DESERT WATER AGENCY SEPTEMBER 1, 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.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES – August 18, 2015

EWING

GENERAL MANAGER'S REPORT

LUKER

4. **COMMITTEE REPORTS** – A. Conservation & Public Affairs – August 19, 2015

OBERHAUS

B. Executive – August 25, 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.

ITEMS FOR ACTION

A. Recommend Contract Award for Construction of Chino Canyon 1040 Reservoir

KRAUSE

B. Request Authorization to Call Bids for 2015/2016 Replacement Pipeline Project

KRAUSE

C. Request Authorization for General Manager to Execute Construction Agreement with the City of Cathedral City for facility relocations for the Cathedral Canyon Wash Bridge installation and the Date Palm Bridge Widening Project

LUKER

D. Request Adoption of Resolution No. 1122 in Opposition to Public Goods Charge on Water

EWING

7. ITEMS FOR DISCUSSION

A. Investment Policy Review

KRIEGER EWING

B. Director's Report on ACWA Meeting/Workshop

8. PUBLIC INFORMATION

A. Media Information

B. PI Activities

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.

2

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

August 18, 2015

DWA Board:	Craig A. Ewing, President James Cioffi, Vice President Joseph K. Stuart, Secretary-Treasurer)))	Attendance
	Patricia G. Oygar, Director Richard Oberhaus, Director)	
	Richard Obernaus, Director	,	
DWA Staff:	David K. Luker, General Manager)	
	Mark S. Krause, Asst. General Manager)	
	Kim McCance, Sr. Admin. Asst.)	
	Katie Ruark, Public Information Officer)	
	Ashley Hudgens, Public Information Officer)	
	Steve Johnson, Operations Engineer)	
	Lee Lahtinen, Controller)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
Public:	Erica Harnik, Building Industry Association)	
	President Ewing opened the meeting at 8:00 a.m. a bin him in the Pledge of Allegiance.	and asked	Pledge of Allegiance
	President Ewing called for approval of the July d meeting minutes.	21, 2015	Approval of 07/21/15 Regular Board Mtg. Minutes
	Director Oygar moved for approval. After a second ffi, the minutes were approved as written.	l by Vice	
	President Ewing called upon General Manager date on Agency operations.	Luker to	General Manager's Report
Public Inform	Mr. Luker introduced newly hired employee Ashley ation Officer.	Hudgens,	Employee Introduction
a.m. staff resphit and run. T	Mr. Luker reported that on July 25 at approximate ponded to a hit fire hydrant at 39310 Juan Circle. The water loss was through a two-inch hole for approximate the staff turned the valve off and made the necessary results.	his was a eximately	Damaged Hydrant

police report was made.

General Manager's Report (Cont.)

Stolen Backflow

Mr. Luker reported that 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. The backflow has since been replaced by the customer. A police report was made.

Damaged Backflow

Mr. Luker continued reporting that 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.

Water Main Leaks

Concluding his report, Mr. Luker indicated that 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.

In response to Director Oygar, Mr. Luker stated unaccounted water loss due to pipeline water leaks is approximately 1% - 5% annually.

Responding to Secretary-Treasurer Stuart, Mr. Luker stated DWA reports water loss to the State of California Health Department.

In response to Director Oberhaus, Mr. Luker indicated staff is working on a report regarding the infrastructure of Agency pipelines.

Committee Reports – Executive 08/07/15

17226. President Ewing noted the minutes for the August 7, 2015 Executive Committee were provided in the Board's packet.

Public Input

17227. President Ewing opened the meeting for public input.

Erica Harnik, BIA

Erica Harnik with the Building Industry Association (BIA) introduced herself and indicated that the BIA opened a new office in Rancho Mirage.

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

17228. President Ewing stated he is requesting approval and support of ACWA Region 9 Nominating Committee's Recommended Slate for 2015-2016 Term.

Action Items:
ACWA Region 9
Nominations

President Ewing stated the recommendations are: 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 Gorgonio Pass Water Agency), James Morales Jr. (East Valley Water District), and James Ventura, Jr. (Mojave Water Agency).

Action Items:
(Cont.)
ACWA Region 9
Nominations

President Ewing moved for approval of ACWA Region 9 Nominating Committee's Recommended Slate for 2015-2016 term with a second by Director Oygar, the motion passed unanimously.

17229. President Ewing presented a request to Adopt Resolution No. 1121 Supporting the Nomination of Director Tiegs as the Association of California Water Agencies (ACWA) President. President Ewing stated that he personally knows Ms. Tiegs and she is currently Vice President of ACWA.

Resolution 1121
Nominating Kathleen
Tiegs to President
ACWA

President Ewing made a motion to adopt Resolution No. 1121 Supporting the Nomination of Kathleen Tiegs to the Office of President of ACWA, with a second by Director Oygar, the motion passed unanimously.

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

Resolution No. 1121 Adopted

17230. President Ewing called upon Public Information Officer Ruark to present staff's request to authorize the General Manager to sign a Memorandum of Understanding (MOU) amongst the Coachella Valley Regional Water Management Group (CVRWMG) for Implementation of the Proposition 84 Coachella Valley Regional Turf Reduction Program

Request Authorization for General Manager to sign MOU

Ms. Ruark stated the Coachella Valley Regional Water Management Group (CVRWMG) applied for and was awarded a Proposition 84 conservation grant. A large portion of the grant is for turf buy back. DWA's portion of the grant is \$1.29 million in grants which needs to be supported by funding match upfront of \$502,948. The customer cost could be the funding match.

Continuing her report, Ms. Ruark stated that Indio Water Authority (IWA) will be the grant administrator and has executed a contract with the State of California Department of Water Resources. Three of the CVRWMG Agencies have signed the MOU to administer the grant. IWA will be presenting the MOU to their City Council for approval on August 19, 2015. DWA will wait to execute the MOU until IWA approves it.

In conclusion, Ms. Ruark stated that staff requests a 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.

Action Items: (Cont.) Request Authorization for General Manager to sign MOU

Director Oygar made a motion to approve staff's request. After a second by Director Oberhaus, the motion carried unanimously.

In response to Vice President Cioffi, Ms. Ruark stated that on Page 3, Section 1.9 of the MOU there are steps in place if an Agency cannot use all their allocated grant money in a timely manner.

17231. President Ewing presented staff's request for Board Action Request with regard to Director attendance at ACWA Region 9 event.

Request Action re: Director Attendance at ACWA Region 9 event

President Ewing stated an ACWA Region 9 event is scheduled for September 18, 2015 at the Inland Empire Utilities Agency. President Ewing stated this is not a regular ACWA event therefore, needs authorization for Director per diem. President Ewing stated it is a worthwhile presentation and encouraged interested Board members to attend.

President Ewing made a motion to approve staff's request to authorize payment of Director per diem compensation for attendance at the September 18, 2015 ACWA Region 9 event. After a second by Director Oberhaus, the motion carried unanimously.

17232. President Ewing called upon General Manager Luker to report on the July Water Production Comparison.

Discussion Items:July 2015 Water
Production Comparison

Mr. Luker reported that the Agency and its customers achieved a 30 percent reduction during July 2015 compared to July 2013; the baseline used by the State Water Resources Control Board to measure statewide conservation achievements.

In response to Director Oberhaus, Mr. Luker stated, a) there are few pumpers in DWA's service area, their meters are read monthly and their water use is tracked annually and, b) the pumpers receive the same conservation brochures and information as DWA customers.

Regarding violators and notifications, Ms. Ruark noted there are very few repeat violators.

17233. President Ewing asked Agency Counsel Riddell to provide a report on the July 16, 2015 meeting of the Board of Directors of the State Water Contractors (SWC).

07/16/15 State Water Contractors Meeting

Mr. Riddell reported on the following items: 1) Water Operations Report, 2) Energy Update, 3) General Manager's Report, 4) Energy Objectives Update, and 5) 2016 Statement of Charges.

Discussion Items
(Cont.)
07/16/15 State Water
Contractors Meeting

17234. President Ewing asked Vice President Cioffi and Director Oberhaus to report on their attendance at the NWRA Conference.

Directors' Report – NWRA Conference Attendance

Director Oberhaus noted his recent attendance at the NWRA conference in Monterey where the major topic was the drought.

Secretary-Treasurer Stuart reported that a drought panel discussed the over allocation of water available and that he attended a tour of the Pure Water Monterey Project.

17235. President Ewing noted that Board packets included media and public information reports for July 2015. He commented on the Desert Sun, July 2 article regarding the costs to comply with the chromium-6 standards.

Public Information July 2015

17236. Director Oberhaus inquired if DWA has a Spanish translator for customers at the front counter. In response, Mr. Luker stated that there are several Spanish translators at the front counter.

Directors' Comments/Requests

President Ewing requested to add to the next Agenda his report from the ACWA meeting he attended in July.

17237. At 8:53 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

17238. At 10:06 a.m., President Ewing reconvened the meeting into Reconvene open session and announced there was no reportable action.

17239. In the absence of any further business, President Ewing Adjournment adjourned the meeting at 10:07 a.m.

Craig A. Ewing, President

ATTEST:			

Joseph K. Stuart, Secretary-Treasurer

GENERAL MANAGER'S REPORT SEPTEMBER 1, 2015

Spencer's Restaurant water service on Baristo Road was replaced last week. We consider this service replacement to be the most difficult we ever faced. DWA crews/staff worked closely with all involved customers. Minimal disruption of water occurred, but only in the early a.m. hours.





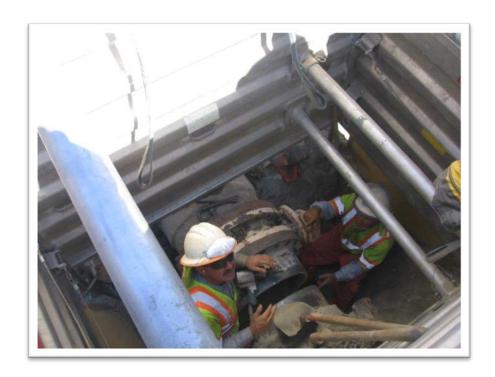




The **24" Snow Creek Pipeline** to be used for an alternative water supply for the Snow Creek Village required a mainline valve replacement. Existing valves would not close due to age. The new valve was installed and the pipeline flow will be reversed to provide water delivery back up the hill to the Village.







24" Snow Creek Pipeline (Cont.)





Minutes Conservation & Public Affairs Committee Meeting

August 19, 2015

Directors Present: Richard Oberhaus

Staff Present: Dave Luker, Katie Ruark, Ashley Hudgens

1. Discussion Items

A. Turf Buyback Program

Staff informed the Committee that the program is ready to start accepting applications on September 1, 2015.

B. Water Summit

The SoCal Energy + Water Summit scheduled for September 30 – October 1 at the Palm Springs Convention Center was discussed. Further discussion with the full Board is recommended.

C. Conservation Budget

This item was tabled to a future Committee meeting.

2. Other

A. Customer Response

A response to Mr. Switzer from staff was given.

3. Adjourn

Minutes Executive Committee Meeting August 25, 2015

Directors Present: Craig Ewing, Jim Cioffi **Staff Present:** Dave Luker, Mark Krause

- 1. Discussion Items
 - A. Review Agenda for September 1, 2015 Regular Board Meeting
 The proposed agenda for the September 1, 2015 Regular Board meeting was reviewed.
- 2. Other None.
- 3. Adjourn

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

SEPTEMBER 1, 2015

RE: RECOMMEND CONTRACT AWARD FOR CONSTRUCTING OF CHINO CANYON 1040 ZONE RESERVOIR

On August 25, 2015, the Agency received three bids for subject work. The bid amounts and the Engineer's estimate are as follows:

CONTRACTOR

Canyon Springs Enterprises

Pacific Tank and Construction, Inc.

Crosno Construction, Inc.

Engineer's Estimate

BID AMOUNT

\$928,100

\$1,221,300

\$1,275,440

\$947,000

Canyon Springs Enterprises submitted the lowest responsive bid for the project, approximately 32% lower than the second low bid from Pacific Tank and Construction. Canyon Springs Enterprises is considered a capable contractor with a current Class A contractor's license No. 806747.

The 2005/2006 Capital Improvement Budget includes Work Order 05-582-R-33 and 05-570 for the installation of the 0.5MG reservoir and for the transmission pipeline that will supply water to the reservoir. The budgets for said work orders are \$1,604,600 and \$1,030,400 respectively, to include engineering, construction, inspection, and overhead costs.

In March 2015, the Agency awarded Jones Brothers Construction the contract to install the 3,514 lineal feet of 16" transmission pipeline in the amount of \$514,000. Due to delays, there have been change orders in the amount of \$6,063.53 added to the contract total. Jones Brothers began construction the week of August 3, 2015 and have installed approximately 2,270 feet to date. Staff estimates inspection for the pipeline will be approximately \$50,000 to \$60,000. Prior to Jones Brothers beginning their pipeline work, the developer installed sections of the 16" main as part of their storm drain work within the streets in the amount of \$59,057.50. This cost was paid by the Agency. The estimated total cost for the 16" transmission pipeline, to include engineering,

construction, inspection, and overheads will be approximately \$685,000. This is \$345,400 under budget.

Currently, the Agency's costs for the reservoir, to include purchase of the property, reservoir site rough grading improvements, grading inspection, reservoir design, and overheads is \$721,726. The estimated inspection costs for the reservoir construction is \$114,000. With a contract amount of \$928,100 and inspection costs of \$114,000, the total costs for the reservoir, to include engineering, construction, inspection, and overheads will be approximately \$1,763,826. This is \$159,226 over budget.

The total budget for the reservoir and the 16" transmission pipeline is \$2,635,000. The estimated total cost for the projects, to include engineering, construction, inspection, and overheads is \$2,448,826. This is \$186,174 under budget.

Staff recommends award of the Contract for subject work to Canyon Springs Enterprises in the amount of \$928,100. Based on the bidding documents, the project is scheduled to begin in October 2015 with completion by June 2016.

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

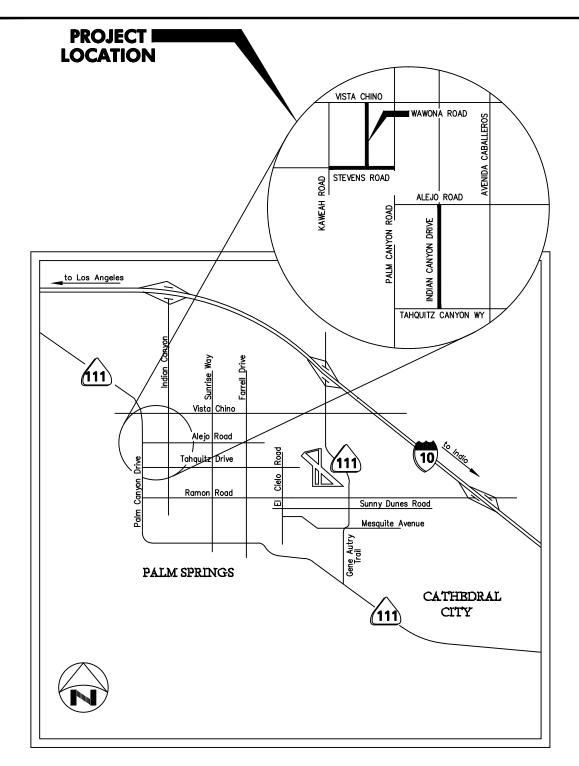
SEPTEMBER 1, 2015

RE: REQUEST AUTHORIZATION TO CALL FOR BIDS FOR CONSTRUCTING 2015/2016 REPLACEMENT PIPELINES – INDIAN CANYON DRIVE, STEVENS ROAD, WAWONA ROAD

The 2015/2016 Capital Improvement Budget includes Work Order 15-111 for the installation of replacement pipelines (Indian Canyon Drive: approximately 2,700 feet of 12" ductile iron pipe between Tahquitz Canyon Way and Alejo Road; Stevens Road: approximately 600 feet of 8" ductile iron pipe between Palm Canyon Drive and Kaweah Road; Wawona Road: approximately 600 feet of 8" ductile iron pipe between Steven Road and Vista Chino). The budget amount for the work order is \$1,200,000 to include engineering, construction, inspection, and overhead costs. The Engineer's construction cost estimate for the project is \$950,000, with estimated inspection costs of \$100,000.

In March 2015, the City of Palm Springs notified the Agency of a \$12 million street rehabilitation project that the City will be performing in the summer and fall months of 2015. As part of their notification, the City provided a list of streets that are part of the rehabilitation work area. Staff reviewed the list and determined that three streets (Indian Canyon, Stevens, and Wawona) had several leaks over the past five years (130 total) and should be replaced prior to the rehabilitation work. Agency engineering staff began design of the pipeline replacement projects in April 2015. Typically, replacement pipeline design occurs in the fall and winter months with construction during the summer months. This project; however, has been expedited to accommodate the City's street rehabilitation and slurry project. To expedite the construction process, staff recommends purchasing the ductile iron pipe to be installed by the contractor at a cost of approximately \$80,000 for 12" pipe and \$20,000 for 8" pipe. Staff also would like to expedite the bidding process by advertising for 19 days (The Agency typically advertises for 30 days. The minimum allowed by law is 15 days.), and award the project at a special Board Meeting.

With authorization being granted today, the bid opening for the project will be held on September 22, 2015, and award to be at a special Board Meeting scheduled the week of September 22, 2015. Completion of work is scheduled for December 2015. Staff requests authorization to advertise for bids for constructing the 2015/2016 Replacement Pipelines.



LOCATION MAP

NOT TO SCALE

FY 2015/2016	DWG. BY MLZ	DATE 8/28	SCALE N.T.S.	W.O.NO. 15-111
REPLACEMENT PIPELINES	APP'D BY DKL	REVISED	PERMIT	FILE NO.
DESERT WATER AGENCY PALM SPRINGS, CALIFORNIA	CHK'D BY SLJ			SHEET 1 OF 1

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

SEPTEMBER 1, 2015

RE: REQUEST AUTHORIZATION FOR GENERAL MANAGER TO EXECUTE CONSTRUCTION UTILITY AGREEMENT NO. 501 WITH CITY OF CATHEDRAL CITY FOR THE CATHEDRAL CANYON DRIVE BRIDGE PROJECT AND DATE PALM DRIVE BRIDGE WIDENING PROJECT

Cathedral City staff, along with Desert Water Agency and legal counsel, have prepared the attached Agreements for the relocation of water and wastewater facilities associated with the above referenced projects.

The Agreements provide for Cathedral City to relocate the Agency's existing 6" sewer force main within the Cathedral Canyon Wash, while Agency crews will relocate an existing sewer air vac. on the Date Palm Lift Station sewer force main and a fire hydrant at the corner of Perez Road and Date Palm Drive. The City will also be adjusting water valve lids as part of the Date Palm Project. The Agency prepared relocation drawings for the 6" force main and will include those plans as part of the City's bridge plans. The City will administer the contract for both projects. All relocation work and valve lid adjustments shall be paid by the City of Cathedral City, based on cost estimates provided to the City by Agency staff, to include contractor and Agency material, labor, and inspection costs. In the event that the final cost for the relocation work exceeds 125% of the estimated costs as shown in these Agreements, an amended Agreement shall be executed by the City and Agency prior to the final payment to the Agency.

