

SAN GABRIEL VALLEY
MUNICIPAL



WATER DISTRICT

AZUSA | SIERRA MADRE | MONTEREY PARK | ALHAMBRA

SERIOUS DROUGHT: TAKING ACTION
TO MANAGE, CONSERVE & DEVELOP OUR WATER RESOURCES

2014-2015 ANNUAL REPORT



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President

Mission Statement

The San Gabriel Valley
Municipal Water
District provides reliable
supplemental water for the
communities of Alhambra,
Azusa, Monterey Park and
Sierra Madre in a cost-
effective and environmentally
responsible manner.



Darin J. Kasamoto
General Manager



Dave Johnson
Assistant
Manager



Dear Friends:

We are committed to assisting you during this ongoing, severe drought. Together, in just the past few years, we've evolved from forecasting about the drought, to planning for the drought, to legislating about the drought and, now, taking action to survive the drought. Behavior change is our key for success and survival.

The Valley depends primarily on groundwater and our mission is to supplement groundwater levels with imported water. Through long-range planning and careful investments in water supply infrastructure and programs, the Valley's water supply situation is better off than many parts of California.

The graph on the facing page shows the "Baldwin Park Key Well," an indicator of groundwater levels in the San Gabriel Basin. You can see on the far right how low groundwater levels would be without cyclic storage (black line) and how much higher groundwater levels are due to our efforts to replenish our groundwater supplies (blue line). That difference is what amounts to "water insurance" for the San Gabriel Valley.

The drought has led to new levels of awareness and concern. Thus, our theme for the District's Annual Report and Communications Program for this year is "Taking Action and Changing Behavior." State and local governments have moved from voluntary conservation efforts to mandatory conservation that includes stiff penalties. Our member cities need to meet specific water use reduction targets.

Taking Action

We've been pleased by the buy-in shown by our member cities to conserve water. We've quickly moved beyond talking about the crisis to doing something about it! As your partner, we've put together a comprehensive array of programs ready to help you conserve water and help develop new water supply solutions. The facing page provides an overview of ways in which our District can be of service.

To compensate for the rising cost of State Water Project water, we adjusted our water rate for member cities for the first time since 1989. This modest increase (from \$130 to \$145 per AF) will help to keep our balance sheet and financial reserves strong. Adjustments are proposed in the next two years, as well, though the rate will remain well below that of other importing agencies, whose rates are in excess of \$600 per acre-foot.

Our newest "action" initiative, featured on the cover, is the "Take the Pledge - I'm a Water Saver!" program. We're working with our member cities to get individuals to "pledge" to save water and, by giving them a free lawn sign in exchange, join our public education effort. We are developing new approaches to reach all members of our communities, including those of Asian and Latino backgrounds, as well as businesses, schools and community organizations.

Several of the more significant operational and financial accomplishments in the 2014-2015 fiscal year included:

- Supplemental Water Deliveries - the District delivered 1,200 acre-feet (AF) of water in 2014, compared to 10,080 acre-feet (AF) of water in 2013, 18,720 AF in 2012, 23,040 AF in 2011 and 14,400 AF in 2010.
- Integrated Resource Plan (IRP) Approval - the Board adopted an Integrated Resource Plan to address future water supply issues including the future reliability of the State Water Project and member city water supply sources.
- Hydroelectric Facilities - the District initiated preliminary design work for two, new hydroelectric power facilities.
- Passage of \$7.5 Billion Water Bond - voters approved funding for critical water projects statewide.
- Low Property Tax Rate - the District's property tax rate remains low and nearly unchanged for more than 30 years (see chart in Financial Highlights section).
- Grant Procurement - the District successfully applied for and will receive grant funding of \$231,915 from the California Department of Water Resources to expand its water-efficient and energy saving rebate program.

