

**DESERT WATER AGENCY  
NOVEMBER 3, 2015**



**BOARD OF DIRECTORS  
REGULAR MEETING AGENDA**

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

*About Desert Water Agency:*

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

1. **PLEDGE OF ALLEGIANCE**
2. **EMPLOYEE INTRODUCTION** **LUKER**
3. **APPROVAL OF MINUTES – October 20, 2015** **EWING**
4. **GENERAL MANAGER'S REPORT** **LUKER**
5. **COMMITTEE REPORTS – A. Executive – October 27, 2015** **EWING**
6. **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.
7. **ITEMS FOR ACTION - None**
8. **ITEMS FOR DISCUSSION**
  - A. Annual Reporting of Back-Up Facility and Capacity Charges **KRIEGER**
  - B. State Water Contractors Meeting of October 15, 2015 **RIDDELL**
  - C. Sustainable Groundwater Management Act PowerPoint Presentation **KRAUSE**
9. **PUBLIC INFORMATION**
  - A. Media Information
  - B. PI Activities
10. **DIRECTORS COMMENTS AND REQUESTS**
11. **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
  - C. **PUBLIC EMPLOYMENT**  
Pursuant to Government Code Section 54957 (b) (1)  
Title: General Manager
12. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
13. **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.

## Desert Water Agency REGULAR BOARD MEETING November 3, 2015

The following employee is scheduled to attend and be introduced to the Board of Directors at the November 3, 2015 Board Meeting:

Name	Date Employed	Classification/Department
Courtney Estrada	April 20, 2015	Account Clerk/ Telephone Operator

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

**October 20, 2015**

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

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

Consultant:	Michael T. Riddell, Best Best & Krieger )
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Public:	David Freedman, PS Sustainability Comm. )
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17281. President Ewing opened the meeting at 8:00 a.m. and asked everyone to join Director Oygar in the Pledge of Allegiance. **Pledge of Allegiance**

17282. President Ewing called for approval of the October 6, 2015 Regular Board meeting minutes. **Approval of the 10/06/15 Regular Mtg. Minutes**

Vice President Cioffi moved for approval. After a second by Director Oygar, the minutes were approved as written.

17283. President Ewing called upon General Manager Luker to provide an update on Agency operations. **General Manager's Report**

Mr. Luker reported on October 5 at 7:30 p.m., stand-by responded to a hit fire hydrant at 2465 E. Palm Canyon Dr. Staff was able to reinstall the hydrant and put it back in service. A police report was made. The water ran for approximately 25 minutes. **Hit Fire Hydrant**

Mr. Luker then reported on October 7 at approximately 11:30 a.m., staff responded to a hit air vac by a contractor working at the Fashion Plaza (Palm Canyon Drive, south of Andreas Rd.). Staff made the necessary **Hit Air Vac**

repairs, put the air vac back in service and filled out a damage report. The water ran from a fully open 2-inch riser for about 20 minutes.

General Manager's  
Report (Cont.)

Mr. Luker reported on October 10 at approximately 7:30 p.m., stand-by responded to a hit fire hydrant on Perez Rd., east of Palm Canyon Dr. Staff replaced and put the hydrant back in service. The water loss was from a 6-inch fully open riser, which ran for approximately 30 minutes. A police report was made.

Hit Fire Hydrant

Mr. Luker stated on October 12 at approximately 5:00 a.m., the Construction Superintendent received a call from our Information Systems department about a stolen hydrant (east corner of Indian Springs Rd. and Rio Blanco). Palm Springs Police was dispatched and arrested 2 suspects in possession of stolen brass hydrant materials. The police returned eight 2 1/2 inch brass caps, five 4-inch brass caps, and two brass commercial hydrants. After leaving this location, the Construction Superintendent found the second hydrant location on Sarah Street, where there was one complete hydrant missing and one half missing. All three hydrants were replaced and put back in service. The valves were off in the street and there was no water loss. There were 2 police reports made, one with Palm Springs Police and the other with Cathedral City Police.

Stolen Fire Hydrants

Concluding his report, Mr. Luker stated that the report on the Sustainable Groundwater Management Act (SGMA) would be presented by Assistant General Manager Krause.

Assistant General Manager Krause explained that the Indio Sub-basin (Whitewater River Sub-basin) and the Mission Creek Sub-basin have both been classified by the Department of Water Resources as medium priority groundwater basins. Because they are medium priority basins, they are required to be managed by a Groundwater Sustainability Agency(s) (GSA's), or Local Agency's having the powers to comply with SGMA. DWA is the only Agency overlying the Sub-basins that already has the power to comply with SGMA in its formation language.

Sustainable  
Groundwater  
Management Act

Continuing his report, Assistant General Manager Krause stated DWA has the option to remain a Local Agency with the powers to comply with SGMA or become a GSA in which case we would retain our original powers regarding groundwater management but also have the authorities granted to GSA's. In either case, DWA must file a notice of intent. If it is decided to become a GSA, DWA will need to adopt a resolution and hold a public hearing forming a new agency, create a GIS map of our boundaries, if necessary, adopt new bylaws and ordinances (not necessary) and provide a list of interested parties and an explanation of how their interests will be considered. Staff is evaluating the alternatives and will have a recommendation soon.

There was discussion on the public hearing date; it was tentatively set for November 17.

Agency Counsel Riddell noted that Board action is not required to set a Public Hearing; it can be left to the Executive Committee.

17284. President Ewing noted the minutes for the October 13, 2015 Executive Committee were provided in the Board's packet.

**Committee Reports**  
Executive 10/13/15

17285. President Ewing called upon Secretary-Treasurer Stuart to provide an overview of the financial activities for September 2015.

**Secretary-Treasurer's Report (September)**

Secretary-Treasurer Stuart reported \$2,042,758 was received in Water Sales Revenues. \$210,423 was received in Reclamation Sales Revenues and \$324,700 received in Advanced Work Order Deposits (\$205,760 Dixieline Builders, \$110,000 Sienna Oaks Partners, and \$8,940 Wessman-Desert Fashion Plaza). Included in the Miscellaneous receipts, \$12,556 from SCE (Solar Field II August 2015) and \$31,840 from Tahquitz Creek Golf Course (Lease payment). \$2,615,279 was paid out in Accounts Payable. Year-to-date Water Sales are 9% over budget, Year-to-date Reclamation Sales are 2% under budget, Year-to-date Total Revenues are 9% over budget, and Year-to-date Total Expenses are 16% under budget. There were 22,142 active services as of September 30, 2015 compared to 22,167 on August 31, 2015.

Operating Fund

Reporting on the General Fund, Secretary-Treasurer Stuart stated that \$500,413 was received in Property Tax Revenues and \$10,116 in Groundwater Assessments from private pumpers. \$2,224,965 was paid out in State Water Project charges. \$10,247 was paid out for LAFCO 2015/16 membership dues.

General Fund

Regarding the Wastewater Fund, Secretary-Treasurer Stuart reported that \$13,827 was received in Sewer Capacity charges (\$5,360 from Cathedral City Cove and \$8,467 in sewer contract payments). There are a total of 80 contracts with a 34% delinquency rate. \$97,402 was paid out in Accounts Payable.

Wastewater Fund

17286. President Ewing opened the meeting for public input.

**Public Input**

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

17287. President Ewing called upon Operations Engineer Johnson to present his Agency Pipeline presentation.

**Discussion Items:**  
Agency Pipeline  
Presentation

Operations Engineer Johnson provided a PowerPoint showing the history of the Agency's pipeline dating back to 1925. Included in his presentation were: 1) Statistics of the type of pipes, 2) Miles of pipes,

3) Leaks, 4) Water loss, 5) Agency labor hours to repair leaks, 6) Projected replacement pipeline costs, and 7) Projected labor costs.

**Discussion Items:**  
(Cont.)  
Agency Pipeline  
Presentation

The Board commended Mr. Johnson on his presentation.

President Ewing requested a similar presentation on financing options and a time schedule for a future meeting.

17288. President Ewing called upon General Manager Luker to report on the September Water Production Comparison.

September 2015 Water  
Production Comparison

Mr. Luker reported that the Agency and its customers achieved a 24 percent reduction during September 2015 compared to September 2013. He noted it was an average of 2.4 degrees warmer than September 2013, one of many factors that the State Water Board does not take into consideration.

17289. President Ewing called upon General Manager Luker to report on the Review of Ordinance No. 63, “Establishing a Water Conservation Plan and Restricting the Use of Water During Threatened or Existing Water Shortage Conditions”.

Review of Ordinance  
No. 63

Mr. Luker stated at the October 6 Board meeting, Director Oberhaus requested further review of Ordinance No. 63. He noted that during the October 13 Executive Committee meeting, Ordinance No. 63 and Resolution No. 1108 were reviewed. It was requested that the Ordinance be further reviewed by the full Board.

Director Oberhaus stated that his concern was whether the language in Resolution No. 1108 differs from Ordinance No. 63 regarding exceptions and the General Manager’s authority.

Agency Counsel Riddell stated that Ordinance No. 63 gives the General Manager authority, and supersedes Resolution No. 1108.

The Board concurred there is no need for revisions to Ordinance No. 63.

17290. Director Oberhaus noted that the Board received correspondence from Malcolm R. MacLeod seeking an appeal on his application filed on September 1 for the Turf Buy Back (TBB) Program regarding the “visibility” criteria.

**Directors’  
Comments/Requests**

There was discussion on the appeal policy and process.

Mr. Luker stated there is no appeal policy for the TBB program; this is the first appeal the Agency has received.

Director Oygar stated she thought there was previous discussion and that the appeal process was to be referred to the Conservation & Public Affairs Committee. She also noted that visibility from the curb was a requirement for the rebate program.

President Ewing referred this back to staff and requested that they initiate an appeals process and inform Mr. MacLeod of that process. He stated there is no preference whether it goes to the full Board or the Conservation & Public Affairs Committee.

Secretary-Treasurer Stuart and President Ewing noted their recollection of curb visibility as a program requirement.

Public Information Officer Hudgens responded that residential customer applications are processed on a first come, first serve basis, as long as they are eligible for the program.

17291. Agency Counsel Riddell stated that Closed Session discussions would not be needed due to there being no current updates.

**Closed Session:**  
**Not Held**

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

17292. In the absence of any further business, President Ewing adjourned the meeting at 9:27 a.m.

**Adjournment**

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Craig A. Ewing, President

ATTEST:

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Joseph K. Stuart, Secretary-Treasurer

## GENERAL MANAGER'S REPORT NOVEMBER 3, 2015

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On October 19 at 9:40 a.m. staff responded to a hit 8-inch AC water main on Crestview Dr., west of Mesa Dr. Alms Underground Construction was installing a sewer lateral when they hit the water main with the backhoe causing a 3-inch hole. Staff was able to install a full circle clamp and put the water main back in service. The water ran for approximately twenty minutes out of a 3-inch hole. A damage report was filled out.

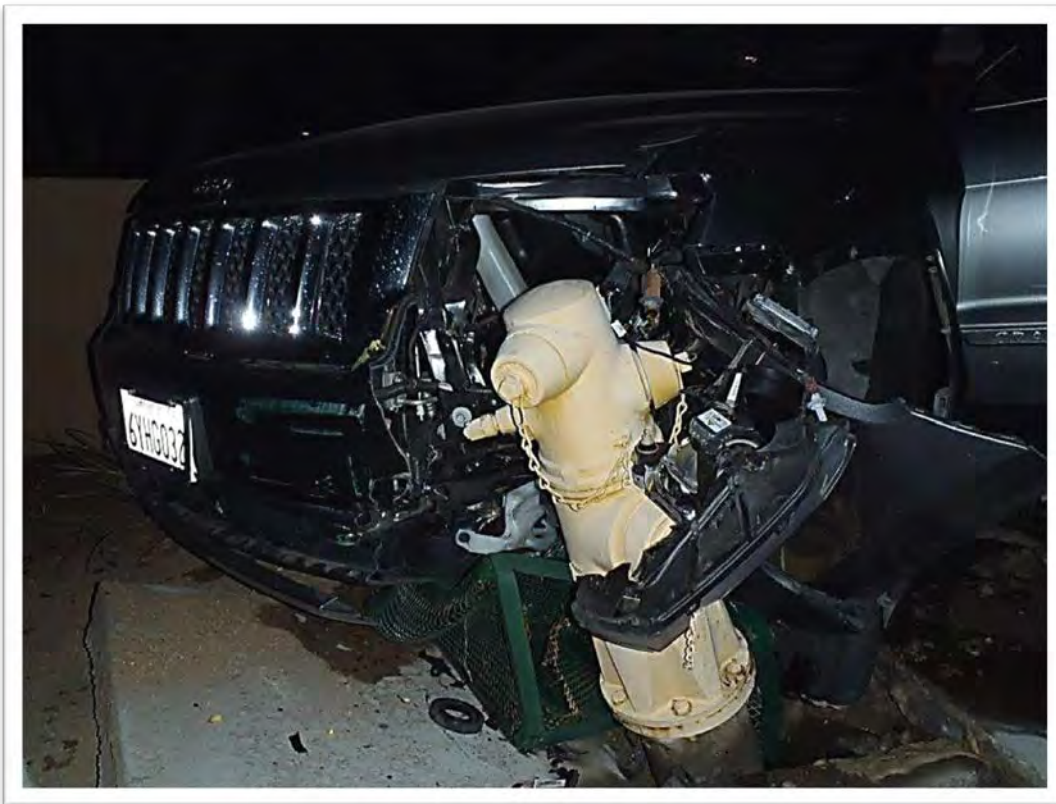




On October 23 at approximately 12:07 p.m. staff responded to a hit hydrant on South Palm Canyon Drive and Canyon Vista Drive. The hydrant was damaged and had to be replaced. A police report was made. It was reported as a hit and run but we were notified on October 26 that Palm Springs Police caught the person that hit the hydrant. The water ran for approximately 30 minutes.



On October 26 at approximately 9:30 p.m. stand-by responded to a hit fire hydrant and a one-inch backflow on Camino Parocela, east of Paseo Dorotea. The property management authorized staff to make the necessary repairs; the backflow is now back in service. The water was spraying from the connection of the push on adapter and the ductile iron pipe, for about thirty minutes. A police report was made.



Palm Springs Art Museum (UPDATE) – On October 21, the Palm Springs Art Museum filed a claim for damages regarding the fire service blow out that occurred on September 22. A settlement and release was issued for \$19,212.24.

On October 28, DWA staff visited the Eagle Canyon Dam and Debris Basin. The project is located south of the intersection of East Palm Canyon Drive and Perez Road. The dam construction is essentially complete with only a short segment of the outlet structure piping remaining to be completed. The Dam was constructed by the Riverside County Flood Control and Water Conservation District and cost approximately \$10,500,000. This project was designed to protect the surrounding community from a 100-year flood event. The outlet structure required the relocation of a 24" transmission main in East Palm Canyon Drive (HWY 111), an 8" sewer main in Perez Road and several other appurtenance and pipeline crossings in Perez Road. This relocation work is complete with the exception of the 24" transmission main, which is being tested for bacteriological purposes before being put into service.





Eagle Canyon Dam  
(cont.)



**Minutes**  
**Executive Committee Meeting**  
October 27, 2015

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**Directors Present:** Craig Ewing, Jim Cioffi

**Staff Present:** Dave Luker, Mark Krause, Martin Krieger

**1. Discussion Items**

A. Review Agenda for November 3, 2015 Regular Board Meeting

The proposed agenda for the November 3, 2015 Regular Board meeting was reviewed.

**2. Other**

A. Turf Buy Back Notifications

Staff informed the Committee of the need to notify non-selected applicants of the Turf Buy Back program.

**3. Adjourn**

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

**NOVEMBER 3, 2015**

**RE: ANNUAL REPORTING OF BACK-UP FACILITY AND CAPACITY  
CHARGES**

Attached for the Board's review are summaries of the Back-up Facility Charge and Capacity Charge the Agency collects when a new service connection is made to the water distribution, reclaimed or sewer systems. The amounts collected are used to off-set Agency capital expenditures on production, storage and transmission of water, reclaimed water and sewer collection and transmission facilities.

The Agency has received legal counsel that it does not need to make this report on an annual basis, as the Capital Expenditures exceed the fees collected (when this condition exists, there are no funds to segregate or interest to account for separately as Government Code requires in a situation where fees collected are greater than expenditures for Capital Improvements). However, it is felt it would be prudent to continue making an annual report to the Board in order to show the amounts expended during the year on projects for which the fees were collected, as well as the beginning and ending balances. As the attached summaries indicate, since this reporting requirement began with the 1988-89 fiscal year, Desert Water Agency has expended more funds on potable, sewer, and reclaimed water facilities than actual amounts collected.

