:

1. Review of 214 submittals and resubmittals to date versus our scope of 130 submittals and resubmittals.
2. Preparation of responses to 115 RFI's to date versus our scope of 110 RFI's.
3. Review of the indirect fire boiler documentation with the supplier and preparation of the SCAQMD permit. This also included payment of the permit application fee of approximately $2,200.

Continued Construction Engineering and Management Services through completion of the project are requested in order to maintain continuity of the project for the District while providing our current level of services during this important final stage of construction.

As you know, the original construction completion date for the project was 21 June 2014. Construction modifications and adjustments have extended the completion date to 16 August 2014. Review of the Contractor's latest schedule and our monitoring of the construction progress indicate final completion of the project is anticipated for the end of September 2014.

Kennedy/Jenks Consultants has efficiently used our original budget and have been able to respond to the submittals and RFI's indicated above and have been able to extend our services approximately 1.5 months beyond the original completion date. However, as of 25 July 2014 and excluding budget reserved for record drawing preparation, we have approximately $5,000 remaining in our budget. Review of our labor expenditures over the last 12 months indicates approximately $25,890 was spent per month. To meet the anticipated completion date indicated above and to provide the District with continuing services, we are requesting a budget augmentation of $51,780.

We therefore, respectfully request that you consider this budget adjustment to our contract which would increase the total project budget from $545,670 to $597,450.

We look forward to discussing this request with you, as necessary. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

KENNEDY/JENKS CONSULTANTS

William C. Yates, P.E.
Project Manager

cc: Jeff Savard, Kennedy/Jenks Consultants

ITEM 5A

2775 North Ventura Road, Suite 100
Oxnard, California 93036
805-973-5700
FAX: 805-973-1440

16 July 2014

Brett Dingman
Water Reclamation Manager
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302-1994

Subject: Proposal to Provide Professional Services
Operator Training - Rancho Las Virgenes Third Digester

Dear Mr. Dingman:

Based on our meeting June 17 2014, Kennedy/Jenks Consultants (Kennedy/Jenks) is pleased to provide this proposal to the Las Virgenes Municipal Water District (District) for anaerobic digester training.

Scope of Services

The following scope of services has been developed in support of the District's overall project goals for staff training in support of wastewater operations. The scope of work includes:

- Data Collection and Review - Review current operational strategies and issues related to anaerobic digestion at the Rancho Las Virgenes Composting Facility; conduct site visit which would include a tour of the facility and informal discussions with O&M staff to identify operational issues and enhance plant-specific training.

- Training - Provide two (2) 1-day anaerobic digester training workshops. Each of the repeated 1-day workshops will consist of approximately 6 contact hours. The training will be held in facilities provided by the District. The District will furnish a whiteboard and markers. Current digester performance and operational strategies will be discussed. The specific topics are listed below:

    - Basic Anaerobic Digestion Theory
        - Primary and Secondary Digesters
        - Digester Feeding
        - Failure Indicators
        - Causes of Failure

        - Digester Foaming
        - Troubleshooting

    - New Anaerobic Digester
        - Overview of Piping and Valving
        - Integration of New with Old
        - Heating System Overview

- Training Handouts - Provide student handout covering the training slides (copies to be made by the District).

- Project Management and administration.

Schedule

The training will be conducted in August or September 2014 on mutually agreed upon consecutive dates.

Basis of Compensation

Total compensation for the training is estimated to be $19,800. Compensation includes all preparation and travel time, onsite labor, student materials, and all other direct costs.

We appreciate the opportunity to continue working with the District on the Rancho Las Virgenes Third Digester and look forward to discussing these proposed services with you further.

Very truly yours,

KENNEDY/JENKS CONSULTANTS

Jeff Savard, PE
Vice President

cc: Bill Yates, Kennedy/Jenks
Ron Moeller, Kennedy/Jenks

4232 Las Virgenes Road
Calabasas, California 91302-1994

CONTRACT CHANGE ORDER
No. 05

Project Las Virgenes – Triunfo Joint Powers Authority Rancho Las Virgenes Third Digester

Project No. Acct. No. 10487.1880.505

Contractor Pacific Hydrotech Corporation

Date _____

CONTRACTOR CHANGE ORDER NO. 05 The Contractor is hereby authorized and directed to make the herein described changes from the Plans and Specifications or do the following work not included in the Plans and Specifications for the construction of this project.

This change requested by: Pacific Hydrotech Corporation

DESCRIPTION OF CHANGES:

1) Work Directive Change No. 13 (attached):
   a. Extend electrical conduit and special cable in order to mount the RTU's for Fit's 110 and 120 outside the Class 1 Hazard area.
2) Work Directive Change No. 14 (attached):
   a. Credit for changing the conduit in the Boiler Room from PVC coated galvanized rigid steel (GRS) to GRS.
3) Work Directive Change No. 15 (attached):
   a. Providing and installing a 4" X ¼" steel plate to secure the light weight structural framing along the roof eaves.
4) Work Directive Change No. 16 (attached):
   a. All work required to install a line stop in the 6" RSL line and tie-in the new RSL pipe in accordance with the response to RFQ 010.
5) Work Directive Change No. 17 (attached):
   a. All work required to install power to the heat reclaimer for the indirect fired boiler. The change shall also include the elimination of Conduits 403 and 404, which have not been installed and level instrument LSH-422. The work shall be in accordance with the response to RFQ 011.
6) Work Directive Change No. 18 (attached):
   a. All work required to relocate the 2-inch air vacuum valve near the new digester as directed by the District. Valve and copper pipe will be provided by the District.
7) Work Directive Change No. 19 (attached):
   a. Provide two 0/160 psi pressure gauges with diaphragm seals to replace the 0/60 psi gauges for elements, PI-342 and PI-344. Deliver the 0/60 psi gauges to the District.
   b. Eliminate the installation of the second disconnect as is shown on drawing E-07 and mentioned in RFI 109.

Contract Change Order No. 05 Project No. Acct. No. 10487-1880.505

Date

DESCRIPTION OF CHANGES CONTINUED:

8) Work Directive Change No. 20 (attached):

   a. Provide 4 – 8-inch DI elbows, including BN&G sets, for the Overflow line and rearrange the piping as shown on the attached Sketch RFQ 014-1.

   b. Provide a 1-inch service saddle and SS ball valve as a flushing port on the Overflow line. Locate on the new 18-inch long spool (see Item 5).

   c. Provide ½-inch copper pipe and fittings from one of the spare outlets on the p-trap primer assembly to the overflow line on the new 18-inch long spool (see Item 5).

   d. Provide 2 – Type 9 Flange Pipe Supports in the locations shown on Sketch RFQ 014-1. Reduce the length of one pipe support due to the addition of the 18" long spools (see Item 5).

   e. Provide 2 – 8-inch x 18-inch DI spools as shown on Sketch RFQ 014-1. One spool to have the 1" service saddle installed on it and also be direct tapped for the p-trap primer connection.

TOTAL INCREASES / ~~DECREASES~~ AT AGREED PRICES OR FORCE ACCOUNT **$29,952.46**

ITEM 5A

Contract Change Order No. 05 Project No. Acct. No. 10487-1880.505

Date _____

(2) Estimate of increases and/or decreases in contract items at contract unit prices:

INCREASES

Item	Description	Quantity	Unit Price	Total
1	Work Directive Change No. 13 (see page 1)			$2,011.67
3	Work Directive Change No. 15 (see page 1)			$5,594.32
4	Work Directive Change No. 16 (see page 1)			$13,370.93
5	Work Directive Change No. 17 (see page 1)			$30.00
6	Work Directive Change No. 18 (see page 1)			$2,010.71
7	Work Directive Change No. 19 (see page 1)			$599.40
8	Work Directive Change No. 20 (see page 2)			$10,259.43
			TOTAL INCREASES	$33,876.46

DECREASES

Item	Description	Quantity	Unit Price	Total
2	Work Directive Change No. 14 (see page 1)			($3,924.00)
			TOTAL DECREASES	$3,924.00

TOTAL NET increase IN CONTRACT ITEMS AT CONTRACT UNIT PRICES $29,952.46

TOTAL COST OF THIS CHANGE ORDER $29,952.46

INCREASE

~~**DECREASE**~~

It is agreed 15 consecutive calendar days extension of time will be allowed by reason of this change.

Recommended by

John Zhao, P.E.
Principal Engineer

Departmental Approval

David R. Lippman
Director of Facilities and Operations

ACCEPTED:

Pacific Hydrotech Corporation

By:_____

Date:_____

APPROVED:

Las Virgenes Municipal Water District

By:_____
David Pedersen, P.E.
General Manager

Date:_____

Note: Attention is called to the sections of the Special Provisions and Standard Provisions on EXTRA, ADDITIONAL OR OMITTED WORK.

- THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY OWNER
- IF ACCEPTABLE TO THE CONTRACTOR, THIS CHANGE ORDER IS EFFECTIVE IMMEDIATELY

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject: Hach Water Information Management System Software Implementation: Authorization to Issue Purchase Order (Pg. 21)

SUMMARY:

The Water Information Management System (WIMS) software developed by Hach Company and currently used by the JPA can be more fully utilized to automate regulatory reporting required for compliance with the JPA's NPDES permit for the Tapia Water Reclamation Facility. Hach provided the attached proposal to install and configure the necessary software and train the JPA's staff to take advantage of the additional functionality of the WIMS software. Staff recommends that Board budget and appropriate funds and authorize the Administering Agent/General Manager to issue a purchase order to Hach in the amount of $32,350 for the work.

RECOMMENDATION(S):

Approve a budget and appropriation of $32,350 to CIP Job No. 10552, Miscellaneous IT Capital Purchases, and authorize the Administering Agent/General Manager to issue a purchase order to Hach Company in an amount of $32,350 for installation, configuration and training of software to take advantage of additional functionality of the Water Information Management System.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

No

FINANCIAL IMPACT:

The adopted Fiscal Year 2014-15 Budget does not include funding for this item. However, the recommended budget and appropriation can be approved while remaining within the JPA's overall budget for capital projects due to temporary delays to CIP Job No. 10513, Tapia Sluice Gate and Drive Replacement, which is affected by constraints related to other capital projects underway at Tapia. The total cost of the work is $32,350, with 70.6% allocated to LVMWD and 29.4% allocated to TSD.

DISCUSSION:

To complete the required regulatory reporting to the Los Angeles Regional Water Quality Control Board, State Water Quality Control Board and U.S. Environmental Protection Agency (EPA), staff uses a combination of purchased and self-developed software. Currently, the JPA's laboratory uses Laboratory Information Management System (LIMS) software developed by Perkin-Elmer. LIMS provides a database of sample tracking, sampling results, and quality control data. LIMS has been used by the JPA for over ten years and provides an excellent searchable database, allowing data to be easily retrieved and analyzed. Additionally, the JPA's laboratory staff has developed their own customized database that takes data from LIMS and processes it prior to submittal for regulatory reporting purposes.

With the implementation of the California Integrated Water Quality System (CIWQS) electronic reporting in October 2010, the staff-developed software has become obsolete and manual calculations must be performed outside the system to complete the JPA's regulatory reports. As a result, the amount of staff time required to perform the regulatory reporting has significantly increased.

The adopted Fiscal Year 2013-2014 Budget included funding for the purchase of a software system to

electronically produce Discharge Monitoring Reports (DMRs), which constitute a portion of EPA-required CIWQS reporting. Hach Company's Water Information Management Solution (WIMS) software was purchased to produce the electronic DMRs. However, the WIMS software has the additional capability to import SCADA and LIMS data to perform the calculations necessary to satisfy all of JPA's CIWQS reporting requirements.

Hach provided the attached proposal for the installation and configuration of the software to take advantage of the additional functionality of WIMS. The scope of work includes software installation, establishment of an interface between LIMS and SCADA, configuration of the software to produce CIWQS reports, and training of staff in the use and administration of the software.

Prepared By: Brett Dingman, Water Reclamation Manager

ATTACHMENTS:

Hach WIMS Proposal

Hach
5600 Lindbergh Drive - Loveland, CO 80539
800-227-4224 --- orders@hach.com

QUOTE #: Q072914SB1A

Quote Date: 8/5/2014
Terms: Net 30
Quote Valid: 60 Days

To:
Brad Glassman
Las Virgenes Municipal Water District
731 Malibu Canyon Rd
Calabasas, CA 91302
bglassman@lvmwd
818-252-2155

HACH RSM: Brian Rhoades
RSM email: brhoades@hach.com
RSM phone: (970) 646-5643

Project: Las Virgenes WIMS Services

Please submit your order to support@hach.com or fax 970-669-2932

Include on PO:
- **QUOTE#**
- **Bill to address and contact info**
- **Installation address and primary user contact information (no PO Box please)**
- **Fed Ex delivery address and contact for your software**

WIMS Services	
Wastewater Implementation Services Database Configuration, Report, and Data Entry Form development. Typically includes (your Project Manager will finalize the scope of work based on your needs): • Project Administration • Consultation to gather information and determine specific needs to create a project plan. • Remote Basic Install Assistance • Basic Variable setup - Adapting an industry standard list of parameters and calculations for your plant/system. • Site specific calculation setup • The Hach Project Manager will complete set up of the following regulatory reports listed ub CWIQS Report Requirements Document (located in I:\SALES\PRESALES_PROJECTS\2014\Las Virgenes) • 1 standard format monthly KPI report with up to 10 user defined KPIs (key performance indicators) • Predefined dashboard with 10 user defined KPI's and KPI graph set • 1 standard format yearly summary KPI report with up to 10 user defined KPIs • Data Entry Form development including 1 Custom Data Entry Form and standard Monthly Data Entry Forms for all parameters Part Numbers: 140 DM_WIMS-HRLY, NOSHIPOPENPROJ NOTES: • Additional scope/work, billed at our standard labor rate, can be requested and will require a change order. • Implementation assumes internet access is available at installation site. • Data Migration services are NOT included. Historical data may be imported from SCADA/LIMS systems with Purchased Interfaces.	$ 23,100.00

ITEM 5B

4 Days - Onsite Training and Services • Installation Review • Training - Basic, Advanced, and Admin (A Hach project manager will create a training agenda based on training requirements) • SCADA Interface installation, configuration and training. Up to 10 variables will be cross referenced. • LIMS Interface installation, configuration and training. Up to 10 variables will be cross referenced. Part Numbers: 4 DM_WIMS-OSS-TRN, 1 DM_WIMS-TRVLEXP, 1 DM_WIMS-TRVLTME	$ 9,250.00

Total Project:	**$ 32,350.00**

TERMS are net 30 days. Prices on this quote are firm for 60 days. Prices in US dollars. Licensing for end user not for export. Services will be invoiced either in eighty service hour increments or at the completion of services whichever comes first. Additional fees may be incurred due to project delays due to customer's availability, actions and/or requests. Payment is due thirty days from the date of invoice.

Hach Integrated Information Management Product Descriptions

Hach Water Information Management Solution™ (Hach WIMS™)

Hach WIMS is designed specifically for drinking water and wastewater systems to help users make more informed decisions, providing tools for analysis, monitoring, and reporting Data is captured automatically or manually from multiple data sources and stored in a central, secure database with easy local or web access. Hach WIMS offers various levels of software from single-user to enterprise and provides flexible financing options.

- Hach WIMS Multi User:
  - MSSQL Express database support allows up to 15 users, 15 facility databases, 10 GB DB size
  - MS SQL or Oracle Database support allows up to 20 users, unlimited DB Size
- Hach WIMS Enterprise custom implementation supports unlimited # of users, multiple facilities, requires MS SQL or Oracle
- Additional Concurrent Users, Facility databases, up to the supported limit, may be purchased; MS SQL/ORACLE support may also be purchased
- Hach WIMS OnLine - Software as a Service web based hosted solution: supports unlimited named users, is always the latest software, includes support. Licenses for additional named users, megabytes and facilities may be purchased.

Hach WIMS Lab Cal Module

Hach LAB Cal is a water laboratory data management system, specifically designed for drinking water and wastewater providing easy-to-use sample scheduling and tracking tools for effective lab data management. The visual environment takes the complexity out of managing your scheduled samples. Time-saving features, familiar formats, simple workflows, and pricing that is far less than traditional LIMS systems make Hach LAB Cal a very robust and cost-effective solution.

SCADA Interface for Hach WIMS

Interfaces are available for all water and wastewater industry SCADA systems. Hach SCADA interfaces transfer data seamlessly and automatically to Hach WIMS from your SCADA system.

LIMS Interface for Hach WIMS

Interfaces are available for all water and wastewater industry LIMS systems. Hach LIMS interfaces transfer data seamlessly and automatically to Hach WIMS from your LIMS system.

Hach WIMS Portable Solutions

IOS/Android devices, tablets can be used to collect, capture, and verify data at the source, allowing remote data entry into Hach WIMS.

Hach JOB Cal® Plus

Hach JOB Cal Plus is an easy, cost-effective maintenance scheduling solution. The software automatically builds an interactive color-coded calendar for easy management of job activities. It also provides the ability to track purchasing, inventory, vendors and labor as well as display equipment drawings and pictures.

SCADA Interface for JOB Cal®

Interfaces are available for all water and wastewater industry SCADA systems. Hach SCADA interfaces transfer equipment runtimes automatically to Hach JOB Cal from your SCADA system.

Custom Reports for JOB Cal® Plus

Allows development of custom reports in addition to the industry standard reports included in JOB Cal Plus.

Hach JOB Cal Plus Portable Software

Upload Work Orders to a Windows Mobile handheld, record tasks performed, and sync to JOB Cal Plus database.

Services

Hach offers a comprehensive set of services, such as training, programming, installation assistance, set up, configuration, and other specific customer requests to ensure successful use of Hach software.

Training

Hach training can be provided at a Hach Facility, at the customer site, or over the web. Training sessions can be tailored for each customer or provided for multiple customers in a structure classroom environment.

HACH COMPANY'S LICENSE AND TERMS AND CONDITIONS OF SERVICES

INTEGRATED INFORMATION MANAGEMENT SOFTWARE

ACCEPTANCE: These Terms and Conditions are contained in Hach Company's (Hach) offer, order acknowledgment, and invoice documents. The first of the following acts shall constitute an acceptance of Hach's offer and shall not be construed as a counteroffer and shall create a binding license and service agreement ("Agreement") in accordance with these Terms and Conditions, subject to final credit approval by Hach: (i) Customer's issuance of a purchase order document against Hach's offer; (ii) acknowledgement of Customer's order by Hach; or (iii) commencement of any performance by Hach pursuant to Customer's order Hach's commencement of work or signature on any purchase order or other form or document submitted by Customer shall constitute acknowledgment of receipt of Customer's order only, and shall not constitute Hach's assent to any terms and conditions submitted by Customer. Provisions contained in Customer's purchase documents that materially alter, add to or subtract from the provisions of these Terms and Conditions shall not be a part of the Agreement Any objection to these Terms and Conditions must (1) be in writing, (2) list specifically each term or condition with which you disagree, and (3) indicate why you disagree with the term or condition. Customer must notify Hach in writing of objections before Customer's submission of a purchase order to Hach or Hach's commencement of work, whichever occurs first, so that Hach may have a reasonable time to address any such objections. These Terms and Conditions shall be deemed accepted in their entirety by issuance of Customer's purchase order. In the event that Customer has purchased this Software indirectly (e.g. through an authorized distributor or third party integrator), then acceptance of these Terms and Conditions shall be indicated by clicking on the acceptance criteria that allow installation.