Changing Behavior

We can't depend on Mother Nature changing her ways. The "wake up call" of a few years duration has morphed into a "call for action." We encourage everyone to move beyond "Knowing Your H₂O" and to change their behavior. So, please "Take the Pledge." Pledge to save water at home, where you work or go to school, and where you recreate. Pledge to educate and involve yourself in the water dialogue as the State invests funds approved by voters in the 2014 Water Bond for storage, conservation, recycled water and stormwater capture.

Thank you once again for partnering with us to manage, conserve and develop our water resource. Your action will go a long way to protecting one of the most important resources critical to our health, economy, environment and quality of life. On behalf of the District, we thank you and welcome your input about new ways to serve you better.

Sincerely,

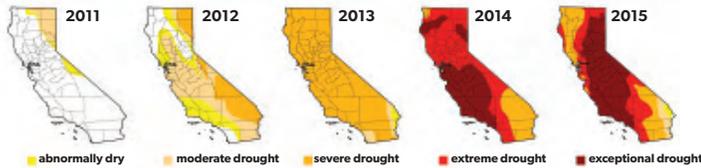
Thomas A. Love
President, Board of Directors
San Gabriel Valley Municipal Water District

THE WATER CHALLENGE FACING OUR MEMBER CITIES

TAKING ACTION AND CHANGING BEHAVIOR

How Bad is the Drought?

2013 was the driest year and 2014 was the hottest year on record. Already in 2015, January was the driest January and February the hottest February on record. Drought is the "new normal." It takes a long time to get into a drought and a long time to get out!



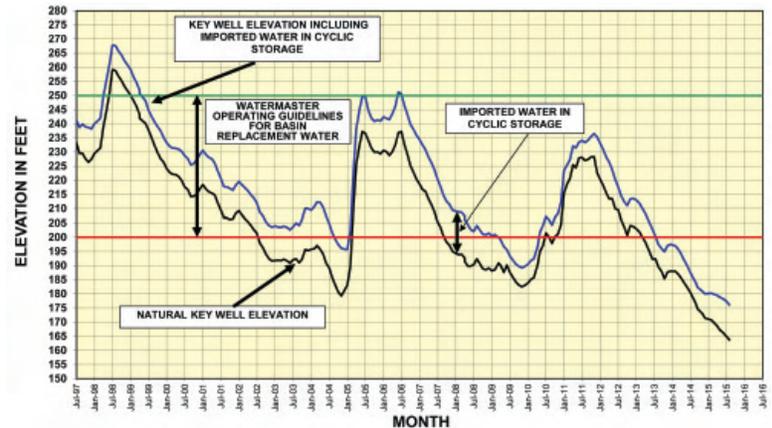
Declining Reservoirs

Statewide, as of July 2015, reservoir levels are 58% of average and 45% of capacity.

Non-Existent Snowpack

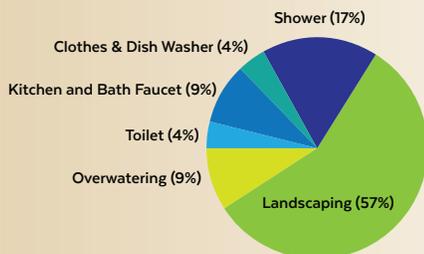
The snowpack acts like a reservoir, slowly melting into mountain streams and aquifers. Due to declining precipitation and warmer temperatures, the snowpack is practically non-existent.

Record Low Groundwater Levels – the graph below displays declining groundwater levels in the San Gabriel Valley, measured at the Baldwin Park Key Well. Locally, groundwater is our most significant source of water (82%).



What Trends and Rules/Ordinances Should We Be Aware of and Guided By?

Residential Water Use:



It's critical to note, for residences, 50-80% of water use occurs outdoors, depending on the season.

Source: Ca. Dept. of Water Resources

Mandatory Water Use Restrictions...Avoid Penalties!