Staff's intent is to not only report this information to the Board, but to also make it available to the Public upon request.

**DESERT WATER AGENCY**  
**Water Service**  
**Backup Facility Charge Summary**

Fiscal Year	Beginning Balance	Fees Collected	Capital Expenditures	Interest Earned	Ending Balance
1988/1989	\$ -	\$ 283,665	\$ (1,105,664)	\$ -	\$ (821,999)
1989/1990	\$ (821,999)	\$ 246,640	\$ (27,479)	\$ -	\$ (602,838)
1990/1991	\$ (602,838)	\$ 157,005	\$ (921,486)	\$ -	\$ (1,367,319)
1991/1992	\$ (1,367,319)	\$ 167,250	\$ (1,981,296)	\$ -	\$ (3,181,365)
1992/1993	\$ (3,181,365)	\$ 44,285	\$ (12,325)	\$ -	\$ (3,149,405)
1993/1994	\$ (3,149,405)	\$ 52,300	\$ (551,426)	\$ -	\$ (3,648,531)
1994/1995	\$ (3,648,531)	\$ 76,590	\$ (1,582,064)	\$ -	\$ (5,154,005)
1995/1996	\$ (5,154,005)	\$ 104,680	\$ (1,282,271)	\$ -	\$ (6,331,596)
1996/1997	\$ (6,331,596)	\$ 81,660	\$ (22,324)	\$ -	\$ (6,272,260)
1997/1998	\$ (6,272,260)	\$ 98,410	\$ (137,782)	\$ -	\$ (6,311,632)
1998/1999	\$ (6,311,632)	\$ 158,840	\$ (3,383,470)	\$ -	\$ (9,536,262)
1999/2000	\$ (9,536,262)	\$ 263,778	\$ (23,329)	\$ -	\$ (9,295,813)
2000/2001	\$ (9,295,813)	\$ 267,580	\$ (4,837)	\$ -	\$ (9,033,070)
2001/2002	\$ (9,033,070)	\$ 172,850	\$ (889,827)	\$ -	\$ (9,750,047)
2002/2003	\$ (9,750,047)	\$ 334,440	\$ (1,847,631)	\$ -	\$ (11,263,238)
2003/2004	\$ (11,263,238)	\$ 1,277,190	\$ (1,299,480)	\$ -	\$ (11,285,528)
2004/2005	\$ (11,285,528)	\$ 3,393,467	\$ (2,154,904)	\$ -	\$ (10,046,965)
2005/2006	\$ (10,046,965)	\$ 1,287,940	\$ (2,059,507)	\$ -	\$ (10,818,532)
2006/2007	\$ (10,818,532)	\$ 2,218,549	\$ (3,300,220)	\$ -	\$ (11,900,203)
2007/2008	\$ (11,900,203)	\$ 603,536	\$ (781,382)	\$ -	\$ (12,078,049)
2008/2009	\$ (12,078,049)	\$ 181,840	\$ (7,741,281)	\$ -	\$ (19,637,490)
2009/2010	\$ (19,637,490)	\$ 90,820	\$ (1,083,717)	\$ -	\$ (20,630,387)
2010/2011	\$ (20,630,387)	\$ 138,080	\$ (965,570)	\$ -	\$ (21,457,877)
2011/2012	\$ (21,457,877)	\$ 396,420	\$ (2,437,821)	\$ -	\$ (23,499,278)
2012/2013	\$ (23,499,278)	\$ 481,060	\$ (1,300,211)	\$ -	\$ (24,318,429)
2013/2014	\$ (24,318,429)	\$ 657,460	\$ (353,989)		\$ (24,014,958)
2014/2015	\$ (24,014,958)	\$ 680,110	\$ (3,768,248)		\$ (27,103,096)
	<b>Totals</b>	<b>\$ 13,916,445</b>	<b>\$ (41,019,541)</b>	<b>\$ -</b>	<b>\$ (27,103,096)</b>



## CAPITAL ADDITIONS

### BACK-UP FACILITIES - WATER

YEAR	TOTAL EXPENDITURE	CUMULATIVE TOTAL
1988/89 THRU 1996/97	\$ 7,486,335	\$7,486,335
FISCAL 1997/1998	\$ 137,782	\$7,624,117
FISCAL 1998/1999	\$ 3,383,470	\$11,007,587
FISCAL 1999/2000	\$ 23,329	\$11,030,916
FISCAL 2000/2001	\$ 4,837	\$11,035,753
FISCAL 2001/2002	\$ 889,827	\$11,925,580
FISCAL 2002/2003	\$ 1,847,631	\$13,773,211
FISCAL 2003/2004	\$ 1,299,480	\$15,072,691
FISCAL 2004/2005	\$ 2,154,904	\$17,227,595
FISCAL 2005/2006	\$ 2,059,507	\$19,287,102
FISCAL 2006/2007	\$ 3,300,220	\$22,587,322
FISCAL 2007/2008	\$ 781,382	\$23,368,704
FISCAL 2008/2009	\$ 7,741,281	\$31,109,985
FISCAL 2009/2010	\$ 1,083,717	\$32,193,702
FISCAL 2010/2011	\$ 965,570	\$33,159,272
FISCAL 2011/2012	\$ 2,437,821	\$35,597,093
FISCAL 2012/2013	\$ 1,300,211	\$36,897,304
FISCAL 2013/2014	\$ 353,989	\$37,251,293
<b>FISCAL 2014/2015</b>		
W/O #14-174-W-24 (11141)	\$ 53,226	\$37,304,519
W/O #14-175-W 26 (11141)	\$ 39,344	\$37,343,863
W/O #14-176-W-29 (11141)	\$ 45,456	\$37,389,319
W/O #14-177-W-36 (11151)	\$ 24,026	\$37,413,345
W/O #13-126-C-01 (11160)	\$ 317,142	\$37,730,487
W/O #13-127-C-04 (11160)	\$ 488,709	\$38,219,196
W/O #12-161--08 (11171)	\$ 794,936	\$39,014,132
W/O #12-161--16 (11171)	\$ 334,258	\$39,348,390
W/O #13-111--08 (11171)	\$ 392,995	\$39,741,385
W/O #13-111--12 (11171)	\$ 248,580	\$39,989,965
W/O #13-111--36 (11171)	\$ 874,748	\$40,864,713
W/O #13-601--12 (11171)	\$ 9,000	\$40,873,713
W/O #13-801--08 (11171)	\$ 7,743	\$40,881,456
W/O #13-804--08 (11171)	\$ 127,677	\$41,009,133
W/O #13-804--12 (11171)	\$ 10,408	<b>\$41,019,541</b>



**FISCAL 2014/2015 CAPITAL ADDITION DESCRIPTIONS:**

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W/O #14-174-W-24	WELL #24 - ELECTRICAL PANEL REPLACEMENT
W/O #14-175-W-26	WELL #26 - ELECTRICAL PANEL REPLACEMENT
W/O #14-176-W-29	WELL #29 - ELECTRICAL PANEL REPLACEMENT
W/O #14-177-W-36	WELL #36 - BALL VALVE ACTUATORS
W/O #13-126-C-01	U/V INSTALLATION @ SNOW CREEK / FALLS CREEK
W/O #13-127-C-04	U/V INSTALLATION @ CHINO WEST
W/O #12-161--08	8" MAINS - RAMON/SUNRISE/VIA ESCUELA
W/O #12-161--16	16" MAIN - EAST SUNNY DUNES
W/O #13-111--08	8" MAIN - SUNSET WAY
W/O #13-111--12	12" MAIN - TAMARISK / AVENIDA CABALLEROS
W/O #13-111--36	36" MAIN - AVENIDA CABALLEROS / AMADO
W/O #13-601--12	12" MAIN OVERSIZING (PARTICIPATION) SOL P.S. TRACT
W/O #13-801--08	8" MAIN SHEAR SPOOL - SOL P.S. TRACT
W/O #13-804--08	8" MAIN - SOL P.S. TRACT
W/O #13-804--12	12" MAIN - SOL P.S. TRACT (AMADO/CABALLEROS)

**DESERT WATER AGENCY**  
**Reclamation Water Service**  
**Backup Facility Charge Summary**

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Fees Collected</b>	<b>Capital Expenditures</b>	<b>Interest Earned</b>	<b>Ending Balance</b>
1988/1989	\$ -	\$ -	\$ (8,496,895)	\$ -	\$ (8,496,895)
1989/1990	\$ (8,496,895)	\$ 96,193	\$ (28,934)	\$ -	\$ (8,429,636)
1990/1991	\$ (8,429,636)	\$ -	\$ -	\$ -	\$ (8,429,636)
1991/1992	\$ (8,429,636)	\$ -	\$ (37,793)	\$ -	\$ (8,467,429)
1992/1993	\$ (8,467,429)	\$ -	\$ -	\$ -	\$ (8,467,429)
1993/1994	\$ (8,467,429)	\$ -	\$ (19,190)	\$ -	\$ (8,486,619)
1994/1995	\$ (8,486,619)	\$ -	\$ (21,123)	\$ -	\$ (8,507,742)
1995/1996	\$ (8,507,742)	\$ -	\$ (3,545,644)	\$ -	\$ (12,053,386)
1996/1997	\$ (12,053,386)	\$ -	\$ (49,258)	\$ -	\$ (12,102,644)
1997/1998	\$ (12,102,644)	\$ -	\$ (33,313)	\$ -	\$ (12,135,957)
1998/1999	\$ (12,135,957)	\$ -	\$ (177,863)	\$ -	\$ (12,313,820)
1999/2000	\$ (12,313,820)	\$ -	\$ (28,864)	\$ -	\$ (12,342,684)
2000/2001	\$ (12,342,684)	\$ -	\$ (1,207,954)	\$ -	\$ (13,550,638)
2001/2002	\$ (13,550,638)	\$ -	\$ (339,383)	\$ -	\$ (13,890,021)
2002/2003	\$ (13,890,021)	\$ -	\$ (38,056)	\$ -	\$ (13,928,077)
2003/2004	\$ (13,928,077)	\$ -	\$ (522,373)	\$ -	\$ (14,450,450)
2004/2005	\$ (14,450,450)	\$ -	\$ (50,211)	\$ -	\$ (14,500,661)
2005/2006	\$ (14,500,661)	\$ -	\$ (25,173)	\$ -	\$ (14,525,834)
2006/2007	\$ (14,525,834)	\$ -	\$ (4,198,092)	\$ -	\$ (18,723,926)
2007/2008	\$ (18,723,926)	\$ -	\$ (1,935,892)	\$ -	\$ (20,659,818)
2008/2009	\$ (20,659,818)	\$ -	\$ (180,517)	\$ -	\$ (20,840,335)
2009/2010	\$ (20,840,335)	\$ -	\$ (45,005)	\$ -	\$ (20,885,340)
2010/2011	\$ (20,885,340)	\$ -	\$ (55,067)	\$ -	\$ (20,940,407)
2011/2012	\$ (20,940,407)	\$ -	\$ (4,973,063)	\$ -	\$ (25,913,470)
2012/2013	\$ (25,913,470)	\$ -	\$ -	\$ -	\$ (25,913,470)
2013/2014	\$ (25,913,470)	\$ -	\$ (739,724)	\$ -	\$ (26,653,194)
2014/2015	\$ (26,653,194)	\$ -	\$ (99,660)	\$ -	\$ (26,752,854)
	<b>Totals</b>	<b>\$96,193</b>	<b>\$ (26,849,047)</b>	<b>\$0</b>	<b>\$ (26,752,854)</b>

## BACK-UP FACILITY REVENUE SUMMARY

### RECLAMATION SERVICE

YEAR	TOTAL REVENUE	CUMULATIVE BALANCE
FISCAL 1988/1989	\$ -	\$ -
FISCAL 1989/1990	\$ 96,193	\$ 96,193
FISCAL 1990/1991	\$ -	\$ 96,193
FISCAL 1991/1992	\$ -	\$ 96,193
FISCAL 1992/1993	\$ -	\$ 96,193
FISCAL 1993/1994	\$ -	\$ 96,193
FISCAL 1994/1995	\$ -	\$ 96,193
FISCAL 1995/1996	\$ -	\$ 96,193
FISCAL 1996/1997	\$ -	\$ 96,193
FISCAL 1997/1998	\$ -	\$ 96,193
FISCAL 1998/1999	\$ -	\$ 96,193
FISCAL 1999/2000	\$ -	\$ 96,193
FISCAL 2000/2001	\$ -	\$ 96,193
FISCAL 2001/2002	\$ -	\$ 96,193
FISCAL 2002/2003	\$ -	\$ 96,193
FISCAL 2003/2004	\$ -	\$ 96,193
FISCAL 2004/2005	\$ -	\$ 96,193
FISCAL 2005/2006	\$ -	\$ 96,193
FISCAL 2006/2007	\$ -	\$ 96,193
FISCAL 2007/2008	\$ -	\$ 96,193
FISCAL 2008/2009	\$ -	\$ 96,193
FISCAL 2009/2010	\$ -	\$ 96,193
FISCAL 2010/2011	\$ -	\$ 96,193
FISCAL 2011/2012	\$ -	\$ 96,193
FISCAL 2012/2013	\$ -	\$ 96,193
FISCAL 2013/2014	\$ -	\$ 96,193
FISCAL 2014/2015	\$ -	\$ 96,193

## CAPITAL ADDITIONS

### BACK-UP FACILITIES - RECLAMATION

YEAR	TOTAL EXPENDITURE	CUMULATIVE TOTAL
FISCAL 1988/1989	\$ 8,496,895	\$ 8,496,895
FISCAL 1989/1990	\$ 28,934	\$ 8,525,829
FISCAL 1990/1991	\$ -	\$ 8,525,829
FISCAL 1991/1992	\$ 37,793	\$ 8,563,622
FISCAL 1992/1993	\$ -	\$ 8,563,622
FISCAL 1993/1994	\$ 19,190	\$ 8,582,812
FISCAL 1994/1995	\$ 21,123	\$ 8,603,935
FISCAL 1995/1996	\$ 3,545,644	\$ 12,149,579
FISCAL 1996/1997	\$ 49,258	\$ 12,198,837
FISCAL 1997/1998	\$ 33,313	\$ 12,232,150
FISCAL 1998/1999	\$ 177,863	\$ 12,410,013
FISCAL 1999/2000	\$ 28,864	\$ 12,438,877
FISCAL 2000/2001	\$ 1,207,954	\$ 13,646,831
FISCAL 2001/2002	\$ 339,383	\$ 13,986,214
FISCAL 2002/2003	\$ 38,056	\$ 14,024,270
FISCAL 2003/2004	\$ 522,373	\$ 14,546,643
FISCAL 2004/2005	\$ 50,211	\$ 14,596,854
FISCAL 2005/2006	\$ 25,173	\$ 14,622,027
FISCAL 2006/2007	\$ 4,198,092	\$ 18,820,119
FISCAL 2007/2008	\$ 1,935,892	\$ 20,756,011
FISCAL 2008/2009	\$ 180,517	\$ 20,936,528
FISCAL 2009/2010	\$ 45,005	\$ 20,981,533
FISCAL 2010/2011	\$ 55,067	\$ 21,036,600
FISCAL 2011/2012	\$ 4,973,063	\$ 26,009,663
FISCAL 2012/2013	\$ -	\$ 26,009,663
FISCAL 2013/2014	\$ 739,724	\$ 26,749,387
<b>FISCAL 2014/2015</b>		
W/O #12-170-M	\$ 31,052	\$ 26,780,439
W/O #14-171-M	\$ 41,181	\$ 26,821,620
W/O #14-172-M	\$ 4,751	\$ 26,826,371
W/O #14-173-M	\$ 15,844	\$ 26,842,215
W/O #14-401-R-01	\$ 6,832	\$ <b>26,849,047</b>

## **FISCAL 2014/2015 CAPITAL ADDITION DESCRIPTIONS**

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W/O #12-170-M	SPARE BACKWASH PUMP
W/O #14-171-M	CHLORINE MONITORING EQUIPMENT
W/O #14-172-M	K-TORQ ACTUATOR SPARE (FILTERS)
W/O #14-173-M	2- HALOGEN ACTUATORS
W/O #14-401-R-01	DUCKWEED SKIMMER - INFLUENT RESERVOIR #1