PRICES: Hach's prices in effect at the time of Customer's acceptance shall apply and any different pricing indicated from any other source shall be adjusted to Hach's current pricing, except for the price of Total Startup (one-time) Charges contained in Hach's quotation, which is firm for 60 days from the date of the quotation. If transportation charges from point of origin of the shipment to a designated point are included in these prices: (a) any changes in such transportation charges shall be the Customer's responsibility, and (b) except as otherwise stated in Hach's quotation, Hach shall not be responsible for switching, spotting, handling, storage, demurrage or any other transportation or accessorial service, nor for any charges incurred therefor, unless such charges are included in the applicable freight rate from shipping point to the designated point.

PAYMENT AND CREDIT: Payment is due thirty (30) days from the date of invoice. Hach reserves the right to deny credit to Customer and to determine the suitability of the method of payment where payment is other than cash, certified check or money order Hach reserves the right to revoke credit previously extended to Customer because of Customer's failure to pay for goods and/or services when due or of any other reason deemed good and sufficient by Hach, and in such event all subsequent services shall be paid for in advance or on delivery. Past due balances shall be subject to interest charges at the maximum rate permitted by law. Customer shall pay all Fees specified in US dollars.

TAXES: Any taxes which Hach may be required to pay or collect, under any existing or future law, upon or with respect to the license, sale, purchase, delivery, storage, processing, use or consumption of any of the material covered hereby, including taxes upon or measured by the receipts from the sale thereof, shall be paid for by Customer. Hach will collect and pay taxes when required to do so unless Customer furnishes a valid resale/exemption certificate to Hach, no later than the time of payment, relieving Hach of the requirement to collect and pay such taxes. If the certificate furnished to Hach is held invalid Customer agrees to pay the taxes (plus interest) not collected as a result of relying on Customer's invalid certificate

CANCELLATION: Customer may cancel orders within 30 days of purchase subject to fair charges for expenses incurred, handling, inspection, restocking, freight and invoicing charges as applicable. Cancelled orders must be returned to Hach within 30 days at Customer's expense.

DELAY: Hach shall be excused for any delay in performance or delivery due to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, quarantine restrictions, factory conditions, strikes, labor disputes, delays in transportation, shortage of transport vehicles, labor or materials, or any circumstance or cause beyond the control of Hach in the reasonable conduct of its business Hach further reserves the right, in its full discretion, to allocate inventories and current production and to substitute suitable materials when, in its opinion, circumstances warrant such allocation or substitution.

INSPECTION: Customer shall promptly inspect all software and the results of services. All claims for alleged defects in software or services are waived unless Customer notifies Hach of the claim within 30 days after receipt of software or performance of services. No claim shall be effective if made after the software or services have been altered or used. Customer shall afford Hach prompt and reasonable opportunity to inspect all software and services to which any claim is made. No returns shall be made without Hach's express consent, a return authorization and return instructions.

SOFTWARE LICENSE, USE AND RESTRICTIONS:

GRANT. Subject to full payment by Customer, Hach hereby grants to Licensee, and Licensee hereby accepts, a non-exclusive, non-transferable license to use the Software solely for Licensee's own internal use in accordance with the terms and subject to the conditions of this Agreement. Licensee agrees to restrict use of the Software to the location and servers specified in the Quote. Licensee agrees that Hach may from time to time, using reasonable remote access methods agreed upon with the licensee, access information via the Software that will allow it to confirm Licensee's obligations hereunder.

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AUDIT. Solely for the purpose of verifying Customer's compliance with the terms of this Agreement, Customer hereby grants Hach, or an agent designated by Hach, the right to perform an audit of Customer's use of the software during normal business hours either in person or using reasonable remote access methods agreed upon with the Customer. Customer agrees to cooperate with Hach in such audit and to provide Hach with all records reasonably related to Customer's use of the Software

OWNERSHIP AND PROPRIETARY RIGHTS: "Information" as used herein means all content and other items included with or as part of the services or Software, such as text, computer code, graphics, graphs and other representations of data, user interfaces, images, data, photographs, videos, and software. All right, title, and interest in the intellectual property (including all copyrights, patents, trademarks, trade secrets, and trade dress) embodied in any services, Software, and/or Information provided hereunder shall belong solely and exclusively to Hach and Customer shall have no rights whatsoever in any of the above, except as expressly granted in this Agreement. The software and Information are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. Customer may not copy, modify, remove, delete, augment, add to, publish, transmit, adapt, translate, participate in the transfer or sale of, create derivative works from, or in any way exploit any of the software or other Information, in whole or in part. Hach has exclusive rights for all training sessions. Recording in any form for future use is prohibited. Hach retains exclusive ownership of all Software and Information, and owns all intellectual property rights, title, and interest in any ideas, concepts, know-how, documentation, and techniques associated therewith.

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CONFIDENTIALITY: In connection with this Agreement, each party may have access to or be exposed to information of the other party that is not generally known to the public, such as but not limited to information pertaining to software, data, reporting, pricing, marketing, know-how and trade secrets, which may be designated as confidential or which, under the circumstances surrounding disclosure, ought to be treated as confidential (collectively, "Confidential Information"). Confidential Information may not be shared with third parties unless such disclosure is to the receiving party's personnel, including employees, affiliates, agents, and subcontractors, and only on a "need-to-know" basis in connection with this Agreement, and further only so long as such personnel have agreed in writing to treat such Confidential Information under terms at least as restrictive as those herein. Each party agrees to take the necessary precautions to maintain the confidentiality of the other party's Confidential Information by using at least the same degree of care as such party employs with respect to its own Confidential Information of a similar nature, but in no case less than a commercially reasonable standard of care to maintain confidentiality. The foregoing shall not apply to information that the receiving party can show through written records (1) was known by it before its receipt from the disclosing party; (2) is or becomes public knowledge through no fault of the receiving party; or (3) is rightfully received by the receiving party from a third party not subject to a duty of confidentiality. If the receiving party is required by a court or government agency to disclose Confidential Information, the receiving party shall, subject to any applicable lawful restrictions, provide at least five (5) business days advance notice to the disclosing party before making such a disclosure. The obligations with respect to Confidential Information shall continue for five (5) years from the date of disclosure.

REPRESENTATIONS, WARRANTIES AND DISCLAIMERS:

SERVICES: Hach warrants that the installation, startup and consultingservices will be performed in a professional and workmanlike manner and will be of a quality conforming to general standards of care in the relevant industry. If Hach breaches this or any other service warranty provided to the Customer, and if the Customer notifies Hach of such breach within 30 days of performance of Service, customer's exclusive remedy and Hach's entire liability for any breach of service warranty shall be re-performance of the specific non-conforming service.

SOFTWARE: Hach warrants that it has the right to grant the licenses to the software licensed under this Agreement, and such software will substantially conform to the functional specifications and current documentation provided by Hach.

WARRANTY DISCLAIMERS: EXCEPT AS EXPRESSLY STATED IN THE PRECEDING SENTENCES, HACH, (INCLUDING ITS AFFILIATES AND EACH OF THEIR RESPECTIVE EMPLOYEES, DIRECTORS, AND OFFICERS), MAKES NO EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO THE SOFTWARE OR SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY (1) OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, SUITABILITY, OR NON-INFRINGEMENT; OR (2) REGARDING THE RESULTS TO BE OBTAINED FROM THE SOFTWARE, SERVICES, OR THE RESULTS OF ANY RECOMMENDATION BY HACH. WARRANTIES DO NOT COVER DAMAGE DUE TO EXTERNAL CAUSES, SUCH AS ACCIDENT, ABUSE, MISUSE, PROBLEMS WITH ELECTRICAL POWER, SERVICE NOT PERFORMED OR AUTHORIZED BY HACH (INCLUDING INSTALLATION OR DE-INSTALLATION), USAGE NOT IN ACCORDANCE WITH PRODUCT OR SOFTWARE INSTRUCTIONS, NORMAL WEAR AND TEAR, OR USE OF PARTS AND COMPONENTS NOT SUPPLIED OR INTENDED FOR USE WITH THE PRODUCTS, SOFTWARE, OR SERVICES. WITH RESPECT TO YOUR USE OF THE SOFTWARE (1) NEITHER HACH NOR ANY OF THE HACH PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTY THAT SOFTWARE PROVIDED TO YOU IN CONNECTION WITH THIS AGREEMENT IS OR WILL BE SECURE, ACCURATE, COMPLETE, UNINTERRUPTED, WITHOUT ERROR, OR FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS, OR OTHER PROGRAM LIMITATIONS; OR THAT ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED, AND (2) CUSTOMER ASSUMES THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR, OR CORRECTION OF PROBLEMS CAUSED BY VIRUSES OR OTHER HARMFUL COMPONENTS, UNLESS SUCH ERRORS OR VIRUSES ARE THE DIRECT RESULT OF HACH'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT

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SURVIVAL: THE FOREGOING DISCLAIMERS AND LIMITATIONS OF LIABILITY SHALL BE ENFORCEABLE TO THE MAXIMUM EXTENT PERMITTED BY LAW AND SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT

CUSTOMER REPRESENTATIONS: Customer for itself and on behalf of its Administrator and each Authorized Customer User represents and warrants to Hach that (a) it owns or has the right to permit Hach to access its Customer's Sites and surrounding areas for service, installation and maintenance; and (b) Customer shall and hereby does defend, indemnify and hold Hach and its affiliates harmless from and against any and all claims, losses, damages, liabilities, obligations, judgments, causes of action, costs, charges and expenses (including without limitation, reasonable attorneys' and consultants' fees and such fees and penalties as any third party licensors may impose) arising out of or in connection with: (i) any breach of this Agreement by Customer and/or its Authorized Customer Users; (ii) any civil and/or criminal suit alleging that Hach had no right or authority to access the Customer's Sites; (iii) any Customer and/or Authorized User negligence, recklessness or willful misconduct; or (iv) any violation of, or non-compliance with laws. Customer's obligations under this Section do not apply to the extent that claims are directly caused by the gross negligence of Hach.

PATENT INDEMNIFICATION: Hach agrees to indemnify, defend and hold harmless Licensee from any claim, suit or proceeding brought against Licensee based on the allegation that any Software licensed under this Agreement infringes any U.S. patent; provided that Hach is promptly notified (no later than fifteen (15) business days) in writing of any such claim, suit or proceeding against Licensee, and further provided that Hach shall be entitled to make all decisions with respect to such defense, including any decisions to compromise or settle the same and Licensee shall give Hach all available information, reasonable assistance and authority to enable Hach to do so. If, in the opinion of Hach, any Software licensed under this Agreement is or may become the subject of any claim of infringement or in the event of any adjudication that the Software licensed under this Agreement infringes any U.S. patent, Licensee agrees that it will permit Hach, at its option and expense, to either (a) procure for the Licensee the right to use the Software, (b) replace the Software with other suitable software, (c) modify the Software to make it non-infringing, or (d) refund to Licensee all amounts paid to Hach under this Agreement less depreciation calculated on a straight line basis over a five (5) year period from the date of execution of this Agreement. Notwithstanding the foregoing, Hach shall have no liability or obligation to Licensee under this Section with respect to any patent, copyright, trademark, or trade secret infringement, violation, dilution, or misappropriation claim resulting directly from (i) the use of any version of the Software other than a current and unmodified release at the time of such alleged infringement, (ii) the use of the Software on or as a part of or in combination with any hardware or software not furnished by Hach or identified for use with the Software in the Hach published specifications for the Software, or (iii) the use of the Software for any purpose other than in accordance with the Hach published specifications for the Software. This Section states the entire liability of Hach and its affiliates and the exclusive remedy of Licensee with respect to any alleged infringement of a U.S. patent by the Software.

LIMITATIONS ON USAGE: The Customer shall not use any software or services provided hereunder for any purpose other than that identified in Hachs catalogs and literature as the intended use of such goods. Any warranty granted by Hach to the Customer shall be deemed void if any software or services covered by such warranty are used for any purpose not permitted hereunder. In addition, the Customer shall indemnify Hach and hold Hach harmless from and against any and all claims, damages, losses costs, expenses and other liability of whatever nature that Hach suffers or incurs by reason of any such unintended use.

ITEM 5B

INDEPENDENT RELATIONSHIP: As between themselves, the parties are independent contractors with no authority to contract for or in any way to bind or to commit the other to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of the other.

ASSIGNMENT: Neither this Agreement nor any license granted hereunder may be assigned by either party without the prior written consent of the other, which may be withheld for any reason or no reasons, and any such assignment is void ab initio.

NOTICE: Any notice given pursuant to this Agreement must be in writing and will be given by overnight courier service, personal delivery, facsimile or by United States certified mail, return receipt requested, postage prepaid, to the address appearing in Customer's purchase order in the case of notice to Customer, and to the following address in the case of notice to Hach: Hach Company, c/o IIM BU Director with cc to VP/General Counsel, 5600 Lindberg Drive, Loveland, Colorado 80538. Notice will be deemed effective on the date delivered to the addressee as confirmed by the applicable delivery service. Either party may change its address for notice purposes by giving the other party notice of such change in accordance with this Section.

COMPLIANCE WITH LAWS: Hach and Customer agree to comply with all laws applicable to the software and services provided hereunder. Software and technical data supplied by Hach are subject to certain export laws and regulations. Customer agrees to obtain at its own expense any import license, foreign exchange permit, or other permit or approval it may need for the performance of its obligations under this Agreement and to comply at its own expense with all applicable laws, regulations and orders of the government(s) to which its activities are subject. Customer agrees that it will, at all times, be in compliance with the United States export laws and will comply with all applicable restrictions regarding exports, re-exports and transfers, including obtaining any required U.S. or other country licenses, authorizations, or approvals. Customer further represents and warrants to Hach that Customer shall comply with all local, national, and other laws of all jurisdictions globally relating to anti-corruption, bribery, extortion, kickbacks, or similar matters which are applicable to Customer's business activities in connection with this Agreement, and that Customer will take no action that will cause Customer or Hach to violate any such laws. Customer specifically represents and warrants to Hach that Customer is familiar with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), and that Customer shall comply with the FCPA and will take no action that will cause Customer or Hach to violate the FCPA. Hach may terminate said Agreement immediately, if it believes, in good faith, that Customer has breached the foregoing compliance-with-law provisions of the Agreement or caused Hach to violate the FCPA or other applicable laws. Hach shall not be liable to Customer for any claim, losses, or damages related to Hach's decision to exercise its rights under this provision.

APPLICABLE LAW AND DISPUTE RESOLUTION: The construction, interpretation and performance hereof and all transactions hereunder shall be governed by the laws of the State of Colorado, without regard to or application of its principles or laws regarding conflicts of laws or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded. If any provision of this Agreement is in violation of any Federal, State or local statutes or regulations of any countries having jurisdiction of this transaction, or is illegal for any reason, said provision shall be self-deleting without affecting the validity of the remaining provisions. Unless otherwise specifically agreed upon in writing between Customer and Hach, any dispute relating to this Agreement which is not resolved by the parties shall be adjudicated in order of preference (i) by a court of competent jurisdiction in the State of Colorado, U.S.A. if Customer has minimum contacts with Colorado and the United States, (ii) by a court of competent jurisdiction elsewhere in the United States if Customer has minimum contacts with the United States but not Colorado, or (iii) by a court of competent jurisdiction in a neutral location (which may at Hach's discretion exclude Customer's state of residence) if Customer does not have minimum contacts with the United States.

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: Finance & Administration

Subject: Financial Review: Fourth Quarter of Fiscal Year 2013-14 (Pg. 29)

SUMMARY:

This report summarizes the JPA financial review as of June 30, 2014. It is important to note that the report reflects unaudited numbers, which may change as the fiscal year-end process is completed.

RECOMMENDATION(S):

Receive and file the Financial Review for the Fourth Quarter of Fiscal Year 2013-14.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

A preliminary JPA financial report (copy attached) shows that estimated operating revenues for Fiscal Year (FY) were $3,102,876, which is $174,976 (5.3%) less than during FY 2012-13 and $478,450 (18.2%) more than the FY 2013-14 budget. The increased estimated actual revenues compared to budget were due to higher-than-expected sales of wholesale recycled water.

Estimated operating expenses were $14,787,184, which is $519,683 (3.4%) less than FY 2012-13 and $310,909 (2.1%) less than budget. The lower-than-expected operating expenses were largely associated with the reduced cost of wastewater treatment at the Tapia Water Reclamation Facility and reduced costs at the Rancho Las Virgenes Composting Facility. The reduced costs were mainly due to the lower-than-expected administrative costs associated with vacant positions throughout FY 2013-14.

Capital project expenses at year-end were $2,789,285 lower-than-budgeted, primarily due to the timing of expenditures for construction of the Rancho Las Virgenes Composting Facility Third Digester Project ($600k below budget), the Tapia Water Reclamation Facility Primary Tank Rehabilitation Project ($650k below budget), the Tapia Channel Mixing Improvements ($425k below budget), and the Tapia Gate and Drive Replacement ($340k below budget). As of June 30th, capital expenditures were estimated to be $6,349,812, mostly from the following three projects:

- Rancho Las Virgenes Composting Facility Third Digester Project - $5,447,424
- Tapia Alternative Disinfection Project - $257,060
- Tapia Grit Cyclone Conveyor System - $145,997

Based on the preliminary financial results, LVMWD's share of the JPA's net expenses was $12.4 million and TSD's share was $5.6 million. These figures are estimates as of June 30th and subject to change upon completion of year-end closing.

