



**LAS VIRGENES MUNICIPAL WATER DISTRICT**  
 4232 Las Virgenes Road, Calabasas CA 91302

**AGENDA**  
**REGULAR MEETING**

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols and **MUST** complete a speakers' card and hand it to the Clerk of the Board. Speakers will be recognized in the order cards are received.

The **Public Comments** agenda item is presented to allow the public to address the Board on matters not on the agenda. The public may present comments on any agenda item at the time the item is called upon for discussion.

Materials prepared by the District in connection with subject matter on the agenda are available for public inspection at 4232 Las Virgenes Road, Calabasas, CA 91302. Materials prepared by the District and distributed to the Board during this meeting are available for public inspection at the meeting or as soon thereafter as possible. Materials presented to the Board by the public will be maintained as part of the records of these proceedings and are available upon written request to the Clerk of the Board.

5:00 PM

April 28, 2015

PLEDGE OF ALLEGIANCE

1. **CALL TO ORDER AND ROLL CALL**
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 April 14, 2015 Approve (Pg.4)**

**B List of Demands: April 28, 2015 Approve (Pg.10)**

**C Investment Report for the Month of March 2015 Receive and File (Pg.39)**

**5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

**A Poster Contest Awards Ceremony**

**B Legislative and Regulatory Updates**

**C Water Supply Conditions and Drought Response (Pg.50)**

**6. TREASURER**

**7. RESOURCE CONSERVATION AND PUBLIC OUTREACH**

**A Drought Response Actions: Adoption of Urgency Ordinance and Resolution to Restrict Water Usage and Approval of Budget for Enforcement Activities (Pg.82)**

Waive the full reading of proposed Urgency Ordinance No. 274, amending Ordinance No. 11-86-161 (Las Virgenes Code) as it relates to water conservation and water shortage; pass, approve and adopt the Urgency Ordinance, given first reading by title only, by a roll call vote; order publication within 30 days of adoption using a summary of the Urgency Ordinance; pass, approve and adopt Resolution No. 2463, establishing the water shortage level, restricting outdoor irrigation and repealing Resolution No. 2460; and approve a budget of \$100,000 to hire temporary staff to assist with enforcement of the District's watering restrictions over the next nine months.

**URGENCY ORDINANCE NO. 274**

**AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO. 11-86-161 (LAS VIRGENES CODE) AS IT RELATES TO WATER CONSERVATION AND WATER SHORTAGE**

(Reference is hereby made to Urgency Ordinance No. 274 on file in the District's Ordinance Book and by this reference the same is incorporated herein and made a part of hereof.)

**RESOLUTION NO. 2463**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING THE WATER SHORTAGE LEVEL, RESTRICTING OUTDOOR IRRIGATION AND REPEALING RESOLUTION NO. 2460**

(Reference is hereby made to Resolution No. 2463 on file in the District's Resolution Book and by his reference the same is incorporated herein and made a part of hereof.)

**8. INFORMATION ITEMS**

**A San Juan Capistrano Water Rate Litigation: Appellate Court Decision (Pg.90)**

**9. NON-ACTION ITEMS**

**A Organization Reports**

(1) MWD Representative Report/Agenda(s)

(2) Other

**B Director's Reports on Outside Meetings**

**C General Manager Reports**

(1) General Business

(2) Follow-Up Items

**D Director's Comments**

**10. FUTURE AGENDA ITEMS**

**11. 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

**12. 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
- 2. Marzan v. Las Virgenes Municipal Water District

**B Conference with District Counsel – Public Employment Performance Evaluation (Government Code Section 54957):**

Title: General Manager

Facilitators: Irwin N. Jankovic, Ph.D. and Suresh Radhakrishnan, Metropolitan Water District of Southern California

**13. OPEN SESSION AND ADJOURNMENT**



**LAS VIRGENES MUNICIPAL WATER DISTRICT  
4232 Las Virgenes Road, Calabasas, California**

**MINUTES  
REGULAR MEETING**

5:00 PM

April 14, 2015

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by President Glen Peterson.

**1. CALL TO ORDER AND ROLL CALL**

**A** Call to order and roll call

The meeting was called to order at **5:00 p.m.** by President Petersen in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas. Joanne Bodenhamer, Interim Clerk of the Board, conducted the roll call.

Present: Director(s): Caspary, Lewitt, Peterson, Polan and Renger  
Absent: Director(s):

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

General Manager Pedersen requested to remove item 13B stating it was not necessary to present at the meeting.

On a motion by Director Lewitt, seconded by Director Caspary, the Board voted unanimously to approve the agenda as amended to remove item 13B.

**3. PUBLIC COMMENTS**

Two speaker cards were received.

Lynda Lo-Hill of 5861 Greenview Road spoke on ideas for naming "Budget Based Water Rates" to make it sound more appealing; she also suggested a "note from your neighbor" approach to let customers know their property is producing excessive runoff.

Joan Yacovone of 27328 Country Glen Road addressed the Board stating she has been a customer for over 40 years; she would like to see some guidelines regulating and controlling development; she would like to see a moratorium on swimming pools for residential and commercial; she also asked for regulations on watering the street medians in Agoura and Calabasas.

ITEM 4A

Director Polan commented that he advocates Ms. Yacovone's suggestions.

#### 4. **CONSENT CALENDAR**

**A List of Demands April 14, 2015 Approve**

**B Director's Per Diem: March 2015 Ratify**

Director Renger moved to approve the Consent Calendar. Motion seconded by Director Polan. Motion carried unanimously.

#### 5. **ILLUSTRATIVE AND/OR VERBAL PRESENTAION AGENDA ITEMS**

**A Legislative and Regulatory Updates**

**B Water Supply Conditions and Drought Response**

General Manager Pedersen presented on items 5A and 5B together, stating that an Executive Order came down with actions throughout the state by the Governor; it prohibits irrigation with potable water for ornamental turf on center medians and calls for developing rate structures for conservation; the draft regulatory framework calls for a 25% demand reduction statewide using a sliding scale based on residential per capita water usage; Tier 1 is a 10% reduction in water demands, Tier 2 is a 20% reduction, Tier 3 is a 25% reduction and Tier 4 is a 35% reduction; there will be significant effort to reach those numbers; a comment letter was submitted the District; water recycling was largely disregarded because it is not being used for residences; \$10,000 in fines per day are being brought down by the SWRQB; there is an effort to minimize commercial and industrial impacts; MWD has implemented its Water Supply Allocation Plan, approving a Regional Water Supply Shortage Level 3 (15%).

Carlos Reyes, Director of Resource Conservation and Public Outreach spoke on actions the District is taking in regards to the drought crisis; actions included: the General Manager issued a statement; the Current Flow featured Budget Based Water Rates; the Current Flow featured the drought; representatives have spoken at community events and group meetings; a Chamber Mixer was hosted at the District; Colorado River Tour was hosted on March 21<sup>st</sup>; the District had booths at the Earth Day event and the Westlake Community Street Fair; on April 22<sup>nd</sup>, staff will be doing a drought briefing to the Las Virgenes-Malibu Council of Governments; there will be a potable water tour on May 2<sup>nd</sup>; upcoming community events include the Dog Walk and Public Safety Day; the Fact Checker will be used along with school message boards and finally meetings will be scheduled with City staff.

General Manager Pedersen continued, stating that a distinction would be made between recycled water and potable water by posting signs in visible areas alerting people that recycled water is being used; mains will only be flushed when necessary; a proposal is being made to limit non-essential and unnecessary fire-flow testing as it wastes a large amount of water; staff proposes that customers will be limited to watering only two days per week; 400 notices of violation have been sent out; users of 54 temporary meters are being asked to report on the purpose of their water usage; a budget will be recommended to fund enforcement activities, and staff will consider proposed changes to the policy for miscellaneous water uses.

Director Polan asked about connecting a recycled water supply to the Westlake Lake (Pedersen: Westlake Lake is a designated water body in the Basin Plan; Tapia's NPDES Permit specifies authorized discharge points and the lake is not one of them; right now adding discharge points may not be the best approach; additionally, the water reaches receiving waters, so it would require additional testing) Director Peterson commented that Heal The Bay would likely object.

Director Peterson conveyed that we should be encouraging recycled water and asked if the State Item 4A

Board is recognizing our recycled water; we should have a goal to designate a place that people can get reclaimed water to use in their yards and around their homes; he would like to see a statement in the letter about exemptions for the required discharges to the creek for the fish (Pedersen: that comment could be added on the next letter).

General Manager Pedersen stated that he David Lippman and Brett Dingman had a meeting with the Regional Board's Executive Staff including Samuel Unger; several items were discussed including the Recycled Water Fill Station. Mr. Lippman added that they also discussed for the Cities to use a truck and hose to irrigate trees in the landscape medians so the trees could be kept alive even though the turf may be lost; both issues are being considered.

Director Lewitt asked about the fire flow restrictions and being sure the hydrants properly work in case of a fire. (Lippman: we want to prohibit the non-essential and unnecessary testing of fire hydrants to determine what kind of flow comes out of them; the District does not perform those test; outside contractors perform the tests and the District witnesses them; this is done in the case of developing or remodeling; we are confident in our system design and will certify what our system is designed for; we can do that based on experience and modeling and perform a fire flow test if absolutely necessary) Director Lewitt asked about the District's facilities being irrigated two times per week with recycled or potable water (Lippman: different facilities have potable water irrigation systems and some have recycled water irrigation systems).

A brief discussion took place regarding the 400 notices of violation and the meeting with the Regional Board.

## 6. **TREASURER**

Director Lewitt stated the Treasurers report looks to be in order.

## 7. **BOARD OF DIRECTORS**

### **A Independent Audit Services: Contract Renewal**

**Authorize the General Manager to exercise the first one-year renewal option with Pun & McGeady, LLP, to continue providing independent audit services to the District.**

Administering Agent/General Manager Pedersen presented an overview of the item and stated that the recommendation was for the first one-year renewal option.

On a motion by Director Polan, seconded by Director Caspary, the Board voted unanimously to approve the item as presented.

AYES: Director(s): Caspary, Lewitt, Peterson, Polan and Renger  
 NOES: Director(s):  
 ABSENT: Director(s):

## 8. **FACILITIES AND OPERATIONS**

### **A Water Main Break near Agoura Road and Park Terrace Drive: Emergency Declaration and Ratification of Purchase Order**

**Declare the water main break near Agoura Road and Park Terrace Drive an emergency requiring immediate action without delay and ratify the General Manager's approval of a purchase order to Toro General Engineering Contractors, in the amount of \$28,838.45, for the pavement restoration work.**

General Manager Pedersen gave an overview of the item and discussion took place. ITEM 4A

On a motion by Director Renger, seconded by Director Lewitt, the Board voted unanimously to approve the item as presented.

AYES: Director(s): Caspary, Lewitt, Peterson, Polan and Renger  
NOES: Director(s):  
ABSENT: Director(s):

**B Bioassessment Monitoring Report: Approval of Purchase Order**

**Authorize the General Manager to approve a purchase order to Aquatic Bioassay Consulting Laboratories, in the amount of \$41,668, for completion of the 2014 bioassessment monitoring report.**

General Manager Pedersen gave an overview of the item and some discussion took place.

Brett Dingman, Water Reclamation Manager described the sites being monitored.

On a motion by Director Caspary, seconded by Director Renger, the Board voted unanimously to approve the item as presented.

AYES: Director(s): Caspary, Lewitt, Peterson, Polan and Renger  
NOES: Director(s):  
ABSENT: Director(s):

**9. FINANCE AND ADMINISTRATION**

**A Reservoir No. 2 Improvements: Purchase of Shade Balls**

**Authorize the General Manager to approve a purchase order to XavierC, LLC, in the amount of \$312,801.66, pursuant to the terms of the cooperative purchasing clause of Los Angeles Department of Water and Power Purchase Order No, 387, for the purchase of shade balls.**

General Manager Pedersen gave an overview of the item.

David Lippman, Director of Facilities and Operations explained that Reservoir No. 2 was put back into service on March 23<sup>rd</sup>; the algae is visible and turbidity is increasing since the reservoir was put back in service; the cost for the shade balls is \$373,430; the District will be getting the same bid price that Los Angeles Department of Water and Power (LADWP) received; when LADWP requested bids for shade balls, it was able to extend the price to other governmental agencies; the District will be receiving 963,000 shade balls within a 60-day period for delivery.

Discussion took place on the item.

On a motion by Director Caspary, seconded by Director Polan, the Board voted unanimously to approve the item as presented.

AYES: Director(s): Caspary, Lewitt, Peterson, Polan and Renger  
NOES: Director(s):  
ABSENT: Director(s):

**10. NON-ACTION ITEMS**

ITEM 4A

## **A Director's Comments**

Director Polan reported that he attended the Westlake Village Street Fair; over 250 buckets were given out and the booth was inundated with questions; at Saturday's event for Earth Day, a customer asked if there would be a tax on water rates, and Director Polan explained that there would not; also spoke on grass vs. drought tolerant plants with the HOA; asked about the status of rain barrels (Peterson: it is an approved program by MWD; Reyes responded on the status).

Director Renger suggested that the slope adjacent to the entrance to headquarters is drought tolerant; however, he would like to see it improved to show how nice drought tolerant landscaping can look.

## **B Director's Reports on Outside Meetings**

Director Peterson reported on MWD that they adopted a Regional Shortage Level 3 and that more information on regulations and fines would be coming.

Director Caspary reported on RWQCB meeting held at MWD.

## **C General Managers Reports**

General Manager Pedersen reported on an upcoming meeting with LADWP Executive staff tentatively scheduled for May 1<sup>st</sup> to discuss Encino Reservoir; he advised the Board to turn in their expense reports and receipts to the Clerk of the Board for processing; he reviewed all the upcoming calendar items and noted the Board is invited to the School Foundation's "The Event".

## **D Organization Reports**

### **11. FUTURE AGENDA ITEMS**

There were no future agenda items to present.

### **12. PUBLIC COMMENTS**

There were no speaker cards.

### **13. CLOSED SESSION**

The Board recessed to closed session at **6:26 p.m.** and reconvened to open session at **6:45 p.m.**

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

**B. Conference with Labor Negotiator (Government Code Section 54957.6)**

No reportable action was taken in closed session.

### **14. OPEN SESSION AND ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:46 p.m.**



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GLEN PETERSON, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:

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CHARLES CASPARY, Secretary  
Board of Directors  
Las Virgenes Municipal Water District

(SEAL)

LAS VIRGENES MUNICIPAL WATER DISTRICT

To: JAY LEWITT, TREASURER

Payments for Board Meeting of: April 28, 2015

Upon certification by the Treasurer the checks and wire transfers were correct and supporting documents available, it is recommended the following demands on the various funds be approved and payments authorized.

Wells Fargo Bank A/C No. 4806-994448

Checks Nos. 68951 through 69101 were issued in the total amount of \$ 1,090,957.03

Payments through wire transfers as follows:

None

Total payments \$ 1,090,957.03

(Reference is hereby made to these demands on file in the District's Check Register and by this reference the same is incorporated herein and made a part hereof.)

**CHECK LISTING FOR BOARD MEETING  
04/28/15**

Company Name	Company No.	Check No.	Check No.	Check No.	Total
		68951 thru 68975 04/14/15	68976 thru 69022 04/21/15	69023 thru 69101 04/28/15	
		Amount	Amount	Amount	
Potable Water Operations	101	57,318.74	13,514.13	187,053.87	257,886.74
Recycled Water Operations	102	372.26			372.26
Sanitation Operations	130	5,568.99	1,444.57	467.27	7,480.83
Potable Water Construction	201				0.00
Water Conservation Construction	203				0.00
Sani- Construction	230				0.00
Potable Water Replacement	301			173,494.74	173,494.74
Reclaimed Water Replace	302				0.00
Sanitation Replacement	330				0.00
Internal Service	701	20,297.92	72,365.50	54,623.85	147,287.27
JPA Operations	751	136,272.59	55,802.66	52,276.36	244,351.61
JPA Construction	752				0.00
JPA Replacement	754	21,333.28		238,766.52	260,099.80
<b>Total Printed</b>		<b>241,163.78</b>	<b>143,126.86</b>	<b>706,682.61</b>	<b>1,090,973.25</b>

**Voided Checks/payment stopped:**

CK# 64822

Potable Water Operations	101	(16.22)			(16.22)
<b>Total Voids</b>		<b>(16.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>(16.22)</b>
<b>Net Total</b>		<b>241,147.56</b>	<b>143,126.86</b>	<b>706,682.61</b>	<b>1,090,957.03</b>

Batch Number - 237112

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	TY	Document Number	Key Item	Key Co	Amount	Invoice Number
68951	04/14/15	2321	ACWA	CONF-5/5-8 C.CASPARY Payment Amount	PV	138534	001	00701	695.00	04542-P0Q2F7
68952	04/14/15	4586	CONSOLIDATED ELECTRICAL DISTRIBUTORS	ROOTS CNTL BUTTONS	PV	138500	001	00701	1,725.90	9009-712512
68953	04/14/15	2547	COUNTY SANITATION DISTRICTS OF LA COUNTY	DISCOUNT-ROOT S CTL BTNS 277V LED WLPK Payment Amount 3/15 RAG&GRIT HAULING	PD PV PV	138501 138502 138495	001 001	00751 00701	23.74- 297.00 551.45	9009-712512 9009-712618 48892/033115
68954	04/14/15	8612	DURHAM SCHOOL SERVICES	Payment Amount OUTDR ED SCI TM TR@3/3/15 LUPIN HILL TOUR@3/17/15 WILLOW ELEM TOUR@3/18/15 CHAPARRAL ELEM TR@3/26/15	PV PV PV PV PV PV PV	138452 138453 138454 138455	001 001	00751 00751	551.45 341.11 341.11 341.11 381.01	8123102 8123104 8123084 8123081
68955	04/14/15	17251	EAGLE AERIAL IMAGING	Payment Amount RWV LG RES PARCELS	PV	138496	001	00701	6,000.00	19598
68956	04/14/15	18441	EMPLOYEE RELATIONS NETWORK	Payment Amount BCKGRND RPT-D.BUCHANA N BCKGRND RPT-M.KAMINSK I	PV PV PV PV	138467 138468	001 001	00701 00701	61.10 145.85	70383 70724
68957	04/14/15	2658	FEDERAL EXPRESS CORP	Payment Amount 3 PKGS DEL 3/26 & 3/31/15	PV	138456	001	00701	176.40	2-989-66892
68958	04/14/15	19397	FIRST CHOICE SERVICES	Payment Amount WLK COFFEE SUPPLIES	PV	138506	001	00701	26.88	180782

ITEM 4B

Batch Number - 237112

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item Co	Amount	Invoice Number
68959	04/14/15	6770	G.I. INDUSTRIES	HQ COFFEE SUPPLIES	PV	138507	001 00701	117.75	181053
				OPS COFFEE SUPPLIES	PV	138508	001 00701	97.45	181054
				RLV COFFEE SUPPLIES	PV	138509	001 00701	43.39	181055
				TAPIA COFFEE SUPPLIES	PV	138510	001 00701	101.00	181056
				Payment Amount			386.47		
				3/16-3/28/15	PV	138511	001 00701	223.64	2726667-0283-9
				RLV DISP	PV	138512	001 00701	645.28	2726677-0283-6
				4/15 HQ&SHOP DISP	PV	138513	001 00701	80.57	2726676-0283-8
				4/15 RLV-FARM DISP	PV	138514	001 00701	80.57	2726675-0283-0
				4/15 RLV DISP	PV	138515	001 00701	546.28	2524091-0283-4
				4/15 TAPIA RAGS/GRIT DISP	PV	138516	001 00701	565.96	2524090-0283-6
				4/15 TAPIA DISP	PV	138517	001 00701	194.57	2394744-0283-5
				4/15 WLK DISP	PV				
				Payment Amount			2,336.87		
				COLILERT LAB SUPPLIES	PV	138497	001 00701	2,627.34	287211930
				FREIGHT	PV	138497	005 00701	94.48	287211930
				Payment Amount			2,721.82		
				BREDEL&APEX HOSES	PV	138450	001 00701	2,208.34	933MW321
				FREIGHT	PV	138450	003 00701	34.46	933MW321
				3 MARPRENE ELEMINT	PV	138533	001 00701	258.17	943MW320

ITEM 40  
68961 04/14/15

Batch Number - 237112  
Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item Co	Amount	Invoice Number
68962	04/14/15	19027	NOBLE IRON	Payment Amount FRKLIFT RNTL 3/12-3/16/15	PV	138462	001 00701	1,440.52	57266
68963	04/14/15	17411	OAKS DRAIN SERVICE	Payment Amount SRV@TAPIA DEWTRG PAD	PV	138475	001 00701	337.50	33715
68964	04/14/15	2302	OFFICE DEPOT	Payment Amount COPY PAPER MISC OFFICE SUPPLIES TONER CARTRIDGE NAME PLATE-J.COFFM AN	PV	138471	001 00701	531.43	761478764001
68965	04/14/15	19164	DONALD PATTERSON	Payment Amount REIMB CELL PHONE EXP	PV	138465	001 00701	391.89	762570679001
68966	04/14/15	2585	PURETEC	Payment Amount MAR'15 14" RNTL	PV	138451	001 00701	218.00	762571402001
68967	04/14/15	2905	RAIN FOR RENT	Payment Amount DEWTRG SRV@RES#2	PV	138532	001 00701	21,333.28	762571403001
68968	04/14/15	2907	RED WING SHOE STORE	Payment Amount PRTCTV FTWR-JAMBRIZ	PV	138466	001 00701	225.00	CELLNOV14-MA R15
68969	04/14/15	2957	SOUTHERN CALIFORNIA EDISON	Payment Amount RLV CMPST PLNT 3/3-4/2/15	PV	138448	001 00751	30,583.84	1310000015245
68970	04/14/15	2957	SOUTHERN CALIFORNIA EDISON	Payment Amount ENERGY-MAR'15	PV	138464	001 00101	2,276.86	5165-46/04031 5

ITEM 4B

Batch Number - 237112

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item	Co	Amount	Invoice Number
				ENERGY-MAR'15	PV	138464	002	00101	25.55	2869/040315
				ENERGY-MAR'15	PV	138464	003	00101	477.11	2869/040315
				ENERGY-MAR'15	PV	138464	004	00101	24.24	2869/040315
				ENERGY-MAR'15	PV	138464	005	00101	69.50	2869/040315
				ENERGY-MAR'15	PV	138464	006	00101	19.03	2869/040315
				ENERGY-MAR'15	PV	138464	007	00101	15.59	2869/040315
				ENERGY-MAR'15	PV	138464	008	00101	10.39	2869/040315
				ENERGY-MAR'15	PV	138464	009	00101	24.24	2869/040315
				ENERGY-MAR'15	PV	138464	010	00101	27.18	2869/040315
				ENERGY-MAR'15	PV	138464	011	00101	26.86	2869/040315
				ENERGY-MAR'15	PV	138464	012	00101	2,469.15	2869/040315
				ENERGY-MAR'15	PV	138464	013	00101	3,397.15	2869/040315
				ENERGY-MAR'15	PV	138464	014	00101	48.19	2869/040315
				ENERGY-MAR'15	PV	138464	015	00101	3,648.93	2869/040315
				ENERGY-MAR'15	PV	138464	016	00101	1,047.34	2869/040315
				ENERGY-MAR'15	PV	138464	017	00101	24.79	2869/040315
				ENERGY-MAR'15	PV	138464	018	00101	100.94	2869/040315
				ENERGY-MAR'15	PV	138464	019	00101	3,342.77	2869/040315
				ENERGY-MAR'15	PV	138464	020	00101	68,150.70	2869/040315
				ENERGY-MAR'15	PV	138464	021	00101	17,037.68	2869/040315
				ENERGY-MAR'15	PV	138464	022	00101	27.46	2869/040315
				ENERGY-MAR'15	PV	138464	023	00101	577.22	2869/040315
				ENERGY-MAR'15	PV	138464	024	00101	625.75	2869/040315
				ENERGY-MAR'15	PV	138464	025	00101	4,665.92	2869/040315
				ENERGY-MAR'15	PV	138464	026	00101	318.95	2869/040315
				ENERGY-MAR'15	PV	138464	027	00101	220.88	2869/040315
				ENERGY-MAR'15	PV	138464	028	00101	641.44	2869/040315
				ENERGY-MAR'15	PV	138464	029	00101	2,614.21	2869/040315
				ENERGY-MAR'15	PV	138464	030	00101	28.17	2869/040315
				ENERGY-MAR'15	PV	138464	031	00101	774.05	2869/040315
				ENERGY-MAR'15	PV	138464	032	00101	29.03	2869/040315
				ENERGY-MAR'15	PV	138464	033	00101	285.84	2869/040315
				ENERGY-MAR'15	PV	138464	034	00101	26.57	2869/040315
				ENERGY-MAR'15	PV	138464	035	00101	5,126.26	2869/040315
				ENERGY-MAR'15	PV	138464	036	00101	7,303.27	2869/040315
				ENERGY-MAR'15	PV	138464	037	00101	1,005.60	2869/040315
				ENERGY-MAR'15	PV	138464	038	00101	1,610.58	2869/040315
				ENERGY-MAR'15	PV	138464	039	00101	3,099.84	2869/040315
				ENERGY-MAR'15	PV	138464	040	00101	8,681.47	2869/040315
				ENERGY-MAR'15	PV	138464	041	00101	4,952.20	2869/040315
				ENERGY-MAR'15	PV	138464	042	00101	4,299.64	2869/040315

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Item	Co	Key	Amount	Invoice Number
				ENERGY-MAR'15	PV	138464	043	00101		69.03	2869/040315
				ENERGY-MAR'15	PV	138464	044	00101		348.32	2869/040315
				ENERGY-MAR'15	PV	138464	045	00101		196.15	2869/040315
				ENERGY-MAR'15	PV	138464	046	00101		89.72	2869/040315
				ENERGY-MAR'15	PV	138464	047	00101		929.10	2869/040315
				ENERGY-MAR'15	PV	138464	048	00101		3,733.29	2869/040315
				ENERGY-MAR'15	PV	138464	049	00101		24.24	2869/040315
				ENERGY-MAR'15	PV	138464	050	00101		27.90	2869/040315
				ENERGY-MAR'15	PV	138464	051	00101		26.42	2869/040315
				ENERGY-MAR'15	PV	138464	052	00101		203.18	2869/040315
				ENERGY-MAR'15	PV	138464	053	00101		28.54	2869/040315
				ENERGY-MAR'15	PV	138464	054	00101		729.54	2869/040315
				ENERGY-MAR'15	PV	138464	055	00101		13.76	2869/040315
				ENERGY-MAR'15	PV	138464	056	00101		13.75	2869/040315
				ENERGY-MAR'15	PV	138464	057	00101		15.06	2869/040315
				ENERGY-MAR'15	PV	138464	058	00101		15.06	2869/040315
				ENERGY-MAR'15	PV	138464	059	00101		13.71	2869/040315
				ENERGY-MAR'15	PV	138464	060	00101		13.70	2869/040315
				ENERGY-MAR'15	PV	138464	061	00101		13.22	2869/040315
				ENERGY-MAR'15	PV	138464	062	00101		13.21	2869/040315
				ENERGY-MAR'15	PV	138464	063	00101		316.54	2869/040315
				ENERGY-MAR'15	PV	138464	064	00101		335.47	2869/040315
				ENERGY-MAR'15	PV	138464	065	00101		2,158.75	2869/040315
				ENERGY-MAR'15	PV	138464	066	00101		1,299.01	2869/040315
				ENERGY-MAR'15	PV	138464	067	00101		649.51	2869/040315
				Payment Amount					160,454.72		
68971	04/14/15	2958	SOUTHERN CALIFORNIA GAS CO	WLK P/S 3/1-4/1/15	PV	138531	001	00101		56.64	9400/040115
68972	04/14/15	8645	SOUTHERN CALIFORNIA TROPHY COMPANY	Payment Amount (10) 1 YR ANNIV KEYCHNS	PV	138504	001	00701		56.64	030316-15
68973	04/14/15	15427	THE GATEKEEPER	ANNIV GIFTS-MM&DC Payment Amount WLK P/S GATES SVC	PV	138505	001	00701		251.14	030315-15
68974	04/14/15	3023	VENCO WESTERN	Payment Amount WEED	PV	138470	001	00701		257.19	91557

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	TY	Document Number	Key Item	Co	Amount	Invoice Number
			INC.	ABTMT@TORCHWD						
			PLC						1,848.00	
68975	04/14/15	3047	WESCO DISTRIBUTION, INC.	2 IPROX SENSORS	PV	138498	001	00701	360.86	421672
				2 LBL VINYL RED/WHT	PV	138499	001	00701	51.86	421770
			Alt Payee	6443 WESCO DISTRIBUTION, INC PO BOX 31001-0465 PASADENA CA 91110-0465						
									412.72	
									241,163.78	
										25

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Ifm	Key Co	Amount	Invoice Number
68976	04/21/15	16051	ACCURATE TELECOM INC.	T1/E1 HQ MITEL 3300 UPGRD	PV	138545	001	00701	2,985.83	14458
68977	04/21/15	2317	ACORN NEWSPAPER	Payment Amount MAR'15 ADS	PV	138458	001	00101	5,267.61	870105/033115
68978	04/21/15	15483	ADVANCED VIBRATION ANALYSIS	Payment Amount QTRLY VIBRATN ANALYSIS	PV	138460	001	00701	1,513.00	2651
68979	04/21/15	3077	AIRGAS USA, LLC	Payment Amount 4/15 CYLINDER RNTL EAR PLGS, COOLERS&GLVS 5 WELDING GLASSES	PV	138580	001	00701	722.01	9926243324
									484.48	9037983257
									35.15	9038028067
			Alt Payee AIRGAS USA, LLC P. O. BOX 7423 PASADENA CA 91109-7423							
68980	04/21/15	2869	AT&T	Payment Amount SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV 4/5-5/4/15 SRV	PV	138646	001	00101	19.51	0051/040515
									206.22	0051/040515
									75.26	0051/040515
									89.19	0051/040515
									797.88	0051/040515
									5,694.72	0051/040515
									1,226.43	0051/040515
									75.26	0051/040515
									86.31	0051/040515
									1,077.04	0051/040515

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Item	Key Co	Amount	Invoice Number
				4/5--5/4/15						
				SRV	PV	138646	011	00101	476.02	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	012	00101	1,280.12	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	013	00101	43.19	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	014	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	015	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	016	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	017	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	018	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	019	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	020	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	021	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	022	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	023	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	024	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	025	00101	75.41	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	026	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	027	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	028	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	029	00101	75.26	0051/040515
				4/5--5/4/15						
				SRV	PV	138646	030	00101	75.26	0051/040515
				4/5--5/4/15						

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
						Number	frm Co		
				SRV	PV	138646	031 00101	75.26	0051/040515
				4/5--5/4/15					
				SRV	PV	138646	032 00101	37.71	0051/040515
				4/5--5/4/15					
				SRV	PV	138646	033 00101	37.70	0051/040515
				4/5--5/4/15					
				SRV	PV	138648	001 00701	399.12	9065/040515
				4/5--5/4/15					
				SRV	PV	138650	001 00701	400.90	9268/040515
				4/5--5/4/15					
				SRV	PV	138651	001 00101	81.37	9054/040515
				4/5--5/4/15					
				Payment Amount					
68981	04/21/15	18966	AT&T	SRV	PV	138649	001 00701	689.26	1657/040515
				4/5--5/4/15					
				Payment Amount					
				LONG DIST	PV	138644	001 00701	422.24	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	002 00701	1.70	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	003 00701	.63	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	004 00701	18.32	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	005 00701	.20	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	006 00701	16.66	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	007 00701	17.03	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	008 00701	.02	806368136/040
				2/27--4/2/15					415
				LONG DIST	PV	138644	009 00701	.20	806368136/040
				2/27--4/2/15					415
				SRV 3/11 &	PV	138660	001 00701	.40	858625649/032
				3/14/15					615
				Payment Amount					
				SRV	PV	138645	001 00701	119.16	992789332X041
				3/4--4/3/15					12015
				SRV	PV	138645	002 00701	13.15	992789332X041
				3/4--4/3/15					12015

