

DESERT WATER AGENCY

AUGUST 18, 2015



BOARD OF DIRECTORS

REGULAR MEETING AGENDA

REGULAR MEETING 8:00 A.M. OPERATIONS CENTER - 1200 GENE AUTRY TRAIL SOUTH – PALM SPRINGS – CALIFORNIA

About Desert Water Agency:

Desert Water Agency operates independently of any other local government. Its autonomous elected board members are directly accountable to the people they serve. The Agency is one of the desert's two State Water Contractors and provides water and resource management, including recycling, for a 325-square-mile area of Western Riverside County, encompassing parts of Cathedral City, Desert Hot Springs, outlying Riverside County and Palm Springs.

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF MINUTES – July 21, 2015** EWING
3. **GENERAL MANAGER'S REPORT** LUKER
4. **COMMITTEE REPORTS – Executive – August 7, 2015** EWING
5. **PUBLIC INPUT:**
Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
6. **ITEMS FOR ACTION**
 - A. Request Approval and Support of ACWA Region 9 Nominating Committee's Recommended Slate for 2015-2016 Term EWING
 - B. Request Adoption of Resolution No. 1121 Supporting the Nomination of Director Tiegs as the Association of California Water Agencies President EWING
 - C. Request Authorization for General Manager to Sign MOU between CVRWMG for Implementation of the Prop 84 Coachella Valley Regional Turf Reduction Program RUARK
 - D. Request Board Action Regarding Director Attendance at ACWA Region 9 Event EWING
7. **ITEMS FOR DISCUSSION**
 - A. July Water Production Comparison LUKER
 - B. State Water Contractors' Meeting – July 16, 2015 RIDDELL
 - C. Directors' Report on NWRA Conference STUART, OBERHAUS
8. **PUBLIC INFORMATION**
 - A. Media Information
 - B. PI Activities
9. **DIRECTORS COMMENTS AND REQUESTS**
10. **CLOSED SESSION**
 - A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
 - B. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
11. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
12. **ADJOURN**

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting is asked to contact Desert Water Agency's Executive Secretary, at (760) 323-4971, at least 48 working hours prior to the meeting to enable the Agency to make reasonable arrangements. Copies of records provided to Board members which relate to any agenda item to be discussed in open session may be obtained from the Agency at the address indicated on the agenda.

**MINUTES
OF THE REGULAR MEETING
OF THE
DESERT WATER AGENCY
BOARD OF DIRECTORS**

July 21, 2015

DWA Board:	Craig A. Ewing, President)	Attendance
	James Cioffi, Vice President)	
	Joseph K. Stuart, Secretary-Treasurer)	
	Patricia G. Oygar, Director)	
	Richard Oberhaus, Director)	

DWA Staff:	David K. Luker, General Manager)
	Mark S. Krause, Asst. General Manager)
	Martin S. Krieger, Finance Director)
	Irene Gaudinez, Human Resources Manager)
	Sylvia Baca, Asst. Secretary to the Board)
	Katie Ruark, Public Information Officer)
	Steve Johnson, Operations Engineer)

Consultant:	Michael T. Riddell, Best Best & Krieger)
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Public:	Roy Wilton, Mission Lakes Country Club)
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17212. President Ewing opened the meeting at 8:00 a.m. and asked everyone to join Director Oygar in the Pledge of Allegiance. **Pledge of Allegiance**

17213. President Ewing called for approval of the July 7, 2015 Regular Board meeting minutes. Director Oberhaus requested an amendment to Page 8556, section 17199. **Approval of 07/07/15 Regular Board Mtg. Minutes**

Director Oygar moved for approval noting the amendment. After a second by Director Oberhaus, the minutes were approved as amended.

17214. President Ewing called upon General Manager Luker to provide an update on Agency operations. **General Manager's Report**

Mr. Luker reported that DWA crews have installed approximately 670 L.F. of 8" ductile iron pipe along East Palm Canyon in front of the Horizon Mobile Village. He explained that this section of pipeline has experienced numerous leaks in the past 12 months. The work

Horizon Mobile Village

included relocating one fire hydrant and one 4" water service.

**General Manager's
Report (Cont.)**

Desert Palisade Project
Janis Tuscany Pressure
Regulators

Mr. Luker stated on July 1, the developer started site grading again and is expected to have all streets to subgrade by the end of July. DWA's contractor, Jones Bros. is scheduled to start installation of approximately 4,500 L.F. of 16" transmission pipeline on August 3. 64 residents within the Janis Tuscany area have been notified by either certified letter, non-certified letter, or email that their property will experience an increase in pressure and will require a pressure regulator. The notification letter asks for their permission to have Agency crews install a pressure regulator on their property. Of the 64, 29 have given permission, the remaining 35 have not responded. Staff will continue to contact the 35 residents. Staff has ordered pressure regulators for the property owners that have given their permission and anticipate starting the installation at the beginning of August.

Mr. Luker reported that Green Towne Inc. has completed all work in the amount of \$77,842 with one change of \$880 for unforeseen electrical wiring and speaker wiring relocation work, for a total of \$78,722. Green Towne along with their subcontractors performed in a professional manner, which was greatly appreciated by staff.

Interior Office Remodel

Concluding his report, Mr. Luker stated on July 15 at 8:50 a.m., a two-inch double check backflow device on a construction meter was stolen from the northwest corner of Golf Club Dr. and 34th Ave.

President Ewing informed staff that the Board is available to help notify Janis Tuscany customers regarding pressure regulators.

17215. President Ewing noted the minutes for the July 15, 2015 Executive Committee were provided in the Board's packet. He noted a possible lack of quorum for the August 4 meeting; therefore, the next regular meeting will be held on August 18.

**Committee Reports –
Executive 07/15/15**

17216. President Ewing asked Secretary-Treasurer Stuart to provide an overview of financial activities for the month of June 2015.

**Secretary-Treasurer's
Report – June 2015**

Secretary-Treasurer Stuart reported that the Operating Fund received \$1,937,238 in Water Sales Revenue and \$167,592 in Reclamation Sales Revenue. \$220,836 was received in Advanced Construction Deposits (\$182,836 from Wessman (Desert Fashion Plaza) and \$38,000 from Tahquitz 41, LLC (Vibrante Tract). Included in the Miscellaneous Receipts is \$15,036 from SCE for the energy rebate from Solar Field II for May 2015. \$2,004,148 was paid out in Accounts Payable. He noted that Year-to-date statistics for revenues and expenses would be provided at the conclusion of the 2014/2015 audit. There were 22,126 active services

Operating Fund

compared to 21,121 from May 2015.

Regarding the General Fund, Secretary-Treasurer Stuart said \$205,506 was received in Property Tax Revenues, \$224,848 was received from CVWD per the water management agreement for January thru April 2015, and \$560,811 was received in State Water Project Refunds. Included in the Miscellaneous category is \$25,000 from the Wastewater Fund for principal payment #15 of the capital improvement loan (\$6,201.30 in interest is in the interest earned category). \$1,026,657 was paid out in Accounts Payable.

General Fund

Reporting on the Wastewater Fund, Secretary-Treasurer Stuart stated that \$19,905 was received in Sewer Contract payments. There were 2 contracts paid in full in June, with a total of 84 contracts (35 delinquent). \$105,612 was paid out in Accounts Payable.

Wastewater Fund

17217. President Ewing opened the meeting for public input.

Public Input

There being no one from the public wishing to address the Board, President Ewing closed the public comment period.

17218. President Ewing called upon Public Information Officer Ruark to provide a report on the Turf Buyback Program Changes.

Items for Discussion:
Turf Buyback Program
Changes

Ms. Ruark stated that staff recommends changes to the program to increase efficiency and reduce staff time. She noted the following recommendations: 1) HOA's will now have their own category; 2) Deadlines have changed by category, residential 90 days with the opportunity for one extension, 180 days for all other categories; 3) 30 day application cut off. She noted there were some logistical changes also.

Discussion ensued regarding the anticipated launch date for the program.

Responding to Director Oberhaus, Agency Counsel Riddell stated even though this item is listed as discussion, the Board can take action on it.

Director Oberhaus made a motion to approve staff's recommended changes to the Turf Buy Back program. After a second by Vice President Cioffi, the motion passed unanimously.

17219. President Ewing called upon Public Information Officer Ruark to provide a report on the June 2015 Water Use Reduction Figures.

Discussion Items:
(Cont.)

June 2015 Water Use
Reduction Figures

Ms. Ruark reported that DWA and its customers achieved a 40 percent reduction in total water production for June 2015 compared to June 2013 (the baseline used by the State Water Resources Control Board (SWRCB) to measure statewide conservation achievements. She noted the information that is reported to the SWRCB on a monthly basis.

In response to President Ewing, Ms. Ruark indicated there is minimal staff follow up for water violations due to the customer resolving the issue.

Responding to President Ewing, Mr. Luker explained that the fresh water outflow is indicated on the report to reflect the water outflow to the ocean for the month in comparison to water production.

Secretary-Treasurer Stuart expressed his interest on the outflow and requested that it continue to be reported on a monthly basis.

17220. At 8:41 a.m., President Ewing convened into Closed Session for the purpose of (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al, and (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1) Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al.

Closed Session:

A. Existing Litigation –
ACBCI vs. CVWD, et al
B. Existing Litigation –
ACBCI vs. Riverside
County, et al

17221. At 9:29 a.m., President Ewing reconvened the meeting into open session and announced there was no reportable action.

Reconvene

17222. In the absence of any further business, President Ewing adjourned the meeting at 9:30 a.m.

Adjournment

Craig A. Ewing, President

ATTEST:

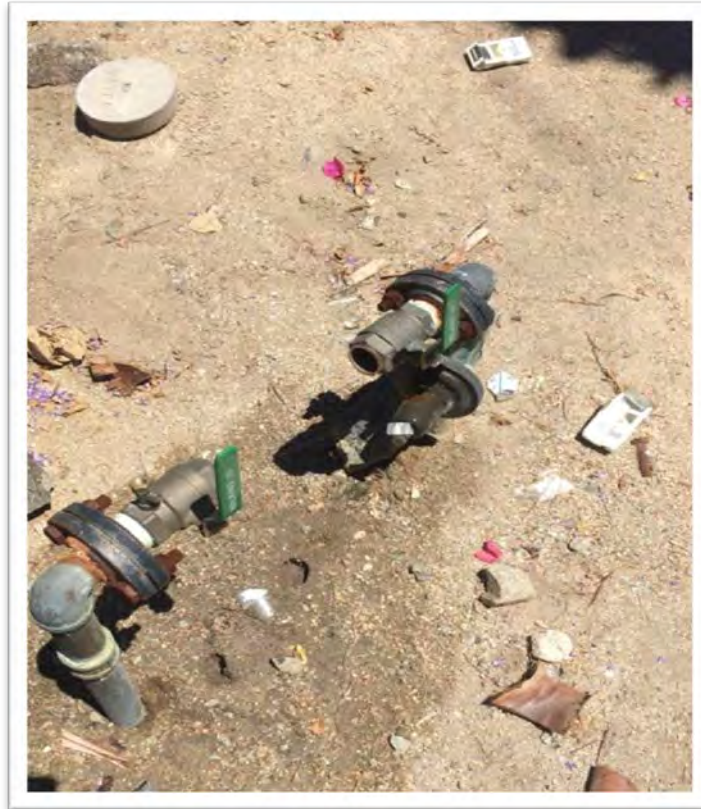
Joseph K. Stuart, Secretary-Treasurer

GENERAL MANAGER'S REPORT AUGUST 18, 2015

On July 25 at approximately 10:00 a.m. staff responded to a hit fire hydrant at 39310 Juan Circle. This was a hit and run. The water loss was through a two inch hole for approximately thirty minutes. Staff turned the valve off and made the necessary repairs. A police report was made.



On July 26 at approximately 9:00 a.m. staff received a no water call at 67555 East Palm Canyon Dr. The customer said that the backflow was gone and appeared to be stolen. Staff let the customer know that DWA could replace the backflow and they would be charged. At that time the customer did not want us to replace the backflow, but it has since been replaced by the customer. A police report was made.



On July 30 at approximately 4:39 a.m. stand-by responded to a hit backflow at 2300 S. Palm Cyn. Dr. Repairs have been made and the backflow is back in service. A police report was made and the water loss was metered.



Update on pipeline leaks:

Since July 1, 2015 (42 days) to August 11, there have been 76 water main leaks and 42 1 & 2 inch water service leaks.

Staff is working on a presentation for a future Board meeting to demonstrate increasing leak frequency and pipeline replacement necessities in years to come.

Minutes
Executive Committee Meeting
August 7, 2015

Directors Present: Craig Ewing, Jim Cioffi

Staff Present: Dave Luker, Mark Krause, Martin Krieger
Linda Devlin (Consultant)

1. Discussion Items

A. Review Agenda for August 18, 2015 Regular Board Meeting

The proposed agenda for the August 18, 2015 Regular Board meeting was reviewed.

B. ACWA & ACWA Region 9 Elections

The Committee reviewed the request from Cucamonga Valley Water District for support of Director Tiegs bid for ACWA President. It was recommended that a resolution in support of Ms. Tiegs be placed on the August 18, 2015 Board agenda.

The Committee also reviewed ACWA Region 9's Nominating Committee's slate for the 2015-2016. It was recommended that the Board support the recommendations and place a request for approval on the August 18, 2015 Board agenda.

C. ACWA Region 9 Event

The Committee and staff discussed the September 18, 2015 Region 9 event to be held at the Inland Empire Utilities Agency. Staff was requested to place this item for consideration on the August 18, 2015 Board agenda.

D. Expense Reports

The July expense reports were reviewed.

E. 2014-2015 Audit

The Committee discussed with Ms. Devlin the new GASB No. 68 reporting requirements and due to a delay by CalPERS, this will result in delaying the completion of the audit.

The Committee also discussed Director expense reporting.

2. Other

A. Sustainable Groundwater Management Act (SGMA)

Local groundwater basin conditions were discussed.

3. Adjourn

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

AUGUST 18, 2015

**RE: REQUEST APPROVAL AND SUPPORT OF ACWA REGION 9
NOMINATING COMMITTEE'S RECOMMENDATION SLATE FOR
2015-2016 TERM**

The Association of California Water Agencies (ACWA) Nominating Committee issued a call for nominations for Region 9 leadership. The Committee is seeking candidates for region officer and board member positions who are interested in leading the direction of ACWA for the 2015-2016 term.

Leadership of the ten geographical ACWA regions is integral to the leadership of the Association as a whole. Members of the Region 9 board determine the direction and focus of regional issues and activities, and support ACWA's goals on behalf of its members.

Attached is the recommended slate by the Nomination Committee. Recommendation for Chair is G. Patrick O'Dowd (Coachella Valley Water District); Vice Chair is Harvey R. Ryan (Elsinore Valley Municipal Water District); and Board Members are: Steven Farrell (Crestline Village Water District), Joseph J. Kuebler (Eastern Municipal Water District), Mary Ann Melleby (San Geronio Pass Water Agency), James Morales Jr. (East Valley Water District), and James Ventura, Jr. (Mojave Water Agency).

Staff requests that the Board approve the recommendations and authorize the Board President to complete and submit the Agency's ballot by September 30, 2015.

OFFICIAL

REGION 9 Board Ballot

2016-2017
TERM



Association
of California
Water Agencies
Since 1910
Leadership • Advocacy
Information • Service

Please return completed ballot
by September 30, 2015

E-mail: anat@acwa.com
Mail: ACWA
910 K Street, Suite 100
Sacramento, CA 95814

General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 9 Nominating Committee or vote for individual region board members (please note rules & regulations for specific qualifications). Mark the appropriate box to indicate your decision.
- 2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

Region 9 Rules & Regulations:

The chair and vice chair shall be elected, one from each area, and the positions shall be rotated between the Western and Arid areas of Region 9.

1

Nominating Committee's Recommended Slate

- ☐ I concur with the Region 9 Nominating Committee's recommended slate below.

Chair:

- **G. Patrick O'Dowd**, Board Member, Coachella Valley Water District (Arid)

Vice Chair:

- **Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District (Western)

Board Members:

- **Steven Farrell**, Director, Crestline Village Water District
- **Joseph J. Kuebler**, Board Member, Eastern Municipal Water District
- **Mary Ann Melleby**, Director, San Geronio Pass Water Agency
- **James Morales Jr.**, Chairman of the Board, East Valley Water District
- **James Ventura Jr.**, Director, Mojave Water Agency

OR

Individual Board Candidate Nominations

(See Rules & Regulations before selecting)

- ☐ I do not concur with the Region 9 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

Candidates for Chair: (Choose one)

- ☐ **G. Patrick O'Dowd**, Board Member, Coachella Valley Water District (Arid)

Candidates for Vice Chair: (Choose one)

- ☐ **Joseph J. Kuebler**, Board Member, Eastern Municipal Water District (Western)
- ☐ **James Morales Jr.**, Chairman of the Board, East Valley Water District (Western)
- ☐ **Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District (Western)

Candidates for Board Members: (Max of 5 choices)

- ☐ **Steven Farrell**, Director, Crestline Village Water District
- ☐ **Joseph J. Kuebler**, Board Member, Eastern Municipal Water District
- ☐ **Mary Ann Melleby**, Director, San Geronio Pass Water Agency
- ☐ **James Morales Jr.**, Chairman of the Board, East Valley Water District
- ☐ **G. Patrick O'Dowd**, Board Member, Coachella Valley Water District
- ☐ **Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District
- ☐ **James Ventura Jr.**, Director, Mojave Water Agency

2

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

AUGUST 18, 2015

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1121 SUPPORTING
THE NOMINATION OF DIRECTOR TIEGS TO THE OFFICE OF
PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER
AGENCIES (ACWA)**

Attached for the Board's consideration is Resolution No. 1121, which supports the nomination of Kathleen Tiegs, Director of the Cucamonga Valley Water District and current Vice-President of ACWA, to the office of President of ACWA. Also attached is a copy Ms. Tieg's bio.

At the August 7, 2015 Executive Committee meeting, there was support of Ms. Tieg's nomination as President of ACWA.

If the Board concurs in the nomination of Ms. Tiegs to the position of ACWA President, it may do so by adopting Resolution No. 1121. Following adoption, staff will forward a copy of the resolution to Cucamonga Valley Water District and ACWA offices.

RESOLUTION NO. 1121

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT WATER AGENCY
SUPPORTING THE NOMINATION OF KATHLEEN TIEGS
AS THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES (ACWA) PRESIDENT**

WHEREAS, the Desert Water Agency is a member of the Association of California Water Agencies (ACWA) and is actively interested that the policies and operations of ACWA continue to provide solutions and services necessary to the efficient operation of this Agency and all water agencies in California; and

WHEREAS, Kathleen has served as a member of the Cucamonga Valley Water District since 2005; current Vice President of ACWA; currently serves as Chair of the Sustainable Groundwater Management Act; and

WHEREAS, it is in the best interest of the Desert Water Agency and all member agencies of ACWA to have the most qualified Directors serve as officers of ACWA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Desert Water Agency, it does hereby support the nomination of Kathleen Tieg to the office of President of the Association of California Water Agencies.

ADOPTED this 18th day of August, 2015.

Craig A. Ewing, President
Board of Directors

ATTEST:

Joseph K. Stuart, Secretary-Treasurer
Board of Directors



Cucamonga Valley
Water District

10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

Martin E. Zvirbulis
Secretary / General Manager/CEO

July 20, 2015

Mr. David Luker
Desert Water Agency
PO Box 1710
Palm Springs, CA 92263

RECEIVED

JUL 24 2015

DESERT WATER AGENCY

Dear Mr. Luker,

It is my pleasure to inform you that the Cucamonga Valley Water District took action at our July 14, 2015 board meeting to support Director Kathleen Tiegs in her bid for the Association of California Water Agencies (ACWA) President.

I have had the opportunity to work alongside Director Tiegs for a number of years. Her passion is contagious and her commitment to the water industry is tireless. She has a high level of integrity and excellent leadership skills that build coalitions and collaboration; which is evident from her time on the board as well as her experience with ACWA. Over the past two years Director Tiegs has served in the role of ACWA Vice-President working together with the other ACWA board members and staff, ensuring the highest level of ACWA member engagement and interaction.

I am contacting you to request your agency's support of Director Tiegs' nomination by adopting a resolution endorsing her nomination as ACWA President. Attached you will find a sample resolution. If your board takes action, please forward your resolution of support to our offices by August 14, 2015. We will include your resolution in her submittal packet to ACWA. Should your board not be able to take action by that time, please forward a copy of your resolution to our offices as well as to the ACWA offices at 910 K Street, Suite 100, Sacramento, California 95814.

Thank you so much for your consideration; the future of the ACWA organization could not be in better hands than those of Director Kathleen Tiegs. Should you have any questions, please contact Taya Victorino at (909) 987-2591.

Sincerely,

James V. Curatalo, Jr.
President

Enclosure: 2

James V. Curatalo, Jr.
President

Luis Cetina
Vice President

Oscar Gonzalez
Director

Randall Reed
Director

Kathleen J. Tiegs
Director

Kathleen Tiegs

For

**2015-2016 Association of California Water Agencies
President**

July 20, 2015

My Fellow ACWA Member:

I am pleased to share with you my interest in serving as President of the Association of California Agencies (ACWA). Over the past two years I have had the pleasure to serve in the capacity as ACWA Vice-President working closely with President John Coleman, Past President Randy Record and my other colleagues on the ACWA board of directors. As a team, we work collaboratively engaging in issues that are critical to the water community as well as to the ratepayers that we represent at each of our agencies.



My experience with ACWA began on a regional basis having served on the ACWA Region 9 Board of Directors beginning in 2008. I also had the opportunity to serve as the Vice-Chair of the Federal Affairs Committee, and served on the Local Government and the Groundwater Committees. My active participation in the committees and the Region 9 board provided a strong foundation as I began to pursue other avenues to expand my understanding and knowledge of the ACWA organization. The experience I have gained over the past two years has well-equipped me to effectively dialogue with the Administration, regulatory agencies, and other special interest groups that impact our industry. More importantly it has given me the experience to lead our organization, and build upon the accomplishments of those that came before me.

Currently, I serve as the Chair of the Sustainable Groundwater Management Act Implementation Policy Group. The Group has provided a critical role working closely with the Administration and the Department of Water Resources to ensure members concerns are clearly voiced as the law is implemented.



As Vice-President I believe it is important to engage at all levels of the organization so I can better understand the issues in all of our regions to more effectively represent our members. I regularly attend ACWA committee meetings, as well as regional events so I can have a two-way conversation with members and hear what is important to them and their regions.

Currently, I serve on the Cucamonga Valley Water District (CVWD) Board of Directors. I was elected to CVWD in November 2005 and have served as both President and Vice-President of the Board of Directors. Prior to my serving on the CVWD Board, I enjoyed a career in water resources management for a local wholesale water agency for over 30 years. In April 2011, I was honored by State Assembly Member Mike Morrell as the 63rd Assembly District Woman of the Year.

There are many wonderful characteristics about ACWA, but the ones that I cherish the most are the diverse perspectives of our members. We have built a collaborative and supportive community that works together on solving issues that have lasting benefits to the regions and areas that we serve as elected officials. We have accomplished so much over these last two year, with actions taken that will forever change our industry and how we do business. There are many more challenges before us that will require a style of leadership that seeks to find solutions that benefit our industry and our ratepayers. I am completely committed, willing and able to continue a legacy of leadership that helps resolve issues and provides a better future for generations that will come after us.

I respectfully request your support to represent you and your organization and the millions of people that rely on our foresight and leadership to provide a high quality and reliable water to our customers. I look forward to the opportunity to represent you and the water industry of California. Thank you for allowing me to share with you my experience, leadership and knowledge. Please feel free to contact me directly at (909) 635-4177.

Thank you in advance for your consideration.

Kathleen Tiegs

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

AUGUST 18, 2015

RE: AUTHORIZE GENERAL MANAGER TO SIGN A MEMORANDUM OF UNDERSTANDING AMONGST THE COACHELLA VALLEY REGIONAL WATER MANAGEMENT GROUP FOR IMPLEMENTATION OF THE PROPOSITION 84 COACHELLA VALLEY REGIONAL TURF REDUCTION PROGRAM

The five water agencies that make up the Coachella Valley Regional Water Management Group (CVRWMG) applied for a conservation grant during the Proposition 84 Round 3 Solicitation which would provide Turf Buy Back Funding for all of the water agencies in the group. The CVRWMG water agencies have been awarded a total of \$4.87 million for turf buy back.

DWA's portion of the grant is \$1.29 million in grants (which will need to be supported by funding match upfront, \$502,948). DWA's Turf Buy Back program was written specifically to address state grant funding match criteria. The inclusion of customer-paid costs was intentional in order to account for real project expenses which can be included as grant funding match. The amount of funding match we have documented far exceeds what will be necessary for us in Proposition 84, however we have pursued and will continue to pursue other grant opportunities, therefore DWA will only submit to the State what is necessary in order to meet the funding match requirements. Should we be awarded another State grant, we will continue to have funding match available.

Indio Water Authority (IWA) will be the grant administrator and has already executed a contract with the State of California Department of Water Resources. Three of the CVRWMG Agencies have signed the attached Memorandum of Understanding to administer the grant. IWA will be presenting it to their City Council for approval tomorrow (August 19, 2015). If approved today, DWA will wait to execute the MOU until IWA approves it.

Staff requests conditional approval to authorize the General Manager to sign a Memorandum of Understanding amongst the Coachella Valley Regional Water Management Group for implementation of the Proposition 84 Coachella Valley Regional Turf Reduction Program. The General Manager will not sign the MOU unless all five of the Agencies' governing bodies have approved it.

MEMORANDUM OF UNDERSTANDING
among
CITY OF COACHELLA/COACHELLA WATER AUTHORITY, COACHELLA VALLEY
WATER DISTRICT, DESERT WATER AGENCY, CITY OF INDIO/INDIO WATER
AUTHORITY, and MISSION SPRINGS WATER DISTRICT
for
IMPLEMENTATION OF THE COACHELLA VALLEY REGIONAL TURF REDUCTION
PROGRAM

This Memorandum of Understanding (MOU) dated August 13, 2015, is entered into among the City Of Coachella/Coachella Water Authority, Coachella Valley Water District, Desert Water Agency, City Of Indio/Indio Water Authority, and Mission Springs Water District (collectively known as Partners) for the purpose of implementing the Coachella Valley Regional Turf Reduction Program activities undertaken by the Partners.

WHEREAS, each Partner is a party to an MOU as amended dated September 9, 2008, for development of an Integrated Regional Water Management Plan; and

WHEREAS, the Coachella Valley Regional Water Management Group (“CVRWMG”) authorized the Indio Water Authority (“IWA”) as the “Grant Administrator” for the Proposition 84 Integrated Regional Water Management 2014 Drought Grant (“Drought Grant”);

WHEREAS, the Department of Water Resources of the State of California (“Department of Water Resources”) has provided Drought Grant funding (“Drought Grant”) and IWA has been designated as Grant Administrator for the Proposition 84 Integrated Regional Water Management 2014 Drought Grant pursuant to the Agreement No. 4600010887 (“Grant Agreement”); and

WHEREAS, under the Grant Agreement, the Department of Water Resources has provided grant funding to the Partners for certain projects, namely the Coachella Valley Regional Turf Reduction Program which will fund turf reduction projects within each of the Partner service areas, as well as funding for the administration of the turf reduction program; and

WHEREAS, each Partner is a Local Project Sponsor as that term is defined in the Grant Agreement for the Coachella Valley Regional Turf Reduction Program (“Turf Reduction Program”), the scope and budget for which are fully described in the Grant Agreement;

WHEREAS, IWA has been designated as Grant Administrator for the Turf Reduction Program as set forth in the Grant Agreement and will administer the grant funds for the Turf Reduction Program pursuant to the terms of the Grant Agreement;

WHEREAS, each Partner will implement the Turf Reduction Program pursuant to the terms and conditions of the Grant Agreement and the provisions of this MOU; and

WHEREAS, this MOU shall clarify the Partners respective responsibilities with respect to the monies received under the Grant Agreement;

NOW, THEREFORE, for valuable consideration the receipt of which is acknowledged, each Partner hereby agrees to as follows:

SECTION 1: AGREEMENTS

1.1 IWA, designated by the CVRWMG as the grant administrator for the Proposition 84 IRWM 2014 Drought Grant, Agreement Number 4600010887, and shall have overall responsibility for executing and administering the Drought Grant as directed by the CVRWMG and pursuant to the terms of the Grant Agreement, which is attached hereto and incorporated herein as Exhibit A.

1.2 The Grant administration costs reimbursed to IWA shall be limited to \$100,000 as described in EXHIBIT B Budget, Project #1 Grant Administration of the Grant Agreement.

1.3 Each Partner is a Local Project Sponsor responsible for individual project management, oversight, compliance, operations and maintenance. Local Project Sponsors share responsibility with IWA in the fulfillment of Grant Administrator responsibilities where specified in the Drought Grant Agreement for the purposes of project management. The five Local Project Sponsors for the Coachella Valley Regional Turf Reduction Program are listed in the Grant Agreement as follows:

- Coachella Valley Water District
- Coachella Water Authority
- Desert Water Agency
- Indio Water Authority
- Mission Springs Water District

1.4 Each Partner agrees to comply with all terms, provisions and obligations contained in the Grant Agreement in implementing the Turf Reduction Program in their service area including all exhibits and attachments thereto.

1.5 Each Partner shall prepare, provide and ensure the accuracy of all deliverables, reports, documentation, notifications, notices, and information related to the Turf Reduction Program as required under the Grant Agreement and/or requested by IWA to assist IWA to provide the information required under the Grant Agreement in a prompt and timely manner.

- 1.6 Each Partner shall comply with all applicable environmental requirements pertaining to the Turf Reduction Program for their respective service area.
- 1.7 If the Department of Water Resources determines pursuant to Section 13 of the Grant Agreement or any other applicable section, that a Partner is required to repay any monies that have been disbursed for non-compliance or that a Partner is in default of the Grant Agreement, that Partner shall be solely responsible for any liability, costs or expenses related to such action including any penalties and/or interest and such Partner shall immediately repay such monies to the Department of Water Resources and/or undertake any other action requested by the Department of Water Resources immediately or as is reasonably possible to ensure that the Grant Agreement is not deemed in default.
- 1.8 Partner shall indemnify, hold harmless and defend the other Partners, and their respective officers and employees and assigns, from any and all liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation brought against the other Partner(s), and their officers or employees which results directly from the acts or omissions of that particular Partner's conduct in performing the work for the Turf Reduction Program by the Grant Agreement.
- 1.9 The Partners agreed by consensus to the distribution of Grant funding in the Agreement on the condition that each Partner will use due diligence distributing the grant funding to customers in its agency boundaries in an expeditious manner. To ensure that this condition is met, the Partners agree to do the following: The partners will review DWR invoices on a quarterly basis to monitor the amount of grant funding not yet encumbered.
- a. As soon as practicable, after January 1, 2017, the partners will conduct a formal evaluation of funds not yet encumbered. Any funding which has not been encumbered by a turf rebate application may be subject to redistribution.
 - b. As soon as practicable after July 1, 2017, any funds that have not been encumbered will be equally available to all agencies.
 - c. Any partner who receives redistributed funds will be responsible for meeting the match requirement associated with those funds.

SECTION 2: INVOICING AND PAYMENT

- 2.1 Each Partner shall pay their "Cost Share" as described in the Grant Agreement to implement the Turf Reduction Program as set program and shall submit invoices to IWA for reimbursement no less than quarterly. Invoices shall comply with the requirements of the Grant Agreement.

- 2.2 No less than quarterly, IWA shall invoice the Department of Water Resources. IWA shall distribute funds received from the Department of Water Resources to the Partners based on invoices submitted by the Partners.
- 2.3 No Partner shall be expected to make payments for any project or program that is not in their service area.
- 2.4 No Partner shall be expected to make payments for any project or program that are greater than their individual share of costs, without first receiving funds from each Partner sufficient to cover their individual share of the cost.
- 2.5 IWA shall not be responsible for making any payments to any Partner which is not backed by reimbursements from the Department of Water Resources.

SECTION 3: GENERAL

- 3.1 This MOU shall remain in effect while the Drought Grant Agreement or any provision of the Drought Grant Agreement remains in effect.
- 3.2 Any notices, invoices or reports relating to this MOU shall be delivered to each Partner at the address designated by such Partner in writing to one another.
- 3.3 The validity, interpretation, and performance of this MOU shall be controlled by and construed under the laws of the State of California. In the event of any asserted ambiguity in, or dispute regarding the interpretation of any matter herein, the interpretation of this MOU shall not be resolved by any rules of interpretation providing for interpretation against the party that causes the uncertainty to exist or against the party who drafted the MOU or who drafted that portion of the MOU.
- 3.4 This MOU, and any other documents incorporated herein by specific reference, represents the entire and integrated agreement between the parties. This MOU supersedes all prior oral or written negotiations, representations or agreements. This MOU may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties which expressly refers to this MOU.
- 3.5 The Partners shall not assign, transfer, or subcontract any interest in this MOU. Any attempt to so assign, transfer, or subcontract any rights, duties, or obligations arising hereunder shall be null, void and of no effect.