The estimated costs, as determined by Agency staff, are as follows:

Sewer Air Vac. and Fire Hydrant relocation by Agency: \$25,000
Water valve lid adjustments by City Contractor: \$2,500
6" Force Main relocation by Cathedral City Contractor: \$275,000
Agency inspection and misc. labor for 6" Force Main: \$75,000

Staff recommends approval of the Agreements and requests authorization for the General Manager to execute the documents.

UTILITY AGREEMENT

CITY of Cathedral City

Page 1 of 5

DISTRICT 8	COUNTY	ROUTE Catheo	iral	POST MILE		Project ID	
ŭ	1117	Canyon				EA No. 08-9	25034L
		Driv	e				
FEDERAL AID NUMBER		OWN	ER'S FILE NUMBER				
BR-NBL (504)							
FEDERAL PARTICIPATION/FEDERALLY ELIGIBLE/NEPA DOCUMENT On the project YES NO On the Utilities YES N							
UTILITY AGR	EEMENT NO			DATE			
		······································		· · · · · · · · · · · · · · · · · · ·			

The City of Cathedral City "CITY" is planning a Cathedral Canyon Drive Bridge Project. The proposed project is to replace the existing 4-lane Low Water Crossing on Cathedral Canyon Drive at the Whitewater River with a new all-weather bridge in City of Cathedral City. The new bridge will be approximately 599 feet long and 87 feet wide to accommodate 4 traffic lanes. The project will also construct sidewalks and Class 2 bike lanes on both sides of the bridge. The project improvements will raise the roadway profile between Paseo Azulejo and Canyon Shores Drive, re-channelize the riverbed by constructing a hydraulic drop structure upstream of the bridge, and construct channel concrete lining upstream, downstream and underneath the bridge as a scour countermeasure. As part of this project, a temporary two lane detour road will be constructed on the west side of the existing low water crossing on Cathedral Canyon Drive. The bridge will be constructed in two stages. The east half of the bridge will be constructed in the first stage while the traffic is shifted onto the temporary detour road. Once the first half of the bridge is constructed, the traffic will be diverted onto the newly constructed bridge while the remaining west half of the bridge is being constructed.

Desert Water Agency

Hereinafter referred to as "OWNER", owns and maintains:

sewer facilities along Cathedral Canyon Drive

Within the limits of the Cathedral City Project which requires:

relocation of a force main sewer

To accommodate the CITY's Project.

It is hereby mutually agreed between CITY and OWNER as follows:

I. WORK TO BE DONE

In accordance with Notice to Owner No	dated	, CITY
shall relocate OWNER'S 6" force main sew	er as shown on OWNER's Plan N	No. 13-717-M
dated, which plans are included in	CITY's Contract Plans for the imp	provement of
Cathedral Canyon Drive at the Whitewater	River Channel, EA 08-925034L w	vhich, by this
reference, are made a part hereof.		•

Deviations from the OWNER's Plan described above initiated by either CITY or OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by CITY and agreed to/acknowledged by OWNER, will constitute an approved revision of the OWNER's Plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written

execution by OWNER of the Revised Notice to Owner. Changes in the scope of the Work will require an amendment to this Agreement in addition to the Revised Notice to Owner.

OWNER shall have the right to inspect the work by CITY's contractor during construction. Upon completion of the work by CITY in accordance with Owner's construction drawings and specifications, OWNER agrees to accept ownership and maintenance of the constructed facilities.

II. LIABILITY FOR WORK

Existing facilities are located in their present position pursuant to rights superior to those of CITY and will be relocated at CITY expense.

III. PERFORMANCE OF WORK

OWNER shall have access to all phases of the relocation work to be performed by CITY, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Construction Contract; however, all questions regarding the work being performed will be directed to CITY"s Resident Engineer for their evaluation and final disposition.

Use of out-of-state personnel or (personnel requiring lodging and meal "per diem" expenses) will not be allowed without prior written authorization by CITY representative. Requests for such permission must be contained in OWNER's estimate of actual and necessary relocation costs. Accounting form FA-1301 is to be completed and submitted for all not-CITY personnel travel per diem. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per Diem expenses shall not exceed the per diem expense amounts allowed under the CITY's Department of Personnel Administration travel expense guidelines.

Work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

CITY shall pay the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs

^{*} This amount subject to bid item.

incurred and charged or allocated to the project in accordance with recognized accounting principles.

It is understood and agreed that CITY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to CITY for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred, not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills, not to exceed the amount of this Agreement, may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to CITY within 360 days after the completion of the work described in Section I above. If CITY has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and CITY has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements for OWNER's facilities (if required), CITY will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If CITY processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the City of Cathedral City Council.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, CITY shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by CITY. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the City of Cathedral City's Council.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER'S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of CITY.

Detailed records from which the billing is compiled shall be retained by OWNER for a period of three years from the date of the final payment and will be available for audit by CITY and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part

645. If a subsequent CITY and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse CITY upon receipt of CITY billing.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of CITY request of July 7, 2014 to review study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If CITY's Project, which precipitated this Agreement, is canceled or modified so as to eliminate the necessity of work by OWNER, CITY will notify OWNER, in writing, and CITY reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

OWNER shall submit a Notice of Completion to CITY within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, BA, are also incorporated into this agreement. The BA requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

OWNER and CITY understand and acknowledge that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. CITY hereby certifies that in the performance of the work associated with this Agreement, for products where Buy America requirements apply, CITY shall use only such products for which it has received a certification from its supplier or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Caltrans' guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

THE ESTIMATED COST TO THE CITY FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$350,000.00

CITY shall pay Project Contractor the estimated amount of \$275,000.00 for DWA facilities relocated.

UTILITY AGREEMENT NO.
501

CITY shall pay DWA the estimated amount of \$75,000.00 for Design Work and Inspection Services.

Signatures on Following Page

SIGNATURE PAGE TO UTILITY AGREEMENT NO. 501

IN WITNESS WHEREOF, the above parties have executed this Agreement on the dates below.

	Owner:
CITY OF CATHEDRAL CITY	DESERT WATER AGENCY
APPROVED	APPROVED
By:	
	By:
Doto.	General Manager
Date:	Date:
APPROVED AS TO FORM:	
By:	
	By:
	Date:

	UTILITY AGREEMENT NO.
	501
ATTEST:	
By:	

UTILITY AGREEMENT CITY of Cathedral City

DISTRICT	COUNTY	ROUTE	POST MILE		EA	PROJECT ID		
08	Riverside							
FEDERAL AID NUMBER			OWNER'S P	OWNER'S PLAN NUMBER				
BHLS 5430 (027)								
FEDERAL PARTIC	CIPATION							
	On the proje	ect 🛛 YES	□ NO	On the Utiliti	es 🛛 YES	□ NO		
UTILITY AGREEMENT NO. 501				DATE:				

The City of Cathedral City, hereinafter referred to as "CITY", intends to widen the bridge on Date Palm Drive spanning the Whitewater River Channel. In addition to widening the existing bridge, street improvements, retaining walls and other miscellaneous utility work will also be part of the construction work.

Desert Water Agency

Hereinafter referred to as "OWNER", owns and maintains:

water and sewer facilities along Date Palm Drive

Within the limits of the Cathedral City Project which requires:

relocation of fire hydrant, sewer air/vac, adjustment to grade of water valve lids, utility box and sewer vac lid

to accommodate the CITY's Project.

It is hereby mutually agreed between CITY and OWNER as follows:

I. WORK TO BE PERFORMED

In accordance	e with	Notice t	to O	wner	No.	501	dated				,	OW	NER sha	ıll
relocate an	existing	sewer	air	vac	and	fire	hydra	nt.	All	work	shall	be	performe	ed
substantially	in a	accordan	ice	with	ı C	WN	ER's	Pla	n	No.			date	ed
		_ consis	sting	of_		_ she	ets, a	сору	of	which	is on	file	in the Ci	ty
of Cathedral	City at 6	58-700 A	veni	ida L	alo C	duerr	ero; Ca	atheo	iral	City, C	CA 922	234.		

Deviations from the OWNER's Plan described above initiated by either CITY or OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by CITY and agreed to/acknowledged by OWNER, will constitute an approved revision of the OWNER's Plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the Revised Notice to Owner.

It is mutually agreed that the CITY will include the work of adjusting elevations of existing water valve lids and utility box covering existing sewer air vac lid as part of the CITY's bridge construction contract. OWNER shall have access to all phases of the work to be performed by the CITY for the purpose of inspection to ensure that the work being performed for the OWNER is in accordance with the specifications contained in the bridge contract. Upon completion of the work performed by CITY in accordance with OWNER's construction drawings and specifications, OWNER agrees to accept ownership and maintenance of the constructed facilities.

II. LIABILITY FOR WORK

Existing facilities are located in their present position pursuant to having equivalent rights as those of the CITY and will be relocated at CITY expense.

CITY Liability, (100%) – work performed by Contractor	\$2,500
CITY Liability, (100%) – work performed by Owner	\$25,000
Total Estimated Cost	\$27,500

III. PERFORMANCE OF WORK

OWNER shall have access to all phases of the relocation work to be performed by CITY, as described in Section 1 above, for the purpose of inspection to ensure that the work is in accordance with the Specifications contained in the Bridge Construction Contract; however, all questions regarding the work being performed will be directed to CITY's Resident Engineer for their evaluation and final disposition.

OWNER agrees to perform the herein described work, excepting that work being performed by the CITY's contractor, with its own forces and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

Use of out-of state personnel (or personnel requiring lodging and meal "per diem" expenses) will not be allowed without prior written authorization by CITY representative. Requests for such authorization must be contained in OWNER's estimate of actual and necessary relocation costs. Accounting form FA-1301 is to be completed and submitted for all non-CITY personnel travel per diem. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per Diem expenses shall not exceed the per diem expense amounts allowed under the CITY's Department of Personnel Administration travel expense guidelines.

Work performed directly by Owner's employee's falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

The CITY shall pay the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.

It is understood and agreed that CITY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to CITY for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred, for inspection, administrative and PROJECT work, not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to CITY within 360 days after the completion of the work described in Section I above. If CITY has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and CITY has delivered to OWNER fully executed Easement Deeds, Consents to Common Use or Joint Use Agreements for OWNER's facilities (if required), CITY will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If CITY processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the City of Cathedral City Council.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, CITY shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by CITY. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the City of Cathedral City's Council.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER'S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of CITY.

Detailed records from which the billing is compiled shall be retained by OWNER for a period of three years from the date of the final payment and will be available for audit by CITY and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645. If a subsequent CITY and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse CITY upon receipt of CITY billing.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of CITY's request of 2-14-14 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If CITY's Project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of any work by OWNER, CITY will notify OWNER in writing, and CITY reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

OWNER shall submit a Notice of Completion to CITY within 30 days of completion of the work described herein.

Upon completion of the work to be done by CITY in accordance with the abovementioned plans and specifications, the new facilities shall become the property of OWNER, and OWNER shall have the same rights in the new location that it had in the old location.

It is understood that said highway is a federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, BA, are also incorporated into this agreement. The BA requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

OWNER and CITY understand and acknowledge that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. CITY hereby certifies that in the performance of the work associated with this Agreement, for products where Buy America requirements apply, CITY shall use only such products for which it has received a

certification from its supplier or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Caltrans' guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

If, in connection with OWNER's performance of the work hereunder, CITY provides to OWNER any materials, OWNER understands and acknowledges that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. OWNER hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall provide only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

THE ESTIMATED COST TO THE CITY FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$27,500.00

CITY shall pay DWA the estimated amount of <u>25,000.00</u> for relocation work. CITY shall pay Project Contractor the estimated amount of <u>\$2,500.00</u> for DWA facilities relocated.

Signatures on Following Page

ĺ	ľ	II.	IT	Y	AGR	EEN	1EN	TΝ	NO.	501	L

SIGNATURE PAGE TO UTILITY AGREEMENT NO. 501

IN WITNESS WHEREOF, the above parties have executed this Agreement on the dates below.

CITY OF CATHEDRAL CITY	Owner: DESERT WATER AGENCY
APPROVED	APPROVED
By:	By: General Manager
Date:	Date:
APPROVED AS TO FORM:	
Ву:	By:
	Date:
ATTEST:	
By:	

CONSTRUCTION DRAWINGS **DESERT WATER AGENCY** PALM SPRINGS, CALIFORNIA

CATHEDRAL CANYON DRIVE BRIDGE OVER WHITEWATER RIVER 8" C-900 H.D.D. SEWER FORCE MAIN RELOCATION FOR

DESERT WATER AGENCY PALM SPRINGS, CALIFORNIA (760) 323-4971 PREPARED BY



LOCATION MAP

Z

NOT TO SCALE

8/20/15 RCE 46700 ASSISTANT GENERAL MANAGER DESERT WATER AGENCY Mach, & Kraws MARK S. KRAUSE Reviewed By:

DATE RCE 38810 GENERAL MANAGER / CHIEF ENGINEER DESERT WATER AGENCY Jan OF THE DAVID K. LUKER Approved By:

DRAWING INDEX

SHEET CONSTRUCTION NOTES PLAN AND PROFILE



VICINITY MAP

NOT TO SCALE

0F3 SHEETS 13-717-M

SHEET

CONSTRUCTION NOTES

COLINGES AS CONTROL OF USER OF USER OF CONTROLS AS TO LOADEN OF CITETAN THIS AND WILL MOTEL WO OF LAMP FOR DAMA. IN CITETAN LOADES DAMA TO COLOGISM. Authority of the Control of the Cont CONTRACO SUBLE ACTION PARE ALL MINIOR AND WORKERS OF ARRESTANCE AND ARRESTANCE OF A SUBLEMENT TO THE CONTRACT AND ARREST ARREST AND ARREST AND ARREST AND ARREST AND ARREST AND ARREST AND ARREST ARREST ARREST AND ARREST ARRE COMPACION SOLL MANUAL DURING HAT ARGS DE LINE AN INBARTER ATO CONSTRUCTOR PRODE DEPUTATE ACADAMON TO SERVING IT ANY ARREST

. PUBLIC STREETS

And Andrew Great Harm a survivory survivor or hope of supplication in definition of the survivory of the sur

The Distriction and Water Configuration of the American Properties of the Configuration and Configurat CONTRICTOR ONLY INSCRIPTION OF AUGUSTACE, BUT C. APPLICAGE. PROFESSION OF AUGUSTACE AUGUSTACE OF

3. PROFILES AND TOPOGRAPHY

TO STATE OF THE PROPERTY OF THE STATE OF THE

COORDINATION OF WORK

And the control of th And the state of t LEAGUE BOLD TO FEE WAS DOOTHS, THE CONTROL THAT BY LEAD MESTORES. THE CONTROL PROPERTY SHAPES AND THE CONTROL PROPERTY SHAPES AND THAT WAS CONTROL FOR THE WAS CONTROL F

S. SEWER VIDEOS (EXISTING SEWER)

An approximate well, progress, et al. (1997). The second of the second o

The services are all all the services of the services are all the services of the services of

S. WATER AND SEWER

URLOW AN BESTELL MITTER SHALL BETTELL COMPUTED A MERCHANISM, THE STREET LAND WAS LIKE A STREET LAND WAS LIKE A STREET LAND WAS LIKE A STREET LAND WAS LIKE AND AND COMPUTED AS LIKE A STREET LAND WAS LIKE AND AND COMPUTED AS LIKE A STREET LAND WAS LIKE AND WAS LIKE A STREET LAND WAS LIKE A STREET LAND WAS LIKE AND WAS LIKE A STREET LAND WAS LIKE AND WAS LIKE A STREET LAND WAS LIKE AND WAS LIKE Consideration and the sections of section in the best provided to the characteristic of Controller is south the rock of intercentain treat recent so that a second ON BOOKER WALL SETTE TO AN INDER USE THE URE OF THE URE OF THE SETTEMAN NAME OF THE WALL TO CONTINUE THE WALL TO WALL THE WALL TO WALL THE WALL TO WALL THE 1. EXCAVATION, BEDOING, AND BACKFILL

A CHARLES AND A II COMSTRUCTION SCOLENCE AND TESTING.
Bellishedging with gram parties of the Association and Testing Some at the 25 week, stored was not an inferior month surpay.
The Prince for the 14% testing to Association Sociation of the 14% o What can be a sense above to access a state of the sense PRINCE/AND AND LINEAR TESTING. THE PASS MUDIC SHALL HE CONSIDER AND COLOR OLD THE MANAGEMENT OF AN AND CONTROL OF AN ADMINISTRATION OF A ADMINISTRATION OF A ADMINISTRATION OF A ADMINISTRATION OF ADMINI

9. DRILLING EQUIPMENT AND METHODS

The state of the s THE STATE OF SCHOOL OF MICH SECTIONS OF THE MERCH STED WORLD AND SECTION WORLD.

TO, PIPELINE MATERIALS

THE COLOR OF THE SHARE WHICH IN THE WEST COLOR STATES OF THE SHARE WEST COLOR STATES OF THE S

A ALL MELDING OR SUZZIA PROCEDURE DE DEL DEL DEL MERCHANDO DE DIFERENTA POR L'ALLES SE DE PROCEDURE DE PROCEDURE DE PROCEDURE DE L'ALLES DE LA L'ALLES DE L'ALLES DE

The process and the selection of processes and the processes of the selection of processes and the processes of the selection of the processes of the processes

SHILL DESCRIPTION OF STATE SHOWING THE STATE SHOWING TO THE STATE STATE SHOWING THE STATE STATE SHOWING THE SHOWING THE STATE SHOWING THE SHOWING THE STATE SHOWING THE STATE SHOWING THE SHOWING THE STATE SHOWING THE SHOWING THE

COUNT CACCADATORS AND TO PERSONS IN SECTION OF CHARLE FORMALLY AND THE FIGURE OF CHARLES OF CHARLES

Section 1997 and 1997

PROTOCO ACCOUNTS TO ACCOUNT AND ACCOUNTS TO THE TOTAL ACCOUNTS A SHARE STATE OF THE TOTAL ACCOUNTS AND ACCOUN

THE STREET WAS TO STREET, STREET TO THE STREET, WHICH STREET, WHICH STREET, WHICH STREET, WHICH STREET, WHICH STREET, WHI WE WANTED THE WAS TO THE WAS TO STREET, WHI STREET, IN SHIPM SHIPM SHEET OF GROWING MATTERS AND THOMASTERS, A CLUDAL TALBOT OF THE PART OF MATTER TO THE SERVICE OF MATTER THE SERVICE O an idea bate di Sec.

3 sorti dale de Sal.

5 sortin dale de Sal.