Prepared By: Joseph Lillio, Finance Manager

ATTACHMENTS:

4th Quarter Financial Review

Joint Powers Authority
Fourth Quarter Financial Review
Preliminary

FY13-14 Year to Date at June 30, 2014

	FY12-13 Actual YTD	FY13-14 Budget YTD	FY13-14 Est. Actual YTD
Net Uses of Fund	$15,936,348	$21,592,941	$18,017,443
LV Share	$10,908,184	$14,824,561	$12,436,398
TSD Share	$5,028,164	$6,768,380	$5,581,045

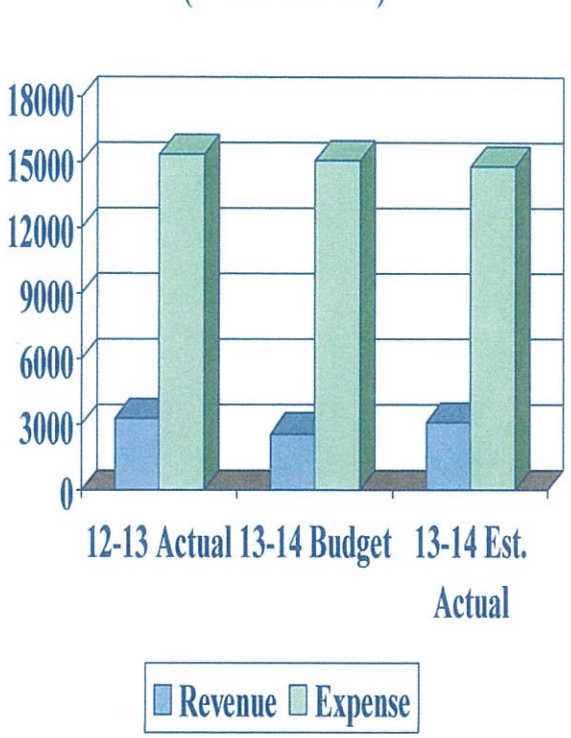
ITEM 5C

8/20/2014

Joint Powers Authority Operations

Fourth Quarter - Preliminary

	FY 12-13 Actual YTD	FY 13-14 Budget YTD	FY 13-14 Est. Actual YTD
Total Operating Revenues	$ 3,277,852	$ 2,624,426	$ 3,102,876
RW Pump Station	1,210,574	1,269,959	1,440,663
RW Tanks & Reservoirs	96,103	92,890	74,729
RW System Operations	43,409	31,172	26,095
RW Distribution	100,068	81,115	127,368
Sewer	447,268	273,928	231,976
Waste Water Treatment	7,328,876	7,487,964	7,304,375
Composting	4,633,108	4,573,859	4,258,403
Injection and Centrate	424,884	273,756	353,899
Administration	1,022,754	1,013,627	969,853
Total Operating Expenses	15,307,044	15,098,270	14,787,361
Net Operating (Expenses)	$ (12,029,192)	$ (12,473,844)	$ (11,684,485)



Joint Powers Authority Operations

Quarterly Update - Comparison to Budget & Prior Year at June 30, 2014

FY13-14 Year to Date - Preliminary

	FY 12-13 Actual YTD	FY 13-14 Budget YTD	FY 13-14 Est. Actual YTD
Total Revenues			
Operating Revenues	$ 3,277,852	$ 2,624,426	$ 3,102,876
Other Revenues	25,143	20,000	16,854
Total Revenues	3,302,995	2,644,426	3,119,730
Total Expenses			
Operating Expenses	$ 15,307,044	$ 15,098,270	$ 14,787,361
Capital Project Expenses	3,932,299	9,139,097	6,349,812
Total Expenses	19,239,343	24,237,367	21,137,173
Net (Uses) of Funds	$ (15,936,348)	$ (21,592,941)	$ (18,017,443)
Las Virgenes Share	(10,908,184)	(14,824,561)	(12,436,398)
Triunfo Share	(5,028,164)	(6,768,380)	(5,581,045)

Joint Powers Authority Operations
Quarterly Update - Comparison to Budget & Prior Year at June 30, 2014
FY13-14 Year to Date - Preliminary

	FY 12-13 Actual YTD	FY 13-14 Budget YTD	FY 13-14 Est. Actual YTD
Las Virgenes Share:			
Total Revenues			
Operating Revenues	$ 2,314,163	$ 1,852,845	$ 2,190,630
Other Revenues	17,751	14,120	11,899
Total Revenues	2,331,914	1,866,965	2,202,529
Total Expenses			
Operating Expenses	$ 10,463,895	$ 10,290,823	$ 10,155,960
Capital Project Expenses	2,776,203	6,400,702	4,482,967
Total Expenses	13,240,098	16,691,525	14,638,927
Net (Uses) of Funds - LV	$ (10,908,184)	$ (14,824,561)	$ (12,436,398)
Triunfo Share:			
Total Revenues			
Operating Revenues	$ 963,689	$ 771,581	$ 912,246
Other Revenues	7,392	5,880	4,955
Total Revenues	971,081	777,461	917,201
Total Expenses			
Operating Expenses	$ 4,843,149	$ 4,807,447	$ 4,631,401
Capital Project Expenses	1,156,096	2,738,395	1,866,845
Total Expenses	5,999,245	7,545,842	6,498,246
Net (Uses) of Funds - TSD	$ (5,028,164)	$ (6,768,380)	$ (5,581,045)
Total JPA Net (Uses) of Funds	$ (15,936,348)	$ (21,592,941)	$ (18,017,443)

Joint Powers Authority Operations

Quarterly Update - Comparison to Budget & Prior Year at June 30, 2014

FY 13-14 Year to Date - Preliminary

	FY 12-13 Actual YTD	FY 13-14 Budget YTD	FY 13-14 Estimated Actual YTD
Total Operating Revenues	$ 3,277,852	$ 2,624,426	$ 3,102,876
RW Pump Station	1,210,574	1,269,959	1,440,663
RW Tanks & Reservoirs	96,103	92,890	74,729
RW System Operations	43,409	31,172	26,095
RW Distribution	100,068	81,115	127,368
Sewer	447,268	273,928	231,976
Waste Water Treatment	7,328,876	7,487,964	7,304,375
Composting	4,633,108	4,573,859	4,258,403
Farm Operation	424,884	273,756	353,899
Administration	1,022,754	1,013,627	969,853
Total Operating Expenses	15,307,044	15,098,270	14,787,361
Net Operating (Expenses)	$ (12,029,192)	$ (12,473,844)	$ (11,684,485)

LAS VIRGENES - TRIUNFO JOINT POWERS AUTHORITY
CAPITAL IMPROVEMENT PROJECTS
EXPENDITURE LISTING by FUND
FY 2013-14 ESTIMATED ACTUAL

WORK ORDER NO.	PROJECT NAME / FUND	FY 2013-14 ESTIMATED EXPENDITURES	% OF TOTAL PROJECT	FY 2013-14 ALLOCATED EXPENDITURES	JOINT POWERS ALLOCATION			
					TSD SHARE		LVMWD SHARE	
					RATIO	AMOUNT	RATIO	AMOUNT
	Recycled Water Conservation							
10536	Agoura Road Recycled Water Main - Ladyface to Cornell Road							
		$90,836	100.0%	$90,836	29.4%	$26,706	70.6%	$64,130
Total: Recycled Water Conservation				**$90,836**		**$26,706**		**$64,130**
	Recycled Water Replacement							
10418	Rehabilitation of 18" RW Pipe (Tapia/Mulholland Highway)							
		$11,530	100.0%	$11,530	29.4%	$3,390	70.6%	$8,140
10516	Recycled Water Master Plan							
		$49,669	100.0%	$49,669	29.4%	$14,603	70.6%	$35,066
10522	Reservoir #2 Improvements (Lining Cover)							
		$13,317	100.0%	$13,317	29.4%	$3,915	70.6%	$9,402
10534	Rancho Solar Project							
		$45,379	100.0%	$45,379	29.4%	$13,341	70.6%	$32,038
10540	Lost Hill Overpass Recycled Water Main Relocation							
		$50,744	100.0%	$50,744	29.4%	$14,919	70.6%	$35,825
Total: Recycled Water Replacement				**$170,639**		**$50,168**		**$120,471**
	Sanitation Construction							
10487	Construct 3rd Digester at Rancho							
		$5,447,424	20.0%	$1,089,485	29.4%	$320,309	70.6%	$769,176
Total: Sanitation Construction				**$1,089,485**		**$320,309**		**$769,176**
	Sanitation Replacement							
10446	Buffer Land at Rancho							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10448	Rancho Polymer Feed System Rehabilitation							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10453	Tapia and Rancho Vulnerability Assessment							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10457	Tapia Alternative Disinfection Improvements							
		$257,060	100.0%	$257,060	29.4%	$75,576	70.6%	$181,484
10487	Construct 3rd Digester at Rancho							
		$5,447,424	80.0%	$4,357,939	29.4%	$1,281,234	70.6%	$3,076,705
10493	Tapia Sludge Screening							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10499	Tapia Grit Cyclone Conveyor System							
		$145,997	100.0%	$145,997	29.4%	$42,923	70.6%	$103,074
10512	Tapia: Primary Tank Rehabilitation							
		$48,985	100.0%	$48,985	29.4%	$14,402	70.6%	$34,583
10513	Tapia Sluice Gate and Drive Replacement							
		$0	100.0%	$0	29.4%	$0	70.6%	$0

LAS VIRGENES - TRIUNFO JOINT POWERS AUTHORITY
CAPITAL IMPROVEMENT PROJECTS
EXPENDITURE LISTING by FUND
FY 2013-14 ESTIMATED ACTUAL

WORK ORDER NO.	PROJECT NAME / FUND	FY 2013-14 ESTIMATED EXPENDITURES	% OF TOTAL PROJECT	FY 2013-14 ALLOCATED EXPENDITURES	JOINT POWERS ALLOCATION			
					TSD SHARE		LVMWD SHARE	
					RATIO	AMOUNT	RATIO	AMOUNT
10515	Sanitation Master Plan Update							
		$48,695	100.0%	$48,695	29.4%	$14,316	70.6%	$34,379
10519	Miscellaneous CIP (Bandsaw)							
		$11,924	100.0%	$11,924	29.4%	$3,506	70.6%	$8,418
10520	SCADA System Communication Upgrades							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10537	Raw Sludge Wet Well Mixing Improvements							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
10538	Tapia Channel Mixing Improvements							
		$48,205	100.0%	$48,205	29.4%	$14,172	70.6%	$34,033
10544	Centrate Tank Cathodic Protection (CP) System Replacement							
		$25,121	100.0%	$25,121	29.4%	$7,386	70.6%	$17,735
10548	Tapia Roof Replacement							
		$23,895	100.0%	$23,895	29.4%	$7,025	70.6%	$16,870
10549	Rancho Las Virgenes Compost Facility Agitator Control Upgrad							
		$13,564	100.0%	$13,564	29.4%	$3,988	70.6%	$9,576
10550	Rancho Reactor Room Door Replacement							
		$17,467	100.0%	$17,467	29.4%	$5,135	70.6%	$12,332
10551	Centrate System - New Pump Impellers							
		$0	100.0%	$0	29.4%	$0	70.6%	$0
Total: Sanitation Replacement				**$4,998,852**		**$1,469,663**		**$3,529,190**
GRAND TOTAL				**$6,349,812**		**$1,866,845**		**$4,482,967**

INFORMATION ONLY

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject: Recycled Water Reservoir No. 2 Improvements: Call for Bids (Pg. 37)

The Las Virgenes-Triunfo Joint Powers Authority (JPA) approved funding for this matter in the Joint Powers Authority Budget. The Las Virgenes Municipal Water District (LVMWD) Board, as the Administering Agent for the JPA, authorized a Call for Bids for the Recycled Water Reservoir No. 2 Improvements Project in accordance with the project specifications and proposed bid schedule at its August 12, 2014 Board meeting.

SUMMARY:

On February 3, 2014, the JPA Board approved a proposal from Pacific Advanced Civil Engineering (PACE) for the design of improvements to Recycled Water Reservoir No. 2. PACE has completed the plans and specifications for the project. To ensure that construction can occur in the winter low-demand period the Las Virgenes Board authorized a Call for Bids for the project.

FISCAL IMPACT:

No

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

There is no financial impact associated with the issuance of a Call for Bids. The adopted Fiscal Year 2014-15 Budget provides funding for the construction the Recycled Water Reservoir No. 2 Improvements Project in the amount of $1,557,010. The JPA allocation is 70.6% for LVMWD and 29.4% for Triunfo.

DISCUSSION:

The purpose of the project is ensure consistent compliance with NPDES permit requirements for the 005 discharge point (Los Angeles River) by improving the quality of water pumped from Reservoir No. 2. Recycled water produced at the Tapia Water Reclamation Facility is pumped to Reservoir No. 2, which provides temporarily storage before being distributed by the Recycled Water Pump Station to customers or for disposal via the 005 outfall to the Los Angeles River.

On September 2, 2010, the Los Angeles Regional Water Quality Control Board renewed Tapia's NPDES permit. The new permit included a requirement for the installation of an effluent monitoring station after the recycled water has passed through the Reservoir No. 2 to better characterize the water discharged to the Los Angeles River. While Tapia's effluent is in compliance, the samples from the new effluent monitoring station have had several exceedances for turbidity and total suspended solids. Reservoir No. 2 is the only location where recycled water is exposed to outside elements, which can allow degradation of water quality.

The scope of the project includes cleaning and removing debris from the reservoir, installing an HDPE geomembrane liner over the reservoir's earthen sides (the bottom is concrete), improving the piping and drainage facilities and performing miscellaneous grading work. To complete the project, temporary storage of recycled water and associated piping and controls will be required to allow for the recycled water system to remain in continuous service. Also, there is an optional item for the installation of HDPE shade balls to cover the surface of the reservoir. The project is planned for the winter months, when recycled water demand is lower, because of the reduced capacity associated with the temporary storage.

The proposed bid schedule is as follows:

Call for Bids: August 12, 2014

First Advertisement Date: August 18, 2014

Second Advertisement Date: August 25, 2014

Pre-bid meeting: September 10, 2014

Bid Opening: September 24, 2014

Award of contract: October 14, 2014

Prepared By: Brett Dingman, Water Reclamation Manager

INFORMATION ONLY

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject: Malibu Creek Discharge Avoidance: Tapia Effluent Alternatives Study (Pg. 39)

SUMMARY:

On August 4, 2014, JPA Director Michael McReynolds requested an information item to identify the actions necessary for the JPA to eliminate 100 percent of its discharge to Malibu Creek, 100 percent of the time. This report summarizes those actions as described in the Tapia Effluent Alternatives (TEA) Study, which was received and filed by JPA Board in February 2006.

The JPA's TEA Study identified and evaluated alternatives that would consistently avoid the disposal of surplus recycled water from the Tapia Water Reclamation Facility (TWRF) to Malibu Creek on a long-term basis. These alternatives considered included single-project solutions or combination of multiple projects. Three over-arching objectives were determined to influence the potential projects necessary to avoid discharging surplus recycled water to Malibu Creek: (1) to accommodate a maximum peak wet-weather flow of 33 to 40 MGD; (2) to manage an annual effluent volume of up to 13,500 AF/Y (with TWRF operating at 12 MGD); and (3) to provide up to 4,000 AF of recycled water storage in conjunction with operating the recycled water irrigation system.

Numerous projects were reviewed and evaluated in the TEA Study. Four alternative "packages" of projects met all three objectives. Alternative A (direct ocean outfall) met all the criteria and had an estimated cost of $54.8 million; Alternative B (full discharge to the Los Angeles River) met all the criteria and had an estimated cost of $65.5 million; Alternative C (recycled water extensions and new seasonal storage reservoir) satisfied most of the criteria and had an estimated cost of $141.8 million; and Alternative D (similar to Alternative C except utilizing Chatsworth Reservoir) satisfied most of the criteria and had an estimated cost of $191.7 million.

The TEA Study summarized the past success of the JPA's creek discharge avoidance measures, provided a recycled water supply and demand analysis, and recognized that there were no feasible underground storage options in the JPA's service area (Phases 1 and 2 of the study). The results provide the JPA with alternative courses of action to achieve varying degrees of creek discharge avoidance in the future. All or portions of the "packages" may be implemented to achieve different levels of creek discharge avoidance. The TEA Study concluded that there was no single "best" solution and that all present challenges for implementation. Further, it was recognized that simply extending the existing recycled water system alone would not solve the problem without adequate seasonal storage capacity.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

Background:

A prohibition on releasing recycled water from TWRF to Malibu Creek from April 15th to November 15th each year was included in the 1997 NPDES Permit for the TWRF by the Los Angeles Regional Water Quality Control Board (LARWQCB). The LARWQCB reaffirmed the flow prohibition when the permit was

renewed in November 2005 and again in September 2010. The TEA Study was commissioned by the JPA prior to the 2005 Permit renewal to answer the question: "What does it take to get out of the creek 100 percent of the time for 100 percent of the flow?" At the time, there was significant speculation on the actions necessary for creek avoidance with many suggesting unsubstantiated solutions. The TEA Study focused the discussion on the possible universe of projects to achieve creek avoidance year-round.

TEA Study Approach and Strategies:

In assessing potential 12-month creek-avoidance strategies, the JPA focused on science-based alternatives, utilizing existing facilities to the fullest extent and identifying both long- and short-term impacts of the projects. The TEA Study considered the effects of the proposed projects on the Malibu Creek Watershed and other natural environments, impacts on the JPA's operations and maintenance obligations, expected public acceptance, sustainability of on-going 12-month creek avoidance. and estimated economic impacts. The alternatives were vetted considering the JPA's dedication to the on-going efficient management of wastewater, prudent use of public funds, and respect for diverse opinions and interests within the service area and in neighboring watersheds. Generally, the strategies for creek discharge avoidance fell into five basic categories: (1) expansion of the recycled water transmission and distribution system; (2) reduction of wastewater inflow to TWRF; (3) transfer of recycled water to another area for beneficial use; (4) disposal of surplus recycled water; or (5) storage of recycled water for subsequent distribution.

Three TEA Study Objectives:

Three over-arching objectives influenced the list of potential projects to avoid discharging surplus recycled water to Malibu Creek. The first two objectives must be met to reliably avoid releasing surplus recycled water to Malibu Creek year-round:

1. Meet a maximum-day effluent volume of 33 to 40 MGD.

The project package must provide hydraulic capacity to accommodate 33 to 40 MGD, equivalent to the total maximum-day effluent volume for TWRF (typically peak wet-weather flow).

2. Meet an annual effluent volume of 13,500 AF/Y.

This volume is the product of TWRF's rated capacity of 12 MGD times 365 days per year, rounded to the nearest 100 AF/Y, times a conversion factor of 3.07 AF/MG.

A third objective must be met to achieve Objectives Nos. 1 and 2 through reliance on expanded beneficial use of recycled water:

3. Provide 4,000 AF of storage volume for continued beneficial reuse of recycled water for irrigation purposes.

Because demand for recycled water is very low in the winter, any surplus recycled water not released to Malibu Creek must be stored until demand rises later in the year. This volume is equivalent to 4,000 AF. If a smaller storage volume is selected, there would need to be a disposal option included in the package.

Alternatives Analysis:

Alternatives were developed as "packages" to address the above-stated objectives. Each alternative consisted of one or more projects to achieve 12-month avoidance of discharge from TWRF to Malibu Creek.

All of the alternatives considered took into account the critical three-way linkage between recycled water irrigation demands, seasonal storage, and disposal. Irrigation demands in the late fall, winter and early spring are insufficient to use all the recycled water produced at TWRF. Surplus recycled water must be either disposed of or stored for later use in the summer and early fall when recycled water demands exceed supply. Overall, storage needs were defined by the amount of surplus recycled water. Thus, greater seasonal storage reduces the need for disposal options, *if there is sufficient recycled water demand to use*

the stored water later in the year. Currently, there is not sufficient demand for this purpose. As a result, any alternative that relies on storage must also include projects to increase recycled water demands sufficiently to free up the storage capacity for to accommodate the following year's surplus.