3.6 In the event that any party to this MOU shall commence any legal action or proceeding to enforce or interpret the provisions of this MOU, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees.

3.7 Each party to this MOU shall have no power to incur any debt, obligation, or liability on behalf of another party to this MOU or otherwise act as an agent of another party.

3.8 Each Partner shall maintain all records related to this MOU and the Drought Grant Agreement for a minimum of three (3) years after the termination of this MOU or longer if required by the Department of Water Resources. If the Turf Reduction Program is audited, each Partner shall fully cooperate with any audit performed by the Department of Resources.

3.9 This MOU is made and entered into for the sole protection and benefit of each of the Partners. No other person shall have any right of action based upon any provision of this MOU.

3.10 The Partners shall cooperate fully with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this MOU.

IN WITNESS WHEREOF, the Partners have executed this MOU as of the day and year indicated on the first page of this MOU.

CITY OF COACHELLA/ COACHELLA WATER
AUTHORITY

ATTEST:

COACHELLA VALLEY WATER DISTRICT

ATTEST:

DESERT WATER AGENCY

ATTEST:

CITY OF INDIO/INDIO WATER AUTHORITY

ATTEST:

MISSION SPRINGS WATER DISTRICT

ATTEST:

EXHIBIT A
GRANT AGREEMENT

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



May 27, 2015

Mr. Brian Macy
General Manager
Indio Water Authority
83-101 Avenue 45
Indio, CA 92201

**Proposition 84 – Drought Round - Integrated Regional Water Management (IRWM)
Implementation Grant; Agreement No. 4600010887**

Dear Mr. Macy:

Enclosed is an original executed copy of Agreement No. 4600010887.

If you have any questions, please contact Evon Willhoff, Project Manager, at 916.651-9286 or via email at evon.willhoff@water.ca.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "S. Greene".

Susan Greene
Contract Analyst
Implementation Grants Section
Financial Assistance Branch
Division of Integrated Regional Water Management

Enclosures

cc: Evon Willhoff, Project Manager

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
INDIO WATER AUTHORITY
4600010887
PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) 2014 DROUGHT GRANT
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Indio Water Authority, a public agency, in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee to assist in financing projects associated with the Coachella Valley Integrated Regional Water Management Plan pursuant to Chapter 8 (commencing with Section 79560) of Division 26.5 of the California Water Code (CWC), hereinafter collectively referred to as "IRWM Program."
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on December 31, 2018 or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement indicated on page 9.
3. TOTAL PROJECT COST. The reasonable Total Cost of the Projects is estimated to be \$7,358,052.
4. GRANT AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed \$5,270,636.
5. GRANTEE COST SHARE. Grantee agrees to fund the difference between the Total Project Cost, and the Grant Amount (amount specified in Paragraph 4). Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B (Budget). Additional Cost Share is the amount necessary to fund the project above the Grant Amount and the Funding Match. Additional Cost Share will not be reviewed by the State for invoicing purposes; however, the Grantee is required to maintain all financial records associated with the project in accordance with Exhibit I (State Audit Document Requirements).
6. FUNDING MATCH. Funding Match is defined as the minimum amount of Grantee Cost Share required, and cannot include other State funds. Grantee is required to provide a Funding Match of at least 25% of the Total Project Cost. The Grantee's Funding Match is estimated to be \$2,028,752. Grantee's Funding Match may include in-kind services that are part of Exhibit A (Work Plan) and performed after January 1, 2010.
7. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the Projects in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement, and be responsible for the performance of the projects.
8. LOCAL PROJECT SPONSOR'S RESPONSIBILITY. Grantee shall assign Local Project Sponsors to act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors shall be assigned in accordance with the participating agencies identified in the Coachella Valley Integrated Regional Water Management 2014 IRWM Drought Solicitation Implementation Grant Proposal grant application. Exhibit F identifies Local Project Sponsors. Local Project Sponsors shall also act on behalf of Grantee in the fulfillment of Grantee responsibilities where specifically specified in this Grant Agreement.

9. BASIC CONDITIONS. State shall have no obligation to disburse money for projects under this Grant Agreement until Grantee has satisfied the following conditions (if applicable):
- a) Grantee and Local Project Sponsors demonstrate the availability of sufficient funds to complete each project by submitting the most recent 3 years of audited financial statements.
 - b) Grantee must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
 - c) For the term of this Grant Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 19, "Submission of Reports."
 - d) Grantee submits deliverables as specified in Paragraph 19 of this Grant Agreement and in Exhibit A.
 - e) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State for each project:
 - 1) Final plans and specifications certified by a California Registered Professional (Civil Engineer or Geologist, as appropriate) for the approved projects as listed in Exhibit A of this Grant Agreement.
 - 2) Environmental Documentation:
 - i) Grantee submits to the State all applicable environmental permits,
 - ii) Documents that satisfy the CEQA process are received by the State,
 - iii) State has completed its CEQA compliance review as a Responsible Agency, and
 - iv) Grantee receives written concurrence from the State of Lead Agency's CEQA documents and State notice of verification of environmental permit submittal.
- State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the projects or to require changes, alterations or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, and mitigation monitoring programs as may be required prior to beginning construction/implementation.
- 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."
10. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to Grantee under this Grant Agreement and any and all interest earned by Grantee on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 11.

11. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Total Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, and implementation. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the projects including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the standard accounting practices of the Grantee. Work performed on the projects after January 17, 2014 shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include, but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.

- c) Purchase of equipment not an integral part of a project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after project construction is complete.
- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs (per diem includes subsistence and other related costs).
- i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee cost share (i.e., Funding Match).
- l) Overhead not directly related to project costs.

12. METHOD OF PAYMENT. Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking Systems (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative, as indicated on page 9 of this Agreement, must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:

- a) Costs incurred for work performed in implementing the projects during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the projects during the period identified in the particular invoice for the implementation of a project.
- c) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) Sufficient evidence (e.g. receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant Amount, as depicted in Paragraph 4, and those costs that represent Grantee's Funding Match, as applicable, in Paragraph 6.
 - 5) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs. After the disbursement requirements in Paragraph 9 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 19, Submission of Reports. Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number.

13. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 14, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 14, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.
14. DEFAULT PROVISIONS. Grantee (and a Local Project Sponsor receiving grant funding through this Grant Agreement) will be in default under this Grant Agreement if any of the following occur:
- a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.
 - c) Failure to maintain an adopted IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with Section 10530.
 - d) Failure to operate or maintain project(s) in accordance with this Grant Agreement.
 - e) Failure to make any remittance required by this Grant Agreement.
 - f) Failure to comply with Labor Compliance Program requirements (Paragraph 18).
 - g) Failure to submit timely progress reports.
 - h) Failure to routinely invoice State.
 - i) Failure to meet any of the requirements set forth in Paragraph 15, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

- i. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- ii. Terminate any obligation to make future payments to Grantee.
- iii. Terminate the Grant Agreement.
- iv. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

15. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:
- a) An urban water supplier that receives grant funds governed by this Grant Agreement shall:
 - 1) Maintain compliance with the Urban Water Management Planning Act (CWC§10610 et. seq.) and Sustainable Water Use and Demand Reduction, Part 2.55. of Division 6 (CWC§10608 et. Seq.). Urban water suppliers that submitted 1420 compliance Table 2 in the 2014 Drought Application must submit, until June 30, 2016:

- i) List of tasks to implement the BMPs listed in 1420 compliance Table 2 and a corresponding schedule and budget.

By July 1, 2016 all urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim GPCD target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to CWC § 10608.24.

- 2) Have their 2010 UWMP deemed consistent by DWR. The 2015 UWMP update will be required to be submitted to DWR in 2016. For more information visit the following website:
<http://www.water.ca.gov/urbanwatermanagement>

- b) An agricultural water supplier receiving grant funding must:

- 1) Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC. Before July 1, 2016:

- i) Submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to CWC § 10608.48, for inclusion in the grant agreement as an Exhibit.

- 2) Have their AWMP deemed consistent by DWR. The next AWMP update will be required in 2016. For more information visit the following website:

<http://www.water.ca.gov/wateruseefficiency/agricultural/agmamt.cfm>

- c) Grantee's diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the CWC.
- d) Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
- e) Project Proponents that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by CWC§ 10932 and the CASGEM Program.

16. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Projects. Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.

17. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.

18. LABOR COMPLIANCE. Grantee agrees to comply with all applicable California Labor Code requirements and Standard Condition D:28 in Exhibit D. Grantee must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code section 1771.5 for projects funded by:

- a) Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; PRC sections 75075 et seq.) or
- b) Any other funding source requiring an LCP.

At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

19. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS). If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit G. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such projects.
- Progress Reports: Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail to the State's Project Manager and shall be uploaded into GRanTS at the frequency specified in Exhibit C, Project Schedule. The progress reports shall provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.
 - Water Management Status Report: Until June 30, 2016, Grantee shall submit a status report on implementation of AB 1420 status for the urban water suppliers that submitted 1420 compliance Table 2 in the 2014 Drought Application. The status report shall be uploaded into GRanTS no later than April 30, 2016. By July 1, 2016 all urban water suppliers must submit an UWMP that demonstrates they are meeting the 2015 interim SBx7-7 GPCD target. If not meeting the interim target, the urban water suppliers must also submit, with the UWMP, a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to CWC § 10608.24. These urban water suppliers (that are not meeting their 2015 GPCD target) will subsequently have to submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to CWC § 10608.24 every year by June 30, starting June 30, 2017. Failure to progress on implementation may result in continuing grant eligibility actions under paragraph 15.
 - Project Completion Report: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of projects completion. Project Completion Reports shall include, in part, a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Project Completion Report shall also include, if applicable, certification of final project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Standard Condition D.19 in Exhibit D. A DWR "Certification of Project Completion" form will be provided by the State.
 - Grant Completion Report: Upon completion of all projects included in Exhibit A, Grantee shall submit to State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Project Completion Report for the final project to be completed under the Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each project completed, and how those projects will further the goals of the IRWM Plan and identify any changes to the IRWM Plan, as a result of project implementation. Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State.
 - Post-Performance Reports: Grantee shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of ten (10) years after the completed projects begin operation.
20. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of each project, and shall ensure or cause each

project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 14, "Default Provisions."

21. PROJECT MONITORING PLAN REQUIREMENTS. Grantee shall develop and submit to State a Project Monitoring Plan that incorporates: (1) the Project Performance Monitoring Table requirements outlined in the Proposition 84 2014 IRWM Drought Grant Proposal Solicitation Package (in Exhibit A), and (2) the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."

A Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. See Exhibit H, "Requirements for Statewide Monitoring and Data Submittal", for web links and information regarding other State monitoring and data reporting requirements.

22. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.

23. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:

- a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
- b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.
- c) Final inspection of the completed work on a project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with Standard Condition D.19 in Exhibit D. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.

24. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:

- a) By delivery in person.
- b) By certified U.S. mail, return receipt requested, postage prepaid.
- c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- d) By electronic means.

Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 26. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

25. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.
26. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources
Paula Landis
Chief, Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9220
e-mail: plandis@water.ca.gov

Indio Water Authority
Brian Macy
General Manager
83-101 Avenue 45
Indio, CA 92201
Phone: (760) 625-1808
e-mail: bmacy@indio.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Evon Willhoff
Division of Integrated Regional Water Management
P.O. Box 942836
Sacramento, CA 94236
Phone: (916) 651-9286
e-mail: evon.willhoff@water.ca.gov

Indio Water Authority
Scott Rogers
Manager of Engineering and Water Quality
83-101 Avenue 45
Indio, CA 92201
Phone: (760) 625-1870
e-mail: srogers@indio.org

Either party may change its Project Representative or Project Manager upon written notice to the other party.

27. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A – Work Plan
Exhibit B – Budget
Exhibit C – Schedule
Exhibit D – Standard Conditions
Exhibit E – Authorizing Resolution
Exhibit F – Local Project Sponsors
Exhibit G – Report Formats and Requirements
Exhibit H – Requirements for Statewide Monitoring and Data Submittal
Exhibit I – State Audit Document Requirements and Funding Match Guidelines for Grantees
Exhibit J – Project Monitoring Plan Components


IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES


Paula J. Landis, P.E., Chief
Division of Integrated Regional Water Management

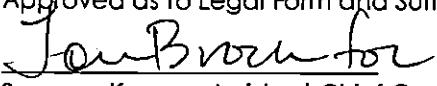
Date 5-28-15

INDIO WATER AUTHORITY


Brian Macy, General Manager

Date 5/22/2015

Approved as to Legal Form and Sufficiency


Spencer Kenner, Assistant Chief Counsel
Office of Chief Counsel

Date 5-27-15

**EXHIBIT A
WORK PLAN**

Project 1: Grant Administration

Implementing Agency: Indio Water Authority (IWA)

The Coachella Valley Regional Water Management Group (CVRWMG) authorized IWA to act as the applicant and the grant manager for the Proposition 84, IRWM 2014 Drought Grant.

IWA will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. IWA will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc.), obtaining data for quarterly progress reports from individual project managers, assembling and submitting quarterly progress reports to the State, and coordinating all invoicing and payment of invoices.

Task 1 Project Administration: Budget Category (a)

Task 1a Contract Administration

IWA will respond to DWR's reporting and compliance requirements associated with the grant administration and will coordinate with the project managers responsible for implementing the projects contained in this agreement.

Task 1b Invoicing

IWA will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation from each of the project proponents and compiling the information into a DWR Invoice Packet.

Task 1c Progress Reports and Project Completion Report(s)

IWA will be responsible for compiling quarterly progress reports for submittal to DWR. IWA will coordinate with project proponent staff as needed to prepare and submit Quarterly Progress Reports and Final Completion Reports for each project, as well as the Grant Completion Reports.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit G of this agreement. For example, Quarterly Progress Reports will explain the status of the project and will include the following information: summary of the work completed for the project during the reporting period; activities and milestones achieved; and accomplishments and any problems encountered in the performance of work. Project Completion Reports will include: documentation of actual work done; changes and amendments to each project; a final schedule showing actual progress versus planned progress; and copies of final documents and reports generated during the project.

Task 1 Deliverables:

- ☐ Executed Grant Agreement
- ☐ Invoices and associated backup documentation
- ☐ Quarterly Progress Reports
- ☐ Draft and Final Project Completion Report

Project 2: Coachella Valley Regional Turf Reduction Program**Implementing Agency: Indio Water Authority (IWA)**

IWA, Coachella Valley Water District, Desert Water Agency, Coachella Water Authority, and Mission Springs Water District (collectively referred to as the CV Agencies) will implement the Coachella Valley Regional Turf Reduction Program (Program) within their service areas. The Program will make turf rebates available to a variety of water customers in the Coachella Valley, including: golf courses, residential, commercial, municipal, and multi-family sites. The Program will assist the Coachella Valley region in effectively managing groundwater by reducing water demand and groundwater pumping. The Program will save approximately 815 acre-feet of water each year by reducing water demand. The Program builds upon an existing Coachella Valley wide conservation program. The tasks and deliverable requirements in the Work Plan apply to each agency. More detail can be found in Exhibit B Budget.

Task 1 Project Administration: Budget Category (a)**Task 1a Project Management**

This task consists of project administration responsibilities associated with the Regional Turf Reduction Program, including managing the grant agreement, complying with grant requirements, preparing and submitting supporting grant documents, and coordinating with the IWA. This task also includes administrative responsibilities associated with the project, such as coordinating with any partnering agencies as necessary.

Task 1a Deliverables:

- ☐ Environmental Information Form (EIF)
- ☐ Financial Statements
- ☐ Invoices
- ☐ Other Applicable Project Deliverables

Task 1b Reporting

Prepare quarterly progress reports, detailing work completed during reporting period as outlined in Exhibit G of this agreement. Submit reports to IWA for review and inclusion in progress report to be submitted to DWR.

Prepare draft Final Project Completion Report and submit to DWR for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing IWA/DWR's comments. The report shall be prepared and presented in accordance with the provisions of Exhibit G.

Task 1b Deliverables:

- ☐ Quarterly Project Progress Reports
- ☐ Draft and Final Project Completion Reports

Task 2 Land Purchase/Easement: Budget Category (b)

Not Applicable

Task 3 Planning/Design/Engineering and Environmental Documentation: Budget Category (c)

Task 3a Develop Guidelines and Specifications

Develop guidelines and specifications specific to customers in agencies' service area.

Task 3a Deliverables:

- ☐ Turf Rebate Guidelines, Standards, and Specifications

Task 4 Construction/Implementation: Budget Category (d)

Task 4a Outreach

Execute marketing and outreach to promote the rebate program. The outreach materials will target different end-users (i.e. municipal, commercial, residential, etc.). This task will make necessary changes and updates to the existing conservation home page as well as the regional conservation website (www.cvwatercounts.com) to promote the regional turf rebate program. CV Agencies may also develop applicable supporting documents such as draft design plans, how-to assistance materials, etc. and may conduct additional outreach as appropriate, including social media updates, mailers, newsletters, press releases, etc.

Task 4a Deliverables:

- ☐ Outreach Campaign specified to different end-users
- ☐ Additions to CV Agencies' website and CV Water Counts website
- ☐ Final design plans and ideas, how-to assistance, FAQs, and other supporting documents
- ☐ Outreach tools and materials (social media, mailers, newsletters, press releases, etc.)

Task 4b Implementation of Turf Rebate Program

Administer the Program, including rebate application review and approval, pre- and post-site visits to customer sites, verification of successful project completion, customer support, rebate check processing, and program website maintenance. This program will issue rebates to remove a minimum of 5,900,000 square feet of turf so that it can be replaced with a more sustainable water efficient landscape. Each square foot of turf removed is estimated to conserve 55.8 gallons of potable water per year. This task also includes work to measure and report program progress and budgeted funds for materials and equipment necessary to complete the turf replacement or removal activities in compliance with the conditions of the rebate program (as defined in Task 3).

Task 4b Deliverables:

- ☐ Site visit installation reports (pre and post)
- ☐ Original customer material receipts
- ☐ Maps with geographic locations of program participants

Project 3: Disadvantaged Community (DAC) Onsite Plumbing Retrofit Program

Implementing Agency: Indio Water Authority (IWA)

IWA will implement the DAC Onsite Plumbing Retrofit Program for DACs in the Coachella Valley. The Program will address inefficient onsite plumbing and drinking water quality issues by replacing fixtures to address potential sources of drinking water quality contamination and reduce water loss. The Program will provide outreach, technical support, and rebates for DACs to repair and retrofit their current plumbing systems. The Program will save approximately 107 acre-feet of water each year by improving efficiency and reducing system loss.

Task 1 Project Administration: Budget Category (a)

Task 1a Project Management

This task consists of project administration responsibilities associated with the DAC Onsite Plumbing Retrofit Program, including managing the grant agreement, complying with grant requirements, preparing and submitting supporting grant documents. This task also includes administrative responsibilities associated with the project, such as coordinating with any partnering agencies as necessary.

Task 1a Deliverables:

- ☐ Environmental Information Form (EIF)
- ☐ Financial Statements
- ☐ Invoices
- ☐ Other Applicable Project Deliverables

Task 1b Reporting

Prepare quarterly progress reports, detailing work completed during reporting period as outlined in Exhibit G of this agreement. Submit reports to be included in the progress report submitted to DWR.

Prepare draft Final Project Completion Report and submit to DWR for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing DWR's comments. The report shall be prepared and presented in accordance with the provisions of Exhibit G.

Task 1b Deliverables:

- ☐ Quarterly Project Progress Reports
- ☐ Draft and Final Project Completion Report

Task 2 Land Purchase/Easement: Budget Category (b)

Not Applicable

Task 3 Planning/Design/Engineering and Environmental Documentation: Budget Category (c)

Task 3a Develop Guidelines and Specifications

Work completed under this subtask includes developing guidelines and specifications to guide implementation of the rebate program.

Task 3a Deliverables:

- ☐ Final program outreach and application structure

Task 3b Develop Outreach Materials

Develop an outreach program to raise awareness about the Program. This work will be completed by IWA in coordination with local non-profit organizations (partner organizations) that will partner with IWA for implementation of the Program.

Task 3b Deliverables:

- ☐ Final Program outreach campaign
- ☐ Outreach tools and materials (social media, mailers, newsletters, press releases, etc.)

Task 3c Pre-Implementation Activities

CVWD and partner organizations will work with interested parties to verify Median Household Income (MHI) data to validate residents qualify as DACs. CVWD and the partners will design evaluation forms that will be used to determine the scope of work related to onsite needs for each applicant.

Task 3c Deliverables:

- ☐ Documentation of DAC status
- ☐ Copies of evaluation forms
- ☐ Completed program application with expected fixture and plumbing retrofits and details of initial conditions

Task 4 Construction/Implementation: Budget Category (d)

Task 4a Project Implementation

Administer the Program, including application review and approval, pre- and post-site visits, verification of successful project completion, and rebate check processing. Any information about the state of plumbing system before or during rehabilitation will be gathered for further water savings analysis.

Upon being approved as DACs, partner organizations will work with interested parties to describe the program structure, understand onsite needs, and help residents fill out necessary application materials.

Upon completion of onsite retrofits, final work will be done to compile the information gathered before and after system rehabilitation to calculate amount of water saved or potential water savings based on prior and future system characteristics. Once the program is complete, a final program report will be written to describe lessons-learned, obstacles, and other necessary information to help other DACs duplicate the program. This work will be completed by CVWD in coordination with the partners.

Task 4a Deliverables:

- ☐ Customer site visit reports (pre and post)
- ☐ Invoices for material costs from customers
- ☐ Maps with geographic locations of program participants
- ☐ Report from partner organization or contractor on post-construction state of system/fixtures
- ☐ Program water savings calculations
- ☐ Final program report with lessons-learned

**EXHIBIT B
BUDGET**

Coachella Valley IRWM Implementation - Drought					
Individual Project Title	(a)	(b)	(c)	(d)	(e)
	Grant Amount	Non-State Share (Funding Match)	Additional Cost Share	Total Cost	% Funding Match
Project 1: Grant Administration	\$100,000	\$0	\$0	\$100,000	0%
Project 2: CV Regional Turf Reduction Program	\$4,870,636	\$2,028,752	\$58,664	\$6,958,052	29%
Indio Water Authority	\$1,290,212	\$537,414	\$15,534	\$1,843,160	29%
Coachella Valley Water District	\$1,290,212	\$537,414	\$15,534	\$1,843,160	29%
Desert Water Agency	\$1,290,212	\$537,414	\$15,534	\$1,843,160	29%
Coachella Water Authority	\$500,000	\$208,255	\$6,031	\$714,286	29%
Mission Spring Water District	\$500,000	\$208,255	\$6,031	\$714,286	29%
*Project 3: DAC On-Site Retrofit Program	\$300,000	\$0	\$0	\$300,000	0%
Grand Total	\$5,270,636	\$2,028,752	\$58,664	\$7,358,052	29%
DAC Funding Match Waiver Total				\$300,000	
* DAC Project with funding match waiver					

Project #1 - Grant Administration					
		(a)	(b)	(c)	(d)
Category		Grant Amount	Non-State Share (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$100,000	\$0	\$0	\$100,000
(b)	Land Purchase/ Easement	\$0	\$0	\$0	\$0
(c)	Planning/ Design/ Engineering/Environmental Documentation	\$0	\$0	\$0	\$0
(d)	Implementation	\$0	\$0	\$0	\$0
(e)	Grand Total	\$100,000	\$0	\$0	\$100,000

Project #2 - Coachella Valley Turf Reduction Program					
		(a)	(b)	(c)	(d)
Category		Grant Amount	Non-State Share (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$0	\$179,729	\$0	\$179,729
	Indio Water Authority	\$0	\$59,490	\$0	\$59,490
	Coachella Valley Water District	\$0	\$21,496	\$0	\$21,496
	Desert Water Agency	\$0	\$50,000	\$0	\$50,000
	Coachella Water Authority	\$0	\$18,743	\$0	\$18,743
	Mission Springs Water District	\$0	\$30,000	\$0	\$30,000
(b)	Land Purchase/ Easement	\$0	\$0	\$0	\$0
	Indio Water Authority	\$0	\$0	\$0	\$0
	Coachella Valley Water District	\$0	\$0	\$0	\$0
	Desert Water Agency	\$0	\$0	\$0	\$0
	Coachella Water Authority	\$0	\$0	\$0	\$0
	Mission Springs Water District	\$0	\$0	\$0	\$0
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$0	\$14,500	\$0	\$14,500
	Indio Water Authority	\$0	\$2,500	\$0	\$2,500
	Coachella Valley Water District	\$0	\$0	\$0	\$0
	Desert Water Agency	\$0	\$0	\$0	\$0
	Coachella Water Authority	\$0	\$0	\$0	\$0
	Mission Springs Water District	\$0	\$12,000	\$0	\$12,000
(d)	Implementation	\$4,870,636	\$1,834,523	\$58,664	\$6,763,823
	Indio Water Authority	\$1,290,212	\$475,424	\$15,534	\$1,781,170
	Coachella Valley Water District	\$1,290,212	\$515,918	\$15,534	\$1,821,664
	Desert Water Agency	\$1,290,212	\$487,414	\$15,534	\$1,793,160
	Coachella Water Authority	\$500,000	\$189,512	\$6,031	\$695,543
	Mission Springs Water District	\$500,000	\$166,255	\$6,031	\$672,286
(e)	Grand Total	\$4,870,636	\$2,028,752	\$58,664	\$6,958,052

*Project #3 - DAC Plumbing Retrofits Program					
		(a)	(b)	(c)	(d)
Category		Grant Amount	Non-State Share (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$18,105	\$0	\$0	\$18,105
(b)	Land Purchase/ Easement	\$0	\$0	\$0	\$0
(c)	Planning/ Design/ Engineering/Environmental Documentation	\$36,750	\$0	\$0	\$36,750
(d)	Implementation	\$245,145	\$0	\$0	\$245,145
(e)	Grand Total	\$300,000	\$0	\$0	\$300,000
* DAC project with funding match waiver					

**EXHIBIT C
SCHEDULE**

Project 1: Grant Administration			
Task 1	Direct Project Administration	Nov 2014	Dec 2018
Task 1a:	Contract Administration	Nov 2014	Dec 2018
	<i>Deliverable: Executed Grant Agreement</i>		
Task 1b:	Invoicing	Nov 2014	Dec 2018
	<i>Deliverables: Invoices and associated backup documentation</i>		
Task 1c:	Reporting Quarterly Reports and Project Completion Report	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Progress Reports and the Draft and Final Project Completion Report</i>		

Project 2: Coachella Valley Turf Reduction Program			
		START	END
Task 1	Project Administration	Nov 2014	Dec 2018
Indio Water Authority			
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Coachella Valley Water District			
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Desert Water Agency			
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Coachella Water Authority			
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Mission Springs Water District			
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Task 2	Land Purchase/Easement	N/A	N/A
Task 2a:	Land Acquisition	N/A	N/A

Project 2: Coachella Valley Turf Reduction Program			
		START	END
Task 3	Planning/Design/Engineering/Environmental Documentation	June 2014	Dec 2014
Indio Water Authority			
Task 3a:	Develop Guidelines and Specifications	June 2014	July 2015
	<i>Deliverables: Turf Rebate Guidelines, Standards, and Specifications</i>		
Coachella Valley Water District			
Task 3a:	Develop Guidelines and Specifications	N/A	N/A
Desert Water Agency			
Task 3a:	Develop Guidelines and Specifications	N/A	N/A
Coachella Water Authority			
Task 3a:	Develop Guidelines and Specifications	N/A	N/A
Mission Springs Water District			
Task 3a:	Develop Guidelines and Specifications	June 2014	July 2015
	<i>Deliverables: Turf Rebate Guidelines, Standards, and Specifications</i>		
Task 4	Construction/ Implementation	June 2014	Dec 2018
Indio Water Authority			
Task 4a:	Outreach	Nov 2014	Nov 2018
	<i>Deliverables: Website Updates, Final Documents and Outreach Materials</i>		
Task 4b:	Implementation of Turf Rebate Program	Jan 2015	Dec 2018
	<i>Deliverable: Installation Reports, Customer Receipts, Maps Identifying Program Participants</i>		
Coachella Valley Water District			
Task 4a:	Outreach	Nov 2014	Nov 2018
	<i>Deliverables: Website Updates, Final Documents and Outreach Materials</i>		
Task 4b:	Implementation of Turf Rebate Program	Jan 2015	Dec 2018
	<i>Deliverable: Installation Reports, Customer Receipts, Maps Identifying Program Participants</i>		
Desert Water Agency			
Task 4a:	Outreach	Nov 2014	Nov 2018
	<i>Deliverables: Website Updates, Final Documents and Outreach Materials</i>		
Task 4b:	Implementation of Turf Rebate Program	Jan 2015	Dec 2018
	<i>Deliverable: Installation Reports, Customer Receipts, Maps Identifying Program Participants</i>		
Coachella Water Authority			
Task 4a:	Outreach	Nov 2014	Nov 2018
	<i>Deliverables: Website Updates, Final Documents and Outreach Materials</i>		
Task 4b:	Implementation of Turf Rebate Program	Jan 2015	Dec 2018
	<i>Deliverable: Installation Reports, Customer Receipts, Maps Identifying Program Participants</i>		
Mission Springs Water District			
Task 4a:	Outreach	Nov 2014	Nov 2018
	<i>Deliverables: Website Updates, Final Documents and Outreach Materials</i>		
Task 4b:	Implementation of Turf Rebate Program	Jan 2015	Dec 2018
	<i>Deliverable: Installation Reports, Customer Receipts, Maps Identifying Program Participants</i>		

Project 3: DAC Onsite Plumbing Retrofit Program			
		START	END
Task 1	Direct Project Administration	Nov 2014	Dec 2018
Task 1.a:	Project Management	Nov 2014	Dec 2018
	<i>Deliverables: Environmental Information Form, Financial Statements, Invoices, Reports, and Back-up Docs.</i>		
Task 1b:	Reporting	Nov 2014	Dec 2018
	<i>Deliverables: Quarterly Project Progress Reports, Draft and Final Project Completion Reports</i>		
Task 2	Land Purchase/Easement	N/A	N/A
Task 2a:	Land Acquisition	N/A	N/A
	<i>Deliverables: None</i>		
Task 3	Planning/Design/Engineering/Environmental Documentation	Nov 2014	July 2015
Task 3a:	Develop Guidelines and Specifications	Nov 2014	July 2015
	<i>Deliverable: Final program outreach and application structure</i>		
Task 3b:	Develop Outreach Materials	Nov 2014	July 2015
	<i>Deliverables: Final Program Outreach Campaign, and Copies of Outreach Tools and Materials</i>		
Task 3c:	Pre-Implementation Activities	Jan 2015	July 2015
	<i>Deliverables: DAC status Documents, Copies of Evaluation Forms, Completed Program Application</i>		
Task 4	Construction/Implementation	Jan 2015	Dec 2018
Task 4a:	Project Implementation	Jan 2015	Dec 2018
	<i>Deliverables: Installation Reports, Customer Receipts, Maps Identifying Program Participants, Post-Construction System/Fixtures Status Report, Program Water Savings Calculations, Final Program Report with Lessons-Learned</i>		

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- a) **Separate Accounting of Funding Disbursements and Interest Records:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **Fiscal Management Systems and Accounting Standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
- d) **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Projects or using any data and/or information developed under this Grant Agreement. During construction of each project, Grantee shall install a sign at a prominent location, which shall include a statement that the project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. Grantee shall notify State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D.3) AIR OR WATER POLLUTION VIOLATION: Under State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

D.4) AMENDMENT: This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. State shall have no obligation to agree to an amendment.

D.5) AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.6) APPROVAL: This Agreement is of no force or effect until signed by all parties to the agreement. Grantee may not submit invoices or receive payment until all required signatures have been obtained.

D.7) AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of Projects, with the costs of such audit borne by State. After completion of the Projects, State may require Grantee to conduct a final audit to State's specifications,

at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 14 or take any other action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three years after final payment under this Grant Agreement with respect to all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later.

- D.8) BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for the Proposition 84 Implementation Grant Program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Grant Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement and Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act for purposes of this program, State shall have the option to either cancel this Grant Agreement with no liability occurring to State, or offer a Grant Agreement amendment to Grantee to reflect the reduced amount.
- D.9) CALIFORNIA CONSERVATION CORPS:** As required in Water Code section 79038(b), Grantee shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Exhibit A, Work Plan, and shall use the services of one of these organizations whenever feasible.
- D.10) CEQA:** Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). Information on CEQA may be found at the following links:
- Environmental Information: <http://ceres.ca.gov/ceqa/>
- California State Clearinghouse Handbook: <http://ceres.ca.gov/planning/sch/>
- D.11) CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.12) CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the State's Project Manager, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.13) COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.

- D.14) COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.15) CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.
 - d) **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.16) DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.17) DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.18) DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a)(1).

- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
 - i) The dangers of drug abuse in the workplace,
 - ii) Grantee's policy of maintaining a drug-free workplace,
 - iii) Any available counseling, rehabilitation, and employee assistance programs, and
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by Government Code Sections 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 - i) Will receive a copy of Grantee's drug-free policy statement, and
 - ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

- D.19) FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, Grantee shall provide for a final inspection and certification by the appropriate registered professional (California Registered Civil Engineer or Geologist) that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
- D.20) GRANTEE COMMITMENTS:** Grantee accepts and agrees to comply with all terms, provisions, conditions and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
- D.21) GRANTEE NAME CHANGE:** Approval of the State's Program Manager is required to change the Grantee's name as listed on this Grant Agreement. Upon receipt of legal documentation of the name change the State will process an amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
- D.22) GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.23) INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Projects and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.
- D.24) INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.25) INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.26) INSPECTIONS OF PROJECT BY STATE:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

- D.27) INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the DWR Project Manager within thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.
- D.28) LABOR CODE COMPLIANCE:** The Grantee will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.
- D.29) MODIFICATION OF OVERALL WORK PLAN:** At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and schedule without formally amending this Grant Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Grant Agreement. Non-material changes with respect to each Project schedule are changes that will not extend the term of this Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Project Manager in writing.
- D.30) NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.31) NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.
- D.32) OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

- D.33) PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A, "Work Plan" and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.
- D.34) PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
- D.35) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Projects, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.36) REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.37) RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Each project in this Grant Agreement will be eligible to release its respective retention when that project is completed and Grantee has met requirements of Paragraph 19, "Submissions of Reports" as follows: At such time as the "Project Completion Report" required under Paragraph 19 is submitted to and approved by State, State shall disburse the retained funds as to that project to Grantee, except in the case of the last project to be completed under this Grant Agreement, in which case retention for such project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State.
- D.38) RIGHTS IN DATA:** Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Cal. Gov't Code §6250 *et seq.* Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.39) SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.40) STATE REVIEWS:** The parties agree that review or approval of projects applications, documents, permits, plans, and specifications or other project information by the State is for administrative purposes only and does not relieve the Grantee of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the projects.
- D.41) SUSPENSION OF PAYMENTS:** This Grant Agreement may be subject to suspension of payments or termination, or both, and Grantee may be subject to debarment if the State determines that:
- a) Grantee, its contractors, or subcontractors have made a false certification, or
 - b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.42) SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part

thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

- D.43) **TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.44) **TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 14, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 14.
- D.45) **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.46) **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.47) **TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.48) **TRAVEL:** Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, and shall NOT be eligible for computing Grantee cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.49) **WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.50) **WORKERS' COMPENSATION:** Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.

**EXHIBIT E
AUTHORIZING RESOLUTION**

RESOLUTION NO. 2014-68

RESOLUTION OF THE INDIO WATER AUTHORITY, OF THE CITY OF INDIO, CALIFORNIA, AUTHORIZING THE INDIO WATER AUTHORITY TO SUBMIT THE COACHELLA VALLEY 2014 INTEGRATED REGIONAL WATER MANAGEMENT DROUGHT SOLICITATION IMPLEMENTATION GRANT PROPOSAL AND EXECUTE AN AGREEMENT WITH THE STATE OF CALIFORNIA FOR IMPLEMENTATION OF THREE PRIORITY WATER RESOURCES PROJECTS

WHEREAS, on January 17, 2014, Governor Edmund G. Brown proclaimed a state of emergency to exist in the State of California; and

WHEREAS, on March 1, 2014, Governor Brown signed legislation to assist drought-affected communities and provide funding to better use local water supplies; and

WHEREAS, Governor Brown and the California Legislature have allocated \$472.5 million in Integrated Regional Water Management Funding. Of that funding, the Governor has directed the California Department of Water Resources to expedite the solicitation and award of \$200 million to support projects and programs that provide immediate regional drought preparedness, increase local water supply reliability and the delivery of safe drinking water, assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective, and/or reduce water quality conflicts or ecosystem conflicts created by the drought; and

WHEREAS, the Board of the Indio Water Authority held a public meeting on July 16, 2014, to consider authorizing the Indio Water Authority to submit the Coachella Valley Integrated Regional Water Management Drought Solicitation Implementation Grant Proposal.

NOW, THEREFORE, THE INDIO WATER AUTHORITY DOES RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are hereby incorporated into this Resolution as if fully set forth herein.

Section 2. The Indio Water Authority is hereby authorized to submit an application to the California Department of Water Resources to obtain a 2014 Integrated Regional Water Management Drought Grant pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.), and enter into an agreement to receive a grant for the Coachella Valley 2014 Integrated Regional Water Management Drought Solicitation Implementation Grant Proposal.

Section 3. The Indio Water Authority and the Indio Water Authority General Manager is hereby authorized and directed to prepare the necessary data, conduct

Investigations, file such application, and execute the Coachella Valley Integrated Regional Water Management Drought Solicitation Implementation Grant with the California Department of Water Resources.

Section 4. The President shall sign this resolution and the Secretary shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 16th day of July 2014, by the following vote:

AYES: Holmes, Miller, Torres, Ramos Watson, Wilson
NOES: None



MICHAEL H. WILSON, PRESIDENT

ATTEST:



**CYNTHIA HERNANDEZ, CMC
SECRETARY**

EXHIBIT F
LOCAL PROJECT SPONSORS

Grantee has assigned, for each project, a Local Project Sponsor according to the roles of the participating agencies identified in the IRWM Plan. Local Project Sponsors may act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors are identified for each Sponsored Project below:

Local Sponsor Agency Designations		
Sponsored Project	Sponsor Agency	Agency Address
Project 1 – Grant Administration	Indio Water Authority	83-101 Avenue 45 Indio, CA 92201
Project 2 - Coachella Valley Turf Reduction Program	Indio Water Authority (Primary)	83-101 Avenue 45 Indio, CA 92201
Project 2 - Coachella Valley Turf Reduction Program	Coachella Valley Water District (Secondary)	P.O. Box 1058 Coachella, CA 92236
Project 2 - Coachella Valley Turf Reduction Program	Desert Water Agency (Secondary)	1200 Gene Autry Trail Palm Springs, CA 92264
Project 2 - Coachella Valley Turf Reduction Program	Coachella Water Authority (Secondary)	1515 6 th Street Coachella, CA 92236
Project 2 - Coachella Valley Turf Reduction Program	Mission Springs Water District (Secondary)	66575 Second Street Desert Hot Springs, CA 92240
Project 3 – DAC Plumbing Retrofit Program	Indio Water Authority	83-101 Avenue 45 Indio, CA 92201

EXHIBIT G
REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A Work Plan:

- Percent complete estimate.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.

For each project, discuss the following at the project level, as organized in Exhibit A Work Plan:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

Executive Summary

Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products

The following items should be provided:

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

Costs and Dispositions of Funds

A list of showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Grant Agreement.

- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
 - Project cost information, shown by material, equipment, labor costs, and any change orders
 - Any other incurred cost detail
 - A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

Additional Information

- Benefits derived from the project, with quantification of such benefits provided, if applicable.
- A final project schedule showing actual progress verse planned progress as shown in Exhibit B.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects in the IRWM Program funded by this Grant Agreement, and includes the following:

Executive Summary

The Executive Summary consists of a maximum of twenty (20) pages summarizing information for the grant as well as the individual projects.

Reports and/or products

- Summary of the regional priorities, objectives, and water management strategies of the IRWM Plan.
- Brief comparison of work proposed in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application and actual work done.
- Brief description of the projects completed and how they will further the goals identified in the Agency's final approved IRWM Plan.
- Describe how the implemented projects will meet the regional priorities identified in the final approved IRWM Plan and how the projects contribute to regional integration.
- Identify remaining work and mechanism for their implementation.
- Identify any changes to the IRWM Plan as result of project implementation.
- If applicable, a short discussion on how the IRWM Plan will assist in reducing dependence on Delta water supplies.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Grant Agreement

Cost & Disposition of Funds Information

- A summary of final funds disbursement for each project.

Additional Information

- A final schedule showing individual project's actual progress duration verse planned progress.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the Program was conducted in accordance with the approved work plan and any approved modifications thereto. Discussion of the synergies of the completed projects, including the

integration of project benefits and a comparison of actual benefits versus those discussed in the original proposal.

- Submittal schedule for the Post Performance Reports for each of the projects in this Grant Agreement.

POST-PERFORMANCE REPORT

Report should be concise, and focus on how (each/the) project is actually performing compared to its expected performance; whether the project is being operated and maintained, and providing intended benefits as proposed.

Reports and/or products

- Time period of the annual report (i.e., Oct 2014 through September 2015)
- Short project description
- Discussion of the project benefits
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Grant Agreement
- Any additional information relevant to or generated by the continued operation of the project

EXHIBIT H
REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit G.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website:

<http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at:

http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

Groundwater Level Data

Grantee shall submit to DWR groundwater level data collected as part of this grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. Grantee should use their official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the grantee is not a Monitoring Entity or Cooperating Agency, please contact your DWR grant project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final project reports, as described in Exhibit G. Information regarding the CASGEM program can be found at <http://www.water.ca.gov/groundwater/casgem/>.

EXHIBIT I
STATE AUDIT DOCUMENT REQUIREMENTS AND FUNDING MATCH GUIDELINES
FOR GRANTEES

State Audit Document Requirements

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. Grantees should ensure that such records are maintained for each State funded Program/Project. Where applicable, this list of documents also includes documents relating to the Grantee's funding match which will be required for audit purposes.

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for this Grant Agreement's funded project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) State funding expenditure tracking
 - e) Guidelines, policy(ies), and procedures on State funded Program/Project
3. Audit reports of the Grantee's internal control structure and/or financial statements within the last two years.
4. Prior audit reports on State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A list of all bond-funded grants, loans or subventions received from the State.
3. A list of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the Grantee, member agencies, and project partners as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the State for the Grant Agreement

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Grantee staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Grantee's

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Grant Agreement related correspondence.

Funding Match Guidelines

Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed or items contributed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties involved) directly related to the execution of Exhibit A "Work Plan" (examples: volunteer services, equipment use, and facilities). The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue) provided by the Grantee. Other funding match and in-kind service eligibility conditions may apply. Provided below is guidance for documenting funding match with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to Grant Agreement Exhibit A "Work Plan")
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how the value was determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
 - e. For contributed labor, the person's name, the work performed, the number of hours contributed, and the pay rate applied
 - f. If multiple sources exist, these should be summarized on a table with summed charges
 - g. Source of contribution and whether it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Grant Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the State funded Program/Project under the Grant Agreement.
4. Cash contributions made to a Program/Project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Grantee's accounting systems.

EXHIBIT J
PROJECT MONITORING PLAN GUIDANCE

Introduction

Please include a brief description of the project (maximum ~150 words) including project location, implementation elements, and need for project (what problem will the project address).

Project Monitoring Plan Components

The Project Monitoring Plan should contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (upon project completion, five years after completion, etc.)
- How often will monitoring be undertaken (monthly yearly, etc.).
- Where are monitoring point locations (ex: meter located at..., at stream mile...)? Include relevant maps.
- How will the project be maintained (ex: irrigation, pest management, weed abatement..)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g.: paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

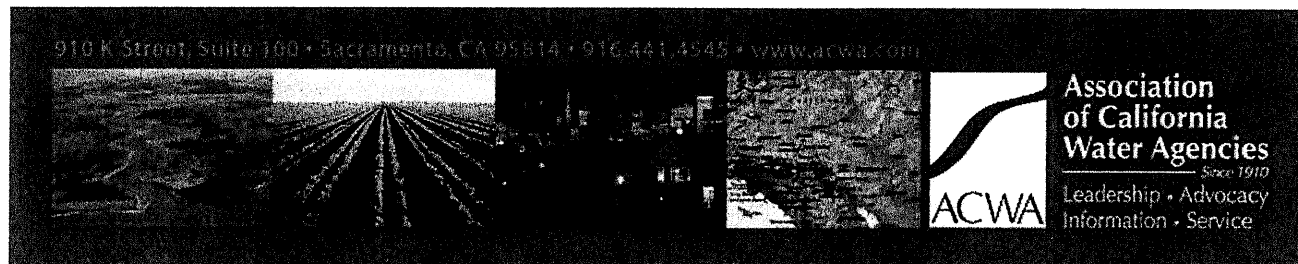
AUGUST 18, 2015

**RE: REQUEST BOARD ACTION WITH REGARD TO DIRECTOR
ATTENDANCE AT ACWA REGION 9 EVENT**

Region 9 of the Association of California Water Agencies has planned an event for September 18, 2015 to be held at the Inland Empire Utilities Agency. A copy of the event flyer is attached for your information.

Staff requests the Board consider authorizing attendance at this Region 9 event. As the Directors' attendance would be in service to the Agency, the Board may wish to authorize payment of director per diem compensation and reimbursement of fees for any actual expenses incurred.

From: Ana Torres <AnaT@acwa.com>
Sent: Monday, August 03, 2015 1:37 PM
Subject: Registration Open! ACWA Region 9 Program - September 18, Chino, CA



ACWA Region 9 Presents

The Heat is On! Managing the Drought.

ACWA Region 9 invites you to an event that will highlight important issues for the region during this historic drought in California. The program will feature a panel discussion on conservation plans from large industrial and municipal water users, an ACWA Policy update and conclude with a discussion how the drought effects new development, one of California and especially the Inland Empire's hottest topics.

Who: ACWA Members

What: Region 9 Program

When: Friday, September 18, 2015

Onsite Registration 9:30 am

Program 10:00 am to 2:00 pm

Where: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Registration will be available online until September 11:
www.acwa.com

ACWA Member Pre-Registration Fee: \$ 30.00

Non-Member Pre-Registration Fee: \$45.00

A \$5 fee will be added to all onsite registrations. Onsite registrations will be accommodated as space permits.

Registration fee includes program materials, lunch, and refreshments.

Online registration deadline is September 11, 2015 or until space is full. Onsite registrations will be accommodated as space permits. Cancellations must be received in writing by 5 p.m. on September 11, 2015, in order to cancel a registration and receive reimbursement. Substitutions can be made by requesting it in writing by September 11. After that date, substitutions

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

AUGUST 18, 2015

RE: JULY 2015 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 30 percent reduction in total water production during July 2015 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements.

To comply with Governor Brown's April 1 Executive Order to reduce statewide water use by 25 percent, the State Water Board imposed mandatory restrictions and assigned different mandatory conservation goals to each urban area based on per capita water use. The adopted regulations require DWA to achieve a mandatory 36 percent reduction.

Below is additional information reported to the State Board for July 2015:

Water Production for July 2015	2,718 AF
Water Production for July 2013	3,871 AF
Quantity of water delivered for all commercial, industrial, and institutional users for the reporting month	925.8 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	66 %
Population (inclusive of seasonal residents)	120,472
Estimated R-GPCD	156.71
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	160
How many contacts (written or verbal) were made with customers for actual or alleged water waste or for a violation of water conservation rules?	140

How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	120
How many fines were issued for water waste or for a violation of conservation rules?	0
Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Resources Control Board (State Board) analyzes data on a per capita basis. Historically, DWA has submitted data based on the permanent population of the service area; however that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population. DWA would like it noted that the amount of fresh water outflow to the ocean during the month of July was 189,627 acre feet.	

July 16, 2015

MEMORANDUM

TO: GENERAL MANAGER AND BOARD OF DIRECTORS
OF DESERT WATER AGENCY

FROM: BEST BEST & KRIEGER LLP

RE: JULY 16, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE
STATE WATER CONTRACTORS, INC.

The July 16, 2015 meeting of the Board of Directors of the State Water Contractors, Inc., was conducted at the Tsakopoulos Library Galleria in downtown Sacramento.

1. Water Operations Report.

John Leahigh of DWR reported that the Department is struggling with operations, due to low water supplies. As of the date of the meeting, DWR was releasing water from Oroville to the Feather River at the rate of 3,250 cubic feet per second. However, Leahigh stated that those releases would be reduced the very next day. Releases were being driven by water quality requirements in the Delta, and he noted that DWR was already slightly exceeding some of those water quality standards. As a bit of good news, Leahigh reported that Old and Middle River water quality has been pretty good, thanks to the temporary barriers that were installed in the Delta. He said that the barriers are helping significantly with water quality at the pumps. The State's share of storage in the San Luis Reservoir was at 600,000 acre-feet, while the CVP share was at only 60,000 acre-feet. As of the date of the meeting, the CVP Contractors owed DWR approximately 100,000 acre-feet of water under the Coordinated Operations Agreement. That water will be made up later on, and Leahigh stated that there appeared to be sufficient water in the San Luis Reservoir to satisfy State Project deliveries for the year.

2. Energy Update.

Power and gas prices continue to remain low. The cost of gas this year remains lower than it was last year. The gas supply outlook is steady, and there appears to be sufficient inventory to cover anticipated needs in the near future. Fracking techniques have resulted in

greater extractions from shale. In May the State Water Project delivered 135,000 acre-feet of water, with energy purchased to move that water.

3. General Manager's Report.

Stefanie Morris has stepped in as Acting General Manager of the State Water Contractors while Terri Erlewine is on a five month leave of absence. In her report, she said that an initiative is being circulated state-wide for the ballot which would require voter approval in order to issue revenue bonds in an amount exceeding \$2 billion. The obvious objective here is to force the State to seek voter approval for the proposed water supply improvements in the Delta. The campaign is being funded by Mr. and Mrs. Cortopassi, who unsuccessfully sued DWR regarding water operations in the Delta. Cortopassi has already expended \$3 million in collecting signatures and mounting a campaign.

Stefanie also mentioned that the Contractors will be soliciting support from DWR to join with the Contractors in the complaint that has been filed with the State Water Resources Control Board regarding illegal diversions from the Delta. Apparently it has become increasingly clear to DWR that it should also step in and take a position in that matter.

There will be no State Water Contractors meeting in August. In September there will be a workshop on "California WaterFix" which is the new name for the water supply portion of the project formerly known as the Bay Delta Conservation Plan. Comments on the recirculated environmental document prepared for that plan are due by August 31. The Contractors are preparing comments which they hope will help strengthen the document.

Stefanie also reported having met with DWR to discuss how DWR's water reliability reports can be structured so as to be more helpful to Contractors, in the future, in the preparation of their urban water management plans. A workshop will be conducted at Castaic Lake Water Agency on August 6th to discuss the preparation of urban water management plans in view of the reliability report recently issued by DWR.

4. Energy Objectives Update.

SWC Assistant General Manager Tim Haines provided a report on energy objectives that had been identified for the year. One of the important objectives was to monitor legislation that was being developed to address achievement of greenhouse gas emission reduction objectives after the year 2020. The State Water Project has already achieved the objectives established for the year 2020, as 65% of the energy consumed in operating the Project is greenhouse gas “free.” The State of California has decided to become the leader in arresting global climate change, and the State Water Project has been identified as a vehicle for achieving objectives, since the State Water Project consumes so much energy.

Governor Brown has issued an Executive Order to reduce carbon emissions by 40% by the year 2030. The greatest source of carbon emissions is from 27 million vehicles in California. According to Tim, 100,000 of these 27 million vehicles are electric powered vehicles. In order to achieve the 40% reduction by 2030, the State will need to replace six million gas powered vehicles with electric powered vehicles. The likely incentive for effecting that change is to dramatically increase the price of gasoline in California. Conversion to electric powered vehicles will also require the construction of new infrastructure to deliver electric power to the vehicles. That infrastructure currently is not in place, and will need to be funded.

In his report, Tim also noted that efforts are under way to try and rehabilitate the Salton Sea, and that one of the means identified to produce the funding for that project is to produce geothermal electricity at the Salton Sea, at significant expense, and then require the State Water Project to purchase high priced power from that source.

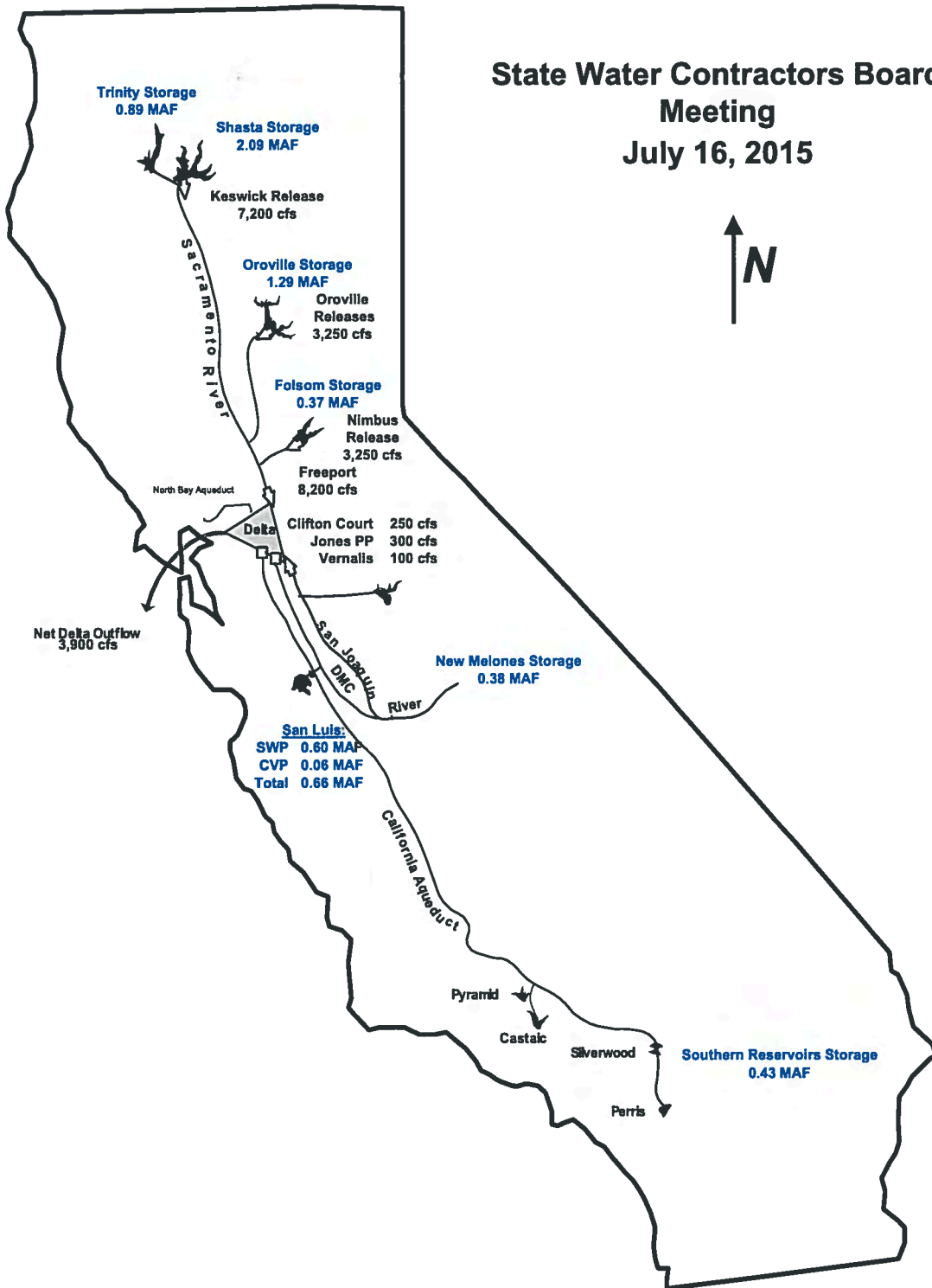
5. 2016 Statement of Charges.

The proposed Statement of Charges for 2016 is being developed. The total amount to be invoiced to the Contractors in 2016 is projected to be \$29 million greater than it was last year, with the largest increase occurring in the Delta Conservation Charge component. Most of this increase results from compliance costs, including the purchase and rehabilitation of 8,000 acres of tidal habitat as a mitigation requirement imposed by biological opinions issued for endangered fish. In order to satisfy that requirement, DWR will need to acquire significant properties in the Delta over the next two years. A significant increase in the Delta Conservation

Charge will dramatically increase the cost of water for agricultural Contractors located north of the Tehachapi Mountains. For Contractors located south of the Tehachapi Mountains, the Delta Conservation Charge constitutes a relatively smaller portion of the total bill, and that increase will be offset somewhat by projected decreases in transportation charges resulting from lower power costs.

MICHAEL T. RIDDELL

State Water Contractors Board Meeting July 16, 2015

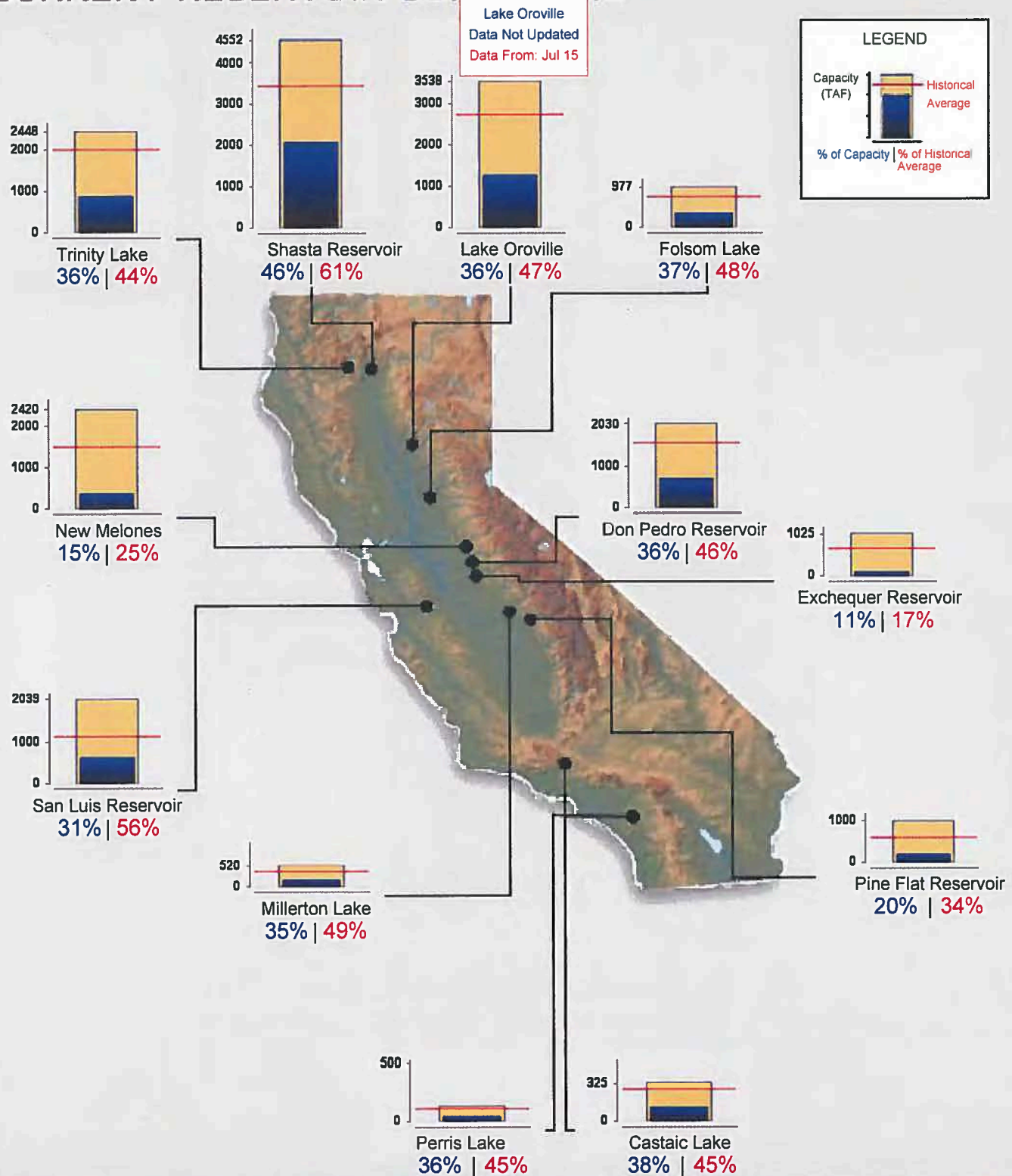




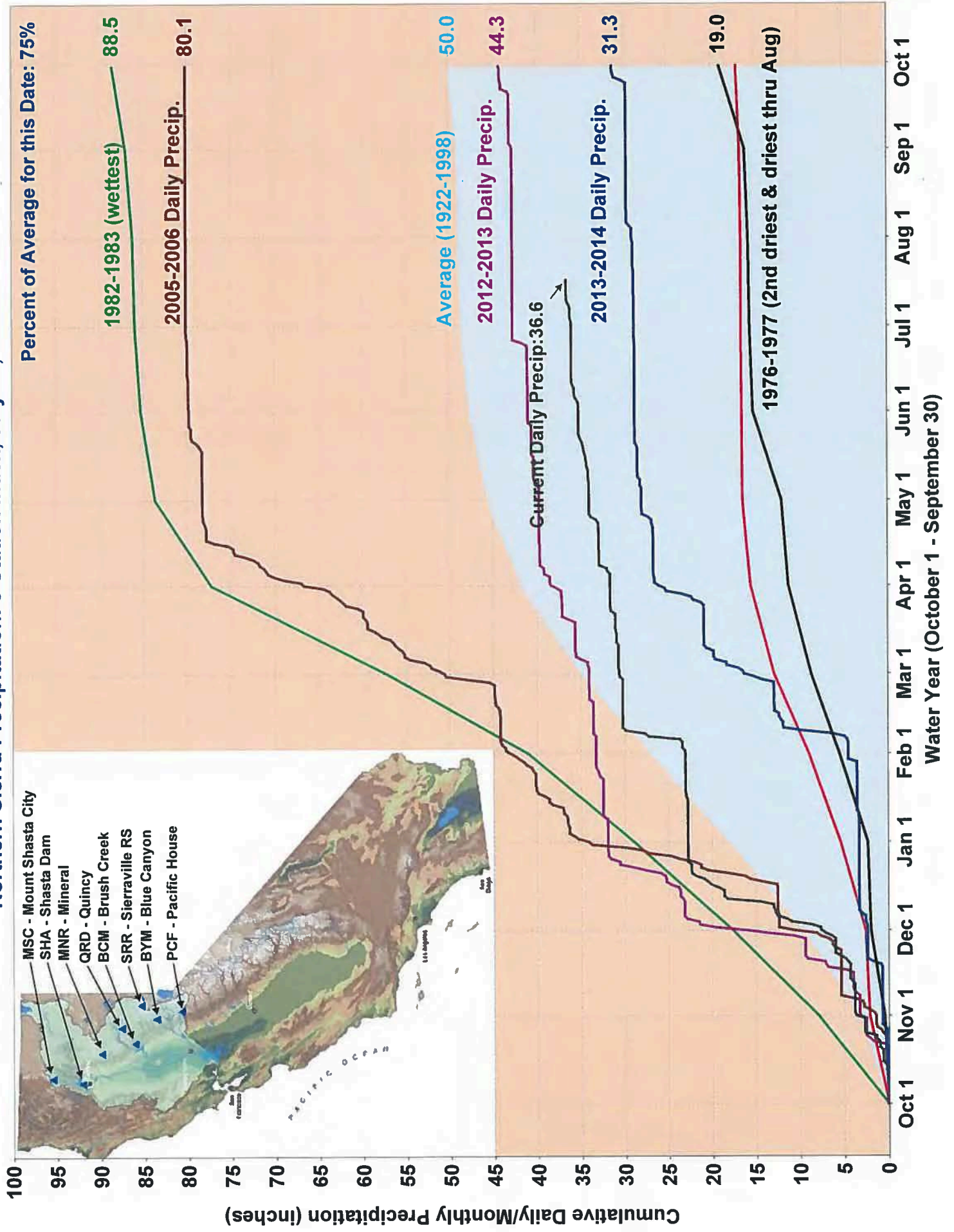
Reservoir Conditions

Ending At Midnight - July 16, 2015

CURRENT RESERVOIR CONDITIONS

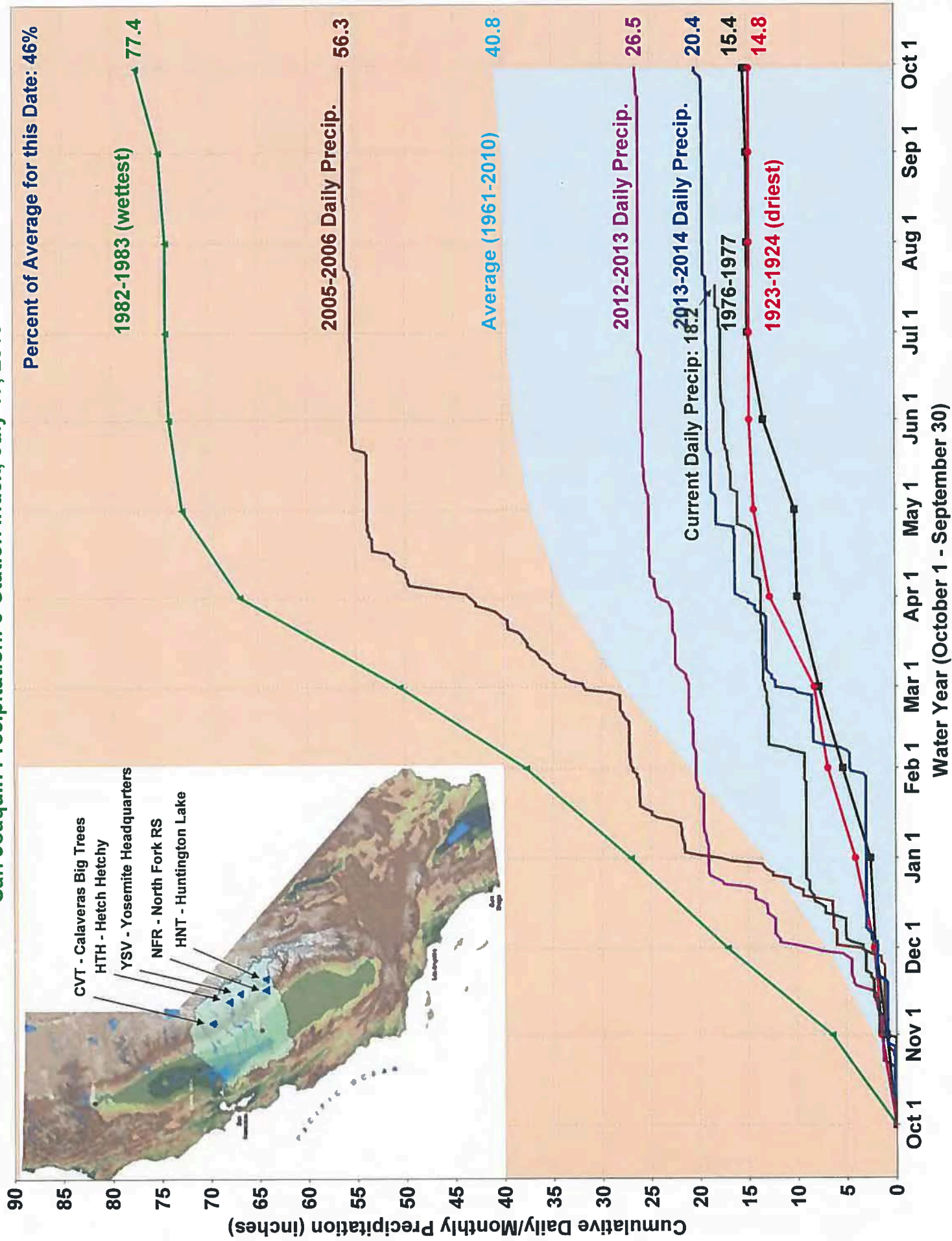
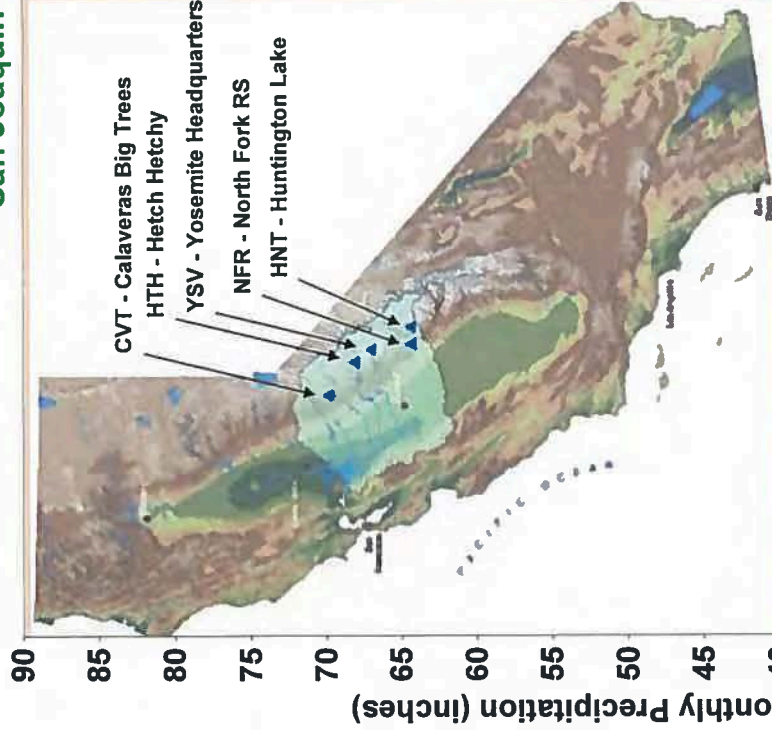