**DESERT WATER AGENCY**  
**Wastewater Service**  
**Capacity Charge Summary**

Fiscal Year	Beginning Balance	Fees Collected	Capital Expenditures	Interest Earned	Ending Balance
Prior 88/89	\$ -	\$ 36,140	\$ (119,529)	\$ -	\$ (83,389)
1988/1989	\$ (83,389)	\$ -	\$ (7,599)	\$ -	\$ (90,988)
1989/1990	\$ (90,988)	\$ 77,512	\$ (7,599)	\$ -	\$ (21,075)
1990/1991	\$ (21,075)	\$ 34,965	\$ (7,599)	\$ 499	\$ 6,790
1991/1992	\$ 6,790	\$ 2,970	\$ (11,447)	\$ -	\$ (1,687)
1992/1993	\$ (1,687)	\$ 13,959	\$ (7,599)	\$ 192	\$ 4,865
1993/1994	\$ 4,865	\$ 6,039	\$ (8,309)	\$ 83	\$ 2,678
1994/1995	\$ 2,678	\$ 30,432	\$ (7,599)	\$ 1,381	\$ 26,892
1995/1996	\$ 26,892	\$ 10,290	\$ (7,599)	\$ 2,037	\$ 31,620
1996/1997	\$ 31,620	\$ 19,865	\$ (7,599)	\$ 2,456	\$ 46,342
1997/1998	\$ 46,342	\$ 27,038	\$ (99,631)	\$ -	\$ (26,251)
1998/1999	\$ (26,251)	\$ 18,457	\$ (2,380,685)	\$ -	\$ (2,388,479)
1999/2000	\$ (2,388,479)	\$ 2,783	\$ (37,077)	\$ -	\$ (2,422,773)
2000/2001	\$ (2,422,773)	\$ 118,283	\$ (153,707)	\$ -	\$ (2,458,197)
2001/2002	\$ (2,458,197)	\$ 32,834	\$ (5,000)	\$ -	\$ (2,430,363)
2002/2003	\$ (2,430,363)	\$ 2,836	\$ -	\$ -	\$ (2,427,527)
2003/2004	\$ (2,427,527)	\$ 199,950	\$ (34,706)	\$ -	\$ (2,262,283)
2004/2005	\$ (2,262,283)	\$ 1,185,870	\$ (41,294)	\$ -	\$ (1,117,707)
2005/2006	\$ (1,117,707)	\$ 176,085	\$ -	\$ -	\$ (941,622)
2006/2007	\$ (941,622)	\$ 42,472	\$ (806,040)	\$ -	\$ (1,705,190)
2007/2008	\$ (1,705,190)	\$ 99,288	\$ (180,813)	\$ -	\$ (1,786,715)
2008/2009	\$ (1,786,715)	\$ 50,520	\$ (12,442,742)	\$ -	\$ (14,178,937)
2009/2010	\$ (14,178,937)	\$ 80,776	\$ (173,702)	\$ -	\$ (14,271,863)
2010/2011	\$ (14,271,863)	\$ 96,705	\$ -	\$ -	\$ (14,175,158)
2011/2012	\$ (14,175,158)	\$ 229,445	\$ (4,953,728)	\$ -	\$ (18,899,441)
2012/2013	\$ (18,899,441)	\$ 64,395	\$ (3,575)	\$ -	\$ (18,838,621)
2013/2014	\$ (18,838,621)	\$ 34,650	\$ (61,503)	\$ -	\$ (18,865,474)
2014/2015	\$ (18,865,474)	\$ 11,820	\$ -	\$ -	\$ (18,853,654)
	<b>Totals</b>	<b>\$ 2,706,379</b>	<b>\$ (21,566,681)</b>	<b>\$ 6,648</b>	<b>\$ (18,853,654)</b>

## SEWER CAPACITY CHARGE REVENUE SUMMARY

### WASTEWATER SERVICE

YEAR	TOTAL REVENUE	CUMULATIVE BALANCE
PRIOR 1988/1989	\$ 36,140	\$ 36,140
FISCAL 1988/1989	\$ -	\$ 36,140
FISCAL 1989/1990	\$ 77,512	\$ 113,652
FISCAL 1990/1991	\$ 34,965	\$ 148,617
FISCAL 1991/1992	\$ 2,970	\$ 151,587
FISCAL 1992/1993	\$ 13,959	\$ 165,546
FISCAL 1993/1994	\$ 6,039	\$ 171,585
FISCAL 1994/1995	\$ 30,432	\$ 202,017
FISCAL 1995/1996	\$ 10,290	\$ 212,307
FISCAL 1996/1997	\$ 19,865	\$ 232,172
FISCAL 1997/1998	\$ 27,038	\$ 259,210
FISCAL 1998/1999	\$ 18,457	\$ 277,667
FISCAL 1999/2000	\$ 2,783	\$ 280,450
FISCAL 2000/2001	\$ 118,283	\$ 398,733
FISCAL 2001/2002	\$ 32,834	\$ 431,567
FISCAL 2002/2003	\$ 2,836	\$ 434,403
FISCAL 2003/2004	\$ 199,950	\$ 634,353
FISCAL 2004/2005	\$ 1,185,870	\$ 1,820,223
FISCAL 2005/2006	\$ 176,085	\$ 1,996,308
FISCAL 2006/2007	\$ 42,472	\$ 2,038,780
FISCAL 2007/2008	\$ 99,288	\$ 2,138,068
FISCAL 2008/2009	\$ 50,520	\$ 2,188,588
FISCAL 2009/2010	\$ 80,776	\$ 2,269,364
FISCAL 2010/2011	\$ 96,705	\$ 2,366,069
FISCAL 2011/2012	\$ 229,445	\$ 2,595,514
FISCAL 2012/2013	\$ 64,395	\$ 2,659,909
FISCAL 2013/2014	\$ 34,650	\$ 2,694,559
FISCAL 2014/2015	\$ 11,820	\$ 2,706,379

## CAPITAL ADDITIONS

### SEWER CAPACITY CHARGE - WASTEWATER

W/O # & (G/L A/C)	TOTAL EXPENDITURE	CUMULATIVE TOTAL
PRIOR 1988/1989	\$119,529	\$119,529
FISCAL 1988/1989	\$7,599	\$127,128
FISCAL 1989/1990	\$7,599	\$134,727
FISCAL 1990/1991	\$7,599	\$142,326
FISCAL 1991/1992	\$11,447	\$153,773
FISCAL 1992/1993	\$7,599	\$161,372
FISCAL 1993/1994	\$8,309	\$169,681
FISCAL 1994/1995	\$7,599	\$177,280
FISCAL 1995/1996	\$7,599	\$184,879
FISCAL 1996/1997	\$7,599	\$192,478
FISCAL 1997/1998	\$99,631	\$292,109
FISCAL 1998/1999	\$2,380,685	\$2,672,794
FISCAL 1999/2000	\$37,077	\$2,709,871
FISCAL 2000/2001	\$153,707	\$2,863,578
FISCAL 2001/2002	\$5,000	\$2,868,578
FISCAL 2002/2003	\$0	\$2,868,578
FISCAL 2003/2004	\$34,706	\$2,903,284
FISCAL 2004/2005	\$41,294	\$2,944,578
FISCAL 2005/2006	\$0	\$2,944,578
FISCAL 2006/2007	\$806,040	\$3,750,618
FISCAL 2007/2008	\$180,813	\$3,931,431
FISCAL 2008/2009	\$12,442,742	\$16,374,173
FISCAL 2009/2010	\$173,702	\$16,547,875
FISCAL 2010/2011	\$0	\$16,547,875
FISCAL 2011/2012	\$4,953,728	\$21,501,603
FISCAL 2012/2013	\$3,575	\$21,505,178
FISCAL 2013/2014	\$61,503	\$21,566,681
<b>FISCAL 2014/2015</b>		
<b>NO CAPITAL ADDITIONS</b>	<b>\$0</b>	<b>\$21,566,681</b>

#### **FISCAL 2014/2015 CAPITAL ADDITION DESCRIPTIONS:**

NONE



October 15, 2015

**MEMORANDUM**

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

**FROM:** BEST BEST & KRIEGER LLP

**RE:** OCTOBER 15, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE  
STATE WATER CONTRACTORS

The October 15, 2015 meeting of the Board of Directors of the State Water Contractors was conducted at the Tsakopoulos Library Galleria in downtown Sacramento.

1. Water Supply Management Study.

As its sole action item, the Board of Directors authorized a contract with Kennedy-Jenks Engineering in the amount of \$6,000 to prepare a report on water supply management and self-reliance by Contractors, to be attached to a comment letter from the State Water Contractors on the recirculated environmental document for the Bay Delta Conservation Plan. The effort will include the gathering of information, most of which is already compiled, to get it into the administrative record for the environmental document. The information may also be useful in obtaining a consistency determination under the Endangered Species Act.

2. Energy Report.

Gas prices continue to be low, and the cost of spot gas is currently down from what it was in August. The market is well supplied, and gas is currently selling at a discount. The price of gas is expected to remain low until 2030. However, net energy costs to operate the State Water Project are somewhat higher due to a lack of hydropower generation to offset the cost of gas purchases.

3. Water Operations Report.

As of the date of the meeting, storage in Lake Oroville was slightly more than 1 million acre-feet. Releases from Oroville to the Feather River were at 1,200 cubic feet per

second, mostly to satisfy flow requirements in the Delta. Pumping from the Delta was at a combined rate of 1,900 cubic feet per second, with the State Contractors pumping at 300 cfs and the Federal Contractors pumping at 1,600 cfs. In the San Joaquin system, flows to the river will be augmented by releases from the New Melones Reservoir. As of the date of the meeting, the Central Valley Project continued to owe 70,000 acre-feet of water to the State Water Project. None of that water had been paid back as of the date of the meeting, but it was expected to be paid back by the end of December. A weather system was expected to move into California that would likely benefit the Southern Sierra, but no rain was forecast for north of Sacramento. Therefore, the weather system was not expected to improve conditions for the State Water Project.

4. South Delta Barrier Removal.

The State Water Contractors have sent a letter to the Central Valley Project Contractors regarding the sharing of costs for the removal of barriers in the South Delta. The letter pointed out the benefits to the Federal Contractors in terms of transfer water for the benefit of the CVP. The Department of Water Resources has raised the same issue with the CVP in discussions of the Coordinated Operations Agreement, which needs to be renegotiated. Another potential forum for raising the issue will be in the Cal Water Fix discussions.

5. Bay Delta Conservation Plan – Cal Water Fix.

The comment period on the recirculated environmental document for the BDCP will expire on October 30, 2015. The State Water Contractors are preparing a lengthy comment letter to help shore up the document. A draft biological assessment is also being prepared.

With respect to the Design and Construction Enterprise, the formation documents are near final. Final review is expected within a month, and the documents will then be provided for public review and comment. Documents have not yet been distributed for public review.

6. Infrastructure Objectives Update.

A power point presentation was provided on the status of progress in addressing infrastructure objectives identified for the current year. A copy of the presentation is attached to this memo.

Notable items included a discussion of aqueduct subsidence affecting SWP delivery capability. DWR is performing a study of the impact of subsidence on the aqueduct. A flow test needs to be performed, to assess reduced flow capability. Currently there is not enough water in the Project to conduct a flow test. In certain locations, the aqueduct has dropped as much as six feet, which greatly reduces the capacity of the aqueduct in those locations. The problem is exacerbated by the likelihood of silt deposits in those lower portions of the aqueduct. This is a significant problem that greatly reduces the ability to move water through those portions of the aqueduct. In the event that DWR wanted to move a lot of water in a short period of time, there would be no interim accommodations that could be made. The only solution would be to run water at a lower rate of delivery for a longer period of time.

Another item of note was a report that the repair work at Perris Dam is not going well. Thirty percent of the time has been expended, with only 18% of the task actually performed. There are significant delays due to unexpected conditions, which will likely lead to large change order requests from the contractor performing the work.