Ordinances vary by city and may change depending on water supply conditions. Examples of prohibitions enforced by the State or cities include:

- Causing runoff from irrigation onto adjacent property, roads, sidewalks, etc.
- Using a hose without a shutoff nozzle to wash a motor vehicle
- Watering driveways and sidewalks
- Operating fountains, except those with recirculating systems
- Irrigating during and within 48 hours after measurable rainfall
- Serving drinking water, except upon request, in eating/drinking establishments
- Irrigating ornamental turf on public street medians

Our member cities must reduce water use as follows: Alhambra - 24% | Azusa - 20% | Monterey Park - 20% | Sierra Madre - 32%

How May the District Help You Take Action and Change Behavior?

☑ Save Water at Home and At Work

Focus on water saving activities that yield the biggest results.

Outdoors – 4 Smart Tips

1. Eliminate overwatering. It won't damage your vegetation.
2. Remove turf lawns. California Native Plants use 1/7th the amount of water.
3. Install smart irrigation controllers and water-wise irrigation systems.
4. Install pool covers to reduce evaporation and water loss.

Indoors – 3 Smart Tips

1. Install flow restrictors on faucets and take shorter showers.
2. Install water-wise toilets, and clothes and dish washers.
3. Fix leaky faucets and toilets.

☑ Participate in Our Rebate Programs: www.sgvmd.org



\$150 Washer Rebate



Up to \$150 Smart Controller Rebate



Up to \$150 Waterless Urinal Rebate



High Efficiency Toilet Exchange

☑ Visit our Pilot Projects

The District's pilot projects demonstrate important water-saving vegetation, equipment and techniques. The back page of this Annual Report shows all of our pilot projects. You can learn about each project on our website or by visiting the project locations. Tours may be arranged as well by contacting the District at 626-969-7911.

☑ Attend Water Education Events

The District offers a variety of educational events in partnership with member cities and community organizations. Check the "Calendar" on our website for details.

For more water saving tips, visit www.sgvmd.org (the District's website) or www.saveourwater.com and www.ca.gov/drought

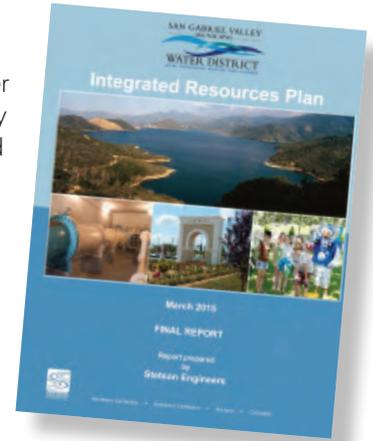
2014-15 HIGHLIGHTS

WATER SUPPLY RELIABILITY & OPERATIONS HIGHLIGHTS

As one of 29 State Water Contractors, the District's operational priority is to deliver imported water from the State Water Project through our pipeline to replenish groundwater in the San Gabriel Valley to be stored for future use. We provide supplemental "water insurance" to our member cities and continue to develop long-term water supply and asset optimization strategies.

Our major operational accomplishments in the 2014-2015 fiscal year included:

- **Supplemental Water** – drought-related cutbacks in water allocations from the State led to the District delivering 1,200 acre-feet (AF) of water in 2014, compared to 10,080 acre-feet (AF) of water in 2013, 18,720 AF in 2012, 23,040 AF in 2011 and 14,400 AF in 2010 (one AF supplies water for a typical suburban family for one year).
- **Integrated Resource Plan (IRP)** – the Board adopted an Integrated Resource Plan (IRP) in early 2015 to address future water supply issues including both the future reliability of the State Water Project and the reliability of member city water supply sources.
- **Pipeline Inventory and Management Plan** – the District completed an inventory and assessment of its pipeline and related facilities.
- **Emergency Preparedness Study** – the District commissioned this Study to help plan, prioritize and respond to emergencies affecting its operations and facilities.
- **Preliminary Engineering Design for Hydro-electric Facilities** – the District initiated preliminary design work for two, new hydroelectric power facilities.



The Governor signed two significant pieces of legislation in 2014: the \$7.5 Billion Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Bond) and the Sustainable Groundwater Management Act.