6 porte Sala (12 Sala)

6 porte Sala (12 Sala)

7 eff Wall (20 Sala)

16. RESTORATION

12 PIPE ALKGNMENT

THE CHARLES AND THE CHARLES AN

D. PROVING ACTION FROM DEL WARRANGE AND AND AND WITH ALL YOUR THE MATERIAL AND THE MICH.

PROBLEM CONTROL NO. 145 (2019-201) SAME TO THE TO THE NOTE OF THE NOTE OF THE SECOND SAME. A A DROST IN THE PART WAS PROUD OF THE CONTROL OF THE PROPERTY OF THE RESPONSITION OF THE PART OF THE N. Bigger M. Author and A. Marchania of Entire Control of Pro-cession of the Control of Entire Contro

children in control for the registronic form days as a country flavors with the states, of the files about the states from the factor flavors. As a file of the country of the states of the file of the states of the literature states of the states

The state of the s

The first increase and the second an

13. PIPE PURL BACK AND INSERTION

After feature, his 1908 ever to the entrient history of the histor Political Day of Land Market and Days of Autorist class with 200 Contemporary for prof. On the Contemporary Addition to the Authorities Scientific Application and Contemporary Science of Political Contemporary Co CONTRACTOR SHALL THE THE HELD HAS A STATE OF THE CONTRACT OF THE STATE OF THE STATE OF THE HELD HAS A STATE OF THE HELD HAS A STATE OF THE HELD HAS A STATE OF THE STATE OF THE HELD HAS A STATE OF THE STATE OF THE

14. TRACER WIRE

THE CONTROL OF THE TABLE OF THE CONTROL OF THE TABLE OF THE CONTROL OF THE CONTRO

THE CONTROL OF STATES OF THE PATRICL SHEET IS COUNTY TO FORE WAS AN ADDRESS OF THE PATRICL OF TH THE STATE OF THE S S. TRENCH BACKFILL

(*) COMPANION CHANG MAT, AND METER OF SEC. SEC. STOCK CHANG STOCK METER METER OF MET

The control of the co

CONTRACTION OF CO. SO. SO. SEES FOR SALES

STITUS SUNDE STATE

CENTRO OF FIRE OF PUBLIC ENGINEER OF STREET BOOK SESSO. . T 200 SEC. 161 SEC. 200 SEC. 100

NO - MOLL OF BEN

5 - 127 Children Chill, head, and 12542, At 92.0, the hydron, in print MODIN WE REPORTED THE PRODUCT LOCKED OF REPORTED BITTON IN THE PERSON OF PRODUCT IN THE PERSON OF PRODUCT OF THE PERSON WAS TO SEE THE PERSON OF THE PERSON WAS TO SEE THE PERSON OF THE PERSON WAS TO SEE THE PERSON OF THE PERSON

CZZ3 11 NR AGMICINI BASYON IN DOUTE

When I then	y	4
	No.	

SESERT WATER AGENCY	CHECK CANEDRAL DIT. ANNOVADIOR LOCATION ONLY	
Manual M	Sec. 14 Charles	
418	all the property of the party o	
约•世代。	MANUAL COLNTY (1000 CORP), AND WATE CANDED NOT THE CONTRACTOR ON THE CO.	
	The State of the S	

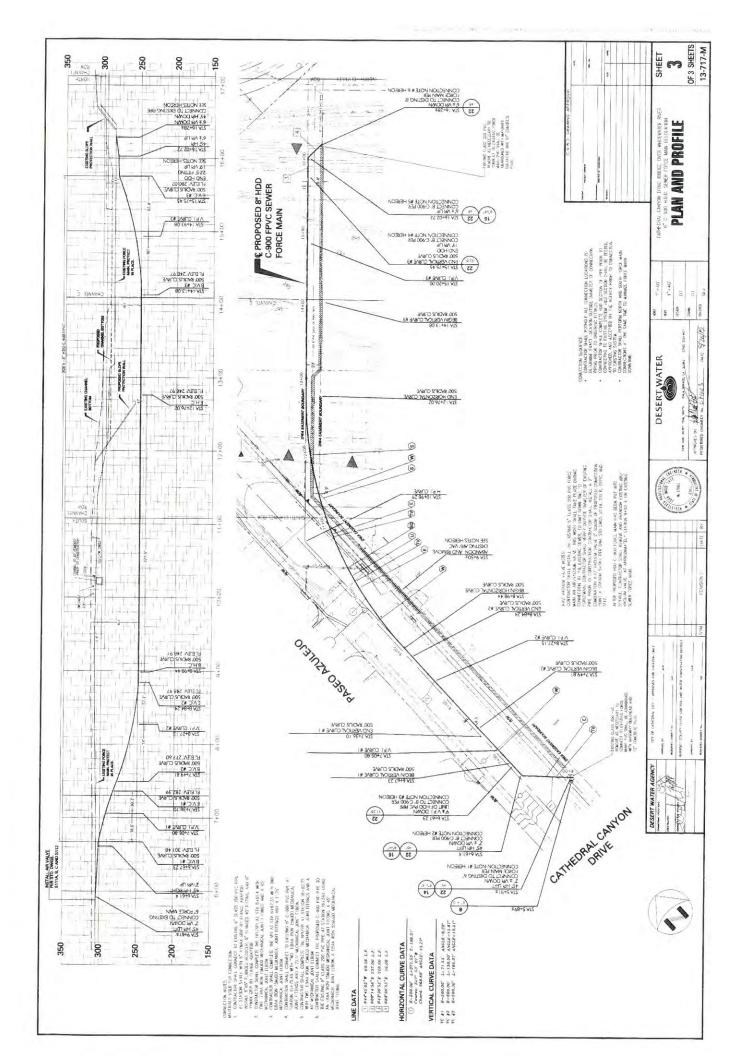
	-	1
(all	Mille	1
BI 10	6. C/60	CITIL OF CALIFF
12/4	5/938	

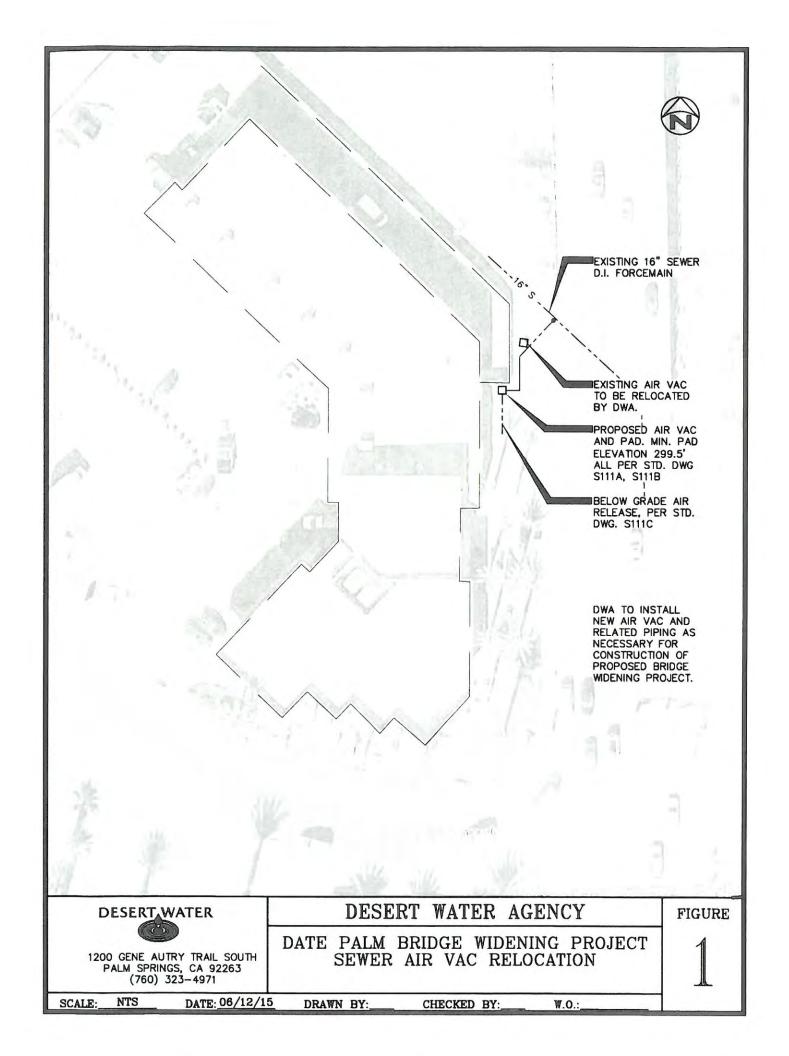
	*	83		š	ō
FR			92283 (760) 523, 467		DAT \$ 26/15
DFSFRT.WATER			The second of the	tet	3013
DFSF			HAL SOUTH	Julian,	NETH NO. C
			AND OF STREET	APPROVED BY	REGISTERED INCINETE NO.

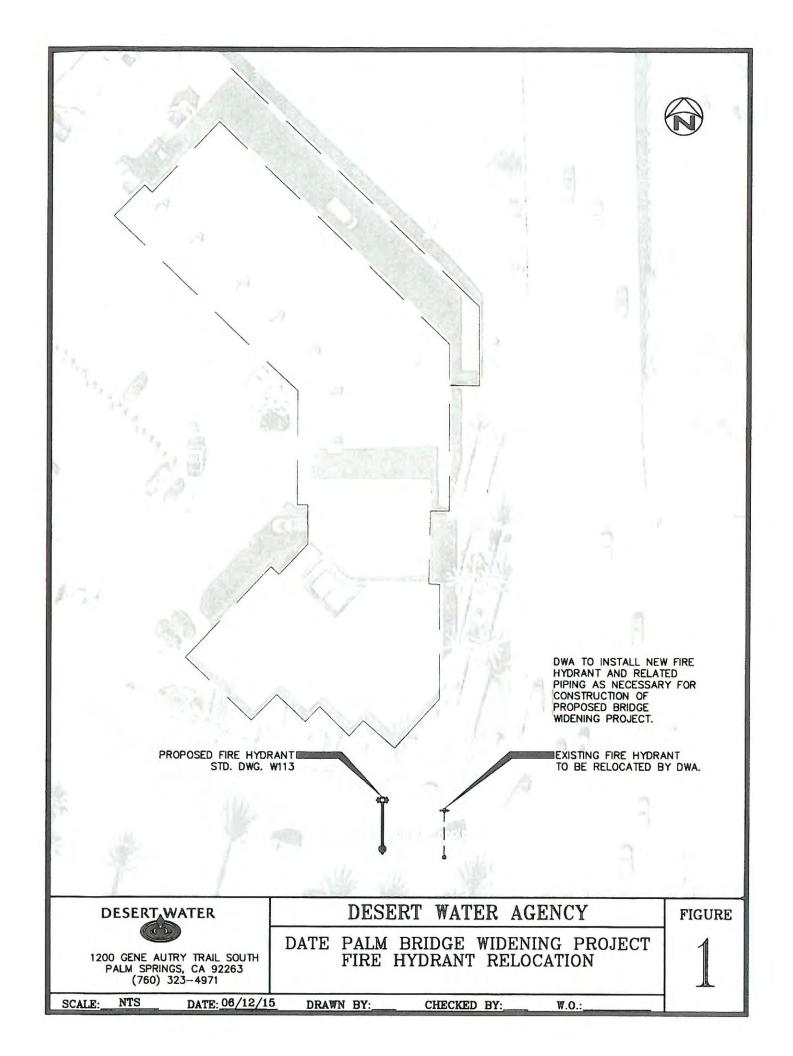
44	10	-	10	
481	25.50	Contract		25030
		43 (760) 523 467		11/1/c/12
		THE SPRINGS OF RESERVE	titt	21015
7		100	Mala	

R R	NOI	H
HIENAT	RECCA	CI
OVER W	WAR.	1
BRIDGE	TR FORE	THE
DRIVE	SEWI	JIII
CANYON	8" C -900 H.D.D. SEWER FORCE MAIN RELOCATION.	CTD
CALLEGRA, CANYON DRIVE BRIDGE OVER WHITEMALE RIV	8.0.8	PONETBIIPTING MOTE

SHEET	2	OF 3 SHEETS	13-717-M
200			







STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

SEPTEMBER 1, 2015

RE: REQUEST ADOPTION OF RESOLUTION NO. 1122 IN OPPOSITION TO SENATE BILL NO. 20 (PUBLIC GOODS CHARGE ON WATER)

Senate Bill No. 20 (SB 20) has been submitted to the Agency by Lobbyist Bob Reeb for consideration of a position to be taken by Desert Water Agency.

SB 20 would create the California Water Resiliency Investment Fund in the State Treasury which is intended to raise revenues for the fund through imposition of a public goods charge on water consumers throughout the state.

If SB 20 becomes law, it would place an additional financial burden on DWA customers, the proceeds of which would be sent to the State Treasury for the Legislature to spend outside of our service territory for drought response, regional water programs, safe drinking water for disadvantaged communities, ecosystem restoration and data and information systems.

Staff recommends that the Board adopt Resolution No. 1122 opposing SB 20 and send letters requesting support of its opposition to local representatives (attached).

RESOLUTION NO. 1122

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY IN OPPOSITION TO A PUBLIC GOODS CHARGE ON WATER

WHEREAS, proposals to impose a public goods charge or similar permanent statewide tax on water could emerge in the near future; and

WHEREAS, a public goods charge or other permanent tax on water bills is not the appropriate mechanism to fund water solutions or address water quality and water supply problems faced by some disadvantaged communities; and

WHEREAS, assessing a public goods charge would unfairly penalize local water agencies that have already made, and continue to make, investments in water management programs and infrastructure and would make it more difficult and costly for local water agencies to fund critical local water efficiency and supply projects; and

WHEREAS, according to a recent report by the Public Policy Institute of California, local water agencies are spending more than \$25 billion a year on local water-related programs, projects and infrastructure, and those investments have prepared them to respond to the current drought and have shielded the state's economy from the drought's most severe impacts over the past four years; and

WHEREAS, while there is a clear need to fund sensible long-term solutions and assist disadvantaged communities that do not have safe drinking water, a tax on water bills paid by a subset of Californians is not the solution;

WHEREAS, local water managers are best suited to identify ways to spend locally-generated revenues at their respective agencies; an additional tax on water bills paid in order to send money to Sacramento, where a portion will be carved out to fund another layer of administration, is not efficient and is not an appropriate solution or sound policy; and

NOW, THEREFORE, BE IT RESOLVED that Desert Water Agency opposes any effort by the state Legislature to impose a statewide public goods charge or other tax on water bills; and

BE IT FURTHER RESOLVED that Desert Water Agency opposes the use of the budget trailer bill process or other last-minute attempt to circumvent the appropriate legislative policy committee process to advance policy issues without full disclosure and transparency; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to our state legislative representatives and key members of the Administration.

	Craig A. Ewing, President	
· ·	Board of Directors	
ATTEST:		
Joseph K. Stuart, Secretary-Treasurer		
Joseph K. Stuart, Secretary-Treasurer Board of Directors		

September 1, 2015

The Honorable Eduardo Garcia Member, California Assembly State Capitol, Room 4162 Sacramento, California 95814

RE: Senate Bill No. 20—Oppose

Dear Assembly Member Garcia:

I am writing on behalf of Desert Water Agency to express opposition to SB 20 (Pavley), relating to the California Water Resiliency Investment Act.

SB 20 would create the California Water Resiliency Investment Fund in the State Treasury and while the legislation currently lacks significant detail, it is clear that the author intends to raise revenue for the fund through imposition of a public goods charge on water consumers throughout the state. This would constitute a significant new tax on your constituents and Desert Water's customers, the proceeds of which would be sent to the State Treasury for the Legislature to spend outside of our service territory for drought response, regional water programs, safe drinking water for disadvantaged communities, ecosystem restoration and data and information systems.

Desert Water opposes the imposition of a public goods charge on its customers to supplant State General Fund investment in water infrastructure and ecosystem investment.

USA TODAY, in a 2012 study of residential water rates over the past 12 years for large and small water agencies nationwide, found that monthly costs doubled for more in 29 localities. The analysis of costs for a diverse mix of water suppliers representing every state and Washington, D.C. found that a resource long taken for granted will continue to become more costly for millions of Americans. Indeed, rates haven't crested yet because of significant costs to upgrade or repair water and wastewater systems throughout the nation.

According to the 2012 study, the trend toward higher bills is being driven by:

The cost of paying off bonded indebtedness water systems issue to fund expensive repairs or upgrades on new or aging water systems.

- Increases in the cost of electricity, chemicals and fuel used to supply and treat water.
- Compliance with federal government clean-water mandates.
- Rising pension and health care costs for water agency workers.

In California, there has been an alarming trend toward shifting the responsibility to fund state government functions from the General Fund to local agencies and private entities. As of FY 2013-14, State Water Resources Control Board core water quality regulatory program and activity fee revenue totaled \$117.2 million annually. State Board fees imposed on water right holders like Desert Water Agency, which began in FY 2004-05, have grown from \$7.5 million in FY 2009-10 to \$14.9 million in FY 2013-14 and are projected to reach over \$18 million by FY 2016-17. One of the principal drivers for these increases (budget cost drivers, according to the State Board) is state employee benefits and retirement costs! The money to pay for these cost shifts from the General Fund to local agencies comes directly from the pockets of our water customers—your constituents. These fees are in addition to other legislative mandates that routinely flow to Desert Water customers through the enactment of legislation—SB 7 and SB 555 by Senator Lois Wolk are just two current examples.

The State Board held a workshop in July regarding conservation water pricing, acknowledging that (1) water district rate-setting is a complex undertaking that involves numerous local determinations, (2) conservation water pricing must be carefully tailored to local circumstances to be effective, and (3) water suppliers must carefully construct and document their rate structures to comply with the constitutional limitations of Proposition 218. Desert Water concurs with these acknowledgements by the state board. Regrettably, workshop testimony veered off into a discussion of the efficacy of a public goods charge in terms of the challenge facing the State of California in addressing the water supply and drinking water needs of disadvantaged communities.

According to a recent report by the Public Policy Institute of California, local water and wastewater agencies are spending more than \$25 billion a year on local water-related programs and projects. State and federal spending on water is just a fraction of that in California each year. While there is a clear need to fund sensible, long-term solutions and assist disadvantaged communities that do not have safe drinking water, a statewide tax on water bills paid by Desert Water customers is not appropriate. DWA has made, and continues to make, significant investments in water management programs and infrastructure. Our agency's 2015-2019 Capital Improvement Plan calls for the investment of \$60 million. Fiscal responsibility is one of our guiding principles and the Agency's Board of Directors and staff strive to balance the need to continually invest in Agency infrastructure with the challenge to maintain affordable rates for its customers.

With the passage of AB 685 in 2012, California became one of the first states in the United States to recognize the human right to water, delineating the responsibilities of public officials at the state level. AB 685 specifically charges relevant California agencies with fulfillment of the law's mandate by considering the human right to water in

policy, programming, and budgetary activities. A tax on local water bills is not the appropriate mechanism to address the water quality and water supply problems faced by disadvantaged communities. More appropriate funding sources – such as the state's general fund – should be pursued to address a problem that is in the general public's interest to solve.

Assembly Member, the Desert Water Agency Board of Directors would greatly appreciate your support in fighting against any attempt at this late point in the legislative session to enact a public goods charge as well as your opposition to SB 20.

Thank you for your time and consideration.

Sincerely,

Craig A. Ewing Board President

cae/sb

cc: Assembly Member Mayes

Senator Stone

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

SEPTEMBER 1, 2015

RE: ANNUAL REVIEW OF RESOLUTION ESTABLISHING POLICY AND GUIDELINES FOR AGENCY INVESTMENTS

Attached for the Board's review are copies of Resolutions No. 886 (adopted November 16, 2004) and No. 1007 (adopted July 7, 2009) which established the policies and guidelines for Desert Water Agency investments. Government Code recommends that the Agency's investment policy be brought before the Board at least annually for review and/or discussion.

After review of the Government Code and legal consultation, it was determined that the Board need not re-adopt the investment policy annually if there are no proposed changes. Thus, as there have been no changes or modifications in Fiscal Year 2015/2016 to the Government Code §53600-53635 which affects the Agency's investments, Staff has no recommendations for revisions to the Agency's existing policy, and a new resolution is not necessary at this time. Therefore, this policy is brought to the Board for the purpose of review only.