Northern Sierra Precipitation: 8-Station Index, July 17, 2015



Total Water Year Precipitation

San Joaquin Precipitation: 5-Station Index, July 17, 2015



Total Water Year Precipitation

ENERGY OBJECTIVES UPDATE

STATE WATER CONTRACTORS BOARD MEETING

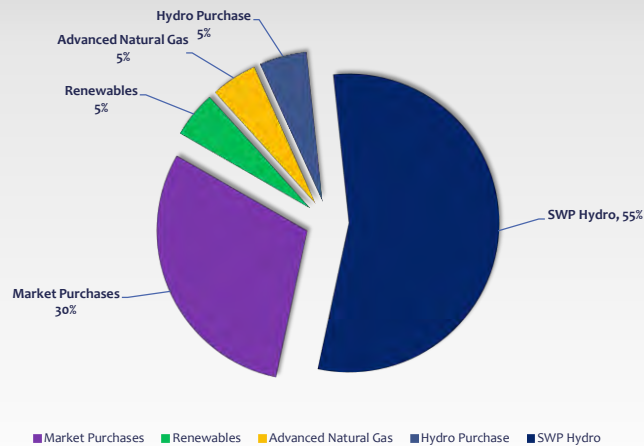
JULY 16, 2015



From February Report to Board - Policy Issues for Board to Monitor Going Forward

- Post-2020 Legislation and Regulation [**Establish Energy Steering Committee & Reconvene the Risk Oversight Committee**]
- BDCP Construction and Permanent Interconnection and Power Supply [**BDCP Design and Construction Enterprise hired consultant introduced by SWC**]
- Operational Limits of SWP and Future Market Opportunities [**Steering Committee & ROC**]
- Transmission Service and Power Supply Diversity [**No Progress**]

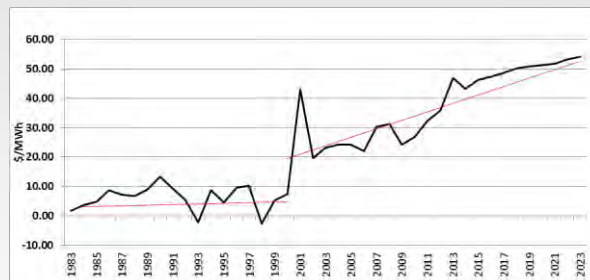
SWP Resources in 2015 ~ 65 percent GHG free



Challenge 1: Why coordinated engagement in needed

Cost of SWP Energy Supply

- The consequence of new Laws and Regulations
 - AB 1890 – 1996
 - AB 32 – 2006
- Operational restrictions under Endangered Species Act

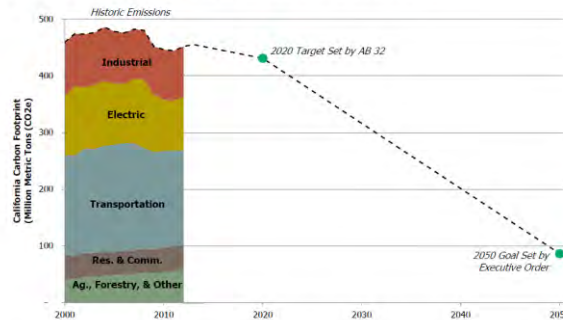


Challenge 2: When to Engage

- EO B-30-15
 - 50% Renewables
 - 50% reduction in transportation fuel
 - Double Energy Efficiency
- SB 350 (same as EO)
- SB 32
 - 40% Reduction in GHG by 2030
 - 80% by 2050
- AB 197
- Salton Sea Restoration
- Energy Principles

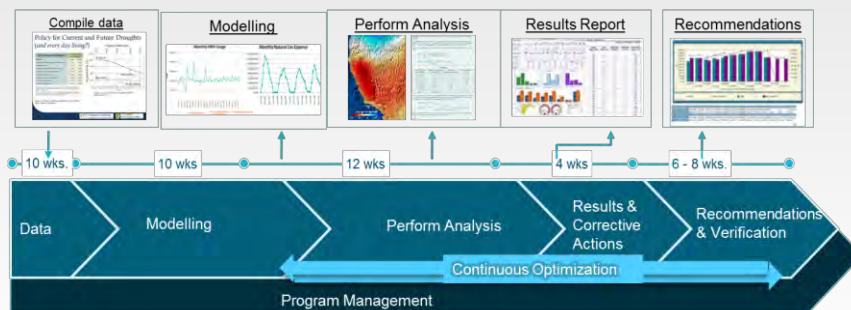
California's 2030 emissions target will determine the path toward 2050 goals

CALIFORNIA'S PATH TO 2050 GOALS



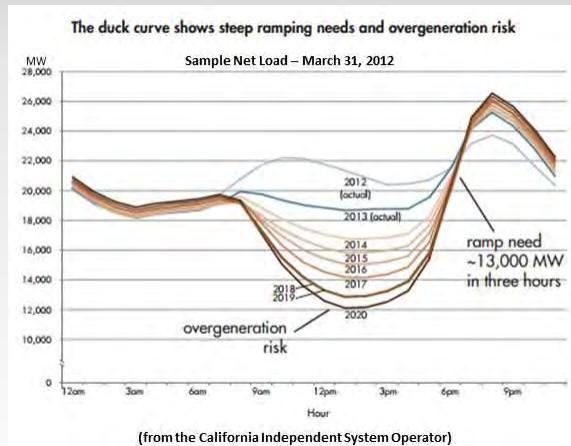
Challenge 3: Technical Assessment of SWP Capabilities

- **Near Term** – Limited to type of data and graphics included in this presentation.
- **Longer-Term**



Challenge 4: What Can be Achieved by Engaging

- Problems
 - Overgeneration
 - Ramping
- Solutions
 - Regional Coordination
 - Demand Response
 - Storage



Challenge 5: Develop an Advocacy Work Plan

Advocacy Work Plan consists of five major components

- Outreach (to SWC members, Policy Leaders, Key Customers/Constituents, Media)
- Education – Historical and current role; site visit
- Enlistment – Coalition including SWC members, DWR, local governments, customer groups
- Engagement – legislature, regulators, [environmental groups, NGO]
- Influence – to mitigate threats and capitalize on opportunities

Goals and Objectives

OBJECTIVE	DESCRIPTION	Metric
Strategic Plan to develop a more cost effective power supply	Coordinate with DWR on Near-Term (up to 5 years) and Long-Term (up to 20 years) Resource Plan	<ol style="list-style-type: none"> 1. Maximum Value and Minimize Costs 2. Update IRP
Identify and Address Near-term Energy Risk	Coordinate with DWR on Power Resource, Transmission Service, Staffing and State Energy Policy Issues	<ol style="list-style-type: none"> 1. Assess Market Opportunities and Operational Limits 2. Analyze DWR Management Reports
Seek Greenhouse Gas / Renewables Policies that are Compatible with SWP Operations	Work with DWR on appropriate greenhouse gas and renewable policies that reflect SWP utility characteristics and rate concerns	<ol style="list-style-type: none"> 1. Mitigate Cap-and-Trade Costs 2. Acquire Competitive Renewables 3. Get message out on project impacts
Obtain a new FERC Relicense that retains the value of Oroville & SoCal Facilities and complies with environmental regulations	Oroville Water Quality Certification	<ol style="list-style-type: none"> 1. Obtain new FERC license for Lake Oroville 2. Obtain agreement on Habitat Expansion Plan

**DESERT WATER AGENCY
MEDIA INFORMATION
JULY 2015**

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
07/01/15	1-2	THE DESERT SUN	California Cuts Water Use 29 Percent In May, A Record
07/02/15	3-5	LA TIMES	California Residents Cut Water Use By Hefty 29% In May, Officials Say
07/02/15	6-8	PRESS ENTERPRISE	We're Turning Off Tap At Last
07/02/15	9-10	THE DESERT SUN	New Filters Pull Heavy Metal From Indio's Water Supply
07/05/15	11-12	THE DESERT SUN	California Water Rates Rise As Cities Lose Money In Drought
07/06/15	13	THE DESERT SUN	Letters To The Editor: Congratulations To The DWA
07/07/15	14-15	THE DESERT SUN	Palm Springs Council Votes To Turn Fountains Back On
07/07/15	16	THE DESERT SUN	Desert Water Agency OKs \$1 Million For Grass Removal
07/07/15	17	THE PUBLIC RECORD	CVWD Customers Reduce Water Use 17 Percent In May
07/09/15	18-19	PRESS ENTERPRISE	Turf Rebate Tapped Dry
07/09/15	20	PRESS ENTERPRISE	Drought Fee, Fines Are On Some Minds
07/10/15	21-22	LA TIMES	Southland Water District Ends Popular Lawn-removal Rebate Program
07/13/15	23-24	THE DESERT SUN	Blythe Asks For Special Exemption From Water Cutbacks
07/14/15	25	THE PUBLIC RECORD	Drought Symposium Draws 100 California Desert Association Of Realtors Members
07/15/16	26-27	LA TIMES	San Diego

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
07/16/15	28-29	THE DESERT SUN	Data: Water Habits Change, Slowly
07/16/15	30-31	THE DESERT SUN	Study Finds Contaminants In California Public-water Supplies
07/16/15	32	PRESS ENTERPRISE	Ruling Could Cost Inland Customers
07/16/15	33	PRESS ENTERPRISE	State Water Rules Take Aim At Lawns In New Construction
07/16/15	34-35	LA TIMES	New Rules Specify Less Grass
07/17/15	36-38	THE DESERT SUN	Drop By Drop, Desert Residents Living With Less Water
07/17/15	39-40	THE DESERT SUN	New Landscaping Ordinance Limits New Grass, Pools
07/17/15	41	PRESS ENTERPRISE	State's Parched Farms Get Help From House
07/17/15	42-43	PRESS ENTERPRISE	Banning's Aging Water System On Mayor's Mind
07/17/15	44-46	LA TIMES	The 'May Miracle'
07/19/15	47	THE DESERT SUN	Metropolitan Water District Buying Farmland Near Blythe
07/20/15	48-49	THE DESERT SUN	Valley Residents Change Habits During California Drought
07/20/15	50-51	THE DESERT SUN	California Proposes Historic \$1.5M Fine For Taking Water
07/21/15	52	PRESS ENTERPRISE	Elsinore Water District Bills Could Rise 27%
07/21/15	53-54	LA TIMES	A Costly Water Warning To Farm Districts
07/21/15	55	THE PUBLIC RECORD	CVWD Customer Reduce Water Use By 21 Percent In June
07/21/15	56	THE PUBLIC RECORD	Coachella Valley Water District (CVWD) Customers Used 21 Percent Less Water In June 2015 When Compared To The Same Month In 2013

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
07/22/15	57-59	THE DESERT SUN	Scientist: Coachella Valley Aquifer Decline Continues
07/22/15	60-61	LA TIMES	DWP Action Could Tighten L.S.'s Taps
07/25/15	62-63	PRESS ENTERPRISE	Drought Battle Brings Water Hike
07/30/15	64	THE DESERT SUN	California's Big Cities Say June Water-Saving Goals Were Met
07/30/15	65-66	PRESS ENTERPRISE	Hemet Water Rates Set To Increase Under Plan
07/30/15	67-68	THE DESERT SUN	Drought: CA Hits Target, But Some In Valley Fall Short
07/31/15	69-70	LA TIMES	Californians Hit Water Goal Despite Heat
07/31/15	71-72	PRESS ENTERPRISE	Water Use Down

California cuts water use 29 percent in May, a record

Sammy Roth, The Desert Sun, July 1, 2015

Californians reduced their water use by a whopping 29 percent in May, by far the largest savings since Gov. Jerry Brown called for voluntary 20 percent cutbacks amid a growing drought emergency last year.

The reduction in May is even more impressive because Brown's mandatory, statewide 25 percent cutbacks didn't take effect until June. Water officials will release June data later this month.

"The numbers tell us that more Californians are stepping up to help make their communities more water secure, which is welcome news in the face of this dire drought," Felicia Marcus, chair of the State Water Resources Control Board, said in a statement. "That said, we need all Californians to step up — and keep it up — as if we don't know when it will rain and snow again, because we don't."

May's relatively cool weather — at least compared to May 2013, the baseline for comparison — likely accounts for some of the record-breaking savings, although it's unclear how much. June will be the real test of the state's commitment to conservation, state water board spokesperson George Kostyrko said.

"This month is going to be one of the hottest months on record," Kostyrko said, referring to June. "The summer months are where the most water use traditionally occurs. If we can keep conserving water at the rates we did in May, we should be able to reach the various targets."

The Coachella Valley's two largest water providers, the Coachella Valley Water District and the Desert Water Agency, cut water use in May by 17 percent and 26 percent respectively, compared to May 2013. The Mission Springs Water District, which serves Desert Hot Springs, reached 25 percent.

The cities of Indio and Coachella achieved reductions of 18 percent and 20 percent respectively. The Myoma Dunes Mutual Water Company — which serves Bermuda Dunes and a small number of La Quinta residents — cut back by 24 percent. The Desert Sun reported several of those numbers last month, but they weren't confirmed by the state water board until Wednesday.

None of the Coachella Valley's water agencies met their state-mandated cutback targets, which took effect in June and range from 24 percent to 36 percent. It won't be clear for a few more weeks whether valley residents achieved those targets last month. The valley has long had some of the state's lowest water rates and highest water consumption.

Nearly half of the state's 400-plus water agencies cut back by at least 30 percent in May. Locally, those agencies included the Lake Hemet Municipal Water District in western Riverside County, which reduced its residential water use by 49 percent, and the Riverside, which hit 30 percent.

San Diego achieved a 26 percent cutback, and the Los Angeles Department of Water and Power hit 18 percent. Upstate, San Jose reached 39 percent, and Fresno reached 33 percent.

"We urge other communities that are not meeting their conservation standards to join communities like Fresno and San Jose in water conservation leadership," Marcus said in a statement. "Collectively, we can do this."

Here are some other highlights from the new data released Wednesday:

- The state's previous record for water conservation was December 2014, when Californians reduced residential consumption by 22 percent. Outside of that month and this May, the highest cutback was 11.6 percent, in August 2014.
- Overall, California reduced its water use 11 percent between June 2014 and May 2015, the first full year that local water districts reported conservation numbers to the state.
- Statewide, average water use in May was 87.5 gallons per person, per day — down from 90.5 gallons in April. In the Coachella Valley, average use dropped from 181 gallons in April to 178 gallons.

Coachella Valley water use

All six Coachella Valley water agencies reported big drops in water use in May, compared to May 2013. But none of those agencies met its state-mandated reduction target. Here are the reported cutback figures, with targets in parentheses:

- City of Coachella: 20 percent (24 percent)
- City of Indio: 18 percent (32 percent)
- Coachella Valley Water District: 17 percent (36 percent)
- Desert Water Agency: 26 percent (36 percent)
- Mission Springs Water District: 25 percent (28 percent)
- Myoma Dunes Mutual Water Company: 24 percent (36 percent)

Source: State Water Resources Control Board

Los Angeles Times

California residents cut water use by hefty 29% in May, officials say

Officials said residential water use in California dropped by a hefty 29% in May, compared with May 2013. Above, a sprinkler at an apartment building in Woodland Hills on Sherman Way.

By Monte Morin and Matt Stevens

California water board finds encouragement in May water conservation figures

'Keep it up' water board head tells California residents after reporting improved conservation efforts

Drought-weary California received encouraging news Wednesday when officials announced that residential water use had dropped 29% during the month of May -- the first real indication that the state might meet unprecedented conservation reductions imposed by Gov. Jerry Brown.

The cut in water usage suggests the aggressive campaign to get residents to change their lifestyle -- by taking shorter showers, replacing grass with drought-tolerant landscaping and buying water-efficient appliances -- is taking hold.

"My first response is almost disbelief," said Mark Gold of UCLA's Institute of the Environment and Sustainability. "These results are beyond encouraging; they're heartening. They make you realize that as a whole, people in urban areas are making the sacrifices necessary to get through this unprecedented drought."

According to figures released by the State Water Resources Control Board, urban residents cut water consumption 28.9%, when compared with May 2013 -- a significant improvement over the 13.6% reduction reported for April. Brown is requiring urban areas to cut water use 25%, the first mandatory water rationing in California history.

The news comes as California enters its thirsty summer season, a time when outdoor lawn irrigation makes up 80% of all residential water use. With slogans such as "Let it go" and "Turn it off," state officials are urging lawn-proud Californians to let their landscaping fade to "gold" in a bid to meet the governor's reductions.

The savings are based on data submitted by the more than 400 urban water suppliers, which must meet or exceed specified savings beginning in June or face potential fines. Among those water suppliers that showed significant improvements in the latest round of reporting were the California Water Service-Bakersfield, with a 37% cut; Orange County's Serrano Water District, with a 43% reduction; and Riverside County's Lake Hemet Municipal Water District, with a 49% savings.

Water officials and environmentalists acknowledged that May rainfall may have improved the figures somewhat. Gold and others also noted that the real challenge would come as the mercury began to climb over the summer.

"It's only going to get harder" Gold said. "Now we need to roll six months together to make a significant difference."

California water suppliers have been assigned conservation targets based on their previous efforts to conserve water. Because of this, some are required to cut overall water use by as little as 4%, while others must slash consumption by as much as 36%.

Among those Southern California water districts singled out for recognition Wednesday was the Santa Margarita Water District, which had been averaging only 3% savings over the last 11 months. In May, the district cut its use 18%.

Jonathan Volzke, spokesman for the Orange County district, attributed the cuts to a “massive outreach campaign” that has included living room dialogues, TV commercials and five-foot aluminum signs that show the district’s progress toward hitting its 24% reduction target.

“We’re doing everything we can think of to keep this in the public eye,” Volzke said. “We’re relying strictly on communicating with our customers, to ensure they understand the severity of the situation, and they are responding appropriately.”

Although June figures have yet to be released, Volzke said the district cut its usage 28% last month -- a feat that was accompanied by public outreach efforts such as the Guess Your Gallons challenge. At local coffee and bagel shops, water district officials will buy customers a coffee or bagel if their guesses come within 10 gallons of their daily use, Volzke said. Most customers guess that they are using half the number of gallons they actually are, he added.

“There was no ramp-up time, so what you’re finally seeing is that those efforts that we scrambled to get into place are finally in place -- and you’re starting to see the impact.”

San Diego was also commended by state regulators for cutting usage 26% in May -- roughly six times what it saved in April.

“While the numbers for May look promising, we should keep in mind that unexpected rainfall also contributed to the lower usage,” San Diego Mayor Kevin Faulconer said. “San Diegans continue to prove they are statewide leaders in water conservation and they must keep conserving water to meet the state mandate.”

South Pasadena cut its water use 31% in May, the same month the city restricted watering to only two days a week to help comply with Brown’s executive order. The city cut consumption 22% in April.

Debby Figoni, who runs the city’s environmental programs, said the reduction shows that outreach efforts are working. In addition to mailers, ads in the newspaper and landscaping workshops, more people have been reporting water waste to the city, and officials have been following up, she said. The city issued 35 warnings in May, according to state data.

Figoni said she recently contacted one high water user who slashed his consumption by more than 80% by fixing a leak and reducing the number of days he waters outdoors.

“We have really caring, concerned residents,” Figoni said, though she also cautioned: “I’m sure [water use is] going to go up this summer. It has to.”

Despite overall progress, there were some laggards. The Casitas Municipal Water District, in Ventura County, reported a 26% increase, while the city of El Monte reported a 10% increase.

Meanwhile, wealthier communities, which in the past have been criticized for high water use, showed improvements in May. Beverly Hills reported a 17% reduction; Newport Beach cut use 22% and the Santa Fe Irrigation District, which covers an affluent pocket of northern San Diego County, saved 42%.

In addition to the usage figures, May reporting by water suppliers also showed a significant increase in the number of complaints received by water agencies as well as the number of formal warnings and penalties assessed, according to the water board.

“Complaints are a very important tool for identifying leaks and over-watering that could go undetected for weeks resulting in millions of gallons of waste water,” the board said in a news release.

According to Wednesday’s report, a total of 28,555 complaints were issued statewide in May -- roughly two-and-a-half times the number reported in April. Of those complaints, 1,786 resulted in the assessment of penalties, officials said. However, the city of Fresno accounted for roughly 59% of all those penalties.

Times staff writer Tony Perry contributed to this report.

Date: Jul 2, 2015; Section: Front Page; Page: A1

We're turning off tap at last

State finally beats water-saving goal, though weather played a role.

BY JANET ZIMMERMAN

STAFF WRITER

Drought-plagued California not only met its water-saving goal, but beat it, with a 29 percent reduction, according to numbers released Wednesday by the state.

This is the first time residents have reached the 25 percent conservation target ordered by Gov. Jerry Brown in April to combat a relentless dry spell that has shrunk lakes, killed off crops and left residents worried about the future.

The figures indicate that such drastic reductions can, indeed, be made, though local officials said much of the improvement was a result of wetter, cooler weather.

Felicia Marcus, chairwoman of the State Water Resources Control Board, urged residents to keep saving.

"The numbers tell us that more Californians are stepping up to help make their communities more water secure, which is welcome news in the face of this dire drought," she said in a statement.

"That said, we need all Californians to step up – and keep it up – as if we don't know when it will rain and snow again, because we don't. If the drought continues beyond this year, we'll all be glad we did."

The figures are for May and are compared with the same month in 2013, the base year the state is using to measure progress. Districts were not required to report residential, per-person potable water use to the state in May 2014.

The South Coast hydrologic region, which includes Riverside, San Bernardino and Orange counties, came in just shy of 26 percent, an improvement that was commended by state officials.

That's up from 8.9 percent in April, compared with the same period in 2013.

The South Coast basin is an important driver of statewide average conservation because the region represents 56 percent of the state's population.

The average per-person daily use was 81 gallons in May, lower than the state average of 87.5 gallons.

Three Inland water providers were praised by the state as "top performers" for their savings: Lake Hemet Municipal Water District with 49 percent, Riverside with 30 percent and Cucamonga Valley Water District in Rancho Cucamonga with 35 percent.

Lake Hemet's cuts are related to a rate increase that went into effect April 1, General Manager Tom Wagoner said. The district's first two rate tiers for reasonable indoor and outdoor use went up 5 percent and 7 percent respectively.

The top three tiers, for wasteful use, jumped 15 percent, 22 percent and 30 percent. In addition, the district raised its service fee from \$18 to \$30 per month, he said.

The Lake Hemet district monitors its use daily, Wagoner said.

In May, the state water board assigned conservation tiers, ranging from 8 percent to 36 percent, for more than 400 districts, based on past water use.

Beginning next month, the state will begin enforcing the targets. Actions could range from ordering districts to further limit days allowed for irrigation, raise their rates or increase their rebate programs. Ultimately, noncompliance can result in \$10,000-a-day fines.

"We're on top of it. We just don't want to feel the wrath of the state coming down and fining us," Wagoner said.

His home water use in June was half what it was last year. Wagoner said he didn't plant a vegetable garden this year, is watering his xeriscaped yard every other day and catches shower water in a bucket to use outside.

Lake Hemet and Riverside both have been ordered by the state to cut 28 percent by next February. The total is a running average that is compared with a baseline three-month average of per capita water use.

Riverside has sued the state to void the emergency drought regulations. The city says it has a reliable, long-term supply of groundwater and wants that included in the criteria that would qualify it for a special 4 percent conservation tier.

Riverside County's largest water provider, Eastern Municipal, cut 27 percent in May. Its state conservation target is 28 percent.

Most of that was a result of the weather, spokesman Kevin Pearson said. A formula devised by Eastern to account for population growth and climate showed a 6 percent drop during the period, he said.

"We don't want our customers thinking we met the goal and we're done. There's more work to do," Pearson said.

A more substantial drop is expected in June because that's when Eastern imposed a 10 percent cut in irrigation allowances and raised rates for wasteful use.

Eastern had the highest number of warnings issued in the state. The district sent letters to 11,894 customers who had exceeded or were close to exceeding their "water budgets," which are based on the number of people in a home and the amount of landscaped area. Out of those, the Perris-based agency assessed one penalty.

INLAND CONSERVATION

Water use in May, the most recent period reported to the state, decreased almost 29 percent compared with the same month in 2013, the year the state is using for comparison.

Here is a district-by-district breakdown:

Supplier	Conservation (compared with May 2013)	Residential per-person use (in gallons)
Perris	23%	74.4
Hemet	37%	79.9
San Bernardino	31%	86.2
Cotton	24%	93.2
Jurupa Comm. Services District	44%	94.5
Riverside	30%	94.8
Elsinore Valley MWD	26%	95.2
Eastern MWD	27%	95.5
Lake Hemet	49%	97
Rialto	24%	99.4
Rubidoux Comm. Services District	24%	106.8
San Jacinto	24%	109.7
East Valley Water District	33%	111.4
Western MWD	27%	120.6
Loma Linda	30%	123.5
Beaumont/Cherry Valley	37%	148.9
Yucaipa Valley Water District	37%	149.6
Redlands	37%	164.6
Statewide average	28.9%	85.7

STAFF GRAPHIC

REDUCING WATER USE

Factors that affect residential per capita water use: Rainfall, temperature and evaporation rates Population growth Population density Lot size Income Water prices

New filters pull heavy metal from Indio's water supply

Paulina Rojas, The Desert Sun, July 2, 2015

Tucked away behind the intersection of Indio Boulevard and Madison Street, across the street from Carrillo Ranch Elementary School, three water filters churn away to remove a potentially hazardous heavy metal from Indio's water supply.

The Indio Water Authority, like many others across the Coachella Valley and the state, is taking steps to comply with a new safe drinking water limit the California Department of Public Health has set for hexavalent chromium, better known as chromium-6. In a portion of the aquifer beneath the Coachella Valley, the groundwater has levels of chromium-6 that exceed the state's new stricter standard.

The city funded the \$7 million facilities, which serve three wells, by refinancing a loan, said Brian Macy, general manager of the Indio Water Authority.

"The impact is minimal because we were able to stay within our current debt structure and just take the money out of that refinancing deal," he said.

The new drinking water limit of 10 parts per billion took effect in July 2014. The state's effort to set a drinking water standard for the carcinogen generated debate between environmental groups that argued for a strict limit and water agencies that warned of high costs and questioned the science behind the proposal.

Indio's three facilities began operating this week and another two are expected online by mid-July. The agency's final chromium-6 compliance study is expected to be finished no later than the end of August. Getting another 10 remaining wells treated could take anywhere from three to 10 years and cost \$20 to 30 million.

Each of Indio's facilities that opened this week produce more than 3,000 gallons of water per minute. Before going through the filtration process, the water has a level of 14 parts per billion and, once it's completed, the parts per billion level drop to two.

Other desert water agencies are also looking for the best option when it comes to filtering out chromium-6, which also dissolves naturally from rocks into the groundwater.

The Coachella Valley Water District has 30 wells that need to be treated.

"We are planning to build some treatment facilities that will serve more than one well. Therefore, we estimate ion-exchange treatment at 27 locations, including the central regeneration facility," said Heather Engel, director of communication and conservation.

The projected costs for the CVWD project are \$200 million in capital costs. Annual operating costs are estimated to be anywhere from \$4 million to \$8 million. The agency is looking into government grants and loans to help cover some of those expenses.

Construction on the initial facilities could begin during the summer of 2016 and the entire project is expected to be completed in five years.

Rate increases related to chromium-6 could also begin next year. Customers could see a \$30 to \$50 increase on their bills incrementally over the course of several years.

The Coachella Water Authority also has to figure out a plan to treat all of its six wells, which have a running average of 13 to 18 parts per billion.

In June, the agency had to notify users their water fails to meet the standard.

Kirk Cloyd, the utility's general manager, said residents in the city have been drinking the water for more than 100 years and there's no "hard data" proving that chromium-6 has negative health effects. He said the cost of treatment facilities for Coachella could cost up to \$20 million.

Coachella also foresees a time when rates would have to increase due to the high cost of chromium-6 treatment.

All three agencies have been working with New York-based Hazen and Sawyer Environmental Engineers and Scientists on their studies to help determine the best treatment technology according to their respective budgets and needs.

The Indio Water Authority decided to opt for strong base ion exchange technology, which uses filters and tanks filled with resin beads coated with chloride that attracts the chromium-6 and removes it from the water. The last phase of the process is chlorination, in which the treated water is disinfected with chlorine before it is distributed to customers.

"The reason we went with these types of smaller vessels and things of this nature is because they could manufacture them more efficiently and quicker to meet our deadline, to make sure that we could provide water and meet the compliance schedule that we established," Macy said.

Paulina Rojas covers the east valley for The Desert Sun. She can be reached at (760)-778-4586, paulina.rojas@desertsun.com or via Twitter @PerpetuallyPau.