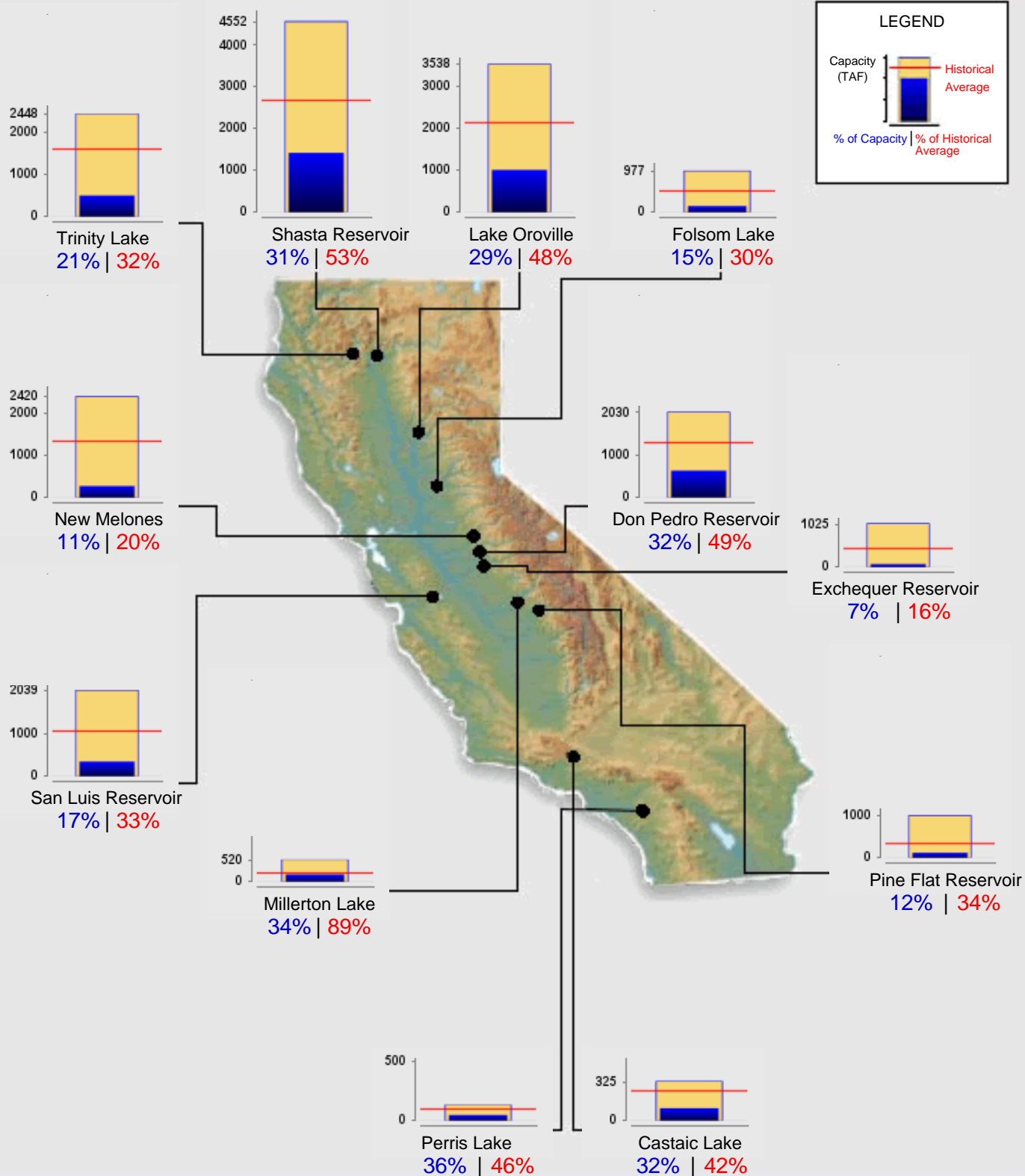
MICHAEL T. RIDDELL



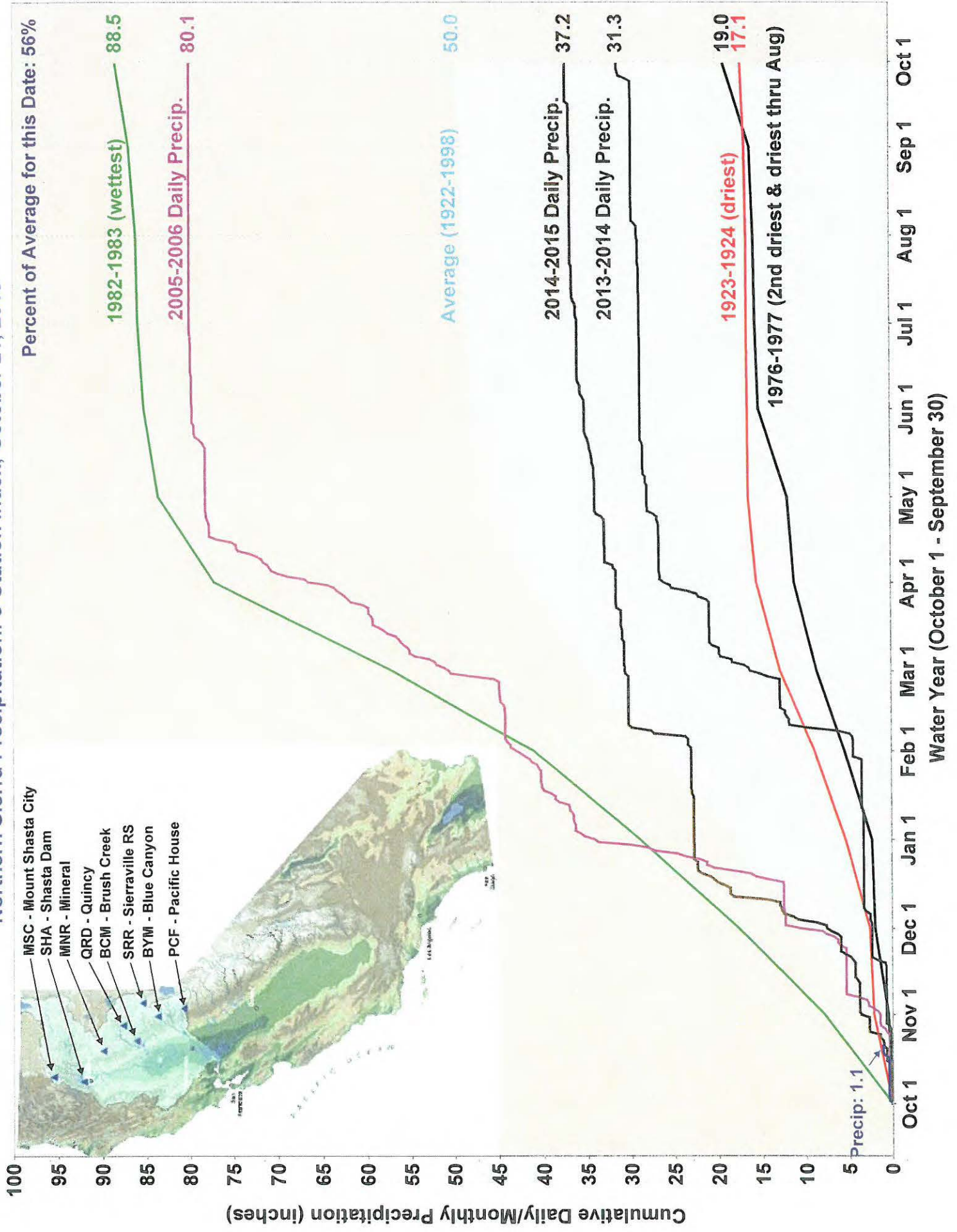
# Reservoir Conditions

Ending At Midnight - October 29, 2015

## CURRENT RESERVOIR CONDITIONS



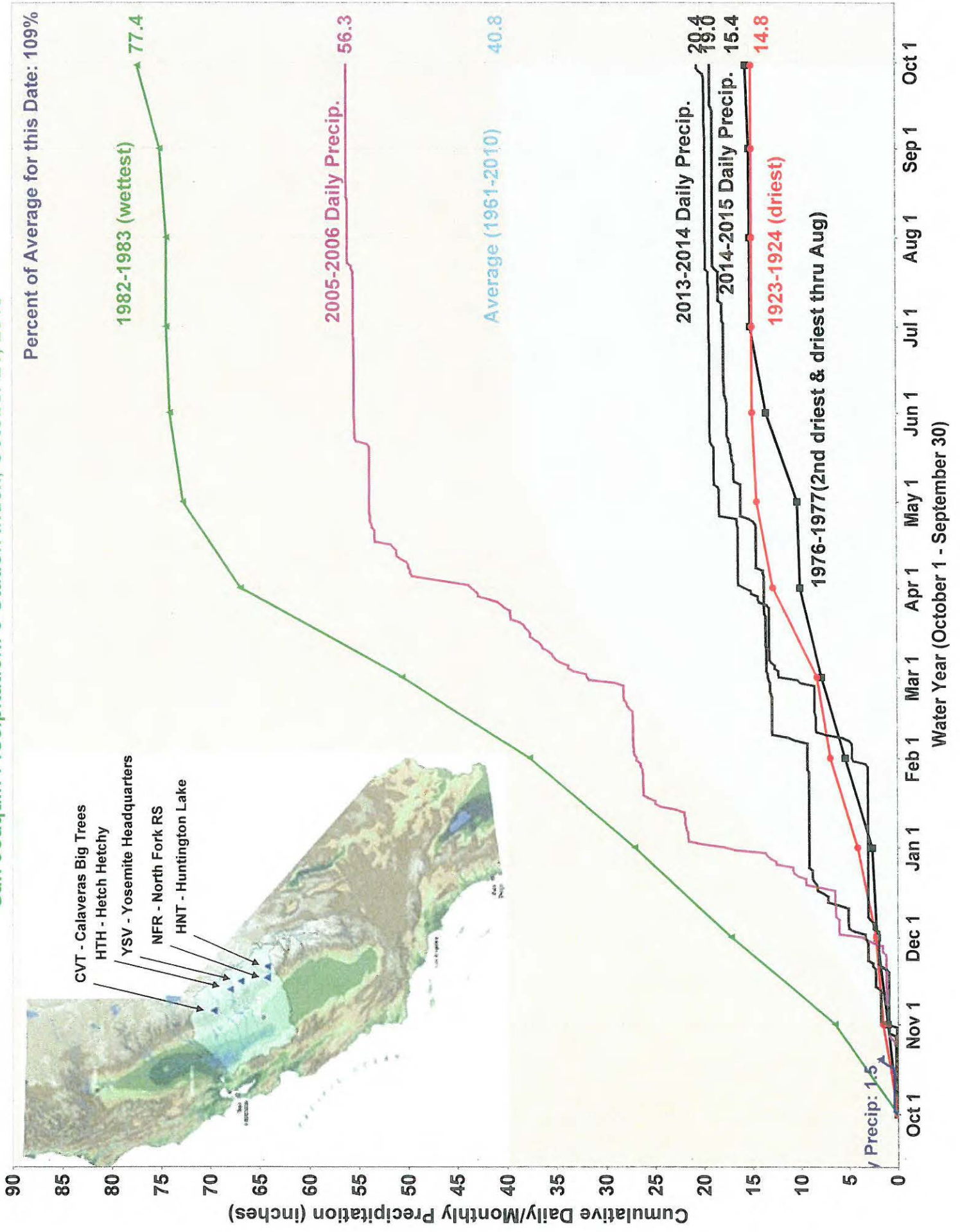
# Northern Sierra Precipitation: 8-Station Index, October 21, 2015



Total Water Year Precipitation



# San Joaquin Precipitation: 5-Station Index, October 21, 2015





# SWC FY 2015-16 INFRASTRUCTURE OBJECTIVES Update

October 15, 2015  
SWC Board Meeting



## SWC FY 2015-16 Infrastructure Objectives

October 15, 2015 Update

### Priority 1

- Aqueduct Subsidence and SWP Capacity Retention
- Hyatt Unit 1, 3, 5 New Runners/Bearing & TSV Refurbishment
- Oroville Dam River Valves
- Sisk Dam Seismic Stability & Dam Raise Study

### Priority 2

- Edmonston Pump Replacements
- Motor/Generator Refurbishments
- Perris Dam – Remediation of Seismic Deficiency
- SWP Asset Management
- Thermalito Plant Post-fire Restoration

### Priority 3

- Control System Upgrade
- Fire System Modernization
- Valve Rehab/Replacements





## Aqueduct Subsidence and SWP Capacity Retention

### ▪ DWR has created an Aqueduct Subsidence Study

- Currently in first phase: reconnaissance/research
  - Researching original design, past improvements & operational criteria
  - Covers CA Aqueduct from O'Neill Forebay to Edmonston PP
  - Collecting historic subsidence data
  - Compile and analyze the information
  - Generate a Subsidence Reconnaissance Study Report (due Jan. '16)
- Next phase: Assess impacts to SWP Operations



## Aqueduct Subsidence and SWP Capacity Retention

### ▪ Original Planning for Subsidence

- Preconstruction consolidation ponds in alluvial interfans
- Different Alignments
- Added Extra Freeboard (1 to 9 feet)

### ▪ Post-construction work to address subsidence

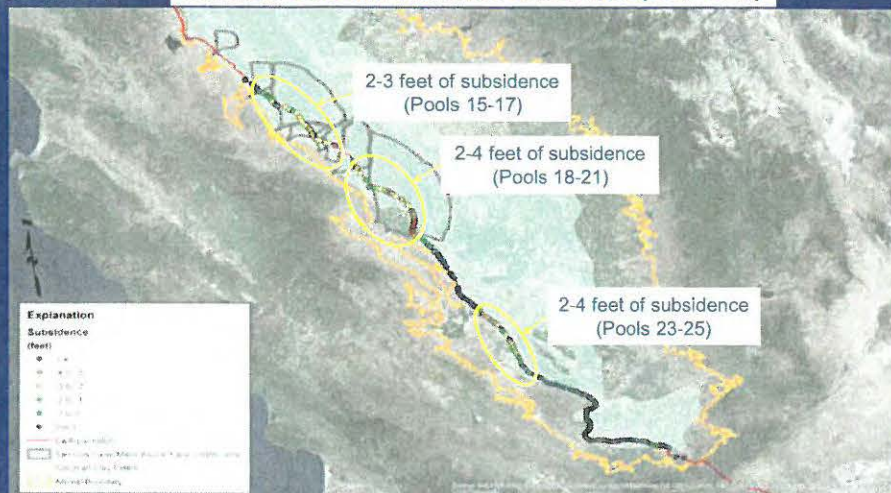
- Post project pumping of GW continued (residual subsidence)
- 1969: USBR raised canal 2' @ 4,000' u/s check 17 because 4 of the 6' of extra freeboard was lost due to subsidence
- 1971: USBR raised lining 2-3' btwn milepost 128.76-137.02





## Aqueduct Subsidence and SWP Capacity Retention

### Historical California Aqueduct Subsidence (1968-2013)

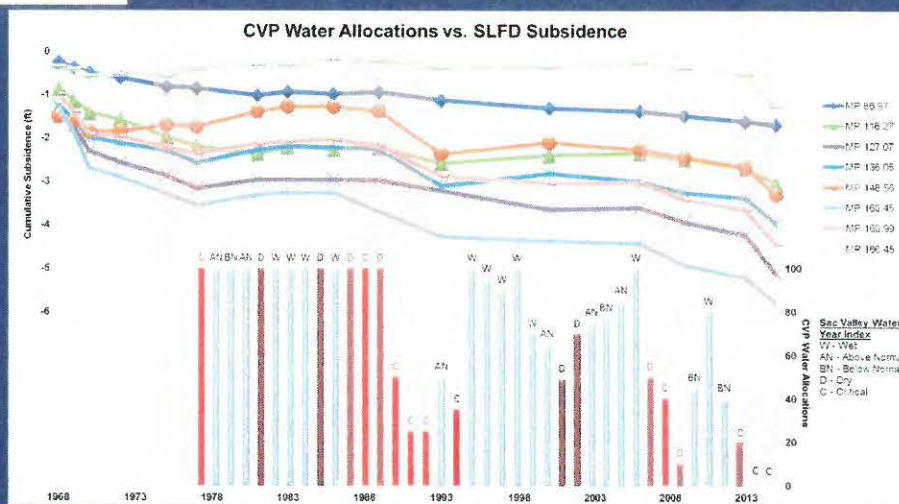


SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Aqueduct Subsidence and SWP Capacity Retention

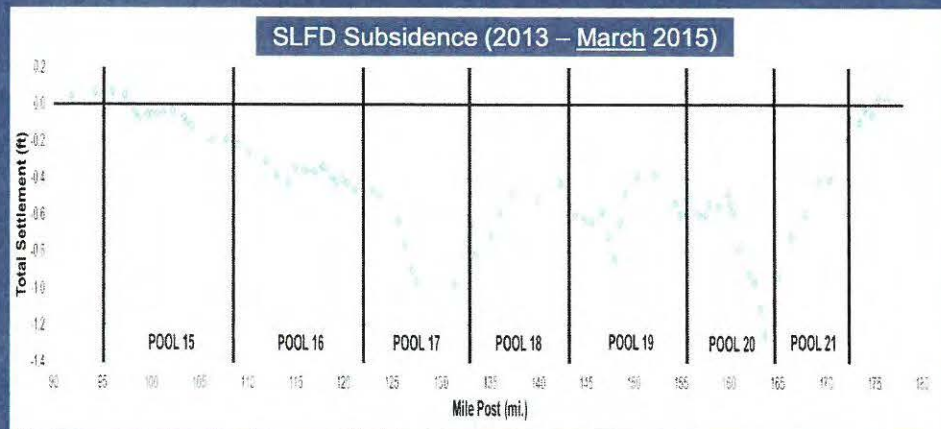


SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Aqueduct Subsidence and SWP Capacity Retention

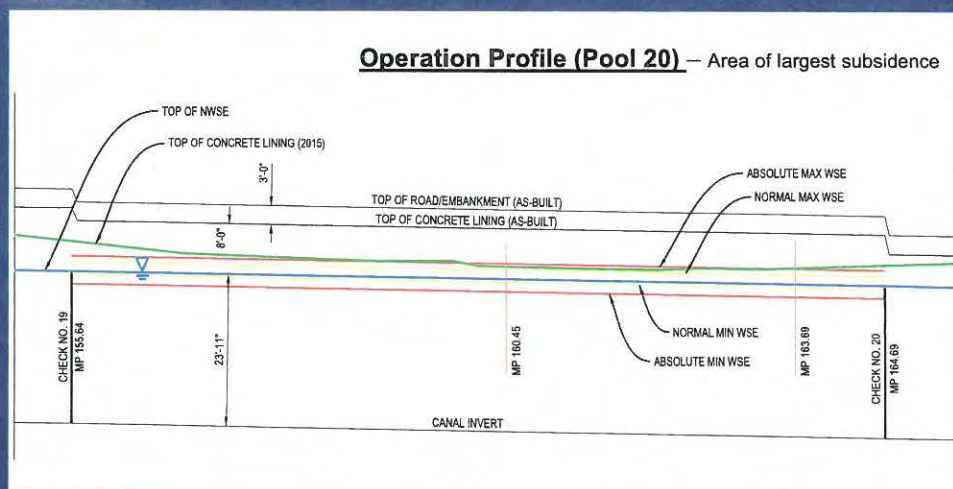


SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Aqueduct Subsidence and SWP Capacity Retention



SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Edmonston Pump Replacements

### August 24-28<sup>th</sup> Value Engineering Workshop at SJFD

- Evaluation of east wing pumps of units 1,3,5,7,9,11,13 (the original BLH models)
- Involved DWR FD and HQ staff, VE consultant, staff from SWC, MWD, and KCWA
- 2014 efficiency tests: 85.09 to 90.18% – mean 87.8% (vs. new Hitachi's 92.1%)
- Substantial cause of loss in efficiency is likely caused by leakage in balance line

➤ Considered four basic options for pumps:

- 1) Standard refurbishment (similar to routine work every 15 years)
- 2) Extensive refurbishment with new impellers, diffusers, pump shafts
- 3) Extensive refurbishment with new design on impellers, diffusers, etc..
- 4) Totally new pump units (similar to AC pump replacements on 2, 4, 6, 8)



## Edmonston Pump Replacements

### Next Steps:

- SJFD to perform an accelerated "lite" refurbishment (seal repair) on east wing unit with worst efficiency (#13, which has 85% eff.), to verify and quantify correlation with pump efficiency
- Consultant and DWR to obtain additional cost estimates for the new pump and refurb options
- Re-engage VE team with findings
- Complete 1<sup>st</sup> draft of VE study report by end of November '15



## Perris Dam – Remediation of Seismic Deficiency

- \$75.5M Contract with Pulice Construction, NTBW: 8/20/14
  - Stability berms + deep soil-cement mixing
  - NTBW 8/20/14, Completion date 11/15/17
  - Estimated total cost \$121.5M (\$39.1M from Davis-Dolwig recreation)
- Status: Not good – 30% time expended, but progress ~ 18%
  - Contractor got a late start obtaining necessary blasting permit/license
  - Extreme difficulty with blasting/excavating haul road in left abutment
  - Lens of weak material discovered in left abutment – slope failure concern
  - Challenges meeting berm material spec from quarry
- DWR conducting high-level partnering sessions with contractor and allowing acceleration of cement soil mixing test to save time



## Control System Upgrade

- Latest phase (III), started in 2008, close out in October 2015
  - Replaced 181 out of 320 SWP RTU controllers with PLCs
  - At hydrosites, turnouts, OFD plants, and Devil Canyon plant
  - Established a SWP controller standard (key for moving forward)
  - Upgraded the SCADA software
  - PLCs and new software up and running successfully
  - Budget for phase III: \$45.7M; Actual ≈ \$34.3M (as of May 2015, may increase slightly)





## Control System Upgrade

- Next phase (IV) of Controllers Upgrade, (2015 – 2023)
  - Replace the balance (125-150) of remaining legacy RTUs and controllers at pumping & power generation facilities
  - Split into four blocks
    - SLFD: Q4 2015 – Q2 2017
    - SFD: Q2 2017 – Q4 2019
    - DFD: Q3 2019 – Q4 2020
    - SJFD: Q4 2020 – Q4 2023
  - Budget = \$34.5M



## Control System Upgrade

- ARINC retirement, (2015-2018)
  - ARINC = brand of a highly customized central SCADA software which is now due to be replaced by new product (Alstom)
  - Feasibility Study Completed December 2014
  - Functional Requirement & Design ≈ 70% complete
  - Timeline Q2 2015 – Q2 2018
  - Budget \$2.7M



## Valve Rehab/Replacements

### ▪ Two major valve rehabs in progress (Gianelli and Hyatt Plants)

**Gianelli:** Two of the eight 156-inch butterfly turbine shutoff valves (TSV) have been refurbished and are back in service. The third has been removed from plant, and is at the contracted shop for complete refurbishment and recoating

**Hyatt:** The first ever removal of the 114-inch spherical TSV was accomplished in September (complicated/high risk task)

- Disassembly of the valve body began the week of October 5<sup>th</sup>
- Once disassembled, valve will now be transported to contractor's (Andritz) shop in Spokane, WA for refurbishment and recoating



## Valve Rehab/Replacements

Hyatt Unit 1  
TSV Removal  
(~500,000 lbs.  
on the crane)  
September '15







## Valve Rehab/Replacements

Hyatt Unit 1  
TSV Removal  
September '15



SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Valve Rehab/Replacements

Hyatt Unit 1  
TSV removed  
and on main  
floor of plant  
September '15



SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Valve Rehab/Replacements

Hyatt Unit 1  
TSV pad and  
penstocks  
September '15



SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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## Questions??

