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On a recent Thursday evening, about 100 civic leaders drank wine and ate appetizers on the rooftop patio of Pacoima City Hall. The building serves as the headquarters of Pacoima Beautiful, a nonprofit that was hosting its annual Environmental Justice Awards.

The award for corporate responsibility went to Turf Terminators, a company that rips out lawns and replaces them with drought-tolerant landscaping. The company barely existed a year ago. But due to the drought, and thanks to generous rebates for turf replacement, it has rapidly grown from three employees to nearly 600.

"The climate is changing. We have to adapt," said L.A. City Councilman Felipe Fuentes. Introducing the company, a board member said, "Turf Terminators is helping us see the new

normal."

Ryan Nivakoff, the CEO, was dealing with a family matter that night, so Julian Fox, his chief operating officer, accepted the award on the company's behalf. Fox ran through the benefits of the program, and said that momentum is growing.

"We're really at the beginning of what we're seeing as a significant transition," Fox said. The company would not exist without rebates from the Metropolitan Water District of Southern California, the agency that supplies most of the region's water. In an effort to get customers to conserve, the MWD last year doubled its turf replacement incentive from \$1 to \$2 for every square foot of grass replaced with drought-tolerant landscaping. The L.A. Department of Water and Power offers its customers an additional \$1.75 rebate.

Turf Terminators offers its service to the customer for free, and in exchange it collects the rebates. In the last year, it has virtually cornered that market in Southern California, performing 97 percent of the jobs under the MWD contractor direct-rebate program and collecting \$9.7 million in MWD and DWP lawn-replacement rebates.

And Turf Terminators stands to rake in substantially more money in the future. With the drought making national news, MWD was inundated with rebate applications and quickly exhausted its initial \$88 million allocation. So in May, the board voted to increase the program fivefold, committing another \$350 million.

But as Turf Terminators has come to dominate the market, it has attracted critics. Many customers have complained about the company on Facebook and Yelp, saying its employees miss appointments and do shoddy work.

"The front lawn has been a lot of weeds," says Marilyn Williams, 77, of West Hills. "I was pulling constantly. I'm no youngster, and I'm tired of pulling weeds."

This is a common complaint. Turf Terminators replaces grass with mulch or gravel, and plants drought-tolerant plants. But many customers say that within a week or two, the grass grows up through the rocks.

Turf Terminators says it sends field technicians out to fix any problems free of charge. Williams says they've been to her house several times to spray weed killer.

Neighbors also have complained about the work. Lorena Gonzalez, of South L.A., said that several people on her street have used the service.

"You can tell which are the Turf Terminator homes — it's just gravel and a little bush," she says. "It's just a bad business. They're just ripping off customers."

Ellyn Meikle, who runs a drought-tolerant nursery in Torrance, says customers often come to her to fix up their Turf Terminators projects.

"They are causing blight in the neighborhoods," she says. "It's rocks with shrubbery. It's the cheapest thing you can get. It makes it look like inner-city Phoenix."

In an email, Nivakoff, the company's 29-year-old CEO, defended his company's practices and said that many of the complaints are coming from rival landscapers "who look at Turf Terminators as a threat to their business."

Those critics, he said, want to impose design standards that only

they can meet, and that would price out Turf Terminators' working-class clientele.

Nivakoff is from Connecticut. His father was the Stamford police chief. After attending Columbia University, he worked in finance jobs in New York before moving to Palo Alto, where he got involved in trading emissions credits. With an attorney, he launched Carbon Venture Partners in April 2013.

The company intended to capitalize on California's new cap-and-trade system, which aims to reduce greenhouse gases. One effort was to get credits for reducing methane emissions by turning rice straw into fiberboard rather than allowing it to decompose. That did not get off the ground.

In September 2013, the firm backed out of a lease for space in a San Francisco high-rise, and was sued by the landlord. The following year, the company shifted its focus to turf-replacement rebates and moved 350 miles south, to Santa Monica.

The company got traction in part thanks to favorable media coverage. Nivakoff has appeared in several news reports about the drought, including on *The CBS Evening News*. Turf Terminators also courted public officials, converting Councilman Mitch Englander's lawn to mulch.

Mayor Eric Garcetti even mentioned the company by name in his State of the City address: "We're even using this drought to create jobs," he said. "Tear up that turf, Los Angeles!"

To get up and running, Turf Terminators had to clear one major regulatory hurdle. The MWD requires contractors to have been in business for at least three years. But Turf Terminators incorporated in 2013 and only began offering its service in 2014. To get around the requirement, the company bought Pan

American Landscaping, which has been in business since 2003, though according to its former owner it did not do turf removal work.

"They met our rules, so they're in the program," says Bill McDonnell, an MWD official.

The company was quickly overwhelmed by demand. It receives hundreds of calls an hour and has struggled to keep pace.

"The addition by MWD has added a lot of interest in turf removal, and as a result we are experiencing more inbound calls and emails," said Andrew Farrell, director of business development.

Environmentalists have expressed reservations about Turf Terminators' work, saying it does not adhere to best practices in landscaping.

"They're just looking to make as much money as they can off the turf rebate program," says Paul Herzog of the Surfrider Foundation. "They're the Uber of landscaping. They've disrupted the marketplace."

Herzog has urged the MWD to impose environmental standards on the program. He says the agency should require landscapes that preserve living soil and plants, which is better for the watershed.

Councilman Paul Koretz, who serves on the MWD board, has taken up the idea and discussed it with environmentalists and with Turf Terminators. Nivakoff says that while gravel is far more popular than mulch, he would be open to requiring mulch if it were made available for free at several satellite centers.

Pamela Berstler, who teaches drought-tolerant landscaping to

MWD customers, says that replacing lawns with gravel is actually making things worse.

"We're creating an environment that is more paved over than the existing environment and doesn't hold onto rainwater," says Berstler, who believes that as a bare minimum, plants should cover at least half of a yard. "We have to have living plants. If we eliminate that, we could easily be pushed into an extreme drought situation."

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