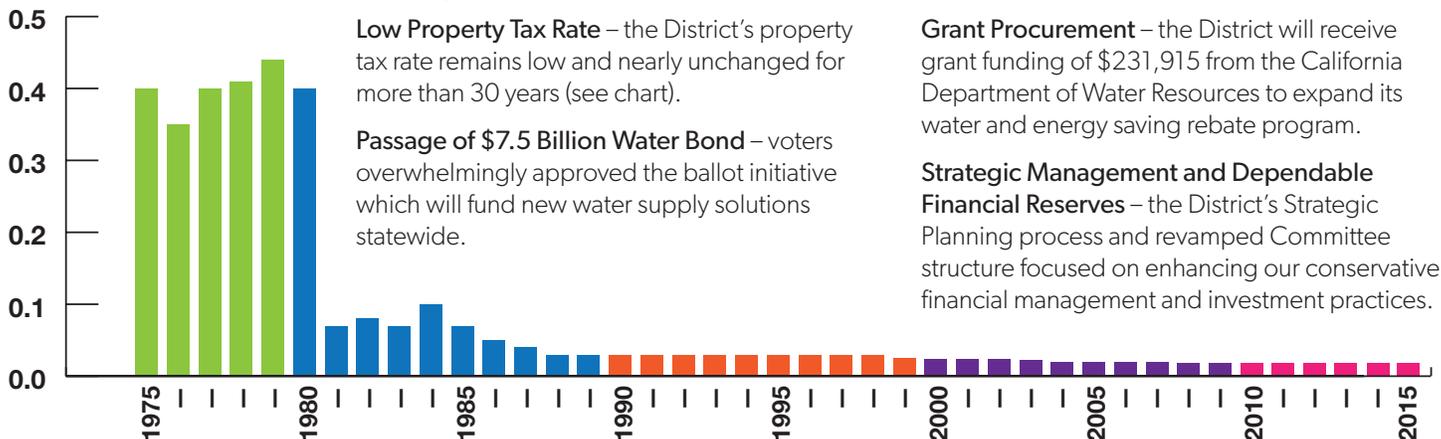
FINANCIAL HIGHLIGHTS

The ongoing, severe drought presents challenges and opportunities to the District's financial situation. The District possesses a very strong balance sheet; however, the reduction in deliveries of imported water via the State Water Project reduces the District's water sales and revenue at a time when both the cost of water and fixed costs are rising.

Thus, for the first time since 1989, the District adjusted its water rate for member cities (from \$130 to \$145 per AF) to compensate for the rising cost of State Water Project water. Even with adjustments likely in the next two years, the rate will remain well below that of other importing agencies, whose rates are in excess of \$600 per acre-foot.

With the drought being the "New Normal," the subjects of water costs and water rates are in the forefront locally and statewide. Stakeholders and rate payers are increasingly supportive of prudent investments in water infrastructure, water supply and water quality.

Our major financial accomplishments in the 2014-2015 fiscal year included:



Low Property Tax Rate – the District's property tax rate remains low and nearly unchanged for more than 30 years (see chart).

Passage of \$7.5 Billion Water Bond – voters overwhelmingly approved the ballot initiative which will fund new water supply solutions statewide.

Grant Procurement – the District will receive grant funding of \$231,915 from the California Department of Water Resources to expand its water and energy saving rebate program.

Strategic Management and Dependable Financial Reserves – the District's Strategic Planning process and revamped Committee structure focused on enhancing our conservative financial management and investment practices.

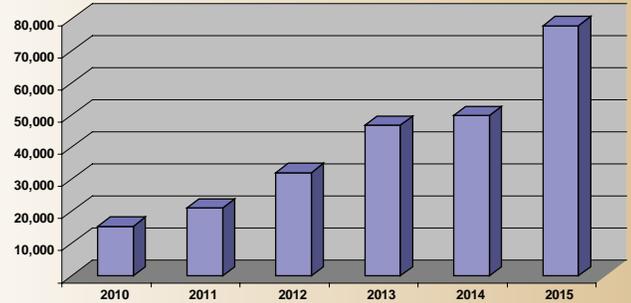
WATER CONSERVATION AND PUBLIC EDUCATION HIGHLIGHTS

The District has planted the seed of water conservation for several years through its outreach and public education program. Highlighted below are the District's most prominent efforts to educate and inform stakeholders about water issues and to motivate adoption of a long-lasting, water-wise ethic and behavior.