SWC FY 2015-16 Infrastructure Objectives  
October 15, 2015 Update

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**DESERT WATER AGENCY  
MEDIA INFORMATION  
OCTOBER 2015**

<b>DATE</b>	<b>PACKET PAGE</b>	<b>MEDIA SOURCE</b>	<b>ARTICLE</b>
10/02/15	1-2	PRESS ENTERPRISE	Some Lag On Water Goals
10/04/15	3	PRESS ENTERPRISE	District Might Reduce Drought Surcharge
10/06/15	4	THE PUBLIC RECORD	New Website Offers Informed, Unbiased Information on Water Crises
10/07/15	5-7	PRESS ENTERPRISE	Dispute May Derail Plan To Tap Desert's Water
10/10/15	8-9	PRESS ENTERPRISE	Valley Leads The Way In Rebates For Turf Removal
10/12/15	10-11	THE DESERT SUN	Coachella Valley Agencies Far From Water-Saving Targets
10/13/15	12	PRESS ENTERPRISE	Water District Eases Drought Surcharge
10/13/15	13	LA TIMES	Restrictions On Water Rates Get Newfound Opposition From Gov. Jerry Brown
10/13/15	14-16	LA TIMES	Turf Rebate Giveth, But IRS May Taketh Away
10/14/15	17-18	THE DESERT SUN	California Drought: CVWD Could Increase Penalty Fees
10/14/15	19	PRESS ENTERPRISE	Not Quite So Thirsty, But Still Shy Of Goal
10/14/15	20-21	PRESS ENTERPRISE	Battling Bottled Water
10/15/15	22	PRESS ENTERPRISE	Facility Flush With Upgrades
10/15/15	23-25	LA TIMES	Cities And Private Equity Firms Fight Over Ownership Of Water Systems
10/16/15	26-27	LA TIMES	Serious About Water Abuse
10/18/15	28-29	PRESS ENTERPRISE	Oversight Just Ran Dry
10/19/15	30-31	PRESS ENTERPRISE	Every Drop Counts Twice

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
10/21/15	32	PRESS ENTERPRISE	Watering Limit Down To Twice A Week
10/22/15	33-37	THE DESERT SUN	Company Aims To Sell Groundwater From Mojave Desert
10/22/15	38-39	LA TIMES	Water Bills Will Creep Up Next Year In L.A. Because We've Conserved So Much
10/23/15	40-41	PRESS ENTERPRISE	Heat Sabotages Water Cutbacks
10/27/15	42-43	THE DESERT SUN	CA Drought: CVWD Doesn't Raise Penalty Fees For Wasters
10/28/15	44-45	THE DESERT SUN	California Drought: Agencies Not Fining Water Wasters
10/29/15	46-47	THE DESERT SUN	LA Aqueduct Flows After Dam Built For Drought Is Dismantled
10/29/15	48-49	LA TIMES	Falling Short Of Water Goals

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

# Some lag on water goals

Officials fear Redlands, others can't catch up.

BY JANET ZIMMERMAN

## STAFF WRITER

While state officials Thursday lauded water savings of 27 percent in August, they pointed to some communities – including Redlands – that are so far off their goal it will be nearly impossible to make up the difference in the remaining months of mandatory rationing.

“For the next five months, their customers would need to be saving over 45 percent on average per month to meet (their) target” for conservation, said Max Gomborg, senior environmental scientist for the State Water Resources Control Board. “That’s an incredibly high bar.”

Those communities face fines for failing to reach their water-saving goals set by the state after Gov. Jerry Brown ordered an average 25 percent cut statewide – compared with 2013 – in the face of the worst drought in more than a century.

Redlands must log a 36 percent reduction in water use, measured cumulatively from June to February. Its cumulative total between June and August is 23.4 percent.

Redlands officials said they have worked hard to achieve savings. Actions include hiring two water waste investigators, sending about 3,000 letters to the top 10 percent of water consumers, spreading the conservation message at community events, creating a demonstration garden with water-wise landscaping and meeting monthly with conservation coordinators in other communities to share information.

“This month we have addressed 397 phone calls, performed 72 audits and 224 enforcement actions. There’s a lot of things that we’re doing,” said Chris Diggs, director of the city’s utility. “But when you look at the makeup of Redlands, it’s different than other communities. It has larger lots, a lot of landscaping and we enjoy our trees. Those things that make Redlands Redlands” take more water.

Other Inland districts that are more than 10 percentage points away from their goals are Norco, Yucaipa Valley Water District, West Valley Water District in Rialto and the Beaumont-Cherry Valley Water District.

The local conservation star was Lake Hemet Municipal Water District, which beat its goal by 11 percentage points.

General Manager Tom Wagoner credited a rate increase on April 1 and two large agricultural consumers that either didn’t require water this year or found it elsewhere.

The rest of the state exceeded the governor’s mandate for the third straight month. For June, July and August, the cumulative statewide savings rate was 28.7 percent. That was better than expected, considering a heat wave in August, said Felicia Marcus, the water board chairwoman.

“I was afraid the numbers would drop precipitously,” she said in a morning conference call with reporters. “In a crisis, people pull together and hang in there.”

The July savings was 31.4 percent, compared with the same month in 2013.

California residents will have to try even harder to save water between October and November, when there is less opportunity for big savings because the weather cools, she said.

“We’re worried October will be hot. We don’t want people to turn their sprinklers on,” Marcus said.

The state is urging residents to water once a week or less beginning in the fall. If El Niño does bring abovenormal precipitation to Southern California later this year, that won’t be hard to do. But Marcus and other state officials said people shouldn’t count on El Niño rain. Even if it does arrive, it won’t solve the drought, she said.

The state needs snow in the Sierra Nevada – known as California’s frozen reservoir – to provide runoff next spring that feeds the State Water Project. However, El Niños typically bring wetter weather to Southern California and drier conditions to the north.

Statewide in August, residents used an average of 102 gallons per day, up slightly from 98 gallons in July, but significantly lower than the 123 gallons per person per day in August 2014.

Enforcement by suppliers was down slightly in August. Statewide, 84 suppliers issued 14,975 penalties to water wasters, compared with 16,287 penalties issued in July, the state said.

## How are they doing?

Five inland water suppliers surpassed their mandatory conservation targets as of August. Twelve local suppliers are 5 percentage points or more from their goal. The State Water Resources Control Board uses cumulative percentages saved since June, compared with 2013 use. The governor's emergency regulation ordering cutbacks expires in February 2016, at which time all suppliers are expected to have met their goals.

Water district	Goal	June-August cumulative savings	Percentage points from target
<b>Exceeded goal</b>			
Lake Hemet MWD	28%	39%	+11
East Valley Water District (Highland)	28	33.4	+5.4
City of San Bernardino	28	30.6	+2.6
City of Perris	24	25.8	+1.8
City of San Jacinto	32	33.5	+1.5
<b>Missed goal</b>			
City of Colton	20	19.8	-0.2
Elsinore Valley MWD	28	26	-2.0
City of Riverside	28	25.6	-2.4
Jurupa Community Services District	28	25.6	-2.4
Western MWD (Riverside)	32	28.2	-3.8
City of Corona	28	22.6	-5.4
City of Hemet	32	25.8	-6.2
Rubidoux Community Services District	28	21.3	-6.7
Eastern Municipal Water District	28	20.1	-7.9
Rancho California Water District (Temecula)	36	27.7	-8.3
City of Loma Linda	32	24.1	-7.9
City of Rialto	28	18.7	-9.3
Beaumont-Cherry Valley Water District	36	25.7	-10.3
City of Norco	36	25.6	-10.4
Yucaipa Valley Water District	36	25.5	-10.5
West Valley Water District (Rialto)	32	21.6	-10.4
City of Redlands	36	23.4	-12.6

STAFF GRAPHIC



Date: Oct 4, 2015; Section: Local Extra - Southwest; Page: SB1

# District might reduce drought surcharge

Rancho is discussing a rollback since there is little chance it will be penalized by its water wholesaler.

BY AARON CLAVERIE

## STAFF WRITER

Temecula area homeowners who have been shocked and frustrated by huge water bills this summer may get some relief.

The Rancho California Water District is looking at reducing – and eventually eliminating – the drought surcharge added to bills to shield the district from the actions of its water wholesaler, the Metropolitan Water District.

Earlier this year, in response to the governor's call for water use reductions, Metropolitan cut Rancho Water's allotment of water by 15 percent and hiked the cost for additional water.

According to a report for the board, Rancho Water has cut use by more than 15 percent and there is little chance of incurring the higher costs, which prompted the staff to call for reducing the surcharge. The recommendation was approved 3-0 Thursday at the committee level, and the full board will take it up later this month.

The reduced rate – if adopted by the board – would be reflected on bills sent after Nov. 1, which cover October water usage.

Rancho spokeswoman Meggan Valencia said the district is still working to meet the state's water use reduction goals but it no longer can justify the surcharge since it was adopted in response to the MWD's action.

"We're doing pretty good," she said, pointing to data that show the district has reduced water use by around 30 percent compared with results in 2013.

The two-tier surcharge structure that is in place right now charges ratepayers \$3.40 per hundred cubic feet of water if they are between 1 and 15 percent over their allotted budgets. Those who exceed 15 percent face an additional cost of \$6.80 per hundred cubic feet.

The Rancho staff has called for eliminating the second tier, which would reduce revenue generated by the surcharges by 41 percent and have the greatest impact to the district's residential customers.

At least one ratepayer wants the surcharge ended.

Robert Stites, a Rancho ratepayer, told the board Thursday that the surcharge should be eliminated immediately and the district should reimburse ratepayers for the fees they've paid so far.

"Future exposure to the surcharges are virtually nonexistent," he said, prefacing his remarks with a detailed breakdown of the district's financial standing. It showed how much revenue was generated by the surcharges and how much the district has been saving by reducing its reliance on expensive imported water.

State law requires water districts to charge rates that reflect only the cost of delivering water, which was recently codified by a ruling that called into question how tiered rates were put together in San Juan Capistrano.

Rancho officials have long defended their rate structure, saying it meets all legal requirements.

## THREE THINGS TO KNOW

Rancho Water is looking to reduce a drought surcharge charged to ratepayers. The surcharge was enacted to shield the district from cuts. The district has reduced water use by around 30 percent, making the surcharge unnecessary.

# The Public Record

TUESDAY, OCTOBER 6, 2015

VOLUME 38 - EDITION #77

PALM SPRINGS, CALIFORNIA

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

## NEW WEBSITE OFFERS INFORMED, UNBIASED INFORMATION ON WATER CRISIS

In light of the recent attacks on California's Quantification Settlement Agreement (QSA), water leaders and experts collaborated to produce a single source of critical information on our water crisis, and how the QSA is important to its future. The website, [www.waterforthefuture.org](http://www.waterforthefuture.org), provides history and context regarding the QSA, and has detailed specifics on the agreement and how stakeholders are affected. The QSA was approved in 2003, and brought together several Southern California water agencies, along with the U.S. Department of Interior, to ensure a consistent water supply to arid regions of California. The QSA protects the future of the Coachella Valley water supply by quantifying entitlements and establishing a schedule for transfers and acquisitions of conserved water.

In November 2014, Imperial Irrigation District, which was a participant in the development and implementation of the QSA, filed a petition with the State Water Resources Control Board seeking to condition its QSA transfers of conserved water to area water agencies upon the State fulfilling its obligation to restore the Salton Sea. But IID's challenge of the QSA at this juncture is unreasonable as restoration of the Salton Sea was never part of the QSA.

The QSA's parameters address—and mitigate—the effects of the QSA on the Salton Sea, but the document was never designed to be a blueprint for restoration of the Sea. Rather, the QSA maintains provisions that help ensure the agreement will not cause further deterioration of the Salton Sea. Restoration resides solely with the State of California, and its ability to choose and fund a restoration plan.

Any challenge to the QSA is irresponsible and threatens drinking water for hundreds of thousands of residents throughout Southern California, particularly those living in the Coachella Valley. The QSA preserved the Coachella Valley's entitlement of Colorado River water, and provided for additional transfers that address the groundwater overdraft conditions in the East Valley.

The drought affects every single person in California, so it is vital to arm yourself with knowledge and understanding of the issues surrounding the provision of potable water. It is also vital to protect groundwater and imported water supplies to help ensure a reliable, water supply to the people of Southern California. [www.waterforthefuture.org](http://www.waterforthefuture.org) is the place to go for that knowledge. The information on the site provides a comprehensive look at the history of water in Southern California, how imported Colorado River water is allotted to various regions, and why the QSA is critical to ensuring our drinking water supply.

Launched in conjunction with the Coachella Valley Water District's community affairs efforts, [www.waterforthefuture.org](http://www.waterforthefuture.org) is a site dedicated to educating and informing the public on important water issues, including the QSA. For more information on the QSA and other water news, contact CVWD's Director of Communication and Conservation Heather Engel at (760) 398-2651 ext. 2353.

Visit [www.waterforthefuture.org](http://www.waterforthefuture.org) for more information.

Date: Oct 7, 2015; Section: Front Page; Page: A1

# DISPUTE MAY DERAIL PLAN TO TAP DESERT'S WATER

Federal officials won't give right of way along railroad lines for Cadiz's controversial 43-mile pipeline across public land.

By JANET ZIMMERMAN

## STAFF WRITER

Federal land managers have dealt a blow to the controversial Cadiz project that would draw water from ancient aquifers in the Mojave Desert and pipe it to cities across California.

The Bureau of Land Management rejected a proposal by the Los Angeles-based company to use a railroad right of way across public lands for its 43-mile pipeline. As a result, Cadiz will have to submit an application for a right of way, which requires a federal environmental review with public participation, said Martha Maciel, a spokeswoman for the bureau in Sacramento.

In a Friday letter to the company, the BLM said Arizona and California Railroad Co. could not allow use of its right of way by Cadiz because the water project does not "derive from or further a railroad purpose," as required. If the project proceeds on the right of way without its permission, the agency could start trespass proceedings, the BLM said.

Cadiz President Scott Slater said Tuesday he would push for BLM leaders to rescind the opinion. Barring that, Slater said he will take the case to federal court.

"We're very disappointed that politics would overcome substance. But we've planned for this, and we'll soldier on," he said.

The pipeline was intentionally proposed along the railroad, rather than across open public lands, to avoid environmental impacts, Slater said.

But critics of the \$225 million Cadiz Valley Water Conservation, Recovery and Storage Project have long called use of the right of way a ploy by the company to avoid federal review of its groundwater pumping project.