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	TV	Document Number	Item	Key Co	Amount	Invoice Number
				SRV	PV	138645	003	00701	1,188.57	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	004	00701	30.00	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	005	00701	47.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	006	00701	59.45	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	007	00701	17.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	008	00701	12.39	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	009	00701	5.31	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	010	00701	232.06	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	011	00701	137.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	012	00701	30.00	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	013	00701	230.00	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	014	00701	17.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	015	00701	64.57	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	016	00701	47.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	017	00701	60.00	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	018	00701	108.75	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	019	00701	17.70	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	020	00701	64.57	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	021	00701	59.36	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				SRV	PV	138645	022	00701	155.40	992789332X041
	3/4-4/3/15			3/4-4/3/15						12015
				Payment Amount					2,718.94	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
66984	04/21/15	18654	AT&T TELECONFERENC E SERVICES	CONF CALLS 3/4&3/17/15	PV	138572	001	00701	51.97	504-015976
66985	04/21/15	18893	BILLTRUST	CONF CALLS 3/4&3/17/15 Payment Amount	PV	138572	002	00701	84.24	504-015976
66986	04/21/15	18071	BLUE DIAMOND MATERIALS	3/15 ONLINE BILL&PMT Payment Amount	PV	138438	001	00701	5,504.77	120363
66987	04/21/15	18739	CALIFORNIA HAZARDOUS SERVICES, INC.	2.91 TN PAVG MATL Payment Amount	PV	138578	001	00701	260.19	450424 RI
66988	04/21/15	18860	CHEMTREAT, INC.	APR'15 FUEL SVC INSPCTN Payment Amount	PV	138546	001	00701	105.00	56987
66989	04/21/15	3172	CITY CLERKS ASSOCIATION OF CA.	4/15 LMTD WTR TRMT Payment Amount	PV	138579	001	00701	562.71	1698389
66990	04/21/15	4586	CONSOLIDATED ELECTRICAL DISTRIBUTORS	AD-EXE ASST/BRD CLERK Payment Amount	PV	138566	001	00701	200.00	2015-18
66991	04/21/15	17227	CUTTING EDGE CONCRETE CUTTING	STL CNDT, CPLGS&GSKTS Payment Amount	PV	138575	001	00701	234.76	9009-713109
66992	04/21/15	17918	EARTHLINK BUSINESS CO.	10 CNTCT BLKS&4-3 POS SEL SW 2 CLR HPS LAMP Payment Amount	PV	138576	001	00701	686.47	9009-713025
66993	04/21/15	2654	FAMCON PIPE	HAND SAW CONC VAULT 3/30/15 Payment Amount	PV	138567	001	00701	500.00	12312
				APR'15 MPLS LINES Payment Amount	PV	138543	001	00701	3,988.12	1318062504011 50
				(2) 8" & 6" VIC Payment Amount	PV	138459	001	00701	1,308.00	167391

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
68994	04/21/15	18815	FASTENAL COMPANY	#60 CAPS 4- 8" VICTLC GASKETS Payment Amount BIN RESTOCK	PV	138547	001	00701	300.84	167395
									1,608.84	CACHA18685
			18835 FASTENAL COMPANY P. O. BOX 1286 WINONA MN 55987-1286						1,377.42	
68995	04/21/15	2658	FEDERAL EXPRESS CORP	1 PKG DEL 4/7/15	PV	138573	001	00701	18.17	2-997-11033
68996	04/21/15	2655	FERGUSON ENTERPRISES	CLA-VAL PARTS	PV	138544	001	00701	7,671.67	0502489
			3207 FERGUSON ENTERPRISES, INC. #1083 FILE 56809 LOS ANGELES CA 90074-6809						7,671.67	
68997	04/21/15	2660	FISHER SCIENTIFIC	ORG/WHT TUBG&METHANOL	PV	138672	001	00701	94.23	3464718
			3202 FISHER SCIENTIFIC FILE #50129 LOS ANGELES CA 90074-0129						94.23	
68998	04/21/15	17199	GOVERNMENT STAFFING SERVICES, INC.	3/23-4/3/15 A.UMALI	PV	138574	001	00701	2,400.00	125492
			2701 GRAINGER, INC.	SKT CAP SCREW	PV	138439	001	00751	25.34	9695943994
				SCAFFOLD TWR&GRD RAIL 1-METAL 5T SAW BLADE	PV	138442	001	00701	1,408.28	9694171399
					PV	138443	001	00701	73.64	9695354101

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Item	Co	Amount	Invoice Number
69000	04/21/15	3083	JCI JONES CHEMICALS, INC	Payment Amount 5,010 GAL HYPOCHLORITE	PV	138440	001	00701	1,507.26	2,915.67	649938
			Alt Payee	4,222 GAL BISULFITE	PV	138441	001	00701		5,615.26	649878
			JCI JONES CHEMICALS, INC P.O. BOX 636877 CINCINNATI OH 45263-6877	Payment Amount 8,530.93							
69001	04/21/15	6777	CAL-COAST MACHINERY	HYD/TRN&PS OIL & CL GRD STARTR MTR&BATTERY CBL	PV	138569	001	00751		91.65	239208
			Alt Payee	Payment Amount 2,017.81	PV	138571	001	00751		77.04	IX58683
69002	04/21/15	17847	DIAMONDA EQUIPMENT LLC	WASHER&NUT	PV	138571	001	00751		77.04	IX58683
			Alt Payee	Payment Amount 77.04							
			JOHN DEERE FINANCIAL PO BOX 4450 CAROL STREAM IL 60197-4450	Payment Amount 16.22	PV	130139	001	00101		16.22	066244
69003	04/21/15	19116	KOROUSH KAZEMINY	REFUND ON CLOSED ACCT	PV	130139	001	00101		16.22	066244
			Alt Payee	Payment Amount 46.72	PV	138437	001	00101		46.72	0254/040115
69004	04/21/15	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	JED SMITH P/S 1/26-3/25/15	PV	138437	001	00101		46.72	0254/040115
			Alt Payee	Payment Amount 46.72							
			LOS ANGELES DAILY NEWS	Payment Amount 695.00	PV	138555	001	00751		695.00	0010632472
69005	04/21/15	2590	LOS ANGELES DAILY NEWS	AD-RLV COMPOST 3/28/15	PV	138555	001	00751		695.00	0010632472
			Alt Payee	Payment Amount 221.24	PV	138549	001	00701		221.24	CA22-589743
69006	04/21/15	2839	MOTION INDUSTRIES, INC.	SPEED CNTRL PARTS	PV	138549	001	00701		221.24	CA22-589743

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item	Co	Amount	Invoice Number
	1/22-4/18/15				PV	138647	014	00701	25.00	040815
				PETTY CASH						
	1/22-4/18/15				PV	138647	015	00701	20.00	040815
				PETTY CASH						
	1/22-4/18/15				PV	138647	016	00701	38.93	040815
				PETTY CASH						
	1/22-4/18/15				PV	138647	017	00701	38.99	040815
				PETTY CASH						
	1/22-4/18/15			Payment Amount					411.80	
69009	04/21/15	2902	QUINN ENGINE SYSTEM	VEH#833	PV	138444	001	00701	28,783.03	WO410024088
				ENGINE RPLMT						
				Payment Amount					28,783.03	
69010	04/21/15	17326	RINCON CONSULTANTS, INC.	FEB'15 TREE	PV	138461	001	00701	2,827.25	22749
				MONTRG-24" RW						
				Payment Amount					2,827.25	
69011	04/21/15	2948	SMITH PIPE & SUPPLY	HQ DRIP IRRIG	PV	138562	001	00701	34.97	2800957
				PARTS						
				Payment Amount					34.97	
69012	04/21/15	2957	SOUTHERN CALIFORNIA EDISON	RW P/S	PV	138536	001	00751	25,498.99	4500-42/04081
				3/3-4/1/15						5
				NEM						
				Payment Amount					25,498.99	
69013	04/21/15	2958	SOUTHERN CALIFORNIA GAS CO	HQ&OPS	PV	138563	001	00701	1,535.65	3600/041015
				3/10-4/8/15						
				CORNELL P/S						
				3/10-4/8/15						
				JBR P/S						
				3/6-4/6/15						
				Payment Amount					1,567.15	
69014	04/21/15	16271	SPOK, INC.	PAGER SRV	PV	138659	001	00701	347.26	Y0143084D
				4/10-5/10/15						
				PAGER SRV						
				4/10-5/10/15						
				PAGER SRV						
				4/10-5/10/15						
				PAGER SRV						
				4/10-5/10/15						
				PAGER SRV						
				4/10-5/10/15						
				Payment Amount					499.65	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Ltm Co	Amount	Invoice Number
69015	04/21/15	8212	STANSBERY'S WELDING	5" FLANGE SRV@4/3/15	PV	138662	001 00701	360.00	2068
				Payment Amount				360.00	
69016	04/21/15	2964	STATE BOARD OF EQUALIZATION	SALES/USE TX-1ST QT'15	PV	138658	001 00701	2,507.00	97817885/0331 15
				Payment Amount				2,507.00	
69017	04/21/15	19587	THE FOUNDATION FOR LAS VIRGENES SCHOOLS	6/6/15 EVENT SPNSRSHP	PV	138642	001 00101	1,000.00	041315
				Payment Amount				1,000.00	
69018	04/21/15	18095	TOTAL BARRICADE SERVICE, INC.	TRFFC SRV@MTN PRK&MULHLND	PV	138446	001 00701	1,976.00	29217
				Payment Amount				1,976.00	
69019	04/21/15	3006	UNDERGROUND SERVICE ALERT	211 NEW TICKET CHGS	PV	138657	001 00701	316.50	320150402
				Payment Amount				316.50	
69020	04/21/15	3429	UNITED PARCEL SERVICE	SRV PIE 4/11/15	PV	138661	001 00701	155.82	000025W020155 /2015
				Payment Amount				155.82	
69021	04/21/15	13326	VILLA ESPERANZA SERVICES	MAR'15 LANDSCAPE SRV	PV	138655	001 00701	1,114.75	LVMWD 2015-4
				Payment Amount				1,114.75	
				MAR'15 LANDSCAPE SRV	PV	138655	002 00701	3,066.32	LVMWD 2015-4
				MAR'15 LANDSCAPE SRV	PV	138655	004 00701	571.93	LVMWD 2015-4
				Payment Amount				4,783.00	
69022	04/21/15	3884	WURTH USA INC.	MISC STOCK PARTS	PV	138671	001 00701	728.68	94998319
				Payment Amount				728.68	
				Total Amount of Payments Written				143,126.86	
				Total Number of Payments Written				47	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
69023	04/28/15	19588	ALLAN ABRAMS	TURF RMVL	PV	138585	001	00101	1,250.00	790244
				REBATE						
				Payment Amount					1,250.00	
69024	04/28/15	17077	AECOM USA, INC.	3/7-4/10/15 5	PV	138675	001	00701	22,661.30	37524529
				MG TNK						
				2/28-4/3/15	PV	138677	001	00701	3,836.00	37523811
				DEERLK WSDR						
				Payment Amount					26,497.30	
69025	04/28/15	19412	AIR WEST MECHANICAL CONSTRUCTION, INC.	PMT#4-BLDG#8	PV	138552	001	00701	140,690.00	10543#4
				HVAC INTRGRTN						
				5%	PD	138553	001	00301	7,034.50	10543/RTN#4
				RETENTION-PMT #4						
				Payment Amount					133,655.50	
69026	04/28/15	18871	AMERICAN INDUSTRIAL EQUIPMENT, LLC	4-1/2 HP	PV	138622	001	00701	1,329.80	150305
				TSURUMI PUMPS						
				FREIGHT	PV	138622	002	00701	68.24	150305
				Payment Amount					1,398.04	
69027	04/28/15	2397	AQUATIC BIOASSAY & CONSULTING	3/15 CHRONIC	PV	138624	001	00701	810.00	LVS0415.0344
				BIOASSAYS						
				TSTG						
				Payment Amount					810.00	
69028	04/28/15	2869	AT&T	SRV	PV	138635	001	00130	98.11	2220/040715
				4/7-5/6/15						
				SRV	PV	138636	001	00101	396.38	2043/040715
				4/7-5/6/15						
				SRV	PV	138637	001	00101	196.22	2045/040715
				4/7-5/6/15						
				SRV	PV	138638	001	00101	65.53	0123/040715
				4/7-5/6/15						
				SRV	PV	138639	001	00101	32.29	0124/040715
				4/7-5/6/15						
				SRV	PV	138640	001	00701	114.11	7719/040715
				4/7-5/6/15						
				SRV	PV	138641	001	00701	114.11	7720/040715
				4/7-5/6/15						
				SRV	PV	138642	001	00701	83.19	7721/040715
				4/7-5/6/15						
				SRV						

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Key	Amount	Invoice Number
Number	Date	Number	Name	Message	Number	Co	Amount	Number
69029	04/28/15	7965	B&B PALLET CO.	4/7-5/6/15 Payment Amount 55 YDS WOOD CHIPS	PV	001 00701	638.00	113159
							1,099.94	
							638.00	113161
							638.00	113162
							638.00	113163
							638.00	113164
							638.00	113165
							638.00	113166
							638.00	113167
							638.00	113168
69030	04/28/15	19421	DAVID BIEDEBACH	Payment Amount TURF RMVL REBATE	PV	001 00101	2,764.00	1150440/TURF2
							5,742.00	
							2,764.00	
69031	04/28/15	19589	DAVID BURKE	Payment Amount TURF RMVL REBATE	PV	001 00101	15,788.00	750770
							15,788.00	
							1,962.00	680462
69032	04/28/15	19590	DENNIS BURNS	Payment Amount TURF RMVL REBATE	PV	001 00101	1,962.00	9997947
							1,962.00	
							1,313.32	48061
69033	04/28/15	3385	C A RASMUSSEN INC.	Payment Amount RFND BAL - CLOSED A/C	PV	001 00101	1,313.32	85385
							1,313.32	
69034	04/28/15	19525	CHANG RUTHENBERG & LONG PC	Payment Amount SRV P/E 4/2/15 RE 457 PLN	PV	001 00701	2,500.00	9009-713395
							2,500.00	
69035	04/28/15	2565	CONEJO AWARDS	Payment Amount POSTR CONTST PLATES	PV	001 00101	115.03	85385
							115.03	
69036	04/28/15	4586	CONSOLIDATED	Payment Amount (10) 2P-3W	PV	001 00701	218.95	9009-713395
							115.03	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
ELECTRICAL DISTRIBUTORS										
69037	04/28/15	7847	DMV RENEWAL	CONNECTION	PV	138683	001	00701	4,578.01	9009-713647
				AB CHILLD WTR PUMP						
				8/27/14 RTN GRAPHIC TRM	PD	138684	001	00751	882.90-	9009-75015
				9/10/14 RTN LBD COND BODY	PD	138685	001	00751	136.25-	9009-75179
				Payment Amount				3,777.81		
				RENEWAL-LIC#4 7X39X	PV	138615	001	00701	52.00	47X39X/2015
				Payment Amount				52.00		
69038	04/28/15	17261	DOCTOR DIESEL	DIESEL TANK FUEL SVC	PV	138680	001	00701	369.20	15-166
				DIESEL TANK FUEL SVC	PV	138680	002	00701	369.16	15-166
				DIESEL TANK FUEL SVC	PV	138680	003	00701	738.32	15-166
				DIESEL TANK FUEL SVC	PV	138680	005	00701	738.32	15-166
				Payment Amount				2,215.00		
69039	04/28/15	19584	DOUMIT COMMUNICATION S, INC.	RFND BAL - CLOSED A/C	PV	138489	001	00101	1,313.32	9998027
				Payment Amount				1,313.32		
69040	04/28/15	19589	E COAST CONSTRUCTION	RFND BAL - CLOSED A/C	PV	138617	001	00101	936.23	9998057
				Payment Amount				936.23		
69041	04/28/15	19025	EMPIRE SAFETY & SUPPLY	3 SAFETY HARNESSES	PV	138494	001	00701	571.24	00708884-IN
				Payment Amount				571.24		
69042	04/28/15	2638	ENVIRONMENTAL RESOURCE ASSOC	PERFM EVAL STND	PV	138623	001	00701	1,636.99	752982
				Payment Amount				1,636.99		
69043	04/28/15	2688	GEO LABS	P/E 3/31/15 5 MG TANK	PV	138634	001	00701	3,275.75	21504027
				Payment Amount				3,275.75		
69044	04/28/15	19574	ROGER GLADE	TURF RMVL REBATE	PV	138478	001	00101	570.00	780524
				Payment Amount				570.00		

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
69045	04/28/15	2701	GRAINGER, INC.	50T MTL SAW BLADE	PV	138621	001 00701	73.64	9701597271
All Payee									
69046	04/28/15	16846	GRAINGER, INC. DEPT 805178142 PALATINE IL 60038-0001	GARDN DSGN SEMNR@4/9/15	PV	138595	001 00101	1,500.00	237
All Payee									
69047	04/28/15	2705	HACH COMPANY	WIMS SFTWR IMPL SVC	PV	138679	001 00701	3,300.00	9315689
All Payee									
69048	04/28/15	18646	HDR ENGINEERING, INC.	9/28/14--3/28/ 15 CEN TNK CP SYS	PV	138633	001 00701	681.43	00208998-B
All Payee									
69049	04/28/15	19600	CARMEN HOUTROUW	RFND BAL - CLOSED A/C	PV	138618	001 00101	143.09	069858
All Payee									
69050	04/28/15	19591	WEN HSIAO	TURF RMVL REBATE	PV	138588	001 00101	2,072.00	2170642
All Payee									
69051	04/28/15	19601	WILLIAM W. HUBER	RFND BAL - CLOSED A/C	PV	138616	001 00101	11.82	015942
All Payee									
69052	04/28/15	19575	JOHN W. HURLEY, JR.	TURF RMVL REBATE	PV	138479	001 00101	3,150.00	560313
All Payee									
69053	04/28/15	19583	STEVE JACOBSON	TURF RMVL REBATE	PV	138488	001 00101	37,802.00	3021047
All Payee									
69054	04/28/15	3083	JCI JONES CHEMICALS, INC	4,952 GAL HYPOCHLORITE	PV	138613	001 00701	2,881.91	650802

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All Payee 13647 JCI JONES CHEMICALS, INC  
P.O. BOX 636877  
CINCINNATI OH 45263-6877

Batch Number - 237205

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key ltm	Key Co	Amount	Invoice Number
69055	04/28/15	16775	JR'S ENVIRONMENTAL SERVICES	Payment Amount ISCO SMPLR MNT/IRPR	PV	138681	001	00701	2,933.00	0059
									2,881.91	
69056	04/28/15	18535	KEMIRA WATER SOLUTIONS, INC.	Payment Amount 10.13 TN FERRC CHLORIDE	PV	138614	001	00701	4,692.72	9017442754
									5,614.40	0059
			Alt Payee	Payment Amount KEMIRA WATER SOLUTIONS MAIL CODE 5581, P. O. BOX 105046 ATLANTA GA 30348-5046	PV	138625	001	00701	7,998.75	91204
69057	04/28/15	5230	KENNEDY/JENKS CONSULTANTS	Payment Amount PIE 4/3/15 3RD DGSTR	PV	138626	001	00754	402.95	8302/040815
				Payment Amount RES#2 2/26-3/31/15	PV	138629	001	00301	186.68	8172/040815
69058	04/28/15	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	Payment Amount 3RD DGSTR 2/26-3/31/15	PV	138627	001	00754	35.04	7682/040815
				Payment Amount TURF RMVL REBATE	PV	138589	001	00101	11,320.00	180040
69059	04/28/15	19592	LANCE LORTSCHER	Payment Amount TURF RMVL REBATE	PV	138480	001	00101	782.00	2150412
				Payment Amount RW SEAS STRG 2/28-3/27/15	PV	138527	001	00701	29,119.00	1679620
69060	04/28/15	19576	RENEE LUCCI	Payment Amount TURF RMVL REBATE	PV	138486	001	00101	2,144.00	830536
				Payment Amount TURF RMVL REBATE	PV				2,144.00	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key ltrm	Key Co	Amount	Invoice Number
69063	04/28/15	19593	LARRY NEGRIN	TURF RMVL REBATE	PV	138590	001	00101	9,644.00	751930
				Payment Amount					9,644.00	
69064	04/28/15	19398	NEXLEVEL INFORMATION TECHNOLOGY, INC.	MAR'15 IS MSTR PLN&OP RVW	PV	138601	001	00701	6,975.00	20150310
				Payment Amount					6,975.00	
69065	04/28/15	2302	OFFICE DEPOT	4" BINDERS MISC OFFICE SUPPLIES FROSTED COVERS	PV	138630	001	00701	294.19	763795868001
				Payment Amount					294.19	
69066	04/28/15	15469	OLYMPIC PAINTING CO.	SRV@BLDG#7 HALLWAY WALLS	PV	138691	001	00701	2,150.00	10500
				Payment Amount					2,150.00	
69067	04/28/15	19577	CAROLYN PHILLIPS	TURF RMVL REBATE	PV	138481	001	00101	2,572.00	230616
				Payment Amount					2,572.00	
69068	04/28/15	18084	PHOENIX CIVIL ENGINEERING, INC.	P/E 3/31/15 TWIN LAKES DRNG P/E 3/31/15 AIR VAC RELCTN	PV	138678	001	00701	3,690.00	PHOE15-105
				Payment Amount					3,690.00	
69069	04/28/15	9555	JOSEPH PIERRE	TURF RMVL REBATE	PV	138476	001	00101	3,998.00	230306
				Payment Amount					3,998.00	
69070	04/28/15	13645	PSOMAS	FEB'15 STNDBY CHG SRV	PV	138528	001	00701	4,203.00	105394
				Payment Amount					4,203.00	
69071	04/28/15	18505	RAFTELIS FINANCIAL CONSULTANTS, INC.	MAR'15 FNCL ANLYS&RATE STDY	PV	138602	001	00701	1,285.00	LVCA1407-07
				Payment Amount					1,285.00	
69072	04/28/15	19594	DONNA REIFFEN	TURF RMVL REBATE	PV	138591	001	00101	1,978.00	1110366
				Payment Amount					1,978.00	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
Number	Date	Number	Name	Message		Number	lfm Co		Number
69073	04/28/15	19585	MAUREEN REINER	Payment Amount RFND O/P BAL-OPEN A/C	PV	138490	001 00101	1,978.00	057258
69074	04/28/15	19578	JERRY REISMAN	Payment Amount TURF RMVL REBATE	PV	138482	001 00101	6,016.00	200068
69075	04/28/15	19579	WILLIAM REITENBACH	Payment Amount TURF RMVL REBATE	PV	138483	001 00101	902.00	780316
69076	04/28/15	19580	KIM RICHARDSON	Payment Amount TURF RMVL REBATE	PV	138484	001 00101	1,682.00	1150620
69077	04/28/15	10277	SUSANA RUBINSTEIN	Payment Amount TURF RMVL REBATE	PV	138584	001 00101	8,134.00	530668/TURF
69078	04/28/15	18973	SOUTHERN COUNTIES OIL	Payment Amount (3) 55 GAL DRUM@TAPIA	PV	138690	001 00701	2,457.49	0294903-IN
69079	04/28/15	2926	SCAP	Payment Amount MEMBERSHIP FY 15-16	PV	138551	001 00701	7,585.00	15/16-53
69080	04/28/15	8228	SEMELE GROUP, INC.	Payment Amount MAIN EXT REIMB AGRMT	PV	138550	001 00701	12,955.55	4472-028-028
69081	04/28/15	4440	SOUTHWEST CHLORINATION, INC.	Payment Amount CHLORINATE TNKS-MAR'15	PV	138596	001 00101	1,834.35	7740
69082	04/28/15	2969	STATE WATER RESOURCES CONTROL BOARD	Payment Amount PRMT-TAPIA WRF 4/15-3/16	PV	138603	001 00751	1,632.00	SW-0101370
69083	04/28/15	7232	JUDY/JOHN TEDESCHI	Payment Amount TURF RMVL REBATE	PV	138583	001 00101	446.00	560508/TURF2
69084	04/28/15	19586	THE TAJ STEIN TRUST	Payment Amount RFND BAL - CLOSED A/C	PV	138491	001 00101	251.91	063656
69085	04/28/15	17645	TORO ENTERPRISES	Payment Amount EMRGCY RPR@PRK	PV	138643	001 00701	28,838.45	9148

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
65086	04/28/15	18095	TERRACE TOTAL	Payment Amount TRAFFIC	PV	138670	001	00701	28,838.45 1,244.75	29340
65087	04/28/15	2780	BARRICADE SERVICE, INC. VALLEY NEWS GROUP	Payment Amount 4/2/15 AD "FIX LEAK WK"	PV	138518	001	00101	1,244.75 180.00	4-2
65088	04/28/15	19038	VALVE AUTOMATION & CONTROLS	Payment Amount SUPERSET MOYNO PMPs	PV	138676	001	00701	180.00 2,424.16	1596908
65089	04/28/15	18604	VENTURA PEST CONTROL	FREIGHT Payment Amount APR'15 PEST CNTRL APR'15 PEST CNTRL APR'15 PEST CNTRL	PV	138676	002	00701	12.89 2,437.05	1596908 461927 461927 461927
65090	04/28/15	16542	VISION INTERNET PROVIDERS, INC.	Payment Amount ANNUAL FEE 4/15-4/16	PV	138520	001	00701	685.00 6,615.00	29884
65091	04/28/15	3034	VORTEX INDUSTRIES	Payment Amount PM 46 DOORS@4/7/15 PM 46 DOORS@4/7/15 PM 46 DOORS@4/7/15	PV	138687	001	00701	6,615.00 586.07 559.02 79.86	01-915527-1 01-915527-1 01-915527-1
65092	04/28/15	3035	VWR SCIENTIFIC	Payment Amount COLOR STNDRD SOLUTN FREIGHT/HAZAR DOUS CHRGS	PV	138529	001	00701	1,224.95 226.16 43.21	8040869840 8040869840

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All Payee 3216 VWR INTERNATIONAL, INC  
P. O. BOX 640169  
PITTSBURGH PA 15264-0169

Batch Number - 237205  
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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
69093	04/28/15	3109	W. LITTEN	Payment Amount	PV	138521	001	00754	1,374.00	320356
				SRV 2/22--2/28/15@ RES#2					269.37	
				SRV 3/1--3/7/15@RE S#2	PV	138522	001	00754	1,374.00	320359
				SRV 3/8--3/14/15@R ES#2	PV	138523	001	00754	258.80	320362
				SRV 3/22--3/28/15@ RES#2	PV	138524	001	00754	362.80	320365
				SRV 3/29--4/4/15@R ES#2	PV	138525	001	00754	590.55	320367
				SRV 3/1--3/7/15@RA NCHO	PV	138554	001	00701	3,273.50	320357
				SRV 3/22--3/28/15@ RANCHO	PV	138555	001	00701	4,969.90	320364
				SRV 3/29--4/4/15@R ANCHO	PV	138556	001	00701	5,269.70	320366
				SRV 4/5--4/11/15@R ES#2	PV	138619	001	00754	781.13	320371
				SRV 4/5--4/11/15@R ANCHO	PV	138620	001	00701	5,514.55	320369
69094	04/28/15	19581	CHESTER WANG	Payment Amount	PV	138485	001	00101	16,482.00	752815
				TURF RMVL REBATE					23,768.93	
69095	04/28/15	19586	JOHN WARTMAN	Payment Amount	PV	138592	001	00101	9,710.00	410214
				TURF RMVL REBATE					16,482.00	
69096	04/28/15	19586	TARYN WAYNE	Payment Amount	PV	138593	001	00101	552.00	200451
				TURF RMVL REBATE					9,710.00	
				Payment Amount					552.00	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
69097	04/28/15	18914	WECK LABORATORIES, INC.	LAB SRV@MALIBU CRK	PV	138557	001	00701	4,488.00	W5C1567-LV
				LAB SRV@TAPIA EFFLNT	PV	138558	001	00701	180.00	W5C1568-LV
				LAB SRV@BACTI RM DJ WTR	PV	138559	001	00701	25.00	W5C1564-LV
				LAB SRV@TAPIA EFFLNT	PV	138560	001	00701	419.00	W5C1565-LV
				LAB SRV@TAPIA GRNDWTR	PV	138561	001	00701	7.00	W5C1563-LV
				LAB SRV@WLK	PV	138667	001	00701	39.00	W5D0774-LV
				LAB SRV@TAPIA	PV	138668	001	00701	90.00	W5C1491-LV
				Payment Amount				5,248.00		
69098	04/28/15	3048	WEST COAST AIR	AC PM	PV	138663	001	00701	265.00	S64322
			CONDITIONING	SRV@BLDG#7	PV	138664	001	00701	680.45	S66079
				ROLLR BEARG	PV	138665	001	00701	920.00	S64915
				SRV@BLDG#7	PV	138666	001	00701	1,850.00	S64886
				RPR CONDNSG UNIT#2@RLV	PV	138666	001	00701	2,000.00	010-27297
				RPR BLOWR	PV	138666	001	00701		
				ASSMBLY@LV-2	PV	138493	001	00701	3,715.45	
				Payment Amount				3,715.45		
69099	04/28/15	17224	WILLDAN FINANCIAL SERVICES	ARBITRAGE	PV	138493	001	00701	2,000.00	
				REBATE SRV	PV	138487	001	00101	2,604.00	1170062
				Payment Amount				2,000.00		
69100	04/28/15	19582	MARK ZIMMERMAN	TURF RMVL	PV	138487	001	00101	2,604.00	
				REBATE	PV	138598	001	00701	297,260.06	10522#3
				Payment Amount				2,604.00		
69101	04/28/15	19381	ZUSSER COMPANY, INC.	PMT#3-RW	PV	138598	001	00701	297,260.06	
				RES#2	PD	138599	001	00754	14,863.00-	10522/RTN#3
				5%	PD	138600	001	00754	91,307.03-	10522/STOPNOT ICE
				RETENTION-PMT #3	PD	138600	001	00754		
				STOP	PD	138600	001	00754		
				NOTICE-RAIN	PD	138600	001	00754		
				FOR RENT	PD	138600	001	00754		
				Payment Amount				191,090.03		
				Total Amount of Payments Written				706,682.61		

Las Virgenes Municipal Water  
A/P Auto Payment Register

R04576

Batch Number - 237205

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Co	Amount	Invoice Number
Total Number of Payments Written										
79										

ITEM 4B



April 28, 2015 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Finance & Administration

**Subject: Investment Report for the Month of March 2015**

**SUMMARY:**

The Monthly Investment Report is submitted in compliance with Las Virgenes Municipal Water District Code Section 2-5.608 and transmits to the Board and other interested parties current details of the District's investment portfolio. This report also provides an analysis of conditions affecting, or having the potential to affect, the District's investments.

Driven by a combination of positive and negative economic indicators, the economy continued its lackluster performance and slow recovery in March. At the end of March, markets were slightly higher than February and the March Federal Reserve meeting indicated little change in its current policies: interest rates stayed at historic lows and expectations of interest rate increases in the second half of 2015 continued. Interest rates for financial instruments in the 1-5 year range and the U.S. stock markets remained higher than a year ago. However, there has been a flattening in the treasury yield curve, resulting in slightly lower yield in the intermediate to long term bonds.

