## LABOR COMPLIANCE PROGRAM ANNUAL REPORT

**Format for Awarding Body that enforces its own Labor Compliance Program for some but not all projects**

Report for the reporting period **07/01/2015 to 06/30/2016**

### 1. Name of Labor Compliance Program (LCP):

**FOOTHILL MUNICIPAL WATER DISTRICT**

### 2. LCP I.D. Number (assigned by DIR):

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### 3. Date of Initial Approval:

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<td><strong>09/10/2013</strong></td>
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### 4. Contact person (include name, title, address, telephone, fax, and e-mail, if available):

<table>
<thead>
<tr>
<th><strong>Daniel Dru Gan</strong></th>
<th><strong>Water Program Technician</strong></th>
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<tr>
<td><strong>4536 Hampton Rd., La Canada, CA 91011</strong></td>
<td><strong>818 780 4036</strong></td>
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<tr>
<td><strong><a href="mailto:drugan@fmwd.com">drugan@fmwd.com</a></strong></td>
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### 5. Did LCP perform any LC § 1771.5 enforcement activities during the 12 months in the reporting period?

Please check one:

- [ ] Yes
- [x] No

If Yes, proceed to item 6 on the next page.

If No, complete the information below, sign the form and submit to DIR, Office of the Director, Attn: LCP Special Assistant,

455 Golden Gate Avenue, 10th Floor, San Francisco CA 94102

What suggestions do you have for the Department of Industrial Relations to better assist you with your program in the coming year? (attach additional sheets if necessary)

**SEE ATTACHED SHEET FOR "CLOSING REPORT"**

### Submitted by:

<table>
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<tr>
<th><strong>Daniel Dru Gan</strong></th>
<th><strong>Name and Title</strong></th>
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<td><strong>Signature</strong></td>
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LCP ANNUAL REPORT 8 CCR § 16431 -- AB limited 2008
May 10, 2016

Department of Industrial Relations
Office of the Director
1515 Clay Street, 17th Floor
Oakland, CA 94612
Attn: Special Assistant to the Director

Subject: Closing Report – LCP I.D.: 2013.01197 (Foothill Municipal Water District)

On behalf of the Foothill Municipal Water District (FMWD or District), this letter serves as notice that the District requests termination of its LCP program and reporting obligation to DIR. The LCP approved in 2013 was for a Recycled Water Demonstration Project to be implemented by FMWD and partially funded through a grant by the Prop. 84 IRWM program. However, the District suspended implementation of the Project in September 2013 and forfeited its share of Prop. 84 funding (see attached letter to LACDPW dated March 18, 2014).

If you have any questions, please contact me at (818) 790-4036 or at ddrugan@fmwd.com.

Sincerely,

[Signature]
Dan Drugan
Water Program Technician
Foothill Municipal Water District
March 18, 2014

Rochelle Paras
Watershed Management Division, 11th Floor
Los Angeles County Department of Public Works
900 South Fremont
Alhambra, CA 91803

Subject: Exclusion from IRWM Round 2 Proposition 84 Grant Funding

Dear Ms. Paras:

This letter is in response to your request for more information regarding the reasons Foothill Municipal Water District (FMWD or District) is asking to be excluded from the IRWM Round 2 Proposition 84 grant agreement for the FMWD Recycled Water Project. The concept of the project was to scalp wastewater flows from a trunk sewer line serving portions of the City of La Cañada Flintridge, including Jet Propulsion Laboratory, and treat the flows using a membrane bioreactor plant (MBR) to be constructed by the District at a local church site. FMWD would then return the sludge back to the wastewater stream and replenish the Raymond Groundwater Basin using infiltration galleries to be constructed underneath the local high school's football field.

The District does not have groundwater rights or facilities to extract the replenished water. The concept was that an account would be created with the Raymond Basin Watermaster and the District's member agencies would be able to produce the replenished water in the account through their own facilities. In addition, some surface water including urban runoff was to be replenished through the system and also placed into the account for pumping as tentatively agreed by Raymond Basin Watermaster when FMWD first applied for the grant.

