



1/28/15

Ms. Pamela C. Creedon  
Executive Officer  
Central Valley Regional Water Quality Control Board

Dear Ms. Creedon,

On March 28, 2014, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) adopted Resolution R5-2014-0040 that approved the Rose Foundation for Communities and the Environment (Rose Foundation) to act as a third party for 14 pre-approved projects that benefit water quality and disadvantaged communities (DACs) in the Central Valley. The Rose Foundation committed to provide the Board with annual updates regarding the expenditure of SEP funds in support of the Rose Foundation's DAC Program by January 31 of each year. This report summarizes the expenditure of SEP funds in the previous year.

The following is a summary of the project that received funding pursuant to the Rose Foundation's DAC Program.

<b>ACL Order R5-2014-0535</b>			
Project:	Clean Water for Disadvantaged Communities		
Project Proponent:	Community Water Center		
Discharger:	Occidental of Elk Hills, Inc.		
Date of ACL Order Approval:	2 October 2014		
Total ACL Amount:	\$356,500		
Total SEP Amount:	\$173,250		
		Paid in 2014	To be paid in 2015+
Amount Paid to Rose Foundation from Discharger	Direct Costs <sup>1</sup> :	\$161,122.5	
	Oversight Costs <sup>2</sup> :	\$12,127.50	
Amount Paid by Cleanup and Abatement Account for Oversight <sup>3</sup> :			\$5,197.50
Amount Paid to Project Proponent from Rose Foundation:		\$0	\$161,122.50
Amount Expended on Project by Project Proponent:		\$0	\$0
<sup>1</sup> Non-oversight costs including funding the Project itself, formulating the Project, conducting outreach, publicizing the SEP, etc.			
<sup>2</sup> Oversight costs are generally not considered part of the "direct cost" of the SEP.			
<sup>3</sup> In extraordinary circumstances, the State Water Board's Cleanup and Abatement Account may fund oversight of the project.			

ACL Order R5-2014-0536			
Project:	Clean Water for Disadvantaged Communities		
Project Proponent:	Community Water Center		
Discharger:	Vintage Production California, LLC		
Date of ACL Order Approval:	2 October 2014		
Total ACL Amount:	\$130,284		
Total SEP Amount:	\$65,142		
		Paid in 2014	To be paid in 2015+
Amount Paid to Rose Foundation from Discharger	Direct Costs <sup>1</sup> :	\$60,582.06	
	Oversight Costs <sup>2</sup> :	\$4,559.94	
Amount Paid by Cleanup and Abatement Account for Oversight <sup>3</sup> :			\$1,954.26
Amount Paid to Project Proponent from Rose Foundation:		\$0	\$60,582.06
Amount Expended on Project by Project Proponent:		\$0	\$0
<sup>1</sup> Non-oversight costs including funding the Project itself, formulating the Project, conducting outreach, publicizing the SEP, etc.			
<sup>2</sup> Oversight costs are generally not considered part of the "direct cost" of the SEP.			
<sup>3</sup> In extraordinary circumstances, the State Water Board's Cleanup and Abatement Account may fund oversight of the project.			

**Narrative:** On October 2, 2014 the Central Valley Water Board agreed to settlement with two dischargers: Vintage Production California, LLC (Vintage) and Occidental of Elk Hills, Inc. (Occidental) who agreed to fund the Community Water Center project in the amounts of \$65,142 and \$173,250, respectfully. On December 1, 2014, the Rose Foundation received the payments from Vintage and Occidental. Of the full amount, 7% (\$16,687.44) was retained by the Rose Foundation for facilitation of this project. In January 2015, a grant contract was executed with the Community Water Center for the remaining amount (\$221,704.56) for their Project "Clean Water for Disadvantaged Communities". A payment for half of the grant funds (\$110,852.28) is in process to Community Water Center to allow them to launch the project on February 1, 2015. The balance shall be paid later in 2015 upon receipt and approval of Community Water Center's interim grant reports demonstrating 50% completion of specified project milestones. While we anticipate paying the full grant to Community Water Center during the course of 2015, since the 18 month grant period extends into mid-2016, the project is not expected to be fully complete until 2016 and some of the grant funds will not be expended by Community Water Center until 2016. No funds have been expended yet. Expenditures will begin after the grant period starts on February 1, 2015.

The 18 month grant period starts on 1 February, 2015. Community Water Center's initial activities will encompass:

- Hire a technical analyst to lead the well-testing component of the project.

- Identify target communities and households in disadvantaged communities reliant on domestic wells in vulnerable groundwater environments and likely contaminants in each target community based on publicly available data. Target communities will include northern Tulare County and southern Kern County, and may include other areas in Tulare Fresno and Kern County where there is known groundwater contamination and there is a long-term drinking water project being developed that may be able to tie in and serve outlying private well communities.
- Conduct monthly AGUA Coalition meetings (AGUA is made up of 20 local disadvantaged communities impacted by local drinking water challenges).
- Begin to support DAC participation in regional water planning processes (including IRWMs, Tulare Lake Basin regional water planning meetings, groundwater sustainability agency and management planning efforts, regional drinking water project planning processes).

Once again, thank you for the Central Valley Regional Water Quality Control Board's vision in helping to design this program and the strong support of your staff during this initial pilot phase. The excitement of launching this program and our initial SEP to achieve vital drinking water protections for some of our state's most vulnerable residents is infectious! Over the past year the Rose Foundation has been approached by other state agencies and is in consultations about replicating this program for other regions and departments. It is an ongoing honor to partner with your agency to demonstrate and help lead this new way to support disadvantaged communities. I look forward to returning to report our further progress during the year. Meanwhile, please do not hesitate to contact me with any questions in this matter.

Yours truly,



Tim Little  
Executive Director  
Rose Foundation