Most financial experts are predicting continued slow improvements to the economy for calendar year 2015, followed with some short-term volatility. The annualized yield for the District's portfolio was up 1.1% year-over-year, reaching 0.97% in March 2015 compared to 0.96% in March 2014.

The portfolio was valued at \$64,263,704 on March 31, 2015.

**FISCAL IMPACT:**

No

**ITEM BUDGETED:**

No

**DISCUSSION:**

Staff monitors economic news to help predict factors that may influence the District's operations and investment portfolio performance. As was discussed with the Board during the budget-based rates study session, the economy has historically been a good predictor of water usage with the impact of negative economic conditions nearly matching that of mandatory water use restrictions. Conversely, a more robust economy promotes infill development within the District, such as the Shoppes at Westlake and the new homes off Agoura Road in Agoura Hills, which increases demands for the District's services. Keeping abreast of national economic factors and its impact on the District's return on its investment portfolio helps to ensure the effective utilization of the public's assets and money.

**Economic Trends:**

The overall economic data for March has remained indicative of modest growth. The March employment report came in weaker than anticipated. Nonfarm payrolls rose by 126,000 in March, well below the consensus forecast of 245,000 and following February's strong gains of 295,000. The national unemployment rate was unchanged at 5.5%. The labor participation rate dropped to 62.7% from 62.8% in February and 62.9% in January. Also, wages increased 0.3% in March, exceeding analysts' expectations. Meanwhile, manufacturing data has recently softened due to the strong U.S. dollar and sluggish economic growth abroad which may be having a dampening effect on U.S. manufacturing trends. The housing data remains volatile in spite of ongoing low mortgage rates. Single-family housing starts declined 14.9% in February, which was well below analysts' expectations.

The Federal Open Market Committee (FOMC) left policy rates unchanged at its March meeting. The Committee noted economic activity moderated and the inflation rate declined further. The word "patient" (with regard to the timing of a potential future rate hike) was removed from the policy statement, but the Committee indicated a rate hike at the next FOMC meeting in April is unlikely. The Fed left the door open for a possible rate hike in June, but based on the current environment, the first rate hike is likely to occur later in the second half of this year. The Committee expects to see further improvement in the labor market before it starts to raise rates, which implies that the Fed remains dissatisfied with current employment conditions. The Committee also needs to be confident inflation will move back to its 2% target, before they raise rates. With inflation remaining low, the Fed faces no urgency to begin raising rates.

The yield on the two-year Treasury note decreased in March to 0.56%, from 0.62% at the end of January. The 3-year Treasury was down as well, closing the month at 0.88% compared to 1.00% from February. Domestic economic data remained fairly positive in March, but concerns about a slowdown in global economic growth (particularly in Europe, Russia and China) were elevated in the month. Geopolitical tensions also caused volatility in the global financial markets during the month.

The Dow Jones Industrial Average finished March lower, down 356.58 points or -1.97% for the month, closing at 17,776.12 from 18,132.70 on February 27<sup>th</sup>.

In February, overall the Los Angeles-Riverside-Orange County Consumer Price Index (CPI) increased to 0.5% on a year-over-year basis from 0.1% in January. The year-over-year Core CPI (CPI less food and energy) increased to 1.5% in February.

In February, retail sales rose 1.7% on a year-over-year basis versus a gain of 3.6% in January. Sluggish auto sales and harsh weather in most of the U.S. contributed to a decline in retail sales from the prior month. Overall, consumer spending is showing positive momentum.

Housing data remains volatile. Single-family housing starts declined by 14.9% in February. Total housing starts, including multi-family, declined by 17% in February. This was well below expectations and is a reflection of the continuing struggles in the economic recovery.

The national unemployment rate in February remained unchanged at 5.5%. Preliminary unemployment rates for our micro-area (Agoura Hills data) remains at 3.3% since December 2014. The Los Angeles County unemployment rate improved to 7.7% in February, from 8.2% in January. Ventura County's unemployment decreased from 6.4% in January to 5.8% in February.

#### Performance of the District's Portfolio:

As of March 31, 2015, the District held \$64,263,704 in its portfolio, down 12.3% year-over-year, primary due to withdraws to fund for capital improvement projects. The majority of the funds are held in the District's investment accounts, which had a March 31<sup>st</sup> value of \$38,826,061. LAIF held the majority of the remaining funds in the amount of \$20,686,955. A small portion of the funds, \$2,003,629, were held in the pooled investment fund of CalTrust. A significant portion of remaining funds were held in a trustee account as required reserves for the Bond Refunding: \$2,759,453. The annualized yield for the District's portfolio has remained unchanged on a year-over-year basis, reaching 0.97% in March 2015 from 0.96% in March 2014.

#### Summary of investment activity for the month of March 2015:



There were a total of four investment purchases totaling \$4,000,000, one called investment for \$1,000,000 and one matured investment in the amount of \$1,000,000.

<b>Activity Type</b>	<b>Investment Type &amp; Duration</b>	<b>Value</b>	<b>Yield-to-Maturity (YTM)</b>
Purchase	FHLB – 4 year (1x call)	\$1,000,000	1.50%
Purchase	FHLB – 3.5 year (1x call)	\$1,000,000	1.33%
Purchase	FHLB – 3.5 year (bullet)	\$1,000,000	1.30%
Purchase	FHLB – 5 year (quarterly calls)	\$1,000,000	2.20%
Call	FHLMC – 5 year (1x call)	\$1,000,000	1.80%
Maturity	FHLB – 4 year (bullet)	\$1,000,000	2.00%

**GOALS:**

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Joseph Lillio, Finance Manager

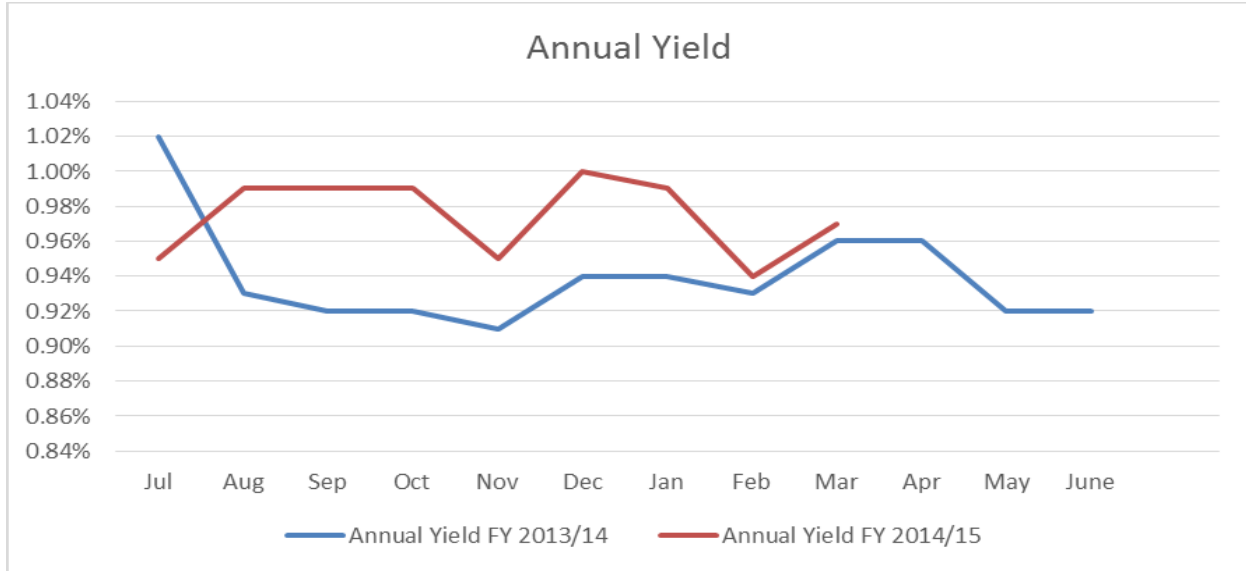
**ATTACHMENTS:**

[Charts](#)

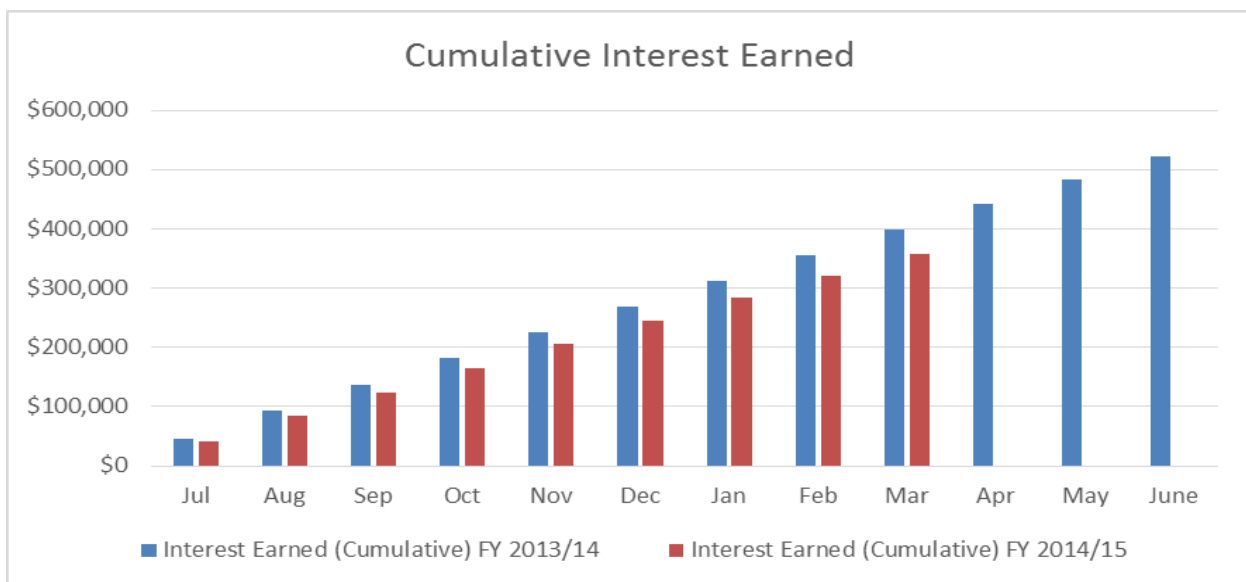
[March Investment Report](#)

[Appendix A](#)

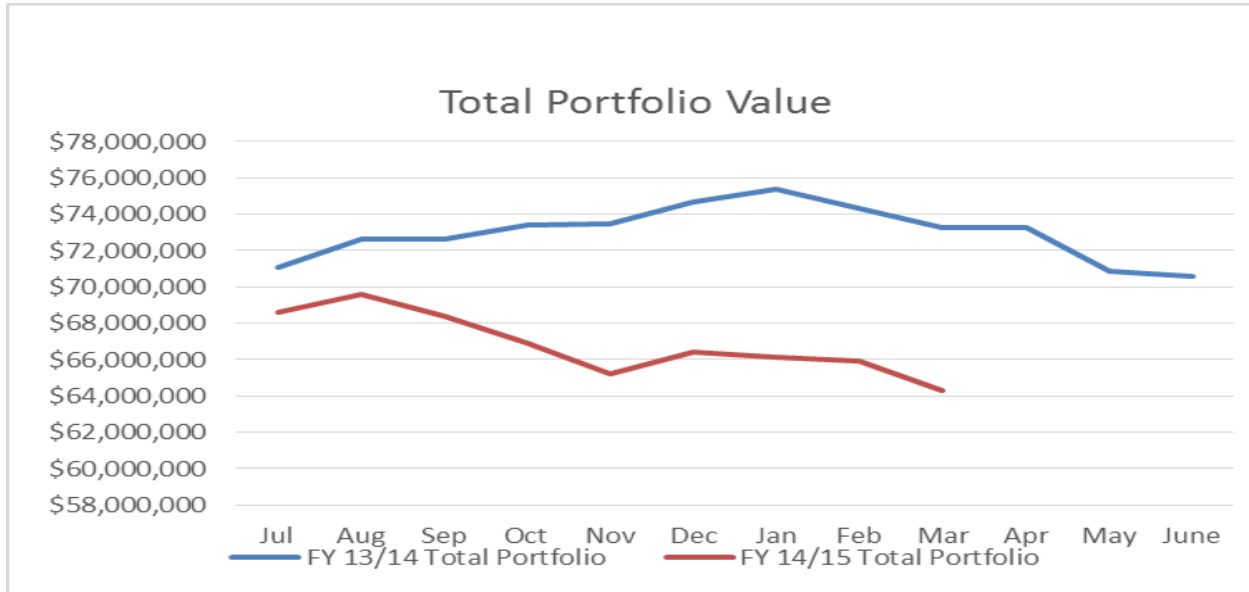
In March, the annualized yield for the District’s Investment portfolio increased by 3 basis points (0.03%), to 0.97% from 0.94% in February 2015. The small dips in yield (depicted in the Annual Yield chart) are when investments matured or were called and the proceeds were held in LAIF until reinvested. The following chart shows annualized monthly yield over the current fiscal year (FY) and previous FY. As the chart shows, yields have largely remained flat since August 2013. Staff does not forecast yields to change significantly for the remainder of the FY.



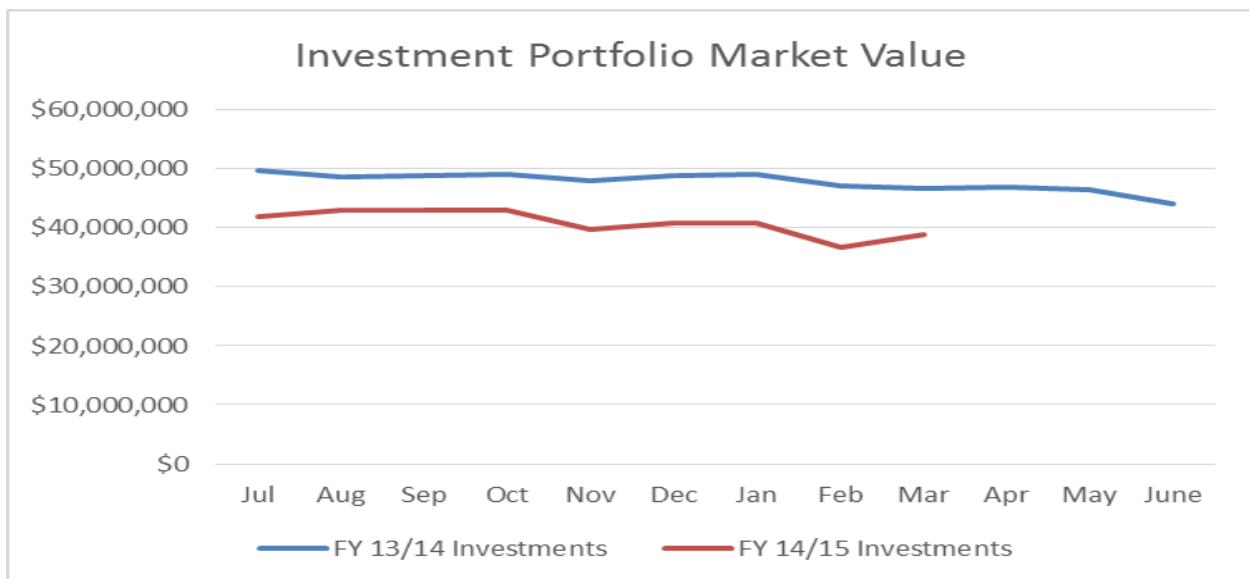
The interest earned from all investments in the portfolio FY to date has slightly trailed FY 13/14 as anticipated. The following chart shows cumulative interest earned over the current and previous FY. The current cumulative interest earned is slightly less than the cumulative interest earned during this same period last year (March 2014) due to a lower overall portfolio balance. Since there is no indication of a significant interest rate increase through the remainder of the current fiscal year, staff projects that the current trend will continue.

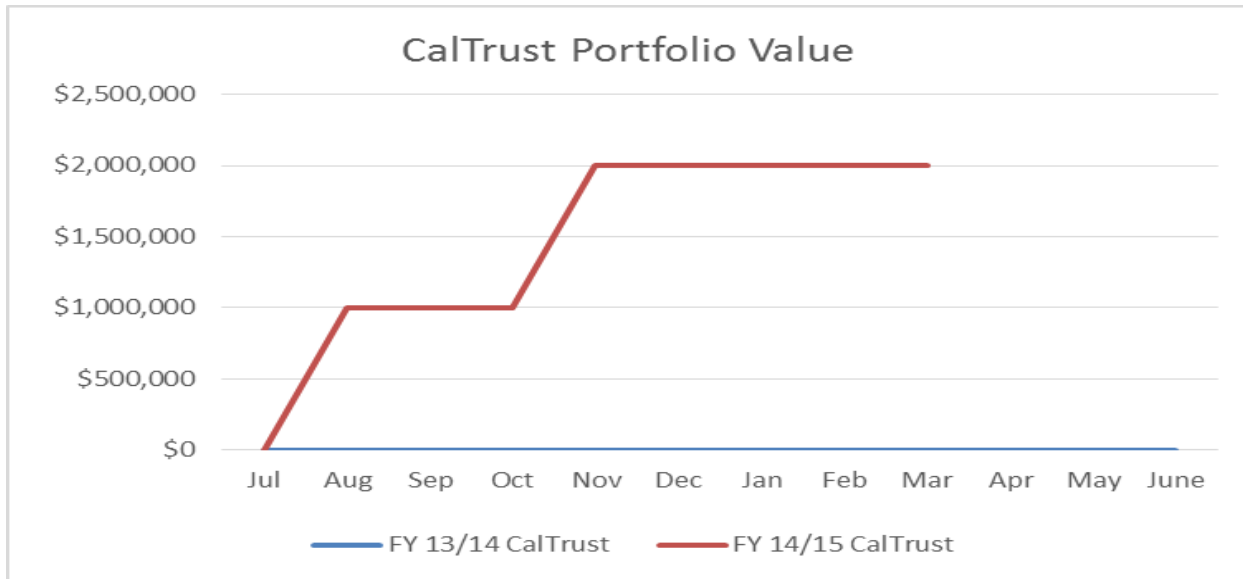
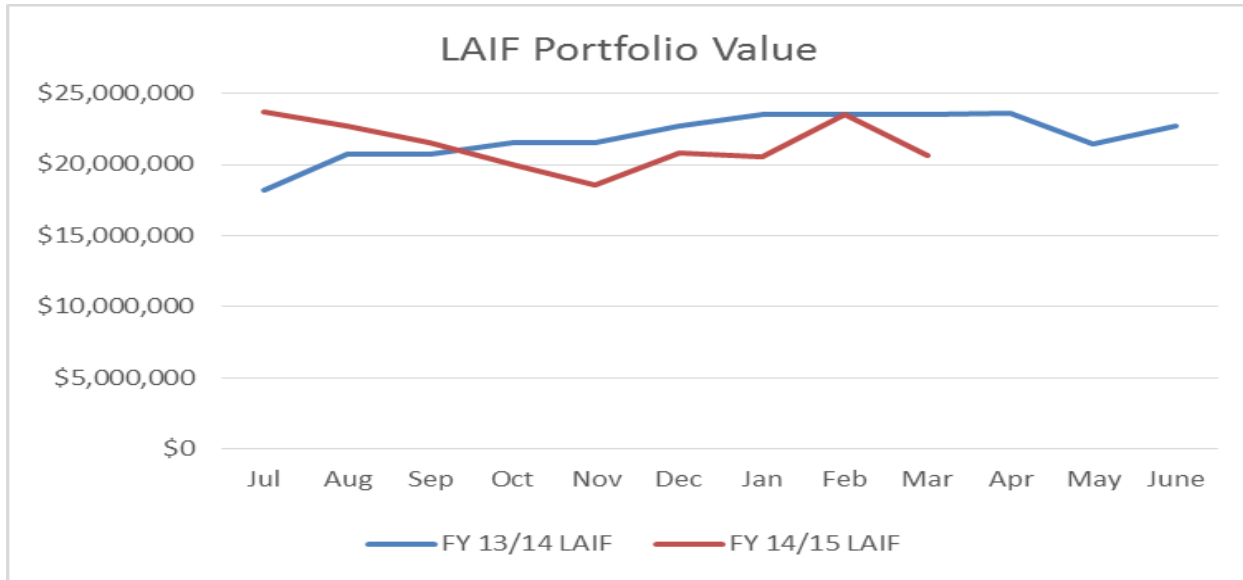


The total value of the portfolio as of March 31, 2015 is \$64.3M. This compares to a balance of \$73.2M from March 31, 2014. This year-over-year difference reflects a 12.3% decrease and is a reflection of the capital project outlays over the past year. The portfolio typically fluctuates as funding is needed for capital projects. The chart below shows the total portfolio value over time.

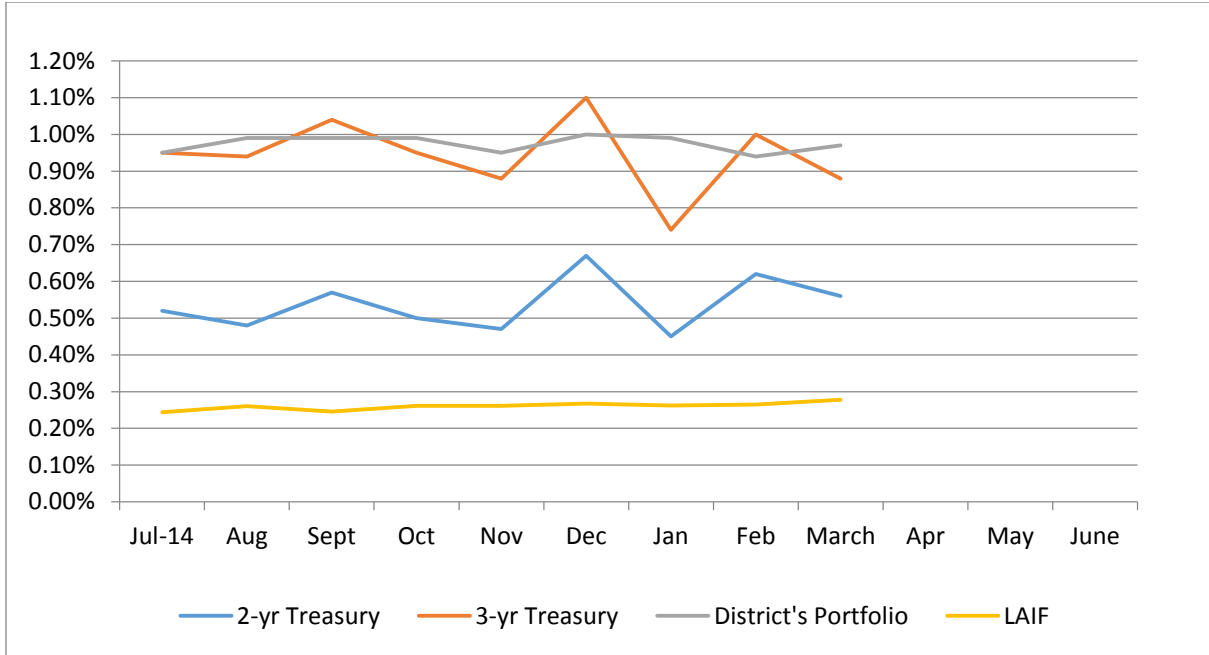


On average, the District maintains approximately 30-35% of the portfolio in LAIF and 65-70% in direct investments. The following charts show the value of the District’s Investment Portfolio, LAIF, and CalTrust. The investment portfolio had a balance of \$38.8M as of March 31, 2015, LAIF had a balance of \$20.7M, and there was a balance of \$2.0M in CalTrust. The CalTrust account was first funded in August 2014 as a means of diversifying the liquidity portion of the District’s portfolio. The charts visually show the District’s rebalancing of funds from the investment portfolio to LAIF during the last half of fiscal year 13/14 to ensure liquidity needs for the ongoing capital projects.





The following chart depicts annualized yields on the District’s portfolio for FY 2014-15 in comparison to comparative benchmarks; the 2-year U.S. Treasury yield, the 3-year U.S. Treasury yield and LAIF. The average duration of the District’s portfolio as of March 31, 2015 was 2.46 years.



Date: April 15, 2015  
 To: David W. Pedersen, General Manager  
 From: Finance and Administration Department  
 Subject: Investment Report for the Month of March 2015

**Summary of Investments**

**Investments Maturing Within Six Months:**

Disc./Cpn Rate	Yield To Maturity	Investment Type	Date Invested	Date Matures	Book Value	Par Value	Market Value	Market Value Source
0.740%	0.550%	Montgomery-Muni Bond	11/29/12	04/01/15	1,004,400	1,000,000	1,000,000	Custodian
0.850%	0.850%	AZSHGR-Muni Bond	01/17/13	06/01/15	2,205,000	2,205,000	2,206,433	Custodian
0.670%	0.670%	FNMA-Bullet	03/26/12	08/26/15	1,000,000	1,000,000	1,001,860	Custodian
		Sub-Total			4,209,400	4,205,000	4,208,293	

**Investments Maturing After Six Months:**

1.050%	1.050%	FFCB-Bullet	03/28/12	03/28/16	1,000,000	1,000,000	1,006,880	Custodian
1.270%	1.270%	FHLB-Bullet	03/30/12	03/02/17	1,000,000	1,000,000	1,011,720	Custodian
0.980%	0.980%	FFCB-Callable Coupon	09/18/12	09/18/17	1,000,000	1,000,000	1,000,090	Custodian
0.900%	0.921%	FNMA-Callable Coupon	10/25/12	10/25/17	999,000	1,000,000	993,180	Custodian
0.625%	0.700%	FHLMC-Bullet	10/26/12	11/01/16	997,040	1,000,000	1,001,180	Custodian
0.820%	0.860%	FFCB-Callable Coupon	10/26/12	07/11/17	998,000	1,000,000	996,150	Custodian
0.75% & Up	1.045%	FNMA-Callable Coupon	11/21/12	11/21/17	1,000,000	1,000,000	1,000,520	Custodian
0.625%	0.625%	FNMA-Callable Coupon	11/28/12	11/28/16	2,000,000	2,000,000	1,997,800	Custodian
0.600%	0.600%	FFCB-Callable Coupon	12/13/12	12/12/16	1,000,000	1,000,000	999,440	Custodian
0.600%	0.580%	Port Auth NY&NJ-MuniBot	12/19/12	12/01/15	1,000,580	1,000,000	1,000,580	Custodian
0.600%	0.600%	FFCB-Bullet	12/27/12	12/27/16	1,000,000	1,000,000	1,000,290	Custodian
0.500%	0.500%	FHLB-Callable Coupon	12/28/12	06/28/16	1,000,000	1,000,000	999,580	Custodian
1.585%	1.100%	LVNSCD-Muni Bond	02/20/13	11/01/17	1,022,130	1,000,000	1,009,960	Custodian
0.690%	0.690%	PST-Muni Bond	03/26/13	11/01/16	1,000,000	1,000,000	993,410	Custodian
1.000%	1.000%	FHLMC-Callable Coupon	03/26/13	03/26/18	1,000,000	1,000,000	999,090	Custodian
0.8% & Up	1.145%	FNMA-Callable Coupon	03/27/13	03/27/18	1,000,000	1,000,000	1,000,470	Custodian
0.85% & Up	1.170%	FNMA-Callable Coupon	03/28/13	03/28/18	1,000,000	1,000,000	1,001,050	Custodian
1.020%	1.020%	FHLMC-Callable Coupon	04/30/13	04/30/18	999,500	1,000,000	994,360	Custodian
0.950%	0.950%	FHLMC-Callable Coupon	05/22/13	05/22/18	1,000,000	1,000,000	996,640	Custodian
0.750%	0.750%	FHLMC-Callable Coupon	05/28/13	11/28/17	1,000,000	1,000,000	993,590	Custodian
0.75% & Up	1.117%	FNMA-Callable Coupon	05/29/13	05/29/18	1,000,000	1,000,000	1,001,050	Custodian
0.832%	0.832%	ARLDEV-Muni Bond	06/03/13	12/15/16	1,585,000	1,585,000	1,585,048	Custodian
1.250%	1.250%	FHLB-Callable Coupon	06/26/13	06/26/18	1,000,000	1,000,000	1,002,570	Custodian
1.500%	1.500%	FNMA-Callable Coupon	09/19/14	09/19/18	1,000,000	1,000,000	1,008,350	Custodian
1% & Up	2.216%	FHLB-Callable Coupon	12/30/14	12/30/19	1,000,000	1,000,000	1,003,790	Custodian

LVMWD Investment Report for the Month Ending March 31, 2015

Disc./Cpn Rate	Yield To Maturity	Investment Type	Date Invested	Date Matures	Book Value	Par Value	Market Value	Market Value Source
1.500%	1.500%	FHLMC-Callable Coupon	01/30/15	01/30/19	1,000,000	1,000,000	1,001,000	Custodian
1.000%	1.034%	FHLB-Callable Coupon	02/26/15	02/26/18	999,000	1,000,000	1,000,070	Custodian
1.400%	1.400%	FHLMC-Callable Coupon	02/27/15	08/24/18	1,000,000	1,000,000	1,004,050	Custodian
1% & Up	2.172%	FHLB-Callable Coupon	02/27/15	02/27/20	1,000,000	1,000,000	999,210	Custodian
1.500%	1.500%	FHLB-Callable Coupon	03/13/15	03/13/19	1,000,000	1,000,000	1,003,820	Custodian
1.330%	1.330%	FHLB-Callable Coupon	03/18/15	09/18/18	1,000,000	1,000,000	1,002,570	Custodian
1.300%	1.300%	FHLB-Callable Coupon	03/30/15	10/30/18	1,000,000	1,000,000	1,007,880	Custodian
1.75% & Up	2.207%	FHLB-Callable Coupon	03/30/15	03/30/20	1,000,000	1,000,000	1,002,380	Custodian
Sub-Total					34,600,250	34,585,000	34,617,768	
Total Investments					38,809,650	38,790,000	38,826,061	

Note: Gov. Agency Coupon Notes will distribute interest every six month.

1-CPNRT=0.75% to 9/15; thereafter 1.5%.

3-CPNRT=0.85% to 9/16; 1% to 9/16; 1.5% to 9/17; thereafter 2.5%.

5-CPNRT=1% to 12/15; 1.25% to 12/16; 2% to 12/17; 3% to 12/18; thereafter 4%.

7-CPNRT=1.75% to 3/17; 2% to 9/18; 2.25% to 3/19; 3% to 9/19; thereafter 4%.

2-CPNRT=0.8% to 9/15; thereafter 1.5%.

4-CPNRT=0.75% to 5/16; 1% to 5/17; 2% to 11/17; thereafter 3%.

6-CPNRT=1% to 2/16; 1.5% to 2/17; 2% to 2/18; 3% to 2/19; thereafter 3.5%.