RESOLUTION NO. 886

RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY ESTABLISHING POLICY AND GUIDELINES FOR INVESTMENT OF AGENCY FUNDS

BE IT RESOLVED by the Board of Directors of the Desert Water Agency ("Agency") that the following is the Policy and Guidelines for investment of Agency Funds. The Board of Directors hereby delegates the investment authority of the Agency to the General Manager pursuant to this policy.

I. INTRODUCTION

This Agency investment policy is intended to provide guidelines and investment practice policy for maximizing the efficiency of the Agency's investment of funds and to protect those funds while enhancing the Agency's economic status. Government Code Section 53600.6 reads "The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern".

Thus, this policy is written so that all Agency investment practices and the writing of this policy will be in compliance with Government Code Sections 53600 through 53686 as modified by recent legislative enactments that apply to the Agency.

II. SCOPE

This investment policy applies to all Agency funds, as pooled by enterprise function as follows:

- Operating Fund
- General Fund
- Wastewater Fund
- Bond Fund
- Any new fund created by the Board unless specifically exempted

III. OBJECTIVES

The first and primary objective of the Agency investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio will be actively managed in a manner that is responsive to the public trust and consistent with State law.

A. Safety of Principal

Safety of principal is the foremost objective of the Agency. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The Agency shall seek to preserve principal by mitigating two types of risk: credit risk and market risk.

- 1. <u>Credit Risk</u> Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the portfolio so that the failure of any one issuer would not unduly harm the Agency's cash flow.
- 2. <u>Market Risk</u> The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of the Agency portfolio to five years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. <u>Liquidity</u>

Liquidity is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

C. Return on Investment

Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

IV. FIDUCIARY RESPONSIBILITY

Section 53600.3 of the Government Code declares each person, or governing body authorized to make investment decisions on behalf of local agencies to be a *trustee* and therefore a *fiduciary* subject to the *prudent investor standard*. The prudent investor standard is defined as: "care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." These persons shall act with care, skill, prudence, and diligence under the circumstances then prevailing when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. Section 53600.5 further stipulates that the primary objective of any person investing public funds is to safeguard principal; secondly, to meet liquidity needs; and lastly, to achieve a return or yield on invested funds.

Investment officers acting in accordance with the written guidelines of this investment policy and exercising due diligence are relieved of personal responsibility for an individual security's credit risk or market price change, provided deviations from expectations of the security are reported in a timely manner and appropriate action is taken to control adverse developments.

V. AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Government Code Sections 53601 and 53635 as amended and as may be further restricted by this policy statement. All authorized investments are shown in Schedule I (attached) which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and purchase restrictions that may apply.

VI. **PROHIBITED INVESTMENTS**

Prohibited investments include securities not listed in Schedule I, as well as inverse floaters, range notes, interest only strips that are derived from a pool of mortgages (Collateralized Mortgage Obligations) nor in any derivative or other investment that could result in zero interest accrual if held to maturity as outlined in Section 53601.6 of the Government Code.

VII. REPORTING

Government Code requires quarterly summary reporting of the investment portfolio, however, on a monthly basis the Board will be provided a report summarizing, by fund, each investment by type, issuer, maturity date, par and dollar amount invested in all securities, their market value, a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months, or provide an explanation as to why the expenditure requirement cannot be met, and monthly statement of compliance of the investment portfolio with the policy and guidelines for investment of Agency funds or the manner in which the portfolio is not in compliance.

VIII. TRACKING AND EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss. The sale proceeds will be compared to the original book value of the security plus cumulative interest earned on the security from the date of purchase to the date of sale.

IX. QUALIFIED INSTITUTIONS AND DEALERS

The Agency shall transact business only with banks, savings and loans, and registered investment securities broker/dealers. The purchase by the Agency of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker/dealer, who is a member of the National Association of Securities Dealers, or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

Should an investment manager be assigned to manage a portion of the Agency invested funds, such manager shall have full discretion to invest the assigned funds within the guidelines of this policy. The investment manager will provide monthly reports detailing all asset information and performance results and maintain communication with the Agency at as reasonable frequency as market conditions warrant. Major market condition changes will be immediately called to the attention of the Agency. In all cases where an independent investment manager is utilized, no funds will be released until a signed acknowledgment of the managers willingness and commitment to abide by the guidelines of this policy is received by the Agency.

BE IT FURTHER RESOLVED that this investment policy will be periodically reviewed to ensure its compliance with any applicable legislative action and its consistency with the overall objectives of safety, liquidity and investment return as well as financial and economic trends. The foregoing investment policy not withstanding, the intent and purpose is to ensure that investment of Agency funds is performed within the guidelines of relevant Government Code sections and as may be further limited herein. This policy will be presented to the Board at least annually for its review.

Resolution No. 843 adopted March 19, 2002 establishing investment guidelines is hereby rescinded.

ADOPTED this 16th day of November, 2004.

Ronald E. Starrs

President

ATTEST:

F. Gillar Boyd, Jr. Secretary-Treasurer

DESERT WATER AGENCY Schedule 1

AUTHORIZED INVESTMENTS

MAX PORTFOLIO %

PURCHASE RESTRICTIONS

MATURITY

CREDIT QUALITY
RATINGS

collateral Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio Medium Term Notes of U.S. Corp.	collateral Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	collateral	10. Repurchase agreements with 102% NONE	9. Collateralized Certificates of \$2,000,000 any o Deposit	o. Negotiable CD's issued by National 50% maximum or State chartered banks or a licensed branch of a foreign bank	Investment Fund	7 State of California Local Agency NONE	6. Commercial paper of U.S. Corp with total assets exceeding \$500 mm	largest banks by size of deposits	Bankers Accentance among 100	4. Obligations issued by Desert water Agency as set forth in Government Code. Section 53601(a)	issued by the State or local agencies	other certificates of indebtedness	3. Registered warrants, notes, bonds or NONE	Government	issued by grancies of the Federal	other certificates of indeptedness	1. U.S. Treasury notes, bills, bonds or NONE	INVESTMENTS
30%				\$2,000,000 any one bank	ınk 50/0 maximum			p 25% maximum*	ts 40/0 maximum						141			or	
	NONE	For temporary cash flow needs only	NONE	Gov. C	NONE	NOVE	Set by State Treasurer	Max 10% with any issuer	issuer	Maximum 30% with any	NON	H		NONE		INC.	NONE	NONE	MEGINGROLD
Immediate	Max. 5 years	Max. 92 days	Max. 1 year	Max. 5 years	max. Jycars	Liquidity	Immediate	Max. 180 days	Ivian. 270 days	Max 270 days	S S	NIONIE	•	Max. 7 years		Ivian. 5 years	May Swape	Max. 5 years	
	"A" or better	NONE	NONE	NONE	INOINE	NONE	Non-rated	"Prime" highest letter or numerical rating	INCINE	NONE	NOINE	NOVIE		NONE			NONE	NONE	(S&P/MOODY'S)

^{*} Increased from 15% to 25% in 2001

RESOLUTION NO. 1007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY AMENDING POLICY AND GUIDELINES FOR INVESTMENT OF DESERT WATER AGENCY FUNDS

WHEREAS, the Board of Directors has adopted Resolution No. 886 setting forth this Agency Investment Policy and Guidelines as required by law; and

WHEREAS, the Board wishes to amend its Investment Policy with regard to the amounts that may be invested in certificates of deposit, as allowed by law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency that effective April 21, 2009, Schedule 1, Item No. 9 (Collateralized Certificates of Deposit) of Resolution No. 886 be revised to read as follows:

	Authorized	Maximum	Purchase	Maturity	Credit Quality Ratings		
	Investments	Portfolio %	Restrictions		(S&P/Moody's)		
9.	Collateralized	\$20,000,000	Gov. Code	Maximum	NONE		
	Certificates of Deposit	with one bank	Sec. 53638	5 years			

ADOPTED this 7th day of July, 2009.

F. Thomas Kieley III, Presiden

Board of Directors Desert Water Agency

ATTEST:

Patricia G. Oygar, Secretary-Treasurer

Board of Directors
Desert Water Agency

DESERT WATER AGENCY Schedule 1

a sin an orași	AUTHORIZED INVESTMENTS	MAX PORTFOLIO %	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY RATINGS (S&P/MOODY'S)
		1			
4	U.S. Treasury notes, bills, bonds or other certificates of indebtedness	NONE	NONE	Max. 5 years	NONE
2.	Notes, bonds, bills, certificates issued	NONE	NONE	Max. 5 years	NONE
ن	Registered warrants, notes, bonds or other certificates of indebtedness issued by the Ctate or local agencies.	NONE	NONE	Max. 7 years	NONE
4.	Obligations issued by Desert Water Agency as set forth in Government Code Section 53601(a)	NONE	NONE	NONE	NONE
5.	Bankers Acceptance among 100 largest banks by size of deposits	40% maximum	Maximum 30% with any issuer	Max. 270 days	NONE
9.	Commercial paper of U.S. Corp with total assets exceeding \$500 mm	25% maximum	Max 10% with any issuer	Max. 5 years	"Prime" highest letter or numerical rating
7.	State of California Local Agency Investment Fund	NONE	Set by State Treasurer	Immediate Liquidity	Non-rated
∞	Negotiable CD's issued by National or State chartered banks or a licensed branch of a foreign bank	30% maximum	NONE	Max. 5 years	NONE
6	Collateralized Certificates of Deposit	\$20,000,000 any one bank	Gov. Code Sec. 53638	Max. 5 years	NONE
19.	Repurchase agreements with 102% collateral	NONE	NONE	Max. 1 year	NONE
₹.	Reverse Repurchase Agreements on U.S. Treasury & Fed. Agency Securities in portfolio	NONE	For temporary cash flow needs only	Max. 92 days	NONE
15.	Medium Term Notes of U.S. Corp.	30% maximum	NONE	Max. 5 years	"A" or better
13.	Mutual Funds that invest in eligible securities meeting requirements of California Government Code	20% maximum	Issuer registered with SEC or 10% maximum with any one mutual fund	Immediate Liquidity	Highest letter or numerical rating
J/JLT/BOAR	JJJLT/BOARD/Staff Reports/Krieger/07 07 09				

DESERT WATER AGENCY MEDIA INFORMATION AUGUST 2015

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
08/02/15	1-2	LA TIMES	Fixing The Imbalance In Access To Water
08/04/15	3	THE PUBLIC RECORD	CVWD Statement On Water Conservation Effort
08/05/15	4-5	THE DESRT SUN	Even In California Drought, Misters Vital To Restaurants
08/07/15	6-7	LA TIMES	Judge Halts Release Of Names Of DWP Customers Who Got Grants To Replace Lawns
08/09/15	8-14	THE DESERT SUN	No Enforcement, Uneven Transparency On Golf Water Rules
08/10/15	15	PRESS ENTERPRISE	Water Wasters Caught In Web
08/11/15	16-17	O.C. REGISTER	Judge Rules San Juan Capistrano Water Rates Refund Isn't Enough, Opening Door To Costlier Lawsuits
08/12/15	18-19	THE DESERT SUN	CVWD Customers Slash Water Use 41% In July
08/14/15	20-21	LA TIMES	Turf Rebates Yielded Green
08/14/15	22	PRESS ENTERPRISE	Water Agency Suspends Ban On Fountains, Car Washing
08/16/15	23-24	PRESS ENTERPRISE	City Faces Big Bill To Clean Wells
08/17/15	25-27	LA TIMES	Palo Verde Valley Farmers And MWD Find Fallowing Deal a Win-Win, So Far
08/17/15	28	THE DESERT SUN	Cathedral City Hydrant Caps Stolen, Water Lost
08/18/15	29-30	THE DESERT SUN	CA Drought: Grass Removal Funds Only Available To Some

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
08/18/15	31	PRESS ENTERPRISE	Less Chance Of Colorado River Water Cuts In 2017
08/19/15	32	swc	Drought Operations Update
08/20/15	33	THE DESERT SUN	California Land Quickly Sinking In Drought Costs Farmers
08/20/15	34-35	LA TIMES	Another Toll Of The Drought: Land Is Sinking Fast In San Joaquin Valley, Study Shows
08/20/15	36	PRESS ENTERPRISE	Report Shows Groundwater Pumping In Central Valley Has Land Sinking
08/20/15	37-38	PRESS ENTERPRISE	Colorado River Saves Area Crops
08/24/15	39	THE DESERT SUN	Rebate Program Launched To Lower Agricultural Water Use
08/25/15	40	THE DESERT SUN	Our Voice: CVWD Investing More In Water Conservation
08/27/15	41	THE DESERT SUN	DWA Offers \$1M For Turf Buyback

Los Angeles Times

Fixing the imbalance in access to water

By Abraham Lustgarten, August 2, 2015

Last fall, farmers working the flat land along the Colorado River outside Blythe, Calif., harvested a lucrative crop of oranges, lettuce and alfalfa from fields irrigated with river water. But that wasn't their only source of income. They made almost as much per acre from the seemingly dead squares of dry earth abutting those orchards and row crops, fields left barren for the season.

The money crop that the fallowed land produced was one of the West's most precious commodities: water. Under an experimental trading scheme set up by the Palo Verde Irrigation District in Blythe and the Metropolitan Water District — which supplies municipal water to the Los Angeles area, Orange and San Diego counties, and much of the Inland Empire — the farmers essentially leased millions of gallons of their Colorado River water to California's coastal cities.

It's a prototype of a trade that may soon become much more common, and the kind of win-win scenario that could help solve the West's water crisis.

The Colorado River basin — which provides water to California, Arizona, New Mexico, Nevada, Colorado, Utah and Wyoming — is entering its 16th year of drought. The nation's largest reservoir, Lake Mead, is nearly two thirds empty, in large part because even in wet years those seven states take more water from the river than the Colorado, on average over the last century, has provided.

This overuse — coupled with arcane laws discouraging conservation, subsidies encouraging profligate water management and political gamesmanship — has helped make the West's water desperately scarce and left its governments unprepared for a changing climate. ProPublica has reported extensively on these failures in its five-part series "Killing the Colorado."

But, as experts such as former Arizona Gov. and Interior Secretary Bruce Babbitt point out, there is, in fact, a great deal of water available in the Colorado River basin. There is just a gross imbalance — institutionalized through law and policy and tradition — in who has access to it.

At the core lies a fundamental tension between agriculture, which uses about 80% of Colorado River water, and the watershed's growing cities, which desperately want to use more of it. Both present convincing claims: Colorado River-irrigated agriculture — including lands in Southern California — provides about 15% of the nation's food supply; meanwhile, cities such as Las Vegas, Phoenix and L.A. want to continue to grow in order to remain vibrant and serve their millions of residents, who drive the region's other economies.

There is a great deal of water available in the Colorado River basin ... [but] a gross imbalance ... in who has access to it.-

This standoff has long shadowed development in the West. It stirs up divisive politics, a fight generally couched in terms of which water user is more important, more deserving and more responsible in its stewardship of a scarce natural resource — agrarian food growers or the urban pioneers of new economies.

But debating whether farms or cities are "more deserving" ignores a simple fact embedded in the foundation of law governing the West and its water: Though most water is technically a public asset, the right to use it was long ago promised to individuals and is virtually irreversible, so long as the water is put to good use. Those rights are viewed by many as inviolable private property rights.

Farms — many of which were granted their water rights 100 years ago — believe they earned them, through more than a century of pioneering and risk they shouldered to settle and build the growing regions that now covet their water. And in most cases, the courts and state governments of the Colorado River basin back them up. Yet very few deny that in a rapidly urbanizing region, shifting more water to the cities is an existential necessity. The real question is how best to do it.

State leaders could boldly try to redesign — to modernize — the legal architecture that assigned all that water to farmers on a first-come-first-served basis. But policymakers seem unwilling to take on such a daunting task, in part because it could bring hefty political consequences and would inevitably draw legal challenges. Protecting claims to water, for instance, is written into Colorado's Constitution. Many view the taking of water rights — or redistributing them — as a form of eminent domain and anathema to the independent streak running through Western American politics.

There is an emerging consensus that a solution lies not in taking farmers' property, but in buying it, establishing markets that would allow water rights to be traded. These schemes essentially allow capitalism to take a stab at solving the crisis and at establishing a more logical and sustainable water balance in the West. The Western Governors Assn. has endorsed the idea, as have many environmental groups.

The idea is that the cities — or whoever wants the water — can pay for it. Farmers, often financially struggling, would be compensated for water and therefore for crop losses; they might even turn their water rights into a new path to profit.

One common hurdle is the legal problems that the outright sale of water rights runs into. A claim on water is usually attached to a specific piece of land and for a specific purpose. If the rights are separated from those lands or the uses violate the terms of the deal, the rights can die out or the transfers — which are already allowed to a limited degree in places — can be challenged by other water users.

Another is the concern that selling rights and moving the water away can permanently dry up land, ensuring it can never again be farmed, a scenario that harms rural communities and could in the long term lessen the nation's ability to produce food.

Once again, the technical difficulties and the political realities of such maneuvering may overwhelm efforts to establish a water market.

This is where Palo Verde farms and MWD may have found an ideal compromise. By basically leasing their right to water instead of selling it, the farmers aren't permanently divorcing their water from the land. Over the last decade they have been testing a transaction allowed by Colorado River water law where they leave a portion of their water unused — and MWD can take it. Rules limit how much water can be transferred and for how long. It has been shown to keep the majority of the water on the land, keep farms in business, encourage water's efficient use, and also turn water into a cash crop that cities want to pay for.

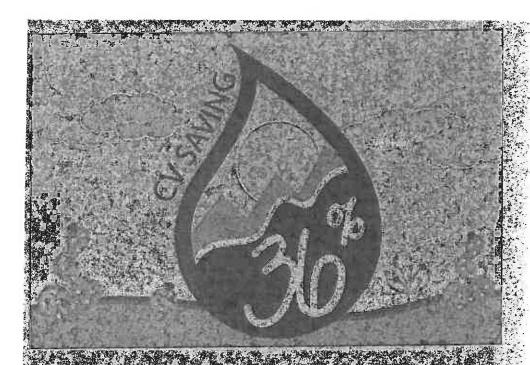
MWD and Los Angeles, of course, would prefer to own the water they deliver to users. Indeed, MWD showed its willingness to throw cash at the problem in July by buying some 12,000 acres of Blythe farmland, in order to control its water rights.

But by trading water for money in a much more limited and temporary way, farmers and agriculture can survive and cities can win access to additional water when they need it most. It requires stringent rules and limits to work, but enough such deals, and the West may have found a regulated, structured yet market-inspired solution for the future.

The Public Record

VOLUME 38 - EDITION #5 PALM SPRINGS, CALIFORNI \$1.50 - PER SINGLE ISSL

SERVING ALL OF THE DESERT CITIES AND UNINCORPORATED AREAS OF RIVERSIDE COUNTY IN THE GOAGHELLA WALLEY



COND STATEMENT ON WATER CONSERVATION BEGINNES TO THE STATE OF THE STATE STATES WATER RESOURCES CONTROL BOST

In: responsible the state's approuncement that State Water Resources Control Board will meet with agencies that dicknot meet their target conservation tates, the distinct has released the following statement from general manager lim Habrets.

Coachella Valley Water District has instituted drought penalties and other water use restrictions as a way to strongly encourage conservation by our customers our customers are responding by showing a significant commitment to conservation. District customers replaced 2.9 million square feet of grass with desert-friendly landscaping in the 2014-15 fiscal year and nearly 6 million since the start of the program. Since April we have received and processed nearly 900 applications for furf conversions for a total of around \$3 million in applications.