Alternative A: Provides for the disposal of tertiary-treated effluent through an ocean outfall. The alternative consists of four components: a pump station, force main, gravity-flow pipeline, and ocean outfall. The pipeline would generally be constructed within public rights-of-way. Capacity of the outfall pipeline would be based on meeting 100 percent of the TWRF flow, 100 percent of the time. An ocean outfall would provide year-round operational flexibility to discharge the entire TWRF effluent stream to the ocean after tertiary treatment. Alternative A would provide a single facility that meets the criteria for a 12-month operation to avoid discharge to Malibu Creek, while allowing the JPA to continue supplying recycling water to customers during the demand periods. This alternative, as defined, would not require a seasonal storage facility. Alternative A would provide a total daily maximum capacity of 38 MGD and support an annual volume of 13,500 AF. The alternative would fully meet Objective Nos. 1 and 2. The cost of this alternative was estimated to be $54.8 million in 2006.

Alternative B: Provides for the discharge of tertiary-treated recycled water to the Los Angeles River. The point of discharge assumed for the alternative would be upstream of the first fully concrete-lined section of the Los Angeles River, located near the intersection of Vanowen Street and Canoga Avenue in the City of Los Angeles. The alternative provides a single facility that meets the criteria for a 12-month operation to avoid discharge to Malibu Creek, while allowing the JPA to continue reusing water during the periods of demand. As defined, the alternative would not include a seasonal storage facility. Alternative B provides a total daily capacity of 38 MGD and supports annual demands of 13,500 AF. This alternative would fully meet Objectives Nos. 1 and 2. The cost of the alternative was estimated at $65.5 million 2006.

Alternative C: Provides a number of recycled water system extension projects and other disposal options together to meet most of the peak daily effluent output from TWRF, meets the annual need for total water use or disposal, and includes seasonal storage to store winter water for summer use. Alternative C would rely on a continued growth in demand for recycled water. It includes an array of facilities that would cumulatively achieve 12-month of discharge avoidance to Malibu Creek and allow the JPA to continue reusing water during the periods of demand. Alternative C provides a capacity of 26 MGD, meets annual demands of 6,500 AF, and includes a storage volume of 4,000 AF. This alternative would partially meet Objective No. 1 and fully meet Objective Nos. 2 and 3. The cost of this alternative was estimated at $141.8 million in 2006.

Alternative D: Provides a group of similar projects to those identified in Alternative C for new recycled water customers and includes a limited discharge of recycled water to the Los Angeles River with use of a refurbished Chatsworth Reservoir for storage and disposal. This alternative would partially meet Objective No. 1 and fully meet Objective Nos. 2 and 3. The cost of this alternative was estimated at $191.7 million 2006.

Rating of Alternatives:

Each alternative was evaluated for benefits and impacts related to operations, economics, environmental concerns, public considerations and sustainability, using a zero to five scale with zero representing a fatal flaw and five representing significant benefits/value. The results of evaluations were:

- Alternative A - Ocean outfall had a composite rating of 3.6.
- Alternative B – Disposal pipeline to LA River had a composite rating of 3.0.
- Alternative C - Expanded use and storage had a composite rating of 3.4.
- Alternative D - Other expanded use and storage had a composite rating of 3.1.

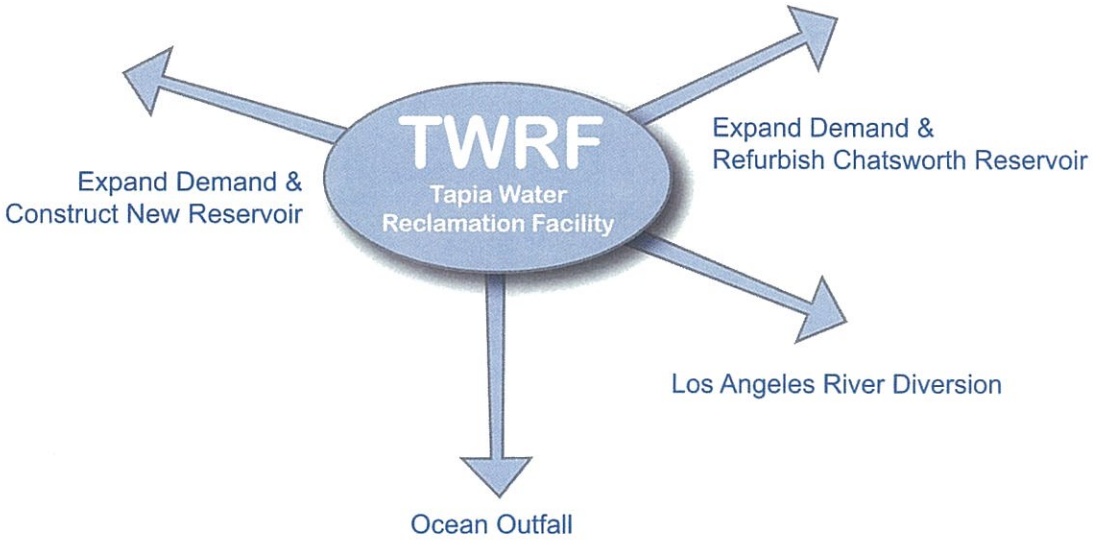
Conclusion:

The TEA Study has proven to be very valuable for the JPA in bringing a "reality check" to the actions needed to achieve year-round creek avoidance. Even though the report is eight years old, the conclusions remain valid. A copy of the TEA Study Summary Report, a short tri-fold brochure summarizing the background, methodology, results and conclusions of the Study, is included with the agenda package for reference.

Prepared By: David R Lippman, Director of Facilities & Operations

ATTACHMENTS:

Tapia Effluent Alternatives (TEA) Study - Summary Report



INTRODUCTION

In 2005, the Joint Powers Authority of Las Virgenes Municipal Water District (LVMWD) and Triunfo Sanitation District (TSD) launched the Tapia Effluent Alternatives Study (TEA) to evaluate sustainable year-round alternatives to releasing surplus effluent from the Tapia Water Reclamation Facility (TWRF) into Malibu Creek.[1] The objective of the study was to investigate a range of projects that singly or in combination could provide long-term 12-month creek avoidance.

Sustainable 12-month creek avoidance requires accommodating from 33 to 44 million gallons of recycled water a day, which is the total volume processed through TWRF on a maximum-flow day. It must also accommodate a total annual volume of 13,500 acre feet a year (AF/y), which is TWRF's workable capacity of 12 million gallons per day (mgd) x 365 days. Any creek avoidance strategy that calls for expanding beneficial use of recycled water through irrigation must also include provision for at least 4,000 acre feet (AF) of storage.

The strategic challenges associated with long-term creek release avoidance are substantial and range from the unique natural characteristics of the Malibu Creek Watershed to limits on public financial resources and perceptions regarding wastewater management. Individual or combined options that may have functioned effectively elsewhere prove problematic in the districts' service areas. Each of the alternatives considered presents operational and environmental challenges, and each is expensive, ranging from estimates of $54.8 million for an ocean outfall to $191.7 million to expand the districts' recycled water infrastructure and construct seasonal storage.

This summary report presents an overview of the TEA Study's background, methodology, results and conclusions. A copy of the complete study is available through Las Virgenes Municipal Water District.

BACKGROUND

TWRF operates under a National Pollution Discharge Elimination System (NPDES) permit issued by the Los Angeles Regional Water Quality Control Board (LARWQCB) under the 1972 Federal Clean Water Act. In 1997, LARWQCB restricted TWRF from its previously permitted practice of releasing all surplus recycled water into Malibu Creek. The change in the permit prohibited TWRF from releasing effluent for six months of the year, from May 1 through October 31, except in the case of an operational emergency or storm event. In 1999 the board extended the creek release prohibition to seven months, prohibiting discharge from April 15 through November 15, and adding a third exemption that required dry season release as needed to maintain habitat for endangered species.

Release of surplus effluent from TWRF into Malibu Creek has continued to be an issue. Environmental organizations have proposed that the seven-month discharge prohibition be extended to year-round, and LARWQCB has suggested diverting all of TWRF's surplus to the Los Angeles River. LARWQCB has also announced its intention to develop Total Maximum Daily Loads (TMDLs) for nutrients for Malibu Creek and has indicated that these would be more restrictive than current standards developed by USEPA. In light of such considerations, the districts concluded it would be prudent to undertake an indepth study of the viability of year-round creek avoidance.

[1] The Joint Powers Authority of Las Virgenes Municipal Water District which is located in Los Angeles County and the Triunfo Sanitation District in Ventura County provides wastewater treatment, recycled water and biosolids composting for homes and businesses throughout the Malibu Creek Watershed.

METHODOLOGY

A consortium of experts in the fields of watershed ecology, habitat, geology and groundwater management, civil engineering, public affairs, government and land use planning was assembled to identify and evaluate a range of creek release alternatives.[2] From an initial list of 150 projects 13 were chosen for extensive review and subsequent evaluation according to five equally-weighted criteria: 1) economic costs and benefits, 2) operational flexibility, 3) environmental effects, 4) public considerations, and 5) sustainability (see Figure 1). Consideration was also given to the degree to which each project made effective use of the districts' existing facilities and ongoing operations and maintenance practices, the potential to which each might affect current interests and perspectives within the Malibu Creek Watershed and the role of LVMWD and TSD as government agencies. From this short list of 13 projects, four detailed alternatives were developed, subjected to rigorous scrutiny and rated on a scale of 0-5 using the above-described criteria (see Figure 2).

A Unique Region

The Malibu Creek Watershed and its surrounding region present challenges to construction and management of modern urban infrastructure. Residential and commercial development is spread out over 109 square miles in Agoura Hills, Calabasas, Hidden Hills, Oak Park, Thousand Oaks, Westlake Village and in outlying rural areas of unincorporated Los Angeles and Ventura counties. Development has expanded beyond the 101 freeway corridor to the foothills of the Santa Monica Mountains and into the mountains themselves.

Much of the area's underlying rock is soft and fractured and not conducive to water storage, which accounts for the fact that the region has no sizable groundwater aquifers, few year-round streams and almost no natural wetlands. Steep slopes of poorly cemented sedimentary rock can confound subsurface construction and maintenance. High intensity Pacific storms are known to leave behind mudslides and floods. That the area is by nature geologically active was demonstrated in 1994, when the Northridge Earthquake triggered 1,400 landslides in the Santa Monica Mountains.

Half of local lands are held in public ownership and are managed through cooperative agreements among 70 national, state and local agencies, including the National Park Service, the California Department of Parks and Recreation, Santa Monica Mountains Conservancy and various city and county agencies. Regulations aimed at protecting threatened and endangered species can affect how infrastructure is constructed and also influence business practices. Half of the districts' service area lies within the coastal zone where development and construction are regulated by the California Coastal Commission.

Existing Creek Avoidance

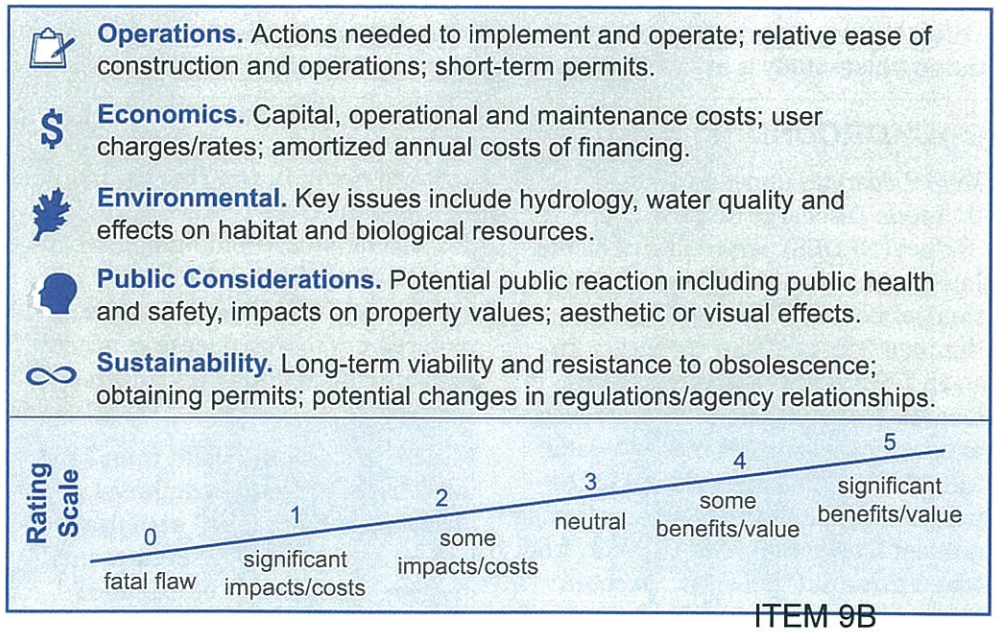
Among the creek avoidance projects considered, three have been implemented to some degree to comply with LARWQCB's seven-month release prohibition. These include:

- *Expanded Use of Recycled Water for Irrigation.* Since 1997 the districts have developed 74 new recycled water connections, increasing recycled water demand by 15 percent. Currently over 60 percent of TWRF's inflow is recycled.

- *Diversion of Raw Wastewater to the City of Los Angeles Sewer System.* The districts have negotiated a temporary agreement with the City of Los Angeles to allow diversion of a portion of raw wastewater from areas of Calabasas and Hidden Hills to the city's wastewater treatment facilities. Approximately $7 million in capital improvements to the districts' facilities and the City of Los Angeles wastewater system would be needed to permanently shift all the wastewater in this area, which is tributary to the Los Angeles River, to the city's facilities year-round. Purchase of capacity rights in the City of Los Angeles treatment system would also be required.

- *Discharging Recycled Water to the Los Angeles River.* In 1999 LARWQCB permitted discharge of recycled water to the L. A. River, requiring the river be

FIGURE 1: Evaluation criteria



[2] The study was coordinated and the final report prepared by Kennedy/Jenks Consultants, based in San Francisco, CA.

Figure 3 compares the composite ratings of the four alternatives the study considered in detail. Both Alternatives A and B require the construction of only a single facility. Alternative A, discharge of surplus effluent into the ocean near Malibu, would require a pipeline leading to an offshore outfall. Alternative B would require a pipeline and associated pumping facilities to divert surplus recycled water to the Los Angeles River. Both Alternatives A and B are able to accommodate TWRF's maximum daily effluent volume and total annual volume. In neither case is storage required. Both alternatives also allow the districts the flexibility to provide recycled water for irrigation during summer months and avoid creek release during winter and shoulder months.

Both Alternative C and Alternative D depend on maintaining a critical balance between storage and expanding beneficial use through irrigation. Alternative C would require the construction of a new reservoir in the Santa Monica Mountains. Alternative D would require refurbishment of the existing Chatsworth Reservoir. Significantly, neither alternative meets TWRF's required maximum daily diversion volume or annual volume without being supplemented with additional disposal strategies. (See Figure 4 for a numeric comparison of alternatives by cost and evaluation criteria.)

used only after all other creek release avoidance strategies were exhausted. This requirement was changed in 2005, allowing recycled water to be released to the river at any time. Meeting the existing nitrate TMDL of 8 mg/L has required approximately $1 million in upgrades at TWRF.

Alternative A: Ocean Outfall

Rating: 3.6 ■ **Cost:** $54.8 million

Disposing of unused recycled water through an ocean outfall would require construction of a pump station at TWRF, a force main and a gravity-flow pipeline through Malibu Canyon to a subsurface outfall off the Malibu coast. The outfall would allow the districts flexibility to draw recycled water to meet seasonal irrigation demand and dispose of what is not used.

An ocean outfall would require a new discharge permit from LARWQCB and an amendment to LARWQCB's Basin Plan. The outfall would also be subject to approval by the Coastal Commission and the State Lands Commission. The pump station, land pipeline and outfall would require diligent periodic inspection, repair and maintenance. There would be energy costs associated with pumping to the high point in Malibu Canyon before the water can gravity flow to the outfall.

The outfall would bypass Malibu Creek altogether. The volume of recycled water discharged into Santa Monica Bay would not increase. The overall ecological impacts of tertiary treated coastal discharges are extremely low, and adherence to existing water quality regulations would ensure effects remain less than significant. While subsurface ocean discharge has the potential to affect water chemistry in the immediate vicinity of an ocean outfall, physical mixing and dilution would limit any such effects to the immediate vicinity.

Construction would likely require extensive rock cutting in the Malibu Canyon Road right-of-way and possible suspension of the pipeline off the canyon walls. Portions would be visible until vegetation regenerates. During construction the public traveling on Malibu Canyon Road and at the beach at Malibu may be inconvenienced.

The pipeline would be located primarily within public rights-of-way. Encroachment permits would be required from Los Angeles County, CalTrans, the City of Malibu and perhaps the state of California. Other agencies with potential interest in the project include Los Angeles County's Department of Beaches and Harbors and Department of Regional Planning, Santa Monica Bay Restoration Commission, South Coast Air Quality Management District, Coastal Conservancy, California Department of Fish and Game, Santa Monica Mountains Conservancy, California Department of Parks and Recreation, U.S. Fish and Wildlife Service, National Marine Fisheries Service and Army Corps of Engineers.

Obtaining the necessary permits for construction would require substantial effort, although once the permits are issued, they would not likely be terminated. The traditional lifespan of this type of pipeline is 50 to 100 years, subject to location and construction conditions.

FIGURE 2:
Refined list of potential projects

1	Ocean Outfall
2	Pipeline to L.A. River
3	Divert Raw Wastewater to City of Los Angeles Facilities
4	Pipeline to Calabasas City Center
5	Pipeline to Agoura Gap
6	Decker Canyon pipeline to Malibu Golf Course
7	Pipeline to T.O. Blvd, Russell Park
8	Pipeline to Eastern Ventura County - A
	Pipeline to Eastern Ventura County - B
	Pipeline to Eastern Ventura County - C
9	Chatsworth Reservoir, Pump Station and Pipelines
10	Reservoir, Pump Station and Pipeline Improvements (Donnell)
11	Tank Farm Storage
12	Expanded Residential Reuse
13	Evaluation of Additional Reservoir Sites

Alternative B: Divert Surplus to Los Angeles River

Rating: 3.0 ■ **Cost:** $65.5 million

A 14-mile pipeline would be constructed to transport TWRF's surplus recycled water to a discharge point in the Los Angeles River upstream of the first fully concreted section of river near the intersection of Vanowen Street and Canoga Avenue. Any river discharge must be accomplished in accordance with Los Angeles River TMDLs. TWRF currently meets the river's existing nitrate TMDL of 8 mg/L for occasional release but would have to be retrofitted to meet that standard for sustained, long-term release. The effluent would also have to meet the metals TMDL for the Los Angeles River, which has been developed but not yet approved by the State Water Resources Control Board. Additionally, since unlined sections of the river are designated for groundwater recharge, limits on total dissolved solids are more stringent in the river than in Malibu Creek.

Construction and subsequent operation of Alternative B could result in environmental effects on the river's biological resources due to increased flow. These include displacement of areas of high avian feeding rates. Other potential effects include impacts on sheet-flow-related algal growth and the river's invertebrate populations, as well as impacts on the estuary at the river's mouth in Long Beach, which currently provides forage for large numbers of avian species.