Jul. 5, 2015 11:13 AM ET

California water rates rise as cities lose money in drought

By FENIT NIRAPPIL, **Associated Press**

ROSEVILLE, Calif. (AP) — Saving water doesn't always mean saving money in parched California.

Millions of Californians expecting relief on their water bills for taking conservation measures instead are finding higher rates and drought surcharges.

Water departments are increasing rates and adding fees because they're losing money as their customers conserve. They say they still have to pay for fixed costs including repairing pipelines, customer service and enforcing water restrictions — and those costs aren't decreasing.

The financial blow is only expected to grow because Gov. Jerry Brown's administration has ordered communities to slash their water use anywhere between 8 and 36 percent compared to 2013 levels in response to the four-year drought. Those cuts are expected to leave agencies with a \$1 billion hole in revenue, and they'll likely turn to customers to plug it, according to state estimates.

"Just because you use less water does not mean you have lower rates or a lower bill," said Lori Dolqueist, a water attorney who represents private utilities. "All of these agencies and private water companies are being told to sell less of what they do. It's a challenge financially."

While intensive conservation reduces strains on local water supplies, it can spell trouble for government budgets.

Santa Barbara, for example, expects to lose \$5 million if residents hit the city's 20 percent water use reduction target. Residents are going above and beyond and reached 37 percent in May. That's good for water supply but bad for financial stability.

This month, water bills in Santa Barbara rose between \$13 and \$120, depending on water use, to help the city recover lost revenue and activate a desalination plant.

"Our folks are coming in and saying 'Hey, I'm doing everything right, why do I need to pay more?'" said Joshua Haggmark, the city's water resources manager.

It's not clear precisely how widespread drought-related rate increases are because no government agency or association tracks them.

But agencies across California are reporting they've taken steps to tap customers to offset the losses of conservation. Residents in the San Francisco Bay Area, for example, are seeing higher bills after the region's largest water wholesaler increased the price of water 28 percent to make up for lagging sales.

Others are opting for a clearly labeled temporary drought fee, including the Sacramento suburb of Roseville which raised \$1 million in the last year with a 15 percent surcharge on water use.

That surcharge, plus the relatively low price of water, left some residents disappointed by their bills after buying low-flow toilets and tearing out their lawns.

Travis Wills, 42, is still paying about \$30 a month even after ditching a grassy front lawn for black mulch with sego palms, jasmine and Agapanthus flowers and collecting water from his shower and sink in buckets for plants in his backyard.

"We haven't noticed much of a difference on the bill," said Wills, who runs a home staging company. "That's troubling because they want us to reduce water."

Roseville could double its surcharge if the dry spell deepens, which Wills says he wouldn't mind too much.

"Maybe if they do that, people will stop wasting so much."

Dwindling water supplies during the drought have also driven up bills as agencies turn to more expensive resources. The East Bay Municipal Utility District, serving 1.3 million customers east of San Francisco, is charging the average household an extra \$12 a month to pay for tapping water dozens of miles away near Sacramento and conservation programs.

Some water departments are able to weather a drought financially because they designed complicated rates that plan for conservation and cover fixed costs in times of drought. Even without such mechanisms, others manage to avoid rate hikes.

The Desert Water Agency serving Palm Springs was among the fiercest critics of California's mandatory conservation order. It warned regulators it would lose more than \$10 million under its 36 percent reduction target.

Instead of increasing its rates, the agency has tapped reserves and cut expenses by delaying needed infrastructure upgrades and implementing a hiring freeze. But residents may end up paying more when the agency sets new rates next year.

"This is a business regardless of what some people think," general manager David Luker said. "When we strangle a business because of political correctness, there are massive consequences, and we still have to pay our bills."

Letters to the editor for July 6, 2015

Congratulations to the DWA

For the first month ever, the June residential water bills came out in “Gallons Used,” a user-friendly unit for water consumption. The DWA finally gave the rapidly increasing numbers of water conservationists in its service area a meaningful way to see the direct outcome of their hard work in kitchens, bathrooms, and in gardens, to conserve our water. The DWA Board’s belated response to this recurrent public request is unfortunately consistent with its pattern of reluctant and apologetic leadership.

(Now to translate into the commonly used State measurement of water use, gallons per capita per day, simply divide “Gallons Used” by the number of people in household and by the number of days in the billing period.)

Attention HOA members: According to one Desert Sun water conservation panel member (at the June 30 event), some HOA’s are installing individual household meters so that their members can likewise see the rewards of their individual efforts to conserve.

Dr. Lani Miller, Palm Springs

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Palm Springs council votes to turn fountains back on

Sammy Roth, The Desert Sun, July 7, 2015

There was a sign in front of the "Rainmaker" fountain in Frances Stevens Park on Monday afternoon: "This Fountain is Dry for the Drought. Saving Water is Mandatory."

By the time you read this, that statement might not be true.

No, saving water isn't suddenly optional. But the Palm Springs City Council voted unanimously last week to turn the city's fountains back on, following the Desert Water Agency's reversal of its strict no-fountains rule.

At Palm Springs International Airport, the fountain is already shooting water into the air. And water is once again burbling from the water feature at the Village Green Heritage Center downtown.

The "Rainmaker" fountain was still dry on Monday. But three city employees were working to solve a plumbing issue, and they said they expected the fountain to be functional again by Tuesday.

"It sends the wrong message. We're in a serious drought," said Desert Water Agency board member Richard Oberhaus, who voted against reversing the no-fountains rule. "You can't ask tourists not to wash or launder their sheets at a hotel, and have gushing fountains at the hotel."

Palm Springs City Council members said they were motivated in part by the potential costs of repairing fountains that had fallen out of use. They also argued that keeping the fountains off wasn't saving much water, although city officials aren't sure exactly how much water the recirculating fountains lose to evaporation.

There's little question that councilmembers were also swayed by aesthetics. Residents missed seeing running water, Mayor Steve Pougnet said at Wednesday's council meeting.

"The fountain at the airport is kind of our entryway," Councilmember Ginny Foat, who's running for mayor, said in an interview. "I'd rather see us take out more grass, and take out more of the water-gobbling trees, than to turn the fountains off; that really don't lose a lot of water."

Foat said when it comes to the drought, she follows the Desert Water Agency's guidance.

"I'm not a water expert, and if they felt it was OK to turn the water back on — that's who I'll take my cues from," she said.

The Desert Water Agency — which serves Palm Springs and parts of Cathedral City — initially passed the Coachella Valley's toughest fountain restrictions, banning all fountains that don't support aquatic pets. Other water agencies hewed to state guidelines, which allow fountains that use recirculating water.

For months, Palm Springs' three city-operated fountains sat dry. But in a 3-2 vote last month, the Desert Water Agency's board of directors changed course, deciding to allow fountains that recirculate water.

Craig Ewing, chair of the agency's board of directors, also voted against the change.

"It's not a tremendous savings of water, but it's a very important symbol that we're in a drought, that we need to think about water, how we use it new ways," Ewing said. "And fountains in the desert are, in my opinion, not part of that new way of how we should be using water."

Oberhaus called it "unfortunate" that Palm Springs is turning its fountains back on. The three board members who voted to reverse the no-fountains rule, he said, had small private fountains in mind.

Those three board members — Jim Cioffi, Pat Oygard and Joe Stuart — were the same board members who voted last year against studying tiered rates, a common tool to encourage conservation. Of the Coachella Valley's six water providers, the Desert Water Agency is one of just two that charges a flat rate for water.

Recirculating fountains waste much less water than non-recirculating fountains, Stuart noted.

"The idea was, at this point, let's allow it," he said. "But it's certainly something that all five of us would look at in the future if things get even more dire than they are now."

The "Fountain of Life" at Cathedral City's Civic Center has stayed on over the last few months, as it wasn't impacted by the Desert Water Agency's no-fountains rule. That's because it's an "interactive water feature" that children use to cool off during the summer, Cathedral City spokesperson Chris Parman said.

Kia Farhang contributed to this report.



Desert Water Agency OKs \$1 million for grass removal

Sammy Roth, The Desert Sun, July 7, 2015

The Desert Water Agency's board of directors approved \$1 million in new funding for grass removal on Tuesday following a lengthy debate.

Agency staff had proposed \$790,000 in turf buyback funding, despite receiving a \$1.29 million grant from the state. Several board members agreed with that proposal, but after pushback from members Richard Oberhaus and Craig Ewing, they eventually accepted \$1 million as a compromise for the 2015-16 fiscal year.

"This is a unique opportunity. We've turned grass brown, and when the drought's over people are going to make it green again, unless we replace it," Oberhaus said. "It's one of those once-in-a-decade opportunities."

The Desert Water Agency — which serves Palm Springs and parts of Cathedral City — rolled out its first turf buyback program last summer, paying \$2 per square foot of grass removed. The board of directors intended it to be a four-year initiative, with a budget of \$250,000 per year, totaling \$1 million over four years.

It quickly became clear that the \$250,000 wouldn't be nearly enough to meet demand, so the board made all \$1 million available the first year. That decision paid off: As of June 1, 152 homeowners associations, 120 residences and 28 commercial properties had received or been approved for funding, totaling more than \$970,000 in grants.

Ironically, that success nearly triggered a drop in funding for this year. Two Desert Water Agency board members, Jim Cioffi and Pat Oygar, wanted to use \$750,000 of the \$1.29 million state grant to replenish the agency's coffers, essentially paying itself back for the three extra years of grass removal funding it approved last year.

"I'm a fan of fiscal responsibility," Oygar said.

Oberhaus and Ewing disagreed, saying the agency hadn't spent all that money just to pay itself back. Considering the severity of the drought — and the fact that grass removal is the most effective way to reduce residential water use — it would be wrong not to spend as much of the grant money as possible on turf buyback, they said.

"Your argument is to take turf buyback money and put it back in the operating fund so we can spend it on other things," Ewing, the board's chair, told Oygar. "That's not what the money is for."

There were several contentious moments during an hour-long debate at Tuesday morning's board meeting, and at first it seemed the fifth board member, Joe Stuart, would be the critical swing vote. In the end they compromised: The agency would spend \$250,000 of its own money on turf buyback this year, plus \$750,000 of the grant funding, for a clean \$1 million total. The other \$540,000 in grant funding would go to replenishing the agency's coffers.

Stuart ended up voting against the compromise, which passed in a 4-1 vote.

To learn more or apply for funding, visit www.dwa.org/turf.

TUESDAY, JULY 7, 2015

VOLUME 38 - EDITION #51

PALM SPRINGS, CALIFORNIA

\$1.50 - PER SINGLE ISSUE

The Public Record

SERVING ALL OF THE DESERT CITIES AND UNINCORPORATED AREAS OF RIVERSIDE COUNTY IN THE COACHELLA VALLEY

CVWD customers reduce water use 17 percent in May

STAFF REPORTS

Coachella Valley Water District (CVWD) customers are contributing to significant reductions in water use being reported across California, according to recent figures.

The State Water Resources Control Board announced today that statewide residential water use declined 29 percent in May, in same-month comparisons of 2015 and to 2013. CVWD customers reduced water use by 17 percent in during the same time period.

"I'm proud to say that our customers are doing an excellent job responding to the state's conservation mandate," said CVWD General Manager Jim Barrett. "While June figures aren't yet available, I'm optimistic that we will continue to move in the right direction."

The state is requiring CVWD to reduce overall residential water use by 36 percent or face penalties of up to \$10,000 per day.

CVWD is responding by asking customers to limit water use to 36 percent below their monthly outdoor water budget.

Continued on page 2...

Page 2 Tuesday, July 7, 2015

CVWD customers reduce water use 17 percent in May

...continued from page 1

This new, temporary drought budget rewards customers who have already taken steps to significantly reduce water, such as replacing grass with desert landscaping, because they will likely already be below this threshold.

Approximately half of the customers with more inefficient water use will need to change their habits to avoid paying drought penalties on their monthly bill. The new drought penalties go into effect with July bills and are scheduled to expire when the state rescinds the conservation mandates.

Customers who want to determine if they are likely to be penalized can visit www.cvwd.org/CVsaving36 and use a copy of their previous water bill and the Drought Penalty Calculator.

"I encourage customers who need help reducing their water use to take advantage of one or more of our many rebate and incentive programs. We also have several helpful resources on our website, including conservation tips and a desert-friendly plant database," Barrett said.

CVWD's board of directors recently approved a 2015-16 operating budget that includes \$3.2 million for conservation programs.

Visit www.cvwd.org/CVsaving36 for conservation resources, rebate programs and more information about drought penalties.

The Coachella Valley Water District is a public agency governed by a five-member board of directors. The district provides domestic and irrigation water, agricultural drainage, wastewater treatment and reclamation services, regional storm water protection, groundwater management and water conservation. It serves approximately 108,000 residential and business customers across 1,000 square miles, located primarily in Riverside County, but also in portions of Imperial and San Diego counties. **TBR**

Date: Jul 9, 2015; Section: Front Page; Page: A1

Turf rebate tapped dry

Metropolitan Water District's \$350 million fund gone in one week.

BY JANET ZIMMERMAN

STAFF WRITER

Inland residents hoping to replace their lawns with drought-tolerant landscaping

– and get a sizable rebate for it

– are most likely out of luck because the region's wholesaler announced Wednesday it has all but exhausted its \$350 million conservation fund.

Metropolitan Water District officials said they will be closing the turf rebate program to new applications by week's end because the available money already has been distributed or reserved for approved projects. The \$350 million approved earlier this year and earmarked for grass removal barely lasted a week since becoming available July 1, the start of the new fiscal year.

"I knew that (the money) would not last through the entire summer because the demand was very high and Metropolitan was seeing \$12 million a week in requests for participating. But I'm shocked that it's done two weeks into the fiscal year," said Tim Barr, water use efficiency manager for Western Municipal Water District in Riverside.

Metropolitan is starting a waiting list for rebates of \$2 per square foot in case some people who have been approved don't complete their projects. And money is still available for watersaving devices such as toilets, sprinklers and irrigation controllers.

The 18 million customers in Metropolitan's six-county Southern California service area have removed 150 million to 170 million square feet of grass in the past year. That translates to an annual water savings of 80,000 acre-feet, enough to supply about 160,000 households for a year, spokeswoman Sherita Coffelt said.

Southern California's turf removal alone exceeded Gov. Jerry Brown's request in April that residents statewide lose 50 million square feet of grass to help meet water needs in the face of a fourth year of drought. Brown also ordered 25 percent reductions in water use by February.

Last December, Metropolitan's board increased the conservation budget from \$40 million to \$100 million to keep pace with the extraordinary public demand.

In May, the board approved the additional \$350 million from emergency reserve funds, taking the two-year incentive program to \$450 million through the fiscal year ending in 2016.

The additional funds were intended to cover outstanding pre-approvals and some new applications, which came in at a rate of 3,000 per week. The board imposed limits for residential and commercial properties to stretch the money further.

Metropolitan's board will get an update on the program at its meeting next week, but "there's no indication they'll be adding funds to the budget," Coffelt said.

Metropolitan has 26 member agencies that it supplies, including Western, Eastern Municipal Water District in Perris and Inland Empire Utilities Agency in Chino.

Those agencies received a pot of money that was then divided among retailers in their service area, including Riverside Public Utilities, Corona, Jurupa Community Services District, Elsinore Valley Municipal Water District and Rancho California Water District in Temecula.

Riverside's business relations manager, Kevin Palmer, said the city is evaluating whether to offer its own incentives. Before Metropolitan's funding push, Riverside offered 40 cents per square foot for turf removal.

Western also may offer its own, lower rebate, Barr said.

Metropolitan General Manager Jeff Kightlinger said the campaign was effective in shifting the norm away from lawns to landscapes ideal for the region's Mediterranean climate.

"This rebate program was intended to stimulate interest in turf removal to the point that government incentives were not necessary for the long term," he said.

Water demands of grass

One square foot of grass uses about 30 gallons of water per year, according to Tim Barr, water efficiency manager at Western Municipal Water District in Riverside.

If half of a typical, 10,000-square-foot lot in the Inland region is planted with grass, it would require 150,000 gallons of water per year. That is enough to cover the daily indoor water needs of about 2,500 people.

Date: Jul 9, 2015; Section: Front Page; Page: A3

DROUGHT FEE, FINES ARE ON SOME MINDS

Proposals arise at a workshop on setting in motion the governor's order for cuts.

BY FENIT NIRAPPIL

THE ASSOCIATED PRESS

SACRAMENTO California water regulators heard proposals for a statewide drought fee and hefty fines for waterguzzling homeowners as part of a Wednesday workshop discussing how to implement Gov. Jerry Brown's order for water pricing to maximize conservation.

Officials at the State Water Resources Control Board said they weren't looking at a total overhaul of water bills across the parched state dealing with its four-year dry spell.

"The state is not rushing out here to supplant local authority and local control," said Max Gomberg, a senior scientist at the board.

Joe Grindstaff, general manager of the Chino-based Inland Empire Utilities Agency, suggested that California could set a state standard for reasonable residential water use and impose fines on local agencies whose customers use too much.

"The truth is you can have a really nice lawn and really nice life living within those standards," Grindstaff told the board.

Members of the state water board appeared cool to the idea, with one quipping Grindstaff would need police protection because so many people would hate the idea.

The board didn't take any actions Wednesday and didn't indicate any future plans for increasing the price of water.

A law accompanying the California budget allows agencies to slap the worst water wasters with fines up to \$10,000. Another bill, SB789, which would have allowed water departments to impose a 300 percent tax on the heaviest water users' bills, stalled because it lacked support.

Conservation experts agree the price of water is among the best ways to spur savings, but the legality of such tactics has come under scrutiny after a court struck down punitive rates in San Juan Capistrano.

The 4th District Court of Appeal said charging heavy users incrementally more per gallon without showing it cost more to provide violated a 1996 voterapproved law that prohibits government agencies from overcharging for services.

Lester Snow, who leads the California Water Foundation, says that law, Proposition 218, should be reformed because it deters water-saving efforts.

"We are pushing people to conserve, and we have systematically withheld some of the tools they need," he said.

Two-thirds of water districts use some form of tiered water pricing to encourage conservation. Many say their rates are legal because higher water use requires them to tap more expensive supplies.

While the governor's order calls for the board to develop water rates and penalties to maximize conservation, the workshop also veered into a statewide water fee that would help pay for infrastructure projects during the drought.

Southland water district ends popular lawn-removal rebate program

July 10, 2015

By Matt Stevens and Monte Morin

When Gov. Jerry Brown called on drought-weary Californians to reconsider their love of thirsty, nonnative landscaping, some businesses and homeowners responded by tearing out their once-cherished lawns.

Additional motivation for swapping out grass for drought-resistant plants came in the form of cash rebates offered by local governments and water agencies.

Yet barely a month after officials at the Metropolitan Water District of Southern California approved an additional \$350 million in rebate funds, they ended the program Thursday. All of the money, they said, was spoken for.

"We didn't predict just how popular turf rebates would become," said MWD General Manager Jeffrey Kightlinger.

The news sent some local water agencies and governments scrambling for ways to keep rebates alive, if at a less generous level.

Some said the development was an indication that Californians are indeed altering their behavior, as well as their landscaping preferences, in the face of severe drought.

"The timing was right for turf removal programs," said Brent Haddad, director of the Center for Integrated Water Research at UC Santa Cruz. "We're developing a new aesthetic for open space in California and moving away from the ideal of the green grasses of Kentucky."

The MWD had set aside a total of \$450 million in rebates. Of those funds, roughly \$340 million was earmarked for lawn removal and \$110 million was for rebates on drought-friendly appliances such as water-saving toilets.

MWD officials said they knew the money would eventually run out, but they never dreamed it would so quickly.

Officials say the program will help to fund the removal of up to 170 million square feet of turf, three times the statewide goal Brown set in a historic executive order that also sought to cut urban water use by 25%.

MWD directors will get an update on the program next week, "but we have no indication that they will add more money," said MWD spokeswoman Sherita Coffelt.

The earliest the board might consider boosting funding would be sometime in 2016 when officials begin planning for the 2016-17 fiscal year, she said.

Still, between 20% and 30% of people who apply for turf rebates don't follow through. So interested residents can get on a waiting list and still have a chance, Coffelt said.

All told, officials believe Southern California will save about 26 billion gallons of water a year, enough to serve 160,000 households annually.

Bill McDonnell, an MWD water efficiency manager, said the massive spending on the program was justified.

"It started the huge snowball down the hill," he said. "If we had done \$5 million in turf removal, you wouldn't be writing an article and it wouldn't be on NPR or the TV. Our service area is so big, that amount of impact wouldn't have been seen. We needed to do something big and something impactful to start the discussion and start the change."

The news had local water districts scrambling Thursday to maintain their rebate programs.

For the last several months, the Los Angeles Department of Water and Power has supplemented MWD's \$2-per-square-foot rebate money with up to \$1.75 of its own.

The DWP "is working quickly on a plan to continue the portion of the rebate that was funded through its own water conservation budget ... while at the same time not jeopardizing other critical water programs," a department spokeswoman said in a statement.

Long Beach, which has already converted 2 million square feet of grass to drought-tolerant landscapes, pledged to continue providing residential rebates of \$2.50 per square foot — down from the \$3.50 that had been offered with the help of MWD's funding.

In south Orange County, the board of the Santa Margarita Water District "recognized that the bank was getting emptied" and set aside \$500,000 for turf removal rebates in May, said spokesman Jonathan Volzke.

The rebate program has been "such a great awareness campaign for us," he said. "It really is a great tool for keeping the drought in front of people.... It reinforces the idea that we need to live different in California now."

Still, he added, "We probably shouldn't have printed so many brochures."

But some water suppliers that had relied solely on MWD's rebate money had to shut down their programs altogether.

The Las Virgenes Municipal Water District, which serves the affluent cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, had to say goodbye to its popular "Mow No Mow" turf program. Officials said more than 1,000 residential customers — many with large lots — removed more than 40 acres of lawn with the help of about \$3.4 million in rebates.

"What I'm kind of sad about — we gained so much momentum, then we hit the wall, and it stopped," said Carlos Reyes, director of resource conservation and public outreach for the district. "We're hoping people will do this without the incentive."

Blythe asks for special exemption from water cutbacks

Sammy Roth, The Desert Sun, July 13, 2015

Across California, cities are cutting their water use substantially to comply with Gov. Jerry Brown's mandatory drought restrictions.

Blythe has other ideas.

The city of roughly 20,000 is two hours east of the Coachella Valley, where the Colorado River forms the border between California and Arizona. Its per-capita water use in May was on par with water consumption in Palm Springs and Indio, and it's under state orders to cut back by 32 percent.

But Blythe has asked the State Water Resources Control Board for a special exemption — and officials are considering the city's request. If granted, Blythe would only have to reduce its water use by four percent.

"Blythe is unique from any other town. We're different," City Council member Joseph DeConick said. "When Sacramento makes anything, they're trying to make it fit for every town. And that doesn't work."

Statewide, only five water providers have qualified for the "four percent reserve tier" that Blythe wants to join — all of them based in Humboldt County, far north of the Bay Area. The state water board established that special category to accommodate water districts that don't use groundwater, don't import water from outside their region and have at least four years' worth of supply in reserve.

Blythe officials say they should qualify, citing their abundance of Colorado River water.

"We don't import one drop of water from outside of our area," City Manager Mallory Sutterfield said. "We only use the water for our community that is found in our community."

The city does, in fact, pump groundwater from the Palo Verde Valley aquifer. But that groundwater basin is continually replenished by river water, DeConick said. River water also irrigates farmland throughout the valley.

"Our water table has been the same for years," DeConick said. "We have never abused our water here, not like the San Joaquin."

Conservation groups, though, have criticized California for wasting Colorado River water.

Demand for Colorado River water exceeds supply, and reservoir levels are falling dramatically as the Colorado River Basin suffers through a 16th year of drought. Human-caused climate change — which is expected to bring longer, more frequent and more severe droughts — will only worsen the problem.

"It's really not the best strategy to rely on Colorado River water, and to assume that Colorado River water will be there in perpetuity," Jay Famiglietti, a hydrologist and senior scientist at NASA's Jet Propulsion Laboratory, told The Desert Sun earlier this year. "The Colorado River Basin is actively running out of water."

Seven states have access to Colorado River water, but Southern California cities and farms have the most senior water rights of anyone. That seniority, critics say, means they have little incentive to conserve, because they would be the last water users to face cutbacks in a severe shortage.

Indeed, that seniority is why some Blythe officials think the city shouldn't have to conserve. DeConick touted the city's water rights, which he said represent the very first legal claim to Colorado River water in California.

Blythe's request to join the four percent category is the only such request still pending before the state water board, officials said. The city of Riverside, meanwhile, has sued the water board over its mandated 28 percent cutback, saying that it, too, should have been allowed into the special tier.

THE DESERT'S BUSINESS & PUBLIC AFFAIRS WEEKLY

The Public Record

TUESDAY, JULY 14, 2015

VOLUME 38 - EDITION #53

PALM SPRINGS, CALIFORNIA

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SERVING ALL OF THE DESERT CITIES AND UNINCORPORATED AREAS OF RIVERSIDE COUNTY IN THE COACHELLA VALLEY

DROUGHT SYMPOSIUM DRAWS 100 CALIFORNIA DESERT ASSOCIATION OF REALTORS MEMBERS

About 100 California Desert Association of Realtors members turned out for an informative "Water Symposium: The Drought Effect on Real Estate" to better understand how water restrictions effect the various cities and homeowners and homebuyers throughout the Coachella Valley.

The June 24 event in partnership with the Coachella Valley water District at CVWD Palm Desert headquarters featured all the water agencies in the greater Palm Springs area: John Powell, board president of CVWD and staffer Dave Koller, Berlinda Blackburn, Coachella Water Authority; Katie Ruark, Desert Water Agency; Scott Trujillo, Indio Water Authority and John Soulliere, Mission Springs Water District. These express explained the difference in regulations and penalties among the various agencies.

Beverly Fitzgerald, president of the California Desert Association of Realtors said the successful event will help Realtors deal with questions from homebuyers about the affects of the statewide drought.

"We are providing our Realtor members with as much information as possible regarding local water agency restrictions," she said. "They will be well equipped to educate their clients. Water counts and so do our agents and their clients."

Another key suggestion for Realtors is to check out the water bill for a home for sale to advise potential buyers what they can do to conserve water be it retrofitting, converting to desert landscaping or other measures.

Powell said Realtors can help foster te new look of the Coachella Valley landscaping by understanding the ramifications of California being in the fourth year of an historic drought.

In particular, Realtors can help explaining that golf courses will be using less water, removing some turf and not over seeding the rough. "Golf courses are committed to reducing water by 10 percent by 2020," Powell said. He noted 52 percent of golf courses in the Coachella Valley are using recycled water.

Overall, The CVWD is committed to reduce its water usage for residential and business use by 36 percent. That percentage various among the other water agencies, Coachella Water Authority, Desert Water Agency, Indio Water Authority, and Mission Springs Water Agency.

All water agencies representatives who spoke pointed out California mandated water restrictions for all consumers that may expire February 2016;

- Not using potable (drinking water) to wash sidewalks and driveways
- Allowing runoff to adjacent property
- Using hoses with no shut-off nozzle to wash cars
- Hosing down driveways or other hardscapes
- Using potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems is prohibited
- Irrigating during and up to 48 hours after, measurable rainfall
- Restaurants serving water unless the customer requests it

Los Angeles Times

San Diego water district wins ruling in MWD pricing dispute

By Tony Perry, July 15, 2015

In storied water wars of the West, few have been as long and bitter as the one between San Diego officials and the Metropolitan Water District of Southern California.

San Diego doesn't have enough water for its population and relies heavily on Metropolitan, the region's water importer, for help. But for decades, some in San Diego have accused the MWD of unfair treatment.

On Wednesday, San Diego won a round.

San Francisco County Superior Court Judge Curtis E.A. Karnow found that the MWD had charged San Diego too much for the use of its aqueduct to bring water from the Colorado River under San Diego's deal to buy water from the Imperial Irrigation District.

If the judge's tentative ruling is upheld, the San Diego County Water Authority would be due \$188,295,602, plus interest.

At issue is San Diego's contract to buy large amounts of water from the Imperial County district — a portion of Imperial's allocation from the Colorado River. It's part of an effort by San Diego County to reduce its reliance on the MWD, which at one point supplied 95% of the region's water.

But San Diego needs the MWD's aqueduct to get the Imperial water to its communities. The judge ruled that the MWD was charging San Diego too much to carry the Imperial water, amounting to a violation of its contract.

"This is a complete, total, unadulterated victory," said Dennis Cushman, assistant general manager of the San Diego County Water Authority.

MWD officials vowed to appeal.

"We disagree with but we're not surprised by the decision," MWD said in a statement, "given the judge's ruling on the early phase of the trial. Metropolitan will file objections to the tentative statement and, at the conclusion of the litigation in the trial court, will appeal the adverse ruling."

The judge's ruling could save San Diego water customers some \$2 billion over the length of the San Diego-Imperial deal, Cushman said.

Since it joined MWD after World War II, San Diego has complained that it was being cheated in the preferential rights calculation in relation to other Southern California water agencies that belong to MWD. In his ruling, Karnow sided with San Diego.

In rough form, preferential rights are calculated based on how much local agencies paid to establish the regional wholesaler, which now supplies water to six Southern California counties. San Diego was not among the founding agencies and only joined with great reluctance, given the historical antipathy of San Diego toward Los Angeles-based entities.

The specter of San Diego's water supply being drastically cut so that Los Angeles could remain wet has angered and motivated decades of San Diego water officials to pursue "water independence" from MWD.

A year ago Karnow sided with San Diego, ruling that MWD had violated provisions of Proposition 26, passed in 2010, which limited the amount that government can charge for a service to the amount it actually costs to render that service.

San Diego, in its lawsuit, claimed that MWD was lumping all sorts of charges into its payment schedule for San Diego under the 2003 deal between the San Diego County Water Authority and the Imperial Irrigation District. The deal is set to last 45 years and is considered the largest farms-to-cities water deal in the U.S.

As part of the 2003 deal, San Diego promised not to file a lawsuit for five years. As soon as the five years were completed, it sued MWD.

San Diego water officials assert that after decades of having San Diego as its "cash cow," MWD was determined to keep it paying premium rates for the Imperial Valley water.

MWD said that by signing a payment agreement as part of the Imperial Valley deal, San Diego lost the right to sue, even after the five-year limit. San Diego argued that it promised only to delay a lawsuit.

"San Diego's position is consistent with the plain language of the provision and Met's position is not," Karnow said in a 30-page ruling laden with arcane details about water law.

Just how much additional water San Diego would be entitled to buy from MWD is not included in Karnow's ruling, should it become final and be upheld on appeal. Karnow is expected to make his ruling permanent within two months.

Karnow also ruled that San Diego is entitled to have various payments made to MWD included in a formula that determines preferential rights in times of cutbacks.

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Data: Water habits change, slowly

Sammy Roth, The Desert Sun, July 16, 2015

Homeowners and businesses served by the Desert Water Agency cut their water use by 40 percent in June, while several other Coachella Valley water providers failed to meet their mandatory cutback targets.

The new data shows that while desert residents are changing their habits in response to California's epic drought, many still have a long way to go. Some consumers already are facing higher bills because they haven't cut back enough, and those penalties could grow if they don't improve in the coming months.

Coachella Valley Water District customers slashed water use by 21 percent in June — more than they saved in May, but far short of the 36 percent reduction mandated by Gov. Jerry Brown. Indio residents used 26 percent less water in June, shy of their 32 percent target. Mission Springs Water District homeowners and businesses managed a 10 percent drop, well short of their 28 percent target.

Coachella residents met their 24 percent goal, squeaking by with a 25 percent reduction.

"We feel good about it, but we're not at the hottest part of the summer yet," said David Garcia, Coachella's city manager.

Desert Water Agency customers in Palm Springs and parts of Cathedral City blew through their 36 percent target.

"The community has really stepped up to the need to conserve and rethink the way we use water," said Richard Oberhaus, a member of the agency's board of directors. "I think Palm Springs residents have a new appreciation of something we took for granted."

Brown's mandatory water cutbacks officially took effect in June. Water agencies that consistently fail to meet their targets over the next few months could face fines as high as \$10,000 per day, with those fines likely being passed on to consumers. Conservation is being measured relative to June 2013.

Heather Engel, a spokeswoman for the Coachella Valley Water District, said the agency isn't planning to change its drought response quite yet. It's the only water provider in the valley that has instituted higher charges for excessive water use, and those charges are hitting residents for the first time on their June bills.

"We really need to wait and see what our July number is before we decide whether we need to do anything differently," Engel said. "July is going to be the real tell as to whether drought penalties work or not," because it's the first month consumers will have a chance to react to the penalties on their June bills.

While Mission Springs customers in Desert Hot Springs used just 10 percent less water, they already have some of the lowest water consumption in the valley. Per-capita use was down to 133 gallons per day in June, spokesman John Soulliere said, compared to about 233 gallons per day for the Coachella Valley Water District.

Desert Water Agency customers used an average of about 200 gallons per day in June, based on state population figures.