Interest earnings for the month were as followed:

Investments	Amount Earned/Accrued	Current Yield
Refunding Revenue Bonds - Reserve Fund (Bank of New York Mellon)	\$598	0.278%
Local Agency Investment Fund (LAIF)	29,859	0.970%
CallTrust Short-Term Fund	4,644	0.278%
Reich & Tang Daily Income - US Treasury Money Market Fund	713	0.370%
Sweep Accounts (Wells Fargo Bank/Bank of New York Mellon)	2	0.010%
<b>Total Earnings</b>	<b>\$35,827</b>	<b>0.010%</b>

Schedule of Investment Balance Limitations (Per District investment policy)

The source of the market valuation is as followed:

Investments (Note 1)	Total Amount Invested	% of Total	Max. Limit Allowed
Refunding Revenue Bonds - Reserve Fund (Bank of New York Mellon/LAIF)	\$38,809,650	60.39%	no limit
Reich & Tang Daily Income - US Treasury Money Market Fund (Union Bank)	2,759,453	4.29%	1 yr debt pmt.
Local Agency Investment Fund (LAIF)	1,017	0.00%	no limit
CallTrust Short-Term Fund	20,689,955	32.20%	50,000,000
<b>Total</b>	<b>2,003,629</b>	<b>3.12%</b>	<b>no limit</b>
	<b>\$64,263,704</b>	<b>100.00%</b>	

Note 1: The average weighted duration for investments, excluding LAIF, is 889 days, which is under the assumption that callable coupons will not be called and will be held until maturity.

Note 2: In March 2015, Joint Powers Authority's participation in investment is \$5,962,034.87, of which \$4,024,751.27 (or 67.50%) belongs to LV.

LVMWD Investment Report for the Month Ending March 31, 2015

**Bank Account Balances as of March 31, 2015:**

Bank Name	Account Type	Amount
Wells Fargo Bank	Checking	\$176,569 (Note 3)
Wells Fargo Bank	Sweep	539,127
Bank of New York Mellon	Money Market	-
	<b>Total</b>	<b>\$715,696</b>

Note 3: This is bank balance without adjusting for outstanding checks. The total amount of outstanding checks is unavailable at the time of reporting.

"All District investments are included in this report and all investments, except those relating to debt issues and deferred compensation programs funds, conform to District investment policy. All investment transactions within the period covered by this report, except for the exceptions noted above, conform to District investment policy. Deferred compensation program funds are not included in this report; their investment is directed by individual employees participating in the deferred compensation program and not by the District. Debt issue funds are included in this report; their investment is controlled by specific provisions of the issuance documents and not by the District."

"The deposits and investments of the District safeguard the principal and maintain the liquidity needs of the District, providing the District with the ability to meet expenditure requirements for the next six months. The maturity dates are compatible with foreseeable cash flow requirements. The deposits and investments can be easily and rapidly converted into cash without substantial loss of value."

  
 David W. Pedersen, General Manager

Approved for April 28, 2015 Agenda:

I HEREBY CERTIFY THAT THE FOREGOING IS TRUE AND CORRECT

TO THE BEST OF MY KNOWLEDGE

\_\_\_\_\_  
 Jay Lewitt, Treasurer



### Definitions

- Disc./Cpn Rate – The yield paid by a fixed income security.
- Yield to Maturity – The rate of return of a security held to maturity when interest payments, market value and par value are considered.
- Bullet – A fixed income security that cannot be redeemed by the issuer until the maturity date.
- Callable – A fixed income security that can be redeemed by the issuer before the maturity date.
- Book Value – The price paid for the security.
- Par Value – The face value of a security.
- Market Value – The current price of a security.
- Custodian – The financial institution that holds securities for an investor.

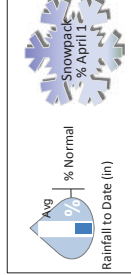
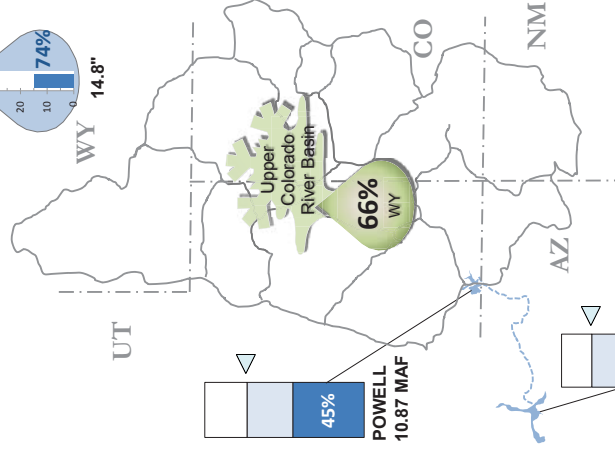
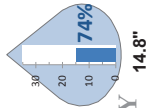
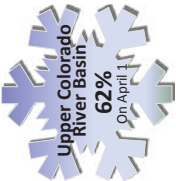
### Investment Abbreviations

- FHLB – Federal Home Loan Bank
- FHLMC – Federal Home Loan Mortgage Corporation (Freddie Mac)
- FNMA – Federal National Mortgage Association (Fannie Mae)
- FFCB – Federal Farm Credit Bank
- Bonds
  - NYCGEN – New York City Transitional Finance Authority Future Tax Secured Bond
  - KYSHSG – Kentucky State Housing
  - Montgomery – Montgomery, AL General Obligation Bond
  - PORTRN – Port Authority of New York & New Jersey Revenue Bond
  - AZSHGR – Arizona Board of Regents University of Arizona System Revenue Bond
  - LVNSCD – Las Virgenes Unified School District
  - NJSMFH – New Jersey State Mortgage Finance & Housing
  - PTS – Port of Seattle
  - ARLDEV – Arlington County Development Authority Revenue Bond

# WATER SUPPLY CONDITIONS CRA

As of: 04/19/2015

**2015 Colorado River**  
**925,000 AF**  
**74% of full CRA**



**MEAD**  
**10.12 MAF**  
**1081.29 FT**

Turn page for more CRA Data

## HIGHLIGHTS

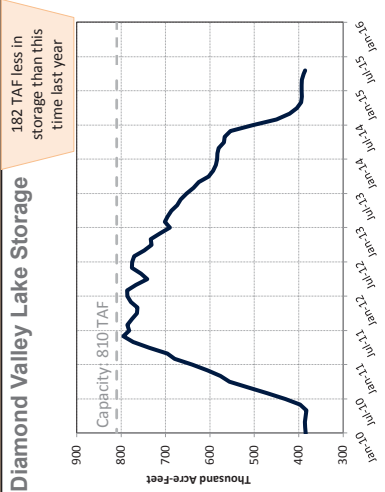
### Colorado River Basin

- Snowpack peaked in mid-March at 76% of April 1 Normal.
- Runoff into Lake Powell is forecasted to be below average at 66%.
- Mild conditions for the first part of week. Widespread precipitation and cooler temperatures late Thursday through weekend.

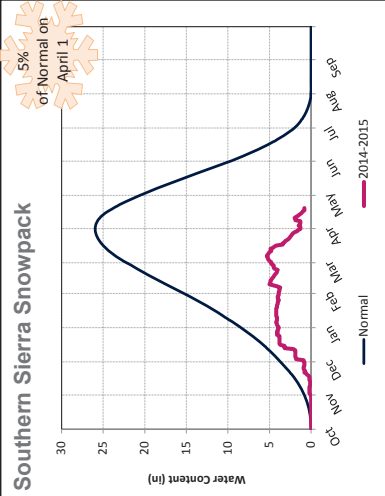
### Northern California

- Snowpack peaked in mid-December at 20% of April 1 Normal.
- Sacramento River Runoff is forecasted to be below average at 52%.
- Warm start to the week. Threat of thunderstorms this week. Increased potential for showery activity late weekend/early next week.

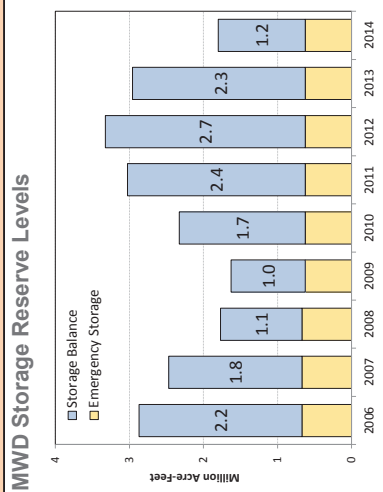
### Diamond Valley Lake Storage



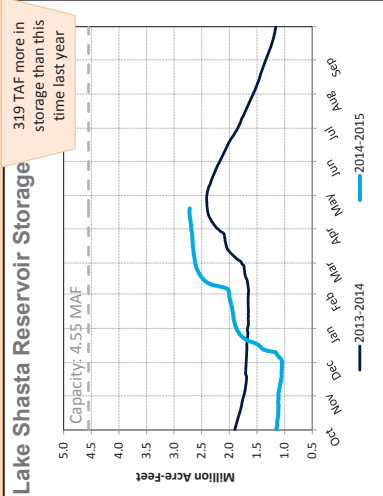
### Southern Sierra Snowpack



### MWD Storage Reserve Levels



### Lake Shasta Reservoir Storage



This report contains information from various federal, state, and local agencies. Metropolitan cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale.

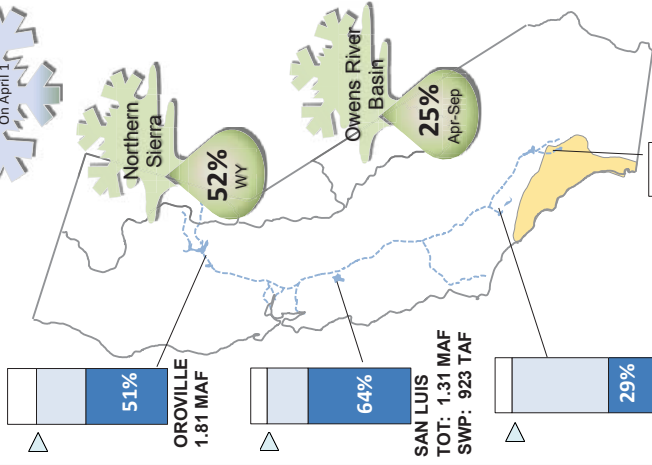
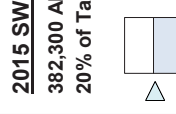
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Flip Over for SWP Data

# WATER SUPPLY CONDITIONS SWP

As of: 04/19/2015

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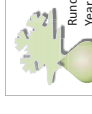


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**SAN LUIS**  
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**SWP: 923 TAF**

**CASTAIC**  
**95 TAF**

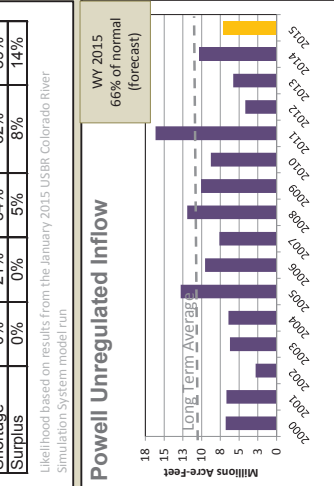
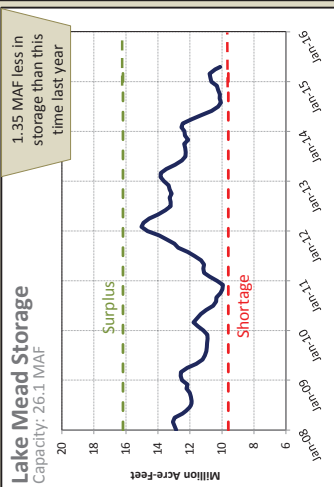
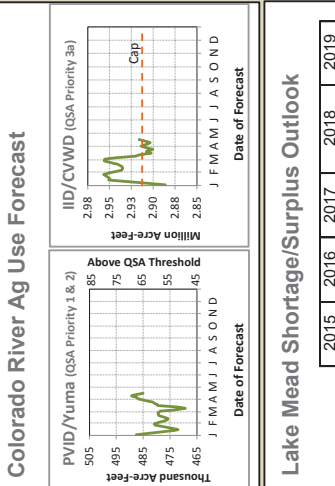
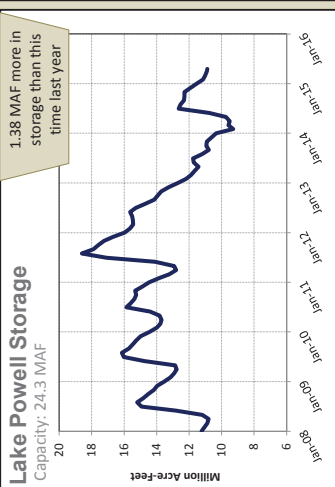
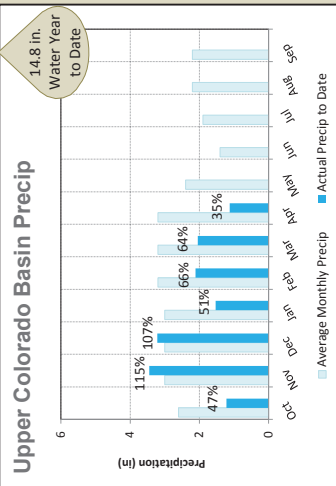
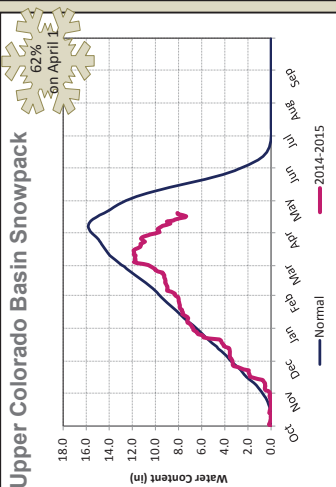
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**386 TAF**



Turn page for more SWP Data

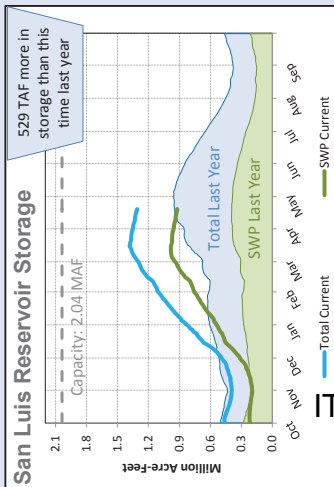
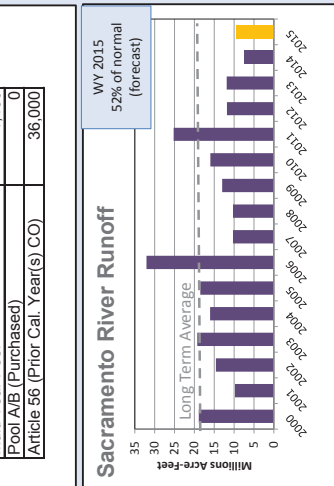
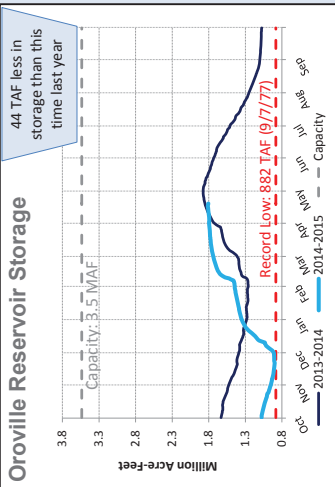
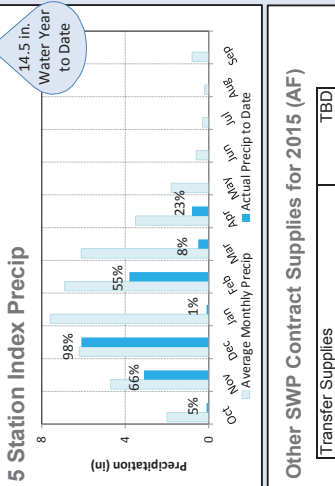
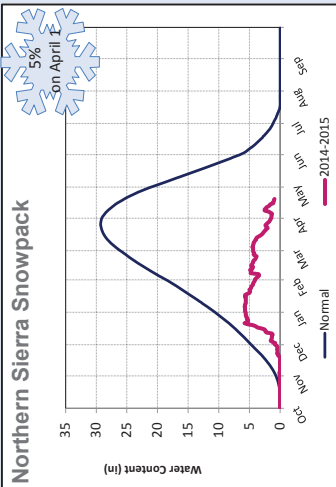
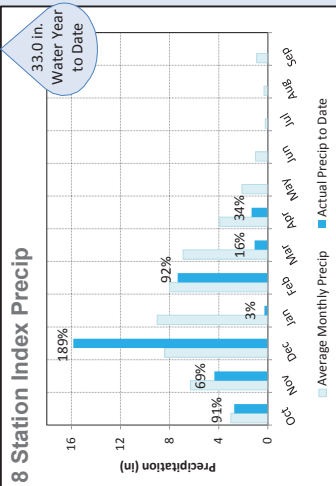
# Colorado River Resources

As of: 04/19/2015



# State Water Project Resources

As of: 04/19/2015





## Drought Update Monday, April 20, 2015

### CURRENT CONDITIONS

**Recent Precipitation:** During the past week, light precipitation brought as much as 1.3 inches in the north coast, on Smith River, and tapered to as little as 0.01 inch along the coastline near Mendocino and along the Oregon border. Precipitation along the northern Sierra ranged from 0.14 to 0.05 inches. The remaining areas of California did not receive traceable precipitation.

Below are precipitations totals (in inches) from Monday, April 13, through Monday, April 20, and year-to-date rainfall based on the water year cycle (October 1, 2014 to September 30, 2015).

- **Bakersfield:** 0.00" (4.59")
- **Folsom Dam:** 0.00" (23.91")
- **Fresno:** 0.00" (5.16")
- **Hetch Hetchy:** 0.00" (15.89")
- **Los Angeles:** 0.00" (7.46")
- **Modesto:** 0.00" (9.77")
- **Oroville:** 0.00" (24.64")
- **Pacific House:** 0.00" (25.88")
- **Redding:** 0.00" (30.92")
- **Riverside:** 0.00" (3.91")
- **Sacramento:** 0.00" (12.63")
- **San Diego:** 0.00" (6.51")
- **Shasta Dam:** 0.00" (48.92")
- **Willits:** 0.00" (37.36")

**Precipitation Forecast:** Light precipitation is expected to spread today and tomorrow (Monday and Tuesday) throughout the Sierra mountain range, interior north coast, and central coast. Wednesday is forecasted to have greater rainfall coverage across the Sierra mountain range in northern California.

**Snow Survey:** The latest [manual snow surveys](#), conducted on April 1, recorded California snowpack at 5 percent of the historic April 1 average. As of April 17, the [automated snow sensors](#) captured the statewide average snowpack conditions at just 4 percent of the long term average. Regionally, the Northern Sierra Nevada and the Southern Sierra Nevada are at 3 percent of average while the Central Sierra Nevada is at 5 percent of average.

**Reservoir Levels (% capacity):** Since the last report on April 10, Central Valley reservoirs from Shasta and Trinity in the North to Isabella in the South had a net loss in storage of 1,200 acre-feet. Shasta Reservoir increased by 11,800 acre-feet, while San Luis Reservoir, an off-stream reservoir for the Central Valley Project and State Water Project, decreased its storage by 13,000 acre-feet.

[Reservoir Levels](#) as of April 16 remain low, including: Castaic Lake 30% of capacity (33% of year to date average); Don Pedro 42% of capacity (58% of average); Exchequer 9% of capacity (16% of average); Folsom Lake 59% of capacity (84% of average); Lake Oroville 51% of capacity (65% of average); Lake Perris 39% (46% of average); Millerton Lake 38% of capacity (55% of average); New Melones 22% of capacity (34% of average); Pine Flat 20% of capacity (33% of average); San Luis 65% of capacity (72% of average); Lake Shasta 60% of capacity (71% of average); and Trinity Lake 49% of capacity (61% of average). An update of water levels at [other smaller reservoirs](#) is also available.

**Fire Activity:** Since the beginning of the year, CAL FIRE has responded to over 780 wildfires across the state, burning 3,436 acres in the State Responsibility Area. This fire activity is above the five year average for the same time period with 479 fires and 1,239 acres burned. CAL FIRE has hired additional seasonal firefighters and trained in preparation for the peak fire season and continues to augment resources throughout the state as needed.

**Statewide Open Burn Ban Update:** Although burn bans have been lifted throughout the State during the winter, restrictions on burning remain in place in many areas. Some jurisdictions still require homeowners to obtain a burn permit. Daily fire and weather conditions will dictate whether burning is permissible that day.

**Vulnerable Water Systems:** The State Water Board [Division of Drinking Water Programs](#) continues to provide technical and funding assistance to several communities facing drinking water shortages, and is monitoring water systems across the state to determine if new support is needed. As of this week, approximately \$14.9 million has been committed for specific emergency drinking water projects out of \$15 million appropriated in March 2014 for this purpose, while more funding for this emergency program has been provided by the recent emergency drought appropriation in March.

### **KEY ACTION ITEMS FROM THIS WEEK**

- **Drought Triggers Need for Emergency Salinity Barrier in Delta:** On April 15, DWR [reported](#) that plans are moving ahead to build a temporary rock barrier in the Sacramento-San Joaquin Delta. The barrier would help deter saltwater from the San Francisco Bay from moving up into the Delta where it could mix with freshwater and threaten drinking water supplies. The emergency barrier would also help mitigate a worst-case circumstance this summer in which upstream reservoirs lack sufficient water to meet the minimum outflow requirements to limit Delta salinity intrusion.
- **State, Federal Agencies and Water Users Agree on Framework for Water Operations:** Federal and state agencies, along with Sacramento River Settlement Contractors, [agreed this week](#) on an integrated framework of actions for operations of the federal Central Valley Project and the State Water Project for mid-April through November. The actions will flexibly manage and operate the system to serve multiple beneficial purposes that include water for cities and rural communities, farms, fish and wildlife and their habitats in the Sacramento Valley. A [fact sheet](#) released by the agencies summarizes this agreement.
- **Fish and Game Commission Approves Emergency Fishing Closure on Part of Upper Sacramento River:** On April 17, the state Fish and Game Commission approved the Department of Fish and Wildlife's (DFWs) recommendation to provide [dual areas of protection](#) for Sacramento River winter-run Chinook salmon, which closes all fishing on the 5.5 mile stretch of the Upper Sacramento River near the City of Redding. The closure will protect critical spawning habitat and eliminate any incidental stress or hooking mortality of winter-run salmon by anglers.

In addition, DFW, in consultation with representatives of California's sport and commercial salmon fishing industries, recommended additional strategic protective measures for winter-run Chinook salmon to the Pacific Fishery Management Council (PFMC) which reduce the allowable ocean harvest rate on winter-run salmon and change the timing and location of ocean fisheries south of San Francisco. This proposal for additional ocean fishing restrictions was accepted and will help the winter-run population to avoid losses.

- **State Water Board Issues Curtailment Orders:** On April 17, the State Water Board issued a curtailment order for Deer Creek, a tributary to the Sacramento River, which follows a similar order of April 3 for Antelope Creek. Both of these orders are intended to protect salmon and steelhead. Further curtailment orders for the Scott River post-1914 and surplus water rights, and San Joaquin River post-1914 water rights are expected between April 20 and April 24. The Water Board requires water rights holders to curtail their diversion of surface water supplies when rivers and streams reach critically low levels. These curtailments often translate to significant cuts to agricultural irrigation.
- **Draft Regulations Released for Water Use Reduction:** On April 18, the State Water Board released [draft regulations](#) to achieve a 25% statewide reduction in water use across California cities and towns. These draft regulations for local urban water agencies were developed from feedback that the Water Board received after it released a draft framework for the regulations earlier this month. A [fact sheet](#) summarizes the draft regulations. Water agencies are asked to comment on these regulations by April 22, which will inform the final draft of regulations that will be considered by the Water Board in early May. More information on this process can be found on the [Water Board's website](#).

In addition, the State Water Board will complete and notice the emergency regulations to achieve the Executive Order mandate for statewide 25% reduction in potable urban water usage on April 28.

- **DWR's Groundwater Update Report Support Implementation of New Groundwater Sustainability Act:** On April 16, DWR [announced](#) their completion of the Groundwater Update to the California Water Plan. The Update expands and enhances baseline groundwater information on a regional scale, identifies challenges associated with sustainable groundwater management and helps guide implementation of diverse resource management strategies. Statewide and regional findings, data gaps and recommendations to improve groundwater management are also included.
- **Emergency Food Aid, Rental, and Utility Assistance:** The Department of Social Services (CDSS) has provided to date over 598,850 boxes of food to community food banks in drought-impacted counties. Approximately 543,050 boxes of food have been picked up by 284,742 households. By Friday, April 24, an additional 9,600 boxes will be delivered to four counties. Local food banks continue to target food aid to residents most impacted by drought.

The non-profit group La Cooperativa continues to distribute the \$10 million state-funded emergency rental assistance to impacted families and individuals across counties most impacted by the drought. As of Thursday, April 9, the Department of Housing and Community Development (HCD) has reported that a total of \$8,678,648 is committed; and \$7,502,890 in funds has been issued to 4,555 applicants in 21 counties.

The Department of Community Services and Development (CSD) allocated an additional \$600,000, under the federally-funded Community Services Block Grant (CSBG), to continue the [Drought Water Assistance Program \(DWAP\)](#) pilot project which provides financial assistance to help low-income families pay their water bills.

This program targets low-income families in 10 counties identified as experiencing a high unemployment rate, high share of agricultural workers and designated to have “exceptional” drought conditions according to the U.S. Drought Monitor Classification System. These counties are Fresno, Kern, Kings, Madera, Merced, Monterey, San Benito, Santa Cruz, Stanislaus and Tulare. CSD is finalizing the contract terms and anticipates funding to begin May 1, 2015.

CSD is in the process of allocating \$400,000, under CSBG, to continue the Migrant and Seasonal Farmworker (MSFW) drought assistance program, which provides assistance in employment training and placement services to individuals impacted by the drought. This program has been provided in coordination with the California Human Development (CHD), Central Valley Opportunity Center (CVOOC), and Center for Employment Training (CET) and Proteus, which provides employment training and placement services to migrant and seasonal farmworkers suffering job loss or reduced employment due to the drought. CSD is finalizing contract terms with these organizations and anticipates services to begin June 1, 2015.

- **California’s Water Conservation Education Program Kicks off New Campaign:** A day after Governor Jerry Brown’s historic drought executive order including mandatory water conservation, Save Our Water [launched](#) “Keep Saving CA,” a statewide public education campaign that gives Californians a pat on the back for their water-saving efforts to date – and asks them to do more. Save Our Water is a partnership between the Association of California Water Agencies (ACWA) and the Department of Water Resources. The Keep Saving CA campaign will run through the end of June and includes billboards, outdoor media, traditional and digital radio, digital and social media, and on-the-street efforts that will be seen and heard throughout the state. The campaign includes a robust new website loaded with easy-to-use water-saving tips at [saveourwater.com](http://saveourwater.com). Save Our Water connects with Californians on its [Facebook](#) page, [Twitter](#) and [Instagram](#) accounts.
- **LAO Says Actual Statewide Economic Impacts of Drought Are Limited:** This report suggested that even a substantial decline in agriculture’s share of the economy due to the drought will probably have limited impacts on the overall statewide economic activities this year. On April 15, the Legislative Analyst Office (LAO) [reported](#) that agriculture generates only about 2% of the state’s gross domestic product and contributes to only 3% of the state’s related businesses and jobs.
- **Policy Summit to Explore Impacts of Illegal Marijuana Grows:** On, April 29, a [special policy summit](#) at the State Capitol will explore the environmental impacts and public safety challenges arising from illegal marijuana cultivation in California. State agencies will be participating in this summit.
- **Drought Response Funding:** The \$687 million in state drought funding that was appropriated last March through emergency legislation, as well as \$142 million provided in the 2014 Budget Act, continues to advance toward meeting critical needs. To date, \$236 million has been expended, and nearly \$625 million of the emergency funds appropriated in March came from sources dedicated to capital improvements to water systems. Since March, the Department of Water Resources has expedited grant approvals, getting \$21 million immediately allocated to grantees that were pre-approved for certain projects.

As planned in March, the next \$200 million of expedited capital funding was awarded in October, and the remaining \$250 million will be granted by fall 2015. The 2014 Budget Act appropriated an additional \$53.8 million to CAL FIRE over its typical budget to enhance firefighter surge capacity and retain seasonal firefighters beyond the typical fire season. In the event drought conditions continue through next year, the proposed 2015-16 Governor's Budget includes an additional \$115 million to continue critical drought response efforts.

- **Governor's Drought Task Force:** The Task Force continues to take actions that conserve water and coordinate state response to the drought.

### **Local Government**

- **MWD Board Approves Plan to Cut Deliveries to Member Agencies by 15% beginning July 1:** On April 14, the Metropolitan Water District of Southern California Board approved an allocation plan that will [cut imported water deliveries](#) to its member agencies by 15% starting July 1. The board also passed a resolution endorsing Governor Brown's April 1 Executive Order which calls for a mandatory 25% reduction in urban water use.
- **Local Emergency Proclamations:** A total of 54 local Emergency Proclamations have been received to date from city, county, and tribal governments, as well as special districts:
  - **24 Counties:** El Dorado, Glenn, Inyo, Humboldt, Kern, Kings, Lake, Madera, Mariposa, Merced, Modoc, Plumas, San Bernardino, San Joaquin, San Luis Obispo, Santa Barbara, Shasta, Siskiyou, Sonoma, Sutter, Trinity, Tulare, Tuolumne, and Yuba.
  - **9 Cities:** City of Live Oak (Sutter County), City of Lodi (San Joaquin County), City of Montague (Siskiyou County), City of Portola (Plumas County), City of Ripon (San Joaquin County), City of San Juan Bautista (San Benito County), City of Santa Barbara (Santa Barbara County), and City of West Sacramento (Yolo County), and City of Willits (Mendocino County).
  - **9 Tribes:** Cortina Indian Rancheria (Colusa County), Hoopa Valley Tribe (Humboldt County), Karuk Tribe (Siskiyou/Humboldt Counties), Kashia Band of Pomo Indians of the Stewarts Point Rancheria (Sonoma County), Picayune Rancheria of Chukchansi Indians (Madera County) Sherwood Valley Pomo Indian Tribe (Mendocino County), Tule River Indian Tribe (Tulare County), Yocha Dehe Wintun Nation (Yolo County), and Yurok Tribe (Humboldt County).
  - **12 Special Districts:** Carpinteria Valley Water District (Santa Barbara County), Goleta Water District (Santa Barbara County), Groveland Community Services District (Tuolumne County), Lake Don Pedro Community Services District (Mariposa Stanislaus County), Mariposa Public Utility District (Mariposa County), Meiners Oaks Water District (Ventura County), Montecito Water District (Santa Barbara County), Mountain House Community Service District (San Joaquin County), Nevada Irrigation District (Nevada County), Placer County Water Agency (Placer County), Tuolumne Utilities District (Tuolumne County), and Twain Harte Community Services District (Tuolumne County).



- **Water Agency Conservation Efforts:** The Association of California Water Agencies (AWCA) [has identified](#) several hundred local water agencies that have implemented water conservation actions. These water agencies [are responding to the drought](#) by implementing conservation programs, which include voluntary calls for reduced water usage and mandatory restrictions where water shortages are worst.
- **County Drought Taskforces:** A total of 29 counties have established drought task forces to coordinate local drought response. These counties include: Butte, Glenn, Humboldt, Imperial, Kern, Kings, Lake, Madera, Mendocino, Merced, Modoc, Monterey, Nevada, Orange, Placer, Plumas, Sacramento, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, and Yolo.
- **Tribal Taskforce:** A total of 4 tribes have established drought task forces to coordinate tribal drought response. These tribes include: Hoopa Valley Tribe (Humboldt County), Yurok Tribe (Humboldt Counties) and Sherwood Valley Tribe (Mendocino County), and Kashia Band of Pomo Indians (Sonoma County).