Reaction among Los Angeles River interest groups such as the Friends of the Los Angeles River and River Project to transfer of effluent between watersheds is currently unknown but would need to be addressed. The Los Angeles County Department of Public Works has expressed concern about the effects of additional discharge on the hydraulic capacity of the river for flood protection. Other public agencies likely to comment on the project include the Los Angeles Department of Sanitation Watershed Protection Division, Los Angeles River Ad Hoc (City Council) Committee, the National Marine Fisheries Service and the California Department of Fish and Game.

Operationally, future regulatory changes for the Los Angeles River could require construction of additional advanced treatment facilities and technology at TWRF. This could leave the districts with the pipeline as a stranded asset. The projected lifetime of this type of pipeline is 50-100 years, depending on its location and environmental conditions. The pipeline and pumps would require periodic monitoring and maintenance.

Alternative C: Expand Recycled Water Use/Construct Reservoir at Donnell Ranch

Rating: 3.4 ■ **Cost:** $141.8 million

Alternative C depends on balancing increased demand for recycled water with storage. For storage to work, sufficient demand must be created to empty the reservoir each year in order to accommodate the next year's surplus.

Demand would be increased through such new uses as residential front yard irrigation, which would require new distribution pipelines and additional extensions and upgrades to the current recycled water infrastructure. Residential reuse would require development of construction and end-user protocols to protect against cross-connection between potable and recycled water lines. Storage would be provided by a new reservoir that would be constructed at Donnell Ranch in the Santa Monica Mountains.

In addition, Alternative C would reduce inflow into TWRF through a dry-weather transfer of approximately 2,500 AF/y of raw wastewater to the City of Los Angeles sewer system.

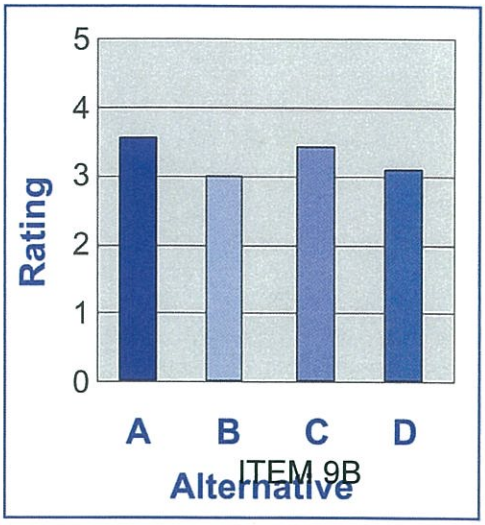
Construction of some pipeline extensions, such as Decker Canyon into the Santa Monica Mountains to serve the Malibu Golf Course and adjacent housing, is projected to be costly compared to the increased demand in recycled water these projects would generate. Recycled water extensions along the 101 freeway corridor would be more easily constructed but also would not increase demand substantially in relation to their cost.

Various regulatory agencies have concerns about nitrogen concentration from fertilizers in lakes and the creek downstream, and a similar concern might arise about the golf course's use of recycled water. However, because recycled water reduces the need for fertilizer and is more regulated than potable water irrigation, nitrogen runoff would likely be less with use of recycled water.

Construction of storage and a new pipeline would have potential effects on sensitive biological resources. The reservoir's dam would introduce a substantial visual element in a relatively natural setting. Local groups, associations or other entities that could be interested in these projects include homeowners and businesses impacted by pipeline construction as well as environmental and civic groups. Construction would require permits and permissions that are subject to public approval.

Once a market for recycled water is secured and infrastructure constructed, few problems are anticipated with sustaining the new reservoir. The infrastructure and reservoir have a projected sustainability of 50-100 years. Interagency agreements and contracts would be subject to periodic review that could lead to cancellation.

FIGURE 3:
Comparison of composite ratings for Alternatives A, B, C and D



Alternative D: Expand Recycled Water Use/Storage at Chatsworth Reservoir

Rating: 3.1 ■ **Cost:** $191.7 million

Like Alternative C, Alternative D depends on balancing storage with increasing demand for recycled water. In this case storage would be in Chatsworth Reservoir, which is currently owned by the Los Angeles Department of Water and Power. As with Alternative C, Alternative D includes a small diversion of raw sewage to City of Los Angeles treatment facilities. In addition it includes a small discharge of unused recycled water to the Los Angeles River.

Geological hazards in the vicinity of the Chatsworth Reservoir caused the City of Los Angeles to take the reservoir out of service after the 1991 Sylmar Earthquake, and soil liquefaction and earthquake-induced landslides could affect the safety of the two new dams that would have to be constructed. The dams would be subject to review by the state Department of Conservation and the Los Angeles County Flood Control District. Encroachment permits would be required from the City of Los Angeles, CalTrans, the cities of Calabasas and Hidden Hills and the Hidden Hills Property Owners Association.

The reservoir site includes oak woodlands, native grassland and freshwater marshland considered sensitive by state and federal resource agencies, as well as open water habitat that offers important wintering and breeding grounds for songbirds and waterfowl. The Simi Hills and the Santa Susana Mountains provide important wildlife linkages between the Santa Monica Mountains and San Gabriel Mountains. The Los Angeles City Council has named the entire site a natural preserve and designated it open space in the city's general plan.

Agencies and organizations that may have an interest in the disposition of the site include the San Fernando Chapter of the Audubon Society, California Wetlands Coalition, Mountains Restoration Trust, Santa Susana Park Association, Chatsworth Neighborhood Council and Santa Monica Mountains Conservancy. Because Alternative D involves importing recycled water from the Malibu Creek to the Los Angeles River Watershed, other interested groups would likely include the Friends of the Los Angeles River, River Project, Los Angeles and San Gabriel Rivers Watershed Council and City of Los Angeles Integrated Resource Plan (Public) Advisory Group.

Added to environmental factors associated with the site, the historic use of copper sulfate to reduce algae blooms at the reservoir may have resulted in elevated copper levels in soils that would have to be removed or encapsulated.

A lifetime of at least 50-100 years is projected for the reservoir and pipelines. Interagency agreements and contracts would be subject to periodic review and potential cancellation. Pumping water to the Chatsworth Reservoir would be costly.

FIGURE 4: Numeric comparison of Alternatives A, B, C and D by cost and evaluation criteria

Alternatives	Daily Capacity (MGD)	Annual Volume (AF/y)	Holding Volume (AF)	Cost (pre-Hurricane Katrina construction dollars)	Economics	Environmental	Operations	Public Cons.	Sustainability	Composite Ratings
Requirement for Total System	38	13,500	4,000							
Currently Available	12	7,000	200							
Alternative A										
Land & Ocean Outfall Pipeline	38	13,500	0	$54,800,000	5	2.5	4	2.5	4	3.6
Alternative B										
Disposal Pipeline to LA River	38	13,500	0	$65,500,000	4	3	3	3	2	3.0
Alternative C										
T.O. Blvd. & Russell Park Pipeline		251	0			3.5	3.5	3	3.5	
Decker Canyon to Malibu Golf Course		294	0			5	4	4	2.5	
Agoura Gap Pipeline		42	0			4	4	4	3.5	
Calabasas City Center Pipeline		24	0			4	3	3.5	4	
Raw Wastewater to L.A. City Facilities	2	1,600	0			3	4.5	4	3.5	
Pipeline to Eastern Ventura County		2,800	0			2.5	2	3	3	
Storage Reservoir, Pipe, PS (ie, Donnell Res.)	12	0	4,000			2.5	4.5	3	4	
Upgrades to LVMWD Recycled Water Sys.	12	0	0			Further Evaluation Needed				
Residential Yard Use		650	0			Further Evaluation Needed				
Unidentified Disposal & Cat. 1 Projects		849	0			Further Evaluation Needed				
Total, Alternative C	**26**	**6,511**	**4,000**	$141,800,000	3	3.5	3.6	3.5	3.4	3.4
Alternative D										
T.O. Blvd. & Russell Park Pipeline		251	0			3.5	3.5	3.0	3.5	
Decker Canyon to Malibu Golf Course		294	0			5.0	4.0	4.0	2.5	
Agoura Gap Pipeline		42	0			4.0	4.0	4.0	3.5	
Calabasas City Center Pipeline		24	0			4.0	3.0	3.5	4.0	
Raw Wastewater to L.A. City Facilities	2	1,600	0			3.0	4.5	4.0	3.5	
Pipeline to Eastern Ventura County		2,800	0			2.5	2.0	3.0	3.0	
Chatsworth Reservoir, Pipe, PS	12	0	4,000			3.0	3.0	3.0	2.5	
Pierce College		1,000	0			Further Evaluation Needed				
Residential Yard Use		650	0			Further Evaluation Needed				
Disposal Pipeline to LA River	12	0	0			Further Evaluation Needed				
Total, Alternative D	**26**	**6,662**	**4,000**	$191,700,000	2	3.6	3.4	3.5	3.2	3.1

CONCLUSIONS

The TEA Study concludes that applying the five equally weighted criteria to Alternatives A through D does not result in a clearly differentiated course of action. Nor does it remove any of the alternatives from consideration.

Developing a year-round alternative for avoiding creek release is not a straightforward process. Primary challenges include the topography of the Malibu Creek Watershed, multiple overlapping regulatory jurisdictions, potentially conflicting special interests within watershed populations, and sometimes contrary positions among a variety of agencies and advocacy organizations.

Alternative A (ocean outfall) received the highest overall rating, thus suggesting it as the most suitable to achieve 12-month creek release avoidance. But closer examination reveals that while Alternative A received the highest marks for both operational ease and sustainability and would be the least expensive to construct and maintain, its environmental rating is low. This is in part because of construction impacts. Likewise Alternative A received a low score for public considerations.

Alternative D, a collection of projects based on balancing storage with increased demand for recycled water, would be the most expensive to construct and operate but was rated high environmentally. Conversely, environmental considerations caused Alternative B (L. A. River diversion), which is operationally simpler and much less expensive, to be rated lower overall than both of more costly Alternatives C and D. Although both storage alternatives ranked higher for public considerations than the ocean outfall or river diversion, neither storage alternative is able to meet the requirements of 38 mgd peak capacity and 13,500 AF/y effluent volume.

None of the four alternatives can be readily fitted into the districts' existing infrastructure. Alternatives B, C and D would require $4.9 million in upgrades at TWRF to achieve consistent 8 mg/L for nitrogen as well as $2.6 million in upgrades at Rancho Las Virgenes Composting Facility.

Also, Alternatives B, C and D would require increased pumping capacity to deliver recycled water from TWRF to LVMWD headquarters ($5.4 million) and increased pipeline capacity ($9.1 million) plus recycled water pump station upgrades at LVMWD headquarters ($6.7 million) and upgrades in the existing distribution system.

The complexities that resulted from comparison of the criteria ratings reflects the challenges of constructing and maintaining public service infrastructure in the Malibu Creek Watershed. Study results demonstrate that each 12-month alternative would pose environmental challenges. Each would be costly and would require creative solutions to generate the necessary capital. Not all the options are equally sustainable.

Based on these findings, the TEA Study concludes that any long-term sustainable alternative to the districts' currently permitted practice of releasing surplus recycled water into Malibu Creek will depend on collaboration and problem-solving among a wide variety of civic and nongovernmental agencies. Sustained creek avoidance strategies will also require thorough and sound analysis of economic costs and benefits in conjunction with operational flexibility. All of the above factors must be carefully balanced with a systematic evaluation of environmental effects. Selecting any alternative for potential implementation would require compromise.

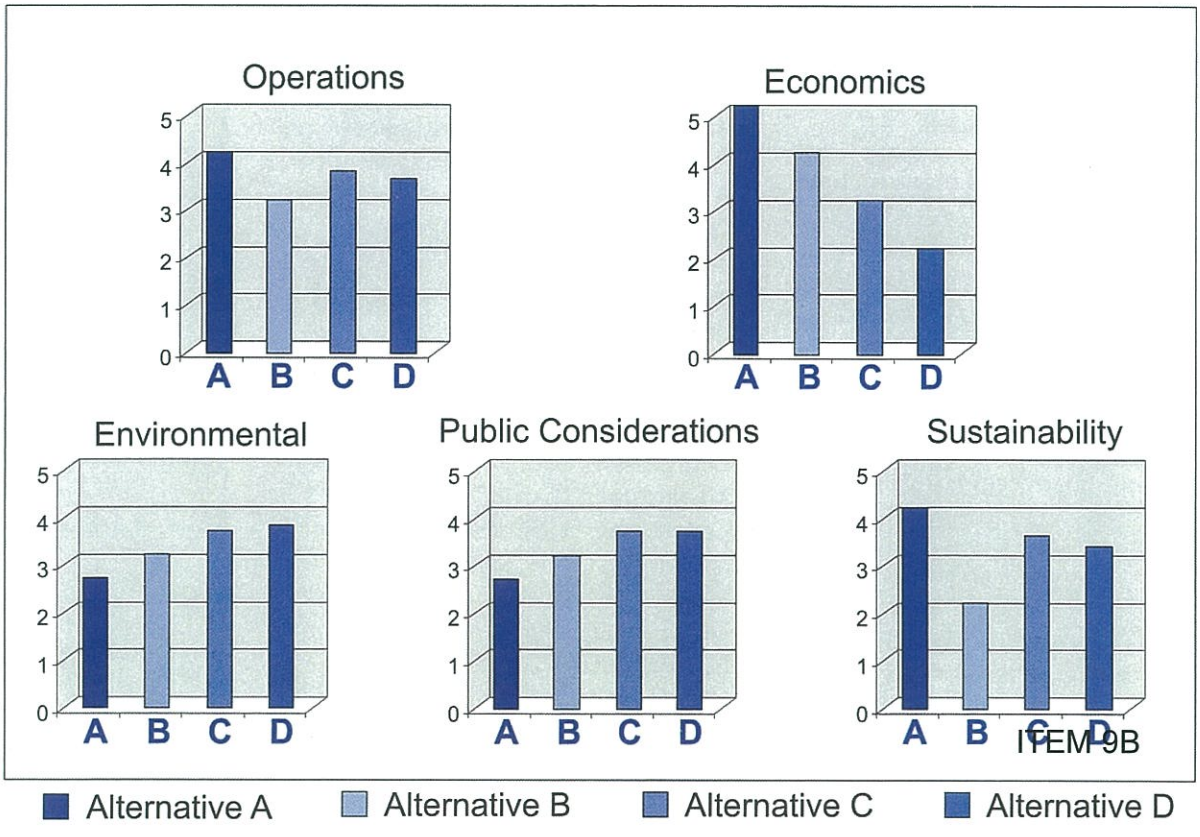


FIGURE 5: Comparison of alternatives by individual evaluation criteria

INFORMATION ONLY

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: General Manager

Subject: Water Bond: Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Pg. 49)

SUMMARY:

On August 13, 2014, Governor Edmund G. Brown, Jr. signed Assembly Bill No. 1471, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Bond), shortly after it was passed by both the Senate and Assembly. The Governor's approval provided for the Water Bond, authorizing $7.12 billion in general obligation bonds, to replace the previously-approved, larger $11.14 billion proposal on the November 4, 2014 ballot. The Water Bond will appear on the ballot as Proposition 1, replacing the previous version that was slated to appear as Proposition 43.

Chapter 9, Water Recycling, of the Water Bond provides funding in the amount of $725 million for a variety of recycling efforts including water recycling projects involving treatment, storage, conveyance and distribution facilities. A 50% local match is required for projects funded pursuant to Chapter 9. Funding for the JPA's Recycled Water Seasonal Storage Project clearly fits the criteria for Chapter 9.

Additionally, Chapter 8, Statewide Water System Operational Improvement and Drought Preparedness, provides funding in the amount of $2.7 billion for water storage projects that improve the operation of the state water system. Among the eligibility criteria are "local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits." Certainly, an argument could be made that the Recycled Water Seasonal Storage Project meets this criteria; however, it appears that this chapter may be intended for significantly larger surface storage projects proposed in the northern portion of the state.

On August 19, 2014, the Board of the Association of California Water Agencies (ACWA) unanimously adopted a resolution to support the Water Bond and suggested that ACWA member agencies consider adopting a similar resolution. The JPA Board may wish to consider such a resolution given the potential funding that the Water Bond could provide for the JPA's Recycled Water Seasonal Storage Project.

Attached for reference are copies of the Water Bond outline, Assembly Bill No. 1471, and analysis of Proposition 1 by the Legislative Analyst's Office.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

Prepared By: David W. Pedersen, Administering Agent/General Manager

ATTACHMENTS:

Water Bond Outline

Assembly Bill No. 1471

Analysis of Proposition 1 by Legislative Analyst's Office

ITEM 9C

Water Quality, Supply, and Infrastructure Improvement Act of 2014- $7.54B

Regional Water Reliability—$810M

- Integrated regional water management $510M
- Stormwater capture $200M
- Water Conservation $100M

Safe Drinking Water – $520M

- Provide clean, safe and reliable drinking water to all Californians. With minimum to leverage federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program $260M
- Drinking Water Public Infrastructure $260M

Water Recycling- $725M

- Statewide water recycling projects and activities.

Groundwater Sustainability – $900M

- Prevent and reduce groundwater contaminants $800M
- Provide sustainable groundwater management planning and implementation $100M

Watershed Protection, Watershed Ecosystem Restoration, State Settlements - $1.495B

- Conservancies $327.5M
- Wildlife Conservation Board $200M (restoration of flows)
- Department of Fish and Wildlife $285M (out of delta, no mitigation on BDCP)
- Department of Fish and Wildlife $87.5M (in delta with constraints)
- State settlements and obligations including CVPIA $475M
- Rivers and creeks $120M

Storage- $2.7B

- Continuous appropriation for water storage projects.

Statewide Flood Management – $395M

- Statewide flood management projects and activities $100M
- For delta levee subvention programs and delta flood protection projects $295M

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.
- Assumes repurposing of $105M from Prop. 84, $95M from Prop. 50, $81M from Prop. 13, $25.5M from Prop 204, $13.5M from Prop 44, $5M from Prop 82, $100M from Prop 1E and $7.120B of new bond debt.

Assembly Bill No. 1471

CHAPTER 188

An act to add Sections 5096.968 and 75089 to the Public Resources Code, to add Sections 13467, 78691.5, 79222, and 79591 to, and to repeal and add Division 26.7 (commencing with Section 79700) of, the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a water quality, supply, and infrastructure improvement program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 13, 2014. Filed with Secretary of State August 13, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1471, Rendon. Water Quality, Supply, and Infrastructure Improvement Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of $11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs. Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters as Proposition 84 at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of $5,388,000,000 for the purposes of financing safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Existing law, the Disaster Preparedness and Flood Prevention Bond Act of 2006, approved by the voters as Proposition 1E at the November 7, 2006, general statewide election, authorizes the issuance of bonds in the amount of $4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. Existing law, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters as Proposition 50 at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of $3,440,000,000. Existing law, the Costa-Machado

Water Act of 2000, approved by the voters as Proposition 13 at the March 7, 2000, statewide primary election, authorizes the issuance of general obligation bonds in the amount of $1,970,000,000 for the purposes of financing a safe drinking water, clean water, watershed protection, and flood protection program. Existing law, the Safe, Clean, Reliable Water Supply Act, approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of $995,000,000 for the purposes of financing a safe, clean, reliable water supply program. Existing law, the Water Conservation and Water Quality Bond Law of 1986, approved by the voters as Proposition 44 at the June 3, 1986, statewide primary election, authorizes the issuance of general obligation bonds in the amount of $150,000,000 for the purposes of financing a water conservation and water quality program.