David Lamfrom, California desert program manager for the National Parks Conservation Association, praised the BLM's determination.

He questioned the neutrality of an earlier review of the project under the California Environmental Quality Act done by the Santa Margarita Water District in Orange County, which would receive water from the project.

"We're excited it's back to a more open process. We have confidence that sound science will be used to make a decision," said Lamfrom, whose group, and others, sued to block the project.

Even if Cadiz were to submit an application for a right of way, the BLM cannot process it. Sen. Dianne Feinstein, D-Calif., attached an amendment to the 2014 Department of the Interior appropriations bill

– the eighth year in a row – prohibiting the BLM from spending money reviewing any applications for water conveyance through the railroad right of way.

Feinstein, an ardent desert supporter who authored the California Desert Protection Act more than 20 years ago, is pushing to have the Cadiz Valley included in her proposed Mojave Trails National Monument, one of three new monuments she is advocating.

"I remain concerned the Cadiz project could damage the Mojave Desert beyond repair and believe the BLM decision to deny the right of way is the right one," Feinstein said in a statement. "I'll continue to work through the Appropriations Committee to block any additional attempts to draw down this aquifer. We need to use water more responsibly, not less, and the Cadiz project is a bad idea."

The Cadiz company wants to extract groundwater from beneath 45,000 acres the company owns south of the Marble Mountains, 40 miles east of Twentynine Palms. The area lies between Mojave National Preserve and Joshua

Tree National Park in eastern San Bernardino County.

The project would pump 50,000 acre-feet per year out of the aquifer for 50 years, enough to provide water for 100,000 homes across urban Southern California. Cadiz Inc. says recharge of the groundwater basin is more than 32,000 acre-feet per year, which would otherwise be lost to evaporation.

Opponents say the company is overestimating the recharge rate. A hydrologist hired by environmental groups said in a 2012 comment on the project's environmental impact report that the recharge is about 16,000 acre-feet per year.

The National Park Service and environmental groups have said the project would drain surrounding springs that support habitat for threatened and endangered wildlife, including desert tortoises, bighorn sheep and Mojave fringe-toed lizards.

Slater said the project's environmental impact report found it would be impossible for the pumping project to affect springs, the nearest of which is 11 miles away.

The court ruled in favor of the company in numerous lawsuits. Appeals are pending by the Center for Biological Diversity, Sierra Club, San Bernardino Valley Audubon Society, National Parks Conservation Association and a local saltmining operation.

In addition to the Santa Margarita district, five other suppliers have signed up to buy the water: Jurupa Community Services District; Three Valleys Municipal Water District in Claremont; Suburban Water Systems, which supplies 10 cities in Orange and Los Angeles counties; Golden State Water Co., which supplies 75 communities across the state; and California Water Service Co. in San Jose.

Under a 2013 agreement with the railroad, Cadiz Inc. said water from the project would be used to supply fire hydrants along 35 wooden railroad trestles and turn in-line turbines to produce power to operate crossings and for off-loading. Cadiz has also proposed tourist steam train excursions and a museum.

The BLM said dry sand, not water, is the preferred method for extinguishing fire on trestles.

The determination is not final and could be reconsidered if the company submits new information, the BLM said.

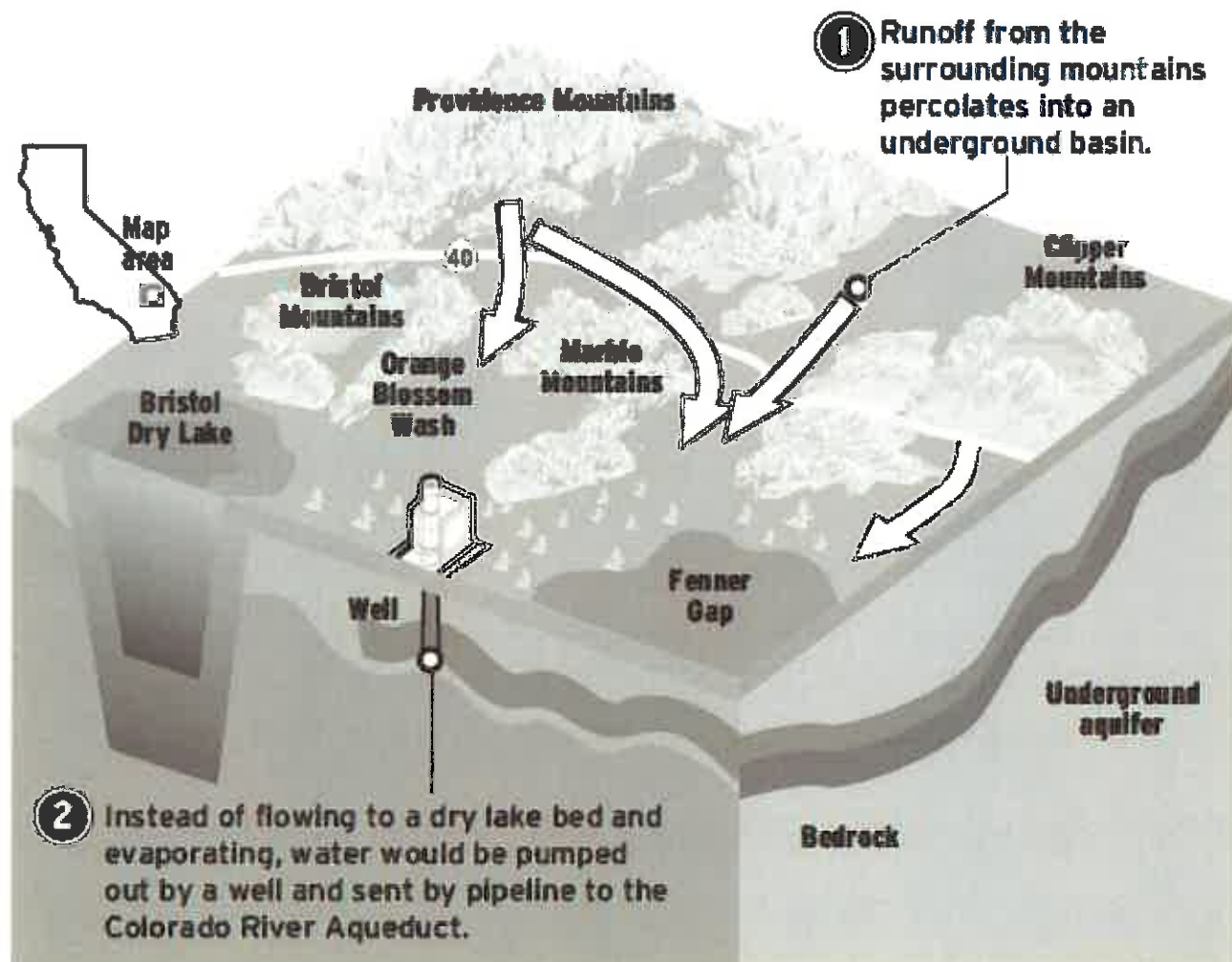
In a statement, the Cadiz company said it would "continue to complete the remaining milestones" on the project and will fight appeals of lawsuits against the project. It hopes to begin delivering water in 2017.

To move the water, Cadiz would need to strike an agreement with Metropolitan Water District of Southern California, the region's water wholesaler, to use its Colorado River Aqueduct.

Cadiz said it expects a review by Metropolitan later this year or early next year.



A Southern California company wants to tap into an underground aquifer in the Cadiz Valley where it would pump 50,000 acre-feet of water per year. The water would be piped across the state. Critics say the pumping would deplete groundwater, harm air quality and threaten wildlife.



Source: Cadiz, Inc.

STAFF GRAPHIC

[Print This Page](#)

Publication: Los Angeles Times; Date: Oct 10, 2015; Section: California; Page: B1

CRUNCHING THE DATA

# Valley leads the way in rebates for turf removal

Lake Balboa had L.A. County's highest rate of participation in the lawn-replacement effort

By Taylor Goldenstein

When Joe Benson tore out his dying grass in August of last year, he was one of the first in his San Fernando Valley neighborhood to collect a rebate for doing so, he recalls. One year later, four other households on his block, and several more on his street, have followed suit amid the state's persistent drought.

Valley residents have been among the most aggressive in Los Angeles County in claiming rebate money for lawn replacement, according to a Times analysis of data from the Metropolitan Water District of Southern California.

Countywide, 1 in about every 56 residences has received initial or final approval for turf removal projects. The analysis showed that the Valley community of Lake Balboa had the county's highest rate of participation in the rebate effort — about 1 in 14.

Close behind were the Valley communities of Winnetka, where nearly 1 in 14 filed for the cash, and Granada Hills, where 1 in 16 did so, and where alternative landscapes stand out against other pale, brittle lawns on Benson's stretch of Andasol Avenue.

"If you go on any of the streets around here, more and more people are doing it," Benson said. "Most people understand there's a drought; water is going to be expensive."

The majority of areas claiming rebates at rates exceeding the countywide average were in the city of Los Angeles, where the Department of Water and Power added \$1.75 to the Metropolitan Water District's \$2-per-square-foot payments, according to the MWD data.

And nowhere were residents quicker to seek the cash for grass than in the Valley, with its thousands of yard-rich, single-family homes.

Demand for the rebates skyrocketed after Gov. Jerry Brown on April 1 ordered a historic, 25% mandatory cutback in urban water use.

An initial pot of \$20 million was boosted to \$100 million and ultimately \$340 million as officials tried to induce homeowners to remove their lawns as they saw their neighbors doing it.

The rebates were unlimited until May, when the MWD announced a \$6,000 cap on residential grants, among other regulations. The funds were drained in a matter of months, forcing the agency to stop accepting new applications in July. About \$230 million had been committed or paid out to residential applicants through early August, according to the most recent MWD data available. In addition, nearly \$32 million has been doled out to commercial applicants.

Rebates will soon be in the mail for the rest as projects are finished and given final approval.

Other parts of the county claiming rebates at higher than average rates include pockets of the Westside and South Los Angeles. In some areas, such as East Los Angeles, rebates were far more sparse.

(Some water agencies administered their own programs with MWD funding, such as those serving Long Beach and Santa Monica, and the Municipal Water District of Orange County. They were not included in the data.)

The average rebate in the data analyzed by The Times was \$1,312. The largest single grant issued in the county so far went to a San Marino resident for more than \$50,000.

The program was a "bold experiment," said Stephanie Pincetl, director of the California Center for Sustainable Communities at UCLA, though on its own won't be enough to jump-start longterm change.

"It's going to take more money, more time, more effort to really transform the landscape as deeply as is probably going to be necessary going forward," Pincetl said.

MWD General Manager Jeffrey Kightlinger acknowledged that a mass transition would take years but said the participation in the program thus far is a “huge head start.”

“The goal is not to give people money for something they would normally otherwise do or have to do,” he said.

“The goal is to provide the rebates for the cutting edge, [and] once it’s established, move on to the next cutting edge, and then hopefully that one becomes the norm.”

Granada Hills resident Dorian Castillo decided to turn her turf removal into a family project after it was preapproved for more than \$8,000.

She described what she wanted to her 19-year-old son, who drew up the plans. Over about six weekends this summer, her two sons, her husband and a couple of landscapers turned it into a reality.

The design consists of a spiral rock pathway with flat rocks surrounded by gravel, all leading toward a large ceramic vase holding a plant at the center.

After the project was finished, Castillo said many neighbors came to her door to compliment the job and ask questions about the rebate program.

At least three neighbors redid their lawns after seeing her yard transformed, she said.

Castillo said letting the lawn fade to brown and “bringing the neighborhood down” was not an option.

“It’s just like a competition between neighbors of who keeps their home prettier, and that’s beautiful. That makes California what it is,” she said.

“When you see all those lawns dying, it’s not California anymore.” [@taylor.goldenstein@latimes.com](https://twitter.com/taylor.goldenstein) Twitter: @taygoldenstein Times staff writer Sandra Poindexter contributed to this report.

## Coachella Valley agencies far from water-saving targets

Ian James, The Desert Sun, October 12, 2015

The Coachella Valley's largest water district fell far short of its state-mandated conservation target last month, a failure that could lead to bigger fines for customers who aren't doing their part.

The Coachella Valley Water District's customers used 16.4 percent less water in September as compared to the same month in 2013. That was nearly 20 percentage points shy of the 36-percent reduction that the state ordered in response to the drought.

Indio also had a dismal month for conservation. Its customers cut back by 12 percent instead of the 32 percent prescribed by the state.

Both water districts had their worst performance by far since June, when the State Water Resources Control Board started requiring cuts in urban water use under emergency drought regulations. The state water board has the authority to issue fines of up to \$10,000 against cities or water districts that fail to comply.

"We're certainly at risk of that," said John Powell, Jr., president of the CVWD board.

"We're anticipating that we'll be asked to do more," Powell said. "And we're moving with great haste to do more."

Powell said members of the CVWD board will consider options at their next meeting on Tuesday in Palm Desert. One of those options will be to increase the penalty fees that customers are charged when they don't sufficiently reduce their outdoor water usage.

"We want to see some movement from our customers who have been paying the penalties. What we want is for people to use less water and not pay the fines," Powell said.

About 76 percent of the CVWD's customers have been meeting the drought "budgets" set by the district. The other 24 percent have been paying the fines, which Powell said have ranged from \$5 or \$10 a month up to hundreds of dollars a month.

For some people, he said, "I guess the amount of the penalty hasn't been enough."

The September cutback percentage was far below the district's average of 26.2 percent during the past four months.

CVWD uses more than 100 wells to supply water to areas stretching from Cathedral City to the Salton Sea. General Manager Jim Barrett said the district will be seeking input from the public about ways to achieve bigger water savings.

In Indio, the 12-percent water cutbacks in September followed reductions of between 22 percent and 26 percent during the previous three months.

Brian Macy, general manager of the Indio Water Authority, said it's not clear why there was such a big change last month.

"We've tried to find the smoking gun and just couldn't do it," Macy said.



At an Oct. 21 meeting, the city will consider adopting a drought penalty surcharge similar to those levied by CVWD, Macy said. In order to encourage stepped-up efforts, he said, "we're going to hit people where it hurts."

Water use was likely influenced in part by a relatively warm month, which tends to lead to more outdoor water use. National Weather Service records show that average temperatures during September were about two degrees warmer in Palm Springs than during the same month in 2013. But managers of the area's water districts said regardless of the weather, they're concerned about the lack of water-saving efforts by a segment of customers.

"The vast majority do care. A lot of people are trying a lot," said Mark Meeler, general manager of Myoma Dunes Mutual Water Company, which supplies several thousand people in Bermuda Dunes and surrounding areas. "But we have those few that are just telling us, 'Too bad.'"

Customers of Myoma Dunes, which the state lists among the biggest per-capita water users, reduced usage 23 percent last month, much less than their 36-percent target and down from 33 percent in August.

Meeler said the water company has encouraged people not to overseed their lawns this year in order to save water, but some are doing it anyway.

"They tell us they don't care. It's not their problem. They need grass in their yard and they're going to do it," Meeler said. "I personally enjoy grass, too, but I had to let my yard go, too. I'm going to keep a little patch of it by the pool, and all the rest of it's gone."

Myoma Dunes has barred outdoor watering between 7 a.m. and 8 p.m. and allows watering of grass three days a week.

Violators received 273 notices from the water district last month, including 28 fines for repeat offenses, Meeler said. Those fines can range from \$100 to \$500, plus additional penalties on monthly bills. Meeler said water service can be shut off for a fifth violation, a step that hasn't yet been taken.

The water districts that supply Coachella, Desert Hot Springs and Palm Springs also didn't meet the state's conservation goals. The Coachella Water Authority reported cutbacks of 18 percent compared to a target of 24 percent. The Mission Springs Water District, which is under a 28-percent reduction order, cut water usage by 19 percent, the same percentage as the previous month. The Desert Water Agency, which serves Palm Springs and parts of Cathedral City, managed 24 percent, short of its 36 percent target.

The state water board has ordered some water agencies to take additional steps to meet the targets. On Aug. 31, for instance, state officials issued a conservation order instructing the Mission Springs Water District to take actions such as boosting its public outreach efforts and determining whether it would be feasible to add a "drought surcharge" to water bills.

John Soulliere, the administrative officer of Mission Springs, said a study of water rates was already underway and the water district added the question of a drought surcharge to that study, which is being prepared by a consultant.

He said the water district is either acting on or has already carried out all of the state's recommendations. That includes a program being started by Mission Springs this month to identify the top 20 water users in the area and offer audits to point out ways to save water.

Ian James writes about water for The Desert Sun. He can be reached by email at [ian.james@desertsun.com](mailto:ian.james@desertsun.com) and on Twitter at @TDSIanJames.