#### DROUGHT RELATED WEBSITES FOR MORE INFORMATION

##### [Drought.CA.Gov](#): California's Drought Information Clearinghouse

State's Water Conservation Campaign, [Save our Water](#)  
Local Government, [Drought Clearinghouse and Toolkit](#)

California Department of Food and Agriculture, [Drought information](#)  
California Department of Water Resources, [Current Water Conditions](#)  
California Data Exchange Center, [Snow Pack/Water Levels](#)  
California State Water Resources Control Board, Water Rights, [Drought Info and Actions](#)  
California Natural Resources Agency, [Drought Info and Actions](#)  
State Water Resources Control Board, Drinking Water, [SWRCB Drinking Water Program](#)  
California State Water Project, [Information](#)

[U.S. Drought Monitor](#) for Current Conditions throughout the Region  
[U.S. Drought Portal](#), National Integrated Drought Information System (NIDIS)  
National Weather Service [Climate Predictor Center](#)  
USDA Drought Designations by County [CA County Designations](#)  
USDA Disaster and Drought Assistance Information [USDA Programs](#)  
U.S. Small Business Administration Disaster Assistance Office: [www.sba.gov/disaster](http://www.sba.gov/disaster)



# Fact Sheet

## ***GENERAL INFORMATION***

### **MANDATORY RESTRICTIONS TO ACHIEVE A 25% STATEWIDE REDUCTION IN POTABLE URBAN WATER USE**

With California facing one of the most severe droughts on record, Governor Brown declared a drought State of Emergency in January 2014 and issued a series of Executive Orders in April and September 2014 and January 2015, that streamline the State's drought response and makes California more drought resilient for the future.

The April 2014 Executive Order asked the State Water Board to assess voluntary conservation levels for urban water agencies and granted authority to adopt emergency conservation regulations, which the Board did in July of 2014 and updated in March of 2015. With the lowest snowpack on record and a lack of sufficient conservation to deal with the continuing drought emergency, the Governor, on April 1, 2015, directed the State Water Board to implement mandatory water reductions in urban areas to reduce potable urban water usage by 25 percent statewide. He also directed that this regulation take into account the different levels of conservation already achieved by communities based upon their relative per capita water usage.

This savings amounts to approximately 1.3 million acre-feet of water over the next nine months, or nearly as much water as is currently in Lake Oroville. To achieve these savings, the State Water Board is expediting an emergency regulation to set usage targets for communities around the State.

The Board's task is to implement a regulation which is equitable, achievable, and enforceable for every urban water supplier in the state, and which can be implemented quickly given the state of the drought and the uncertainty of when it will end. To maximize input in a short amount of time, the Board began discussions with water suppliers, stakeholder groups, and others to solicit feedback on approach on the day that the Executive Order was issued.

On April 7, 2015, the Board released a draft framework and received more than 250 comments. Suggestions from the comments were incorporated into the draft regulation issued on April 17, 2015. The Board is soliciting additional comment on the draft regulation by April 22. The draft regulation will be further refined based on comments received and the Notice of Proposed Emergency Rulemaking and accompanying documents will be released on April 28<sup>th</sup> for public comment and consideration by the Board at its May 5-6, 2015 meeting.





### Content of Emergency Regulation

This emergency regulation will address the following provisions of the April 1, 2015 [Executive Order](#) :

- Ordering Provision 2: Mandatory 25% reduction in potable urban water use with recognition of past conservation achievements;
- Ordering Provision 5: Reductions in potable water use at commercial, industrial and institutional properties;
- Ordering Provision 6: Prohibition on using potable water for irrigation of ornamental turf in street medians; and
- Ordering Provision 7: Prohibition on using potable water for irrigation outside of new home construction without drip or microspray systems.

This emergency regulation does not address rate structures and other pricing mechanisms required by Ordering Provision 8, which will be developed separately.

### Schedule for Adoption and Implementation of the Emergency Regulation

Stakeholder comments on the proposed emergency regulation must be submitted by **Wednesday April 22, 2015**. Staff will use those comments to finalize the draft emergency regulation, which will be published on April 28, 2015, along with supporting documents. Final public comment on the emergency regulation can be made at the Board meeting on May 5, 2015. The specific prohibitions in the emergency regulation will take effect immediately upon approval by the Office of Administrative Law. Urban water suppliers will be expected to begin implementing measures to meet their mandatory reduction targets by June 1, 2015 to ensure maximum conservation during the summer months. The schedule is listed below.

- |   |                |
|---|----------------|
| • Notice announcing release of draft regulation for informal public comment   | April 17, 2015 |
| • Deadline for comment on draft regulation                                    | April 22, 2015 |
| • Formal Notice of Proposed Rulemaking and written comment period             | April 28, 2015 |
| • Board hearing and adoption  | May 5-6, 2015  |
| • Office of Administrative Law approval                                       | May 15, 2015   |
| • Specific prohibitions become effective                                      | May 15, 2015   |
| • First (June) report on water production and other conservation measures due | July 15, 2015  |

### How to Provide Input

Information including discussion drafts, draft regulations and related materials is available on the State Water Board's website at:

[http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/drought/emergency\\_mandatory\\_regulations.shtml](http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/emergency_mandatory_regulations.shtml) .

Written comment and questions can be sent to Jessica Bean at [jessica.bean@waterboards.ca.gov](mailto:jessica.bean@waterboards.ca.gov) .



# Fact Sheet

## **DRAFT REGULATIONS IMPLEMENTING 25% CONSERVATION STANDARD**

On April 1, 2015, Governor Jerry Brown issued the fourth in a series of Executive Orders on actions necessary to address California's severe drought conditions. With snowpack water content at a record low level of 5 percent of average for April 1st, major reservoir storage shrinking each day as a percentage of their daily average measured over the last several decades, and groundwater levels continuing to decline, urgent action is needed. The April 1 Executive Order requires, for the first time in the State's history, mandatory conservation of potable urban water use. Commercial agriculture in many parts of the State has already been notified of severe cutbacks in water supply contracted through the State and Federal Water Projects and is bracing for curtailments of surface water rights in the near-term. Conserving water more seriously now will forestall even more catastrophic impacts if it does not rain next year.

### **Early Input**

To maximize input in a short amount of time, the State Water Board released a proposed regulatory framework for implementing the 25% conservation standard mandated by the Executive Order on April 7, 2015. This will result in water savings amounting to approximately 1.3 million acre-feet of water over the next nine months, or nearly as much water as is currently in Lake Oroville. Draft regulations are now available for informal public comment that consider and incorporate the input contained in over 250 comments submitted by water suppliers, local government, businesses, individuals, and non-governmental organizations. Key areas of comment focused on the methodology behind the assignment of conservation standards, the availability of exclusions or adjustments under defined conditions, how to approach the commercial, industrial and institutional (CII) sector, the requirements for smaller water suppliers, and the approach to enforcement.

### **What's Next**

During this second informal comment period, we are soliciting feedback on the updated approach reflected in the draft regulation as well as comment on the specific regulatory language. Please submit comments by email to Jessica Bean at [Jessica.Bean@waterboards.ca.gov](mailto:Jessica.Bean@waterboards.ca.gov) by April 22, 2015. The draft regulation will be further refined based on comments received and the Notice of Proposed Emergency Rulemaking and accompanying revised regulatory language will be released on April 28<sup>th</sup> for public comment and consideration by the Board at its May 5-6, 2015 regular business meeting.





## Draft Regulation - Key Provisions

### Conservation Standard for Urban Water Suppliers

As drought conditions continue, all water suppliers will need to do more to meet the statewide 25% conservation standard. Many communities around the State have been conserving for years. Some of these communities have achieved remarkable results with residential water use now hovering around the statewide target for indoor water use, while others are using many times more. Everyone must do more, but the greatest opportunities to meet the statewide 25% conservation standard now exist in those areas with higher water use. Often, but not always, these water suppliers are located in areas where the majority of the water use is directed at outdoor irrigation due to lot size and other factors.

In response to comments and suggestions, the draft regulation assigns urban water suppliers to a tier of water reduction based upon three months of summer residential gallons-per-capita-per-day data (July-September). These three months reflect the amount of water used for summer outdoor irrigation, which provides the greatest opportunity for conservation savings.

The number of tiers has more than doubled, from the proposed regulatory framework, to more equitably allocate the conservation savings necessary to reach the statewide 25 percent reduction mandate. This updated approach lessens the disparities in reduction requirements between agencies that have similar levels of water consumption, but fall on different sides of dividing lines between tiers. Suppliers that were in the 35% reduction tier in the prior proposal may now be in the 32% or 28% tier if their summer 2014 R-GPCD was below 210. Adding additional tiers to the conservation framework also better reflects past conservation efforts because water suppliers that have reduced use prior to the drought will have a lower R-GPCD and lower conservation standard than water suppliers with similar climate and density factors where R-GPCD remains high.

Urban water suppliers (serving more than 3,000 customers or delivering more than 3,000 acre feet of water per year and accounting for more than 90% of urban water use) will be assigned a conservation standard, as shown in the following table:

Tier	R-GPCD Range		# of Suppliers in Range	Conservation Standard
	From	To		
1	reserved		0	4%
2	0	64.99	23	8%
3	65	79.99	21	12%
4	80	94.99	42	16%
5	95	109.99	41	20%
6	110	129.99	51	24%
7	130	169.99	73	28%
8	170	214.99	66	32%
9	215	612.00	94	36%

The Smith family of three learns that their water district must reduce water use by 12 percent. A manufacturing plant uses 20 percent of the water and cannot reduce its use. So, residents are told to reduce their use by 15 percent to meet the overall 12 percent target. The Smith family uses an average of 210 gallons per day (or about 70 gallons per person), 165 gallons for indoor use and 45 gallons for watering their small yard. To meet the 15% reduction requirement they must bring their total water use down to about 180 gallons per day. This is equivalent to about 60 gallons per person per day.



The Jones family of four learn that their water district must reduce water use by 32 percent. An oil refinery uses 10 percent of the district's water and cannot reduce its use. Their city also has many small businesses, and a golf course, which can reduce use by more than 10 percent. The residents must now reduce their use by 30 percent to meet the overall 32 percent target. The Jones family uses an average of 1,200 gallons per day (or about 300 gallons per person); 300 gallons for indoor use and 900 gallons outdoors, to irrigate a large yard that includes grass and fruit trees. To cut water use by 30 percent, the Jones' must cut their water use by 360 gallons per day to 840 gallons which is equivalent to 210 gallons per person per day.

The draft regulation describes two situations where water suppliers could request to modify their total water use or be placed into a lower conservation tier:

1. Urban water suppliers delivering more than 20 percent of their total water production to commercial agriculture may be allowed to modify the amount of water subject to their conservation standard. These suppliers must provide written certification to the Board to be able to subtract the water supplied to commercial agriculture from their total water production for baseline and conservation purposes.
2. Urban water suppliers that have a reserve supply of surface water that could last multiple years may be eligible for placement into lower conservation tier. Only suppliers meeting the eligibility criteria will be considered. These criteria relate to the source(s) of supply, precipitation amounts, and the number of years that those supplies could last.

There are no specific use reduction targets for commercial, industrial, and institutional users served by urban and all other water suppliers. Water suppliers will decide how to meet their conservation standard through reductions from both residential and non-residential users. Water suppliers are encouraged to look at their commercial, institutional and industrial properties that irrigate outdoor ornamental landscapes with potable water for potential conservation savings.

*An open question is whether the draft regulation should allow multiple suppliers to join together to meet a collective conservation standard. In order to achieve a statewide 25% reduction in urban water use, the group as a whole would need to achieve the same amount of water savings as they would as individual suppliers. This approach could provide additional flexibility in achieving the conservation standard and allow for uniform messaging and implementation across contiguous service areas. There are many uncertainties, however, related to the appropriate geographic scope, group leadership, compliance assessment, accountability, and enforcement. Input is requested regarding how a collective approach could be administered that addresses these uncertainties and achieves the required reduction in water use.*

### **Conservation Standard For All Other Water Suppliers**

Under the current proposal, smaller water suppliers (serving fewer than 3,000 connections) will be required to achieve a 25% conservation standard or restrict outdoor irrigation to no more than two days per week. Commercial, industrial, and institutional users with independent supplies will also be required to reduce usage by 25% or restrict outdoor irrigation to no more than two days per week. These smaller urban suppliers serve less than 10% of Californians.



## **End-User Requirements**

The new prohibitions in the Executive Order apply to all Californians and will take effect immediately upon approval of the regulation by the Office of Administrative Law. These include:

- Irrigation with potable water of ornamental turf on public street medians is prohibited; and
- Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.

Commercial, industrial and institutional properties under Provision 5 of the Executive Order with an independent source of water supply (not served by a water supplier), are required under the draft regulation to either limit outdoor irrigation to two days per week or achieve a 25% reduction in water use. Often, these properties have large landscapes that would otherwise not be addressed by this regulation.

It will be very important as these provisions are implemented to ensure that existing trees remain healthy and do not present a public safety hazard. Guidance on the implementation of both prohibitions will be developed.

## **New Reporting Requirements**

Total monthly water production and specific reporting on residential use and enforcement as laid out in the previously adopted emergency regulations will remain in effect. Because the conservation standard applies to total water production, the draft regulation expands the reporting to include information on water use in the commercial, industrial, and institutional sectors. Small water suppliers with fewer than 3,000 service connections will be required to submit a single report on December 15, 2015 that provides their water production from June-November 2015 and June-November 2013. In addition, they must report on the number of days per week outdoor irrigation is allowed.

Commercial, industrial, and institutional facilities with an independent source of supply (they are not served by a water supplier) will not be required to submit a report; however they should be prepared to demonstrate their compliance with the two day per week watering restriction or the 25% reduction in water use if requested to do so by the Board.

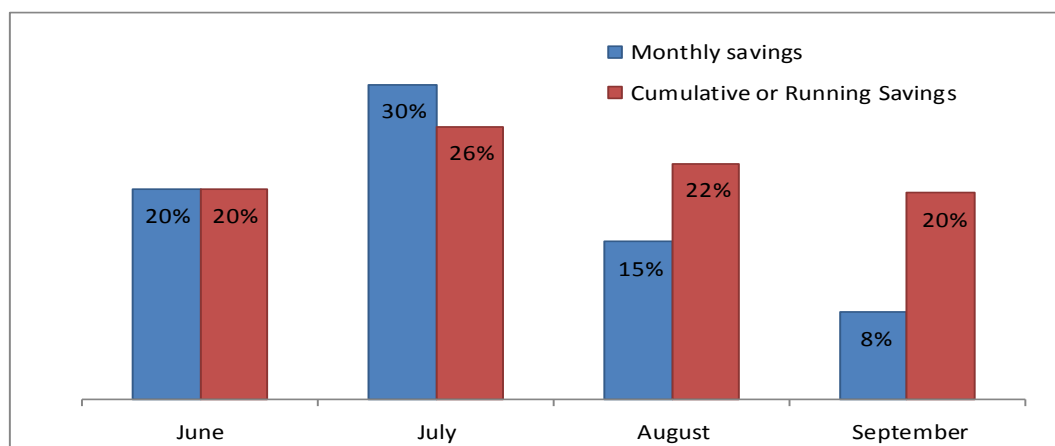
## **Compliance Assessment**

In many communities around the state, over half (and up to 80 percent) of total residential water use is for outdoor irrigation during the summer months. With summer just around the corner, bringing with it the greatest opportunity for making substantial conservation gains, immediate action is essential. As a result, the Board will begin assessing compliance with the submittal of the June monthly report on July 15, 2015.

Commenters pointed out that a month-by-month comparison of the percentage reduction in water use is confusing to the public because of the potentially wide variation in results due to temperatures, precipitation, and other factors. Several comments suggested using a 12-month rolling average; however a cumulative approach will also eliminate the wide swings that can occur in a month-by-month comparison and give a more accurate sense of progress. Beyond June, the Board will track compliance on a cumulative basis. Cumulative tracking means that conservation savings will be added together from one month to the next and compared to the amount of water used during the same months in 2013. This tracking will look like the sample graph below.

## Example Comparison of Monthly Savings and Cumulative or Running Savings

	2013 Water Use	2015 Water Use	Monthly savings	Cumulative or Running Savings
<b>June</b>	1000	800	20%	20%
<b>July</b>	1500	1050	30%	26%
<b>August</b>	1200	1020	15%	22%
<b>September</b>	900	825	8%	20%



Two additional tools are included in the draft regulation to both expedite the investigation of water suppliers not meeting their conservation standard and require the implementation of actions to correct this situation. A new informational order is proposed that water suppliers would be required to respond to or face immediate enforcement. The proposed conservation order can be used to direct specific actions to correct non-compliance. Both of these tools are tailored to the emergency circumstances that the State finds itself in as a result of continuing drought conditions. Violation of an information or conservation order carries a penalty of up to \$500 per day.

The Board will work with water suppliers along the way that are not meeting their targets to implement actions to get them back on track. These actions could include changes to rates and pricing, restrictions on outdoor irrigation, public outreach, rebates and audit programs, leak detection and repair, and other measures. The Board may use its enforcement tools to ensure that water suppliers are on track to meet their conservation standards at any point during the 270 days that the emergency regulation is in effect.

### **In Conclusion**

The Board received many comments on how to incorporate factors correlated with water use, such as climate, density, past conservation achievements, growth, and others. Many of these factors are accounted for in the State's 20x2020 conservation approach adopted in 2009, and they are relevant to a longer-term conservation policy. While the draft regulation does not directly adjust the conservation standards based on climate or other factors, the increase in the number of tiers gives many communities in the hotter, inland areas a lower conservation standard than they would have otherwise been subject to.





There were also many comments that discussed how recycled water and other new sources of water supply should factor in to the conservation standard. Many suggested that potable recycled water supplies be excluded from the amount of water subject to the conservation standard and that a credit system be established to also recognize investments made in developing non-potable recycled water supplies (which are not included in Total Water Production). Both of these sources of supply add resiliency and are key to a more sustainable water future. These suggestions were not integrated into the draft regulations because while the State, our federal government partners and local governments have provided much needed capital to make these projects work; they are still sources of supply that need to be managed judiciously, especially in times of drought.

The staff appreciates the extensive input submitted from individuals, communities and organizations around the State. In particular, comments that targeted specific concerns and provided specific solutions were very well received. There has been a wealth of input on actions that are more appropriately dealt with over the longer term, not necessarily in this rulemaking. These suggestions will be considered as the Board moves forward in establishing permanent regulations for water usage, conservation, and reporting under Provision 9 of the Executive Order as well as additional temporary emergency regulations that may be needed if it does not rain significantly next winter.

## PROPOSED TEXT OF EMERGENCY REGULATION

### Article 22.5. Drought Emergency Water Conservation.

#### Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 28, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

~~(34)~~ The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

~~(45)~~ The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

~~(56)~~ The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Sections 102, 104 and 105, Water Code.

#### Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; ~~and~~

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased-;

(7) The irrigation with potable water of ornamental turf on public street medians;  
and

(8) The irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties not served by a water supplier meeting the requirements of Water Code section 10617 or section 350 shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Reduce potable water usage by 25 percent for the months of June 2015 through February 2016 as compared to the amount used for the same months in 2013.

(ed) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivisions (b) or (c), in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Section 1058.5, Water Code.

References: Sections 102, 104, ~~and~~ 105, 350, and 10617, Water Code.

#### Sec. 865. Mandatory Actions by Water Suppliers.

(a) The term "urban water supplier," when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

~~(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that imposes includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed, or shall amend its water shortage contingency plan to include mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed and implement these restrictions within forty five (45) days. Urban water suppliers with approved alternate plans as described in subdivision (b)(2) are exempted from this requirement.~~

~~(2) An urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water~~

~~Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.~~

~~———— (c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan that restricts the number of days that outdoor irrigation of ornamental landscapes and turf with potable water is allowed, or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within forty five (45) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.~~

(db) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15<sup>th</sup> of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, ~~and~~ the number of days that outdoor irrigation is allowed, monthly commercial sector use, monthly industrial sector use, and monthly institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's April 1, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region and that received average annual precipitation in 2014 may, notwithstanding its average July-September 2014 R-GPCD, submit for Executive Director approval a request to reduce its total water usage by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier's service area received average annual precipitation in 2014.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total water usage by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was between 65 and 79.9 shall reduce its total water usage by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was between 80 and 94.9 shall reduce its total water usage by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was between 95 and 109.9 shall reduce its total water usage by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was between 110 and 129.9 shall reduce its total water usage by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was between 130 and 169.9 shall reduce its total water usage by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was between 170 and 214.9 shall reduce its total water usage by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was greater than 215 shall reduce its total water usage by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified subdivision (c).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis.

(e) Each urban water supplier that serves 20 percent or more of its total production for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (a) may subtract the amount of water supplied for commercial agricultural use from its water production total, provided that the supplier complies with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order. Each urban water supplier that serves 20 percent or more of its total production for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (a) shall certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (a), and shall report its total water production pursuant to subdivision (b)(2), identifying the total amount of water supplied for commercial agricultural use.

(ef)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, ~~within forty five (45) days,~~ take one or more of the following actions:

(4A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2B) Implement another mandatory conservation measure or measures intended to achieve a ~~20~~25 percent reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(2) Each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall submit a report by December 15, 2015, on a form provided by the Board, that includes:

(A) Total potable water production, by month, from June through November, 2015, and total potable water production, by month, for June through November 2013; or

(B) Confirmation that the distributor limited outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

Authority: Section 1058.5, Water Code.

References: Sections 102, 104, 105, 350, 1846, 10617 and 10632, Water Code.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or his designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) All conservation orders issued under this article shall be subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the California Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties not served by a water supplier meeting the requirements of Water Code section 10617 or section 350, to submit additional information beyond that required to be reported pursuant to the other provisions of this article. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

Authority: Section 1058.5, Water Code.

References: Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code.

Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Arcata City of	499,104,000	495,047,000	4,057,000	1%	43.5	2	8%
San Francisco Public Utilities Commission	20,365,410,000	18,717,900,000	1,647,510,000	8%	45.4	2	8%
Santa Cruz City of	2,527,700,000	1,933,400,000	594,300,000	24%	47.3	2	8%
California Water Service Company South San Francisco	2,075,673,590	1,907,534,254	168,139,336	8%	48.8	2	8%
California-American Water Company Monterey District	2,903,844,543	2,590,336,368	313,508,175	11%	51.3	2	8%
California Water Service Company East Los Angeles	3,998,522,861	3,819,956,279	178,566,582	4%	51.4	2	8%
Vernon City of	1,907,061,769	1,788,380,162	118,681,607	6%	51.6	2	8%
California-American Water Company San Diego District	2,795,094,888	2,578,195,144	216,899,744	8%	51.9	2	8%
Cambria Community Services District	166,216,813	95,513,570	70,703,243	43%	54.4	2	8%
East Palo Alto, City of	409,886,088	454,911,335	-45,025,247	-11%	55.6	2	8%
Park Water Company	2,833,164,110	2,598,821,539	234,342,571	8%	55.6	2	8%
San Bruno City of	929,865,974	849,620,197	80,245,777	9%	55.7	2	8%
Golden State Water Company Bell-Bell Gardens	1,279,423,043	1,208,354,847	71,068,196	6%	58.4	2	8%
Daly City of	1,888,066,301	1,622,632,784	265,433,517	14%	58.8	2	8%
North Coast County Water District	809,332,364	713,333,361	95,999,003	12%	59.5	2	8%
Westborough Water District	257,568,499	213,776,790	43,791,709	17%	59.5	2	8%
Coastside County Water District	565,550,000	524,430,000	41,120,000	7%	61.9	2	8%
Grover Beach City of	352,828,667	208,202,769	144,625,897	41%	62.1	2	8%
Hayward City of	4,474,967,937	3,957,222,483	517,745,455	12%	62.1	2	8%
Redwood City City of	2,525,846,774	2,179,170,327	346,676,447	14%	63.4	2	8%
Compton City of	1,858,895,919	1,837,323,747	21,572,172	1%	63.6	2	8%
Soquel Creek Water District	1,046,626,000	826,889,000	219,737,000	21%	64.3	2	8%
Seal Beach City of	905,215,264	856,337,550	48,877,714	5%	64.7	2	8%
Inglewood City of	2,457,964,645	2,284,776,001	173,188,643	7%	65.1	3	12%
Goleta Water District	3,523,431,480	3,053,227,871	470,203,609	13%	65.5	3	12%
Golden State Water Company Florence Graham	1,246,577,219	1,227,482,326	19,094,894	2%	66.5	3	12%
Oxnard City of	5,742,131,037	5,086,123,686	656,007,351	11%	66.6	3	12%
Paramount City of	1,628,999,712	1,623,382,034	5,617,679	0%	67.0	3	12%
Port Hueneme City of	500,546,894	456,100,759	44,446,135	9%	67.2	3	12%
California Water Service Company King City	428,820,478	403,729,918	25,090,560	6%	67.7	3	12%
Morro Bay City of	316,836,255	281,236,756	35,599,499	11%	70.0	3	12%
South Gate City of	2,066,696,383	2,017,629,675	49,066,708	2%	70.1	3	12%
Huntington Park City of	1,171,761,731	1,128,423,492	43,338,240	4%	71.3	3	12%
Estero Municipal Improvement District	1,137,677,797	1,077,438,670	60,239,127	5%	72.8	3	12%
Golden State Water Company Norwalk	1,214,317,928	1,131,519,080	82,798,848	7%	73.5	3	12%
Golden State Water Company Bay Point	512,238,443	452,672,802	59,565,641	12%	75.5	3	12%
Sweetwater Authority	5,185,495,337	4,886,767,783	298,727,554	6%	75.6	3	12%
City of Big Bear Lake, Dept of Water & Power	610,520,000	590,469,860	20,050,140	3%	75.8	3	12%
Marina Coast Water District	1,063,425,908	946,396,368	117,029,540	11%	75.9	3	12%

Page 1 Note: all information is provisional-a number of suppliers have filed revised reports that are not reflected in this table, these reports once validated may result in changes.

## Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Lompoc City of	1,253,200,000	1,106,800,000	146,400,000	12%	76.6	3	12%
San Lorenzo Valley Water District	416,952,583	335,050,267	81,902,316	20%	77.9	3	12%
Golden State Water Company S San Gabriel	664,867,252	637,528,317	27,338,935	4%	77.9	3	12%
Santa Ana City of	9,729,076,397	9,323,684,636	405,391,760	4%	78.3	3	12%
McKinleyville Community Service District	344,448,000	300,869,000	43,579,000	13%	79.8	3	12%
Santa Fe Springs City of	1,526,056,730	1,408,567,739	117,488,991	8%	80.1	4	16%
Crestline Village Water District	185,010,871	167,499,027	17,511,844	9%	80.3	4	16%
Monterey Park City of	649,960,000	594,880,000	55,080,000	8%	80.4	4	16%
Montebello Land and Water Company	859,407,071	791,398,619	68,008,451	8%	80.5	4	16%
Santa Barbara City of	3,348,530,727	2,632,951,217	715,579,509	21%	80.9	4	16%
Rohnert Park City of	1,267,000,000	1,124,000,000	143,000,000	11%	81.0	4	16%
Valley County Water District	2,033,127,821	1,853,913,772	179,214,049	9%	81.6	4	16%
Golden State Water Company Southwest	7,303,405,789	6,894,299,322	409,106,467	6%	81.7	4	16%
San Diego City of	47,355,303,598	46,452,597,390	902,706,208	2%	82.0	4	16%
Mountain View City of	2,967,854,797	2,531,213,885	436,640,912	15%	82.5	4	16%
California Water Service Company Dominguez	8,444,765,582	8,077,205,172	367,560,410	4%	83.7	4	16%
Long Beach City of	14,658,100,592	13,842,168,619	815,931,973	6%	83.8	4	16%
Greenfield, City of	573,049,890	501,684,126	71,365,764	12%	83.8	4	16%
Dublin San Ramon Services District	2,779,417,000	1,959,505,000	819,912,000	29%	84.7	4	16%
San Luis Obispo City of	1,387,716,506	1,278,706,170	109,010,336	8%	85.0	4	16%
Sunnyvale City of	4,612,426,949	3,920,970,221	691,456,728	15%	85.2	4	16%
California Water Service Company Salinas District	4,612,101,098	4,065,974,106	546,126,992	12%	86.0	4	16%
Lynwood City of	1,264,349,156	1,237,371,916	26,977,240	2%	86.3	4	16%
Santa Rosa City of	5,454,466,874	4,447,473,373	1,006,993,501	18%	86.7	4	16%
Hawthorne City of	1,070,747,789	1,135,592,223	-64,844,434	-6%	86.7	4	16%
California Water Service Company Mid Peninsula	3,986,792,209	3,551,780,554	435,011,655	11%	87.4	4	16%
San Gabriel Valley Water Company	9,747,519,587	9,124,165,807	623,353,780	6%	88.3	4	16%
Alameda County Water District	10,539,100,000	8,458,900,000	2,080,200,000	20%	88.3	4	16%
Santa Clara City of	5,338,900,000	4,749,500,000	589,400,000	11%	88.3	4	16%
Menlo Park City of	1,058,240,665	769,095,397	289,145,268	27%	88.6	4	16%
Sweetwater Springs Water District	208,544,913	177,491,272	31,053,641	15%	88.7	4	16%
Millbrae City of	668,885,610	603,267,242	65,618,369	10%	89.2	4	16%
Golden State Water Company Artesia	1,402,138,690	1,348,796,812	53,341,879	4%	90.0	4	16%
Hi-Desert Water District	744,117,577	733,074,472	11,043,105	1%	90.3	4	16%
Twirlinggame City of	1,288,363,748	1,075,113,151	213,250,598	17%	90.4	4	16%
Los Angeles Department of Water and Power	139,452,680,105	130,343,503,463	9,109,176,642	7%	90.9	4	16%
San Jose City of	4,410,308,000	4,020,375,000	389,933,000	9%	91.3	4	16%
San Buenaventura City of	4,446,346,994	3,813,888,925	632,458,069	14%	91.3	4	16%
Scotts Valley Water District	311,979,632	253,857,835	58,121,797	19%	91.6	4	16%