Educational Website – www.sgvmd.org

Helpful information about the drought, in the form of "Frequently Asked Questions," and water-saving rebate information, were added to the District's website. Combined with educational videos, water saving tips, water supply data, and "breaking news," website traffic nearly doubled in the past year!

Total website visitors per fiscal year ending June each year



2014 Water Forum



The District pioneered the successful San Gabriel Valley Water Forum. The 2014 Forum, with its focus on "Drought Survival," was the most successful Forum to date.



The Forum presented a discussion of the \$7.5 billion Water Bond, subsequently passed by California voters, featuring author Assemblyman Anthony Rendon (right) and California Department of Water Resources Secretary John Laird (center). Cynthia Kurtz, president of the San Gabriel Valley Economic Partnership (left), facilitated the discussion.



Federal, State and Local Government Outreach

The District partners with government officials on important water issues such as the Water Bond, groundwater legislation, water use restrictions and water quality. Attending the District's annual Sacramento meetings were Board President Tom Love and Directors John Leung and Raul Romero. They are pictured with A) Senator Ed Hernandez, B) Assemblyman Chris Holden and C) Assemblyman Ed Chau.



City of Sierra Madre elected officials, city staff, community leaders and students stand near the San Gabriel Canyon spreading grounds after completing a tour of the District's 38-mile Devil Canyon-Azusa Pipeline and related facilities.



Educational Mini-Forums

SGVMWD General Manager, Darin Kasamoto, presents timely drought and water conservation information at a "mini-forum" geared to principals, teachers and administrators at Azusa Unified School District as part of the kick-off of the District's Home Water Survey program, offered to more than a dozen elementary schools.



The District hosted a mini-forum attended by more than 15 Asian-language media outlets. Topics receiving extensive media coverage included: seriousness of the drought; member city water use ordinances; the District's water conservation programs; and the District's "Take the Pledge" program.



School-Based Water Conservation Pilot Projects

General Manager Darin Kasamoto, and Directors Thomas Wong, Mark Paulson and John Leung, attended the Brightwood Dedication event (pictured left to right).



Dedication of the re-landscaped and re-irrigated campus at Brightwood Elementary School in Monterey Park was followed by a mini-forum about the drought and water conservation for parents, students, teachers, and City and School District officials from Alhambra and Monterey Park.



Youth, School and Community Outreach Program

H₂Owl is as synonymous with water conservation as Smokey the Bear is with fire prevention. H₂Owl attends community and school events throughout our service area. Kids, adults and community leaders enjoy interacting with and learning from our water conservation "guru."

Monterey Park Earth Day Festival with Mark Keppel High School Project Green Club and H₂Owl



H₂Owl stars in the mascot parade at the Assn. of California Water Agencies (ACWA) Conference in San Diego



H₂Owl greets students attending the Sierra Madre Water Tour



Alhambra High School Students distributed water conservation information on Earth Day



The District's banner program encourages conservation in Azusa and other Member Cities



OPERATIONAL OVERVIEW

Delivering Supplemental Water to the San Gabriel Valley

The San Gabriel Valley Municipal Water District was approved in 1959 by voters in Alhambra, Azusa, Monterey Park and Sierra Madre to help those cities meet their long-term water needs. Constructed from 1969-1970, the District's Devil Canyon-Azusa Pipeline delivers water from northern California via the State Water Project to the Main San Gabriel Basin to replenish the aquifer underlying our communities. This thoughtfully planned and engineered system is maintained and operated by Water District personnel 365 days a year. The District entered into a contract with the State of California Department of Water Resources in 1962 for the delivery of water each year from the State Water Project. Today the District is one of 29 State Water Contractors who obtain water from the vast State Water Project and who pay for retirement of the bond used to construct it, as well as its operation and maintenance. Starting in 1975 and continuing today, the District has been importing water from Northern California to replenish groundwater supplies in the San Gabriel Basin.