June's water use showed a 21 percent decrease when compared to the same month two years prior, and we anticipate that upcoming months will bring additional increases in conservation. We realize that significant additional effort will be required to reach the 36 percent goal.

Because the drought penalties are the cornerstone of the conservation program and they went into effect in the July billing period, the district will need to review July water use numbers before being able to fully evaluate the effectiveness of this approach. If the July numbers do not reflect an ongoing conservation trend, we will reassess our approach and go back to our board of directors to determine the best course of action.

CVWD remains committed to encouraging water conservation throughout the dis-



Even in California drought, misters vital to restaurants

Everett Cook, The Desert Sun, August 5, 2015

Mindy Reed and her employees have been yelled at a lot this summer. Five or so times, a staff member has been working outside one of her two South Palm Canyon restaurants, Zin American Bistro and Alicante, only to become witness to a car full of people who pull up and shout obscenities toward the restaurant.

It's not because Reed is serving subpar food. It's because she's running her misting system on the patio.

When California isn't dealing with a record-setting drought, the misters are welcomed as part of the framework of the valley. But as the drought drags on, the public perception of these cooling systems is beginning to turn. Owners like Reed deal with in-person criticism, and the Desert Water Agency has received calls from residents asking why they're permitted.

Here's the reality: commercial misting systems don't use as much water to function as many think and meanwhile, contribute a great deal to a local economy that already suffers during the summer, restaurant owners say. Even if it's 110 degrees, misters can make patio dining tolerable. In Palm Springs, where being outside is often the draw, that's important — Reed estimates that 30 percent of her summer business comes from patio dining, and that's during a season that's already down 40 percent in sales from the peak winter.

"The misters are the difference between staying open and not staying open," Reed said. "Between my two places, that's 50 people who are employed all summer. That's families and tax dollars. If I had to lay all of them off, that's a lot of people looking for jobs who aren't able to support their families in the summer."

Many owners presume that misters are a topic of conversation because of their visibility. A stroll down the South Palm Canyon sidewalk in July can feel like the vegetable section of a grocery store — there's mist everywhere.

But in terms of actual water use, the misting systems are insignificant. They're designed to make the smallest droplets of water possible, because the smaller the droplets, the easier the evaporation into dry air (that's why when the outdoor dew point and humidity is high, misters don't work). Once the water is evaporated, the resulting cool air is then pulled into an overhead fan, where it's distributed across a patio. The resulting temperature drop can be anywhere from 5 to 30 degrees, which also allows the indoor air conditioning system to use less energy.

Take Las Casuelas Terraza as an example. The high end systems — used by all of the biggest patios on South Palm Canyon — use somewhere in the neighborhood of one gallon of water per nozzle, per hour (for reference, a single lawn sprinkler running at a medium flow rate uses five gallons of water a minute). Las Casuelas uses around 80 nozzles a day, depending on crowds and the relative humidity outside. If the system runs for eight hours, that's 640 gallons of water per day, roughly the same amount of water used in 38 showers.

Depending on the time of day, there are around 500 mister heads in use in downtown Palm Springs during the summer, combining to use somewhere in the neighborhood of 4,000 gallons of water a day. If that sounds like a lot, the Coachella Valley Water District has said that on average, each golf course in the valley uses roughly 1 million gallons of water a day. Downtown misters use less water in one year than your average golf course does in one day.

For Las Casuelas, these misters help them to stay open year-round. They've never closed their doors, and as a result, some employees have been with the restaurant since it opened more than 30 years ago. Because of that base, Las Casuelas has been able to reinvest in sustainability. They use 138 solar panels and monitor when the misters are used, generally on request or when they're busy.

The restaurant has the largest patio in the downtown area, and on many days, the outdoor seating is more crowded than indoor. Without that patio option, they'd have to cut employee hours to the point where many would leave. That hurts those individuals, but also the restaurant business, since owners would be forced to cycle through employees and lose the efficiency that comes with continuity.

"We've invested hundreds of thousands of dollars in being responsible for how we use our resources here, but at a certain point, there are trade-offs," said Patrick Service, general manager of Las Casuelas. "We understand the perspective that if it appears wasted, one drop of water is too much for a lot of people. But the trade-offs in terms of jobs and the economy here, it's critical. This has been one of the best summers I've ever seen, and a lot of people are outside. People are still drawn to Palm Springs in the summer, but they wouldn't be if it was 115 degrees and there was no relief."

The Coachella Valley is actually home to the first company in the U.S. that brought outdoor cooling to patios — MicroCool. Their first installation, Las Casuelas in 1981, became home the first commercial misting system in the country. It was so foreign to the restaurant owners that they left it on during a humid stretch, turning the mist into something more of a billow. Downtown pedestrians were so alarmed that the fire department was called.

Since then, dozens of other outdoor cooling companies have appeared in the desert. Business was good for a while, then the drought hit. MicroCool, still the biggest operation in the desert, has seen their commercial and residential installations drop by almost 50 percent. They've cut down on traditional private misting now to focus on larger industrial projects like greenhouses.

There have also been rumblings from the public to place restrictions on misting systems, but as of now, the Desert Water Agency is targeting larger water users. According to a spokesperson from the Coachella Valley Water District, their board has looked into how much water misters use, but haven't discussed restrictions on a serious level.

"Our conservation strategies are working now, but if we run into a situation where we need to do more, I'm sure misting systems and other conservation strategies would be on the table for discussion for restriction," said Katie Ruark, DWA's public information officer. "But it's not something we're considering doing at this time."

There are cheaper, inefficient misting systems that don't use all of the technology MicroCool does — zoning systems, humidity monitors, and something called a variable frequency drive — but those systems aren't popular with Palm Springs restaurants.

Although it may appear to onlookers to be a blatant disregard for water conservation, owners aren't ignoring their misters and just letting them run wild. Trio, with an 80 head system, previously used the misters at all times to try and draw people to the patio. Now, they only turn them on if requested. Blue Coyote Grill, with 2/3 of their seating outdoors, monitors humidity closely to make sure the misters are running at optimal times.

The owner of Lulu, Jerry Keller, had MicroCool come out in the spring and re-evaluate their system after he'd received questions from customers about the efficiency of the misters. They were able place caps on 25percent of the mister heads while maintaining their patio temperatures. It sounded like a lot to Keller until he found out how much water that actually saved per day.

The answer? One shower's worth.

Everett Cook covers food, spirits, and general human interest stories for The Desert Sun. He can be reached at everett.cook@desertsun.com and on Twitter @everettcook.

Los Angeles Times

Judge halts release of names of DWP customers who got grants to replace lawns

By Matt Stevens and Morgan Cook

August 7, 2015

Heeding the call to conserve water, tens of thousands of Southern California residents and businesses replaced their lawns with drought-tolerant landscaping with the help of \$340 million in grants from the Metropolitan Water District.

Government officials have praised those who got rid of their grass. But now, a legal battle is brewing over whether officials must reveal the names of those who got the money, which amounted to up to \$2 per square foot of turf removed.

The San Diego Union-Tribune — a sister newspaper of the Los Angeles Times — requested the names and addresses of those who got the rebates, which were doled out to customers of water suppliers across Southern California.

One of the biggest water districts, the Los Angeles Department of Water and Power, strongly objects to making the information public and went to court Thursday to block the Metropolitan Water District from providing the information.

The MWD had planned to release the information Friday. But Judge James C. Chalfant issued an order that temporarily prevents the water seller from giving out detailed information about DWP customers until the parties can argue the merits of the case in November.

Chalfant ruled that the names of grant recipients from other agencies could be released because no one had challenged the move. An MWD spokesman said that information would be given out "sometime next week."

Attorneys for the Union-Tribune argued that the information was necessary to analyze the effectiveness of the program and determine exactly how the public money was spent.

"All public records are important," said Kelly Aviles, an attorney for the Union-Tribune. "We're talking about ... million(s) in public money and we need to know where it went and what happened to it."

She also said the DWP would need a "very high burden" to withhold the names, "and we don't think they come close."

The DWP, however, maintains it is private information that is not subject to release under the California Public Records Act.

The DWP says releasing the names would violate the California Constitution's guarantee of a right to privacy because customers were not notified that their information might be disclosed when they signed up for the rebate program.

"Customers may never have participated in the turf program if they had known their names and addresses could be published in a newspaper," the DWP's complaint said.

DWP spokesman Joseph Ramallo said the department was "pleased with the outcome" of Thursday's hearing.

"It was clear that the judge saw the importance of protecting our customers' privacy, which is what this case is all about," Ramallo said in an email.

The MWD, a water wholesaler, sells water to the DWP along with about two dozen other agencies and cities that span the region. DWP customers made up about 20% of the total participants in the MWD's turf rebate program, attorneys said.

At first, some commercial customers were able to receive more than \$1 million in rebates to rip out millions of square feet of grass. But later, the MWD placed caps on the amount of money a customer could get. Now residential and commercial customers have varying limits on the amount of grant money they can receive.

So far, the DWP has been the only water supplier to object to the release of the information.

The MWD has said it is willing to release the names and addresses because it is public information.

But Aviles, the attorney for the Union-Tribune, said she believed the two water suppliers were working "behind the scenes to prevent the disclosure."

The MWD denied the charge. "Working together does not imply that we are conspiring in any way," said Bob Muir, an MWD spokesman.

"The fact we're in court today," he said, indicates that MWD wants the information to be released.



No enforcement, uneven transparency on golf water rules

DESPITE MANDATORY RESTRICTIONS, WATER USE AT GOLF COURSES REMAINS SHROUDED IN MYSTERY.

Story by Sammy Roth; Photos by Jay Calderon, August 9, 2015

Golf courses are supposed to be doing their part to save water. Gov. Jerry Brown's mandatory water restrictions require golf courses that pump groundwater from their own wells to limit watering to two days per week, or to reduce their consumption by 25 percent.

Ordinary Californians have stepped up: Homes and businesses cut their water use 27 percent in June, and the state's largest cities all met their targets. Many golf courses are taking the drought seriously as well, as evidenced by the brown grass and desert landscaping that have become increasingly common at Coachella Valley golf courses.

But are most golf courses following the rules?

It's an impossible question to answer. With uneven transparency from the golf industry and no enforcement from the state, water use at many golf courses remains shrouded in mystery, a Desert Sun investigation has found.

Over the past two weeks, The Desert Sun contacted more than 50 Coachella Valley golf facilities covered by the new water rules in an effort to find out whether and how they're complying. Representatives for more than three-fifths of those facilities either didn't respond to multiple requests for comment or declined to be interviewed.

That silence underscores the difficulty of knowing whether golf courses with their own wells are doing their part to save water. State officials told The Desert Sun they're unlikely to enforce the restrictions on those golf courses, or even to request data on how much water they're saving.

"It would be easy enough to demand that all water users provide basic information about how much water they're using and where that water comes from," said Peter Gleick, president of the Oakland-based Pacific Institute. "Collecting this kind of basic information is the job of the state, and local water agencies. It shouldn't fall on the media or the public to try and dig this information out."

Shrouded in mystery

Brown's statewide water restrictions, which took effect June 1, require California homes and businesses to cut their water use 25 percent from June 2015 to February 2016, relative to the same period two years ago.

Golf courses have two options, as do other commercial, industrial and institutional properties that don't get their water from one of the state's 400-plus water agencies. They can either limit outdoor irrigation with potable water to two days per week, or reduce potable water consumption by 25 percent from June to February.

Of the 53 golf facilities contacted by The Desert Sun, 20 described the steps they're taking to cut back by 25 percent. None chose the water-two-days-per-week option, which golf experts say would kill grass.

It's likely that some of the other 33 golf facilities are trying to follow the rules, despite their silence. Seven of them are getting rebates from the Coachella Valley Water District to tear out grass.

But in the absence of information, it's hard to know who's following the rules and who's flouting them.

"People are naturally going to be skeptical and assume that the absence of information means that the information would show that they're not doing their part, that they're cheating," said Peter Scheer, executive director of the First Amendment Coalition, a San Rafael-based nonprofit that advocates for transparency in government.

Scheer believes golf courses should proactively release data showing how much water they're saving.

"They have customers, and it would be very, very bad for their business if their customers and their neighbors and the citizens of the communities in which they operate — who have the ultimate political power — believe that they might well be cheating," Scheer said. "If I were sitting in their shoes, I would be anticipating that backlash."

Even among golf courses that told The Desert Sun they were trying to cut back by 25 percent, some didn't know how their water use in June and July compared to the same months in 2013, the baseline being used by the state. Some compared this year's consumption to last year's, or cited reductions over the past five to 10 years. Others described changes that will save water in the long term, but may or may not get them to 25 percent from June to February.

Golf industry officials say most courses are taking extraordinary steps to reduce their water use. But they also say that in the absence of a reporting requirement, it's difficult to know exactly how much a given course is saving.

"I've seen golf courses in the desert, and quite honestly, some look browned out and distressed in a way they've never looked before," said Craig Kessler, director of governmental affairs for the Southern California Golf Association. "Whether that particular course is meeting the 25 percent, or exceeding it, or falling a little short — there's no way of knowing that. But there is a way of knowing that they're making a good-faith effort to comply."

Are golf courses saving water?

Over the past two weeks, The Desert Sun contacted 53 Coachella Valley golf facilities in an effort to find out whether and how they're complying with California's mandatory water restrictions. Representatives for 33 of those facilities either didn't respond to multiple requests for comment or declined to be interviewed. Representatives for the other 20 described the steps their courses are taking to cut water use by 25 percent.

But in the absence of information, it's hard to know who's following the rules and who's flouting them.

"People are naturally going to be skeptical and assume that the absence of information means that the information would show that they're not doing their part, that they're cheating," said Peter Scheer, executive

director of the First Amendment Coalition, a San Rafael-based nonprofit that advocates for transparency in government.

Scheer believes golf courses should proactively release data showing how much water they're saving.

"They have customers, and it would be very, very bad for their business if their customers and their neighbors and the citizens of the communities in which they operate — who have the ultimate political power — believe that they might well be cheating," Scheer said. "If I were sitting in their shoes, I would be anticipating that backlash."

Even among golf courses that told The Desert Sun they were trying to cut back by 25 percent, some didn't know how their water use in June and July compared to the same months in 2013, the baseline being used by the state. Some compared this year's consumption to last year's, or cited reductions over the past five to 10 years. Others described changes that will save water in the long term, but may or may not get them to 25 percent from June to February.

Golf industry officials say most courses are taking extraordinary steps to reduce their water use. But they also say that in the absence of a reporting requirement, it's difficult to know exactly how much a given course is saving.

"I've seen golf courses in the desert, and quite honestly, some look browned out and distressed in a way they've never looked before," said Craig Kessler, director of governmental affairs for the Southern California Golf Association. "Whether that particular course is meeting the 25 percent, or exceeding it, or falling a little short — there's no way of knowing that. But there is a way of knowing that they're making a good-faith effort to comply."

'We're not the highway patrol'

When Brown called for a statewide 25 percent water cutback on April 1, he tasked the State Water Resources Control Board with making it happen. By mid-May, the water board had issued a long list of new rules.

Those rules include restrictions on individual actions — no watering down your driveway with a hose, no watering your lawn right after it rains — and restrictions on businesses. They also require the state's 400-plus water agencies to reduce consumption by amounts ranging from 8 percent to 36 percent, or else face massive fines.

Every month, the water board publishes data showing how much each water agency reduced its consumption. While the board hasn't issued any fines yet, it said last month it would impose new requirements on 16 of the worst-performing water agencies, including the Coachella Valley Water District and Mission Springs Water District.

For golf courses that pump groundwater from their own wells, not following the rules is punishable by fines of up to \$500 per day. But the water board has no plans to systematically enforce those rules. The reason, officials say, is because they're already stretched thin policing water agencies.

"We're not the highway patrol," said Max Gomberg, a senior environmental scientist with the water board. "We're managing a lot of different things here, and we want this regulation to be effective, and we know

enforcement is part of making it effective. But we do have limited resources, and we're going to deploy them where they're likely to get us the biggest water savings."

That strategy might make sense in other parts of the state, where golf courses are relatively minor water users. But in the Coachella Valley, they pump nearly one-quarter of the water that's removed from the underground aquifer each year.

Pressed on that statistic, Gomberg said the water board might have to re-evaluate its enforcement strategy.

"We may determine down the road that it's a good use of our resources, maybe to focus specifically on the Coachella Valley region, for self-supplied entities, and look to hold them accountable," he said. "But I can't say that with certainty."

The state's drought regulations say golf courses should have information on hand showing how they're complying with the new rules, in case the water board decides to ask them for it. For now, though, water officials have no plans to ask golf courses to submit that information, unless they receive complaints about a particular course.

At the very least, Gleick said, the water board should require golf courses to submit information on their water use. In the long run, he said, the board needs more funding for enforcing water restrictions.

"The hope is that golf courses and all water users will abide by the laws and the rules set out by the state, with or without enforcement," Gleick said. "But of course reality is often somewhat different, and it would be nice if there were a way to identify and punish any water user that's abusing our water."

'That's the secret'

At some Coachella Valley golf courses, it's clear that serious efforts are underway to cut water use. You can see it in the wide swaths of brown grass, and in the workers tearing out turf and replacing it with desert landscaping.

Eighteen of the valley's 122 golf courses have been approved for grass removal rebates from the Coachella Valley Water District. Among them is Marrakesh Country Club in Palm Desert, a Moroccan themed-community where pale pink homes brush up against the edges of an 18-hole, short-game course.

Marrakesh is starting to remove three and a half acres of grass from the golf course, and it's applying less water to the remaining grass. In June and July, the course cut its water use 25-28 percent relative to two years ago, superintendent Orlando Delgado said.

Aesthetically, Delgado's goal is for desert landscaping to "frame" smaller expanses of verdant grass. By cutting down on turf, he said, superintendents can keep the remaining grass in good shape while still saving water.

"We want to water our turf 100 percent when the homeowners are here, to make it beautiful," he said.

Local golf officials say that while a small minority of golfers have complained about courses that aren't as lush as they used to be, the vast majority understand the severity of the drought and know cutting water use is a necessity.

Some golfers are enthusiastic about the changes. Mary McConnell, a former gardener who was golfing with a friend at Marrakesh on Tuesday, enthusiastically explained why she supports replacing turf with desert landscaping.

"It can be very pretty, and very well done. That's the secret," she said, adding that she xeriscaped her own lawn more than a decade ago.

For golf courses looking to cut back by 25 percent between June and February, experts say it's important to save more than 25 percent over the summer, when the greatest savings are possible. That way, even if they don't hit 25 percent in the winter months, they'll still meet the target over the nine-month period.

From a business perspective, it might also be easier to save over the summer. There are fewer golfers over the summer, and most of them are locals who probably understand the drought situation, Kessler said. That will change in the winter, when snowbirds descend on the Coachella Valley.

"They show up year after year after year to enjoy the fruit of the desert, and they'll discover California is in a bit of a distressed situation in 2016," Kessler said. "Are they as in tune with the problems we have here in California as Californians might be? That'll be the concern. We're not there yet."

'The times we're in'

At Thunderbird Country Club in Rancho Mirage, water use on the golf course was 594 acre-feet last year — down from 645 acre-feet in 2013, an 8 percent reduction, superintendent Roger Compton said. This year, Compton expects to be down to about 500 acre-feet, a 22 percent cut from two years ago.

"We're always in a drought here in the desert. What we need to do is quit deficit pumping, quit wasting," Compton said. "I hope this is waking people up."