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## Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Irvine Ranch Water District	15,406,744,246	15,015,266,341	391,477,904	3%	91.7	4	16%
Otay Water District	8,209,272,756	7,888,634,952	320,637,804	4%	93.0	4	16%
Windsor, Town of	963,136,985	817,896,531	145,240,453	15%	93.0	4	16%
California Water Service Company Redwood Valley	108,182,674	82,440,411	25,742,263	24%	93.3	4	16%
American Canyon, City of	915,968,361	777,155,653	138,812,708	15%	93.5	4	16%
Lakewood City of	2,086,631,973	1,856,580,866	230,051,107	11%	93.9	4	16%
East Bay Municipal Utilities District	52,390,500,000	46,127,500,000	6,263,000,000	12%	94.2	4	16%
Crescent City City of	583,110,000	710,650,000	-127,540,000	-22%	94.5	4	16%
San Jose City of	5,294,000,000	4,707,000,000	587,000,000	11%	96.0	5	20%
Pomona City of	5,817,361,333	5,468,536,077	348,825,256	6%	96.1	5	20%
Bellflower-Somerset Mutual Water Company	1,350,031,789	1,268,477,694	81,554,095	6%	96.1	5	20%
California Water Service Company Hermosa/Redondo	2,984,799,071	2,983,495,666	1,303,406	0%	96.4	5	20%
Azusa City of	5,165,530,597	4,670,763,054	494,767,543	10%	97.3	5	20%
California Water Service Company Stockton	6,808,665,567	6,318,910,872	489,754,695	7%	97.6	5	20%
El Segundo City of	1,692,179,532	1,788,496,457	-96,316,925	-6%	97.9	5	20%
Carpinteria Valley Water District	1,160,826,158	1,028,941,051	131,885,107	11%	98.2	5	20%
Lomita City of	591,013,026	547,632,425	43,380,600	7%	98.3	5	20%
Norwalk City of	559,456,000	511,830,000	47,626,000	9%	98.7	5	20%
Moulton Niguel Water District	7,135,207,799	6,864,125,480	271,082,319	4%	99.1	5	20%
Rowland Water District	2,857,000,142	2,756,214,295	100,785,846	4%	99.3	5	20%
Livermore City of Division of Water Resources	1,642,615,000	1,199,514,000	443,101,000	27%	100.0	5	20%
Fountain Valley City of	2,438,968,604	2,305,516,153	133,452,452	5%	100.2	5	20%
Pittsburg City of	2,481,549,000	2,226,323,000	255,226,000	10%	100.3	5	20%
Watsonville City of	2,045,660,752	1,803,744,576	241,916,176	12%	100.3	5	20%
Lathrop, City of	1,149,290,000	990,960,000	158,330,000	14%	100.5	5	20%
El Monte City of	328,279,000	312,936,000	15,343,000	5%	100.6	5	20%
Mid-Peninsula Water District	823,925,361	712,822,442	111,102,919	13%	101.4	5	20%
San Gabriel County Water District	1,612,133,643	1,485,957,453	126,176,190	8%	102.9	5	20%
Helix Water District	8,454,736,636	8,067,103,778	387,632,858	5%	103.6	5	20%
Whittier City of	2,041,957,743	2,084,064,264	-42,106,521	-2%	104.2	5	20%
Great Oaks Water Company Incorporated	2,641,791,567	2,210,783,322	431,008,244	16%	104.2	5	20%
Hollister City of	832,612,930	742,476,980	90,135,950	11%	104.4	5	20%
Calexico City of	1,524,360,000	1,440,570,000	83,790,000	5%	104.6	5	20%
Oceanside City of	6,988,111,948	6,765,555,423	222,556,525	3%	105.3	5	20%
San Jose Water Company	36,046,000,000	31,608,300,000	4,437,700,000	12%	105.7	5	20%
Westminster City of	3,064,371,990	2,956,971,359	107,400,630	4%	105.9	5	20%
Escondido City of	4,625,134,351	4,059,907,513	565,226,838	12%	106.7	5	20%
San Airfield City of	5,435,000,000	4,853,000,000	582,000,000	11%	106.7	5	20%
Downey City of	4,090,256,554	3,834,059,128	256,197,426	6%	106.9	5	20%

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Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Glendale City of	6,839,188,070	6,346,086,881	493,101,189	7%	107.1	5	20%
Marin Municipal Water District	7,006,662,670	5,966,662,221	1,040,000,448	15%	107.4	5	20%
Camarillo City of	2,747,943,839	2,399,416,293	348,527,546	13%	107.5	5	20%
California-American Water Company Sacramento District	8,801,191,649	7,285,565,423	1,515,626,225	17%	107.8	5	20%
Adelanto city of	1,091,834,544	993,603,394	98,231,150	9%	108.5	5	20%
Anaheim City of	16,337,538,847	15,992,788,037	344,750,810	2%	108.6	5	20%
Ukiah City of	678,601,000	551,722,000	126,879,000	19%	108.6	5	20%
Pico Rivera City of	1,267,056,981	1,099,162,034	167,894,948	13%	108.8	5	20%
Huntington Beach City of	7,506,541,568	7,116,888,432	389,653,136	5%	109.0	5	20%
Crescenta Valley Water District	1,200,433,997	1,043,760,838	156,673,159	13%	109.4	5	20%
Milpitas City of	2,719,687,979	2,424,775,231	294,912,748	11%	110.2	6	24%
Torrance City of	3,906,665,343	3,703,464,394	203,200,950	5%	111.0	6	24%
Vista Irrigation District	4,896,569,394	4,632,303,886	264,265,507	5%	111.1	6	24%
Martinez City of	1,027,679,751	871,695,210	155,984,540	15%	111.7	6	24%
Santa Monica City of	3,462,200,000	3,321,100,000	141,100,000	4%	111.7	6	24%
Perris, City of	437,809,090	430,597,020	7,212,070	2%	111.9	6	24%
Golden State Water Company Culver City	1,415,824,450	1,344,756,254	71,068,196	5%	113.1	6	24%
Lakeside Water District	1,064,566,388	977,942,044	86,624,343	8%	114.6	6	24%
Golden State Water Company S Arcadia	908,701,874	851,189,098	57,512,777	6%	116.0	6	24%
Vallejos Water District	4,390,033,350	4,037,168,840	352,864,510	8%	116.1	6	24%
Soledad, City of	581,571,300	531,785,500	49,785,800	9%	116.7	6	24%
Manhattan Beach City of	1,219,661,891	1,153,188,200	66,473,691	5%	116.7	6	24%
Mesa Water District	4,434,609,825	4,283,056,327	151,553,499	3%	116.8	6	24%
Palo Alto City of	3,180,440,852	2,685,999,460	494,441,392	16%	116.8	6	24%
Gilroy City of	2,328,666,000	1,995,678,000	332,988,000	14%	117.6	6	24%
Humboldt Community Service District	610,120,000	573,669,000	36,451,000	6%	117.9	6	24%
Alhambra City of	2,575,148,433	2,329,573,763	245,574,669	10%	118.3	6	24%
Orchard Dale Water District	589,289,272	550,757,340	38,531,931	7%	118.7	6	24%
Buena Park City of	3,777,921,445	3,441,805,698	336,115,747	9%	118.9	6	24%
Pico Water District	1,029,001,320	960,057,631	68,943,690	7%	119.0	6	24%
Delano City of	2,386,120,000	2,229,650,000	156,470,000	7%	119.4	6	24%
El Centro City of	1,978,323,000	1,910,544,000	67,779,000	3%	119.5	6	24%
Woodland City of	2,938,159,020	2,454,292,204	483,866,816	16%	119.8	6	24%
Pleasanton City of	4,439,552,000	3,099,891,000	1,339,661,000	30%	119.8	6	24%
Toro Water District	2,331,141,109	2,239,576,858	91,564,251	4%	119.9	6	24%
San Fernando City of	839,719,127	786,931,196	52,787,931	6%	120.3	6	24%
Suburban Water Systems San Jose Hills	7,160,122,399	6,833,016,444	327,105,955	5%	120.3	6	24%
San Dimas Water Company	1,052,785,122	950,022,234	102,762,888	10%	120.5	6	24%
California Water Service Company Livermore	2,781,467,781	1,909,163,511	872,304,270	31%	120.5	6	24%

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Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Laguna Beach County Water District	872,082,691	867,064,579	5,018,112	1%	121.0	6	24%
Fortuna City of	303,008,000	276,986,000	26,022,000	9%	121.2	6	24%
Golden State Water Company West Orange	4,000,477,969	3,830,090,258	170,387,711	4%	121.4	6	24%
Amador Water Agency	899,761,000	773,623,400	126,137,600	14%	121.6	6	24%
South Coast Water District	1,639,847,306	1,549,814,557	90,032,749	5%	121.7	6	24%
Napa City of	3,605,871,891	3,247,435,321	358,436,570	10%	124.1	6	24%
Alco Water Service	1,156,954,000	1,028,617,000	128,337,000	11%	124.2	6	24%
Coachella City of	1,395,900,000	1,294,010,000	101,890,000	7%	125.5	6	24%
California Water Service Company Marysville	575,127,769	496,597,575	78,530,194	14%	125.5	6	24%
Valley of the Moon Water District	800,300,880	646,691,259	153,609,621	19%	125.8	6	24%
Brea City of	2,826,761,129	2,727,376,444	99,384,685	4%	125.9	6	24%
Chino City of	3,332,449,959	3,123,999,542	208,450,416	6%	126.7	6	24%
Santa Margarita Water District	7,105,190,366	6,932,489,109	172,701,256	2%	126.8	6	24%
Reedley City of	1,302,000,000	1,109,000,000	193,000,000	15%	126.9	6	24%
Ontario City of	8,782,999,363	8,499,508,622	283,490,741	3%	126.9	6	24%
Valencia Water Company	7,817,224,611	6,780,899,767	1,036,324,844	13%	127.0	6	24%
Groveland Community Services District	127,297,632	96,625,396	30,672,236	24%	127.5	6	24%
Eureka City of	860,874,000	799,778,000	61,096,000	7%	128.0	6	24%
Petaluma City of	2,407,770,000	2,071,485,000	336,285,000	14%	129.0	6	24%
North Marin Water District	2,457,000,000	1,986,810,000	470,190,000	19%	129.1	6	24%
City of Newman Water Department	559,946,000	448,854,000	111,092,000	20%	129.2	6	24%
Tuolumne Utilities District	1,441,240,862	992,152,425	449,088,437	31%	129.3	6	24%
Monte Vista Water District	2,603,464,922	2,359,464,115	244,000,807	9%	130.3	7	28%
Twentymine Palms Water District	666,765,336	641,552,256	25,213,080	4%	130.6	7	28%
Eastern Municipal Water District	22,059,815,756	21,154,600,492	905,215,264	4%	130.7	7	28%
California Water Service Company Oroville	830,595,287	682,007,037	148,588,251	18%	131.6	7	28%
Healdsburg City of	540,150,000	446,810,000	93,340,000	17%	131.7	7	28%
Humboldt Bay Municipal Water District	146,056,000	148,820,000	-2,764,000	-2%	132.1	7	28%
Burbank City of	4,712,137,486	4,362,205,638	349,931,847	7%	132.2	7	28%
Arroyo Grande City of	776,210,684	654,635,517	121,575,167	16%	132.2	7	28%
Padre Dam Municipal Water District	2,952,148,758	2,752,858,026	199,290,733	7%	132.6	7	28%
San Juan Capistrano City of	2,040,416,466	1,962,283,810	78,132,655	4%	133.3	7	28%
Garden Grove City of	6,584,316,860	6,185,605,054	398,711,806	6%	133.6	7	28%
Del Oro Water Company	369,631,917	306,051,990	63,579,927	17%	134.3	7	28%
Troy City of	4,529,625,694	3,497,663,768	1,031,961,925	23%	134.6	7	28%
Livermore City of	17,427,511,870	15,956,944,380	1,470,567,490	8%	135.3	7	28%
San Paloma City of	545,401,972	497,342,471	48,059,501	9%	136.3	7	28%
San Antonio Maria City of	3,370,607,161	3,257,210,864	113,396,297	3%	136.6	7	28%
Lincoln Avenue Water Company	613,030,807	557,668,649	55,362,157	9%	137.2	7	28%

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Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
La Habra City of Public Works	2,397,728,848	2,535,032,864	-137,304,016	-6%	137.5	7	28%
Golden State Water Company Placentia	1,868,334,327	1,778,757,770	89,576,557	5%	137.8	7	28%
Pasadena City of	8,349,297,631	7,614,975,148	734,322,483	9%	139.0	7	28%
Contra Costa Water District	8,855,338,380	7,547,370,752	1,307,967,628	15%	139.9	7	28%
Suburban Water Systems Whittier/La Mirada	5,584,910,982	5,234,793,399	350,117,583	6%	141.1	7	28%
Golden State Water Company Simi Valley	1,830,698,487	1,657,215,187	173,483,300	9%	141.5	7	28%
Lake Arrowhead Community Services District	440,648,885	386,238,213	54,410,671	12%	141.6	7	28%
Antioch City of	4,642,068,000	4,042,923,000	599,145,000	13%	141.9	7	28%
Big Bear City Community Services District	266,135,894	256,898,007	9,237,888	3%	142.4	7	28%
Sonoma City of	583,798,675	494,362,234	89,436,441	15%	142.5	7	28%
San Gabriel Valley Fontana Water Company	10,907,224,816	10,188,722,419	718,502,397	7%	142.9	7	28%
Tehachapi, City of	582,624,632	566,291,818	46,332,814	8%	143.8	7	28%
Davis City of	3,023,400,000	2,527,400,000	496,000,000	16%	143.9	7	28%
Benicia City of	1,543,102,018	1,217,315,761	325,786,257	21%	143.9	7	28%
California Water Service Company Dixon, City of	382,549,575	346,705,918	35,843,657	9%	144.3	7	28%
Suisun-Solano Water Authority	1,038,300,000	918,300,000	120,000,000	12%	144.5	7	28%
Sunnyslope County Water District	694,319,032	596,249,460	98,069,572	14%	144.6	7	28%
Roseville City of	8,448,024,096	6,930,859,852	1,517,164,244	18%	145.1	7	28%
Paso Robles City of	1,705,474,000	1,511,094,000	194,380,000	11%	146.0	7	28%
Sacramento City of	28,979,000,000	23,440,000,000	5,539,000,000	19%	146.4	7	28%
Walnut Valley Water District	5,119,451,770	4,877,344,159	242,107,610	5%	146.4	7	28%
Rialto City of	2,544,482,555	2,596,683,954	-52,201,399	-2%	146.9	7	28%
Diablo Water District	1,487,225,000	1,338,770,000	148,455,000	10%	147.7	7	28%
Patterson City of	1,040,156,104	948,595,320	91,560,784	9%	148.3	7	28%
San Diego Water District	1,583,703,106	1,621,176,020	-37,472,914	-2%	148.3	7	28%
Orange City of	7,732,617,288	7,437,395,896	295,221,393	4%	148.7	7	28%
California Water Service Company Kern River Valley	222,882,376	201,376,182	21,506,194	10%	148.9	7	28%
Fresno City of	36,603,191,424	30,513,707,650	6,089,483,774	17%	150.7	7	28%
Cerritos City of	2,219,233,953	1,991,297,621	227,936,332	10%	153.6	7	28%
Sanger City of	1,552,776,000	1,422,246,000	130,530,000	8%	153.6	7	28%
Monrovia City of	1,885,000,000	1,673,000,000	212,000,000	11%	154.6	7	28%
Covina City of	1,500,350,310	1,393,914,200	106,436,110	7%	154.7	7	28%
Lake Hemet Municipal Water District	2,880,852,466	2,579,961,258	300,891,208	10%	154.9	7	28%
Stockton City of	8,304,530,000	7,263,300,000	1,041,230,000	13%	155.0	7	28%
Ventura County Waterworks District No. 8	5,424,122,854	4,896,895,245	527,227,609	10%	156.1	7	28%
Justin City of	2,984,049,613	2,895,189,929	88,859,684	3%	156.5	7	28%
California-American Water Company Los Angeles District	5,579,752,754	5,179,473,602	400,279,151	7%	156.8	7	28%
Fullerton City of	7,215,373,767	6,969,105,034	246,268,733	3%	157.4	7	28%
San Clemente City of	2,270,663,084	2,331,434,375	-60,771,291	-3%	157.7	7	28%

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Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Chino Hills City of	3,952,965,804	3,587,674,904	365,290,900	9%	157.8	7	28%
Rubidoux Community Service District	1,400,190,000	1,335,510,000	64,680,000	5%	158.0	7	28%
Rosamond Community Service District	719,200,000	712,000,000	7,200,000	1%	158.3	7	28%
Santa Paula City of	1,218,270,506	1,081,725,724	136,544,782	11%	160.2	7	28%
North Tahoe Public Utility District	350,120,000	332,141,000	17,979,000	5%	161.3	7	28%
Atascadero Mutual Water Company	1,291,000,000	1,056,900,000	234,100,000	18%	163.0	7	28%
Thousand Oaks City of	3,106,634,920	2,792,709,655	313,925,265	10%	163.7	7	28%
Victorville Water District	4,985,852,685	4,486,322,447	499,530,238	10%	164.4	7	28%
Nipomo Community Services District	665,258,273	527,032,098	138,226,175	21%	165.4	7	28%
Fillmore City of	482,079,202	446,216,000	35,863,202	7%	165.6	7	28%
Ramona Municipal Water District	1,087,105,531	1,049,746,665	37,358,866	3%	165.9	7	28%
Golden State Water Company Barstow	1,595,531,512	1,445,509,515	150,021,997	9%	166.2	7	28%
El Dorado Irrigation District	10,044,044,386	7,600,810,386	2,443,234,000	24%	166.2	7	28%
Ceres City of	1,985,969,000	1,848,968,000	137,001,000	7%	166.3	7	28%
California Water Service Company Willows	364,301,895	318,682,696	45,619,200	13%	168.6	7	28%
East Valley Water District	5,405,695,956	4,782,879,831	622,816,125	12%	169.4	7	28%
Joshua Basin Water District	409,078,118	382,604,644	26,473,473	6%	169.6	7	28%
Newport Beach City of	4,220,349,478	3,924,557,845	295,791,633	7%	170.3	8	32%
South Pasadena City of	1,045,005,526	935,193,595	109,811,931	11%	171.1	8	32%
Imperial, City of	687,420,000	671,127,000	16,293,000	2%	171.9	8	32%
Ventura County Waterworks District No 1	2,688,665,294	2,241,890,403	446,774,892	17%	172.0	8	32%
Dinuba City of	1,126,830,000	977,550,000	149,280,000	13%	172.3	8	32%
Madera City of	2,268,235,000	2,115,715,000	152,520,000	7%	173.5	8	32%
California Water Service Company Los Altos/Suburban	3,714,706,268	3,136,645,836	578,060,431	16%	173.8	8	32%
Hesperia Water District City of	3,676,581,651	3,538,094,794	138,486,856	4%	174.6	8	32%
Castaic Lake Water Agency Santa Clarita Water Division	7,358,051,073	6,493,567,237	864,483,836	12%	174.8	8	32%
Brentwood City of	3,038,220,000	2,663,210,000	375,010,000	12%	174.8	8	32%
Arvin Community Services District	740,072,884	667,768,501	72,304,383	10%	175.3	8	32%
Palmdale Water District	5,291,175,472	5,010,063,446	281,112,026	5%	175.9	8	32%
San Jacinto City of	756,372,530	651,046,816	105,325,714	14%	176.1	8	32%
La Verne City of	2,094,159,141	1,955,656,970	138,502,171	7%	176.5	8	32%
Newhall County Water District	2,611,216,927	2,326,139,289	285,077,638	11%	178.3	8	32%
Rincon Del Diablo Municipal Water District	1,766,766,437	1,514,883,284	251,883,153	14%	179.2	8	32%
Mission Springs Water District	2,072,832,166	1,979,439,888	93,392,277	5%	179.4	8	32%
Lawley City of	1,842,390,000	1,088,690,000	753,700,000	41%	179.6	8	32%
Chavarras County Water District	1,468,843,000	1,200,100,000	268,743,000	18%	180.4	8	32%
Spanning City of	2,219,758,574	2,058,002,667	161,755,907	7%	181.2	8	32%
Delan Pinon Hills Community Services District	635,139,826	675,206,517	-40,066,691	-6%	181.6	8	32%
Porterville City of	3,123,277,400	2,849,237,200	274,040,200	9%	182.0	8	32%

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Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R-GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Sacramento County Water Agency	9,991,675,171	8,451,666,395	1,540,008,776	15%	184.3	8	32%
California-American Water Ventura District	4,397,006,571	3,988,454,052	408,552,519	9%	184.6	8	32%
Blythe City of	806,370,000	811,680,000	-5,310,000	-1%	185.8	8	32%
Yreka City of	593,290,000	519,800,000	73,490,000	12%	186.6	8	32%
Yuba City City of	4,215,490,000	3,629,080,000	586,410,000	14%	188.2	8	32%
Carlsbad Municipal Water District	4,342,002,850	4,259,269,173	82,733,677	2%	188.5	8	32%
California Water Service Company Selma	1,492,399,536	1,239,212,977	253,186,559	17%	189.2	8	32%
Western Municipal Water District of Riverside	5,887,379,311	5,683,989,367	203,389,944	3%	189.2	8	32%
West Kern Water District	4,045,106,581	3,679,048,346	366,058,235	9%	191.3	8	32%
Riverbank City of	860,786,846	737,503,990	123,282,856	14%	191.4	8	32%
Pismo Beach City of	434,216,578	359,495,587	74,720,991	17%	191.7	8	32%
California Water Service Company Visalia	8,033,215,230	7,144,292,537	888,922,693	11%	191.7	8	32%
Hemet City of	1,116,063,947	1,045,970,047	70,093,900	6%	192.6	8	32%
Hanford City of	3,229,776,700	2,793,029,816	436,746,884	14%	193.7	8	32%
Turlock City of	5,571,505,100	4,909,059,441	662,445,659	12%	194.0	8	32%
Corona City of	8,699,410,000	8,297,070,000	402,340,000	5%	194.3	8	32%
Trabuco Canyon Water District	764,121,596	767,705,962	-3,584,366	0%	194.9	8	32%
Triunfo Sanitation District / Oak Park Water Service	687,285,830	597,937,369	89,348,461	13%	195.7	8	32%
Lamont Public Utility District	993,121,000	914,688,000	78,433,000	8%	197.5	8	32%
California Water Service Company Bakersfield	18,863,864,960	16,841,305,153	2,022,559,807	11%	197.6	8	32%
Morgan Hill City of	2,262,311,000	1,786,089,000	476,222,000	21%	198.5	8	32%
Jurupa Community Service District	6,546,170,411	6,107,698,865	438,471,545	7%	198.6	8	32%
Lemoore City of	1,967,044,000	1,783,354,000	183,690,000	9%	198.9	8	32%
Cucamonga Valley Water District	12,916,078,335	12,778,430,872	137,647,463	1%	199.2	8	32%
Vacaville City of	4,536,829,418	3,868,833,993	667,995,425	15%	199.9	8	32%
Citrus Heights Water District	3,723,178,405	3,023,575,391	699,603,014	19%	201.4	8	32%
Poway City of	2,984,245,124	2,893,299,991	90,945,133	3%	201.7	8	32%
Livingston City of	1,870,481,000	1,810,513,000	59,968,000	3%	204.2	8	32%
Shasta Lake City of	309,004,338	258,461,000	50,543,338	16%	205.5	8	32%
Elsinore Valley Municipal Water District	6,567,437,756	6,285,445,931	281,991,825	4%	205.8	8	32%
Galt City of	1,302,667,000	1,052,546,000	250,121,000	19%	207.2	8	32%
Lee Lake Water District	760,491,304	738,717,756	21,773,548	3%	208.1	8	32%
Casitas Municipal Water District	777,155,653	678,096,820	99,058,834	13%	209.1	8	32%
Golden State Water Company Ojai	564,830,864	487,636,661	77,194,203	14%	209.2	8	32%
San Bernardino County Service Area 70	457,322,702	431,251,330	26,071,373	6%	209.8	8	32%
Golden State Water Company San Dimas	3,063,589,946	2,950,649,842	112,940,105	4%	209.9	8	32%
California Water Service Company Chico District	6,759,462,002	5,680,893,778	1,078,568,223	16%	210.4	8	32%
San Bernardino City of	11,535,034,614	10,722,937,586	812,097,028	7%	212.1	8	32%
West Valley Water District	5,029,549,361	4,747,557,536	281,991,825	6%	212.3	8	32%

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## Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

Supplier Name	Total Water Production (gallons)		Total Water Saved (Jun-14 - Feb-15, compared to 2013)	Percent Saved (Jun-14 - Feb-15, compared to 2013)	Jul-Sep 2014 R- GPCD	Tier	Conservation Standard
	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Colton, City of	2,519,711,330	2,487,549,794	32,161,536	1%	213.1	8	32%
Manteca City of	3,844,580,000	3,212,645,000	631,935,000	16%	213.3	8	32%
Folsom City of	5,476,678,514	4,592,545,306	884,133,208	16%	213.7	8	32%
Sierra Madre City of	616,142,059	546,575,118	69,566,941	11%	214.2	8	32%
Tulare, City of	4,805,328,900	4,324,313,800	481,015,100	10%	214.8	8	32%
Indio City of	5,340,000,000	5,006,100,000	333,900,000	6%	215.6	9	36%
Apple Valley Ranchos Water Company	4,101,713,205	3,942,264,436	159,448,769	4%	215.7	9	36%
Oakdale City of	1,417,000,000	1,139,000,000	278,000,000	20%	215.9	9	36%
Fallbrook Public Utility District	3,340,661,415	3,012,268,347	328,393,068	10%	217.3	9	36%
Kerman, City of	880,465,000	769,624,000	110,841,000	13%	217.9	9	36%
Exeter City of	600,332,681	535,287,408	65,045,273	11%	218.8	9	36%
Georgetown Divide Public Utilities District	512,901,000	410,416,000	102,485,000	20%	219.4	9	36%
Yorba Linda Water District	5,380,523,933	5,128,021,662	252,502,271	5%	220.2	9	36%
Rubio Canyon Land and Water Association	561,116,157	508,002,375	53,113,783	9%	220.8	9	36%
Elk Grove Water Service	1,982,552,982	1,615,618,816	366,934,166	19%	221.6	9	36%
Sacramento Suburban Water District	9,630,759,000	8,318,514,000	1,312,245,000	14%	222.5	9	36%
Los Angeles County Public Works Waterworks District 40	12,870,711,018	11,980,791,220	889,919,798	7%	223.1	9	36%
Corcoran City of	1,162,447,000	950,206,000	212,241,000	18%	223.7	9	36%
Norco City of	2,009,949,357	1,856,691,656	153,257,702	8%	224.3	9	36%
Winton Water & Sanitary District	432,243,000	400,904,000	31,339,000	7%	228.9	9	36%
Montecito Water District	1,577,349,003	836,688,709	740,660,294	47%	228.9	9	36%
Camrosa Water District	2,469,015,365	2,141,221,863	327,793,502	13%	229.4	9	36%
Wasco City of	1,096,680,000	952,170,000	144,510,000	13%	231.1	9	36%
South Tahoe Public Utilities District	1,641,227,000	1,550,474,000	90,753,000	6%	231.5	9	36%
Upland City of	5,523,683,657	5,024,215,355	499,468,301	9%	234.9	9	36%
Clovis City of	6,737,008,000	6,080,852,000	656,156,000	10%	235.2	9	36%
Beverly Hills City of	2,984,049,613	2,900,957,499	83,092,114	3%	235.8	9	36%
Loma Linda City of *	1,379,990,569	1,323,839,525	56,151,044	4%	236.1	9	36%
Shafter City of	1,350,000,000	1,154,000,000	196,000,000	15%	236.5	9	36%
Fruitridge Vista Water Company	1,000,084,300	823,053,400	177,030,900	18%	238.3	9	36%
Glendora City of	3,108,798,089	3,089,127,284	19,670,805	1%	242.0	9	36%
Carmichael Water District	2,598,570,000	2,107,250,000	491,320,000	19%	242.5	9	36%
Placer County Water Agency	7,686,123,771	6,395,079,193	1,291,044,578	17%	242.5	9	36%
Golden State Water Company Orcutt	1,941,781,239	1,705,636,709	236,144,529	12%	242.8	9	36%
Pinbow Municipal Water District	3,976,593,060	3,760,749,074	215,843,985	5%	243.0	9	36%
Modesto, City of	15,589,770,183	13,698,086,925	1,891,683,258	12%	245.9	9	36%
Pinedale County Water District	267,792,348	224,289,932	43,502,416	16%	247.0	9	36%
Los Angeles County Public Works Waterworks District 29	2,383,427,229	2,356,081,777	27,345,452	1%	248.9	9	36%
Lincoln City of	2,592,190,000	2,158,050,000	434,140,000	17%	251.0	9	36%

Urban Water Suppliers and Proposed Regulatory Framework Tiers to Achieve 25% Use Reduction (Provisional)

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	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
California Water Service Company Bear Gulch	3,623,142,017	3,228,861,790	394,280,227	11%	252.5	9	36%
Los Banos, City of	2,053,870,000	1,905,101,000	148,769,000	7%	253.0	9	36%
Redding, City of	7,109,010,000	5,934,100,000	1,174,910,000	17%	253.7	9	36%
Riverside Highland Water Company	971,591,200	889,248,544	82,342,656	8%	253.9	9	36%
California Water Service Company Palos Verdes	5,184,622,055	4,979,661,507	204,960,548	4%	255.4	9	36%
Olivehurst Public Utility District	1,161,641,529	959,245,393	202,396,137	17%	256.0	9	36%
San Bernardino County Service Area 64	758,722,238	679,807,540	78,914,699	10%	257.5	9	36%
Mammoth Community Water District	499,483,000	447,407,000	52,076,000	10%	259.3	9	36%
Anderson, City of	572,342,000	498,676,000	73,666,000	13%	260.8	9	36%
Rio Vista, city of	641,312,000	606,333,000	34,979,000	5%	260.9	9	36%
Indian Wells Valley Water District	1,861,884,000	1,789,365,000	72,519,000	4%	263.5	9	36%
West Sacramento, City of	3,567,747,274	2,941,460,832	626,286,443	18%	264.3	9	36%
Yucaipa Valley Water District	2,981,840,000	2,837,629,000	144,211,000	5%	265.0	9	36%
Paradise Irrigation District	1,721,400,000	1,355,900,000	365,500,000	21%	266.0	9	36%
Nevada Irrigation District	2,750,729,000	2,339,997,000	410,732,000	15%	267.7	9	36%
Beaumont-Cherry Valley Water District	3,172,199,486	3,139,252,648	32,946,838	1%	269.7	9	36%
Olivehain Municipal Water District	5,326,497,766	5,149,755,952	176,741,814	3%	271.7	9	36%
East Niles Community Service District	2,504,168,216	2,213,508,744	290,659,473	12%	271.8	9	36%
Fair Oaks Water District	3,068,959,978	2,450,034,519	618,925,459	20%	274.1	9	36%
Discovery Bay Community Services District	986,000,000	808,000,000	178,000,000	18%	276.3	9	36%
East Orange County Water District	247,060,552	225,554,358	21,506,194	9%	277.6	9	36%
Rio Linda - Elverta Community Water District	770,017,391	629,595,315	140,422,076	18%	278.1	9	36%
Bakersfield, City of	11,705,594,680	10,744,390,565	961,204,114	8%	279.9	9	36%
Truckee-Donner Public Utilities District	1,264,764,466	1,144,274,188	120,490,278	10%	282.0	9	36%
Lodi, City of Public Works Department	3,904,230,000	3,932,720,000	-28,490,000	-1%	287.7	9	36%
Valley Center Municipal Water District	6,829,813,325	6,798,466,417	31,346,907	0%	291.2	9	36%
Tahoe City Public Utilities District	372,523,331	326,265,848	46,257,483	12%	292.6	9	36%
Red Bluff, City of	904,393,249	764,891,212	139,502,037	15%	294.5	9	36%
California Water Service Company Antelope Valley	186,061,165	216,691,199	-30,630,034	-16%	296.6	9	36%
Golden State Water Company Claremont	2,873,781,490	2,604,204,605	269,576,886	9%	297.6	9	36%
Merced, City of	6,872,130,000	6,271,910,000	600,220,000	9%	298.8	9	36%
Bakman Water Company	1,032,655,497	893,235,946	139,419,551	14%	302.2	9	36%
Las Virgenes Municipal Water District	5,714,163,209	5,470,784,778	243,378,431	4%	304.8	9	36%
Oildale Mutual Water Company	2,485,920,537	2,317,129,497	168,791,039	7%	306.4	9	36%
California City, City of	1,192,746,563	1,264,824,899	-72,078,336	-6%	307.0	9	36%
Water, City of	2,358,960,000	1,821,770,000	537,190,000	23%	308.0	9	36%
Golden State Water Company Cordova	4,051,962,495	3,483,514,680	568,447,814	14%	312.4	9	36%
Redlands, City of	7,033,861,488	6,969,114,810	64,746,679	1%	313.2	9	36%
Ripon, City of	1,431,002,833	1,223,409,134	207,593,699	15%	316.1	9	36%



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	2013 (Jun - Feb)	2014/15 (Jun-14 - Feb-15)					
Arcadia City of	4,352,404,027	4,033,916,843	318,487,185	7%	318.5	9	36%
Hillsborough Town of	877,331,034	658,647,771	218,683,262	25%	324.5	9	36%
Madera County	891,468,716	660,496,910	230,971,806	26%	328.1	9	36%
Kingsburg, City of	1,009,319,000	825,793,000	183,526,000	18%	332.7	9	36%
California Water Service Company Westlake	2,085,449,133	1,928,388,745	157,060,388	8%	336.7	9	36%
Rancho California Water District	16,377,618,572	16,074,902,597	302,715,976	2%	349.1	9	36%
Linda County Water District	971,706,000	880,037,000	91,669,000	9%	349.1	9	36%
Orange Vale Water Company	1,274,470,101	1,008,190,832	266,279,269	21%	354.3	9	36%
Quartz Hill Water District	1,430,054,382	1,276,190,597	153,863,785	11%	364.9	9	36%
Susanville City of	560,250,000	602,070,000	-41,820,000	-7%	383.0	9	36%
Bella Vista Water District	3,596,422,200	1,864,847,717	1,731,574,483	48%	386.3	9	36%
Valley Water Company	999,093,060	898,861,161	100,231,899	10%	400.8	9	36%
Desert Water Agency	8,823,730,792	8,310,188,943	513,541,849	6%	416.0	9	36%
South Feather Water and Power Agency	1,435,400,000	1,292,100,000	143,300,000	10%	465.9	9	36%
Coachella Valley Water District	28,323,853,249	27,188,261,025	1,135,592,223	4%	475.1	9	36%
San Juan Water District	3,594,268,324	2,773,624,539	820,643,785	23%	484.3	9	36%
Vaughn Water Company	3,206,837,858	2,989,389,519	217,448,339	7%	507.0	9	36%
Serrano Water District	829,682,903	749,230,186	80,452,717	10%	539.0	9	36%
Golden State Water Company Cowan Heights	703,676,157	691,163,462	12,512,695	2%	572.4	9	36%
Santa Fe Irrigation District	2,820,156,121	2,869,480,251	-49,324,131	-2%	604.6	9	36%
Myoma Dunes Mutual Water Company	757,700,108	707,153,944	50,546,164	7%	612.5	9	36%

ITEM 5C



April 28, 2015 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Resource Conservation & Public Outreach

**Subject: Drought Response Actions: Adoption of Urgency Ordinance and Resolution to Restrict Water Usage and Approval of Budget for Enforcement Activities**

**SUMMARY:**

The prolonged and worsening drought conditions require an escalating District response to prevent water shortages. Also, timely action is required for compliance with proposed State Water Resources Control Board (SWRCB) regulations to implement the Governor's April 1, 2015 call for a 25% statewide reduction in urban water usage, which correlates to a 36% reduction for the District based on the currently-proposed methodology. Finally, the District must reduce demands in response to Metropolitan Water District of Southern California's implementation of its Water Supply Allocation Plan at Regional Shortage Level 3 (15%).