Spreading Grounds

Spreading grounds are operated and maintained by the Los Angeles County Department of Public Works. Water from our pipeline is pumped into spreading grounds where it percolates to recharge underground aquifers.



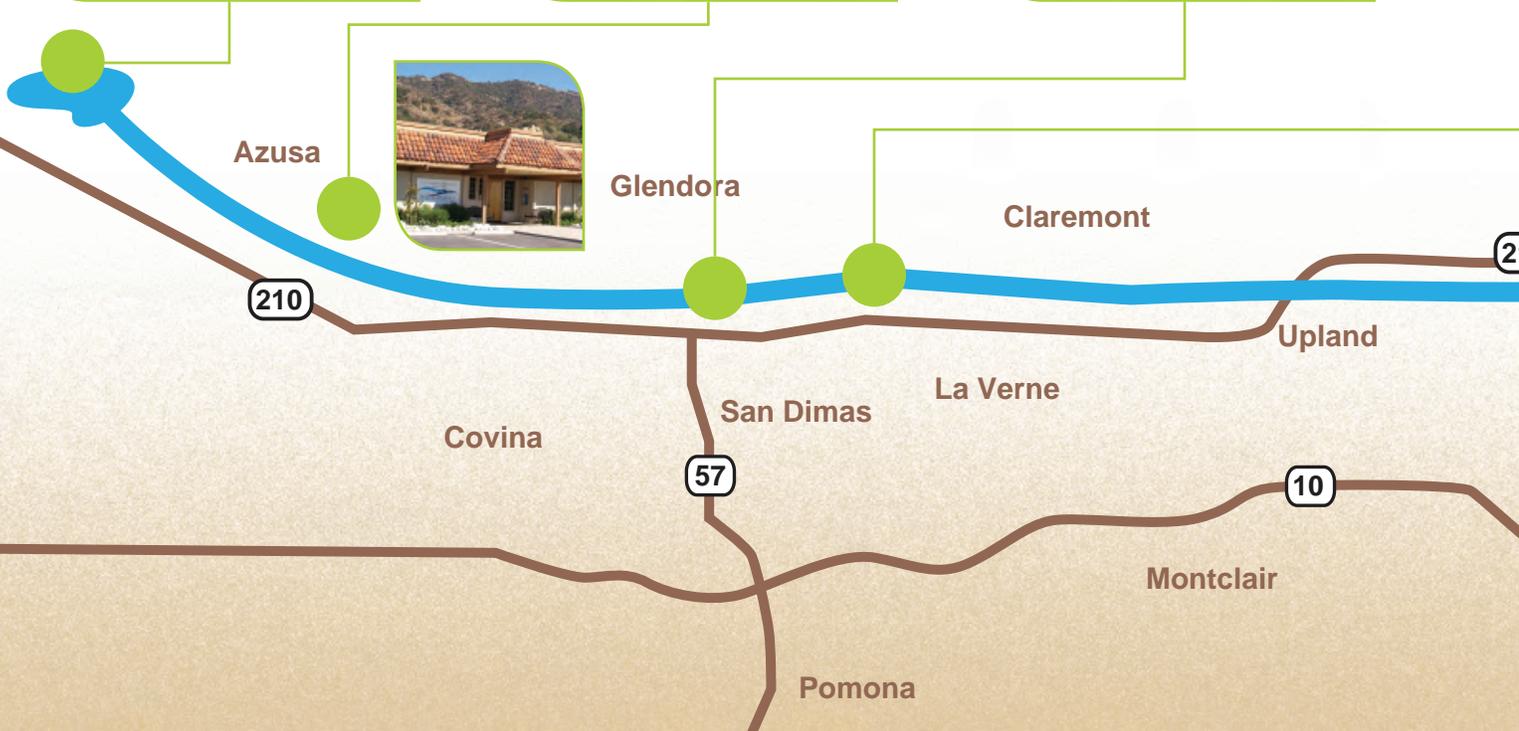
Operation Center

The Operation Center is located at District headquarters. The state-of-the-art computerized Supervisory Control and Data Acquisition system (SCADA) controls and monitors the pipeline and pressure reducing stations.