Several local water agencies provided their June water use data to The Desert Sun this week. State officials will verify that data over the next few weeks, before announcing statewide conservation figures early next month.

Myoma Dunes Mutual Water Company, which serves Bermuda Dunes and some La Quinta residents, didn't respond to a request for June data.

Because Coachella Valley residents use so much water, three local water providers face 36 percent cutbacks, the highest tier under Brown's emergency drought regulations. Mission Springs, meanwhile, faces a 28 percent cutback, downgraded from 36 percent. Indio also got a small reprieve, with the State Water Resources Control Board agreeing to change its target from 36 percent to 32 percent.

Across the state, conservation is putting pressure on local water agencies, which face lower revenues but still need to maintain expensive infrastructure. Oberhaus thinks the Desert Water Agency will eventually need to consider higher rates.

"Our business model is antiquated, in that we've been in the business of selling water to pay the bills," he said. "We're going to have to adjust rates to provide safe, reliable delivery of water."

It's unlikely weather was a major factor in driving the Desert Water Agency's 40 percent reduction. The National Weather Service recorded less than 0.01 inches of rainfall in Palm Springs in June, and an average temperature of 91 degrees Fahrenheit. In 2013 — the baseline year for water conservation comparisons — the average temperature was 89.7 degrees Fahrenheit.

Sammy Roth writes about energy and water for The Desert Sun. He can be reached at sammy.roth@desertsun.com, (760) 778-4622 and [@Sammy_Roth](https://twitter.com/Sammy_Roth).



Study finds contaminants in California public-water supplies

By Ellen Knickmeyer and Scott Smith

Associated Press

Jul. 16, 2015

SAN FRANCISCO (AP) — Nearly one-fifth of the raw groundwater used for public drinking water systems in California contains excessive levels of potentially toxic contaminants, according to a decade-long U.S. Geological Survey study that provides one of the first comprehensive looks at the health of California's public water supply and groundwater.

One of the surprises in the study of 11,000 public supply wells statewide is the extent to which high levels of arsenic, uranium and other naturally occurring but worrisome trace elements is present, authors of the study said.

Public-water systems are required to bring many contaminants down to acceptable levels before supplying customers. But the findings highlight potential concerns involving the more than 250,000 private wells where water quality is the responsibility of individual homeowners, state officials said.

Several million Californians rely on public water systems in which raw supplies bear potentially toxic amounts of those trace elements, according to the first cumulative findings of the state and federal Groundwater Ambient Monitoring and Assessment program, which California created in the early 2000s.

The survey also gives public-policy-makers the first sweeping look at the extent to which agricultural irrigation, industrial pollutants and other uses of groundwater are adding to problems for underground water reserves, now under heavy demand in California's drought.

Uranium, for example, is a naturally occurring element — one that can raise the risk of kidney ailments and cancer if consumed long-term at high levels.

But farm irrigation draining into underground water aquifers has contributed to uranium showing up at unsafe levels in 7 percent of public water supplies in the farm-rich San Joaquin Valley, the study found.

For California's water managers, "the challenge right now, of course, is the drought," said John Borkovich, an official with the state Water Resources Control Board who helps oversee the groundwater monitoring program. "Being able to sustain delivery of a safe water supply is the No. 1 concern, of course. But water quality is hand in hand with water quantity."

Water problems with clear culprits, such as oilfield injection into water aquifers, are comparatively easier for regulators to handle, Borkovich said. For broader patterns of contamination with no single offender, however, "it's up to the Legislature to decide whether or not there needs to be more attention paid to the results we've found," he added.

The findings, published by the Environmental Science & Technology journal of the American Chemical Society, draw on data from state monitoring of public supply wells and from well testing by the U.S. Geological Survey and others. A public water supply is any source serving three or more people.

Statewide, about one-third of the state's drinking water comes from groundwater in public supply wells.

In California's Central Valley, groundwater contaminated with uranium, arsenic or nitrates at several rural schools in Tulare County has put drinking fountains off limits to pupils.

"You could call it a headache," said Terri Lancaster, principal and superintendent at Waukena Joint Union Elementary School, a district surrounded by rich farmland.

Before winning a state grant this year, the district, with 260 students, spent \$10,000 or more annually to buy drinking water, she said. Her staff has to order the bottled water, store and distribute it to each classroom, and recycle the empty bottles.

The newly released study looked for contaminants present in raw water supplies above legally set thresholds. For contaminants without any legally set limits, the survey looked for levels at or above thresholds identified as potential concerns for human health.

By law, public water systems with a well that consistently shows unhealthy levels of contaminants are required to notify customers and fix the problem, said Kurt Souza of the State Water Resources Control Board's division of drinking water.

Solutions often involve diluting contaminated water with a clean source, or drilling a new well.

The study managed to examine supplies for 99 percent of Californians using public water systems, said Kenneth Belitz, lead author on the report and now the head of the groundwater portion of U.S. Geological Survey's National Water Quality Assessment Program.

A total of 8.9 percent of Californians drink from public water systems where groundwater in its raw form bears excessive levels of potentially toxic trace elements, the study found.

Another key finding showed that unsafe levels of nitrates from fertilizer cloud raw groundwater supplies for only 5.6 percent of Californians on public water systems— but almost all of them are in former farmland long ago converted to suburbs, Belitz said.

The high readings from former farmland in Northern California's Livermore Valley and Southern California's Santa Ana basin underscore that it can take decades for contamination to show up in public water systems, Belitz said.

In places such as the Central Valley that are now heavily agricultural, nitrates from fertilizer might be "something that in the future ... people will be dealing with," he said.

Date: Jul 16, 2015; Section: Front Page; Page: A1

WATER DECISION

Ruling could cost Inland customers

BY JANET ZIMMERMAN

STAFF WRITER

Metropolitan Water District, the wholesaler serving most of Southern California, was ordered Wednesday to pay \$188.3 million plus interest to the San Diego County Water Authority for damages in a rate-setting lawsuit.

Superior Court Judge Curtis Karnow in San Francisco issued a tentative decision, which is expected to be finalized in about a month. It ultimately could cost Inland residents more than \$500 million in the next six decades as the disputed charges would be spread among MWD's 26 member agencies, which contract to buy supplies from the State Water Project and the Colorado River.

The dispute is over how much MWD charged the San Diego County Water Authority to move Colorado River water from 2011 to 2014.

The water authority, which also is a wholesaler, buys the water from Imperial Valley farmers and MWD delivers it through its canals, pipelines and pumping stations.

The judge last year ruled that MWD improperly passed on its costs to the water authority.

That violates a California law that prohibits water agencies from charging more than the actual cost of operating and maintaining the facilities used for transfers.

MWD said San Diego is trying to avoid paying its share for maintaining the transportation system at the expense of other users. Spokesman Bob Muir said the agency plans to appeal the ruling.

"We disagree with but we're not surprised by (the) decision given the judge's ruling on the earlier phase of the trial," Muir said.

The overcharges have been set aside in an escrow account, which totaled more than \$200 million at the end of 2014, officials said.

No money would be refunded until the appeals process is over, which could take several years, said Mark Weston, chairman of the water authority's board of directors.

In all, MWD member agencies could pay almost \$3 billion, including the \$502 million it would cost Inland districts, by 2078, officials said.

That is the end date of an agreement between the San Diego agency and the Imperial Irrigation District to buy Colorado River water saved through farm conservation and fallowing cropland.

It is the nation's largest farm-to-city water transfer.

More than 2 1/2 million people in Riverside and San Bernardino counties get their water from districts supplied by MWD: Western Municipal Water District in Riverside, Eastern Municipal Water District in Perris and Inland Empire Utilities Agency in Chino.

Local water executives have said the cost would be passed along on water bills.

The San Diego agency has another lawsuit pending against MWD for its 2015-2016 rates.

That case has been delayed pending a decision on the earlier suit.

Major wholesaler

More than 2 1/2 million people in Riverside and San Bernardino counties get their water from districts supplied by MWD: Western Municipal Water District in Riverside, Eastern Municipal Water District in Perris and Inland Empire Utilities Agency in Chino.

Date: Jul 16, 2015; Section: Front Page; Page: A10

State water rules take aim at lawns in new construction

STAFF, WIRE REPORTS

California extended its drought-inspired purge of idyllic emerald lawns from new developments, with state officials voting Wednesday to adopt more stringent water limits on landscapes for new homes and businesses.

The new rules approved by the California Water Commission would essentially eliminate grass from new office and commercial buildings and reduce turf at new homes from a third of landscaped area to a quarter. It applies to cool-season grass, but not Bermuda or buffalo grass, said Julie Saare-Edmonds, senior environmental scientist.

The rest of the landscape can feature rocks, shrubs or low water-using plants such as lavender and jasmine.

New subdivisions and homes won't necessarily be devoid of lawns, however. Developers of traditional-looking landscapes can comply if the homes or businesses are hooked up to recycled water from showers and toilets.

Californians won't have to rip out existing lawns unless they are going through major home renovation that requires government permits.

The changes are part of an update to the state's model landscape ordinance ordered by Gov. Jerry Brown. Counties and cities must adopt those rules, or something just as water-saving, by December.

Riverside County already was working to update its model landscape ordinance for unincorporated areas with more stringent standards to meet mandatory drought reduction ordered by the governor earlier this year. Supervisors on Tuesday will consider changes that include a ban on grass in front yards of new subdivisions and prohibiting grass on the parkway strips between street and sidewalk, said Juan Perez, director of the county's Transportation and Land Management Agency.

"We'll get this in place, then we'll review the state action more closely and come back with changes to our ordinance to reflect that," he said.

The state already updated its building standards to minimize lawn watering, but the rules adopted Wednesday apply to more homes and require even less water.

Officials at the Department of Water Resources said the building standards will likely be adjusted to match the new rules approved Wednesday.

Brown's administration has targeted decorative lawns as a waste of water and an easy sacrifice for conservation efforts during the ongoing, four-year drought.

Regulators are encouraging residents to let their lawns go brown to help cities meet mandatory water use reduction targets to stretch supplies if the dry spell persists.

Jurgen Gramckow, president and CEO of one of California's largest companies to grow sod for suburban lawn, laments the vilification of lawns as symbolism that will not yield substantive water savings.

"The beautiful green California landscape? It's history," Gramckow, of Southland Sod Farms, said in an interview Wednesday. "Nobody really appreciates the environmental benefits associated with lawns. Lawns are taken for granted."

Some environmentalists say the state isn't going far enough because not a single drop of depleted water should be wasted on decorative lawns. Even when lush lawns are watered with toilet and washing machine water, drinking-quality water is used as a backup, said Natural Resources Defense Council policy analyst Tracy Quinn.

"We are a state prone to drought that should move away from the ideal of every home having a lawn that is watered with precious drinking water," Quinn said.

Staff writer Janet Zimmerman contributed to this

report.

New rules specify less grass

July 16, 2015

By Matt Stevens

The sprawling suburban lawn — a symbol of the good life in postwar California — moved a step closer Wednesday to being consigned to the history books.

The California Water Commission, responding to a fourth year of drought, approved sharp new limits on the amount of water that can be used on landscapes surrounding newly constructed buildings, such as houses, businesses and schools.

The revised ordinance will limit grass to about 25% of a home's combined front, back and side yards in all new construction.

Owners of existing homes do not completely escape the restrictions: Those who launch significant renovations of outdoor areas with more than 2,500 square feet of landscaping also face cutbacks.

Additionally, grass will be all but banned in landscapes of new commercial, industrial and institutional buildings.

"This is another giant leap forward in responsible water use," said Esther Margulies, an instructor in the landscape architecture program at USC. "This means people will have to get to know their California-friendly plants. They're going to have to think more specifically about the open space around their houses.... There's no debate: The lawn will continue to shrink."

The ordinance is expected to reduce the water use of a new home by about 20% or about 12,000 gallons a year. Water use on new commercial landscapes will be cut by about 35%, Department of Water Resources officials said. The new rules take effect Dec. 1.

When Gov. Jerry Brown stood in a snow-less meadow April 1 and ordered a historic 25% cut in urban water use, he also declared war on California's beloved lawns.

"The idea of your nice little green grass getting lots of water every day — that's going to be a thing of the past," Brown said.

What followed was a frenzy of turf removal — largely because of a variety of government rebates — as well as a statewide information campaign that urged residents to let their lawns fade to "gold."

The campaign was far more effective than anyone predicted. Earlier this month, the state's largest lawn removal rebate program was closed after residents and businesses claimed all of the \$340 million earmarked for turf replacement.

"We didn't predict just how popular turf rebates would become," said Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California.

But the battle isn't over. Brown says the war on lawns will have to continue into the future. With the state projected to grow from 39 million people today to 50 million in the coming decades, residents must make permanent changes, Brown said.

"If California is going to have 50 million people, they're not going to live the same way the native people lived, much less the way people do today," Brown said last month. "You have to find a more elegant way of relating to material things. You have to use them with greater sensitivity and sophistication."

Over the next three years, California is expected to add 472,000 single- and multi-family housing units with a combined 20,000 acres of new landscaping.

The changes approved Wednesday in the Model Water Efficient Landscape Ordinance apply to new construction with landscape areas larger than 500 square feet.

Those who perform major renovations on existing landscapes larger than 2,500 square feet will have to comply with the new regulations if the project requires a permit, plan check or design review.

Exemptions are included in the ordinance for recreational areas and landscapes irrigated with recycled water.

Families can still install a small amount of lawn at their homes where children or pets can play.

And nonresidential landscapes will be allowed to have a small slice of turf if the rest of the area is covered in plants that use very little water.

After publishing a draft of the ordinance in June, officials received about 170 comments from industry groups, landscape architects and other members of the public. They issued a second draft of the document last week.

At Wednesday's meeting, only five speakers offered comments.

Larry Rohlfes, an official at the California Landscape Contractors Assn., had questioned parts of the original revisions in a letter. He was among the chorus of commenters Wednesday who praised changes that were made to address stakeholders' concerns. Rohlfes said he would recommend that his group support the ordinance.

But Tracy Quinn, a policy analyst for the Natural Resources Defense Council, said the regulations were "simply not ready." At the meeting, she listed 10 problems with a recently added appendix and urged the commission to defer its vote until further revisions were made.

With Quinn's comments in mind, the commission gave staff time to make small tweaks to the ordinance. The board passed it hours later.

State law requires all land-use agencies to adopt a water-efficient landscape ordinance that is at least as stringent as the one approved Wednesday. The model ordinance takes effect by default in those cities and counties that fail to adopt their own.

Local agencies will be required to report on implementation and enforcement of the ordinance by Dec. 31 and must issue subsequent reports annually after that.

The California Water Commission consists of nine members appointed by the governor and confirmed by the state Senate.

Times staff writer Monte Morin contributed to this report.



Drop by drop, desert residents living with less water

Jay Calderon, The Desert Sun, July 17, 2015

Residents share their stories about water conservation and the difference made in their lives and water bills.

La Quinta resident Randy Foulds holds an old water bill that labeled his water use “excessive,” next to a newer bill that labels it “efficient,” on July 16, 2015. (Photo: Jay Calderon/The Desert Sun) [Buy Photo](#)

Vince Calcagno is just following the rules.

These days the Palm Springs resident only waters his lawn twice a day, three times a week — down from four times every day last year. He’s stopped hosing down his deck, opting for thorough sweeping instead. His outdoor fountain broke a while back, and he didn’t repair it when the Desert Water Agency banned most fountains.

Those changes made a big difference on Calcagno’s water bill. Last June, he used 62 hundred cubic feet of water, or roughly 46,000 gallons. This June, he was down to 32 hundred cubic feet — about half of what he used before.

Calcagno knows that farmers and golf courses could save far more water than he ever will. But as California suffers from a fourth year of epic drought, that hasn’t diminished his motivation to conserve.

“There’s too much of a blame game going around,” he said. “It’s everyone’s problem. Everyone has to cut back.”

With Gov. Jerry Brown’s mandatory water cutbacks now in effect, Coachella Valley residents with large yards and big homes are finding simple and creative ways to save water — and many say it’s not as hard as they expected. They’re watering their lawns less, fixing leaks and reusing shower water, developing the kinds of habits that experts say will help Californians learn to live with less water over the long term.

Tasked with reducing their water use 36 percent compared to 2013, Palm Springs and Cathedral City residents served by the Desert Water Agency cut back a whopping 40 percent in June.

Others didn’t do as well. Coachella Valley Water District customers managed just 21 percent in June, far short of their 36 percent target. Of the valley’s four other water providers, only the City of Coachella hit its goal.

When he heard about the mandatory cutbacks, Calcagno said, his first reaction was fear: How were he and his partner, Joe, going to deal with that? They had already replaced several sprinkler heads with a drip system in 2014.

Then he realized how much more he could cut. And he isn’t done: He plans to tear out most of his front and back lawns and install desert landscaping, probably in the spring.

“There’s a little bit of sadness about how beautiful Palm Springs is with all the huge lawns and everything, so lush,” he said. “But on the other hand, it is the desert. This is where we live. And we’re in a crisis. It seems like a small price to pay for it to be a little less pretty.”

Calcagno will also keep his fountain off, even though the Desert Water Agency changed course last month and decided that recirculating fountains are acceptable. Palm Springs immediately responded to the rule change by restarting its three fountains, including one at the airport.

“It seems a little irresponsible,” Calcagno said. “But I love driving by the airport and seeing the beautiful

From excessive to efficient

Last June, Randy Foulds’ water bill informed him his water use was “excessive.”

The La Quinta resident, who lives with his girlfriend Lisa and rescue dog Cooper, had used 72 hundred cubic feet of water, or about 54,000 gallons. That was far higher than his water budget of 47 hundred cubic feet, as determined by the Coachella Valley Water District.

Foulds couldn’t believe it.

“Seeing on the bill that it said ‘excessive’ — I was like, dang, I’m doing something wrong,” he said.

So Foulds got to work looking for ways to conserve, and he quickly realized his pool and spa had serious leaks. He spent \$16,000 to repair the leaks, and another \$50 to replace large sprinkler heads with drip irrigation. He also reduced outdoor watering times from five to six minutes per section to two minutes per section.

By this June, Foulds’ water use was down to 23 hundred cubic feet — a drop of nearly 70 percent since last year. His bill fell from \$99 to \$31, and the Coachella Valley Water District now describes him as “efficient.”

Like Calcagno, Foulds isn’t done: He’ll probably tear out grass this fall. Already, some of his annual plants have died.

“There are some dead spots, brown spots. We’re going to have to live with that,” he said.

Foulds likes the mandatory water cutbacks. He’s seen less water running into the street recently, which he thinks is a sign the restrictions are working.

At the same time, Foulds said he’s been frustrated to see how much water is still wasted in the Coachella Valley. He called the turf farm next to the Indian Wells Tennis Garden, which grows grass for sale, an example of that waste.

“When I see my sprinklers come on, I’m thinking, ‘Is my little bit making a difference, compared to what’s going on over there?’” Foulds said. “I’m still going to do it, but it’s frustrating.”

A desert garden

The garden in Lani Miller and George Gust’s backyard is already as water-efficient as they come. It’s filled with cacti, succulents and other drought-tolerant plants, many of them watered by a drip irrigation system.

But some of their potted plants aren’t on the drip system, and the married couple is loath to waste water.

So while Miller and Gust wait for the shower to warm up, they collect excess water in a bucket. After they run a bath, they use a small sump pump to collect the bathwater rather than draining it. Most of that water ends up in their garden.

“Very little water goes down the drain,” Gust said.

That’s not all Miller and Gust, who live in Palm Springs, have done to cut back. They usually use a bucket of already-used water to flush the toilet, and they wash dishes like they’re in a campground. They’ll often turn off the shower faucet when they’re soaping up.

They take pretty short showers, too.

“Five minutes is a long time. You can take it down again,” Miller said.

Miller and Gust’s water use last month was about 70 percent lower than it was in June 2014. They saved money, too, but Miller called the cost difference “totally miniscule.” She isn’t saving water for the small financial savings.

“What motivates me is wanting to do the right thing for my neighborhood, my community and my state, and the world,” Miller said. “It’s all intertwined with global warming, too. You can’t separate it.”

Gust sees the drought as an opportunity for Californians to adjust to life with less water, before water becomes so scarce that they truly don’t have a choice. While the current drought is one of the worst in the state’s history, human-caused climate change is expected to bring longer, more severe and more frequent droughts.

“Conservation is easy. It’s called the low-hanging fruit,” Gust said. “When you run out of water, it’s harder.”

Sammy Roth writes about energy and water for The Desert Sun. He can be reached at sammy.roth@desertsun.com, (760) 778-4622 and [@Sammy_Roth](https://www.instagram.com/Sammy_Roth).



New landscaping ordinance limits new grass, pools

Rosalie Murphy, The Desert Sun, July 17, 2015

The California Water Commission adopted regulations Wednesday that further limit the amount of grass builders can plant at new homes and buildings.

New revisions to the Model Water Efficient Landscape Ordinance limit "high water use" landscape elements, including pools and most grass, to about 25 percent of homeowners' landscape area.

The revised ordinance effectively bans grass from landscapes at newly built or remodeled commercial and

The new rules take effect on Dec. 1. At that time, all new development projects with landscapes larger than 500 square feet will be subject to regulation when they apply for building or landscape permits. Remodeled landscape projects larger than 2,500 square feet will also have to comply.

"Overall, it's going to result in a significant water savings in California," said Vicki Lake, program manager for the Department of Water Resources' Urban Water Use Efficiency Unit. "It's the direction we have to take, because we are a state dominated by extremes, in terms of droughts and floods."

Lake said the updated rules will cut water use in new homes by 12,000 gallons per year on average, or about 20 percent.

The state first instituted the Model Water Efficient Landscape Ordinance in 2009. At that time, the ordinance limited landscaping based on "water budgets," which estimated how much water a landscape as a whole needed. That ordinance effectively limited the amount of the landscape that could be turfed to 33 percent.

After Gov. Jerry Brown announced mandatory water cutbacks on April 1, the commission set out to tighten those restrictions.

The new rules, which apply to newly built or remodeled landscape areas of 500 square feet or larger, limit turf to about 25 percent of a residential landscape. They effectively eliminate turf in median strips, parkways and commercial and industrial landscapes. And pools now count as "high-water-use" elements of landscapes.

"This is something we've been at the forefront of for quite a while, being well aware of the challenges California has in providing a sustainable water supply," said Dave Cogdill, CEO of the California Building Industry Association, which supported the measure.

"We believe this is a regulation that certainly will work, will allow us to become much more water efficient and do it in a way that (...) still can provide a landscape that people will enjoy (and) want to have for their home," Cogdill added.

All the ground on a lot that is not covered by a driveway or structure is considered the lot's "landscape area." The surface area of water features and pools count as "landscape," but decks and patios do not.

If a developer builds on multiple lots at the same time, Lake said that's considered one project, which will get one cohesive water budget — each lot doesn't have to meet the requirements individually, but the project as a whole does.

Average California lots have landscape areas of 2,500 to 3,000 square feet, according Peter Brostrom, manager of the Department of Water Resources' Water Use Efficiency Section.

Parks, areas irrigated with recycled water, and recreational areas — including "golf courses tees, fairways, roughs, surrounds and greens" — get extra turf allowances under the new rules.

"This is a very, very positive step forward," said Mary Brent Wehrli, president of the Desert Horticultural Society. "Being proactive is so much easier, ultimately, and more intelligent, than trying to go back to people who've had their lawns in Palm Springs for decades" and ask them to replace turf.

The ordinance also requires high-efficiency sprinklers and construction techniques that help the soil capture stormwater.

Landscapes between 500 and 2,500 square feet only have to comply with a "prescriptive checklist," rather than submitting soil tests, irrigation audits and grading plans. The checklist specifies items that must be installed or completed during the project, but will significantly reduce compliance costs, according to the state.

Local agencies must report to the Department of Water Resources on the implementation of the ordinance by Dec. 31. Local and regional ordinances are allowed in place of the state rules, but must be "at least as effective" as the state's, according to the document.

Date: Jul 17, 2015; Section: Front Page; Page: A6

State's parched farms get help from House

Opposition from the White House and congressional Democrats raises doubts about the water relief measure.

STAFF AND WIRE REPORTS

The House on Thursday passed GOP-led legislation designed to bring more water to California's farm belt amid the state's severe and lengthy drought.

Similar legislation has failed in the past two congressional sessions, and the White House and Democrats remain opposed. The Obama administration has threatened to veto the bill.

The four-year California drought has forced communities to cut water use. Some rural areas have been particularly hurt as the state's water distribution systems curtailed the amount of water for agriculture. The Western Water and American Food Security Act is designed to take more water out of the Sacramento-San Joaquin River Delta before it flows into the ocean. It also seeks to speed up studies for new or expanded dams.

The House passed the bill 245-176. Foes said that diverting more water to farms will take water from other California communities and harm the state's salmon fishing industry. Only five Democrats voted for the bill.

Inland House Republicans, who were among the bill's sponsors, praised its passage.

"Californians expect and deserve a reliable and affordable water supply, even during periods of drought," said Rep. Ken Calvert, R-Corona. "While we can't control the drought, the water shortages our state is facing are due to inaction and failed policies."

Rep. Paul Cook, R-Yucca Valley, said: "It's inexcusable that the Bureau of Reclamation continues to drag its feet on new water storage projects to help capture rain and snowmelt and relieve the drought. After years of inaction, it's past time to complete these vital projects to increase our water storage capacity. In drought-stricken California, humans are the endangered species."

Cook, Calvert and Duncan Hunter, R-Alpine, voted for the bill. Mark Takano, D-Riverside; Raul Ruiz, D-Palm Desert; Pete Aguilar, D-Redlands; and Norma Torres, D-Pomona, all voted no.

It is expected that Sen. Dianne Feinstein, D-Calif., will craft a compromise as the bill moves to the Senate. She said in a statement that the House version "included some useful short-term provisions as well as some provisions that would violate environmental law."

"While I cannot support the bill as passed, I remain hopeful we can come to an agreement that can advance through both chambers," said Feinstein, who added that provisions to boost water pumping without violating the Endangered Species Act were part of a Senate water bill passed last year.

Republicans have blamed some of the cutbacks on environmental regulations designed to protect salmon populations and the threatened Delta smelt. At times over the years, state and federal officials have reduced the amount of water pumped from the delta to prevent smelt from getting sucked into the pumps.

The bill authored by Rep. David Valadao, R-Hanford, would require that federal regulators maintain certain pumping levels unless the secretary of the Interior Department certifies that level would harm the longterm survival of the Delta smelt and no other alternatives to protect the smelt are available.

Staff writers Jeff Horseman and Janet Zimmerman contributed to this report.

Date: Jul 17, 2015; Section: Local Extra - Southwest; Page: B4

Banning's aging water system on mayor's mind

The City Council made a number of moves this week aimed at addressing improvements.

BY RICHARD MONTENEGRO BROWN

STAFF WRITER

Mayor Debbie Franklin likens Banning's water and sewer systems – and to some extent the power system – to the human body.

"Like my doctor always said, 'When your body gets older, things start wearing out,'" Franklin explained Wednesday. Her comments came the morning after a packed council meeting in which water and power concerns touched a number of the items discussed by the council.

From the restructuring of about \$85 million of water and power bonds used for past improvements and new projects, to moving forward on the completion of a water/sewer rate study, the Banning City Council on Tuesday was working on multiple fronts that Franklin said ultimately leads to maintaining and enhancing an aging system.

"We are replacing pieces bit by bit," she said. "We are over 100 years old."

None of the decisions or discussions directly dealt with work on the physical infrastructure of the city's water and sewer systems; rather, the bond refinancing was meant to save money with an eye toward assessing where to use those savings down the road, Franklin said. It was the same with the rate study, she added.

In analyzing the current rate structures, Franklin said the city is trying to determine how to best approach funding system improvements to the water and wastewater treatment plants, distribution and storage systems. There is also the issue of the city wanting to move forward on treatment capabilities for reclaimed water for nonpotable uses like irrigation.

In 2005, the Banning Utility Authority – the city's agency created to provide water and sewer services to its residents – took out a series of bonds totaling nearly \$40 million to refinance existing bonds from 1986 and 1989. The money was also used to fund a 4 million-gallon storage tank, several new wells, new transmission lines on the water end, and funding for a 1.5-million-gallon reclaimed water plant on the sewer end, according to the interim city manager's Tuesday report to the council. Franklin said more funding is still being sought to build the reclaimed water plant.

"We want to get the water bonds refinanced by the end of next month to take advantage of rates," Franklin said, adding the council approved the action.

"With interest rates near historic lows," interim City Manager Dean Martin wrote in his report, "the bonds can now be refunded with an estimated ... savings of approximately \$3.2 million."

Although the refinancing of the bonds has no effect on the city's budget, the council did authorize the expenditure of nearly \$10,000 to finish off the rate study that started back in October 2013. The council at the time spent just under \$59,000 to initiate the study of the city's water, sewer and reclaimed water rates by Willdan Financial Services of Temecula, according to a city report. This week's expenditure brings the total cost to \$68,938.

The city last updated its water utility rates in 2010, with a gradual rise in rates over a four-year period, Franklin said. She added that no additional rate hikes are planned for at least another four years.

Franklin said one of the issues in funding upgrades to the systems is, "very little" of the rate increases from 2010 were targeted for capital improvements. Another issue, she said, is with state-mandated water reductions – meaning less potable water being used – budgeted operational costs could take a hit, which is a concern shared by cities all over the state.

"That is also one of the reasons to move forward with the water and wastewater rate study," she said, "to determine those kinds of needs."

Part of Willdan's study, according to the executive summary of its strategy submitted to the city, will be not only "to provide a clear picture of the utilities' current financial condition" and in "developing the proposed new rates," but to recommend timing of capital projects and alternative financing options. A component also will focus on implementing rates for reclaimed water within the service area and how to off set operational cost effects to the city's existing water and wastewater treatment plants.

Interim Banning Public Works Director Art Vela could not be reached for comment.

As the city begins to figure out how to best manage its water and sewer systems in this world of increased conservation measures and tightened state and federal water regulations, Franklin said it was important this week that the city reaffirmed its commitment and membership to the relatively new San Gorgonio Pass Water Alliance. On Tuesday the council approved re-upping the annual \$500 annual membership fee.

The alliance, a water policy panel created by the Riverside County Board of Supervisors and its membership appointed by Passarea Supervisor Marion Ashley in May 2013, has so far been education oriented, Franklin said. The alliance is made up of 13 Pass water providers and local governments.

The hope, Franklin explained, is that moving forward the alliance has "more impact on the region for water beyond just education."

WATER-RELATED MOVES

Refinancing water enterprise revenue bonds

Refinanced amount: Nearly \$40 million

Cost: No cost

Savings: Up to \$3.2 million

Uses: Construction of reservoir, transmission lines, irrigation water system, 1.5-million-gallon reclaimed water plant, refinancing earlier water bonds

Approving water and sewer rate study

Intent: Analyze utilities' financial condition, propose new rates, recommend capital projects timelines, funding options

Cost: Approved spending \$9,975 Tuesday (previously budgeted \$59,000 to start study)

Renewed membership in Pass water alliance

Intent: To reaffirm participation and membership in San Gorgonio Pass Regional Water Alliance to better coordinate on water issues among 13 water agencies and local governments

Cost: \$500 for the year

Los Angeles Times

The 'May Miracle'

July 17, 2015

By Rong-Gong Lin II and Rosanna Xia

For drought watchers, it has become known as the May miracle.

At a time when water levels in Lake Mead were getting so low that officials prepared for drastic cutbacks, it started raining. A series of powerful storms pummeled the mountains that feed the Colorado River, a key source of water for California, Arizona and Nevada.

Water from the rain and snow flowed down the river and into reservoirs that are essential to modern life in the American West.

Lake Mead, where the water level this spring had fallen to lows not seen since Hoover Dam was built in the 1930s, began filling up again — enough to avoid the first cutbacks ever imposed in water deliveries, which the public had been warned could happen next year.

Many of the world's water basins are being depleted, studies find

"It's taken us out of that potential red zone for this year. There is a 0% chance of a shortage" for next year, said Jeffrey Kightlinger, the Metropolitan Water District of Southern California's general manager. "That really good May offers us some breathing room."

Bill Hasencamp, the MWD's Colorado River program manager, was more blunt: "We dodged that bullet."

Had it not been for those storms, Southern California could have faced 30% to 40% reductions in imported water, Kightlinger said.

That's because Nevada and Arizona wouldn't have been as willing to lend California their unused river water if a shortage affects them.

Southern California is already draining its largest reservoir, Diamond Valley Lake, to keep faucets flowing in Los Angeles. Without more loans of river water, Diamond Valley Lake could have been drained down to its emergency reserve by the end of the year.

"That would've been scary," Kightlinger said.

The May miracle was so stunning that some officials could not believe how much water was flowing into Lake Powell, the reservoir upstream from Lake Mead.