Thunderbird has cut water use by shutting off sprinklers where the Whitewater Wash goes through the golf course, and by watering around the edges of the course just four days per week. It's a common strategy for golf officials trying to cut back by 25 percent: Let the least important parts of the course go brown.

That's what's happening at Desert Princess Country Club in Cathedral City, which stopped overseeding much of its course in the winter seven or eight years ago, director of golf Rand Veal said. The course is also removing seven and a half acres of turf and replacing its 30-year-old sprinkler system with more efficient technology. Desert Princess officials expect to spend \$3.2 million on those projects.

"It's part of the times we're in," superintendent Jonas Conlan said. "(The members) understand it. They're probably not happy about it, don't like it. But it's the times we're in."

Some golf courses have argued that because they cut water use substantially before 2013, it's unfair that state officials are asking them for more savings. It's a common refrain, from private homes to water agencies to golf courses: We shouldn't be punished for being ahead of the curve.

Take Indian Springs Golf Club. Five years ago, the Indio course cut its water use 30 percent by reducing overseeding from 130 acres to less than 50 acres, general manager Neil Finch said. Asked how Indian Springs is complying with the new restrictions, Finch responded, "I've already told you, I started reducing mine by 30 percent five years ago."

"We're not the villains," he said. "It's really easy to beat up on the golf courses, but we've been working hard and trying to be good stewards."

Kessler noted that water agencies were assigned cutback targets based on how much water their customers use — a way to avoid penalizing homes and businesses that have already cut back. But the restrictions are the same for all golf courses, which Kessler said is unfair to courses that have "played all the cards that are really available in the deck."

"There has to be some incorporation of past conservation." he said.

The Colorado River

There's no question that California's mandatory water restrictions apply to water that's pumped out of the ground. It's unclear whether they apply to water that comes from the Colorado River.

For years, Coachella Valley water managers have worked to bring more Colorado River water to golf courses, new developments, housing tracts and other large water users. Their goal has been to protect the valley's overpumped groundwater aquifer. Two years ago, a Desert Sun investigation found that water levels in valley wells had fallen an average of 55 feet since 1970.

But the Colorado River Basin is now enduring a 16th year of drought, and experts say it's increasingly clear that demand for river water exceeds supply — drought or no drought. Lake Mead and Lake Powell, massive reservoirs meant to bank river water during wet years, have hit record lows in recent months.

According to Coachella Valley Water District data, local golf courses used nearly 25,500 acre-feet of river-water in 2014 — more than 8.3 billion gallons. The water district, which has pushed golf courses to switch from groundwater to a blend of river water and recycled water, has argued that river water isn't "potable," meaning it isn't covered by Brown's mandatory water restrictions.

Some experts have responded that even though the non-treated river water used on golf courses isn't "potable," the reality is that tens of millions of people drink purified river water. That's true in the Coachella Valley, where water managers allow large amounts of river water to sink into the ground in "percolation ponds," replenishing the aquifer.

State officials told The Desert Sun earlier this summerthey believe Colorado River water is covered by Brown's executive order. But they also said they were still working out the implications of that.

Asked this month whether golf courses will be required to reduce consumption of Colorado River water, Gomberg said, "We may take a position on that soon." He didn't say what that position would be, but he criticized the argument that river water isn't drinking water.

"No one should be gaming the system," he said. "People who want to say this isn't really a drinking water supply, due to technical consideration or legal interpretation ABC, you name it — it just calls into question whether there's gaming going on, or whether people are really just trying to understand and comply to the best of their ability."

Asked whether Colorado River water should be covered by the drought restrictions, Kessler said the golf industry "doesn't want to get in the middle of that, or broach an opinion of that." But his association is encouraging all members to cut overall water use by 25 percent, regardless of where their water comes from.

"We just want to see voluntary 25% cutbacks," Kessler said.

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.

Date: Aug 10, 2015; Section: Front Page; Page: A1

Water wasters caught in Web

Complaints flow into new online state program to bolster local efforts.

BY JANET ZIMMERMAN

STAFF WRITER

A newly launched state website logged more than 1,000 reports of water waste in its first five days of operation, California's drought enforcers said.

SaveWater.ca.gov gives water watchers yet another avenue for reporting sprinkler runoff, leaky pipes and other drought infractions. It is similar to applications used by numerous Inland agencies and can be used on smartphones, tablets and computers.

The site has been in the works for months under orders from the State Water Resources Control Board, the panel charged with enforcing Gov. Jerry Brown's emergency order to cut water use by 25 percent by February.

"Everyone needs to save wa- ter, and this is one effective way alert residents can help everyone – and every community – save water during this historic drought," said board Chairwoman Felicia Marcus.

"Every drop saved and every suspected leak or water waste reported and cor rected will help stretch the state's limited water supply, because we don't know if next year will be a fifth year of drought," she said.

SaveWater allows users to pick the offense from a drop-down menu and input the address of the problem. The anonymous report and optional photo are sent to the appropriate local agency.

"The website was created to complement local efforts by providing an easy-to-remember single location for residents, as well as visitors to communities, to report water waste if they do not know who the supplier is or the supplier has not had the capacity to support their own online system," board spokesman George Kostyrko said.

Infractions include watering on the wrong day of the week, washing a vehicle with a hose not equipped with a shutoff nozzle, irrigating within 48 hours of measurable rainfall, restaurants serving water that wasn't requested, and hotels that don't have an option for declining a change of linens.

More than 360 water agencies, some of them without the resources to build their own reporting system, have signed up to use the tool, Kostyrko said. They include: the cities of San Jacinto, Hemet and Perris; Rubidoux and Jurupa community services districts; and the Idyllwild Water District.

Water districts will verify complaints about waste and contact homeowners to correct the problems. Most agencies will issue two written notices before imposing fines.

Many agencies in Riverside and San Bernardino counties unveiled their own water-waste apps earlier this year.

One of the largest, iEfficient, enables the user to take a photo and choose the offense from a dropdown menu; GPS automatically logs the location coordinates and routes the message to the correct agency.

The iEfficient reporting app is used by 12 water providers. They have received 530 reports since it started in March, 60 percent for excessive irrigation, said Mandi Lambert of CV Strategies, which helped develop the app.

The agencies using the app are: Colton, Corona, Loma Linda, Rialto, Riverside, East Valley Water District, Elsinore Valley Municipal Water District, Rancho California Water District, San Bernardino Municipal Water Department, West Valley Water District, Western Municipal Water District and Yucaipa Valley Water District.

Eastern Municipal Water District unveiled its free EMWD Water Waste app in June. Users are asked to include the date, time and location of the offense, and can include photos. The app also includes information for reporting afterhours leaks. Eastern received 45 reports of waste through the app last month, spokesman Kevin Pearson said.



Judge rules San Juan Capistrano water rates refund isn't enough, opening door to costlier lawsuits

BY MEGHANN M. CUNIFF and ERIN DONNELLY 2015-08-11 19:44:11

A small claims court has sided with an Orange County resident who questioned San Juan Capistrano's plan to refund water users for only part of the time they paid illegal tiered rates.

The city is to pay \$3,500 to Eric Krogius and his wife, Kathleen Krogius, plus \$115 in legal fees, to make up for the money the couple spent on four years of water bills charged under a 2010 tiered pricing system ruled illegal by an Orange County Superior Court judge and the 4th District Court of Appeal. The payout is more than three times what Krogius said he would have received.

The latest ruling, issued Monday by Superior Court Judge Derek Hunt after a brief trial at the Harbor Justice Center in Newport Beach, could throw a wrench in the wheels of San Juan Capistrano's refund process and could cost the city millions of dollars more than already expected.

Cindy Russell, the city's chief financial officer, said in an email that city officials "believe that the small claims court ruling is incorrect, and the City is reviewing its options as to how it will proceed."

"It is noted that this small claims court judge did not read our trial brief and that he clearly stated that his decision would not set a precedent," Russell wrote.

About 3,000 water customers have requested refunds under <u>a process approved June 16 by the San Juan Capistrano City Council</u>, said Russell said last week. Each are to be refunded for anything they paid beyond the base water rate between Aug. 28, 2013 – when a Superior Court judge declared the rates illegal – and July 1, 2014, when new rates took effect with <u>tiers that weren't so steeply priced</u>.

But <u>Krogius rejected San Juan Capistrano's 10-month refund offer</u> – he would have received about \$1,000, he said – and sought money from when the tiers were first implemented in June 2010. According to Hunt's decision, he's entitled to all but four months of it. The tiers were charged for 52 months, but Hunt said the statute of limitations for such refunds expires after four years.

Hunt's ruling may not mean much for the 3,000 people who've already filed their claims: The city required each to agree to not seek legal action when they submitted their request forms.

But about 8,300 customers haven't applied for a refund. They have until Oct. 1 to do so, but Hunt's ruling gives legal precedent to those who want more and, like Krogius, take the time to fight for it in small claims court.

"It'll open the floodgates, I think," said Krogius, who lived in San Juan Capistrano for 16 years before moving to Coto de Coza. "If people see that, hey, this isn't right, who knows, they could all just file in small claims, or it could be a class action."

The city has 30 days to appeal Hunt's decision, which would prompt a new trial. Lawyers can participate in the new trial, whereas they weren't allowed in Monday's trial. Still, a water expert lawyer with the firm Best Best and Krieger helped prepare city officials for the trial by drafting a detailed brief. Krogius, vice president of a securities firm and brother of U.S. Rep. Mimi Walters, sought advice from family members who are lawyers while preparing, he said.

The city already has set aside \$4.1 million to pay for the refunds. The City Council last week tacked on

8/12/2015 2:48 PM

another \$320,000 to pay for the 10 percent interest promised to water customers but not accounted for when the city authorized the refunds in June. The money is being borrowed from the city's sewer fund.

The refunds stem from a 2012 lawsuit by the Capistrano Taxpayers Association, which sued the city over tiered water rates that the council implemented in 2010 at the recommendation of a national consulting firm.

A <u>panel of the 4th District Court of Appeal in April</u> affirmed an <u>August 2013 Orange County Superior Court</u> ruling that the tiers violated Prop. 218, which requires government fees be set in accordance with the cost of doing service.

It was a closely watched decision that, while not outright banning tier rates, some water experts worry will make it more difficult to implement tiered pricing, which is a common way to encourage people to use less water.

The state Supreme Court <u>recently rejected a request from the state Attorney General's Office</u> to depublish the ruling, which would have meant it couldn't be applied to jurisdictions other than San Juan Capistrano. Now the decision is final, and it's already being cited by citizens challenging tiered rates in other jurisdictions, including San Clemente and Marin County.

Contact the writer: mcuniff@ocregister.com or 949-492-5122. Twitter: @meghanncuniff.

© Copyright 2015 Freedom Communications. All Rights Reserved.

Privacy Policy | User Agreement | Site Map

2 of 2 8/12/2015 2:48 PM



CVWD customers slash water use 41% in July

Sammy Roth, August 12, 2015

July was a good month for the Coachella Valley and Mission Springs water districts, but not so much for several other local water agencies.

Coachella Valley Water District and Mission Springs customers hit their state-mandated targets, cutting their water use by 41 percent and 28 percent, respectively. It was a major turnaround for the water providers, which had ranked among the worst-performing water agencies in the state in June.

Homes and businesses served by the Desert Water Agency, meanwhile, cut back 30 percent, missing their 36 percent target. The cities of Coachella and Indio also fell short of their goals.

"A 30 percent reduction is pretty damn good when the temperature was 113 degrees last week," said Richard Oberhaus, a member of the Desert Water Agency's board of directors. "But as I drive through town, I see a lot of green lawns, and there are people we need to talk to, and continue our education effort."

Overall, Californians have a long way to go before they meet Gov. Jerry Brown's goal of a 25 percent cutback between June 2015 and February 2016, relative to the same period two years ago.

"It's important to keep it up. Just because we achieved it one month doesn't mean we can stop conserving," Coachella Valley Water District spokeswoman Heather Engel said. "We have to keep it up month after month."

Engel attributed much of the agency's strong showing to its drought penalty fees for homes that don't reduce outdoor water use at least 36 percent below their personalized "water budgets." Customers began seeing those fees on their water bills for the first time in July.

The district collected more than \$1.9 million in drought penalties in July, nearly offsetting the \$2 million in revenue the agency lost due to conservation, relative to July 2014. Individual penalties ranged from a few dollars to as much as several thousand dollars, Engel said.

Engel said the agency hasn't yet discussed the possibility of raising rates to replace lost revenue, although she doesn't expect the drought penalty to make up the difference for very long.

"The more people conserve, the less revenue we'll get from both sources," she said.

Coachella Valley water use

Water consumption was down across the valley in July (relative to July 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.

Myoma Dunes Mutual Water Company, which serves Bermuda Dunes, cut its water use by 37 percent in July. The cities of Coachella and Indio managed reductions of 21 percent and 24 percent, respectively, missing their targets.

In Coachella, officials weren't sure why residents saved less water in July than they did the previous month. In June, Coachella residents cut their water use 25 percent, beating their 24 percent target.

"We're rattling our brains as to what made the difference between June and July. We haven't figured it out yet," Coachella Water Authority spokeswoman Berlinda Blackburn said.

Because desert residents have traditionally used so much water, Coachella Valley Water District, Desert Water Agency and Myoma Dunes customers face 36 percent cutbacks, the highest tier under Brown's emergency drought regulations. The targets range from 24 percent to 32 percent for other local water providers.

In June, the Coachella Valley and Mission Springs water districts were two of just 16 water agencies statewide to miss their cutback targets by more than 15 percent. State officials said last month that they would require those agencies to take new steps to encourage conservation, possibly including more funding for grass removal and additional restrictions on lawn watering.

It's unclear whether the Coachella Valley Water District will still be required to take additional measures to encourage conservation, Engel said. Mission Springs spokesman John Soulliere said his agency met with state officials last week, and discussed enhanced outreach to businesses on the availability of turf removal rebates.

Overall, Californians cut their water use 27.3 percent in June, beating Brown's mandatory 25 percent target. Officials will announce statewide conservation numbers for July around the end of August.

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.

Los Angeles Times

Turf rebates yielded green

By Morgan Cook and Taylor Goldenstein, August 14, 2015

For homeowners with sprawling lawns who sought rebate money for switching to less thirsty landscaping, it paid to move quickly.

The Metropolitan Water District of Southern California for a time offered \$2 per square foot of lawn removed with no limit on the size of the rebate.

Nowhere was the message heard more clearly than in Rancho Santa Fe, where homeowners claimed the five largest ratepayer-funded rebates, according to MWD records released to the San Diego Union-Tribune.

The top five grants in the San Diego County community ranged from \$48,000 to \$70,000. The largest rebate awarded within Los Angeles and its neighboring counties was just over \$44,000.

"We took out truckloads of plants that are huge water hogs," said Rancho Santa Fe resident Steven Smith, whose \$47,800 grant is the fifth-largest residential incentive payment in the MWD data, which runs from Jan. 1, 2014, through June 16 of this year.

The MWD grant details are contained in data released after a hearing last week in Los Angeles Superior Court, where the Los Angeles Department of Water and Power was trying to keep names and addresses of rebate recipients from being made public.

The program's \$340-million budget was drained in a matter of months, forcing the MWD to stop accepting new applications in July.

On May 29, the MWD announced that it had imposed a \$6,000 cap on the residential grants.

"We should try to make sure we can get as many projects as we can out there, to spread the wealth," Bill McDonnell, water efficiency manager for MWD, said Wednesday.

Keeping up with the Joneses' drought-friendly yard boosted MWD's tab for rebates

Records show that Diana Troik, 72, of Camarillo received the largest rebate in Los Angeles, Orange, Ventura, San Bernardino and Riverside counties: \$44,318 for tearing out more than 22,000 square feet of lawn. She said the money covered most of the cost of replacing her grass with drought-tolerant plants, pavers, fruit trees and a rose garden, as well as installing drip irrigation and a small fountain.

Troik said her water bills went from about \$450 a month to about \$60 a month.

"It has just made an enormous difference in the amount of water we use," she said. "I guess I never realized how much water was going just for the lawn."

For two years before the rebate became available, Troik said, her family had planned on removing their turf over time. The rebate allowed them to save money by doing the entire yard at once, she said.

Troik had applied in September 2014, before the program was capped.

"I felt it was important ... to do it long enough before the end of the fiscal year when they still had some money left," Troik said. "We got very lucky in terms of the timing."

Another top recipient was Tom Chelbana, 67, a retired teacher who lives in Moreno Valley. He received more than \$35,000 to remove about 17,000 square feet of lawn.

His water bill dropped from \$600 a month to about \$39.

"We felt guilty when we looked at our water bill," Chelbana said. "It wasn't that we were wasting water; it was just that we have such a big yard.... The reality is that in today's world, we were using way too much water for one residence."

Rancho Santa Fe was held up nationally this year as an example of a wealthy community using excessive amounts of water. At 584 gallons per person per day, usage was nearly five times the average for coastal California.

Its residents responded by cutting back, including removal of 373,000 square feet of lawn under the grant program. Water use in Rancho Santa Fe was down 42% in May and 37% in June, compared with 2013.

Although some homeowners claimed large five-figure sums, the typical grant was much smaller. The average reimbursement among Los Angeles County applicants was \$2,600, the records show, and only two county residents were among the 30 largest rebate recipients.

Cook reported from San Diego, Goldenstein from Los Angeles. Times staff writer Ben Poston and Lauryn Schroeder of the San Diego Union-Tribune contributed to this report.

Date: Aug 14, 2015; Section: Local Extra - Southwest; Page: SB1

Water agency suspends ban on fountains, car washing

Rancho California enacted restrictions to meet a conservation mandate.

AARON CLAVERIE

STAFF WRITER

Get the bucket of soapy water ready and grab a sponge.

The Rancho California Water District on Thursday voted 6-1 to suspend its ban on the use of decorative fountains and home washing of vehicles, two measures adopted earlier this year as part of the agency's response to the state's water use reduction mandate.

Of 25 local agencies surveyed by staff, Rancho was the only one banning decorative fountain use. Of the same 25, only three, including Rancho, were banning washing vehicles at home. The survey was conducted after the district received "numerous customer comments and complaints" about the new rules from ratepayers.

District spokeswoman Meggan Valencia said that if the water situation becomes more dire and the district moves to the next stage in its water management plan, the bans would be reinstated.

"They are in our next stages at this point," she said. The district is currently in Stage 4a.

The district's action comes on the heels of the board's decision to eliminate a requirement for people with pools to use pool covers. That mandate was scrubbed shortly after the board moved to Stage 4a in early May.

Valencia said car wash- ing will be allowed if people use a nozzle with an automatic shutoff valve on their hose, and fountains will be allowed if they use recirculated water.

In response to the district's ban, the city of Temecula earlier this year shut down the large fountain in front of City Hall at Town Square Park, a popular photo backdrop for visitors and locals.

Assistant City Manager Greg Butler said last week that if the district rescinds the ban, the city will look into reviving the water feature.

"We've received a lot of comments from folks who want to see that happen," he said.

Angelika Yasini, manager of the Serendipity antiques store in Old Town, said she understood why the city turned off the fountain, even though it was appreciated by store employees and patrons.

"We liked it when it was on, but the city is the example so I think that's why they turned it off right away," she said.

To do its part, Yasini said the store turned off its rain chain fountain in the garden area after receiving news of the ban. She said she'll probably turn it back on after getting the OK from the district.

"It isn't a big thing, but it helps her (the woman who sells the rain chains) when it's demonstrating to the customer how it works," she said.