Green Power/Hydroelectric Generator

A turbine generator, powered by water flowing in the pipeline, creates electricity. Built in 1985, this generator produces enough electricity for over 500 homes annually. The revenue helps to offset some of our operating costs.



State Water Project (California Aqueduct)

Water for the Main San Gabriel Basin originates from the State Water Project, also known as the California Aqueduct. Pumps and gravity help move the water from northern California to our Basin.



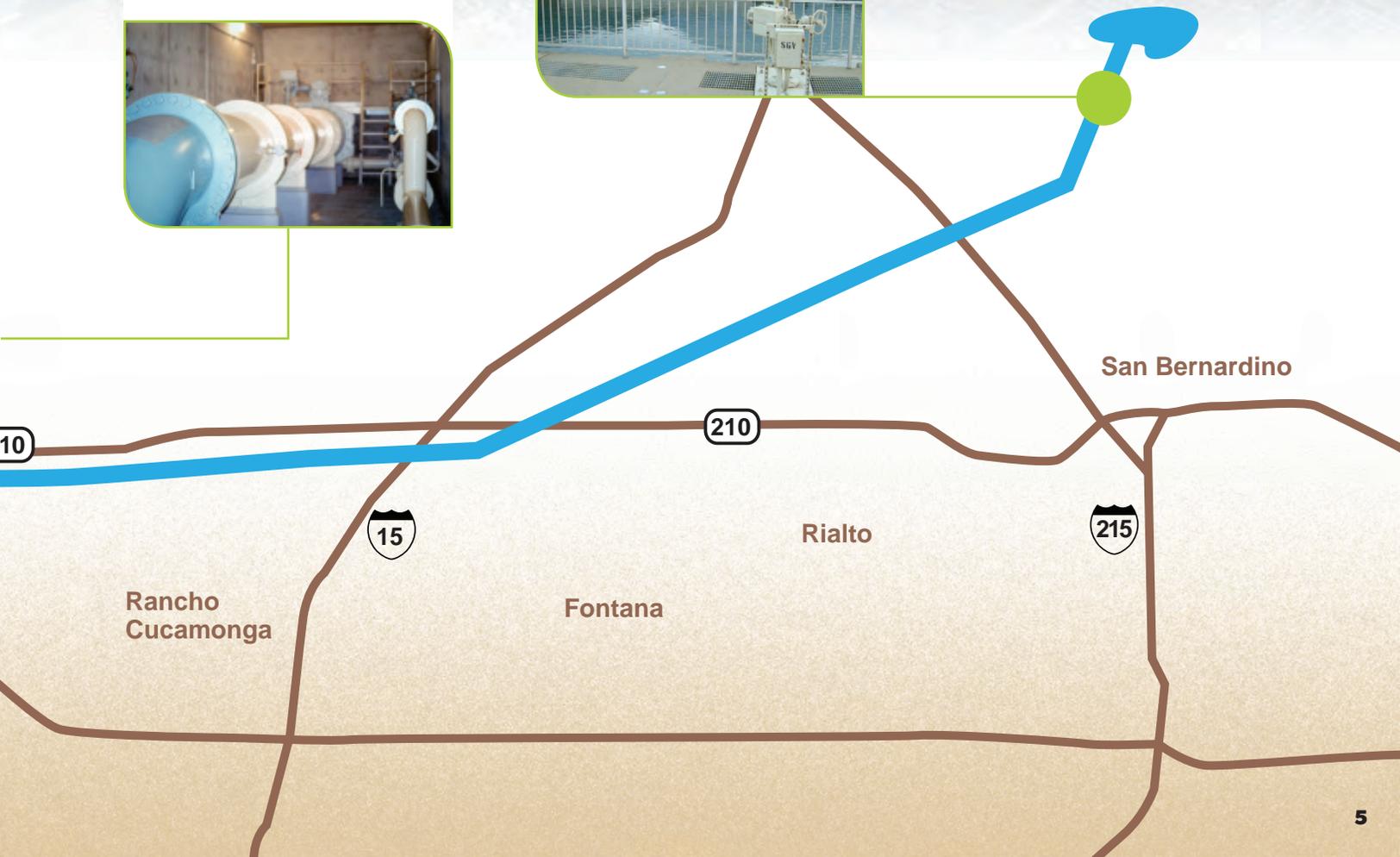
Devil Canyon/Power Plant

Water coming from the State Water Project (California Aqueduct) powers turbines in the Devil Canyon Power Plant near Lake Silverwood and then enters the pipeline through the slidegate.



Turnouts

As water flows from the State Water Project to our spreading grounds, the water flow and pressure are controlled at pressure-reducing stations located in Glendora, La Verne and Fontana.



WATER CONSERVATION PILOT AND DEMONSTRATION PROJECTS

The Water District invests in water conservation pilot/demonstration projects in each member city. We view each project as an opportunity to save water “on-site” and to provide visible, teaching examples of technology, materials and procedures that people can employ at their own homes and businesses. As such, our strategy has been to implement pilot projects at highly visible, high water-consumption locations such as schools, parks, civic facilities, community centers and campus-like businesses. New projects presently in the planning or implementation stage include Alhambra City Hall, Paramount and Mountain View Elementary Schools in Azusa, Demonstration Gardens in Monterey Park and Sierra Madre City Hall.