Staff proposes adoption of an Urgency Ordinance, amending Ordinance No. 11-86-161 of the Las Virgenes Code as it relates to water conservation and water shortage, to amend existing water use restrictions to be consistent with those proposed in the SWRCB emergency regulations. Also, staff proposes adoption of a Resolution restricting potable water irrigation to two times per week with a maximum 15-minute duration in accordance with the District's Water Shortage Contingency Plan. The draft Resolution also proposes that recycled water customers may continue with the current three-times-per-week irrigation as long as signage is displayed indicating the use of recycled water. Finally, a budget of \$100,000 is proposed to fund drought response enforcement activities over the next nine months.

**RECOMMENDATION(S):**

Waive the full reading of proposed Urgency Ordinance No. 274, amending Ordinance No. 11-86-161 (Las Virgenes Code) as it relates to water conservation and water shortage; pass, approve and adopt the Urgency Ordinance, given first reading by title only, by a roll call vote; order publication within 30 days of adoption using a summary of the Urgency Ordinance; pass, approve and adopt Resolution No. 2463, establishing the water shortage level, restricting outdoor irrigation and repealing Resolution No. 2460; and approve a budget of \$100,000 to hire temporary staff to assist with enforcement of the District's watering restrictions over the next nine months.

**URGENCY ORDINANCE NO. 274**

**AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO. 11-86-161 (LAS VIRGENES CODE) AS IT RELATES TO WATER CONSERVATION AND WATER SHORTAGE**

(Reference is hereby made to Urgency Ordinance No. 274 on file in the District's Ordinance Book and by this reference the same is incorporated herein and made a part of hereof.)

**RESOLUTION NO. 2463**

ITEM 7A

**A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING THE WATER SHORTAGE LEVEL, RESTRICTING OUTDOOR IRRIGATION AND REPEALING RESOLUTION NO. 2460**

(Reference is hereby made to Resolution No. 2463 on file in the District's Resolution Book and by his reference the same is incorporated herein and made a part of hereof.)

**FISCAL IMPACT:**

Yes

**ITEM BUDGETED:**

No

**FINANCIAL IMPACT:**

The adopted Fiscal Year 2014-15 Budget does not include funding for drought-related surveillance and enforcement activities. A budget of \$100,000 is proposed for this purpose.

**DISCUSSION:**

Section 3-4.404 of the Las Virgenes Municipal Water District Code, Water Conservation Measures, requires several minor amendments for consistency with the SWRCB's recently-released draft emergency regulations. The proposed revisions include a prohibition on irrigation during and within 48 hours following measurable rainfall and serving water at restaurants only upon request. The District currently prohibits irrigation during and within 24 hours following rainfall in excess of one inch. Although the draft emergency regulations remain to be approved by the SWRCB, these specific provisions are not expected to be revised and appear to be prudent measures given the severity of the drought.

With the Governor's Executive Order calling for a statewide mandatory 25% reduction in potable water usage, the SWRCB has proposed draft regulations that apply a sliding scale to water suppliers with reduction percentage of up to 36%. The District is currently among the water suppliers slated for a 36% reduction. As a result, staff believes that it is appropriate to further limit outdoor potable water irrigation to two times per week with a maximum 15-minute total duration per station on designated watering days.

To achieve the required reductions, additional enforcement activities are required to ensure compliance with the water use restrictions and cite customers who do not voluntarily comply. Temporary staffing is needed to patrol the community for compliance with the watering schedule and identify excessive runoff that occurs with over-watering. Staff proposes an initial budget of \$100,000 to hire two temporary employees to assist with enforcement over the next nine months at a rate of approximately \$30 per hour.

In September 2014, the Board approved a "Policy for Addressing Miscellaneous Water Uses and Practices During the Drought". Staff proposed several minor updates to the application of the policy and attached a copy for reference. Additionally, staff has informed the cities served by the District of the following two prohibited uses of water that were outlined in the Governor's Executive Order.

1. Irrigation with potable water of ornamental turf on public street medians is prohibited; and
2. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.

To support the cities with implementation of Item No. 1, staff provided the cities and various homeowners associations with a list of potable water accounts that are currently used to irrigate medians.

**GOALS:**

Provide Safe and Quality Water with Reliable Services

Prepared By: Carlos G. Reyes, Director of Resource Conservation and Public Outreach

**ATTACHMENTS:**

[Urgency Ordinance No. 276](#)

ITEM 7A

[Resolution No. 2463](#)

[Policy for Addressing Miscellaneous Water Uses and Practices During the Drought](#)

**URGENCY ORDINANCE NO. 04-28-276**

**AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES  
MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO. 11-86-161  
(LAS VIRGENES CODE) AS IT RELATES TO WATER CONSERVATION AND WATER  
SHORTAGE**

**BE IT ORDAINED BY THE BOARD OF DIRECTORS OF LAS VIRGENES  
MUNICIPAL WATER DISTRICT as follows:**

**1. Purpose.**

This ordinance amends Ordinance No. 11-86-161 (Las Virgenes Code) to incorporate conservation and water shortage measures.

**2. Findings.**

(a) The Board finds the regulations set forth herein are necessary to promote the conservation of water during the current drought and water shortages thereafter.

(b) The Board further finds this ordinance must be an emergency measure because of the water shortage facing the State of California due to prolonged drought.

**3. Amendment.**

Section 3-4.404 of Ordinance No. 11-86-161 (Las Virgenes Code) is hereby amended and reenacted to read as follows:

**"3-4.404 WATER CONSERVATION MEASURES**

(a) Customers shall comply with the following water conservation measures:

(1) Potable water shall not be used to clean or sweep hard surfaces such as sidewalks, walkways, driveways or parking areas and only as necessary to protect the public health and safety.

(2) Hotels, motels and other places for commercial transient occupancy shall offer guests who stay more than one night the opportunity to retain towels and linens during their stay.

(3) Car washing is permitted only with the use of a nozzle having an automatic shut-off.

(4) Fountains and other decorative water features shall recirculate water.

(5) Drinking water shall be served only upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

(b) Customers shall use the following irrigation practices:

(1) Irrigation shall occur after 5:00 p.m. and before 10:00 a.m. No irrigation is permitted during rainfall and for 24 hours after rainfall in excess of 1 inch and within 48 hours after measurable rainfall.

(2) Irrigation shall not run off to streets, gutters or adjacent properties.

(3) The District shall assist in the promotion of water efficient irrigation practices by monitoring compliance with landscaping plans approved by cities and the county under the Water Conservation in Landscaping Act. The District shall notify the city or county with jurisdiction by law if it is determined that a landscaping plan has been breached.

(4) Limit the number of watering days, if and as determined by the Board, except that watering is permitted at any time with a hand-held hose equipped with an automatic shut-off, a faucet-filled bucket of five gallons or less, or a drip irrigation system."

**PASSED, APPROVED AND ADOPTED** on this 28<sup>th</sup> day of April, 2015.

\_\_\_\_\_  
Glen D. Peterson, President

ATTEST:

\_\_\_\_\_  
Charles P. Caspary, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Wayne K. Lemieux, District Counsel

[Seal]

## RESOLUTION NO. 2463

### RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING A WATER SHORTAGE LEVEL, RESTRICTING OUTDOOR IRRIGATION AND REPEALING RESOLUTION NO. 2460

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT as follows:**

#### **1. Purpose**

Section 3-4.407 (Las Virgenes Code) established the various stages of action to be taken in response to a water shortage condition. On April 1, 2015, the Governor expanded existing emergency regulations and imposed additional restrictions to achieve a 25% statewide reduction in potable water usage.

#### **2. Water Shortage Condition**

The water shortage condition is hereby set at "Stage 3 – Severe Water Shortage Emergency," requiring a mandatory 36% reduction in water use as compared to July 2013 to September 2013.

#### **3. Outdoor Irrigation Restrictions**

- (a) Irrigation using potable water shall be no more than two times per week.
- (b) Irrigation using recycled water may be up to three times per week provided that signage indicating recycled water is in use is prominently displayed.
- (c) Irrigation shall be no more than fifteen minutes per station on designated watering days.
- (d) Properties with addresses ending in an even number may irrigate Mondays and Fridays. Recycled water customers may additionally irrigate on Wednesdays.
- (e) Properties with addresses ending in an odd number may irrigate Tuesdays and Saturdays. Recycled water customers may additionally irrigate on Thursdays.

#### **4. Other**

The General Manager shall adopt regulations consistent with this Resolution. Resolution No. 2460 is hereby repealed.

**PASSED, APPROVED AND ADOPTED** this 28<sup>th</sup> day of April 2015.

\_\_\_\_\_  
Glen D. Peterson, President

ATTEST:

\_\_\_\_\_  
Charles P. Caspary, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Wayne K. Lemieux, District Counsel

(SEAL)



**POLICY FOR ADDRESSING MISCELLANEOUS WATER USES AND PRACTICES DURING THE DROUGHT**

(Approved September 9, 2014)

Policy Statement:

The District allows certain water uses and practices to safeguard public health and safety, protect the environment and maintain the community's lifestyle to the greatest extent possible provided these uses and practices demonstrate efficient water use and achieve water use reductions that are responsive to the current drought.

Application of the Policy for Miscellaneous Water Uses and Practices:

<b>Non-Irrigation Activities</b>	
Maintenance of solar panels	Allow cleaning up to once every six months using a hose with an automatic shut-off nozzle.
Maintenance of tennis courts	Allow as needed using a water conservation broom
Maintenance of horse corrals	Allow as needed
Washing of animals	Allow as needed
<u>Power washing of structures in preparation for painting</u>	<u>Allow if proof of work is provided</u>
<b>Irrigation-Related Activities</b>	
Irrigation system with weather-based irrigation controllers	Exempt from days of watering restriction subject to verification of equipment; encourage adherence to <del>three</del> <u>two</u> -day watering schedule as much as possible
Maintenance and testing of sprinklers	Exempt from days and times restrictions provided person conducting the test is present on site
Irrigation using private wells or non-District water source	Encourage adherence to watering schedule as much as possible
<u>Irrigation with hi-efficiency or low precipitation nozzles</u>	<u>Exempt from time limit</u>
<b>Irrigation Practices</b>	
Watering using a hand-held hose with an automatic shut-off nozzle, a faucet-filled bucket of five gallons or less, or a drip irrigation system	Allowed any time
Days of watering for recycled water users	Allow subject to District field visit and verification of efficient irrigation equipment
Shift watering schedule from even to odd and vice versa	Allow for religious reasons
Establishment of new landscaping for days of irrigation	Allow subject to District field visit and time restriction



April 28, 2015 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: General Manager

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**Subject: San Juan Capistrano Water Rate Litigation: Appellate Court Decision**

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**SUMMARY:**

On April 20, 2015, the Fourth District of the California Court of Appeals issued a 28-page ruling in the case of Capistrano Taxpayers Associations, Inc. v. City of San Juan Capistrano (copy attached). In general, the case involves the challenge of the City of San Juan Capistrano's tiered water rates on grounds that the rate setting did not comply with Proposition 218. The ruling has been much anticipated because of potential broader ramifications regarding the interpretation of Proposition 218 with respect to water rates.

At the meeting, the District's Legal Counsel will review the ruling and its implications with the Board.

**FISCAL IMPACT:**

No

**ITEM BUDGETED:**

No

Prepared By: David W. Pedersen, General Manager

**ATTACHMENTS:**

[Appellate Court Ruling](#)

COURT OF APPEAL - 4TH DIST DIV 3

**FILED**

Apr 20, 2015

Deputy Clerk: S. Naqshbandy

**CERTIFIED FOR PUBLICATION**

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FOURTH APPELLATE DISTRICT

DIVISION THREE

CAPISTRANO TAXPAYERS  
ASSOCIATION, INC.,

Plaintiff and Respondent,

v.

CITY OF SAN JUAN CAPISTRANO,

Defendant and Appellant.

G048969

(Super. Ct. No. 30-2012-00594579)

O P I N I O N

Appeal from a judgment of the Superior Court of Orange County, Gregory Munoz , Judge. Affirmed in part; reversed in part and remanded.

Colantuono & Levin, Colantuono, Highsmith & Whatley, Michael G. Colantuono, Tiana J. Murillo and Jon di Cristina; Rutan & Tucker, Hans Van Ligten and Joel Kuperberg for Defendant and Appellant.

Best, Best & Krieger and Kelly J. Salt for the Association of California Water Agencies, League of California Cities and California State Association of Counties as Amicus Curiae on behalf of Defendant and Appellant.

Mills Legal Clinic at Stanford Law School, Environmental Law Clinic and Deborah A. Sivas for Natural Resources Defense Council and Planning and Conservation League as Amicus Curiae on behalf of Defendant and Appellant.

AlvaradoSmith, Benjamin T. Benumof and William M. Hensley for Plaintiff and Respondent.

Howard Jarvis Taxpayers Foundation, Trevor A. Grimm, Jonathan M. Coupal, Timothy A. Bittle and Ryan Cogdill as Amicus Curiae on behalf of Plaintiff and Respondent.

Foley & Mansfield and Louis C. Klein for Mesa Water District as Amicus Curiae on behalf of Plaintiff and Respondent.

\* \* \*

## I. INTRODUCTION

Southern California is a “semi-desert with a desert heart.”<sup>1</sup> Visionary engineers and scientists have done a remarkable job of making our home habitable, and too many of us south of the Tehachapis never give a thought to its remarkable reclamation. In his brilliant – if opinionated – classic *Cadillac Desert*, the late Marc Reisner laments how little appreciation there is of “how difficult it will be just to hang on to the beachhead they have made.”<sup>2</sup>

In this case we deal with parties who have an acute appreciation of how tenuous the beachhead is, and how desperately we all must fight to protect it. But they disagree about what steps are allowable – or required – to accomplish that task. We are called upon to determine not what is the right – or even the more reasonable – approach to the beachhead’s preservation, but what is the one chosen by the state’s voters.

We hope there are future scientists, engineers, and legislators with the wisdom to envision and enact water plans to keep our beloved Cadillac Desert habitable.

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<sup>1</sup> Walter Prescott Webb, “The American West, Perpetual Mirage,” *Harper’s Magazine*, May, 1957.

<sup>2</sup> Reisner, *Cadillac Desert*, p. 6.

But that is not the court’s mandate. Our job – and it is daunting enough – is solely to determine what water plans the voters and legislators of the past have put in place, and to determine whether the trial court’s rulings complied with those plans.

We conclude the trial court erred in holding that Proposition 218 does not allow public water agencies to pass on to their customers the capital costs of improvements to provide additional increments of water – such as building a recycling plant. Its findings were that future water provided by the improvement is not immediately available to customers. (See Cal. Const., art. XIII D, § 6, subd. (b)(4)) [no fees “may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question”].) But, as applied to water delivery, the phrase “a service” cannot be read to differentiate between recycled water and traditional, potable water. Water *service* is already “immediately available” to all customers, and *continued* water service is assured by such capital improvements as water recycling plants. That satisfies the constitutional and statutory requirements.

However, the trial court did not err in ruling that Proposition 218 requires public water agencies to calculate the actual costs of providing water at various levels of usage. Article XIII D, section 6, subdivision (b)(3) of the California Constitution, as interpreted by our Supreme Court in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 226 (*Bighorn*) provides that water rates must reflect the “cost of service attributable” to a given parcel.<sup>3</sup> While tiered, or inclined rates that go up progressively in relation to usage are perfectly consonant with article XIII D, section 6, subdivision (b)(3) and *Bighorn*, the tiers must still correspond to the actual cost of providing service at a given level of usage. The water agency here did not try to calculate the cost of actually

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<sup>3</sup> Until *Bighorn*, there was a question as to whether Proposition 218 applied at all to water rates. In 2000, the appellate court in *Howard Jarvis Taxpayers Assn. v. City of Los Angeles* (2000) 85 Cal.App.4th 79, 83 (*Jarvis v. Los Angeles*), held that a city’s water rates weren’t subject to Proposition 218, reasoning that water rates are mere commodity charges. *Bighorn*, however, formally disapproved *Jarvis v. Los Angeles* and held that water rates *are* subject to article XIII D of the California Constitution. (*Bighorn, supra*, 39 Cal.4th at p. 217, fn. 5.)

providing water at its various tier levels. It merely allocated all its costs among the price tier levels, based not on costs, but on pre-determined usage budgets. Accordingly, the trial court correctly determined the agency had failed to carry the burden imposed on it by another part of Proposition 218 (art. XIII D, § 6, subd. (b)(5)) of showing it had complied with the requirement water fees not exceed the cost of service attributable to a parcel. That part of the judgment must be affirmed.

## II. FACTS

Sometimes cities are themselves customers of a water district, the best example in the case law being the City of Palmdale, which successfully invoked Proposition 218 to challenge the rates *it* was paying to a water district.<sup>4</sup> (See *City of Palmdale v. Palmdale Water Dist.* (2011) 198 Cal.App.4th 926 (*Palmdale*)). And sometimes cities are, as in the present case, their own water district. As Amicus Association of California Water Agencies (ACWA) points out, government water suppliers in California are a diverse lot that includes municipal water districts, irrigation districts, county water districts, and, in some cases, cities themselves. To focus on its specific role in this case as a municipal water supplier – as distinct from its role as the provider of municipal services which consume water such as parks, city landscaping or public golf courses – we will refer to appellant City of San Juan Capistrano as “City Water.”

In February 2011, City Water adopted a new water rate structure recommended by a consulting firm. The way City Water calculated the new rate structure is well described in City Water’s supplemental brief of November 25, 2014.<sup>5</sup>

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<sup>4</sup> For reader convenience, we will occasionally refer in this opinion in shorthand to “subdivision (b)(1),” “subdivision (b)(3),” “subdivision (b)(4),” and “subdivision (b)(5),” and sometimes even just to “(b)(1)” “(b)(3),” “(b)(4)” or “(b)(5).” Each time those references refer to article XIII D, section 6, subdivision (b) of the California Constitution. Also, all references to any “article” are to the California Constitution.

<sup>5</sup> We requested supplemental briefing prior to oral argument to clarify the nature of the issues and precisely what was in, and not in, the administrative record. We are indebted to able counsel on all sides for giving us their best efforts to answer our questions.

City Water followed a pattern generally recommended by a manual used by public water agencies throughout the western United States known as the “M-1” manual. It first ascertained its total costs, including things like debt service on previous infrastructural improvements. It then identified components of its costs, such as the cost of billing and the cost of water treatment. Next it identified classes of customers, differentiating, for example, between “regular lot” residential customers and “large lot” residential customers, and between construction customers and agricultural customers. Then, in regard to each class, City Water calculated four possible budgets of water usage, based on historical data of usage patterns: low, reasonable, excessive and very excessive.

The four budgets were then used as the basis for four distinct “tiers” of pricing.<sup>6</sup> For residential customers, tier 1, the low budget, was assumed to be exclusively indoor usage, based on World Health Organization (WHO) guidelines concerning the “minimum quantity of water required for survival,” with adjustments for things like “low-flush toilets and other high-efficiency appliances.” Tier 2, the reasonable budget, included an outdoor allocation based on “typical landscapes,” and assumed “use of native plants and drought-tolerant plants.” The final two tiers were based on budgets of what City Water considers excessive usages of water or overuse volumes. Using these four budgets of consumption levels, City Water allocated its total costs in such a way that the anticipated revenues from all four tiers would equal its total costs, and thus the four-tier system would be, taken as a whole, revenue neutral, and City Water would not make a profit on its pricing structure. City Water did not try to calculate the incremental cost of providing water at the level of use represented by each tier, and in fact, at oral argument

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<sup>6</sup> Such rate structures are sometimes called “inclining” as in the pre-Proposition 218 case, *Brydon v. East Bay Mun. Utility Dist.* (1994) 24 Cal.App.4th 178, 184 (*Brydon*). Amicus ACWA estimates that over half its members now have some sort of tiered water rate system. As we will say numerous times in this opinion, tiered water rate structures and Proposition 218 are thoroughly compatible “so long as” – and that phrase is drawn directly from *Palmdale* – those rates reasonably reflect the cost of service attributable to each parcel. (*Palmdale, supra*, 198 Cal.App.4th at p. 936.)

in this court, admitted it effectively used revenues from the top tiers to subsidize below-cost rates for the bottom tier.

Here is the rate structure adopted, as applied to residential customers:

Tier	Usage	Price
1	Up to 6 ccf <sup>7</sup>	\$2.47 per ccf
2	7 to 17 ccf <sup>8</sup>	\$3.29 per ccf
3	18 to 34 ccf <sup>9</sup>	\$4.94 per ccf
4	Over 34 ccf <sup>10</sup>	\$9.05 per ccf

City Water obtains water from five separate sources: a municipal groundwater recovery plant, the Metropolitan Water District, five local groundwater wells, recycled water wells, and the nearby Moulton Niguel Water District. With the exception of water obtained from the Metropolitan Water District, City Water admits in its briefing that the record does not contain any breakdown as to the relative cost of each source of supply.

The breakdown of cost from each of its various sources of water is, in percentage terms:

Source	Percent of Supply	Cost to Supply
Groundwater Recovery Plant	51.95%	Not ascertained

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<sup>7</sup> Ccf stands for one hundred cubic feet, which translates to 748 gallons. (See *Brydon, supra*, 24 Cal.App.4th at p. 184.)

<sup>8</sup> A precise figure for the usage is complicated by an attempt in the rate structure to distinguish indoor and outdoor use. Technically, tier 2 is tier 1 + 3 extra ccfs, plus an outdoor allocation that is supposed to average out to a total of 17 ccfs, i.e., 8 ccfs are allocated (on average) for outdoor use.

<sup>9</sup> Technically, tier 3 is defined as up to 200 percent of tiers 1 and 2, which, given City Water's projected 17 ccf average, works out to be 34 ccf.

<sup>10</sup> While the consultants distinguished between regular and large lot residential customers, the final structure made no distinction between the two.



Metropolitan Water District	28.54%	\$1,007 per acre foot <sup>11</sup>
Local Wells	7.79%	Not ascertained
Recycled Wells	6.11%	Not ascertained
Moulton Niguel Water District	5.61%	Not ascertained

Various percentages of City Water's overhead – or fixed costs in the record – were allocated in percentages to some of the sources of water, so the price per tier reflected a percentage of fixed costs and costs of some sources.

This chart reflects those allocations:

Tier	Price	Percentage Allocation
1	\$2.47	\$1.78 to fixed costs, .62 to wells
2	\$3.29	\$1.78 to fixed, 1.46 to wells
3	\$4.94	\$1.53 to fixed, .69 to wells, .17 to the Metropolitan Water District, and 2.50 to the groundwater recovery plant
4	\$9.05	0 to fixed, 0 to wells, .53 to groundwater recovery plant, 2.53 to recycled, 3.32 to the Metropolitan Water District, and 2.64 to Penalty Set Aside

There is no issue in this case as to the process of the adoption of the new rates, such as whether they should have been voted on first under the article XIII C part

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<sup>11</sup> In 2010, City Water was paying \$719 per acre foot for water from the Metropolitan Water District, and that cost was projected to increase incrementally each year until it reached \$1,007 per acre foot by 2014. One acre foot equals 435.6 ccf.

of Proposition 218. For purposes of this appeal it is enough to say City Water adopted them.<sup>12</sup>

In August 2012, the Capistrano Taxpayers Association (CTA) filed this action, challenging City Water’s new rates as violative of Proposition 218, specifically article XIII D, section 6, subdivision (b)(3)’s limit on fees to the “cost of service attributable to the parcel.” After a review of the administrative record and hearing, the trial court found the rates weren’t compliant with article XIII D, noting it “could not find any specific financial cost data in the A/R to support the substantial rate increases” in the progressively more expensive tiers. In particular the trial judge found a lack of support for the inequality between the tiers.

The statement of decision also concluded that the imposition of charges for recycling within the rate structure violated the “immediately available” provision in article XIII D, section 6, subdivision (b)(4), because *recycled* water is not used by residential parcels. (City Water concedes that when the recycling plant comes on line, it will supply water to some, but not all, of its customers. Residences, for example, are not typically plumbed to receive non-potable recycled water.) City Water has timely appealed from the declaratory judgment, challenging both determinations.

### III. DISCUSSION

#### A. *Capital Costs and Proposition 218*

We first review the constitutional text. Article XIII D, section 6, subdivision (b)(4) provides: “No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.

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<sup>12</sup> With a minor qualification that, given our disposition, it need not be addressed in too much detail. A minor issue in the briefing is whether City Water should have made its consultants’ report available for taxpayer scrutiny prior to the public hearing contemplated in article XIII D, section 6, subdivision (c). Since City Water is not able to show its price structure correlates with the actual cost of providing service at the various incremental levels even *with* the consultants’ report, we need not get bogged down in this issue.

Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.”

The trial court ruled City Water had violated this provision by “charging certain ratepayers for recycled water that they do not actually use and that is not immediately available to them.” The trial judge specifically found, in his statement of decision, that “City [Water] imposed a fee on all ratepayers for recycled water services and delivery of recycled water services, despite the fact that not all ratepayers used recycled water or have it immediately available to them or would ever be able to use it.”

But the trial court assumed that providing recycled water is a fundamentally different kind of service from providing traditional potable water. We think not. When each kind of water is provided by a single local agency that provides water to different kinds of users, some of whom can make use of recycled water (for example, cities irrigating park land) while others, such as private residences, can only make use of traditional potable water, providing each kind of water is providing the *same* service. Both are getting water that meets their needs. Non-potable water for some customers frees up potable water for others. And since water service is already immediately available to all customers of City Water, there is no contravention of subdivision (b)(4) in including charges to construct and provide recycled water to some customers.

On this point, *Griffith v. Pajaro Valley Water Management Agency* (2013) 220 Cal.App.4th 586 (*Griffith*) is instructive. *Griffith* involved an augmentation fee on parcels that had their own wells. An objection to the augmentation fee by the well owners was that the fee included a charge for delivered water, even though some of the properties were outside the area and not actually receiving delivered water. The *Griffith* court said that even if some parcel owners weren’t receiving delivered water, revenues from the augmentation fee still benefited those parcels, since they funded “activities required to prepare or implement the groundwater management program for the common benefit of all water users.” (*Id.* at p. 602.) In *Griffith* the augmentation fee was thus

intended to fund aggressive capital investments to increase the general supply of water, including some customers receiving delivered water when other customers didn't. It was undeniable that by funding delivered water to some customers water was *freed up* for all customers. (See *Griffith, supra*, 220 Cal.App.4th at p. 602; accord, *Paland v. Brooktrails Township Community Services Dist. Bd. of Directors* (2009) 179 Cal.App.4th 1358 [customer in rural area who periodically went inactive still had water immediately available to him].)

In the present case, there is a Government Code definition of water which shows water to be part of a holistic distribution system that does not distinguish between potable and non-potable water: “‘Water’ means any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.” (Gov. Code, § 53750, subd. (m).)

A recycling plant, like other capital improvements to increase water supply, obviously entails a longer time frame than a residential customer's normal one-month billing cycle. As shown in *Morgan v. Imperial Irrigation District* (2014) 223 Cal.App.4th 892, the time frame for the calculation of the true cost of water can be, given capital improvements, quite long. (See *id.* p. 900 [costs amortized over a six-year period].) And, as pointed out by amici Howard Jarvis Taxpayers Association, Water Code section 53756 contemplates time frames for water rates that can be as much as five years.<sup>13</sup> There is no need, then, to conclude that rates to pay for a recycling plant have to be figured on a month-to-month basis.

The upshot is that within a five-year period, a water agency might develop a capital-intensive means of production of what is effectively *new* water, such as

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<sup>13</sup> Water Code section 53756 provides in relevant part:  
 “An agency providing water, wastewater, sewer, or refuse collection service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation, if it complies with all of the following:  
 “(a) It adopts the schedule of fees or charges for a property-related service for a period *not to exceed five years* pursuant to Section 53755.” (Italics added.)

recycling or desalinization, and pass on the costs of developing that new water to those customers whose marginal or incremental extra usage requires such new water to be produced. As amicus Mesa Water District points out, Water Code section 31020 gives local water agencies power to do acts to “furnish sufficient water for any present or *future* beneficial use.” (Wat. Code, § 31020, italics added.) The trial court thus erred in concluding the inclusion of charges to fund a recycling operation was, by itself, a violation of subdivision (b)(4).

However, the record is insufficient to allow us to determine at this level whether residential ratepayers who only use 6 ccf or less – what City Water considers the super-conservers – are being required to pay for recycling facilities that would not be necessary but for above-average consumption. Proposition 218 protects lower-than-average users from having to pay rates that are *above the cost of service for them* because those rates include capital investments their levels of consumption do not make necessary. We note, in this regard, that in *Palmdale, supra*, one of the reasons the court there found the tiered pricing structure to violate subdivision (b)(3) was the perverse effect of affirmatively penalizing conservation by some users. (See *Palmdale, supra*, 198 Cal.App.4th at pp. 937-938; see accord, *Brydon, supra*, 24 Cal.App.4th at p. 202 [“To the extent that certain customers over-utilize the resource, they contribute disproportionately to the necessity for conservation, and the requirement that the District acquire new sources for the supply of domestic water.”].)