Date: Aug 16, 2015; Section: Local Extra - Southwest; Page: SB3

CITY FACES BIG BILL TO CLEAN WELLS

Some Banning drinking water has chemical levels that exceed state standards.

BY RICHARD MONTENEGRO BROWN

STAFF WRITER

The same chemical made famous in the Julia Roberts movie "Erin Brockovich" is a problem in Banning's water.

In two weeks, the Banning City Council will be asked whether to spend about \$350,000 from restricted water funds to pay for a study of seven wells, which state officials have said exceed safe levels of hexavalent chromium – also known as chromium 6.

The chemical was blamed for causing cancer in Hinkley, the San Bernardino County desert city featured in the 2000 movie.

Banning residents have been under a water warning since April when the city sent out letters informing some of them that they were drinking from wells containing chromium 6 at levels that exceed recently enacted state water quality standards.

At the time, contamination was in just one well, but now it is showing up in five wells in Banning and two others outside city limits that are shared with the Beaumont-Cherry Valley Water District.

Local officials, among them the public health officer for Riverside County, say the science is inconclusive as to whether chromium 6 at the minimum state level is a threat. California is the only state to set a standard for the element – and it's 10 times under the standard set by the federal government.

According to the state, any potable well containing 10 or more parts per billion of chromium 6 is in violation. Chromium 6 levels are not classified as "acute," or what the state Water Quality Control Board considers harmful, until the level reaches 40 parts per billion.

By U.S. Environmental Protection Agency standards, the maximum contamination level can't exceed 100 parts per billion for total chromium, which includes chromium 3 and chromium 6.

Riverside County Public Health Officer Dr. Cameron Kaiser said chromium 6 in high concentrations has been linked to skin irritation, lung damage and instances of cancer, but he said that was from inhalation in studies of industrial workers. The effect of ingesting chromium through water, he said, isn't accurately known.

Some form of the element – chromium 3 – is a naturally occurring, essential mineral needed for biological processes, Kaiser said. Chromium 6 is a more toxic version, he said, but it is also naturally occurring.

Perry Gerdes, Banning's water and wastewater superintendent, is working on the city's cleanup efforts.

He said the chromium in Banning and surrounding areas comes not from industrial waste but from the minerals present in the rock formations of the eastern part of the San Gorgonio Pass, from east of Beaumont, down through Cabazon and the Coachella Valley.

He said that a Coachella Valley Water District study found chromium 6 is leaching through the rock and into wells, and that it has been happening for as long as anyone has been drinking from the wells.

Dan Jaggers with the Beaumont-Cherry Valley Water District said he believes more than half of the wells in the Coachella Valley are out of compliance.

For the past couple of months, Beaumont-Cherry Valley Water District has taken the lead on studying levels and ways to clean the wells.

The wells it shares with Banning are northwest of city limits and have been taken off line while testing occurs, Gerdes said. He said four of the wells in Banning are still in use and one has been taken out of operation

- M-12, which has the highest concentration at an annual quarterly average of 17.3 parts per billion.

Banning's April letter to residents said the well water was safe to drink and they didn't need to seek alternative water supplies.

Kaiser agreed that there was no cause for alarm.

Testing the wells and fixing the problem will be costly for Banning, Gerdes said, but it is required to avoid later fines.

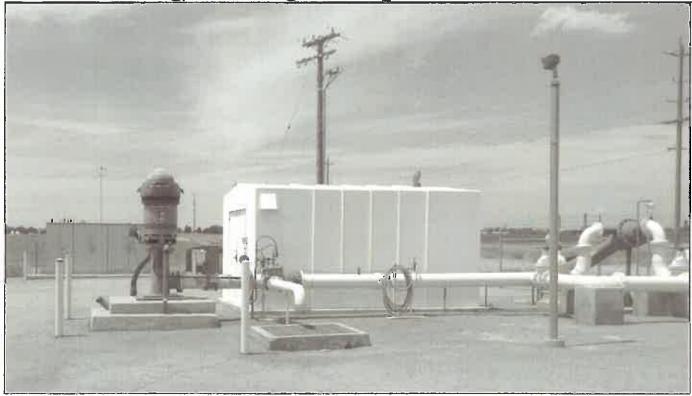
Gerdes said that during testing, the contractor will take measurements of the chromium concentration at various depths in the wells. The next step would be to find where the concentrations exceed state levels and plug those areas where water is being drawn to the surface.

A separate company would do the work at an additional cost.

Gerdes said there's no guarantee the effort will work. If it fails to succeed or is just a partial fix, the state will require that wells used for drinking water be equipped with individual water-treatment systems. That could cost the city about \$2 million in equipment and about \$1.3 million in annual operational and maintenance costs, he said. Water from the M-12 well, which has the most chromium, will be used again next month, but only for irrigating Sun Lakes Country Club golf course. That water won't be for human consumption.

CONTACT THE WRITER:





COURTESY OF THE CITY OF BANNING

Several wells in Banning are contaminated with chromium 6. The M-12 well, above, has been taken offline.

WHAT IS CHROMIUM 6?

WHAT: Hexavalent chromium, often known as chromium 6, is one form of a naturally occurring metal element on the periodic table. CHARACTERISTICS: It is an odorless, tasteless mineral that occurs in various types of rock, soil, ore and volcanic dust as well as in plants, animals and humans. USES: When not naturally occurring, it is used for chrome plating and the production of stainless steel as well as leather tanning, wood preservation, textile dyes, pigments and in anti-corrosion and conversion coatings. POTENTIAL DANGERS: It is a known carcinogen when inhaled and can pose a serious health risk to workers in industries where it is used. Although the potential health risk of chromium 6 in drinking water is a growing concern, there is not enough scientific evidence to confirm the actual risk or to determine at what level of contamination it occurs.

Los Angeles Times

Palo Verde Valley farmers and MWD find fallowing deal a win-win, so far

By Tony Perry, August 17, 2015

In the desert of California, where the Colorado River for decades has turned barren ground into an agricultural bounty, farmers are being paid not to grow crops on a portion of their land so that water can be shipped to thirsty cities on the coast.

In the Imperial Valley, so-called fallowing agreements have caused political upheaval, recriminations and litigation. The federal government had to threaten to take the water without compensation to get the Imperial Irrigation District to agree in 2003 to sell water to San Diego.

But just to the north, in the smaller Palo Verde Valley, a 35-year agreement signed in 2005 with the Metropolitan Water District of Southern California has enjoyed public acceptance by farmers and local officials. More than 90% of landowners signed up for the voluntary program.

Overshadowed by its larger neighbor, Palo Verde has become an increasingly important factor in California's struggle to overcome a four-year drought.

Next year the agreement between MWD and the Palo Verde Irrigation District will mean an additional 120,000 acre-feet of water for MWD to supply its customers in six counties — enough for 240,000 families. It may also allow MWD to leave water in Lake Mead, helping slow the lake's decline.

Despite some hard bargaining over money, Palo Verde has had virtually none of the contentiousness and seller's remorse that are a fact of life in the Imperial Valley.

Maybe Palo Verde has escaped much public notice because of its remoteness — Blythe, the irrigation district's headquarters, is 100 hard desert miles east of Indio, adjacent to the Colorado River on the edge of Riverside County.

But amid drought, the relationship between MWD and the Palo Verde Valley is changing.

Last month the mega-agency purchased 12,000 acres of farmland, which, combined with 8,000 acres it already owns, will make it the largest landowner in the valley.

Rumors swirled that MWD planned to fallow the entire 12,000 acres. When Los Angeles interests buy water rights, the specter of Owens Valley is close at hand.

To dispel the rumors, MWD's general manager, board chairman and Colorado River resources manager plan to travel to Blythe to meet the Palo Verde Irrigation District board on Aug. 20 at a public meeting.

Their message: No harm will come to the agricultural economy of the Palo Verde Valley. MWD plans to abide by the 2005 agreement, which caps at 35% (26,000 acres) the amount of the valley's farmland being fallowed. More than 25,000 acres are fallowed currently.

Randy Record, the MWD board chairman, said he wants to reassure farmers and others in Palo Verde that the local economy will not be hurt.

"I'm a farmer myself," Record said. "For me, the [fallowing] program is not a success unless it benefits both parties."

Members of the Blythe City Council are set to attend the meeting in a show of support for the irrigation board and the water deal. In Imperial County, the Board of Supervisors went to court over the water sales.

Jack Seiler, a second-generation Palo Verde farmer and now president of the irrigation district board, said he believes the program has been good for farmers by providing an assured income not tied to the fluctuations of the market.

Seiler farms 3,600 acres and has been among those 70-plus farmers who have agreed to stop growing crops on a portion of their land. Landowners agreeing to be part of the program received an upfront payment, like a signing bonus.

A 2014 study commissioned by MWD concluded that the water sales deal has been a net economic positive for the Palo Verde Valley without an overall job loss. The program includes loans and grants to small businesses and in one particularly hot summer paid to keep the public swimming pool open.

The Palo Verde Valley is smaller than the Imperial Valley, and its farming community is more cohesive. "We all went to high school together," Seiler said.

In water, topography can be destiny, and the Palo Verde Valley, unlike the Imperial Valley, is blessed.

The Palo Verde Irrigation District takes about 900,000 acre-feet of water a year from the Colorado River. But about half of the water returns to the river after running off fields full of alfalfa and other crops.

The valley's farmland is adjacent to the river and has a north-to-south downward slope. Water pulled from the river can be fed by gravity to farms. Water that runs off the farmland can be returned to the river, also by gravity.

If the entire 900,000 acre-feet stayed in the ground, Palo Verde's large-scale use of water for such a small farming community (Blythe has a population of about 20,000) probably would have caught the attention of state and federal water officials — as it has in Imperial County, which is entitled to 3.1 million acre-feet a year and has a population of about 180,000.

In the Imperial Valley, the farmland is at a distance from the river and the land slopes south to north. Water from irrigated fields flows into the smelly, environmentally imperiled Salton Sea. The sea is shrinking, and Imperial officials have appealed to the state to avoid "environmental disaster."

To make sure the irrigation runoff in Palo Verde returns to the Colorado River, the irrigation district has a system of channels and canals. The federal Bureau of Reclamation, which controls the river, measures the amount of the return flows and the degree of contaminants; so far, the bureau has been pleased.

"This is what makes us unique to everybody," said Ned Hyduke, general manager of the Palo Verde district, as he showed a visitor the Palo Verde Lagoon with a stream of green water flowing south to the Colorado River.

The system of returning water to the river for use by other agencies downstream, including the Imperial Irrigation District, is a matter of pride among Palo Verde farmers. "We feel here we are the most progressive irrigation district on the river," Seiler said.

Palo Verde has another distinction: the most senior rights of any California water agency that takes water from the Colorado River. San Francisco financier Thomas Blythe laid claim to the river in 1877, and on a plaque outside the Blythe library listing important events, his water-rights claim is at the top.

Each year, MWD decides how much water it wants to buy and thus how much land must be fallowed. Farmers are given a year to prepare to fallow.

Farmers receive a per-acre payment. MWD increases its allocation from the Colorado River by an amount equal to that used on the fallowed land in previous years.

Even in the current drought, state water officials have not cast their gaze on the Palo Verde Valley. If they ever do, the Palo Verde farmers say, they are ready — with lawyers if necessary.

With water, Seiler said, half the effort is getting the water to your fields, the other half is protecting your water rights.

On the wall of Hyduke's office hangs a framed picture of John Wayne with a quote attributed to the actor from one of his western movies: "My land, my water."

tony.perry@latimes.com



Cathedral City hydrant caps stolen, water lost

Colin Atagi, The Desert Sun, August 17, 2015

Caps were stolen overnight from nearly 20 fire hydrants in a Cathedral City neighborhood and water ran from one of them for more than an hour.

The thefts happened along Madrid Road and other streets north of Vista Chino. Cathedral City police discovered the thefts at about 7 a.m., but officials were investigating when the caps were stolen.

Water flowed from a hydrant at Madrid and Pasada Road until about 8 a.m., when a CVWD worker shut it off. None of the other hydrants released water and nearby residents said they never lost service.

The caps are made of brass and they may have been stolen for recycling value, said Heather Engel, spokeswoman for the Coachella Valley Water District.

She added CVWD will need to spend about \$190 - including parts and labor - to replace the caps on each hydrant.

In addition to Madrid, caps were stolen from Valencia Street and Pasada, Riviera and Santiago roads. Throughout Monday morning, residents said they were upset by the theft.

"Someone could have really messed up our service," said Cathedral City resident Jeff Munoz, 51. "They must have known what they were doing if they did it without causing a gusher."

Just removing the caps shouldn't cause water to shoot everywhere, said Eric Hauser, a Cathedral City Fire Department battalion chief. However, removal "exposes internal elements to weather," he said.

Furthermore, caps prevent passersby from putting trash into the hydrant. Debris could then be lodged into a hose after it's hooked up to a hydrant during a fire.

"We certainly wouldn't want any contaminants to get into the system," Hauser said. "It opens up the internal parts to issues."



CA drought: Grass removal funds only available to some

Sammy Roth, The Desert Sun, August 18, 2015

For Coachella Valley residents, there's good news and bad news in a new statewide program to fund grass removal.

First, the good news: Half of the \$24 million in state rebate funding, announced last week, is designated for low-income communities. Much of the Coachella Valley is eligible for that money, including parts of Cathedral City, Coachella, Palm Springs and Indio.

Here's the bad news: Many Coachella Valley residents aren't eligible for the new funds at all.

Under the new program, California's Department of Water Resources is offering single-family homes \$2 per square foot of grass removed. But if your local water agency already offers at least \$2 per square foot — or has at any point since the start of 2014 — you're not eligible for the state funds, even if you didn't get a local rebate.

It's a restriction that has puzzled some local water managers. If a local water agency runs out of turf rebate money, they ask, why shouldn't its customers be allowed to apply for state funds? And what about Coachella Valley residents who simply missed the deadline to apply for local funds?

State officials said they've restricted eligibility to ensure that enough money is available for low-income communities. The \$24 million in funding stems from Proposition 1, the \$7.5 billion water bond approved by voters last year.

"We wanted to provide assistance in particular to those disadvantaged or underserved communities that are most impacted by the drought, and have not had local resources to respond," said Kent Frame, a program manager at the Department of Water Resources.

Some local water managers aren't convinced.

Take Mission Springs Water District, which serves Desert Hot Springs. The agency didn't have to turn away any of the more than 100 households that applied for turf removal funding earlier this year, and it's now distributing \$273,000 in rebates.

But agency's application period is closed, meaning any more Desert Hot Springs residents who decide to tear out grass won't be eligible for state funding. They'll have to foot the entire bill themselves.

Mission Springs spokesman John Soulliere said he's contacted state officials to find out whether the eligibility requirements will be strictly enforced.

"I'm trying to work the system a bit to see if they'll be lenient, but I don't think they will," Soulliere said. "Why not fund the continued effort if there's still an opportunity to reduce water use by reducing turf?"

State officials estimate that the \$24 million in funding will benefit 10,000 homes and enable the removal of 10 million square feet of grass, one-fifth of the goal set by Gov. Jerry Brown when he called for mandatory water

restrictions in April. Tearing out lawns is by far the biggest step Californians can take to cut water use in their homes.

Frame said state officials are "sensitive" to concerns that the new funding excludes Californians who were able to apply for local rebates at some point, but no longer have that option. But he said it makes sense to focus on those who never had the option to begin with, especially in disadvantaged communities.

"Given the small amount of money we have, we thought this would be a way of channeling the greatest amount of money to people in those cases," he said.

The Desert Water Agency, which serves Palm Springs and parts of Cathedral City, will soon launch \$1 million in new funding for grass removal, with residential customers able to apply for \$2 per square foot. Once that money runs out — which officials expect to happen quickly — anyone who didn't apply in time won't be eligible for state funds.

Three other local water providers — the Coachella Water Authority, the Coachella Valley Water District and the Indio Water Authority — are offering \$1 per square foot of turf removed. Households served by those agencies can apply for up to \$1 per square foot in additional state funding, bringing their total rebates to \$2 per square foot.

Once those agencies run out of money, their customers will still be limited to \$1 per square foot in state funding.

The Indio Water Authority still has more than \$1 million available this fiscal year. The Coachella Water Authority is down to the last \$30,000 of its \$250,000 turf rebate program. The Coachella Valley Water District is also running low, although it might be able to find more money for the program.

"There is still funding today, but it's so overwhelmingly popular that we will soon have to decide whether or not to go to the board to ask for additional funding," Coachella Valley Water District spokeswoman Heather Engel said.

Myoma Dunes Mutual Water Company, which serves Bermuda Dunes, has never offered turf removal rebates, so its customers are all eligible for the new state funds.

The Department of Water Resources is also offering \$100 rebates to replace old toilets with high-efficiency models, using \$6 million in Proposition 1 funding. Californians can apply for grass removal and toilet replacement rebates at www.SaveOurWaterRebates.com.

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.

Date: Aug 18, 2015; Section: Front Page; Page: A3

BRIEFLY

LESS CHANCE

OF COLORADO RIVER WATER

CUTS IN 2017

Wet weather in May and June brought good news Monday from federal water managers keeping close tabs on the Colorado River water supply for about 40 million residents in seven southwestern U.S. states.

The U.S. Bureau of Reclamation projected normal water deliveries to residents, farms, tribes and businesses at least through 2016 and possibly through 2017, water agency officials in Arizona, Nevada and California said.

"We may have dodged a bullet for the next few years," said William Hasencamp, Colorado River resources chief for the Metropolitan Water District of Southern California.

Mark Krause

From: Kendall Klingler [KKlingler@fionahuttonassoc.com]

Sent: Wednesday, August 19, 2015 2:22 PM

To: Kendall Klingler

Subject: Drought Operations Update

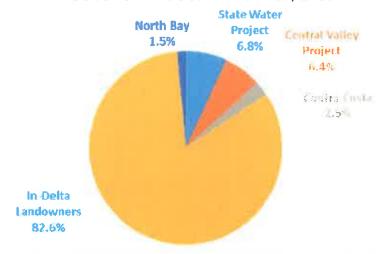


August 19, 2015

Public water agencies are releasing billions of gallons of water from storage every day this summer to keep fresh water flowing through the Delta. The State Water Project and Central Valley Project are able to deliver a minimal amount of this stored water to customers, but the vast majority is required to meet environmental and water quality standards in the Delta. If stored water is not being used for water deliveries, it should be reaching San Francisco Bay. However, less than half of the water flowing into the Delta this summer makes it that far. Daily monitoring by the California Department of Water Resources and the U.S. Bureau of Reclamation provides real-world data on where the water is going.

Forty-four percent of water that went into the Delta flowed out to the San Francisco Bay between August 9 and August 15. Of the remaining water, more than 82 percent was diverted by users within the Delta itself:

DELTA DIVERSIONS AUGUST 9 THROUGH AUGUST 15, 2015



The State Water Contractors is a statewide, non-profit association of 27 public agencies from Northern, Central and Southern Colifornia that purchase water under contract from the Colifornia State Water Project. Collectively the State Water Contractors deliver water to more than 26 million residents throughout the state and more than 750,000 acres of agricultural lands. For more information on the State Water Contractors, please visit www.swc.org.



California land quickly sinking in drought costs farmers

By Scott Smith Associated Press, August 20, 2015

FRESNO, Calif. (AP) — Land in Central California's agricultural region is sinking so quickly because of the state's historic drought that it is forcing farmers to spend millions of dollars upgrading irrigation canals and putting roads, bridges and other infrastructure at risk.