The District continually seeks out creative and water-saving partnerships with large, highly visible water customers. Contact us if you have project ideas and suggestions. We share project information and results via tours, speaking engagements, printed materials and our website (www.sgvmwd.org).

Pilot Projects **Water Saving Feature:** *Irrigation* *Landscape* *Technology*

Alhambra

Gateway Plaza (2009-2010)	◆	◆	
<i>The Alhambra</i> Urban Community (2011-2012)	◆	◆	◆
West San Gabriel Valley YMCA (2013-2014)	◆	◆	◆
Fire Station (2014-2015)	◆	◆	
City Hall (2015-2016)	◆	◆	◆



West San Gabriel Valley
YMCA (Alhambra)

Azusa

Azusa Chamber of Commerce (2009-2010)	◆	◆	
Memorial Park, North Recreation Center (2009-2010)	◆	◆	
Department of Light and Water (2009-2010)	◆	◆	
San Gabriel Canyon Gateway Center (2009-2010)	◆	◆	
Azusa Pacific University (2010-2011)	◆	◆	◆
Paramount Elementary School (2014-2015)	◆	◆	
Mountain View Elementary School (2014-2015)	◆	◆	



Azusa Chamber of
Commerce

Monterey Park

California Native Median Project (2011-2012)	◆	◆	
City Hall Planters and Smart Controller (2009-2010)	◆	◆	◆
Automated Meter Reader (AMR) (2009-2010)	◆		◆
Brightwood Elementary School (2014-2015)	◆	◆	
Macy Intermediate School (2014-2015)	◆	◆	
Demonstration Gardens (2015-2016)	◆	◆	◆



Macy Intermediate School
(Monterey Park)

Sierra Madre

Miramonte Reservoir/Mt. Wilson Trailhead (2009-2010)	◆	◆	
Sturtevant Street Flood Control Right of Way (2009-2010)	◆	◆	
Sierra Vista Park (2009-2010)	◆	◆	◆
Sierra Madre School (2011-2012)	◆	◆	
City Hall (2014-2015)	◆	◆	◆



Sierra Madre
Elementary School