This bill would enact the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which, if approved by the voters, would authorize the issuance of bonds in the amount of $7,120,000,000 pursuant to the State General Obligation Bond Law to finance a water quality, supply, and infrastructure improvement program. This bill, upon voter approval, would reallocate $425,000,000 of the unissued bonds authorized for the purposes of Propositions 1E, 13, 44, 50, 84, and 204 to finance the purposes of a water quality, supply, and infrastructure improvement program.

This bill would provide for the submission of these provisions to the voters at the November 4, 2014, statewide general election.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 5096.968 is added to the Public Resources Code, to read:

5096.968. Notwithstanding any other law, one hundred million dollars ($100,000,000) of the unissued bonds authorized for the purposes of this chapter are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700) of the Water Code. The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this chapter.

SEC. 2. Section 75089 is added to the Public Resources Code, to read:

75089. Notwithstanding any other law, one hundred five million dollars ($105,000,000) of the unissued bonds authorized for the purposes of this division are reallocated for the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700) of the Water Code. The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this division.

SEC. 3. Section 13467 is added to the Water Code, to read:

13467. Notwithstanding any other law, thirteen million five hundred thousand dollars ($13,500,000) of the unissued bonds authorized for the

purposes of subdivision (a) of Section 13459 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 4. Section 78691.5 is added to the Water Code, to read:

78691.5. Notwithstanding any other law, nine million nine hundred thousand dollars ($9,900,000) of the unissued bonds authorized for the purposes of Sections 78550 to 78551, inclusive, three million two hundred thousand dollars ($3,200,000) of the unissued bonds authorized for the purposes of Section 78671, three million five hundred thousand dollars ($3,500,000) of the unissued bonds authorized for the purposes of paragraph (3) of subdivision (a) of Section 78680, and eight million one hundred thousand dollars ($8,100,000) of the unissued bonds authorized for the purposes of Section 78681.2, and eight hundred thousand dollars ($800,000) of the unissued bonds authorized for the purposes of Section 78530.5 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 5. Section 79222 is added to the Water Code, to read:

79222. Notwithstanding any other law, thirty-four million dollars ($34,000,000) of the unissued bonds authorized for the purposes of Section 79157, and fifty-two million dollars ($52,000,000) of the unissued bonds authorized for the purposes of Section 79195 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 6. Section 79591 is added to the Water Code, to read:

79591. Notwithstanding any other law, ninety-five million dollars ($95,000,000) of the unissued bonds authorized for the purposes of this division are reallocated for the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700). The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this division.

SEC. 7. Division 26.7 (commencing with Section 79700) of the Water Code, as added by Section 1 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, is repealed.

SEC. 8. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014

CHAPTER 1. SHORT TITLE

79700. This division shall be known, and may be cited, as the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Chapter 2. Findings

79701. The people of California find and declare all of the following:

(a) Safeguarding California's supply of clean and safe water for homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for all Californians.

(b) Every Californian should have access to clean, safe, and reliable drinking water.

(c) California has been experiencing more frequent and severe droughts and is currently enduring the worst drought in 200 years. These droughts are magnifying the shortcomings of our current water infrastructure.

(d) California's water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In recent decades, however, that infrastructure has proven inadequate to meet California's growing needs.

(e) This measure provides funding to implement the three objectives of the California Water Action Plan which are more reliable water supplies, the restoration of important species and habitat, and a more resilient and sustainably managed water infrastructure.

(f) Developing and guarding our water resources is critical for California to maintain vibrant communities, globally competitive agriculture, and healthy ecosystems.

(g) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.

(h) Sustainable water management in California depends upon reducing and reversing overdraft and water quality impairment of groundwater basins. Investments to expand groundwater storage and reduce and reverse overdraft and water quality impairment of groundwater basins provide extraordinary public benefit and are in the public interest.

(i) Protecting lakes, rivers, and streams, cleaning up polluted groundwater supplies, and preserving water sources that supply the entire state are crucial to providing a reliable supply of water and protecting the state's natural resources.

(j) The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides a comprehensive and fiscally responsible approach for addressing the varied challenges facing California's water resources.

Chapter 3. Definitions

79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Acquisition" means obtaining a fee interest or any other interest in real property, including, easements, leases, water, water rights, or interest in water obtained for the purposes of instream flows and development rights.

(b) "CALFED Bay-Delta Program" means the program described in the Record of Decision dated August 28, 2000.

(c) "Commission" means the California Water Commission.

(d) "Committee" means the Water Quality, Supply, and Infrastructure Improvement Finance Committee created by Section 79787.

(e) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 85058.

(f) "Delta conveyance facilities" means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.

(g) "Delta counties" means the Counties of Contra Costa, Sacramento, San Joaquin, Solano, and Yolo.

(h) "Delta plan" has the meaning set forth in Section 85059.

(i) "Director" means the Director of Water Resources.

(j) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5, as it may be amended.

(k) "Economically distressed area" means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:

(1) Financial hardship.

(2) Unemployment rate at least 2 percent higher than the statewide average.

(3) Low population density.

(*l*) "Fund" means the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 created by Section 79715.

(m) "Instream flows" means a specific streamflow, measured in cubic feet per second, at a particular location for a defined time, and typically follows seasonal variations.

(n) "Integrated regional water management plan" has the meaning set forth in Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.

(o) "Long-term" means for a period of not less than 20 years.

(p) "Nonprofit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(q) "Proposition 1E" means the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).

(r) "Proposition 84" means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(s) "Public agency" means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(t) "Rainwater" has the meaning set forth in subdivision (c) of Section 10573.

(u) "Secretary" means the Secretary of the Natural Resources Agency.

(v) "Severely disadvantaged community" has the meaning set forth in subdivision (a) of Section 116760.20 of the Health and Safety Code.

(w) "Small community water system" means a community water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.

(x) "State board" means the State Water Resources Control Board.

(y) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(z) "State small water system" has the meaning set forth in subdivision (n) of Section 116275 of the Health and Safety Code.

(aa) "Stormwater" has the meaning set forth in subdivision (e) of Section 10573.

(ab) "Water right" means a legal entitlement authorizing water to be diverted from a specified source and put to a beneficial, nonwasteful use.

Chapter 4. General Provisions

79703. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79704. Unless otherwise specified, up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring data shall be collected and reported to the state board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the state board. Watershed monitoring data shall be collected and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.

79705. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79750).

79706. (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a competitive grant or loan program under this division shall develop and adopt project solicitation and evaluation

guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar amount of grants or loans to be awarded. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this subdivision, it may use those guidelines.

(b) Prior to disbursing grants or loans, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley of California, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79707. It is the intent of the people that:

(a) The investment of public funds pursuant to this division will result in public benefits that address the most critical statewide needs and priorities for public funding.

(b) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, or local funding or produce the greatest public benefit.

(c) A funded project advances the purposes of the chapter from which the project received funding.

(d) In making decisions regarding water resources, state and local water agencies will use the best available science to inform those decisions.

(e) Special consideration will be given to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple jurisdictions, including, but not limited to, water supply, flood control, land use, and sanitation.

(f) Evaluation of projects considered for funding pursuant to this division will include review by professionals in the fields relevant to the proposed project.

(g) To the extent practicable, a project supported by funds made available by this division will include signage informing the public that the project received funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

(h) Projects funded with proceeds from this division will be consistent with Division 7 (commencing with Section 13000) of this code and Section 13100 of the Government Code.

(i) Projects funded with proceeds from this division will promote state planning priorities consistent with the provisions of Section 65041.1 of the Government Code and sustainable communities strategies consistent with the provisions of subparagraph (B) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, to the extent feasible.

(j) California's working agricultural and forested landscapes will be preserved wherever possible. To the extent feasible, watershed objectives

included in this division should be achieved through use of conservation easements and voluntary landowner participation, including, but not limited to, the use of easements pursuant to Division 10.2 (commencing with Section 10200) and Division 10.4 (commencing with Section 10330) of the Public Resources Code and voluntary habitat credit exchange mechanisms.

79708. (a) The Department of Finance shall provide for an independent audit of expenditures pursuant to this division. The secretary shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the Natural Resources Agency's Internet Web site.

(b) If an audit, required by statute, of any entity that receives funding authorized by this division is conducted pursuant to state law and reveals any impropriety, the California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity.

(c) The state agency issuing any grant or loan with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant or loan.

(d) Prior to soliciting projects pursuant to this division, state agencies shall submit guidelines to the secretary. The secretary shall verify that the guidelines are consistent with applicable statutes and for all the purposes enumerated in this division. The secretary shall post an electronic form of the guidelines submitted by state agencies and the subsequent verifications on the Natural Resources Agency's Internet Web site.

79709. (a) Funds expended pursuant to this division for the acquisition of a permanent dedication of water shall be in accordance with Section 1707 where the state board specifies that the water is in addition to water that is required for regulatory requirements as provided in subdivision (c) of Section 1707. The expenditure of funds provided by this division may include the initiation of the dedication as a short term or temporary urgency change, that is approved in accordance with Section 1707 and either Chapter 6.6 (commencing with Section 1435) of, or Chapter 10.5 (commencing with Section 1725) of, Part 2 of Division 2, during the period required to prepare any environmental documentation and for approval of permanent dedication.

(b) Funds expended pursuant to this division for the acquisition of long-term transfers of water shall be transfers in accordance with Sections 1735, 1736, and 1737 if the state board, after providing notice and opportunity for a hearing, approves such a petition. Funds expended pursuant to this division shall prioritize permanent transfers. Long-term transfers shall be for a period of not less than 20 years, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

(c) Funds expended pursuant to this division for any acquisition of water shall only be done pursuant to this section and shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations in effect at the time the funds from this division are made available for the project and funds shall not be credited to any measures

or obligations, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

79710. (a) Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

(b) To the extent feasible, in implementing subdivision (k) of Section 79731, the Sacramento-San Joaquin Delta Conservancy shall seek to achieve wildlife conservation objectives through projects on public lands or voluntary projects on private lands. Funds available to the Sacramento-San Joaquin Delta Conservancy pursuant to subdivision (k) of Section 79731 may be used, in consultation with the Department of Fish and Wildlife, for payments to landowners for the creation of measurable habitat improvements or other improvements to the condition of endangered or threatened species. The Sacramento-San Joaquin Delta Conservancy may develop and implement a competitive program for habitat enhancements that maximizes voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.

(c) In implementing subdivision (k) of Section 79731, the Sacramento-San Joaquin Delta Conservancy shall coordinate and consult with the city or county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired and with the Delta Protection Commission. Acquisitions by the Sacramento-San Joaquin Delta Conservancy pursuant to subdivision (k) of Section 79731 shall be from willing sellers only.

79711. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2014.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed

or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board's regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board's existing authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction over California water rights.

(e) Nothing in this division shall be construed to affect the California Wild and Scenic Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code) or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271 et seq.) and funds authorized pursuant to this division shall not be available for any project that could have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

(f) Nothing in this division supersedes, limits, or otherwise modifies the Sacramento-San Joaquin Delta Reform Act of 2009 (Division 35 (commencing with Section 85000)) or any other applicable law, including, but not limited to, Division 22.3 (commencing with Section 32300) of the Public Resources Code.

(g) Funds provided by this division shall not be used to acquire land via eminent domain.

(h) Notwithstanding any other law, any agency acquiring land pursuant to this division may use the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000) of the Public Resources Code).

79712. (a) Eligible applicants under this division are public agencies, nonprofit organizations, public utilities, federally recognized Indian tribes, state Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List, and mutual water companies.

(b) (1) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(2) To be eligible for funding under this division, an urban water supplier shall adopt and submit an urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6).

(3) To be eligible for funding under this division, an agricultural water supplier shall adopt and submit an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Part 2.8 (commencing with Section 10800) of Division 6).

(4) In accordance with Section 10608.56, an agricultural water supplier or an urban water supplier is ineligible for funding under this division unless it complies with the requirements of Part 2.55 (commencing with Section 10608) of Division 6.

79713. The Legislature may enact legislation necessary to implement programs funded by this division, except as otherwise provided in Section 79760.

79714. (a) Unless otherwise specified, any state agency that has the statutory authority to implement one or more of the purposes specified in this bond may be eligible for appropriations from the funding made available by this division.

(b) Funding made available by this division shall not be appropriated by the Legislature to a specific project.

(c) Projects funded pursuant to this division may use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code.

79715. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Water Quality, Supply, and Infrastructure Improvement Fund of 2014, which is hereby created in the State Treasury.

79716. Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state's bond accountability Internet Web site, as provided by statute.

Chapter 5. Clean, Safe and Reliable Drinking Water

79720. The sum of five hundred twenty million dollars ($520,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects that improve water quality or help provide clean, safe, and reliable drinking water to all Californians.

79721. The projects eligible for funding pursuant to this chapter shall help improve water quality for a beneficial use. The purposes of this chapter are to:

(a) Reduce contaminants in drinking water supplies regardless of the source of the water or the contamination.

(b) Assess and prioritize the risk of contamination to drinking water supplies.

(c) Address the critical and immediate needs of disadvantaged, rural, or small communities that suffer from contaminated drinking water supplies, including, but not limited to, projects that address a public health emergency.

(d) Leverage other private, federal, state, and local drinking water quality and wastewater treatment funds.

(e) Reduce contaminants in discharges to, and improve the quality of, waters of the state.

(f) Prevent further contamination of drinking water supplies.

(g) Provide disadvantaged communities with public drinking water infrastructure that provides clean, safe, and reliable drinking water supplies that the community can sustain over the long term.

(h) Ensure access to clean, safe, reliable, and affordable drinking water for California's communities.

(i) Meet primary and secondary safe drinking water standards or remove contaminants identified by the state or federal government for development of a primary or secondary drinking water standard.

79722. The contaminants that may be addressed with funding pursuant to this chapter may include, but shall not be limited to, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron, manganese, and uranium.

79723. Of the funds authorized by Section 79720, two hundred sixty million dollars ($260,000,000) shall be available for deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund created pursuant to Section 13477.6 for grants for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards. Projects may include, but not be limited to, projects that identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

79724. (a) (1) Of the funds authorized by Section 79720, two hundred sixty million dollars ($260,000,000) shall be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards identified by the state board. Eligible recipients serve disadvantaged communities and are public water systems or public agencies. The state board may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Eligible expenses may include initial operation and maintenance costs for systems serving disadvantaged communities. Priority shall be given to projects that provide shared solutions for multiple communities, at least one of which is a disadvantaged community that lacks safe, affordable drinking water and is served by a small community water system, state small water system, or a private well. Construction grants shall be limited to five million dollars ($5,000,000) per project, except that the state board may set a limit of not more than twenty million dollars ($20,000,000) for projects that provide regional benefits or are shared among multiple entities, at least one of which

shall be a small disadvantaged community. Not more than 25 percent of a grant may be awarded in advance of actual expenditures.

(2) For the purposes of this subdivision, "initial operation and maintenance costs" means those initial, eligible, and reimbursable costs under a construction funding agreement that are incurred up to, and including, initial startup testing of the constructed project in order to deem the project complete. Initial operation and maintenance costs are eligible to receive funding pursuant to this section for a period not to exceed two years.

(b) The administering entity may expend up to twenty-five million dollars ($25,000,000) of the funds allocated in subdivision (a) for technical assistance to eligible communities.

(c) The state board shall deposit up to two million five hundred thousand dollars ($2,500,000) of the funds available pursuant to this section into the Drinking Water Capital Reserve Fund, which is hereby created in the State Treasury. Moneys in the Drinking Water Capital Reserve Fund shall be available, upon appropriation by the Legislature, and shall be administered by the state board for the purpose of serving as matching funds for disadvantaged communities. The state board shall develop criteria to implement this subdivision.

79725. (a) For the purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(b) At least 10 percent of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(c) Up to 15 percent of the funds available pursuant to this chapter may be allocated for technical assistance to disadvantaged communities. The agency administering this funding shall operate a multidisciplinary technical assistance program for small and disadvantaged communities.

(d) Funding for planning activities, including technical assistance, to benefit disadvantaged communities may exceed 15 percent of the funds allocated, subject to the determination of the need for additional planning funding by the state agency administering the funding.

CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL WATERS, AND WATERSHEDS

79730. The sum of one billion four hundred ninety-five million dollars ($1,495,000,000) shall be available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities.

79731. Of the funds authorized by Section 79730, the sum of three hundred twenty-seven million five hundred thousand dollars ($327,500,000) shall be allocated for multibenefit water quality, water supply, and watershed

protection and restoration projects for the watersheds of the state in accordance with the following schedule:

(a) Baldwin Hills Conservancy, ten million dollars ($10,000,000).

(b) California Tahoe Conservancy, fifteen million dollars ($15,000,000).

(c) Coachella Valley Mountains Conservancy, ten million dollars ($10,000,000).

(d) Ocean Protection Council, thirty million dollars ($30,000,000).

(e) San Diego River Conservancy, seventeen million dollars ($17,000,000).

(f) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, thirty million dollars ($30,000,000).

(g) San Joaquin River Conservancy, ten million dollars ($10,000,000).

(h) Santa Monica Mountains Conservancy, thirty million dollars ($30,000,000).

(i) Sierra Nevada Conservancy, twenty-five million dollars ($25,000,000).

(j) State Coastal Conservancy, one hundred million five hundred thousand dollars ($100,500,000). Eligible watersheds for the funds allocated pursuant to this subdivision include, but are not limited to, those that are in the San Francisco Bay Conservancy region, the Santa Ana River watershed, the Tijuana River watershed, the Otay River watershed, Catalina Island, and the central coast region.

(k) Sacramento-San Joaquin Delta Conservancy, fifty million dollars ($50,000,000).

79732. (a) In protecting and restoring California rivers, lakes, streams, and watersheds, the purposes of this chapter are to:

(1) Protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow.

(2) Implement watershed adaptation projects in order to reduce the impacts of climate change on California's communities and ecosystems.

(3) Restore river parkways throughout the state, including, but not limited to, projects pursuant to the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code), in the Urban Streams Restoration Program established pursuant to Section 7048, and urban river greenways.

(4) Protect and restore aquatic, wetland, and migratory bird ecosystems, including fish and wildlife corridors and the acquisition of water rights for instream flow.

(5) Fulfill the obligations of the State of California in complying with the terms of multiparty settlement agreements related to water resources.

(6) Remove barriers to fish passage.

(7) Collaborate with federal agencies in the protection of fish native to California and wetlands in the central valley of California.

(8) Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.