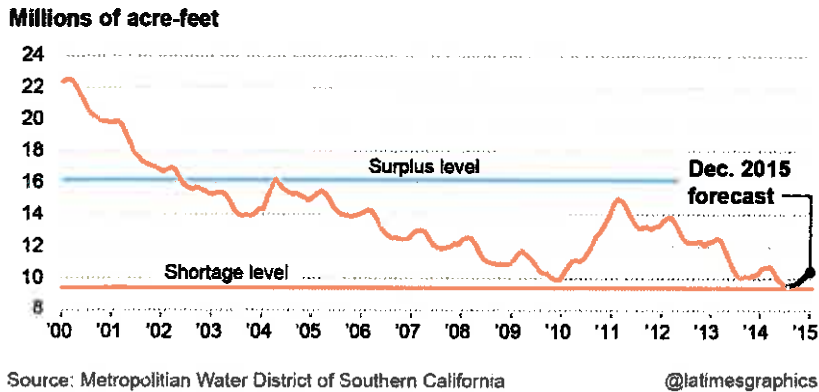
"We were on a roller coaster, emotionally," said Chuck Cullom of the Central Arizona Project, which manages a 336-mile aqueduct that delivers river water to most of Arizona's population. "It was exciting. And there was a lot of sense of relief."

The storms came as the jet stream — a powerful flow of winds that moves from west to east — bypassed much of California and slid into the Great Basin over Nevada and Utah. It then transformed

into spinning vortexes of energy, known as a cutoff low, Colorado state climatologist Nolan Doesken said.

Beginning in late April, the vortexes were supercharged by subtropical moisture off Mexico's coasts, Doesken said.

Lake Mead water storage levels



The result? Six powerful storms moving slowly across the southern and central Rocky Mountains and dumping rain that was unprecedented in the modern historical record.

"By the end of May, it was like, 'Whoa! What did just happen?' " Doesken said.

The effect can be seen across Colorado. It is now one of the best rafting seasons in years on the upper Colorado River, Ryan Santilli of AVA Rafting said. In early June, the company had to bar young children from rafting as a safety precaution as late spring snows melted.

"We did see a ton more snow ... which really helped put the season over the edge," Santilli said. "We're on a roll."

The storms were also responsible for deadly flooding in Texas and Oklahoma.

Global warming is playing a role in why storms are getting wetter while droughts are getting more severe, said Jake Crouch, climate scientist for the National Oceanic and Atmospheric Administration office in Asheville, N.C.

As temperatures rise, the amount of moisture in the air also rises, Crouch said. So whenever it rains or snows, more moisture is being squeezed out of the atmosphere at that particular location — meaning "there's less available somewhere else," Crouch said.

But the storms don't resolve the long-term problems that California, Nevada and Arizona face in their water supply from the Colorado River.

For decades, Lake Mead's water reserves, even in previous droughts, had remained generally stable because of low demand.

It wasn't until 2000 that demand for river water soared just as a 15-year drought along the Colorado River basin began, Hasencamp said. Since then, we have been taking water out of the bank.

"Unfortunately, that's the reality of the Colorado River: There is a long-term imbalance that we can't continue to operate in the future as we have in the past," Hasencamp said.

The Colorado River was divvied up based on the amount of water that flowed through it in the early 20th century, years that scientists now realize were wetter than average. Global warming will probably worsen the situation, Hasencamp said.

"Years like this — the Miracle May — helped us borrow time," he said. "But eventually, there's not going to be enough water to meet all demands."

It's not only California, Arizona and Nevada that are worried about shrinking water levels in the nation's two largest reservoirs.

A shortage at Lake Mead could force further draining of Lake Powell, which could eventually affect the water supply in Colorado, Utah, Wyoming and New Mexico, which must share river water with states further downstream, said James Eklund, who works to protect Colorado's interests on the Colorado River.

A shortage could create a catastrophic domino effect. If Lake Powell is drained too much, water won't be able to get into the pipes that power turbines that generate electricity at Glen Canyon Dam. That could raise electricity prices, Eklund said.

"It's kind of the — hang together, or we all hang separately — deal," Eklund said.

In the meantime, water agencies in Nevada and Arizona are closing in on talks to loan more river water to Southern California in exchange for promises to return it in later years, when they might need more insurance against drought.

"Once you go into shortage, I think the politics starts to take over," Kightlinger said. "When you're not in shortage, then I think us water managers can continue to work with each other."

Metropolitan Water District buying farmland near Blythe

Ian James and Sammy Roth, The Desert Sun, July 19, 2015

The state's largest water supplier plans to buy 12,000 acres of farmland near Blythe in an effort to secure Colorado River water for Southern California cities.

The Metropolitan Water District of Southern California is buying the land to ensure it remains agricultural, spokesman Bob Muir said. The farmers who lease the property are enrolled in a program that leaves some farmland fallow in order to transfer Colorado River water to Metropolitan, which sends it to Los Angeles, San Diego and other cities.

The land belongs to the Renewable Resources Group, which owns farming companies like Coachella table grape grower Sun World International and Thermal's Oasis Date Gardens. But the Los Angeles-based company also builds clean energy projects. It is developing the 485-megawatt Blythe Mesa solar project, which was approved by the Riverside County Board of Supervisors in May.

"There could be other uses besides agriculture. Or (the land) could be sold to another entity that might have other plans," Muir said.

With the purchase, Muir said, "farming operations will continue on the land."

Metropolitan's board of directors authorized the purchase last Tuesday. Muir declined to disclose the price until the purchase was finalized. Renewable Resources Group spokesman Tom Eisenhauer declined to comment.

The company that farms the land, Desert Sun Farming, is enrolled in a fallowing program run by Metropolitan and the Palo Verde Irrigation District, which provides Colorado River water for agriculture in the Blythe area. Farmers who sign up are paid by Metropolitan to take up to a third of their land out of production, on a rotating basis.

Any water conserved through the fallowing program is then allocated to Metropolitan, giving it more Colorado River water than it would otherwise receive.

Metropolitan is entitled to 550,000 acre-feet of river water per year, and it brings in additional water through other agreements. Fallowing farmland in the Blythe area allows the water district to take an additional 112,000 acre-feet per year — enough for more than 200,000 households.

Blythe officials have cited the fallowing program as a reason the city shouldn't have to meet a state-mandated 32 percent water cutback. The city has applied to be in a special category that requires just a 4 percent cutback.

"I want to be exempt, because right now we have here 15,000 acres of idle ground," City Council member Joseph DeConick said recently. "Why are we under water restrictions when we're exporting?"



Valley residents change habits during California drought

Sherry Barkas, The Desert Sun 7:36 p.m. PDT July 20, 2015

In the midst of one of its worst droughts in decades, Californians are being told to cut back on water use or pay a price.

Many Coachella Valley residents say they are doing their best to comply.

Standing outside his Cathedral City home Sunday afternoon, Jose Barba said he is happy to conserve water, but would like more help understanding the restrictions.

"If they want to do a meter, fine," he said.

Thousand Palms resident Melissa Torres said she is more mindful not to do laundry or turn on the dishwasher until after 5 p.m.

"I'm also trying to spend less time in the shower," she said.

On Tuesday, the California Water Resources Control Board issued new conservation mandates, including a \$500 fine for anyone caught wasting water.

Starting Aug. 1, banned outdoor water uses include washing down sidewalks and driveways, washing a car without a shut-off nozzle on the end of the hose and running fountains or water features that don't use recirculated water. The state also put a stop to watering outdoor landscapes that lead to runoff to other properties.

"I've cut back. I water only one time a day now. I used to do it two times a day," Hank Quintana said while mowing a neighbor's lawn on Mesquite Avenue early Sunday afternoon as the sun beat down and the temperature hovered around 100.

"And I don't wash my cars anymore."

His garden timer is set to water at 5 a.m. for three minutes, he said, adding it used to be for five minutes.

Quintana, a 48-year resident of Palm Springs and a professional landscaper, has been helping his customers as well, adjusting their timers to cut back on water use and leaving the grass a little longer.

"Instead of cutting it real short, I leave it a little taller because the water stays in the grass better. If you cut it close to the dirt, the sun is going to dry it out faster," he said.

The humidity also helps keep the grass moist longer, Quintana said.

Gov. Jerry Brown in January called for a 20 percent drop in water use statewide. But a state report shows water use went up 1 percent in May compared to the average in the same month the previous three years.

A Desert Sun analysis of data from five public water agencies found that their combined pumping of groundwater increased 1.1 percent during the first five months of 2014 as compared to the same period during the previous three years.

In Idyllwild, where fire threat rises as the water level drops, Mary Lehman said restaurants that used to automatically serve big glasses of water, now bring small glasses and only when customers ask.

Last year's Mountain Fire, which burned 27,531 acres over 16 days, threatening the town of Idyllwild, remains fresh on everyone's mind up there, Lehman said.

At home, she said, water usage is monitored.

"We don't let it run while doing the dishes and we changed all the toilets to low flow. We're always pretty aware of water issues in Idyllwild," she said.

"When there's no water in the creek, the fire hazard is up ... Currently, there is no water in the creek."

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California proposes historic \$1.5M fine for taking water

By FENIT NIRAPPIL, Associated Press

Jul. 20, 2015

SACRAMENTO, Calif. (AP) — California regulators on Monday proposed a first-of-its-kind, \$1.5 million fine for a group of Central Valley farmers accused of illegally taking water during the drought.

It would be the first such fine against an individual or district with claims to water that are more than a century-old, known as senior water rights holders. Entities with those rights have long enjoyed immunity from cutbacks.

The fine reflects the rising severity of California's four-year drought that has prompted the state to demand cutbacks from even those who have been historically sheltered from mandatory conservation.

The State Water Resources Control Board said state data showed the Byron-Bethany Irrigation District in the eastern San Francisco Bay Area diverted water from a pumping plant even after it was warned in June that there wasn't enough legally available.

The district serves 160 farming families in three counties in the agriculture-rich Central Valley and a residential community of 12,000 people.

It has sued the state over the board's June warning to immediately stop taking water because the watershed was running too dry to meet demand. The district estimates its farmers will see a \$65 million loss in crops that include cherries, walnuts and grapes.

District general manager Rick Gilmore said he did not know a penalty was coming and wasn't aware of the details. The water that the state believes was taken might have been supplemental supplies purchased by the district, he said.

Andrew Tauriainen, a prosecutor for the water board, said there was no indication the district had been taking such supplemental water from other sources before the alleged diversions began.

The board has sent out more than 9,000 notices across the parched Central Valley warning of short water supplies. Unexpected rainfall in Southern California over the weekend hasn't affected enforcement.

State inspectors have conducted about 1,200 investigations in the past year but only took action on two. Officials say Byron-Bethany was targeted because it was publicly defying the board and diverting water.

State officials anticipate cracking down on more districts and individuals this summer.

"Our resources are somewhat limited here, and we are taking our cases as we can get them and as we can develop them," Tauriainen said.

Byron-Bethany has 20 days to request a hearing before the water board to contest the fine, although it's unclear how long it could take to resolve the case. The maximum penalty the five-member board could assess is \$5 million, depending on how the water was used.

The water board issued a cease-and-desist order last week against the West Side Irrigation District to immediately stop taking water. That district also had filed a lawsuit challenging the board's cuts, but the state says it's not retaliating against the agency.

Courts have not settled the question of whether the board has authority to demand cuts from farmers, cities and individuals with California's oldest claims to water.

Until policy changes take effect next year, senior rights holders must only report water use every three years and aren't required to meter consumption.

They have strong incentives to fight any state-ordered curtailments because they will likely see similar cuts in future dry years if they yield in this drought, said Jeffrey Michael, an economist at the University of the Pacific in Stockton.

Meanwhile, some users keep drawing water despite warnings by the state board.

The San Francisco Public Utilities Commission intends to continue diverting water for city-operated Camp Mather near Yosemite National Park unless it receives a cease-and-desist order, spokesman Tyrone Jue said.

Board officials said they could not confirm if San Francisco was under investigation over the matter.

This story has been corrected to show that Byron-Bethany Irrigation District is in the eastern San Francisco Bay Area, not Tracy.

Associated Press writer Ellen Knickmeyer in San Francisco contributed to this report.

Date: Jul 21, 2015; Section: Local Extra - Southwest; Page: B2

Elsinore water district bills could rise 27%

That would be the average, officials say, if a drought-driven plan is OK'd.

BY MICHAEL J. WILLIAMS

STAFF WRITER

Facing a state mandate to throttle water use amid a prolonged drought, the utility serving Lake Elsinore and surrounding communities is proposing rate spikes for supplying water over the next two years.

Elsinore Valley Municipal Water District directors are scheduled to hold a public hearing over the proposal Thursday. The meeting will start at 4 p.m. in the district board room, 31315 Chaney St.

Gov. Jerry Brown's order requiring California's water providers to reduce consumption 25 percent by February is the driving factor in proposing revisions to the district's rate structure so it penalizes those who overuse, said Greg Morrison, the agency's legislative affairs director. Elsinore Valley provides water and sewer service to more than 133,000 customers from northern Murrieta to Horsethief Canyon in the Temescal Valley area.

"The bottom line is outdoor irrigation habits need to change and more accurately represent the semiarid climate that we live in here," Morrison said.

Under normal circumstances, Morrison said, the district would be looking at a 4 1/2 percent increase across the board within a two-year budget cycle concluding in June 2017. But with the district facing fines of \$10,000 per day if it fails to meet the February deadline, rates must be escalated and penalties stiffened.

Elsinore Valley instituted a tiered system several years ago that rewards low water users with cheaper water while making high water users pay more. While everybody will share in the burden under the newly proposed system, those consuming lots of water would pay more dearly.

The proposed system would slightly reduce baseline water-use rates, but the monthly charge based on water meter size would go up sharply. Moreover, customers would be assessed a monthly drought surcharge based on what stage of drought has been declared. A Stage 4 alert is now in effect, which would result in a monthly surcharge of \$2.09 per 100 cubic feet used.

Now, households with efficient irrigation use pay \$2.85 per 100 cubic feet and \$16.58 per month for a 3/4-inch meter. The revised rate structure would result in that customer paying \$2.75 per 100 cubic feet and \$21.08 per month for a 3/4-inch meter, from Aug. 1 through June 30, 2016. From July 1 through June 30, 2017, the standard water rate would go up 2 cents and the meter charge 19 cents.

However, the surcharge would drastically escalate bills and heavy water users could be penalized further, depending on how much they go over their budget. Budgets are calculated based on each individual using 55 gallons per day and the number of people in a household. The effect on the average customer would be a 27 percent increase in their monthly bill, according to Morrison's calculation.

The district has exceeded a previous legislative mandate to reduce water use 20 percent by the year 2020, so meeting the new demand necessitates harsher measures, Morrison said.

"In order to meet these state-mandated requirements, if somebody goes over their water budget ... they're going to pay huge penalties in their rates for doing that. That's basically to get them to reduce their outdoor usage dramatically," Morrison said.

Elsinore Valley and other districts that had significantly reduced water use had sought some relief from the new demands but were rebuffed, board President Phil Williams said.

"We really stepped up and were ahead of the game, and the governor comes in and says, 'I don't care what you did for me yesterday. What can you do for me today?'" Williams said. "In essence, they're asking our customers to cut back 50 percent, and I feel it's totally unfair."

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Los Angeles Times

A costly water warning to farm districts

July 21, 2015

By Matt Stevens and Monte Morin

Regulators proposed a record \$1.5-million fine Monday against a Northern California irrigation district after it allegedly diverted more than 670 million gallons of water illegally — a rare enforcement action that escalates the legal battle between Gov. Jerry Brown and the state's oldest water rights holders.

In issuing its draft complaint against the Byron-Bethany Irrigation District, the State Water Resources Control Board signaled a new willingness to confront the state's senior agricultural water suppliers, many of whom insist that their water rights from 1914 and before are beyond government reach.

At a news briefing Monday, officials said it was “highly likely” complaints against other districts would be issued in the coming weeks.

“We’re doing all the investigations we can and we’ll bring about all the enforcement actions we can,” said Andrew Tauriainen, a prosecutor with the board’s Division of Water Rights.

Under California’s arcane system of water allocation, priority goes to those entities whose rights are the oldest, and special deference is given to those now more than a century old.

“The law dates back to a Wild West society, where the philosophy was, take it, it’s yours,” said Michael Hanemann, a professor of agricultural and resource economics at UC Berkeley. “There was a desire to keep the state government out of water allocation for as long as possible.”

In the face of a severe drought emergency, however, state officials have become more aggressive in enforcing the priority system.

“This is a serious fine that will capture the attention of agricultural water users in the entire state of California,” said Mark Gold, associate vice chancellor of environment and sustainability at UCLA. “The response from the agricultural community is going to be almost as important as the enforcement action.”

In its complaint, the water board accused the Byron-based BBID of diverting water from a California Aqueduct intake channel for nearly two weeks last month, even after the water board issued a June 12 curtailment notice to senior water rights holders whose claims dated back to 1903.

“BBID has made unauthorized diversion of water from the intake channel to the Banks Pumping Plant (formerly Italian Slough) during the most extreme drought in decades, when there was insufficient water supply available for BBID’s claimed water right,” regulators wrote.

The irrigation district supplies water to about 160 growers, as well as 15,000 residents in the master-planned community of Mountain House. It serves an area of roughly 45 square miles in Alameda, Contra Costa and San Joaquin counties and has a “priority date” of May 1914 — making it among the most junior of the state’s senior water rights holders.

The district released a statement Monday that accused the water board of retaliating against it for joining a handful of other water suppliers in suing the board when it issued the curtailment order.

“The State Board is choosing to make an arbitrary example out of BBID at the expense of our customers and the communities their hard work supports,” said Russell Kagehiro, president of the irrigation district’s board. “BBID will vigorously defend its rights to water and due process.”

In a previous statement, irrigation district officials called the curtailment order “nothing short of catastrophic.” BBID officials said it would “strangle family farms, kill vital crops, compromise thousands of livestock, raise consumer prices, destroy thousands of jobs, and ultimately eliminate the ability to farm the land.”

The district stopped diverting water from the intake channel June 26, according to the water board’s complaint, but gained an “economic advantage over other legitimate water diverters” during the time it did take the water.

The irrigation district can request a hearing before the state water board. If the district does not request one within 20 days, the board would adopt the order, officials said.

The board can fine water rights holders up to \$1,000 a day and \$2,500 per acre-foot of diverted water for violating curtailment orders. Tauriainen said the maximum penalty for Byron-Bethany’s alleged transgressions could have totaled about \$5 million, though the recommended fine is only \$1.5 million.

“I do expect the board to take a very, very close look” at the case, Tauriainen said. “I wouldn’t be surprised if the board came up with a much higher penalty than is proposed here.”

Last year, a California appeals court strengthened the board’s position when it upheld its authority to determine whether senior water rights holders are using their water in reasonable — and therefore legal — ways, said Barton H. “Buzz” Thompson, a professor of water law at Stanford University.

Therefore, the water board “clearly has some” authority over senior water rights holders, Thompson said.

But the question is: How much?

“The state has a strong argument,” Thompson said. “But we are in new territory now.”

The Public Record

TUESDAY, JULY 21, 2015

VOLUME 38 - EDITION #5

PALM SPRINGS, CALIFORNIA

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SERVING ALL OF THE DESERT CITIES AND UNINCORPORATED AREAS OF RIVERSIDE COUNTY IN THE COACHELLA VALLEY

CVWD CUSTOMERS REDUCE WATER USE BY 21 PERCENT IN JUNE

Board of Equalization (BOE) Chairman Jerome L. Horton announces his support for a "Cannabis Tax Enforcement 'Eliot Ness' Plan," which is intended to educate, investigate, audit, arrest, and force cannabis sellers to pay their fair share of taxes. Horton is sponsoring new legislation authored by Assemblyman Mike Gipson, "The Cannabis Tax Amnesty Act," which is an important part of this plan to encourage cannabis operators to comply with current laws and regulations.

"Because of the illegal aspect of cannabis sales and their potential to fund illegal activities in our communities, it is important that we distinguish between the responsible and irresponsible growers, distributors, vendors and consumers, and enforce the law to its fullest extent for those who choose to violate existing law," said Chairman Horton. "The Cannabis Tax Amnesty Act is an opportunity for those not in compliance to bring themselves out of the shadows of the underground economy and in line with existing law."

"Amnesty programs have proven to be helpful in reducing crime, increasing compliance, and leveling the playing field for legitimate operators," said Assemblyman Gipson. "If passed, cannabis operators will have two options: comply with the law or risk imprisonment, as gangster Al Capone did for tax evasion."

The BOE has identified 935 active cannabis businesses in the City of Los Angeles of which approximately 258, or 28 percent, were found to be operating without a BOE seller's permit. The passage of Los Angeles Proposition D in 2013 imposed a limit of 135 dispensaries. These operators may have immunity from prosecution, according to the Los Angeles City Attorney.

Although Californians passed Proposition 215 in 1996, legalizing the cultivation and sale of marijuana for medicinal purposes, the possession and cultivation of marijuana for other unauthorized purposes remains illegal - subject to various penalties. For example, possession of less than 1 ounce of marijuana is an infraction punishable by a fine, while selling marijuana is a felony and may result in imprisonment.

"In *Sullivan v. United States*, the U.S. Supreme Court declared that income from illegal activities is subject to income tax," Horton said. "Whether sales of cannabis are legal or illegal, income, sales, and payroll taxes are due and payable under existing law."

Chairman Horton supports leveraging the collaboration of the BOE with the Franchise Tax Board, Employment Development Department, Department of Justice, and other government agencies to identify illegal medical cannabis businesses in Los Angeles. The Tax Recovery and Criminal Enforcement (TRaCE) Task Force, and other underground economy task forces, will collaborate with local law enforcement to track down the cannabis entities connected to organized crime.

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COACHELLA VALLEY WATER DISTRICT (CVWD) CUSTOMERS USED 21 PERCENT LESS WATER IN JUNE 2015 WHEN COMPARED TO THE SAME MONTH IN 2013.

Our customers have shown a strong commitment to water conservation," said Heather Engel, director of Communication & Conservation for the district. "We applaud these efforts and thank our customers for making meaningful changes toward saving water."

In conjunction with CVWD's turf rebate program, district customers replaced 2.9 million square feet of grass in the 2014-15 fiscal year and almost 6 million square feet since the program started.

To further assist customers in their conservation efforts, CVWD's board of directors recently approved a 2015-16 operating budget that includes \$3.2 million for conservation rebate programs.

The state is requiring CVWD to reduce overall residential water use by 36 percent or face penalties of up to \$10,000 per day.

CVWD has asked customers to limit outdoor water use to 36 percent below their monthly outdoor water budget. This new temporary drought budget rewards customers who have already taken steps to significantly reduce water, such as replacing grass with desert landscaping, because they will likely already be below this threshold.

Approximately half of the customers with more inefficient water use will need to change their habits to avoid paying drought penalties on their monthly bill.

Visit www.cvwd.org/CVsaving36 for conservation resources, rebate programs and more information about drought penalties.

The Coachella Valley Water District is a public agency governed by a five-member board of directors. The district provides domestic and irrigation water, agricultural drainage, wastewater treatment and reclamation services, regional stormwater protection, groundwater management and water conservation. It serves approximately 108,000 residential and business customers across 1,000 square miles, located primarily in Riverside County, but also in portions of Imperial and San Diego counties. For more information, please visit www.cvwd.org.

Scientists: Coachella Valley aquifer decline continues

Ian James, The Desert Sun, July 22, 2015

NASA researchers have studied the aquifer beneath the Coachella Valley and concluded that while flows of imported water have helped boost groundwater levels in places, much of the aquifer has continued to decline.

Scientists with NASA's Jet Propulsion Laboratory analyzed trends in the measurements of groundwater levels in wells between 1960 and 2013.

They found that inflows of water from the Colorado River have helped raise the water table in areas near groundwater replenishment ponds in Palm Springs and La Quinta, but that the aquifer's levels have been falling across the middle of the valley, in places from Thousand Palms to Indio, Palm Desert, Rancho Mirage, and Indian Wells – areas that are farther away from the ponds.

The study was published online last week by the journal *Water Resources Management*. The scientific findings fit with the results of The Desert Sun's analyses of groundwater data in 2013 and 2015, which showed significant long-term declines in water levels in much of the valley even as imported water has helped partially counteract that trend. The study points to a need for the Coachella Valley's people, businesses and water managers to better safeguard the aquifer to preserve water supplies for the future.

Hydrologists Brian F. Thomas and Jay Famiglietti used data for more than 300 wells to compare trends in different decades.

During the 1980s, for instance, the area received large allocations of surface water, and as a result groundwater levels rebounded around Palm Springs. In the 2000s, the valley received little water and the aquifer's levels predominantly declined.

For decades, water has been heavily pumped from wells across the desert to sustain growing cities, farms, more than 100 golf courses and lush resorts with acres of grass and artificial lakes.

Since the 1970s, the Coachella Valley's water agencies have been using water from the Colorado River Aqueduct to help recharge the aquifer near Palm Springs. The water has come in exchange for the local water districts' allotted amounts from the canals and pipelines of the State Water Project, which ends in Lake Perris and doesn't reach the valley.

During the past decade, water from the Colorado River has also been routed through the Coachella branch of the All-American Canal to a series of ponds in La Quinta, pushing up groundwater levels there.

Despite those efforts, average groundwater levels are approximately 19 meters, or 62 feet, lower than in 1960, the scientists said in the study. They noted that during periods when large amounts of surface water have flowed into the area, groundwater levels have risen. But during drier times, such as the 2000s or the current drought, "unsustainable groundwater practices in the region resulted in groundwater declines."

The changes in groundwater levels over time, they said, "fail to exhibit characteristics of a resilient management strategy."

“The scenario of continued unsustainable groundwater use in a region that relies heavily on groundwater resources to meet water demands has important implications for the region,” the researchers said, “especially given the uncertainty in future climate changes and the likelihood of increased droughts... and the uncertainty of future allocations from the Colorado River.”

In short, Thomas said, the findings point to a need for people to use and manage water differently in the Coachella Valley.

“They need to conserve water,” Thomas said in a telephone interview. He said he thinks the Coachella Valley also should manage the aquifer as the area’s primary water source and not rely so heavily on outside sources of surface water as it has in the past.

The Colorado River provides water for more than 35 million people across the West and irrigates vast stretches of farmland from the Rocky Mountains to Mexico. But its flows have been shrinking during a historic drought that’s now in its 16th year. Global warming is projected to put additional strains on the over-tapped river by shrinking the snows in the mountains and unleashing more severe droughts.

Flows of water to Southern California through the State Water Project have also dwindled during the drought.

Thomas said the trend in the 2000s, when groundwater levels were declining across the Coachella Valley, is similar to the situation now.

“And I think that’s really the future of the Coachella Valley,” he said. “When you look at the uncertainty of climate in the Southwestern U.S. and the uncertainty of surface water allocations coming out of the Colorado River basin, I think the reality of the situation for the Coachella Valley is what they saw in the 2000s. ... It was depletion throughout the valley.”

The study focused on “sustainable groundwater management” and didn’t deal with the question of how much water remains in the aquifer – something experts aren’t sure of because it hasn’t been studied in detail.

Water agencies have calculated the cumulative overdraft since the 1970s at more than 5.3 million acre-feet of water. That’s enough to fill more than 2.6 million Olympic swimming pools, with each acre-foot equivalent to 325,851 gallons.

As groundwater levels have declined, there have been costs. Pumping from deeper underground requires more electricity, and in some areas new wells have been drilled.

A study by the U.S. Geological Survey last year found that as groundwater pumping has led to declines in portions of the aquifer, the ground sank from between 9 inches to 2 feet from 1995 to 2010 in parts of Indian Wells, La Quinta and Palm Desert. That has caused damage in other parts of the Coachella Valley over the years, cracking the foundations of some homes and damaging swimming pools, roads and other infrastructure.

The USGS found that the Coachella Valley Water District’s efforts to recharge the aquifer are having a positive effect near the groundwater replenishment ponds in La Quinta.

“We have to give credit to the water agencies. They’re actually employing very smart strategies,” Thomas said. “It’s obviously having a positive impact on groundwater resources. It’s just that (the impacts) are not extensive when you look at the entire aquifer system as a whole.”

CVWD General Manager Jim Barrett said when contacted about the research that he had just learned of the study and couldn’t comment on the findings.

John Powell, Jr., president of the CVWD board, has said the agency is evaluating potential sites for new groundwater replenishment ponds in the middle of the valley in order to reduce pressures on the aquifer in that area.

The long-term declines in the aquifer fit with a larger trend of groundwater depletion in much of California, and in various parts of the world.

Famiglietti, a UC Irvine professor and senior water scientist at NASA's Jet Propulsion Laboratory, recently co-authored another study that found more than half of the world's largest aquifers are declining, and more than a third of them are being rapidly depleted.

Thomas, a postdoctoral researcher at the California Institute of Technology, said he thinks that for the Coachella Valley, improving the water picture starts with coming up with ways to use less.

"If it were up to me, people would not have lawns in Palm Springs," Thomas said. "Lawns, that's something that is not necessary in a desert environment. And that's just one of the things that's key to a conservation strategy."

In the acknowledgments in their study, the scientists credited The Desert Sun's coverage "for alerting us about the growing concern over groundwater overdraft in the valley."

Thomas spoke about his research last year to an audience at UC Riverside's Palm Desert campus.

"There's no easy answer," he said during the event. "Everybody has to give up a piece of their water use to get to sustainability."

DWP action could tighten L.A.'s taps

By Matt Stevens and Taylor Goldenstein, July 22, 2015

The Los Angeles Board of Water and Power Commissioners has cleared the way for the city to impose stricter limits on outdoor watering, if conservation efforts fall short. Above, DWP headquarters in downtown Los Angeles.

During four years of drought, Los Angeles residents have conserved water so diligently that even the most skeptical experts have been taken by surprise.

The savings have been significant enough to head off the draconian restrictions — water rationing, mandatory pool covers, big fines for wasters — that other cities have resorted to.

But Los Angeles Department of Water and Power officials got a scare when they analyzed the city's June water use data. L.A. barely met the mandatory 16% reduction required by the state, avoiding the penalties that now come with noncompliance.

So Tuesday, the Board of Water and Power Commissioners took out some insurance, voting to recommend that the City Council consider moving to Phase III from Phase II of its emergency water conservation plan if L.A. fails to meet state and local targets. The stricter rules would cut sprinkler use to two days a week from three, among other measures.

Water officials say they hope it won't come to that. But Tuesday's board action will allow the council to push for savings more quickly if conservation comes up short.

"Perhaps we congratulated ourselves a little too early," said Conner Everts, facilitator of Santa Monica-based Environmental Water Caucus, a coalition of environmental and recreation groups that promotes sustainable water management. "We've gotten credit for what we've done in the past, and now we have to adapt to what we have to do now."

Though the current drought began a few years ago, Los Angeles residents have been reducing water consumption for years — often at rates higher than their Northern California counterparts.

But since last fall, L.A.'s conservation efforts have been prodded by mandates from Mayor Eric Garcetti and Gov. Jerry Brown.

In an executive order last October, Garcetti called for a 20% reduction in per capita water use by 2017, using 2014 totals as a baseline. Last week, his office said the city was on track to meet that target.

Earlier this year, Brown ordered a 25% reduction in urban water use statewide. To meet that demand, some water districts with a history of heavy water usage were told to cut consumption 36%. Los Angeles was rewarded for past efforts and given a target of just 16%.

Although June was a close call, Marty Adams, a DWP senior assistant general manager, said the department is about 1 to 2 percentage points ahead of where it needs to be so far in July. But he cautioned that after a week of unusual rain, temperatures could rise again and water use could increase.

"We always thought the summertime would be the real test," he said in an interview. "I'm sure we can't run a few hundred acre-feet over every month and claim everything is fine.... We know we're right on the razor's edge."

The DWP board's action was a first step. Any changes to the city's watering regulations would require City Council approval.

So far, residents have been doing a good job conserving water amid a fourth year of drought, officials said. The soonest customers could see tighter restrictions would be sometime next month.

Under the city's current Phase II restrictions, Angelenos may run their sprinklers only three days a week. (Drip irrigation and hand-held hose watering are subject to lesser restrictions.) The rules also restrict water users from hosing down sidewalks or driveways, watering in a way that causes runoff or washing cars with a hose that does not have a shut-off valve.

If the city were to move into Phase III, outdoor landscape irrigation would be limited to two days per week. In that stage, officials also recommend using pool covers to decrease evaporation and using commercial car washes rather than hosing down vehicles at home. Those recommendations would not become mandatory until Phase IV.

Other cities across the Southland have already imposed two-day-a-week watering.

Long Beach, Glendale and Pasadena have all recently moved to that schedule. Officials in all three cities said the water conservation targets set by the state spurred the stricter rules.

"I don't think we'd be able to comply with the [state-mandated] 16% if we hadn't done it," said Kevin Wattier, general manager of Long Beach Water Department. "We saw a big increase in conservation when we went to the two-day."

Experts praised the DWP's preemptive move as prudent public policy that can help edge up conservation during the time of year when it will be toughest to save.

"The department is doing it right," said Jonathan Parfrey, a former DWP commissioner and executive director of Climate Resolve, a nonprofit that focuses on how L.A. can adapt to climate change.