There is a case with an analogous lacuna, the Supreme Court case of *California Farm Bureau Federation v. State Water Resources Control Bd.* (2011) 51 Cal.4th 421 (*Farm Bureau*). In *Farm Bureau*, the record was also unclear as to the issue of apportionment between a regulatory activity’s fees and its costs. (*Id.* at p. 428.) Accordingly, the high court directed the matter to be remanded to the trial court for such necessary findings.

That seems to us the appropriate way to complete the record in our case. Following the example of *Farm Bureau*, we remand the matter for further findings on whether charges to develop City Water’s nascent recycling operation have been improperly allocated to users whose levels of consumption are so low that they cannot be said to be responsible for the need for that recycling.

## B. *Tiered Pricing and Cost of Service*

### 1. *Basic Analysis*

We begin, as we did with the capital cost issue, with the text of the Constitution. In addition to subdivision (b)(3), the main provision at issue in this case, we also quote subdivision (b)(1), because it throws light on subdivision (b)(3). Subdivision (b) describes “Requirements for Existing, New or Increased Fees and Charges,” and provides that, “A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements: [¶] (1) Revenues derived from the fee or charge *shall not exceed the funds required to provide the property related service.* [¶] . . . [¶] (3) *The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.*” (Italics added.)

In addition to these two substantive limits on fees, article XIII D, section 6, subdivision (b)(5) puts an important procedural limit on a court’s analysis in regard to the burden of proof: “In any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance with this article.” The trial court found City Water had failed to carry its burden of proof under subdivision (b)(5) of showing its 2010 tiered water fees were proportional to the cost of service attributable to each customer’s parcel as required by subdivision (b)(3).

As respondent CTA quickly ascertained, the difference between Tier 1 and Tier 2 is a tidy 1/3 extra, the difference between Tier 2 and 3 is a similarly exact 1/2 extra, and the difference between Tier 3 and Tier 4 is precisely 5/6ths extra. This

fractional precision suggested to us that City Water did not attempt to correlate its rates with cost of service. Such mathematical tidiness is rare in multi-decimal point calculations. This conclusion was confirmed at oral argument in this court, when City Water acknowledged it had not tried to correlate the incremental cost of providing service at the various incremental tier levels to the prices of water at those levels.

In voluminous briefing by City Water and its amici allies, two somewhat overlapping core thoughts emerge: First, they contend that when it comes to water, local agencies do not have to – or should not have to – calculate the cost of water service at various incremental levels of usage because the task is simply too complex and thus not required by our Constitution. The second core thought is that even if agencies are required to calculate the actual costs of water service at various tiered levels of usage, such a calculation is necessarily, as City Water’s briefing contends, a legislative or quasi-legislative, discretionary matter, largely insulated from judicial review. We cannot agree with either assertion.

The appropriate way of examining the text of Proposition 218 has already been spelled out by the Supreme Court in *Silicon Valley Taxpayers’ Assn., Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal.4th 431, 448 (*Silicon Valley*): “We ““must enforce the provisions of our Constitution and “may not lightly disregard or blink at . . . a clear constitutional mandate.””” [Citation.] In so doing, we are obligated to construe constitutional amendments in a manner that effectuates the voters’ purpose in adopting the law. [Citation.] [¶] Proposition 218 specifically states that ‘[t]he provisions of this act shall be *liberally construed to effectuate its purposes of limiting local government revenue and enhancing taxpayer consent.*’ (Ballot Pamp., *supra*, text of Prop. 218, § 5, p. 109; Historical Notes, *supra*, at p. 85.) Also, as discussed above, the ballot materials explained to the voters that Proposition 218 was designed to “constrain local governments’ ability to impose assessments; place extensive requirements on local governments charging assessments; shift the burden of demonstrating assessments’

legality to local government; *make it easier for taxpayers to win lawsuits; and limit the methods by which local governments exact revenue from taxpayers without their consent.*” (*Silicon Valley, supra*, 44 Cal.4th at p. 448, italics added.)

If the phrase “proportional cost of service attributable to *the* parcel” (italics added) is to mean anything, it has to be that article XIII D, section 6, subdivision (b)(3) assumes that there really *is* an ascertainable cost of service that can be attributed to a specific – hence that little word “the” – parcel. Otherwise, the cost of service language would be meaningless. Why use the phrase “cost of service to the parcel” if a local agency doesn’t actually have to ascertain a cost of service to that particular parcel?

The presence of subdivision (b)(1) of section 6, article XIII D, just a few lines above subdivision (b)(3), confirms our conclusion. Constitutional provisions, particularly when enacted in the same measure, should be construed together and read as a whole. (*Bighorn, supra*, 39 Cal.4th at p. 228.) The “proportional cost of service” language from subdivision (b)(3) is part of a general subdivision (b), and there is an additional reference to costs in subdivision (b)(1). Subdivision (b)(1) provides that the total revenue from fees “shall not exceed the funds required to provide *the property* related service.” (Italics added.)

It seems to us that to comply with the Constitution, City Water had to do more than merely balance its total costs of service with its total revenues – that’s already covered in subdivision (b)(1). To comply with subdivision (b)(3), City Water also had to correlate its tiered prices with the actual cost of providing water at those tiered levels. Since City Water didn’t try to calculate the actual costs of service for the various tiers, the trial court’s ruling on tiered pricing must be upheld simply on the basis of the constitutional text.

We find precedent for our conclusion in the *Palmdale* case. There, a water district obtained its water from two basic sources: 60 percent from a reservoir and the state water project, and the 40 percent balance from the district’s own area groundwater



wells. Most (about 72 percent) of the water went to single family residences, with irrigation users accounting for 5 percent of the distribution. (*Palmdale, supra*, 198 Cal.App.4th at p. 928.) For the previous five years, the district had spent considerable money to upgrade its water treatment plant (\$56 million) but revenues suffered from a “decline in water sales,” so its reserves were depleted. The district wanted to issue more debt for “future capital projects.” (*Id.* at pp. 928-929.) Relying on consultants, the water district adopted a new, five-tiered rate structure, which progressively increased rates (for the top four tiers) for three basic categories of customers: residences, businesses, and irrigation projects. The tiered budgets for irrigation users were more stringent than for residential and commercial customers. (*Id.* at p. 930.) The way the tiers operated, all three classes of customers got a tier 1 budget, but irrigation customers had less leeway to increase usage without progressing to another tier. Thus, for example, the tier 2 rates for residential customers did not kick in until 125 percent of the budget, but tier 2 rates for irrigation customers kicked in at 110 percent of the budget. The tiered rate structure was itself based on a monthly allocated water budget. (*Ibid.*)

Two irrigation users – the city itself and its redevelopment agency – sought to invalidate the new rates. The trial court had the advantage of the newly-decided Supreme Court opinion in *Silicon Valley*, which had clarified the standard of review for Proposition 218 cases. There, the high court made it clear that in Proposition 218 challenges to agency action, the agency had to bear the burden of proof of demonstrating compliance with Proposition 218, and both trial and reviewing courts are to apply an independent review standard, not the traditional, deferential standards *usually* applicable in challenges to governmental action. (*Silicon Valley, supra*, 44 Cal.4th at p. 448.) More directly, said *Silicon Valley*, it is not enough that the agency have substantial evidence to support its action. That substantial evidence must itself be able to withstand independent review. (See *id.* at pp. 441, 448-449 [explaining why substantial evidence to support the

agency action standard was too deferential in light of Proposition 218’s liberal construction in favor of taxpayer feature].)

With this in mind, the *Palmdale* court held the district had failed to carry its burden of showing compliance with Proposition 218. (*Palmdale, supra*, 198 Cal.App.4th at pp. 937-938.) The core of the *Palmdale* court’s reasoning was twofold. First, there was discrimination against irrigation-only customers, giving an unfair price advantage to those customers in other classes who were inclined to inefficiently use – or, for that matter, waste – outdoor water. (The opinion noted the perfect exemplar of water waste: hosing off a parking lot.) Thus an irrigation user, such as a city providing playing fields, playgrounds and parks, was disproportionately impacted by the inequality in classes of users. (*Palmdale, supra*, 198 Cal.App.4th at p. 937.) Second, the discrimination was gratuitous. The district’s own consultants had proposed a “cost of service” option that they considered Proposition 218 compliant, but the district did not choose it because it preferred a “fixed” option providing better “rate stability.” In fact the choice had the perverse effect of entailing a “weaker signal for water conservation” for “small customers who conserve water.” (*Palmdale, supra*, 198 Cal.App.4th at pp. 937-939, italics added.)<sup>14</sup>

We recognize that *Palmdale* was primarily focused on inequality between classes of users, as distinct from classes of water rate tiers. But, just as in *Palmdale* where the district never attempted to justify the inequality “in the cost of providing water” to its various classes of customers at each tiered level (*Palmdale, supra*, 198 Cal.App.4th at p. 937), so City Water has never attempted to justify its price points as based on *costs of service for those tiers*. Rather, City Water merely used what it thought was its legislative, discretionary power to attribute percentages of total costs to the various tiers. While an interesting conversation might be had about whether this was

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<sup>14</sup> As described by the court, the fixed cost option was really a “fixed variable” option, with fixed charges being 60 percent of total costs, the balance being variable. (*Palmdale, supra*, 198 Cal.App.4th at p. 929.)

reasonable or wise, we can find no room for arguing its constitutionality. It does not comply with the mandate of the voters as we understand it.

## 2. *City Water's Arguments*

### a. *Article X, section 2*

In supplemental briefing prior to oral argument, this court pitched a batting practice fastball question to City Water, intended to give the agency its best chance of showing that the prices for its various usage tiers, particularly the higher tiers (e.g., \$4.94 for all usage over 17 ccf to 34 ccf, and \$9.04 for usage over 34 ccf) corresponded with its actual costs of delivering water in those increments. We were hoping that, maybe, we had missed something in the record that would demonstrate the actual cost of delivering water for usage over 34 ccf per month really is \$9.04 per ccf, and City Water would hit our question into the upper deck.

What we got back was a rejection of the very idea behind the question. As would later be confirmed at oral argument, City Water's answer was that there does not have to be a correlation between tiered water prices and the cost of service. Its position is that the "cost-of-service principle of Proposition 218" must be "balance[d]" against "the conservation mandate of article X, section 2." In short, City Water justifies the lack of a correlation between the marginal amounts of water usage represented by its various tiers and the actual cost of supplying that water by saying the lack of correlation is excused by the subsidy for low usage represented by tier 1, on the theory that subsidized tier 1 rates are somehow *required* by Article X, section 2. While we agree that low-cost water rates do not, in and of themselves, offend subdivision (b)(3) (see *Morgan, supra*, 223 Cal.App.4th at p. 899), we cannot adopt City Water's constitutional extrapolation of that point.

We quote the complete text of article X, section 2 in the margin.<sup>15</sup> Article X, section 2 was enacted in 1928 in reaction to a specific Supreme Court case decided two years earlier, *Herminghaus v. South. California Edison Co.* (1926) 200 Cal. 81 (*Herminghaus*). The *Herminghaus* decision, as Justice Shenk wrote in his dissent there, allowed downstream riparian land owners – basically farmers owning land adjacent to a river – to claim 99 percent of the flow of the San Joaquin River even though they were actually using less than 1 percent of that flow.<sup>16</sup> To compound that anomaly, the downstream riparian land owners’ claims came at the expense of the efforts of an electric utility company to generate electricity for general, beneficial use by building reservoirs at various points upstream on the river. (See *id.* at p. 109.) In the process of upholding the downstream landowners’ “riparian rights” over the rights of the electric company to use the water to make electricity, the *Herminghaus* majority invalidated legislation aimed at preserving water in the state for a reasonable beneficial use, thereby countenancing what Justice Shenk perceived to be a plain waste of good water. (*Herminghaus, supra*, 200 Cal. at p. 123 (dis. opn. of Shenk, J.)) As our Supreme Court would describe *Herminghaus* about half a century later: “we held not only that riparian rights took priority over appropriations authorized by the Water Board, a point which had always

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<sup>15</sup> “It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this State is and shall be limited to such water as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. Riparian rights in a stream or water course attach to, but to no more than so much of the flow thereof as may be required or used consistently with this section, for the purposes for which such lands are, or may be made adaptable, in view of such reasonable and beneficial uses; provided, however, that nothing herein contained shall be construed as depriving any riparian owner of the reasonable use of water of the stream to which the owner’s land is riparian under reasonable methods of diversion and use, or as depriving any appropriator of water to which the appropriator is lawfully entitled. This section shall be self-executing, and the Legislature may also enact laws in the furtherance of the policy in this section contained.”

<sup>16</sup> “In order to have the beneficial use of less than one per cent of the maximum flow of the San Joaquin River on their riparian lands the plaintiffs are contending for the right to use the balance in such a way that, so far as they are concerned, over ninety-nine per cent of that flow is wasted. This is a highly unreasonable use or method of the use of water.” (*Herminghaus, supra*, 200 Cal. at p. 123 (dis. opn. of Shenk, J.))

been clear, but that as between the riparian and the appropriator, the former's use of water was not limited by the doctrine of reasonable use." (*National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419, 442 (*Audubon-Mono Lake*)).

The voters overturned *Herminghaus* in the 1928 election by adopting article X, section 2, then denoted article XIV, section 3. (See *Gin S. Chow v. City of Santa Barbara* (1933) 217 Cal. 673, 699 (*Gin Chow*)). In the 1976 Constitutional revision, old article XIV, section 3, was recodified *verbatim* as article X, section 2. (See Gray, "*In Search of Bigfoot*": *The Common Law Origins of Article X, Section 2 of the California Constitution* (1989) 17 Hastings Const. L. Q. 225 (hereinafter "*Origins of Article X, Section 2*").<sup>17</sup>

The purpose of article X, section 2 was described in *Gin Chow*, the first case to reach the Supreme Court in the wake of the adoption of what is now article X, section 2, in 1928. Justice Shenk, having been vindicated by the voters on the point of a perceived need to prevent the waste of water by letting it flow to the sea, summarized the new amendment in terms emphasizing beneficial use: "The purpose of the amendment was stated to be 'to prevent the waste of waters of the state resulting from an interpretation of our law which permits them to flow unused, unrestrained and undiminished to the sea', and is an effort 'on the part of the state, in the interest of the people of the state, to conserve our waters' without interference with the beneficial uses to which such waters may be put by the owners of water rights, including riparian owners. That such purpose is reflected in the language of the amendment is beyond question. Its language is plain and unambiguous. In the main it is an endeavor on the part of the people of the state, through its fundamental law, to conserve a great natural resource, and thereby render available for beneficial use that portion of the waters of our rivers and streams which, under the old riparian doctrine, was of no substantial benefit to

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<sup>17</sup> Professor Gray's article is an exceptionally valuable source on the origins of article X, section 2.

the riparian owner and the conservation of which will result in no material injury to his riparian right, and without which conservation such waters would be wasted and forever lost.” (*Gin Chow, supra*, 217 Cal. at p. 700.)

The emphasis in the actual language of article X, section 2 is thus on a policy that favors the beneficial use of water as against the waste of water for non-beneficial uses. That is what one would expect, consistent with both Justice Shenk’s dissent in *Herminghaus* and his majority opinion in *Gin Chow*. (See Gray, *supra*, *Origins of Article X, Section 2*, 17 Hastings Const. L. Q. at p. 263 [noting emphasis in text on beneficial use].) The word “conservation” is used in the introductory sentence of the provision in the context of promoting beneficial uses: “the conservation of such waters is to be exercised *with a view to the reasonable and beneficial use thereof* in the interest of the people and for the public welfare.” (Gray, *supra*, *Origins v. Article X, Section 2*, p. 225, italics added.)

But nothing in article X, section 2, requires water rates to exceed the true cost of supplying that water, and in fact pricing water at its true cost is compatible with the article’s theme of conservation with a view toward reasonable and beneficial use. (See *Palmdale, supra*, 198 Cal.App.4th at pp. 936-937 [reconciling article X, section 2 with Proposition 218]; accord, *Brydon, supra*, 24 Cal.App.4th at p. 197 [noting that incremental rate structures create an incentive to reduce water use].) Thus it is hard for us to see how article X, section 2, can be read to trump subdivision (b)(3). We would note here that in times of drought – which looks increasingly like the foreseeable future – providing water can become very pricey indeed.<sup>18</sup> And, we emphasize, there is nothing at all in subdivision (b)(3) or elsewhere in Proposition 218 that prevents water agencies

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<sup>18</sup> It was recently noted that Santa Barbara is dusting off a desalinization plant built in the 1990’s to provide additional water for the city in the current drought. (See Covarrubias, *Santa Barbara Working to Reactive Mothballed Desalinization Plant* (March 3, 2015, L.A. Times < <http://www.latimes.com/local/california/la-me-santa-barbara-desal-20150303-story.html>> (as of March 30, 2015) [noting, among other things, that desalination can be expensive].)

from passing on the incrementally higher costs of expensive water to incrementally higher users. That would seem like a good idea. But subdivision (b)(3) does require they figure out the true cost of water, not simply draw lines based on water budgets. Thus in *Palmdale*, the appellate court perceived no conflict between Proposition 218 and article X, section 2, *so long as* article X, section 2 is not read to allow water rates that exceed the cost of service. Said *Palmdale*: “California Constitution, article X, section 2 is not at odds with Article XIII D *so long as, for example, conservation is attained in a manner that ‘shall not exceed the proportional cost of the service attributable to the parcel.’* (Art. XIII D, § 6, subd. (b)(3).)” (*Palmdale, supra*, 198 Cal.App.4th at pp. 936-937, italics added.) And as its history, and the demonstrated concern of the voters in 1928 demonstrates, article X, section 2 certainly does not require above-cost water rates.

In fact, if push came to shove and article X, section 2, really were in irreconcilable conflict with article XIII D, section 6, subdivision (b)(3), we might have to read article XIII D, section 6, subdivision (b)(3) to have carved out an *exception* to article X, section 2, since Proposition 218 is both more recent, and more specific. (*Greene v. Marin County Flood Control & Water Conservation Dist.* (2010) 49 Cal.4th 277, 290 [“As a means of avoiding conflict, a recent, specific provision is deemed to carve out an exception to and thereby limit an older, general provision.”]; *Izazaga v. Superior Court* (1991) 54 Cal.3d 356, 371 [same].)

Fortunately, that problem has not arisen. We perceive article X, section 2 and article XIII D, section 6, subdivision (b)(3) to work *together* to promote increased supplies of water – after all, the main reason article X, section 2 was enacted in the first place was to ensure the *capture and beneficial use*, of water and prevent its wasteful draining into the ocean. As a pre-Proposition 218 case, *Brydon, supra*, 24 Cal.App.4th 178 observed, one of the benefits of tiered rates is that it is reasonable to assume people will not waste water as its price goes up. (See *id.* at p. 197 [noting that incremental rate structures create an incentive to reduce water use].) Our courts have

made it clear they interpret the Constitution to allow tiered pricing; but the voters have made it clear they want it done in a particular way.

b. *Brydon and Griffith*

We believe the precedent most on point is *Palmdale*, and we read *Palmdale* to support the trial court’s conclusion City Water did not comply with the subdivision (b)(3) requirement that rates be proportional to cost of service. The two cases City Water relies on primarily for its opposite conclusion, *Brydon and Griffith*, do not support a different result.

*Brydon* was a pre-Proposition 218 case upholding a tiered water rate structure as against challenges based on 1978’s Proposition 13, rational basis, and equal protection challenges. Similar to the case at hand, the water district promulgated an “inclining block rate structure.” (*Brydon, supra*, 24 Cal.App.4th at p. 182; see p. 184 [details of four-tier structure].) Proposition 218 had not yet been enacted, so the opponents of the block rate structure did not have the “proportional cost of the service attributable to the parcel” language in subdivision (b)(3) to use to challenge the rate structure. They relied, rather, on the theory that Proposition 13 made the rate structure a “special tax,” requiring a vote. As a backup they made traditional rational basis and equal protection arguments. They claimed the rate structure was “arbitrary, capricious and not rationally related to any legitimate or administrative objective” and, further, that the structure unreasonably discriminated against customers in the hotter areas of the district. (*Brydon, supra*, at p. 182.) The *Brydon* court rejected both the Proposition 13 and rational basis/equal protection arguments.

But *Brydon* – though it might still be read as evidence that tiered pricing not otherwise connected to cost of service would survive a rational basis or equal protection challenge – simply has no application to post-Proposition 218 cases. In fact, the construction of Proposition 13 applied by *Brydon* was based on cases Proposition 218



was designed to overturn.<sup>19</sup> The best example of such reliance was *Brydon's* declination to follow *Beaumont Investors v. Beaumont-Cherry Valley Water Dist.* (1985) 165 Cal.App.3d 227 (*Beaumont*) on the issue of the burden of proof. *Beaumont* had held it was the agency that had the burden of proof to show compliance with Proposition 13. *Brydon*, however, said the burden was on the taxpayers to show lack of compliance. In coming to its conclusion, *Brydon* invoked *Knox v. City of Orland* (1992) 4 Cal.4th 132. *Knox*, said *Brydon*, had “cast substantial doubt” on the “propriety of shifting the burden of proof to the agency.” (*Brydon, supra*, 24 Cal.App.4th at p. 191.) But, more than a decade later, our Supreme Court in *Silicon Valley* recognized that *Knox* itself was one of the targets of Proposition 218. (See *Silicon Valley, supra*, 44 Cal.4th at p. 445.<sup>20</sup>) In the wake of *Knox's* fate (see in particular subdivision (b)(5) [changing burden of proof]), it seems safe to say that *Brydon* itself was part of the general case law which the enactors of Proposition 218 wanted replaced with stricter controls on local government discretion.

As the *Silicon Valley* court observed, Proposition 218 effected a paradigm shift. Proposition 218 was passed by the voters in order to *curtail* discretionary models of local agency fee determination. (See *Silicon Valley, supra*, 44 Cal.4th at p. 446 [“As further evidence that the voters sought to curtail local agency discretion in raising funds

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<sup>19</sup> Two examples of early, post-Proposition 13 cases that took a strict constructionist view of the provision are *Los Angeles County Transportation Com. v. Richmond* (1982) 31 Cal.3d 197 (*Los Angeles County v. Richmond*) [strictly construing Proposition 13's voting requirements to avoid finding a transportation commission was a “special district”]; *City and County of San Francisco v. Farrell* (1982) 32 Cal.3d 47, 54 [strictly construing words “special tax” used in section 4 of Proposition 13 as ambiguous to avoid finding municipal payroll and gross receipts tax was a “special tax”].) *Brydon* expressly relied on *Los Angeles County v. Richmond*. (See *Brydon, supra*, 24 Cal.App.4th at p. 190.) Proposition 218 effectively reversed these cases with a liberal construction provision. (See *Silicon Valley, supra*, 44 Cal.4th at p. 448.)

<sup>20</sup> Here is the relevant passage from *Silicon Valley*: “As the dissent below points out, a provision in Proposition 218 shifting the burden of demonstration was included in reaction to our opinion in *Knox*. The drafters of Proposition 218 were clearly aware of *Knox* and the deferential standard it applied based on *Dawson [v. Town of Los Altos Hills]* (1976) 16 Cal.3d 676.”

. . . .”].)<sup>21</sup> Allocation of water rates might indeed have been a purely discretionary, legislative task when *Brydon* was decided, but not after passage of Proposition 218.

The other key case in which City Water’s analysis of this point is *Griffith*. There, the fee itself varied according to the location of the property, e.g., whether the parcels with wells were coastal and metered, non-coastal and metered, or residential and non-metered. Objectors to the fee asserted certain tiers in the fee, *based on the geographic differences in the parcels covered* by the fee, were not proportional to the cost they were paying. One objector in particular complained the fee was improperly established by working backwards from the overall amount of the project, subtracting other revenues, the balance being the augmentation charge, which was then apportioned among the users. (*Griffith, supra*, 220 Cal.App.4th at p. 600.) This objector argued that the proportional cost of service had to be calculated prior to setting the rate for the charge.

The court noted the M-1 industry manual recommends such a work-backwards-from-total-cost methodology in setting rates, and held that the objectors did not attempt to explain why such an approach “offends Proposition 218 proportionality.” (*Griffith, supra*, 220 Cal.App.4th at p. 600.) The best the objectors could do was to point to what *Silicon Valley* had said about *assessments*, namely, agencies cannot start with “an amount taxpayers are likely to pay” and *then* determine their annual spending budget from that. (*Ibid.*, quoting *Silicon Valley, supra*, 44 Cal.4th at p. 457.) The

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<sup>21</sup> Here and there in City Water’s briefing there are references to a discretionary, legislative power in regard to local municipal water agencies conferred by article XI, section 9, which was a 1970 amendment to the Constitution, though one can trace it back to the Constitution of 1879. Basically, article XI, section 9, gives cities the right to go into the water supply business. We quote its text, unamended since 1970: “(a) A municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication. It may furnish those services outside its boundaries, except within another municipal corporation which furnishes the same service and does not consent. [¶] (b) Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law.”

Article XI, section 9 obviously does not *require* municipal corporations to establish fees in excess of their costs, so there is no incompatibility between it and the later enacted Proposition 218.

*Griffith* court distinguished the language from *Silicon Valley*, however, by saying the case before it did not entail any what-the-market-will-bear methodology. (*Griffith, supra*, 220 Cal.App.4th at p. 600.)

The objectors had also relied on *Palmdale* for the proposition that “Proposition 218 proportionality compels a parcel-by-parcel proportionality analysis.” (*Griffith, supra*, 220 Cal.App.4th at p. 601.) The *Griffith* court rejected that point by stating “[A]pportionment is not a determination that lends itself to precise calculation,” for which it cited a pre-Proposition 13, pre-Proposition 218 case, *White v. County of San Diego* (1980) 26 Cal.3d 897, 903, without any explanation. (*Griffith, supra*, 220 Cal.App.4th at p. 601.)

When read in context, *Griffith* does not excuse water agencies from ascertaining the true costs of supplying water to various tiers of usage. Its comments on proportionality necessarily relate only to variations in property location, such as what side of a water basin a parcel might fall into. That explains its citation to *White*, which itself was not only pre-Proposition 218, but pre-Proposition 13. Moreover, while the *Griffith* court may have noted that the M-1 manual generally recommends a work-backwards approach, we certainly do not read *Griffith* for the proposition that a mere manual used by utilities throughout the Western United States can trump the plain language of the California state Constitution. The M-1 manual might show working backwards is reasonable, but it cannot excuse utilities from ascertaining cost of service now that the voters and the Constitution have chosen cost of service.

To the extent *Griffith* does apply to this case, which is on the (b)(4) issue, we find it helpful and have followed it. But trying to apply it to the (b)(1) and (b)(3) issues is fatally flawed.

### c. *Penalty Rates*

A final justification City Water gives for not tying tier prices to cost of service is to say it doesn’t make any difference because the higher tiers can be justified as

penalties not within the purview of Proposition 218 at all. (In the context of article X, section 2, City Water euphemistically refers to its higher tiered rates as conservation rates as if such a designation would bring them within article X, section 2 and exempt them from subdivision (b)(3), but as we have explained, article X, section 2, does not require what article XIII D, section 6, subdivision (b)(3) forbids) and designating something a “conservation rate” is no more determinative than calling it an “apple pie” or “motherhood” rate.

City Water’s theory of penalty rates relies on the procedural first part of Proposition 218, specifically article XIII C, section 1, subdivision (e)(5). This part of Proposition 218 defines the word “tax” to exclude fines “imposed by” a local government “as a result of a violation of law.”<sup>22</sup> That is hardly a revelation, of course. We may take as a given that Proposition 218 was never meant to apply to parking tickets.

But City Water’s penalty rate theory is inconsistent with the Constitution. It would open up a loophole in article XIII D, section 6, subdivision (b)(3) so large it would virtually repeal it. All an agency supplying *any* service would need to do to circumvent article XIII D, section 6, subdivision (b)(3), would be to establish a low legal base use for that service, pass an ordinance to the effect that any usage above the base amount is illegal, and then decree that the penalty for such illegal usage equals the incrementally increased rate for that service. Such a methodology could easily yield rates that have no relation at all to the actual cost of providing the service at the penalty levels. And it would make a mockery of the Constitution.

#### IV. CONCLUSION

All of which leads us to the conclusion City Water’s pricing violates the constitutional requirement that fees “not exceed the proportional cost of the service

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<sup>22</sup> The relevant text from article XIII C, section 1, subdivision (e)(5) is:  
“(e) As used in this article, “tax” means any levy, charge, or exaction of any kind imposed by a local government, except the following: [¶] . . . [¶] (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.”

attributable to the parcel.” This is not to say City Water must calculate a rate for 225 Elm Street and then calculate another for the house across the street at 226. Neither the voters nor the Constitution say anything we can find that would prohibit tiered pricing.

But the tiers must be based on usage, not budgets. City Water’s Article X, section 2 position kept it from explaining to us *why* it cannot anchor rates to usage. Nothing in our record tells us why, for example, they could not figure out the costs of given usage levels that require City Water to tap more expensive supplies, and then bill users in those tiers accordingly. Such computations would seem to satisfy Proposition 218, and City Water has not shown in this record it would be impossible to comply with the Constitutional mandate in this way or some other. As the court pointed out in *Howard Jarvis Taxpayers Ass'n v. City of Fresno* (2005) 127 Cal.App.4th 914, 923, the calculations required by Proposition 218 may be “complex,” but “such a process is now required by the California Constitution.”

Water rate fees to fund the costs of capital-intensive operations to produce more or new water, such as the recycling plant at issue in this case, do not contravene article XIII, section 6, subdivision (b)(4) of the Constitution. While that provision precludes fees for a service not immediately available, both recycled water and traditional potable water are part of the same service – water service. And water service most assuredly is immediately available to City Water’s customers now.

But, because the record is unclear whether low usage customers might be paying for a recycling operation made necessary only because of high usage customers, we must reverse the trial court’s judgment that the rates here are *necessarily* inconsistent with subdivision (b)(4), and remand the matter for further proceedings with a view to ascertaining the portion of the cost of funding the recycling operation attributable to those customers whose additional, incremental usage requires its development.

By the same token, we see nothing in article XIII, section 6, subdivision (b)(3) of the California Constitution that is incompatible with water agencies passing on

the true, marginal cost of water to those consumers whose extra use of water forces water agencies to incur higher costs to supply that extra water. Precedent and common sense both support such an approach. However, we do hold that above-cost-of-service pricing for tiers of water service is not allowed by Proposition 218 and in this case, City Water did not carry its burden of proving its higher tiers reflected its costs of service. In fact it has practically admitted those tiers don't reflect cost of service, as shown by their tidy percentage increments and City Water's refusal to defend the calculations. And so, on the subdivision (b)(3) issue, we affirm the trial court's judgment.

Given the procedural posture the case now finds itself in, the issue of who is the prevailing party is premature. That question should be first dealt with by the trial court only after all proceedings as to City Water's rate structure are final. Accordingly, we do not make an appellate cost order now, but reserve that matter for future adjudication in the trial court. (See *Neufeld v. Balboa Ins. Co.* (2000) 84 Cal.App.4th 759, 766 [deferring question of appellate costs in case being remanded until litigation was final].)

BEDSWORTH, ACTING P. J.

WE CONCUR:

MOORE, J.

THOMPSON, J.