(9) Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, stormwater resource management, and greenhouse gas reduction.

(10) Protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems.

(11) Reduce pollution or contamination of rivers, lakes, streams, or coastal waters, prevent and remediate mercury contamination from legacy mines, and protect or restore natural system functions that contribute to water supply, water quality, or flood management.

(12) Assist in the recovery of endangered, threatened, or migratory species by improving watershed health, instream flows, fish passage, coastal or inland wetland restoration, or other means, such as natural community conservation plan and habitat conservation plan implementation.

(13) Assist in water-related agricultural sustainability projects.

(b) Funds provided by this chapter shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations.

79733. Of the funds made available by Section 79730, the sum of two hundred million dollars ($200,000,000) shall be administered by the Wildlife Conservation Board for projects that result in enhanced stream flows.

79734. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or a local conservation corps certified by the California Conservation Corps shall be used whenever feasible.

79735. (a) Of the funds authorized by Section 79730, one hundred million dollars ($100,000,000) shall be available, upon appropriation by the Legislature, for projects to protect and enhance an urban creek, as defined in subdivision (e) of Section 7048, and its tributaries, pursuant to Division 22.8 (commencing with Section 32600) of, and Division 23 (commencing with Section 33000) of, the Public Resources Code and Section 79508.

(b) (1) Of the funds authorized by Section 79730, twenty million dollars ($20,000,000) shall be made available to the secretary for a competitive program to fund multibenefit watershed and urban rivers enhancement projects in urban watersheds that increase regional and local water self-sufficiency and that meet at least two of the following objectives:

(A) Promote groundwater recharge and water reuse.

(B) Reduce energy consumption.

(C) Use soils, plants, and natural processes to treat runoff.

(D) Create or restore native habitat.

(E) Increase regional and local resiliency and adaptability to climate change.

(2) The program under this subdivision shall be implemented by state conservancies, the Wildlife Conservation Board, the state board, or other entities whose jurisdiction includes urban watersheds, as designated by the secretary. Projects funded under the program shall be a part of a plan

developed jointly by the conservancies, the Wildlife Conservation Board, the state board, or other designated entities in consultation with the secretary.

(c) At least 25 percent of the funds available pursuant to this section shall be allocated for projects that benefit disadvantaged communities.

(d) Up to 10 percent of the funds available pursuant to this section may be allocated for project planning.

79736. Of the funds authorized by Section 79730, four hundred seventy-five million dollars ($475,000,000) shall be available to the Natural Resources Agency to support projects that fulfill the obligations of the State of California in complying with the terms of any of the following:

(a) Subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

(b) Interstate compacts set forth in Section 66801 of the Government Code pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

(c) Intrastate or multiparty water quantification settlement agreement provisions, including ecosystem restoration projects, as set forth in Chapters 611, 612, 613, and 614 of the Statutes of 2003.

(d) The settlement agreement referenced in Section 2080.2 of the Fish and Game Code.

(e) Any intrastate or multiparty settlement agreement related to water acted upon or before December 31, 2013. Priority shall be given to projects that meet one or more of the following criteria:

(1) The project is of statewide significance.

(2) The project restores natural aquatic or riparian functions, or wetlands habitat for birds and aquatic species.

(3) The project protects or promotes the restoration of endangered or threatened species.

(4) The project enhances the reliability of water supplies on a regional or interregional basis.

(5) The project provides significant regional or statewide economic benefits.

79737. (a) Of the funds authorized by Section 79730, two hundred eighty-five million dollars ($285,000,000) shall be available to the Department of Fish and Wildlife for watershed restoration projects statewide in accordance with this chapter.

(b) For the purposes of this section, watershed restoration includes activities to fund coastal wetland habitat, improve forest health, restore mountain meadows, modernize stream crossings, culverts, and bridges, reconnect historical flood plains, install or improve fish screens, provide fish passages, restore river channels, restore or enhance riparian, aquatic, and terrestrial habitat, improve ecological functions, acquire from willing sellers conservation easements for riparian buffer strips, improve local watershed management, and remove sediment or trash.

(c) For any funds available pursuant to this section that are used to provide grants under the Fisheries Restoration Grant Program, a priority shall be given to coastal waters.

(d) In allocating funds for projects pursuant to this section, the Department of Fish and Wildlife shall only make funds available for water quality, river, and watershed protection and restoration projects of statewide importance outside of the Delta.

(e) Funds provided by this section shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

(f) Funds provided by this section shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

79738. (a) Of the funds authorized by Section 79730, eighty-seven million five hundred thousand dollars ($87,500,000) shall be available to the Department of Fish and Wildlife for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta, including, but not limited to, the following:

(1) Projects to improve water quality or that contribute to the improvement of water quality in the Delta, including projects in Delta counties that provide multiple public benefits and improve drinking and agricultural water quality or water supplies.

(2) Habitat restoration, conservation, and enhancement projects to improve the condition of special status, at risk, endangered, or threatened species in the Delta and the Delta counties, including projects to eradicate invasive species, and projects that support the beneficial reuse of dredged material for habitat restoration and levee improvements.

(3) Scientific studies and assessments that support the Delta Science Program, as described in Section 85280, or projects under this section.

(b) In implementing this section, the department shall coordinate and consult with the Delta city or Delta county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired.

(c) Acquisitions pursuant to this section shall be from willing sellers only.

(d) In implementing this section state agencies shall prioritize wildlife conservation objectives through projects on public lands or voluntary projects on private lands, to the extent feasible.

(e) Funds available pursuant to this section shall not be used to acquire land via eminent domain.

(f) Funds available pursuant to this section shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

CHAPTER 7. REGIONAL WATER SECURITY, CLIMATE, AND DROUGHT PREPAREDNESS

79740. The sum of eight hundred ten million dollars ($810,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan consistent with Part 2.2 (commencing with Section 10530) of Division 6 and respond to climate change and contribute to regional water security as provided in this chapter.

79741. In order to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change, the purposes of this chapter are to:

(a) Help water infrastructure systems adapt to climate change, including, but not limited to, sea level rise.

(b) Provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure.

(c) Improve regional water self-reliance consistent with Section 85021.

79742. (a) In selecting among proposed projects in a watershed, the scope of the adopted integrated regional water management plan may be considered by the administering state agency, with priority going to projects in plans that cover a greater portion of the watershed. If a plan covers substantially all of the watershed, the plan's project priorities shall be given deference if the project and plan otherwise meet the requirements of this division and the Integrated Regional Water Management Planning Act (Part 2.2 (commencing with Section 10530) of Division 6).

(b) A local agency that does not prepare, adopt, and submit its groundwater plan in accordance with groundwater planning requirements established under Division 6 (commencing with Section 10000) is ineligible to apply for funds made available pursuant to this chapter until the plan is prepared and submitted in accordance with the requirements of that part. The groundwater management plan requirement shall not apply to a water replenishment district formed pursuant to Division 18 (commencing with Section 60000) or to a local agency that serves or has authority to manage an adjudicated groundwater basin.

(c) For the purposes of awarding funding under this chapter, a cost share from nonstate sources of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Not less than 10 percent of the funds authorized by this chapter shall be allocated to projects that directly benefit disadvantaged communities.

(e) For the purposes of awarding funding under this chapter, the applicant shall demonstrate that the integrated regional water management plan the applicant's project implements contributes to addressing the risks in the region to water supply and water infrastructure arising from climate change.

(f) Projects that achieve multiple benefits shall receive special consideration.

79743. Subject to the determination of regional priorities in the regional water management group, eligible projects may include, but are not limited to, projects that promote any of the following:

(a) Water reuse and recycling for nonpotable reuse and direct and indirect potable reuse.

(b) Water-use efficiency and water conservation.

(c) Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects.

(d) Regional water conveyance facilities that improve integration of separate water systems.

(e) Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability.

(f) Stormwater resource management, including, but not limited to, the following:

(1) Projects to reduce, manage, treat, or capture rainwater or stormwater.

(2) Projects that provide multiple benefits such as water quality, water supply, flood control, or open space.

(3) Decision support tools that evaluate the benefits and costs of multibenefit stormwater projects.

(4) Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6.

(g) Conjunctive use of surface and groundwater storage facilities.

(h) Water desalination projects.

(i) Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections.

(j) Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.

79744. (a) Of the funds authorized by Section 79740, five hundred ten million dollars ($510,000,000) shall be allocated to the hydrologic regions as identified in the California Water Plan in accordance with this section. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County and southern Orange County (designated as the San Diego subregion), the Santa Ana River watershed (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the

San Joaquin River hydrologic region. Multiple integrated regional water management plans may be recognized in each of the areas allocated funding.

(b) Funds made available by this chapter shall be allocated as follows:

(1) Twenty-six million five hundred thousand dollars ($26,500,000) for the North Coast hydrologic region.

(2) Sixty-five million dollars ($65,000,000) for the San Francisco Bay hydrologic region.

(3) Forty-three million dollars ($43,000,000) for the Central Coast hydrologic region.

(4) Ninety-eight million dollars ($98,000,000) for the Los Angeles subregion.

(5) Sixty-three million dollars ($63,000,000) for the Santa Ana subregion.

(6) Fifty-two million five hundred thousand dollars ($52,500,000) for the San Diego subregion.

(7) Thirty-seven million dollars ($37,000,000) for the Sacramento River hydrologic region.

(8) Thirty-one million dollars ($31,000,000) for the San Joaquin River hydrologic region.

(9) Thirty-four million dollars ($34,000,000) for the Tulare/Kern hydrologic region.

(10) Twenty-four million five hundred thousand dollars ($24,500,000) for the North/South Lahontan hydrologic region.

(11) Twenty-two million five hundred thousand dollars ($22,500,000) for the Colorado River Basin hydrologic region.

(12) Thirteen million dollars ($13,000,000) for the Mountain Counties Overlay.

79745. The Department of Water Resources shall expend, either directly or for noncompetitive grants, no less than 10 percent of the funds from the regional allocations specified in Section 79744 for the purposes of ensuring involvement of disadvantaged communities, economically distressed areas, or underrepresented communities within regions.

79746. (a) Of the funds authorized by Section 79740, the sum of one hundred million dollars ($100,000,000) may be used for direct expenditures, and for grants and loans, for the following water conservation and water-use efficiency plans, projects, and programs:

(1) Urban water conservation plans, projects, and programs, including regional projects and programs, implemented to achieve urban water use targets developed pursuant to Section 10608.20. Priority for funding shall be given to programs that do any of the following:

(A) Assist water suppliers and regions to implement conservation programs and measures that are not locally cost effective.

(B) Support water supplier and regional efforts to implement programs targeted to enhance water-use efficiency for commercial, industrial, and institutional water users.

(C) Assist water suppliers and regions with programs and measures targeted toward realizing the conservation benefits of implementation of the provisions of the state landscape model ordinance.

(2) Agricultural water management plans or agricultural water use efficiency projects and programs developed pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(b) Section 1011 applies to all conservation measures that an agricultural water supplier or an urban water supplier implements with funding under this chapter. This subdivision does not limit the application of Section 1011 to any other measures or projects implemented by a water supplier. Notwithstanding Section 79748, the projects funded pursuant to this section are not required to be in an adopted integrated regional water management plan or to comply with that program.

79747. (a) Of the funds authorized by Section 79740, two hundred million dollars ($200,000,000) shall be available for grants for multibenefit stormwater management projects.

(b) Eligible projects may include, but shall not be limited to, green infrastructure, rainwater and stormwater capture projects, and stormwater treatment facilities.

(c) Development of plans for stormwater projects shall address the entire watershed and incorporate the perspectives of communities adjacent to the affected waterways, especially disadvantaged communities.

79748. In order to receive funding authorized by this chapter to address groundwater quality or supply in an aquifer, the applicant shall demonstrate that a public agency has authority to manage the water resources in that aquifer. A groundwater management plan adopted and submitted in accordance with groundwater management planning requirements established under Division 6 (commencing with Section 10000) shall be deemed sufficient to satisfy the requirements of this section.

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT AND DROUGHT PREPAREDNESS

79750. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this chapter independent of the views of the director. All final actions by the commission in implementing this chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding Section 13340 of the Government Code, the sum of two billion seven hundred million dollars ($2,700,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. Funds authorized for, or made available to, the commission pursuant to this chapter shall be available and expended

only for the purposes provided in this chapter, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

(d) Any project constructed with funds provided by this chapter shall be subject to Section 11590.

79751. Projects for which the public benefits are eligible for funding under this chapter consist of only the following:

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, except for projects prohibited by Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code.

(b) Groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits.

(c) Conjunctive use and reservoir reoperation projects.

(d) Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

79752. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

79753. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

(1) Ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta.

(2) Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources.

(3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system.

(4) Emergency response, including, but not limited to, securing emergency water supplies and flows for dilution and salinity repulsion following a natural disaster or act of terrorism.

(5) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the outdoors.

(b) Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in this section.

79754. In consultation with the Department of Fish and Wildlife, the state board, and the Department of Water Resources, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79753 by December 15, 2016. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Wildlife and the priorities and relative environmental value of water quality benefits as provided by the state board.

79755. (a) Except as provided in subdivision (c), no funds allocated pursuant to this chapter may be allocated for a project before December 15, 2016, and until the commission approves the project based on the commission's determination that all of the following have occurred:

(1) The commission has adopted the regulations specified in Section 79754 and specifically quantified and made public the cost of the public benefits associated with the project.

(2) The project applicant has entered into a contract with each party that will derive benefits, other than public benefits, as defined in Section 79753, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party's share of total project costs.

(3) The project applicant has entered into a contract with each public agency identified in Section 79754 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this chapter, to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

(4) The commission has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

(5) All of the following additional conditions are met:

(A) Feasibility studies have been completed.

(B) The commission has found and determined that the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(C) All environmental documentation associated with the project has been completed, and all other federal, state, and local approvals, certifications, and agreements required to be completed have been obtained.

(b) The commission shall submit to the Legislature its findings for each of the criteria identified in subdivision (a) for a project funded pursuant to this chapter.

(c) Notwithstanding subdivision (a), funds may be made available under this chapter for the completion of environmental documentation and permitting of a project.

79756. (a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section

79751, shall not exceed 50 percent of the total costs of any project funded under this chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79753 that are at least 50 percent of total public benefits of the project funded under this chapter.

79757. (a) A project is not eligible for funding under this chapter unless, by January 1, 2022, all of the following conditions are met:

(1) All feasibility studies are complete and draft environmental documentation is available for public review.

(2) The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(3) The director receives commitments for not less than 75 percent of the nonpublic benefit cost share of the project.

(b) If compliance with subdivision (a) is delayed by litigation or failure to promulgate regulations, the date in subdivision (a) shall be extended by the commission for a time period that is equal to the time period of the delay, and funding under this chapter that has been dedicated to the project shall be encumbered until the time at which the litigation is completed or the regulations have been promulgated.

79758. Surface storage projects funded pursuant to this chapter and described in subdivision (a) of Section 79751 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79759. (a) The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects.

(b) The joint powers authorities described in subdivision (a) may include in their membership governmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. Notwithstanding Section 6525 of the Government Code, the joint powers agencies described in subdivision (a) shall not include in their membership any for-profit corporation or any mutual water company whose shareholders and members include a for-profit corporation or any other private entity. The department shall be an ex officio member of each joint powers authority subject to this section, but the department shall not control the governance, management, or operation of the surface water storage projects.

(c) A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation

of the surface water storage project shall advance the purposes set forth in this chapter.

79760. (a) In approving the Water Quality, Supply, and Infrastructure Improvement Act of 2014, the people were informed and hereby declare that the provisions of this chapter are necessary, integral, and essential to meeting the single object or work of the Water Quality, Supply, and Infrastructure Improvement Act of 2014. As such, any amendment of the provisions of this chapter by the Legislature without voter approval would frustrate the scheme and design that induced voter approval of this act. The people therefore find and declare that any amendment of the provisions of this chapter by the Legislature shall require an affirmative vote of two-thirds of the membership in each house of the Legislature and voter approval.

(b) This section shall not govern or be used as authority for determining whether the amendment of any other provision of this act not contained in this chapter would constitute a substantial change in the scheme and design of this act requiring voter approval.

Chapter 9. Water Recycling

79765. The sum of seven hundred twenty-five million dollars ($725,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants or loans for water recycling and advanced treatment technology projects, including all of the following:

(a) Water recycling projects, including, but not limited to, treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects.

(b) Contaminant and salt removal projects, including, but not limited to, groundwater and seawater desalination and associated treatment, storage, conveyance, and distribution facilities.

(c) Dedicated distribution infrastructure to serve residential, commercial, agricultural, and industrial end-user retrofit projects to allow use of recycled water.

(d) Pilot projects for new potable reuse and other salt and contaminant removal technology.

(e) Multibenefit recycled water projects that improve water quality.

(f) Technical assistance and grant writing assistance for disadvantaged communities.

79766. At least a 50-percent local cost share shall be required for projects funded pursuant to this chapter. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

79767. Projects funded pursuant to this chapter shall be selected on a competitive basis, considering all of the following criteria:

(a) Water supply reliability improvement.

(b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.

(c) Public health benefits from improved drinking water quality or supply.

(d) Cost-effectiveness.
(e) Energy efficiency and greenhouse gas emission impacts.
(f) Reasonable geographic allocation to eligible projects throughout the state, including both northern and southern California and coastal and inland regions.

79768. For purposes of this chapter, competitive programs shall be implemented consistent with water recycling programs administered pursuant to Sections 79140 and 79141 or consistent with desalination programs administered pursuant to Sections 79545 and 79547.2.

CHAPTER 10. GROUNDWATER SUSTAINABILITY

79770. Prevention and cleanup of groundwater contamination are critical components of successful groundwater management. Groundwater quality becomes especially important as water providers do the following:
(a) Evaluate investments in groundwater recharge with surface water, stormwater, recycled water, and other conjunctive use projects that augment local groundwater supplies to improve regional water self-reliance.
(b) Adapt to changing hydrologic conditions brought on by climate change.
(c) Consider developing groundwater basins to provide much needed local storage options to accommodate hydrologic and regulatory variability in the state's water delivery system.
(d) Evaluate investments in groundwater recovery projects.

79771. (a) The sum of nine hundred million dollars ($900,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures on, and competitive grants, and loans for, projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. Funds appropriated pursuant to this section shall be available to the state board for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves or has served as a major source of drinking water for a community.
(b) Projects shall be prioritized based upon the following criteria:
(1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including an urgent need for treatment of alternative supplies or increased water imports if groundwater is not available due to contamination.
(2) The potential for groundwater contamination to spread and impair drinking water supply and water storage for nearby population areas.
(3) The potential of the project, if fully implemented, to enhance local water supply reliability.
(4) The potential of the project to maximize opportunities to recharge vulnerable, high-use groundwater basins and optimize groundwater supplies.
(5) The project addresses contamination at a site for which the courts or the appropriate regulatory authority has not yet identified responsible parties, or where the identified responsible parties are unwilling or unable to pay

for the total cost of cleanup, including water supply reliability improvement for critical urban water supplies in designated superfund areas with groundwater contamination listed on the National Priorities List established pursuant to Section 105(a)(8)(B) of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9605(a)(8)(B)).