The Central California Irrigation District recently spent \$4.5 million to raise the walls of a canal, and the district's manager, Christopher White, says they're about to invest another \$2.5 million to replace a bridge that's now below the canal's water line.

"It's a vivid picture of what subsidence can do," said White, who serves 1,900 farmers on the San Joaquin Valley's west side that grow crops such as tomatoes, cotton, fruit and almonds in three counties.

Sinking land has occurred for decades in California because of excessive groundwater pumping during dry years, but NASA data released Wednesday by the state's Department of Water Resources shows the pace has dramatically quickened as the state endures its fourth year of drought.

The study done by NASA's Jet Propulsion Laboratory shows the ground is sinking nearly two inches each month in some places, placing roads, bridges and vital canals that deliver water throughout the state at growing risk of damage.

"We are pumping at historic levels," said Mark Cowin, head of the California Department of Water Resources, adding that groundwater levels are dropping to record levels — up to 100 feet lower than previously recorded.

Gov. Jerry Brown signed historic legislation last year that requires monitoring of groundwater pumping. However, local officials have until 2020 and in some cases until 2022 to write their management plans, so it could take another decade or two before California has a handle on groundwater use, Cowin said.

"I don't think we can end overdraft or subsidence overnight," he said. "We do need to take action."

Meanwhile, the state is launching a \$10 million program to help counties with stressed groundwater basins to develop or strengthen local ordinances and conservation plans.

The NASA data showed land near the city of Corcoran sank 13 inches in eight months, and part of the California Aqueduct dropped eight inches in four months last year. The aqueduct provides water to million people and vast farmland in the nation's most productive agricultural state.

NASA's satellite imagery shows a problem that farmers in White's irrigation district have long known. To keep water flowing, they raised the canal walls in order to send higher levels of water, overcoming a drop in elevation. The higher flow also put the bridge below the water line.

Long-term subsidence has already destroyed thousands of public and private groundwater well casings in the San Joaquin Valley. Over time, subsidence can permanently reduce the underground aquifer's water storage capacity.

Lester Snow, executive director of the California Water Foundation, which promotes water policy, urged more immediate action. He said state and federal officials should offer local agencies financial incentives to reduce pumping.

Investments are also needed in storm water capture during wet winters to offset heavy reliance on groundwater, Snow said.

"As long as this continues, we risk further damage to roads, levees and buildings," he said. "There is no time to waste."

Los Angeles Times

Another toll of the drought: Land is sinking fast in San Joaquin Valley, study shows

By Bettina Boxall, August 20, 2015

Farmland near Corcoran in the southern San Joaquin Valley sank 13 inches in just eight months last year. To the north, near El Nido, the land surface dropped about 10 inches.

Along a major canal near Los Banos, the ground has sunk so much that the concrete sides cracked. Nearby, a bridge over another canal had dropped so low it had to be demolished and replaced with a higher structure.

Groundwater over-pumping is causing some parts of the San Joaquin Valley to sink faster than ever, according to a NASA report released Wednesday.

The survey dramatically documents the rising toll the prolonged drought is taking on the Central Valley, where some federal irrigation deliveries have been cut to zero, domestic wells have run dry and growers are drawing down portions of the valley's vast aquifer to historic lows.

To keep their fields green, they have drilled new and deeper wells and ramped up withdrawals, worsening the valley's historic problem of land subsidence and depleting their water savings account for future droughts.

The sinking is so subtle that it is imperceptible on the ground, save for the effect on infrastructure. Aqueducts and irrigation canals buckle. Roads crack, causing millions of dollars worth of damage.

The NASA figures, based on radar data from satellites and aircraft, underscore the unsustainable levels of groundwater use in the San Joaquin Valley. Even in wet times, farmers in parts of the valley pump more from the region's deep aquifer than is replenished.

California's new groundwater law calls for local agencies to end that chronic over-pumping and balance aquifer withdrawals with water that man or nature puts back. But the requirements won't take full effect for more than two decades.

"There's no doubt these sorts of effects are going to continue to some extent," said Mark Cowin, director of the state Department of Water Resources, which commissioned the report. "I don't think we can end overdraft and subsidence overnight."

Cowin nonetheless cited the NASA figures as reason for counties to move quickly and adopt local pumping limits in overdrafted basins. "There's more to be done in the near term," he said. "We need to press for action ahead of the schedules."

He added that the state was "not ready to prescribe to counties exactly what they should do at this point."

The NASA results are based on comparisons of surface land changes recorded by satellite and aircraft radar equipment.

They show main areas of recent subsidence in the San Joaquin Valley — one bowl near El Nido that is some 25 miles in diameter and a larger one that extends for 60 miles in the Corcoran area. From 2006 to 2010, the land surface south of El Nido sank about two feet and the ground near Corcoran dropped about three feet.

The subsidence accelerated in 2014, when the land around Corcoran fell at a rate of about 1.6 inches a month and the ground south of El Nido dropped slightly more than an inch a month.

Groundwater levels have dropped to new lows in some parts of the San Joaquin Valley as agriculture has turned in a big way to wells to make up for drought-related cuts in irrigation deliveries. "We're pumping at record levels," said Cowin, adding that he was not surprised by the subsidence.

Not all of it is caused by drought-related pumping. Near El Nido, scientists with the U.S. Geological Survey who are monitoring the area say much of the groundwater is being used to irrigate new nut groves expanding into areas that weren't previously irrigated and have no access to surface deliveries.

The Central Valley aquifer extends for about 400 miles under the Sacramento and San Joaquin valleys. The subterranean water, some of which seeped into the ground 10,000 to 20,000 years ago, is California's biggest reservoir. Yet it has been largely unregulated and unmonitored. Most of the pumping is by agriculture, but the state doesn't have good figures on how much is being withdrawn or by whom.

Subsidence occurs when water withdrawals compact the soil, permanently shrinking the space between clay particles. Even if the water table recovers, subsided basins can't hold as much water as they did previously, reducing the aquifer's capacity.

When the land sinks unevenly, roads and irrigation canals can buckle, causing serious damage.

The satellite data showed surface drops along short portions of the California Aqueduct, which carries supplies from Northern California to the San Joaquin Valley and Southern California.

The subsidence increased dramatically between June and October 2014, when one area along the aqueduct fell eight inches.

The state has repaired the aqueduct's berms in the past, Cowin said, but he did not have up-to-date figures on the cost.

Even if such drops don't crack the sides of irrigation canals, they can slow water movement.

State water officials on Wednesday also released an updated list of the most severely overdrafted groundwater basins, showing where California's groundwater crisis is most acute.

The vast majority stretch from Merced to Bakersfield in the San Joaquin Valley. But five of the basins that officials described as "in trouble" are in Southern California, including aquifers beneath parts of Oxnard, the Cuyama Valley near Santa Barbara and the Indian Wells Valley north of Lancaster.

bettina.boxall@latimes.com

Date: Aug 20, 2015; Section: Front Page; Page: A5

REPORT SHOWS GROUNDWATER PUMPING IN CENTRAL VALLEY HAS LAND SINKING

BY SCOTT SMITH

THE ASSOCIATED PRESS

FRESNO Vast areas of California's Central Valley are sinking faster than in the past as massive amounts of groundwater are pumped during the historic drought, state officials said Wednesday, citing new research by NASA scientists.

The data show the ground is sinking nearly 2 inches each month in some places, putting roads, bridges and vital canals that deliver water throughout the state at growing risk of damage.

Sinking land has occurred for decades in California because of excessive groundwater pumping during dry years, but the new data indicate it is happening faster as the state endures its fourth year of drought.

"We are pumping at historic levels," said Mark Cowin, head of the California Department of Water Resources .

He added that groundwater levels are dropping to record levels – up to 100 feet lower than previously recorded.

Scientists at NASA's Jet Propulsion Laboratory did the research using images taken over time from satellites and airplanes.

California is the nation's leading agriculture state, but drought has put one fifth more land out of production this year than last year.

The NASA data showed land near the city of Corcoran sank 13 inches in eight months, and part of the California Aqueduct dropped 8 inches in four months last year.

The aqueduct spans hundreds of miles.

Long-term subsidence has already destroyed thousands of public and private groundwater well casings in the San Joaquin Valley.

Over time, subsidence can permanently reduce the underground aquifer's water storage capacity.

Date: Aug 20, 2015; Section: Local Extra - Southwest; Page: SB1

COLORADO RIVER SAVES AREA CROPS

Inland growers are thriving even while drought causes \$2.7 billion in agricultural losses elsewhere in the state.

BY JANET ZIMMERMAN

STAFF WRITER

The drought is expected to cost the state \$2.7 billion in agricultural losses this year, but farmers in eastern Riverside County are faring well because of steady supplies from the Colorado River, according to the authors of a new economic forecast.

The worst effects are hitting farmers in the Central Valley, who have been forced to draw from groundwater basins. They are paying more to pump deeper and drill new wells, threatening to overdraw underground reserves that may be needed during future water shortages.

Those are the conclusions of a study released this week by the Center for Watershed Sciences at UC Davis. Drought-related farm impacts are expected to be 30 percent worse than last year, said lead author Richard Howitt, professor emeritus of agricultural and resource economics at the university.

"Things have gotten really dry now," he said.

In the fourth year of drought, the agriculture industry is expected to lose 21,000 jobs, including seasonal farmworkers, truck drivers and food processors. An estimated 542,000 acres have been fallowed.

But it's a different story in the Coachella Valley, which has some of the most productive farms in the nation. The valley generated \$730 million in agricultural revenue last year, up 9 percent from 2013.

More than two-thirds of the 66,000 acres of farmland there are irrigated with Colorado River water delivered via the Coachella Canal, a branch of the All-American Canal, according to the Coachella Valley Water District.

"It's such a different situation down here than in the Central Valley," said Blaine Carian, co-owner of Desert Fresh, which grows dates, citrus and table grapes on 750 acres between Indio and Thermal. "It's a totally different delivery system."

Central Valley farmers rely on rivers supplied by snow melt, which was a fraction of normal this year. Water rights for thousands of farmers were curtailed by the state earlier this year, forcing some to stop irrigating and others to rely on well water.

In the Coachella Valley, less than 20 percent of farmers use wells, and that percentage is dropping, Carian said.

"The water district here has been working very hard to get people off groundwater and save that aquifer for other uses." Carian said.

Colorado River deliveries to the Coachella Valley Water District are secure through 2017, based on water levels at lakes in the upper reaches of the river basin, he said.

Ken Melban, a vice president at the California Avocado Commission in Irvine, said his industry also is doing well, despite the drought.

Southwest Riverside County is one of the five primary avocado-growing regions in the state, with almost 6,000 acres planted, according to the commission.

"There are definitely individual growers who are facing challenges because of the drought, but overall, farmers are finding a way to maintain and cope. Next season, we don't see any drought-related supply problems in fruit," he said.

According to the UC Davis study, farmers in Southern California and the Central Coast may end up benefiting from slightly higher commodity prices due to decreased production in other parts of the state.

In other findings:

Surface water shortages of nearly 8.7 million acrefeet will be mostly offset by increased groundwater pumping of 6

million acrefeet, primarily in the Central Valley. The offsets have helped keep the industry profitable this year.

The amount of fallowed land has increased by 114,000 acres since last year. The most fallowed land is in the Tulare Basin.

The effects of continued drought through 2017, based on continued 2015 water supplies, may be 6 percent worse than in 2015. Gradual loss of groundwater pumping capacity and water elevations will add to the incremental costs of a prolonged drought.

Increased groundwater overdraft during the drought slowly will deplete groundwater reserves at an incremental cost. New groundwater regulations could eventually reverse that trend.



Rebate program launched to lower agricultural water use

Anna Rumer, The Desert Sun, August 24, 2015

Local growers who make a change in their permanent crop irrigation systems could now receive rebates from the Coachella Valley Water District as part of the organization's initiative to account for the shrinking Colorado River and reduce local agricultural water use.

The program, made possible by a \$1 million grant, will be used to convert an estimated 667 acres of dates and other trees from flood to drip irrigation for a total savings of about 2,000 acre-feet of water that is taken from the river annually. That's about 651 million gallons that would be saved every year.

Growers whose farmland is irrigated by the Colorado River water can apply for \$1,500 rebates for each acre of land that is converted. The water agency estimates the rebates will provide about three-fourths of the cost it will take to convert their irrigation systems.

The remaining cost of conversion could still cost in the millions depending on farm acreage, said John Powell Jr., CVWD Board President and President and CEO of Peter Rabbit Farms, but can light a fire under growers already considering the process.

"(The rebates) are small, but I think people are going to look at it as getting something rather than nothing," he said. "If they're on the fence about it, I think it will be enough to help them make that decision."

The grant money, provided by the U.S. Bureau of Reclamation, Central Arizona Water Conservation District, Metropolitan Water District of Southern California, Denver Water and Southern Nevada Water Authority, is expected to have a large appeal in the area. Powell said growers will need to move quickly to be included.

"I think the funds will go very quickly," he said. "There's a limited amount available."

During the first five years of the program, half of the conserved water will stay in Lake Mead, which has been deeply affected by the historic drought. The other half will be available for groundwater replenishment and irrigation in the eastern Coachella Valley.

After that time period, in which the lake is expected to rise to 5,000 acre-feet, all water savings will be transferred to the valley. In the next 30 years, the CVWD estimates an additional 60,000 acre-feet of water will be available for the area. Reducing consumption by this amount is expected to be a significant part of the district's goal of reducing agricultural water use by 14 percent by 2020.

Growers who are interested in participating in the program can attend a workshop being held at 3 p.m.Sept. 9 in the Rummonds Training Room of the CVWD Coachella facility at 51-501 Tyler St.

"In order to obtain meaningful agricultural water conservation, we need to attract willing participants, and to do that we need to make the rebate program user friendly," Jim Barrett, CVWD general manager, said in a news release. "This is why grower input at this workshop is important. We may have as many questions for growers as they have for us."

Those with questions regarding the workshop or the program itself can call CVWD Planning and Special Program Manager Patti Reyes at (760) 398-2651, Ext. 2319 or preyes@cvwd.org.

Anna Rumer is a public safety reporter for The Desert Sun. She can be reached at (760) 285-5490, anna.rumer@desertsun.com or on Twitter @AnnaRumer.



Our Voice: CVWD investing more in water conservation

The Desert Sun Editorial Board 4:44 p.m. PDT August 25, 2015

Coachella Valley Water District is putting grant money to use that should pay big dividends in terms of water savings in years to come.

CVWD is offering farmers \$1,500 per acre to permanently convert their date and other tree groves from flood irrigation to drip systems. The money will come from a \$1 million pot provided by the U.S. Bureau of Reclamation, Central Arizona Water Conservation District, Metropolitan Water District of Southern California, Denver Water and Southern Nevada Water Authority.

Nearly 700 acres are expected to undergo conversion thanks to the incentive. CVWD expects the switch to a more efficient way of watering these plants to save 2,000 acre-feet of Colorado River water per year — or in excess of 650 million gallons.

Under the program, half of the water saved will be held in Lake Mead, while the other half will go to replenishment of the aquifer in the eastern Coachella Valley or local irrigation needs. After five years, the Lake Mead savings will be transferred to the Coachella Valley.

CVWD estimates an additional 60,000 acre-feet of water will be available to the valley during the next 30 years, thanks to the program.

This program isn't charity, either. Just like turf removal rebates offered to homeowners, HOAs and golf courses, these rebates don't cover the entire cost of the upgrades. Farms will still have to make sizable investments of their own to make the jump.

CVWD President John Powell Jr., who also is president/CEO of Peter Rabbit Farms, says the incentive should still be a big draw for growers looking to cut costs as they conserve. He expects the money to go quickly.

"If they're on the fence about it, I think it will be enough to help them make that decision," Powell told The Desert Sun's Anna Rumer.

Agriculture, which is among the biggest users of water in California, has been getting a lot of grief from many members of the public as urban users have been feeling the pain of the drought via a mandated 25 percent statewide cut in usage enforced by tough rules and fines.

This CVWD program looks like another good piece for our local water-conservation puzzle. Helping farmers make these costly conversions is a good investment in the water future for all who use it in California.

Water-saving conversions — and incentives that promote their adoption — are key to ensuring we can meet growing needs for this valuable resource as the state continues under severe drought conditions. This smart investment in conservation is another sign of growing realization that we must change how we in the desert view water.



DWA OFFERS \$1m FOR TURF BUYBACK

City News Service, August 27, 2015

PALM SPRINGS- Palm Springs-area property owners looking to reduce landscape water use can submit grant applications, starting Monday, for the Desert Water Agency's \$1 million turf buyback program.

Under the program, homeowners, homeowners' associations, commercial property owners and public properties can apply for grants to offset – up to \$2 per square foot – the cost of removing grass that is replaced with desert landscape.

Grant applications will be accepted through Oct. 1.

"The success of our (2014) turf buyback program surpassed our expectations – participating customers cut their overall water use by more than 40 percent," DWA General Manager Dave Luker said.

"With turf removal projects, the water savings are locked in for a long haul – in 10 years from now, today's completed projects will have collectively saved more than one billion gallons – and the savings will only increase as more grass is replaced this year," he said.

Residential homeowners can receive up to \$3,000 per project, though only front yards are eligible. Commercial, public or homeowners' associations can receive up to \$10,000 per project and can request grants for multiple projects.

Last year's program helped participants replaced 514,440 square feet of turf.

For more information, visit dwa.org/turf

DESERT WATER AGENCY

PUBLIC INFORMATION ACTIVITIES

AUGUST 2015

Activities:

8/10/15	Katie Ruark and Vicki Petek attended a Turf Replacement Study Session at the City of Palm Springs Planning Commission meeting
8/12/15	Vicki Petek spoke to residents at the Canyon Villas Apartments' monthly meeting
8/26/15	Ashley Hudgens did a radio interview with Gary Bells (EZ103 and KFROG) on Turf Buy Back
8/27/15	Ashley Hudgens did a radio interview with Joey English on conservation issues
8/27/15	Katie Ruark and Ashley Hudgens facilitated the shooting of DWA's Public Service Announcement video with the Palm Springs High School football team

Public Information Releases:

August 11, 2015 - Desert Water Agency Customers Reduced Water Use by 30% in July 2015

August 25, 2015 - Desert Water Agency's Turf Buy Back Program will Relaunch this September

Water Conservation Reviews

Canyon Vista Elmer's Pancake & Steakhouse

Golden Sands Mobile Park

New Mesquite Condos

Rim Crest

Sagewood Condos Sunrise Square

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

Aug 1, 2015 - Aug 26, 2015



Overview

Sessions 6,000

3,000

Aug 1, 2015 - Aug 26, 2015

Sessions 5,362

Users **4**,151

Pageviews

10,949

Pages / Session

2.04

Avg. Session Duration 00:01:42

Bounce Rate 56.64%

SET.

New Visitor Returning Visitor

% New Sessions 64.71%

	Language	Sessions	% Sessions
1.	en-us	3,831	71.45%
2.	(not set)	1,332	24.84%
3.	en	42	0.78%
4.	en-gb	33	0.62%
5.	pt-br	15	0.28%
6.	en-ca	14	0.26%
7.	es	9	0.17%
8.	it-it	9	0.17%
9.	ko-kr	9	0.17%
10	l. en-au	8	0.15%



Desert Water Agency Facebook Analytics August 2015