The concept also included public outreach through educational tours and landscaping with drought tolerant plants and accompanying signage. As part of a "watershed approach", the educational tours of the facilities would also incorporate a visit to the Hahamongna Watershed Park, which is located directly across the street from the church site and school. Cal Poly Pomona had also been assisting the District with students studying and developing engineering concepts for the MBR plant and infiltration galleries, landscaping designs and other urban planning.

The District's Board approved moving forward with developing the project in November 2012. The action by the Board included the following:

A.) Tom Dodson and Associates for $28,000 for CEQA Plus documentation,
B.) Geoscience Support Services, Inc. for $21,845 for hydrogeologic services,
C.) Phoenix Civil Engineering, Inc. for $50,000 for engineering services, and
D.) West Basin MWD for grant writing services for the Integrated Regional Water Management Plan Proposition 84 funding for $20,000.
Clearly, the FMWD Board agreed to invest a large sum of money to develop this project and had every intention of proceeding with it since every $100,000 spent by the District is about $25 per acre-foot on the District’s own rates. The District also committed in applying for Bureau of Reclamation funding and funding through the Metropolitan Water District of Southern California (MWD), but was denied in both grant applications.

Despite this, FMWD continued to move forward with negotiations with both the local church and high school. However, an agreement was not reached on the payment the District would make for the use of lands. The uncertainty of implementing the project with the high school (using their football field for the infiltration gallery) and no agreement on locating the MBR plant at the high school or the church site (the church wanted significantly more than the fair market value for their property) added additional uncertainty to whether the project could be implemented in a timely manner.

After reviewing the adjudication, the Watermaster also was not able to include the surface runoff including the urban runoff for receiving credits for production and this yield no longer became part of the water that could be produced from the Basin. This changed the unit cost of the project to be more expensive than anticipated.

Additionally as time passed, the District’s member agencies which had been silent began having concerns about the project. In their minds, the project became too small for the money expended and they no longer wished to participate in producing the water. As I mentioned before, every $100,000 spent is $25 on the District’s rates. They worried that should something go wrong, they would end up paying more for water than they currently do or not receive any water because of the project after being built would not work. Because the District no longer had a willing buyer, it could not proceed moving forward with the project and as such would be considered a stranded investment.

Based on that, the District began looking for other partners to buy the water and assist in making the project viable. Staff approached MWD and the City of Pasadena to see if MWD wanted to take the engineering lead on the project and sell the water to the City of Pasadena. The main issue with this is that MWD has never developed its own recycled water project but has historically paid its own member agencies to develop these projects. This is uncharted territory for MWD as it would change its primary function from being only a water importer to also developing local supplies and it would take some time to gain acceptance from its Board of Directors and other member agencies to proceed.

Finally, the Rose Bowl Board of Directors approached the District about developing the recycled water project for direct irrigation of the Brookside Golf Course and surrounding areas by the Rose Bowl. However, the Rose Bowl is not the District’s customer but the City of Pasadena’s customer. The District and the City of Pasadena met and discussed this concept. The City of Pasadena is also developing recycled water and was unsure as to how the yield of this project would fit into its own recycled water program since a component of the City’s own recycled water program was to irrigate the Rose Bowl area. The City began moving toward hiring an engineer to study Foothill’s original proposal without an MWD partnership involved, including a modified proposal where they would be able to move the MBR and infiltration galleries to City owned property with two alternatives for irrigation of the Rose Bowl area. However, time became an issue as commitment is now being required by the DWR and Pasadena is not ready to commit without budgeting for adequate time to analyze the costs and benefits. Pasadena may however apply for Round 3 IRWM funding for recycled water development for its own project, this project or both.
Based on the above reasons, Foothill Municipal Water District respectfully requests that it be excluded from the Proposition 84 grant agreement for the FMWD Recycled Water Project. If you have any questions, please contact me at (818) 790-4036.

Sincerely,

Nina Jazmadarian
General Manager