Date: Oct 13, 2015; Section: Local Extra - Southwest; Page: B2

## BRIEFLY

### WATER DISTRICT EASES DROUGHT SURCHARGE

TEMECULA The vote wasn't unanimous, but the Rancho California Water District board recently reduced a drought surcharge that heavily penalizes customers who exceed their water budgets.

The two-tier surcharge structure that was put in place this summer charged ratepayers \$3.40 per hundred cubic feet of water if they were between 1 and 15 percent over their allotted budgets. Those who exceeded 15 percent faced an additional cost of \$6.80 per hundred cubic feet.

The board voted 6-1, with President John Hoagland dissenting, to ax the second tier. Hoagland argued in favor of keeping the higher rate to protect the district from penalties that may be handed down by the state if the district fails to meet its water reduction target.

The surcharge, however, was adopted as a response to the actions of the Metropolitan Water District, which cut allotments to the districts it serves by 15 percent and warned of steep prices for additional water.

Rancho Water ratepayers have cut water use by around 30 percent compared with 2013 figures. While that far exceeds the 15 percent mark set by MWD, which means the district likely won't need to buy the more expensive imported water, the state has mandated a 36 percent reduction.

# Los Angeles Times

## Restrictions on water rates get newfound opposition from Gov. Jerry Brown

Chris Megerian, October 13, 2015

Gov. Jerry Brown is picking a fight over a two-decade-old law that can make it difficult to increase water rates, raising the possibility of a new battle over the issue at the ballot box next year.

He's turning his attention to the issue as he seeks more flexibility to fund infrastructure improvements and use financial incentives to spur conservation, tactics for steering California through the fourth year of a damaging drought.

"Too many Californians still lack affordable, safe drinking water," Brown said in a statement Friday. "Proposition 218 serves as the biggest impediment to public water systems being able to establish low-income rate assistance programs."

Proposition 218, passed in 1996, requires that many local taxes and fees be approved by voters. It also prevents government agencies from charging more for a service than it costs to provide the service.

Brown called the law "an obstacle to thoughtful, sustainable water conservation pricing and necessary flood and stormwater system improvements."

Brown announced his effort to change things when he signed AB 401, a measure by Assemblyman Bill Dodd (D-Napa) intended to help low-income Californians pay their water bills.

The governor's plan for tiered water pricing -- consumers paying increasing amounts for water as they use more -- ran into legal trouble when a state appeals court said it violated Proposition 218.

Brown complained that the court's ruling was a "straightjacket."

It's unclear what kind of changes Brown will try to make. He said he plans to work with lawmakers and others to address the issue "while maintaining rate payer protections."

Brown could find important support from water agencies in his effort.

"He's pretty much got it right," said Timothy Quinn, executive director of the Assn. of California Water Agencies. "There's a problem to be solved here."

Although Proposition 218 has improved accountability, Quinn said, there needs to be more flexibility to make investments.

"You've got a very difficult road getting financing for your infrastructure," he said.

Quinn said his organization has been in touch with the Brown administration as it develops proposals. Because Proposition 218 is a constitutional amendment approved by voters, the governor's effort would be likely to require a new ballot measure.

He would certainly face resistance from the Howard Jarvis Taxpayers Assn., which wrote Proposition 218.

"We would obviously oppose" the governor's efforts, said Jon Coupal, the group's president. "The voters would ultimately decide."

# Turf rebate giveth, but IRS may taketh away

Los Angeles Times • 13 Oct 2015 • B1 • SANDY BANKS

Tina House spent months on the math of water conservation, trying to figure out what to do about the thirsty parkways that wrap around her family's Pasadena home.



On her stately stretch of East Mountain Street, those strips of grass between the sidewalk and the street are as big as yards in some other neighborhoods.

Turning off the sprinklers on the 2,100-square-foot parkway would cut about \$40 a month from the family's water bill. But replacing the grass with something more drought friendly would cost several thousand dollars — an expense that could take a decade to recoup.

When the Metropolitan Water District offered her a \$4,210 rebate for the swap, the project seemed to make financial sense. So she called the gardener who'd landscaped the yard 15 years ago; he dug up the grass last week and hauled it off.

But the calculation of conservation changed when House realized that Uncle Sam could pocket much of her rebate.

Under current federal guidelines, those rebates can be treated like income instead of reimbursement.

California provides a state tax exemption for turf removal rebates, but the feds have not yet reckoned with our plight —

Meaning some folks may wind up putting some of what they save on their water bills toward tax checks to the IRS.

"I did so much research," House said, "into how much water it would save, what it would look like, how much it would cost. I thought I had everything covered. But I hadn't Googled 'taxes.' "

House is not alone. More than 65,000 homeowners have been approved for reimbursements. Last year the MWD raised the rebate amount for turf removal from 30 cents to \$1 — and then to \$2 — per square foot.

Most are only now finding out that they may be liable for taxes.

The issue is surfacing because of the size of the rebates, said MWD's Deven Upadhyay. "In previous years, we rarely saw a [residential] rebate over \$600."

That's the IRS threshold for reporting rebates as income. Until last year, that primarily applied to commercial properties with large areas of turf to replace.

"But since we ramped up in response to the drought, there's been a surge in residents who have significant amounts over \$600," Upadhyay said.

Some qualified for more than \$70,000. Imagine their surprise at income tax time.

MWD officials are hoping the state's Franchise Tax Board can negotiate with the feds for California taxpayers. But in the meantime, the water agency has begun tracking down people who've already used their rebates and providing the tax info they'll need.

Upadhyay doesn't think this will make the grass removal campaign less attractive. "There are multiple reasons to consider it, not just the money we're offering," he said.

Not that it matters. They're not offering money any more.

So many people applied for the rebates that the agency's pool ran dry in July.

"The money that we budgeted is spoken for," Upadhyay said. "We have a waiting list. But that will only be funded if someone drops out. If people choose not to finish, that will free that money up for somebody on the waiting list."

If House hadn't already paid her gardener \$800 to get her parkway ready for its makeover, she'd hand over her spot.

"I would not have done this if I thought there was a chance we would have to pay \$1,400 or \$1,500 in taxes," she said. "Some people may say 'whatever.' But that's a big chunk of change to us."

Years ago, she and her husband converted their backyard into a space that needs little more than hosing down now and then.

Their front lawn is lush, but the yard has low-maintenance foliage and drought-tolerant crape myrtle trees.

"We would have found other less expensive ways to manage saving water," she said. "I wish I'd listened to my mother."

Her mother minimizes toilet flushing. And she cooks a lot of spaghetti — she fills her pasta pot with water that flows from the faucet while she's waiting for it to warm up.

"She said just turn off the sprinklers and you'll be fine," House said.

But that might hurt the parkway's ancient Canary Island Palm, with its trunk already warped from previous droughts.

And House didn't want patches of dead grass to make her space an eyesore; she's on the corner lot of a beautiful block of perfectly tended homes.

So she and her gardener are walking the neighborhood, trying to find inexpensive options she can embrace.



She wanted decomposed granite, but it costs too much. Even gravel is outside her budget. She's trying to learn to love mulch.

"Getting this to fit into \$4,000 is taking a lot of effort," she said. "A lot of back and forth."

In fact, she's spending so much time asking questions and agonizing over choices, the price tag may go up.

Her gardener has threatened to send her a bill for the "therapy" the project requires. And he's not offering a rebate for that.

'I would not have done this if I thought there was a chance we would have to pay \$1,400 or \$1,500 in taxes.'

— Tina House,

Pasadena rebate recipient

## California drought: CVWD could increase penalty fees

Sammy Roth, The Desert Sun 10:03 a.m. PDT October 14, 2015

If you're still wasting water, now would be a great time to stop — maybe by deciding not to overseed your lawn.

That was the takeaway from Tuesday's meeting of the Coachella Valley Water District's board of directors, which followed the agency's dismal conservation performance in September. Homes and businesses served by the valley's largest water agency cut their consumption 16 percent last month, far short of their state-mandated 36 percent target.

Of the valley's six water agencies, the Coachella Valley Water District is the only one that's imposed penalty fees for excessive use. Thus far, about three-quarters of the agency's customers have been staying within their personalized water budgets, while the other quarter have been paying the penalties for exceeding their budgets. The water district has collected \$5.3 million in penalty fees, although that money has been offset by \$5.7 million in decreased revenue due to conservation.

Water district board members discussed possible steps to encourage greater conservation Tuesday, including higher penalty fees for the most excessive water users. Board president John Powell Jr. said he'd rather raise fees for the wasteful — perhaps as high as \$100 or \$200 per month — than penalize the three-quarters of customers who have stayed within their budgets.

"We're not looking to collect more money. We're looking to reduce water use," Powell said. "I just don't see another way."

The Coachella Valley Water District is also considering more funding for grass removal and smart meters, restrictions on when homes and businesses can water their lawns, and stronger enforcement of existing rules. The agency could also ban the watering of parkways, the draining and refilling of swimming pools unless for health reasons, and the use of all decorative fountains. Board members will vote on next steps on Monday, Oct. 26 at a 6 p.m. meeting.

Time is running out for the water district to meet its state mandate, which requires a 36 percent cut in water use between June and February, compared to the same months two years ago. With four months down and five to go, the agency's customers have managed just 26 percent. And the biggest opportunity for water savings, the hot summer months, are now behind them.

The State Water Resources Control Board has the authority to fine non-compliant agencies up to \$10,000 per day, although it hasn't done so yet. More likely, the water board will require struggling agencies to take new actions to boost conservation, then issue fines if those measures don't work.

"This is not a time to say, 'Several months down the road, maybe I should do something,'" Powell said. "It's too late, almost."

One board member, though, questioned whether higher penalties for water wasters will fix the conservation problem. G. Patrick O'Dowd speculated that for some wealthy homeowners, no amount of penalties will convince them to do their part.

"To target the people who are not hitting the goals probably is not going to solve the problem," O'Dowd said. "There are going to be people who are simply not going to do that. So being realistic, if we're going to hit our goals we need to cast a broad net."

Bryan Jensen, president of Palm Desert-based Hort Tech Landscape Management, said board members shouldn't overreact to the poor September conservation figures. He suggested it's too late to stop homes, homeowners associations and businesses from overseeding their grass, a water-intensive process that helps keep lawns green through the cool winter months. Some public commenters urged board members not to do anything dramatic.

"Let's not panic and change stuff based on one month of numbers," Jensen said. "I would encourage you to just wait it out a little bit. Look at where we are after overseeding, because I don't think anything we do now is going to change whether people overseed or not. That die has been cast."

For board members, discouraging overseeding has been a major focus as California grapples with a fourth year of epic drought. Powell said he's been disappointed to drive through Indian Wells recently and see hordes of landscapers preparing to overseed public parkways and private homes.

"Honestly, it looks like business as usual to me, which is a little bit of a surprise," Powell said. "It's an opportunity for leaders in the community to show their leadership, and say, 'We're going to be out front on this.'"

The Coachella Valley Water District isn't the only local water agency in trouble. All six valley water providers failed to hit their targets in September, and all six have fallen short of their goals overall during the first four months of mandatory conservation.

The Mission Springs Water District, which serves Desert Hot Springs, has already been hit with a conservation order from the state water board, instructing it to study the feasibility of adopting penalty fees. Other agencies could receive similar orders at the end of October or in early November, when officials release statewide conservation numbers for September.

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Date: Oct 14, 2015; Section: Local Extra - Southwest; Page: B1

# Not quite so thirsty, but still shy of goal

Norco reaches 33 percent water savings, falling just short of the 36 percent goal.

**PATRICK O'NEILL**

**STAFF WRITER**

Norco's water agency, one of several Inland water districts that have continually failed to meet statemandated water reductions, narrowly missed again in September.

Still, city officials – who have purview over the water district – applauded the latest effort, attributing water cuts to non-potable irrigation in public parks, as well as increased public outreach.

Water districts have helped slash statewide usage by 28.7 percent from June 1 to Aug. 31, compared with 2013 – the comparison year for Gov. Jerry Brown's 25 percent statewide reductions. September figures haven't been made public on the State Water Resources Control Board website, but Norco revealed its 33 percent reduction last week.

Each district has been given a water savings objective. Norco is still 3 percentage points short of the city's target, but public works consultant Bill Thompson said it's a step in the right direction.

"Short of fining people, I don't know what else we can do," Thompson said. "As long as we're making progress, I don't think we'll be looking to fine a particular portion of the community."

Water districts in Norco, Redlands, Yucaipa Valley, West Valley (Rialto), and Beaumont-Cherry Valley could face fines of \$500 per day this month if they fail to comply with the state cuts. Each of the districts is more than 10 percentage points away from meeting their goals this year.

Yucaipa Valley curtailed water use by about 19 percent last month, said Water District General Manager Joe Zoba. That's about 7 percentage points less than it was able to conserve in August, bringing the district even further from its 36 percent reduction goal.

Redlands officials have hired two waste investigators since June, sending about 3,000 letters to the top users, according to Utilities Director Chris Diggs.

In Norco, no staff members are dedicated solely to water conservation. Thompson said he has issued verbal warnings to a few of the most egregious water wasters. Still, the city has yet to dole out a single fine. Instead, officials have been looking at ways to lessen water use at public locales.

About 17 percent of Norco's water is used on public land, Thompson said. Large strides have been made in the last two months by switching to non-potable irrigation at Snipes Park and the Fifth Street median adjacent to the prison, Thompson said. Those projects are expected to continue at local schools and other parks.

"If we have full use of our recycled water, plus residents are helping conserve, we'll probably meet our goal," Norco City Manager Andy Okoro said. "We believe we're moving toward compliance. Implementing our reclaimed water, that's our big silver bullet on this thing."

California residents will have to be even more rigorous during the next several months, when there is less opportunity for big savings on outdoor water use, state water board Chairwoman Felicia Marcus previously said. In Norco, residents historically use 5.5 million gallons more per day in the summer than they do in winter, Thompson said.

The state has urged people to water once a week or less starting in October. El Niño conditions could bring heavy rainfall this winter, making that easier to do.

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Date: Oct 14, 2015; Section: Front Page; Page: A1

# Battling bottled water

An environmental coalition sues to stop Arrowhead from tapping Inland creek.

**MARK MUCKENFUSS**

**STAFF WRITER**

Arrowhead

brand trucks first lined up for water at the bottom of Waterman Canyon in 1976. For most of the nearly four decades during which the company has tapped the San Bernardino Mountains there, it has not had a current U.S. Forest Service permit to do so.

A lawsuit filed Tuesday in Riverside's U.S. District Court seeks to curtail the bottled-water operation at least until a new special use permit is issued to Nestle Waters, which owns the Arrowhead brand. The company takes 25 million gallons annually from the site, enough to supply about 192 families with water for a year. "The permit expired way back in '88 and it hasn't been renewed," said Ileene Anderson of the Center for Biological Diversity, one of three plaintiffs in the case. "In this time of drought, we want the Forest Service to protect those resources."

The other plaintiffs are Story of Stuff Project and the Courage Campaign Institute.

Forest Service spokesman John Heil said he could not comment on the lawsuit. He said Nestle has complied with the agency's rules. Although the original permit has expired, he said, Nestle has continued to pay the annual fees for taking water from the site.

While the lawsuit requests an injunction to prevent Arrowhead from continuing to take water from the site, neither it nor its parent company is named as a defendant in the filing.

Nestle spokeswoman Jane Lazgin said the company has done nothing wrong. "The permit that we use, we are told by the Forest Service, is still in force and still valid," Lazgin said.

Nestle acquired the Arrowhead brand in 1987, the year before the permit expired. Forest Service spokesman Heil said Nestle applied for renewal of the permit in 1987.

"As far as we've been told, it is not expired," Lazgin said. She acknowledged that the company has applied for renewal of the permit. "The original permit continues to be in full force and effect, as long as we are diligent in paying the fee."

The company pays the Forest Service \$542 annually.

Heil emailed a series of frequently asked questions on the subject that the Forest Service produced.

According to that material, there are 15,000 special-use permits in the California region, 4,500 of which are expired. Of those, 1,200 involve water use. There is a backlog on reviewing and reissuing permits.

"By law, certain permits for which reissuance has been timely and sufficiently requested," the material says, "do not expire ... until the application for reissuance of the permit has been finally determined by the U.S. Forest Service. Nestle's permit fits this definition."

Tim Molina, spokesman for the Courage Campaign, said he and the other plaintiffs are concerned about how much water is being taken from Strawberry Creek, which runs on the east side of the famous arrowhead landmark on the mountainside above Waterman Canyon.

"They need to prove that the water they're taking isn't needed for local ecosystems," Molina said of Nestle's renewal request. "That definitely isn't the case with the drought."