(c) Funding authorized by this chapter shall not be used to pay any share of the costs of remediation recovered from parties responsible for the contamination of a groundwater storage aquifer, but may be used to pay costs that cannot be recovered from responsible parties. Parties that receive funding for remediating groundwater storage aquifers shall exercise reasonable efforts to recover the costs of groundwater cleanup from the parties responsible for the contamination. Funds recovered from responsible parties may only be used to fund treatment and remediation activities.

79772. Of the funds authorized by Section 79771, eighty million dollars ($80,000,000) shall be available for grants for treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water.

79773. The contaminants that may be addressed with funding pursuant to this chapter may include, but shall not be limited to, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron, manganese, and uranium.

79774. (a) A project that receives funding pursuant to this chapter shall be selected by a competitive grant or loan process with added consideration for those projects that leverage private, federal, or local funding.

(b) For the purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(c) An agency administering grants or loans for the purposes of this chapter shall assess the capacity of a community to pay for the operation and maintenance of the facility to be funded.

(d) At least 10 percent of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(e) Funding authorized by this chapter shall include funding for technical assistance to disadvantaged communities. The agency administering this funding shall operate a multidisciplinary technical assistance program for small and disadvantaged communities.

79775. Of the funds authorized by Section 79771, one hundred million dollars ($100,000,000) shall be made available for competitive grants for projects that develop and implement groundwater plans and projects in accordance with groundwater planning requirements established under Division 6 (commencing with Section 10000).

CHAPTER 11. FLOOD MANAGEMENT

79780. The sum of three hundred ninety-five million dollars ($395,000,000) shall be available, upon appropriation by the Legislature from the fund, to the Department of Water Resources and the Central Valley Flood Protection Board for the purpose of statewide flood management projects and activities. Funds shall be allocated to multibenefit projects that achieve public safety and include fish and wildlife habitat enhancement. The Department of Water Resources shall make its best effort to coordinate this funding with proceeds from Propositions 84 and 1E.

79781. Of the funds authorized by Section 79780, two hundred ninety-five million dollars ($295,000,000) shall be available to reduce the risk of levee failure and flood in the Delta for any of the following:

(a) Local assistance under the Delta levee maintenance subventions program pursuant to Part 9 (commencing with Section 12980) of Division 6, as that part may be amended.

(b) Special flood protection projects pursuant to Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6, as that chapter may be amended.

(c) Levee improvement projects that increase the resiliency of levees within the Delta to withstand earthquake, flooding, or sea level rise.

(d) Emergency response and repair projects.

CHAPTER 12. FISCAL PROVISIONS

79785. (a) Bonds in the total amount of seven billion one hundred twenty million dollars ($7,120,000,000), and any additional bonds authorized, issued, and appropriated in accordance with this division pursuant to other provisions of law, or so much thereof as is necessary, not including the amount of any refunding bonds issued in accordance with Section 79797 may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

79786. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of

that law, as that law may be amended, apply to the bonds and to this division, except subdivisions (a) and (b) of Section 16727 of the Government Code to the extent that those subdivisions conflict with any other provision of this division.

79787. (a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) of the bonds authorized by this division, the Water Quality, Supply, and Infrastructure Improvement Finance Committee is hereby created. For purposes of this division, the Water Quality, Supply, and Infrastructure Improvement Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other provision of law, any member may designate a representative to act as that member in his or her place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee.

(d) A majority of the committee may act for the committee.

79788. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79789. For purposes of the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the secretary.

79790. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

79791. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 79794, appropriated without regard to fiscal years.

79792. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division less any amount withdrawn pursuant to Section 79794. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required

by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79793. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

79794. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division less any amount borrowed pursuant to Section 79792. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

79795. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved and used to pay the cost of bond issuance prior to any transfer to the General Fund.

79796. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds, including premium, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be shared proportionately by each program funded through this division by the applicable bond sale.

79797. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

79798. The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the

California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 9. Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, as amended by Section 1 of Chapter 74 of the Statutes of 2012, is repealed.

SEC. 10. (a) Notwithstanding the requirements of Sections 9040, 9043, 9044, 9061, and 9082 of the Elections Code, or any other law, the Secretary of State shall submit Sections 1 to 6, inclusive, and Section 8 of this act to the voters at the November 4, 2014, statewide general election.

(b) The Secretary of State shall include in the ballot pamphlets mailed pursuant to Section 9094 of the Elections Code the information specified in Section 9084 of the Elections Code regarding the bond act contained in Sections 1 to 6, inclusive, and Section 8 of this act. If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding this act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall be mailed separately.

(c) Notwithstanding Section 9054 of the Elections Code or any other law, the translations of the ballot title and the condensed statement of the ballot title required pursuant to Section 9054 may be made available for public examination at a later date than the start of the public examination period for the ballot pamphlet, provided that the translations of the ballot title and the condensed statement of the ballot title must remain available for public examination for eight days.

(d) Notwithstanding Section 13282 of the Elections Code or any other law, the public shall be permitted to examine the condensed statement of the ballot title for not more than eight days. Any voter may seek a writ of mandate for the purpose of requiring the condensed statement of the ballot title, or portion thereof, to be amended or deleted only within that eight-day period.

SEC. 11. Notwithstanding Sections 13115 and 13117 of the Elections Code, Sections 1 to 6, inclusive, and Section 8 of this act shall be placed as the first ballot measure on the November 4, 2014, general election ballot and shall be designated as Proposition 1.

SEC. 12. Sections 1 to 6, inclusive, and Section 8 of this act shall take effect upon approval by the voters of the Water Quality, Supply, and Infrastructure Improvement Act of 2014, as set forth in Section 8 of this act, including changes to the Disaster Preparedness and Flood Prevention Bond Act of 2006, as set forth in Section 1 of this act, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, as set forth in Section 2 of this act, the Water Conservation and Water Quality Bond Law of 1986, as set forth in Section 3 of this act, the Safe, Clean, Reliable Water Supply Act, as set forth in Section 4 of this act, the Costa-Machado Water Act of 2000, as set forth in Section 5 of this act, and the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, as set forth in Section 6 of this act.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to fund a water quality, supply, and infrastructure improvement program at the earliest possible date, it is necessary that this act take effect immediately.

O

Proposition 1
Water Quality, Supply, and Infrastructure Improvement Act of 2014. AB 1471 (Chapter 188, Statutes of 2014), Rendon. Bond Measure.

Yes/No Statement

A **YES** vote on this measure means: The state could sell $7.1 billion in additional general obligation bonds—as well as redirect $425 million in unsold general obligation bonds that were previously approved by voters for resource-related uses—to fund various water-related programs.

A **NO** vote on this measure means: The state could not sell $7.1 billion in additional general obligation bonds to fund various water-related programs. In addition, $425 million in unsold general obligation bonds would continue to be available for resource-related uses as previously approved by voters.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

- Increased state bond repayment costs averaging $360 million annually over the next 40 years.
- Savings to local governments related to water projects, likely averaging a couple hundred million dollars annually over the next few decades.

State Bond Cost Estimates	
Authorized new borrowing	$7.1 billion
Average annual cost to pay off bonds	$360 million
Likely repayment period	40 years
Source of repayment	General tax revenues

Ballot Label

Fiscal Impact: Increased state bond costs averaging $360 million annually over 40 years. Local government savings for water-related projects, likely averaging a couple hundred million dollars annually over the next few decades.

BACKGROUND

Sources of Water in California. A majority of the state's water comes from rivers, much of it from Northern California and from snow in the Sierra Nevada Mountains. Water available underground (referred to as "groundwater") makes up roughly a third of the state's water use and is more heavily relied on in dry years. A small share of the state's water also comes from other sources, such as capturing rainwater, reusing wastewater (water recycling), and removing the salt from ocean water (desalination).

Meeting the State's Water Needs. Providing clean water throughout California while protecting the environment presents several key challenges. First, water is not always available where it is needed. For example, water from Northern California is delivered to other parts of the state, such as farmland in the Central Valley and population centers in the San Francisco Bay Area and Southern California. Second, the amount of water available can change widely from year to year. So, when less water is available in dry years, it can be difficult to provide all of the water that people want throughout the state. This can include providing enough water to maintain natural habitats—such as wetlands—for endangered species as is required under state and federal laws. However, in very wet years the state can sometimes experience floods, particularly in the Central Valley. Third, water is sometimes polluted, making it unsuitable for drinking, irrigating

crops, or fish habitat. Fourth, parts of the state's water system have affected natural habitats. For example, providing more water for drinking and irrigation has reduced the water available for fish.

In order to address these challenges, California has built various projects. Some projects use natural rivers—as well as pipelines, pumping stations, and canals—to deliver water used for drinking or farming throughout the state. These projects also include dams and other types of water storage to hold water for when it is needed. Other projects to meet the state's water challenges include water treatment plants to remove pollutants from drinking water and wastewater, systems to clean up runoff from storms, and levees to prevent floods.

Environment and Water System Are Linked. The state's water system and the environment are linked in several ways. As noted above, the use of water for irrigation and drinking water affects natural habitats used by fish and wildlife. These effects on natural habitats are made worse by pollution, which harms water quality for fish, wildlife, and people. The state has taken a variety of actions to improve natural habitats and water quality. These include restoring watersheds (an area of land that drains into a body of water) by reintroducing native plants and animals. The state has also provided water to rivers when needed by fish species.

Roles of Various Governments in Water System. The state, federal, and local governments play important roles in providing clean and reliable water supplies. Most spending on water programs in the state is done at the local level, such as by water districts, cities, and counties. In recent years, local governments have spent about $26 billion per year to supply water and to treat wastewater. About 80 percent of this spending is paid for by individuals as ratepayers of water and sewer bills. In addition, local governments pay for projects using other sources, including

state funds, federal funds, and local taxes. While most people get their water from these public water agencies, about one-sixth of Californians get their water from private water companies.

The state runs programs to (1) conserve, store, and transport water around the state; (2) protect water quality; (3) provide flood control; and (4) protect fish and wildlife habitat. The state provides support for these programs through direct spending, as well as grants and loans to local governments, nonprofit organizations, and privately owned water companies. (The federal government runs similar programs.) Funding for these state programs usually comes from bonds and fees. Since 2000, voters have approved about $20 billion in bonds for various environmental purposes, including water. Currently, about $900 million (5 percent) of these bonds remain available for new projects.

PROPOSAL

This measure provides a total of $7.5 billion in general obligation bonds for various water-related programs. First, the measure allows the state to sell $7.1 billion in additional bonds. Second, the measure redirects $425 million in unsold bonds that voters previously approved for water and other environmental uses. The state repays these bonds, with interest, using the state's General Fund. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other services.)

Uses of Funds

As shown in Figure 1 and described below, the bond measure provides funding to (1) increase water supplies, (2) protect and restore watersheds, (3) improve water quality, and (4) increase flood protection. The bond money would be available to state agencies for various projects and programs, as well as for loans and grants to local governments, private water

companies, mutual water companies (where water users own the company), Indian tribes, and nonprofit organizations.

Figure 1
Uses of Proposition 1 Bond Funds

(In Millions)

Water Supply	**$4,235**
• Dams and groundwater storage—cost share associated with public benefits.	$2,700
• Regional projects to achieve multiple water-related improvements (includes conservation and capturing rainwater).	810
• Water recycling, including desalination.	725
Watershed Protection and Restoration	**$1,495**
• Watershed restoration and habitat protection in designated areas around the state.	$515
• Certain state commitments for environmental restorations.	475
• Restoration programs available to applicants statewide.	305
• Projects to increase water flowing in rivers and streams.	200
Improvements to Groundwater and Surface Water Quality	**$1,420**
• Prevention and cleanup of groundwater pollution.	$800
• Drinking water projects for disadvantaged communities.	260
• Wastewater treatment in small communities.	260
• Local plans and projects to manage groundwater.	100
Flood Protection	**$395**
• Repairs and improvements to levees in the Delta.	$295
• Flood protection around the state.	100
Total	**$7,545**

Funds for Water Supplies ($4.2 Billion). About $4.2 billion would fund projects intended to improve water supplies, in order to make more water available for use. Specifically, the bond includes:

- ***$2.7 Billion for New Water Storage.*** The bond includes $2.7 billion to pay up to half of the cost of new water storage projects, including dams and projects that replenish groundwater. This funding could only be used to cover costs related to the "public

benefits" associated with water storage projects, including restoring habitats, improving water quality, reducing damage from floods, responding to emergencies, and improving recreation. Local governments and other entities that rely on the water storage project would be responsible for paying the remaining project costs. These costs would generally be associated with private benefits (such as water provided to their customers).

- ***$810 Million for Regional Water Projects.*** The bond also provides $810 million for regional projects that are included in specific plans developed by local communities. These projects are intended to improve water supplies, as well as provide other benefits, such as habitat for fish and flood protection. The amount provided includes $510 million for allocations to specific regions throughout the state and $300 million for specific types of water supplies, including projects and plans to manage runoff from storms in urban areas and water conservation projects and programs.

- ***$725 Million for Water Recycling.*** The bond includes $725 million for projects that treat wastewater or saltwater so that it can be used later. For example, the funds could be used to test new treatment technology, build a desalination plant, and build pipes to deliver recycled water.

Funds to Protect and Restore Watersheds ($1.5 Billion). These monies would fund projects intended to protect and restore watersheds and other habitat throughout the state. This funding could be used to restore bodies of water that support native, threatened, or endangered species of fish and wildlife; purchase land for conservation purposes; reduce the risk of wildfires in watersheds; and purchase water to support wildlife. These funds include $515 million to restore

watersheds in designated regions around the state (including $140 million specifically for projects in the Sacramento-San Joaquin Delta [Delta]) and $475 million to pay for certain state commitments to fund environmental restorations. The remaining funding would be available to applicants statewide for programs that restore habitat and watersheds ($305 million) and increase the amount of water flowing in rivers and streams, for example by buying water ($200 million).

Funds to Improve Groundwater and Surface Water Quality ($1.4 Billion). The bond includes over $1.4 billion to improve groundwater and surface water quality. More than half of this funding ($800 million) would be used for projects to clean up and prevent polluted groundwater that is, or has been, a source of drinking water. The remaining funds would be available to (1) improve access to clean drinking water ($260 million), (2) help small communities pay for wastewater treatment ($260 million), and (3) provide grants to local governments to develop and implement plans to manage their groundwater supply and quality ($100 million).

Funds for Flood Protection ($395 Million). The bond provides $395 million for projects that both protect the state from floods and improve fish and wildlife habitat. While $100 million of this funding could be spent on flood control projects anywhere in the state, $295 million is set aside to improve levees or respond to flood emergencies in the Delta.

Requirements for Allocating and Spending Funds

How Projects Would Be Selected. The measure includes several provisions that would affect how specific projects are chosen to receive bond funds. The California Water Commission—an existing state planning and regulatory agency—would choose which water storage projects would be funded with the $2.7 billion provided in the bond for that use. The Commission would

not have to go through the state budget process to spend these funds. For all other funding provided in the measure, the Legislature generally would allocate money annually to state agencies in the state budget process. While the Legislature could provide state agencies with some direction on what types of projects or programs could be chosen, the measure states that the Legislature cannot allocate funding to specific projects. Instead, state agencies would choose the projects. In addition, none of the funding in the measure can be used to build a canal or tunnel to move water around the Delta.

Requirements for Matching Funds. Of the $7.5 billion in funds made available by the measure, $5.7 billion is available only if recipients—mostly local governments—provide funding to support the projects. This matching requirement only applies to the water supply and water quality projects funded by the measure. The required share of matching funds is generally at least 50 percent of the total cost of the project, although this can be waived or reduced in some cases.

FISCAL EFFECTS

Fiscal Effects on State Government. This measure would allow the state to borrow up to $7.1 billion by selling additional general obligation bonds to investors, who would be repaid with interest using the state's general tax revenues. We assume that (1) the interest rate for the bonds would average just over 5 percent, (2) they would be sold over the next ten years, and (3) they would be repaid over a 30-year period. Based on these assumptions, the cost to taxpayers to repay the bonds would **average about $360 million annually over the next 40 years**. This amount is about one-third of a percent of the state's current General Fund budget. We assume that redirecting $425 million in unsold bonds from previously approved measures would not increase the state's anticipated debt payments. This is because, without this measure, these bonds

likely would have been sold in the future to support other projects. (For more information on the state's use of bonds and the impact of this proposed bond measure on the state's budget, see "Overview of State Bond Debt" later in this guide.)

Fiscal Effects on Local Governments. The availability of state bond funds for local water projects would affect how much local governments, primarily water agencies, spend on water projects. In many cases, the availability of state bonds could reduce local spending. For example, this would occur in cases where state bond funds replaced monies that local governments would have spent on projects anyway. Local savings would also occur in cases where the availability of state bond funds allowed local governments to build projects that reduced operating costs, such as by increasing efficiency or using a new water source that allows them to purchase less water.

However, in some cases, state bond funds could increase spending on water projects by local governments. For example, the availability of bond funds might encourage some local governments to build additional or substantially larger projects than they would otherwise. These projects could also be more expensive to operate.

On balance, we estimate that this measure would result in savings to local governments on water-related projects. These savings would likely average a couple hundred million dollars annually over the next few decades.

An individual local government might use these savings in various ways. For example, it might use the savings to build other new facilities or for maintenance and repair of existing facilities. In other cases, a government might use the savings to keep water rates lower than they otherwise would be by delaying or reducing future rate increases. Since the amount of statewide

savings in any given year is likely to be small relative to the overall amount spent by local governments on water, any effect on rates would likely be small for most ratepayers.

INFORMATION ONLY

September 2, 2014 JPA Board Meeting

TO: JPA Board of Directors

FROM: General Manager

Subject: Board Meeting Follow-up Items (Pg. 93)

SUMMARY:

Attached is a list of follow-up items from previous JPA Board meetings. The list provides a brief description of the various items, origination dates, and responsible managers.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

Prepared By: David W. Pedersen, Administering Agent/General Manager

ATTACHMENTS:

Board Meeting Follow-up Items

BOARD MEETING FOLLOW-UP ITEMS

Item No.	Origination Date	JPA or LVMWD	Description	Responsible Manager
1	01/06/2014	JPA	Provide an update on changes to the State's draft Toxicity Policy.	Lippman
2	07/07/2014	JPA	Report back on the outcome/resolution of the Tapia NPDES Permit Exceedences issue with the RWQCB.	Lippman
3	08/04/2014	JPA	Report back on the JPA's maintenance program for its trunk sewers and recycled water pipelines, considering the recent LADWP pipeline break near UCLA.	Lippman
4	08/04/2014	JPA	FUTURE AGENDA ITEM - Discuss pricing of wholesale recycled water to be sold to LADWP for the Woodland Hills Country Club.	Lippman
5	08/04/2014	JPA	Provide additional information on the Tapia Effluent Alternatives Study, outlining actions necessary to get out of the creek.	Lippman