A conservation plan, Parfrey added, is "supposed to be smart and incremental, and it's supposed to send a strong signal, and I think the right thing to do is to reduce our watering to two days a week."

H. David Nahai, former head of the DWP, said he has "every confidence" Angelenos will be able to make the transition, if necessary. After all, they were told to water only two days per week as recently as 2009 — during the last drought.

"This is a statement by the commissioners that the city of Los Angeles will not fail," Nahai said. "Nobody can point the finger at us and say we failed to meet conservation goals. This is about more than saving water, this is a matter of pride."

Date: Jul 25, 2015; Section: Local Extra - Southwest; Page: B1

Drought battle brings water hike

Elsinore Valley board OKs rate spike in effort to meet state's usage mandate.

MICHAEL WILLIAMS

STAFF WRITER

When typical water customers in Lake Elsinore and surrounding communities receive their September bill, they will be looking at a 27 percent

spike. Those who squander water will be charged even more.

The Elsinore Valley Municipal Water District board voted 5-0 Thursday night to adopt a budget for the next two years that requires customers to pay extra as a consequence of the drought and a related state mandate.

Gov. Jerry Brown has ordered water suppliers to reduce consumption by 25 percent over the next six months, a demand that comes on top of a state-required 20 percent reduction that Elsinore Valley users had already achieved in recent years.

"Unfortunately, the State Water Resources Control Board has mandated these water reductions without regard for our customers' past efforts and we must still comply with the restrictions," said district board President Phil Williams.

Elsinore Valley provides water and sewer service to more than 133,000 customers from northern Murrieta to Horsethief Canyon in the Temescal Valley area, and encompassing the cities of Lake Elsinore, Wildomar and Canyon Lake.

In response to the state mandates, the district's budget now includes a revised rate structure that, while slightly reducing baseline water-use rates, increases the monthly charge based on water meter size and assesses a drought surcharge.

Based on the Stage 4a restriction now in effect, a household would pay a monthly surcharge ranging from 71 cents per unit for low water users to \$1.98 per unit for extremely high water users, plus a penalty of \$2.09 per unit for those who exceed their allotments. A unit is 100 cubic feet of water, or about 748 gallons.

Those rates would escalate if the drought restriction proceeds higher to a maximum Stage 5 level.

Board director Andy Morris emphasized the surcharge's temporary nature.

"Are (we) going stop drought surcharges when the drought's over? Yes," he said.

Board members acted after hearing from about 20 residents mostly opposed to the increases.

"The way I understand this is we're going to be paying more for less," said Steve Sutton, who criticized the state mandate as another unwanted government intrusion.

Linda Ridenour argued the surcharge should not be applied to households who stay within the low use category labeled Tier 1 on Elsinore Valley bills.

"I agree if they're wasting water, then charge the heck out of them," she said, "but those of us who are conserving water should not have to pay more."

Several speakers called for a halt to residential development during the drought.

District officials said, however, the issue within Elsinore Valley's jurisdiction is not insufficient water, as efforts have been made to ensure an adequate supply over the next 25 years to meet the demands of projected growth.

The surcharge and penalty, which were proposed as part of an extensive rate study, are needed to force customers to conserve more so the district can meet the governor's mandate and avoid the penalties of up to \$10,000 per day, while providing enough revenue to support operations, upkeep and improvements.

"Nobody likes to see water rates go up, especially those sitting on the dais with me," Williams said earlier this week. "I don't think anybody's for it, but that's the reality we face with state regulations and so on."

With the budget approved by the board, the district anticipates spending \$101 million this fiscal year, an 11 percent increase over the year that ended June 30. Next year, the budget is expected to increase 2.7 percent for a total \$104 million.

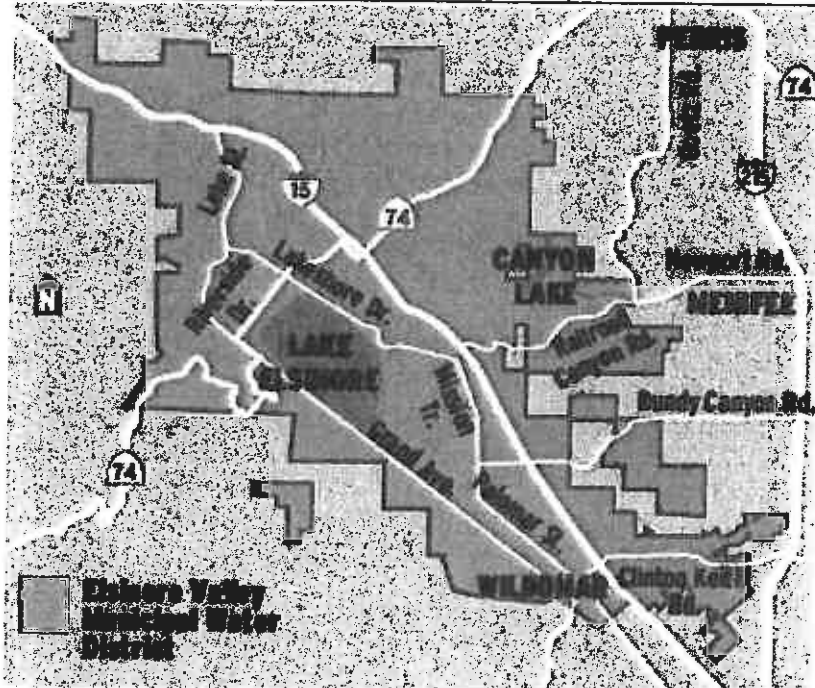
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ELSINORE VALLEY MUNICIPAL WATER DISTRICT

Founded: Dec. 5, 1950 Communities Served: Lake Elsinore, Wildomar, Canyon Lake, northern Murrieta, Lakeland Village, Temescal Valley, Meadowbrook Customers: 142,000 Domestic Water Connections: 43,000 Sewer Accounts: 34,000 Size: 96 square miles Pipeline: 714 miles



STAFF GRAPHIC

California's big cities say June water-saving goals were met

Fenit Nirappil, Associated Press

July 30, 2015

SACRAMENTO, Calif. (AP) — California's largest cities said water conservation goals ordered by Gov. Jerry Brown were met or exceeded in June — the first month of mandatory cutbacks during the drought.

The Los Angeles Department of Water and Power, the state's largest agency serving 4 million people, said it met its 16 percent savings target. Utilities serving San Diego, San Jose and San Francisco said savings far exceeded their goals from the state.

Communities have been given nine months starting in June to cut use between 8 and 36 percent compared to 2013 levels, the year before Brown declared a drought emergency. Many agencies reported savings ahead of a statewide conservation report due later this week.

Some communities opposed the targets assigned by the State Water Resources Control Board, calling the goals unfair and unrealistic. Agencies that don't meet targets face fines and state-ordered conservation measures such as a limit on how many days a week residents can water lawns.

San Diego was among the cities that said the state should give it credit for past drought-preparation efforts that included paying for desalinated water. The city said water use plunged 24 percent in June, well past its 16 percent target.

Robyn Bullard, a spokeswoman for the public utilities department, credited a campaign that included television commercials and an e-mail blast to customers.

"All through May we were saying this is coming, this is coming," Bullard said.

Some large communities in the San Francisco Bay Area reported savings were nearly double what the state ordered.

San Francisco reported saving 20 percent after it was given just an 8 percent conservation target because it has one of California's lowest per-capita water use rates.

The East Bay Municipal Utility District, serving more than a million customers east of San Francisco, said it saved 31 percent in June, almost double its target.

San Jose Water Co. reported that its customers reduced consumption by 35 percent in June, compared to the 20 percent goal.

Regulators told residents that letting lawns go brown is the best way to save water.

July is expected to be another strong month for conservation after unexpected record rainfall in Southern California likely led to idle sprinklers.

Date: Jul 30, 2015; Section: Local Extra - Southwest; Page: B2

Hemet water rates set to increase under plan

Fees would rise 19% in October, then another 19% in March.

BY CRAIG SHULTZ

STAFF WRITER

After a false start, it appears water and sewer rates will rise for customers in the city of Hemet.

The city announced proposed increases in March – which were to take effect this month – but those were put on hold after the governor issued conservation rules in April and because of an Orange County court case that questioned multilevel pricing.

Under the new proposal, water rates, which have not been raised since 2008, would go up 19 percent in October and another 19 percent in March, with a 4 percent increase on Jan. 1, 2017, and 3 percent each succeeding January through 2020. Sewer rates – last increased in 2006 – will almost double in the next three years.

The typical Hemet water bill is \$44.18 per month, according to the consultant who studied water rates. The new charge will be \$52.64 in October, jumping to \$63.08 in March and ultimately \$72.13 in January 2020.

Sewer rates will rise from \$4.22 per month to \$5.75 in October and eventually \$8 in 2018 for most customers.

The city water department serves more than 20,000 mostly residential customers through 9,700 connections in a 5.25-square-mile service area, extending generally from Menlo Avenue south to Stetson Avenue and from Sanderson Avenue east to San Jacinto Street.

Other Hemet residents are served by the Eastern or Lake Hemet municipal water districts, both of whom raised rates earlier this year.

The sewer department is larger, serving some 2,000 Eastern Municipal Water District customers and all Hemet water customers.

Instead of tiered rates, where customers pay more for the more water they use, there will be just one rate per cubic foot of water used, with no more penalty for those who use more.

Customers

still will pay a fixed charge every month, on top of fees for water used.

Although customers are using less water because of the state's water shortage, they will pay more as the plan includes "drought rates."

Users will pay \$4.85 per for every cubic foot (748 gallons) under drought rates and \$3.30 under nondrought rates.

"There are costs that are fixed no matter what," Public Works Director Kris Jensen said. "The department still has to pay its bills and be sustainable."

Hemet has been told to cut use by 32 percent, and Jensen said customers will still pay a smaller bill by using less water.

Billing will change from every other month to monthly. "We wanted to offset some of that pressure (of larger bills) and have it come in smaller pieces," Jensen said.

Under Proposition 218, water departments can only recoup costs.

They cannot make a profit on water.

Notices will be sent out to both residents and property owners about the proposed increases.

They can protest them at the Sept. 22 council meeting.

CONTACT THE WRITER:

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cschultz@pe.com

HEMET FEES

The city of Hemet is proposing raising water and sewer fees for its customers

Current water rates (average monthly bill using 1,800 cubic feet of water):

Basic charge	\$21.14
Consumption rates	\$23.04
Total	\$44.18

Proposed rate, Oct. 1:

Basic charge	\$23.05
Total	\$52.64

Proposed rate, March 1, 2016:

Basic charge	\$24.95
Total	\$63.08

Sewer rates

Current	\$4.22 monthly
Oct. 1	\$5.75 monthly
March 2016	\$7 monthly
January 2017	7.50 monthly
January 2018	\$8 monthly

Note: EMWD water customers who pay city sewer fees will pay an additional fee that will rise from \$3.32 monthly to \$4.84 without any other proposed increases.

Drought: CA hits target, but some in valley fall short

Sammy Roth, The Desert Sun 5:03 p.m. PDT July 30, 2015

Californians cut their water use 27.3 percent in June, beating Gov. Jerry Brown's mandatory 25 percent target in the first month it took effect. But the results were more mixed in the desert, where the Coachella Valley's largest water provider will face additional state mandates after falling far short of its goal. That could mean stricter restrictions on water use for many desert residents.

Officials called the statewide savings the latest sign Californians understand the seriousness of the state's historic drought, now in its fourth year. California's largest cities — Los Angeles, San Diego, San Jose and San Francisco — all met their cutback targets.

Californians actually reduced their water use less in June than they did in May, compared to the same months in 2013. But May's 29 percent reduction was partially driven by relatively wet, cool weather. Last month was California's hottest June on record, meaning good fortune had little to do with the massive drop in water use.

"We were concerned that folks conserved for that reason (in May), meaning they turned off the sprinklers because it was already wet outside," Felicia Marcus, chair of the State Water Resources Control Board, said in a conference call Thursday. "The June numbers tell a story of conscious conservation."

In the Coachella Valley — which has long had some of the state's highest water consumption — the conservation numbers were mixed.

Homes and businesses served by the Desert Water Agency cut their water use 40 percent, exceeding their 36 percent target. But Coachella Valley Water District customers managed just under 21 percent, falling far short of their 36 percent target.

Out of more than 400 water agencies statewide, nearly three-quarters met or came within 1 percent of meeting their goal, according to data released Thursday. The Coachella Valley Water District was one of 16 water agencies to miss its target by more than 15 percent.

The state water board will require those agencies to take new steps to encourage conservation in the coming weeks. Those steps could include more funding for grass removal, targeted outreach to high-use customers and a reduction in the number of days per week that lawn watering is allowed. Water providers could be forced to limit outdoor irrigation to just one or two days per week.

"It's really critical in these first summer months for suppliers to be meeting their targets," said Max Gomberg, a senior environmental scientist with the water board. "If they're off the mark during the summer, when the greatest volumes of water savings is possible, it's going to be incredibly difficult for them to make that up in the later months."

Coachella Valley water use

Water consumption was down across the valley in June (relative to June 2013, which the state has used as a baseline for comparison). Here's a breakdown of how much each of valley's six water agencies cut back, compared to their state-mandated reduction targets.

Mission Springs Water District, which serves Desert Hot Springs, also will face new restrictions after missing its target by more than 15 percent. Tasked with a 28 percent water cutback, the agency's customers managed just 10 percent.

Mission Springs officials have long argued that their target is too high, saying Desert Hot Springs' largely low-income residents already use relatively little water. Spokesman John Soulliere pointed out that the average Mission Springs and Desert Water Agency customers used roughly the same amount of water in June, even though his agency had a much lower cutback number.

"We're looking forward to a conversation about the numbers that they're asking us to achieve," Soulliere said. "We're going to talk about how it's possible to reach the numbers that they're asking us to reach."

Two other Coachella Valley water providers — Indio and Myoma Dunes Mutual Water Company, which serves Bermuda Dunes — fell just shy of their goals. Coachella residents met their 24 percent target, squeaking by with a 25 percent reduction.

Water agencies that consistently fail to meet their targets over the next few months could face fines as high as \$10,000 per day, with those costs likely being passed on to consumers. But at least for now, even the worst-performing water providers will only face fines as high as \$500 per day if they fail to comply with the new requirements imposed by the state.

"I guarantee you if folks don't step up, we will move to the fine stage. But there's no enforcement program that starts at the fine stage," Marcus said.

State officials will meet with the Coachella Valley Water District and Mission Springs over the next few weeks. During those conversations, they plan to ask whether the agencies are doing everything they can to enforce new water rules that took effect in June, including restrictions on outdoor irrigation.

The Coachella Valley's six water agencies received more than 600 complaints about water waste in June, according to state data. While the agencies issued more than 500 warnings, they didn't levy a single fine.

"We will absolutely be working with (Coachella Valley Water District) and the other agencies on that list on ways to increase all their conservation activities, including their enforcement activities," Gomberg said.

Scientists have predicted that a growing El Niño weather pattern could bring a long, wet winter to California. But state officials cautioned that even a massive El Niño might not end the drought.

Marcus described waiting for El Niño as "Russian Roulette until it happens."

"I hate El Niño hype, because it sends too much of a mixed message on conservation," she said. "If it happens, we'll celebrate. But we can't count on it."

Sammy Roth writes about energy and water for The Desert Sun. He can be reached at sammy.roth@desertsun.com, (760) 778-4622 and [@Sammy_Roth](https://twitter.com/Sammy_Roth).

Worst-performing water agencies

Here are the 16 water agencies that missed their cutback targets by 15 percent or more in June (difference between target and actual savings in parentheses):

- City of Livingston (29%)
- Fallbrook Public Utility District (27%)
- Phelan Pifion Hills Community Services District (26%)
- Indian Wells Valley Water District (25%)
- City of El Monte (23%)
- Humboldt Bay Municipal Water District (22%)
- Rancho California Water District (22%)
- Joshua Basin Water District (19%)
- Mission Springs Water District (18%)
- City of Hanford (18%)
- California Water Services Company, Dominguez (17%)
- California City (16%)
- City of Adelanto (16%)
- City of Hemet (15%)
- Rainbow Municipal Water District (15%)
- Coachella Valley Water District (15%)

Source: State Water Resources Control Board

Californians hit water goal despite heat

By Monte Morin and Rosanna Xia, July 31, 2015

Despite record heat, drought-conscious Californians managed to slash urban water use by 27% in June and demonstrated once again that they were on track to meet Gov. Jerry Brown's historic 25% conservation order, state water officials said Thursday.

Data released by the State Water Resources Control Board showed that Californians had reduced their water consumption by 59 billion gallons compared with June 2013, indicating what officials called a fundamental change in water-use habits.

At the same time, 16 water suppliers missed their conservation targets by 15 or more percentage points and will be contacted by water officials for an explanation, as well as corrective actions, within the next two weeks, officials said.

As of yet, no water suppliers have been fined.

Although the board's chairwoman, Felicia Marcus, commended Californians on their conservation, she said she worried that residents might ease up on their efforts in anticipation of a potentially drenching El Niño season.

"It's not that I hate El Niño, I hate El Niño hype," Marcus said. "It's Russian roulette.... If it happens we'll celebrate, but we can't count on it."

June was the first month for which urban water districts were required to meet mandated reduction targets, which vary among water agencies depending on past conservation efforts. Suppliers with a history of heavy use have been ordered to slash consumption by as much as 36%, while other districts must reduce use by as little as 4%.

Suppliers that repeatedly fail to meet their savings targets could face fines of as much as \$10,000 a day.

"We are taking very serious the scofflaws," Marcus said. "We will be in their face.... We are deadly serious about this."

The June savings figures represent a slight decline from May, when water usage dropped by 29%.

Nearly 40% of the state's 411 urban water suppliers reduced consumption by 30% or more, according to Max Gombert, the water board's climate and conservation manager.

Among the water suppliers with the largest savings were the Antelope Valley Waterworks District, with a 42% reduction; the San Gabriel Valley Water Co., with a 35% reduction; and the Yorba Linda Water District, with a 38% reduction.

The Los Angeles Department of Water and Power missed its 16% reduction target by half a percentage point, according to the water board's data.

The 16 worst-performing water districts included the city of Livingston, which missed its target by almost 29 percentage points; El Monte, which missed its target by more than 22 percentage points; and the Coachella Valley Water District, which missed its target by 15 percentage points.

"It's a small group, but they're significantly off the mark and we need to get them back on track," Gomberg said. "We are going to be meeting with them, and our intent is to develop enforceable orders."

El Monte Mayor Andre Quintero said the city hopes to hire a consultant who can help its water management, but the City Council has been slow to acknowledge the problem. Twice, he said, the council has failed to pass a measure that would limit lawn irrigation to twice a week.

"It's absolutely frustrating," Quintero said. "I don't know if my colleagues fully understand how serious the issue is.... This is not something you can delay or just hope that El Niño will solve."

Other districts questioned the accuracy of the data.

At the Fallbrook Public Utility District in San Diego County, which according to state data missed its target by 27 percentage points, officials said some water used for agriculture may have been mistakenly calculated as residential use.

"It's very confusing, it's very frustrating," district spokeswoman Noelle Denke said. "Fallbrook is a very conscientious community. We're very dedicated and very conscious of the drought."

An additional 71 water suppliers missed their savings target by 5 to 15 percentage points, officials said.

Experts said the new data are promising, but there is still room for improvement.

"We've known for quite some time that this is a serious issue that everybody needs to do their part to conserve," said Sara Aminzadeh, executive director of California Coastkeeper Alliance. And to see there are people who "are still using two, three, four times the amount that an average Californian uses, I'm seeing real disconnect there."

Despite calls for conservation, some water agencies remained "openly indifferent or apathetic to the drought regulations and to the drought generally," she said.

On average, half of all urban water use occurs outdoors. Since April, when Brown ordered the reductions, officials have urged residents to take shorter showers, cut down on car washing and allow their lawns to turn "golden brown."

Although Marcus said it was clear many Californians were heeding the call, she said it was also important that people try to preserve trees.

Marcus said that trees help reduce heat by providing shade and limiting the so-called urban heat island effect and noted that during Australia's severe drought, the city of Melbourne had made it a point to double its number of trees.

"Trees are important," Marcus said. "We don't need to lose them if we act early and water them."

Times staff writer Matt Stevens contributed to this report.

Date: Jul 31, 2015; Section: Front Page; Page: A1

DEALING WITH DROUGHT

WATER USE DOWN

Californians beat targets for June, but more than a dozen Inland districts fall short of state mandates.

DAVID DANELSKI

STAFF WRITER

For a second consecutive month, Californians responded to the drought by beating water-savings targets with a 27.3 percent reduction in June, compared with 2013, according to numbers released Thursday by the state.

In May, the droughtplagued state saved 29 percent, compared with the same month in 2013. The cutbacks became mandatory in June under an executive order by Gov. Jerry Brown requiring state providers to collectively reduce water use by 25 percent.

"People have done a great job letting the lawns go gold, and converting to droughttolerant landscapes," said Felicia Marcus, who heads the State Water Resources Control Board. State water officials were especially pleased because June was a hot month, she said.

Still, at least 16 Inland agencies did not meet staterequired reduction goals ranging from 20 percent to 36 percent, according to review of a state database released Thursday.

Two of the Inland agencies

– Rancho California and the city of Hemet – were among the 16 worst performers in the state, it was announced late Thursday. These agencies that didn't meet their reduction targets by more than 15 percent now could face state-imposed watersaving measures or fines.

Eastern Municipal Water District, the largest water provider in Riverside County, was among the local agencies falling short of the state requirement.

Eastern was required to cut 28 percent. It had a June reduction of 15.1 percent.

District spokesman Kevin Pearson said the agency had already made a 22 percent reduction by 2013, and the water district didn't get credit for those savings when the state imposed requirements that it save an additional 28 percent.

Eastern Municipal board President Randy Record also pointed to past reductions.

"Our customers have made strides in conserving water, not only this year but in years past," he said in a statement. "However, we have a ways to go to meet the governor's goal. There is still opportunity to conserve, especially related to non-functional turf and outdated landscape."

State water board officials say they plan to contact the providers that missed their conservation quotas by more than 1 percent. Many will be required to provide information to the state about their conservation programs.

The data released Thursday showed 265 of 411 local agencies in California hit or nearly reached their watersavings targets.

It also showed some remarkable water-use reductions. The East Valley Water District, which serves about 102,000 people in Highland, parts of San Bernardino and unincorporated county areas, slashed its June water use by 37.3 percent.

"East Valley was able to achieve these savings through the cooperation of its customers," said Kelly Malloy, the district's public affairs and conservation manager. "We are seeing a dramatic reduction in the amount of turf, and huge interest in our rebate program."

The district pays a \$2 rebate for every square foot of grass removed from lawns and replaced with waterwise landscaping. It also limits outdoor watering to three days a week, among other measures, Malloy said.

Riverside's city water utility didn't do as well with 22.5 percent savings in June compared with 2013, missing its state-imposed target of 28 percent.

Riverside is suing the state about its mandate, arguing that it be required to make only a 4 percent reduction because it relies on local groundwater – not the state's system of dams, reservoirs and canal.

The state is holding Riverside to the 28 percent requirement.

Riverside, however, received an assist from residents Reuben Muñoz and Paul Velen. They removed all the grass from the front and backyards of their home near Mount Rubidoux and replaced it with a colorful, tiered garden of mostly succulents and cacti that's the talk of the neighborhood.

Their garden also features artistically arranged rusting machine parts, concrete pipe and other repurposed castoffs. The home now uses so little water that a city utility worker checked up on them to see if something was wrong, Velen said.

The garden was designed by Muñoz. "Being water wise doesn't mean you have to sacrifice color, variety, foliage density or softness," he said.

INLAND CONSERVATION

Water use in June, the most recent period reported to the state, decreased almost 27.3 percent compared with the same month in 2013, the year the state is using for comparison. Here is a district-by-district breakdown:

Water provider	Requirement	June savings, compared to June 2013	Residential per-person use (in gallons)
East Valley Water District	28%	37.9%	129.0
Lake Hemet MWD	28%	35.1%	91.0
San Jacinto	32%	32.5%	119.0
Jurupa Comm. Services District	28%	30.1%	114.9
City of San Bernardino	28%	28.4%	114.5
Redlands	36%	28.1%	210.6
San Joaquin Hills Water District	36%	25.0%	180.8
Riverside	28%	22.5%	124.8
San Diego Valley Water District	36%	21.9%	227.0
Perris	24%	21.6%	88.6
City of Los Angeles	32%	21.5%	151.5
Corona	28%	20.8%	108.8
Chico	28%	18.2%	111.9
Western MWD	32%	17.3%	151.2
Imperial	32%	15.1%	101.8
Rialto	28%	15.6%	119.5
Escondido MWD	28%	15.1%	123.9
Elsinore Valley MWD	28%	14.3%	111.1
Redlands Community Services District	28%	14.2%	130.7
Rancho California Water District	36%	14.4%	182.1

STAFF GRAPHIC

DESERT WATER AGENCY

PUBLIC INFORMATION ACTIVITIES

JULY 2015

Activities:

- 07/08/15 Katie Ruark met with Senator Diane Feinstein's State Director Trevor Daily.
- 07/29/15 Katie Ruark spoke and gave a presentation at the Palm Springs Rotary luncheon.

Public Information Releases:

07/15/15 - Desert Water Agency Customers Reduced Water Use by 40% in June 2015

Water Conservation Reviews


Canyon West Estates
Centre Court Club
Marabella Estates
Palm Springs Villas II

Plaza Villas
Riviera Gardens Condos
Sunrise Palms
City of Palm Springs

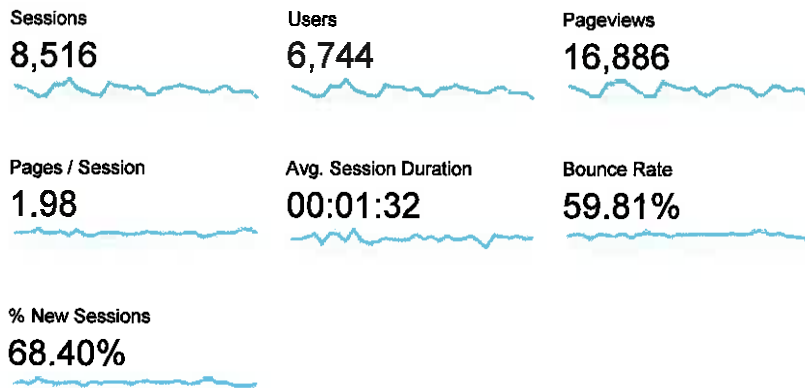
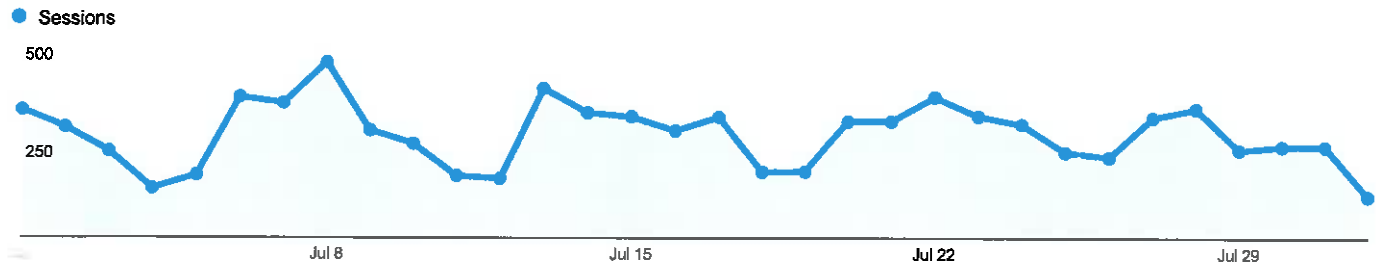
Water Conservation Reviews are annual mailings sent to large water users. The Reviews include a 5-year consumption report, facility map, and information brochures. The purpose is to help customers save water by summarizing their consumption, and offering suggestions for reducing usage. Occasionally, after viewing, the recipient may contact DWA for assistance in the form of a Mobile Lab Evaluation.

Audience Overview

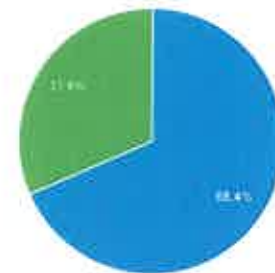
Jul 1, 2015 - Aug 1, 2015

 All Sessions
100.00%

Overview



 New Visitor  Returning Visitor



Language	Sessions	% Sessions
1. en-us	6,187	72.65%
2. (not set)	2,130	25.01%
3. en-gb	51	0.60%
4. en	36	0.42%
5. en-ca	21	0.25%
6. pt-br	17	0.20%
7. de-de	8	0.09%
8. de	5	0.06%
9. zh-tw	5	0.06%
10. it-it	4	0.05%



Desert Water Agency Facebook Analytics July 2015

07/29/2015 10:21 am		Don't Dismiss the Drought—Get Yard Smart! Learn more about how to get a free Smart Irrigation			33		11 8		
07/18/2015 10:44 am		Let the rain do the work! Turn those sprinklers off			319		21 28		
07/17/2015 4:28 am		Thank you customers! http://www.desertsun.com/story/news/environment/2015/07/17/drop-			408		28 13		
07/17/2015 10:44 am		Desert Water Agency's cover photo			42		2 0		
07/17/2015 3:49 am		Are you a water saver? Brag about it by posting one of these images on your page and remind your			110		7 10		
07/16/2015 6:07 am		#keepsavingca			61		13 6		
07/15/2015 9:15 am		Thank you to our customers!! DWA customers reduced water use by 40% in June! But the drought			544		54 52		
07/14/2015 10:12 am		Attention Vacation Rental Owners! We have produced a handout for you to give to your			450		74 23		
07/09/2015 1:46 pm		How many ways do you save? http://wateruseitwisely.com/100-ways-to-conserve/			72		5 4		



Desert Water Agency Facebook Analytics July 2015

Daily data is recorded in the Pacific time zone.

1W 1M 1Q



Start: 7/1/2015

End: 7/31/2015

Total Page Likes as of Today: 545

Total Page Likes

BENCHMARK

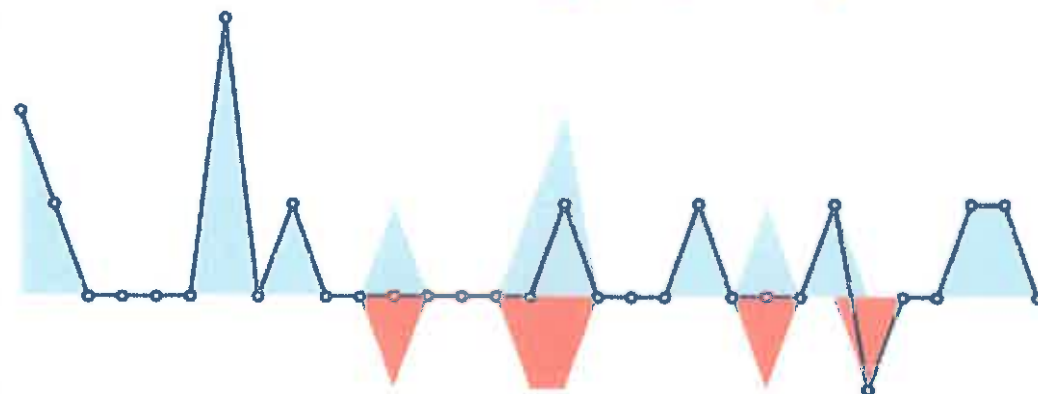
Compare your average performance over time

Total Page Likes

Net Likes

Net likes shows the number of new likes minus the number of unlikes.

Unlikes Organic Likes Paid Likes Net Likes



BENCHMARK

Compare your average performance over time

Unlikes

Organic Likes

Paid Likes

Net Likes

WANT MORE LIKES?

Create an ad to get more people to like your Page

Promote Page



Desert Water Agency Twitter Analytics July 2015

July 2015 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 351 impressions

DWA customers reduced water use 40% in June! Keep up the GREAT work! Thank you customers! #keepsavingca #cadrought dwa.org/getdoc.cfm?id=...

👍 1 🌟 2

[View Tweet activity](#)

[View all Tweet activity](#)

Top Follower followed by 29.2K people



Roger K. Olsson

@RogerOlsson follows you

United Kingdom Executive Director and Special Advisor
The British Development Corporation (Glen Invest
Management Offshore Limited Project: +46 (0)
706474850

[View profile](#)

[View followers dashboard](#)

Top mention earned 27 engagements



Sammy Roth

@Sammy_Roth

Vignettes: Here's what three Coachella Valley households are doing to save water. desertsun.com/story/news/env...
#Cadrought #CAwater @DWAwater

👍 2 🌟 1

[View Tweet](#)

Top media Tweet earned 101 impressions

Let the rain do the work! Turn those sprinklers off! pic.twitter.com/pqISHOR4qM



👍 1

[View Tweet activity](#)

[View all Tweet activity](#)

JULY 2015 SUMMARY

Tweets

9

Impressions

392

New Followers

22

Tweet Impressions

4,097

Mentions

16