The Forest Service, however, is not the agency that determines how much water can be utilized from the local mountains.

That role belongs to California's Water Resources Control Board. The Forest Service is responsible for approving the equipment involved in capturing the water, such as spring boxes, tunnels and a mileslong pipeline that connects the Strawberry Creek source with the filling station.

But the Center for Biological Diversity's Anderson said the Forest Service's assessment needs to take into account the environmental impact of the operation. That includes, she said, how local wildlife is affected.

"Let the animals have a fair shake at surviving this drought," she said.

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STAFF GRAPHIC

## WATER USE

Nestle operates five bottled-water plants in California. 705 million gallons – annual use for all five plants 25 million gallons – extracted annually from Strawberry Creek 146,000 gallons – average annual household use 25 million gallons – Enough to supply 192 homes for a year.

Date: Oct 15, 2015; Section: Local Extra - East; Page: EB1

# Facility flush with upgrades

Eastern Municipal unveils changes at San Jacinto treatment plant.

BY CRAIG SHULTZ

## STAFF WRITER

From flushes to fields, the Eastern Municipal Water District's renovated San Jacinto Valley Regional Water Reclamation Facility is helping assure that no water goes to waste.

The San Jacinto facility has increased capacity and meets stricter environmental regulations thanks to a \$157 million expansion.

A dedication ceremony was held Wednesday morning, during which Eastern Municipal Water District officials showed off the facility and thanked staff members and contractors who worked on the five-year project.

With the upgrades, the plant has the capacity to treat up to 14 million gallons of wastewater per day.

"We certainly need the capacity as the community grows," water district board member Phil Paule said to the crowd of about 40 people.

General Manager Paul Jones said being able to meet the needs of customers is one of the district's top priorities.

"This area is prime for very significant growth in the future," he said.

San Jacinto Mayor Crystal Ruiz pointed to empty fields surrounding the facility, which is on Sanderson Avenue, south of Ramona Expressway, and said the area could be full of homes one day.

All used water that goes down the drain or in gutters in San Jacinto, Hemet and neighboring communities will eventually make its way to the plant, where it goes through four levels of treatment before being sold to farmers and cities for nonpotable use in places such as agricultural fields, green spaces and school yards, as well as for industrial use.

Thirty-three percent of the water Eastern sells is recycled and the agency has a goal of recycling every ounce of wastewater.

"The more we can use recycled the less imported water we need," said Joe Mouawad, senior director of engineering.

Wastewater has been recycled for decades, Jones said, but the years-long drought in California has put a new emphasis on preserving water.

The plant is the oldest of four that the water district operates, dating back to the 1960s.

Upgrades to the facility, which was practically rebuilt on the 450-acre site, include a new operations building, enhanced electrical units and an ongoing solar project.

"From when I got here, it's barely recognizable compared to today," said Jones, general manager for more than four years. "It has been a long, complex project because of the extent of the improvements."

## Cities and private equity firms fight over ownership of water systems

**Dean Starkman, October 15, 2015**

Apple Valley residents were among the millions of Californians who cut back on water use during the state-mandated water restrictions this spring.

Unlike most, however, their monthly water bills from their privately owned water provider, Park Water Co. in Downey, contained a rude surprise: a surcharge of 5% — for using less water.

For the town of 70,000, the surcharge amounted to the last straw in a years-long tussle with Park Water, which is owned by private equity giant Carlyle Group in Washington, D.C.

Apple Valley wanted out after absorbing rate hikes totaling 68% over the last 13 years and facing a proposal for an additional 31% rise over the next three years. It issued a formal offer to the Carlyle affiliate: Sell the system to us or risk having it condemned.

Missoula, Mont., moves to wrest control of privately held water system

"Water is a public asset and should be controlled by the community, not subject to corporate greed," said Town Manager Frank Robinson. "You can't live without water."

The fight in San Bernardino County is part of a wider tug of war between cities and private owners over water systems. More broadly, the controversy is over the degree to which Wall Street and other private parties should be controlling basic municipal infrastructure such as water systems and parking meters.

Infrastructure is a booming segment of the private equity business, one on which pension funds such as the California Public Employees' Retirement System increasingly rely to meet their investment targets.

Worldwide, 235 cities — including Paris, Budapest and Buenos Aires — in 37 countries have taken stronger or total control of their water systems in the last five years, according to a study published this year by a consortium of public interest groups led by Transnational Institute in Amsterdam.

In the U.S., 58 cities have taken or retaken control of private systems in the period, with the pace accelerating, the study said. Earlier this summer, the city of Missoula, Mont., won a court order condemning its water system, which is owned by Carlyle's Park Water.

Christopher Schilling, Park Water's chief executive, said its rates are competitive with those of municipal owners.

"If you have a high water bill in Apple Valley, you use a lot of water," he said. "The reality is, these systems are largely fixed costs. With declining unit sales, you almost have to raise rates, regardless of who owns the system."



But to many residents, high bills don't reflect high water use. Lance Arnt, an Apple Valley high school teacher, said he was able to get his bill down to about \$85 a month only after severely cutting back his water use.

"We took out our front lawn," he said. "Our backyard is a field of hay, basically."

California municipalities have been particularly active in reclaiming water systems. The cities of Claremont and Ojai are involved in fights to condemn systems owned by Golden State Water Co., a unit of American States Water Co. in San Dimas.

The main issue: fast-rising rates.

Claremont said its rates have doubled since 2004 and now average 50% to more than 100% higher than those of neighboring towns on municipal systems.

"It's been brewing for a long time, the last two decades," said Bevin Handel, a city spokeswoman in Claremont, where voters overwhelmingly approved a \$135-million bond issue last year to buy the system.

An Ojai report said the town's rates have increased an average of 8% a year over the last 22 years compared with 4.2.% for the adjacent Casitas Municipal Water District, which is moving to condemn the system on behalf of Ojai.

Public-ownership advocates are irked that the increases are aimed at preserving companies' return on capital — usually more than 8% — and that the hikes are approved by the California Public Utilities Commission. PUC officials did not respond to requests for comment.

"What gnaws on people most is that when they go through a downturn, they don't get a guaranteed rate of return," Apple Valley's Robinson said. "They trim, they struggle. But even in bad times, these rate increases just kept coming."

Private water advocates respond that the PUC allows such profits but, depending on a company's operating efficiencies and other factors, doesn't guarantee them.

The average water bill fell last year because of conservation measures in the worsening drought. In Apple Valley, the monthly bill from Park Water hit an average of \$76.80 in 2013 and dropped to \$60.27 last year, including surcharges, according to an April report by the California State Auditor.

Still, residents last year paid 53.6% more than what residents in neighboring Victorville paid for municipal-provided water and 67.1% more than what those in nearby Hesperia paid for city water, the report found. The municipal systems didn't assess surcharges.

In Ojai, a state appeals court framed the issue broadly in rejecting Golden State Water's challenge of the Casitas water district's use of municipal financing to fund its takeover.

"Monopolists have long been unpopular in this country," the court said. "When King George III's chokehold on government led to intolerable levels of taxation, he was forced to divest his holdings.... Nothing is more necessary to life than water."

Private companies said they are singled out unfairly because their rates reflect the true cost of supplying water while cities often subsidize rates with money from property taxes or other revenue.

"We sort of get crucified because we're so upfront and transparent with our rates," said Denise Kruger, Golden State's senior vice president of regulated utilities.

Private water advocates noted that only a tiny percentage of the thousands of privately owned systems in the U.S. have gone public in recent years. The number of Americans served by the private industry, about 15% of the country's population, hasn't changed much over time.

Some municipalities continue to turn to private companies. The city of Rialto in San Bernardino County last year agreed to contract out its water and sewer operations to a partnership led by San Francisco private equity firm Table Rock Capital and the American unit of French water company Veolia Environment.

The 30-year deal provided Rialto with \$30 million in cash and \$41 million in capital improvements.

The outright sale of public utilities and other infrastructure, called privatization, has been around since the 1970s in its modern form. Public opposition led governments to a hybrid version called public-private partnerships, in which governments retained ownership while private parties provided financing or operational support.

The pull is strong. Typically, state and local governments are cash-strapped and face huge capital costs for roads, sewers, water, electric utilities and other infrastructure. And they are hemmed in by taxpayers reluctant to approve new debt.

Global investors hungry for high returns, meantime, have been pouring money into Wall Street's booming private equity business. For the fastest-growing sector — infrastructure — firms raised \$32.4 billion in funds last year, a huge increase from \$3.6 billion in 2005, according to the research firm PitchBook Data Inc.

CalPERS has said it intends to more than double its investment in such funds from two years ago to about \$3 billion of its \$300-billion portfolio.

The increasing private interest in public systems has only heightened concerns over whether owning, managing or financing basic municipal infrastructure should be outsourced at all.

Skeptics said the deals are usually boondoggles because private investors require such high profit margins — a 12% to 15% return on capital is common — that they invariably end up costing ratepayers more.

Local political leaders use such deals to avoid hard choices between crumbling infrastructure and debt-shy taxpayers, said Donald Cohen, executive director of In the Public Interest, a Washington research group.

"They think they're offloading political costs," he said, "and they're not."

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## Serious about water abuse

Hailey Branson-Potts, October 16, 2015

Water hogs, beware.

The Los Angeles Department of Water and Power agreed Wednesday to study ways to curb excessive water use after the City Council called for a crackdown that could include “severe financial penalties” and “as a last resort, shutting off water.”

The council approved a motion by Councilman Paul Koretz asking LADWP to report back within 30 days on measures that can be taken to stop water abuse.

Amid the epic drought, there have definitely been some hoses running — and running and running — in Koretz’s district, which includes Bel-Air, where four of California’s top five single-family residential water users live, according to the Center for Investigative Reporting.

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Koretz has said he was horrified to learn that the single biggest water user in the state lives in Bel-Air, sucking up about 1 million gallons a month (enough for 90 average households).

In a council meeting Wednesday, Koretz went for the dramatics, propping a trash can up on a table next to two coffee mugs to represent the difference in consumption between that person and the average water user. He said he was “taking responsibility for the extravagant and embarrassing use of water in my district.”

“It’s a slippery slope to move toward a time where water is only for those who can most afford it,” Koretz said.

“I don’t care what else you do in these mansions, but when hard-working Angelenos from all walks of life are ripping out their lawns, putting buckets in their showers with them in order to water their plants and flushing their toilets only once a day, it’s not only unfair, it’s ridiculous.”

He said the elusive biggest water user remains unknown but guessed what he or she must be like.

“I’m assuming they have four swimming pools, they empty them out with frequency, they have non-recirculating fountains and they have a giant property full of grass that is watered on a daily basis,” he said.

Koretz proposed steep water penalties and, if those don’t work, a water-use cap that, if reached, would result in water being shut off.

LADWP water system manager Marty Adams said the issue of individual water waste by flagrant users “is something we have to find a way to get our arms around.” The department, he said, has tried outreach, sending

out 4,600 letters to the top 1% of their water users and has upped patrols of high-use areas, “but clearly not everyone is getting the message.”

Adams said the city still imposes conservation rules that were written 15 years ago, before there were “so many mega-properties and mega-users.” While a “large water bill doesn’t necessarily mean waste,” officials will look into changing conservation ordinances and better ways to measure water use, Adams said.



Date: Oct 18, 2015; Section: Front Page; Page: A2

# OVERSIGHT JUST RAN DRY

Federal officials let 25 million gallons of local water per year go into Arrowhead bottles on a permit that expired in 1988.

**CASSIE MACDUFF**

## STAFF COLUMNIST

The government is urging people to let their lawns die and to turn off the tap while brushing their teeth because of California's extreme drought.

And people are cooperating.

So it's galling to learn that federal officials have allowed a bottled-water company to extract more than 25 million gallons a year from the San Bernardino National Forest on a permit that expired 27 years ago.

Three public-interest groups last week filed a lawsuit in U.S. District Court in Riverside against the U.S. Forest Service, accusing it of failing to enforce its own environmental rules.

The lawsuit, filed by the Center for Biological Diversity, Story of Stuff Project and the Courage Campaign Initiative, asks a judge to shut down the water-taking by Nestlé Waters North America Inc., bottler of Arrowhead 100% Mountain Spring Water.

Nestlé is not the target of the suit, although environmental groups have been asking the company to stop taking the water from Strawberry Creek, east of the famous arrowhead landmark above San Bernardino.

The company has declined, because, why should it, unless the federal government tells it to? The company is making millions selling the water it extracts for a mere \$524 a year. That's right: \$524.

The Forest Service has enabled the company – and its predecessors (there have been a series bottling Arrowhead water over the years) – to operate on an expired permit, even during the state's four-year drought.

Until the groups started pressuring the service, no work was done on re-issuing the permit until late last year. And even now, the effort is just getting underway.

An investigation by the Office of Inspector General in 2011 uncovered the reason why expired permits are rampant in national forests: the Forest Service doesn't have enough personnel to do the job.

The service is sitting on more than 4,500 expired permits, including around 1,200 that involve water, because it doesn't have enough funding to review and renew them.

The Inspector General also found that six of the nine Forest Service regions – including the one that oversees the San Bernardino National Forest – haven't updated their fees to reflect fair market values nor adjusted them for inflation. The government failed to collect \$5.4 million as a result, it said.

Region 5, which encompasses California, hadn't done a market survey or adjusted for inflation since 1988 – the year the Arrowhead permit expired.

So a multinational foodand-beverage company like Nestlé pays a pittance for California's precious water, and the government allows the squandering of a scarce public resource because it can't afford to process permits.

Who wouldn't like to pay 1988 prices? If you could buy groceries and gasoline at 1988 prices today, you'd have a lot more money in your wallet. Right?

But the problem here is not just how little Nestlé is paying. It's that the Forest Service hasn't examined whether extracting 25 million gallons a year is harming the forest around Strawberry Creek.

Groups including the Audubon Society, Sierra Club, Center for Biological Diversity, Tri-County Conservation League and Save Our Forest Association wrote letters asking the government to review the situation.

They cited concerns about depleting Strawberry Creek and harming the creatures and plants that depend on it, some of them rare or endangered.

10/23/2015

epaper.pe.com/Olive/ODE/PressEnterprise/PrintComponentView.htm

Still, progress was slow.

"The Forest first requested information in discussions with Nestle in the fall of 2014 and began a more formal process in February 2015," Forest Service spokesman John

C. Heil III said.

It will be months before the service is even ready to launch an environmental review, a process that will take 18 to 24 months.

The Forest Service knew decades ago that the permit was expiring. The water company sent a letter asking for renewal in May 1987. A hand-scribbled note, apparently by a Forest Service employee, instructed: "Schedule new SUP (Special Use Permit) by 7-1-88." Twenty-six years later, the process was just starting.

Also worrisome is that neither the Forest Service nor the state water board monitors whether Nestlé is taking the amount of water it claims. The system relies on self-reporting. How would you like to take as much water as you like, without a meter?

Unfortunately, selfreporting isn't always accurate.

The Inspector General said that when it visited 28 sites that had not been inspected, eight were violating their permits. One water-permit holder had diverted an entire stream into a tunnel instead of capturing only part of the flow as the permit allowed.

Nestlé reports how much water it extracts to the San Bernardino Valley Municipal Water District, which forwards the figures to the state water agency. But apparently nothing is done with the reports.

It's time for these slipshod practices to end.

Congress must give the Forest Service the funds it needs to be a proper steward of public lands.

And the water board needs to install meters where water is taken from public lands.

Otherwise, irreparable damage to our nation's resources may be done.

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Date: Oct 19, 2015; Section: Front Page; Page: A1

# Every drop counts twice

Yucaipa utility to be area's first to offer free recycled water for outdoor use.

By JANET ZIMMERMAN

## STAFF WRITER

As lawns fade and trees droop amid California's record-setting drought, a San Bernardino County utility plans to give its customers free water to keep their gardens green.

Yucaipa Valley Water District is expected to open the Inland region's first recycled water fill station this month. Customers will be able to take as much as 300 gallons at a time to use in their yards, instead of using drinking water. "This is just one more way the customers can start turning off all their outdoor irrigation," General Manager Joe Zoba said.

The program will help the district make use of millions of gallons of surplus treated wastewater now discharged downstream and may push the utility closer to its state-mandated conservation goals, he said.

Yucaipa Valley Water District has to cut potable water use by 36 percent, compared with 2013 levels, under an emergency drought order by Gov. Jerry Brown and implemented by the State Water Resources Control Board.

So far, customers have saved 25.5 percent. The district faces fines if it fails to hit the target by February.

Recycled water fill stations have become common in Northern California since the first one opened at the Dublin San Ramon Services District last summer. More recently, fill stations have debuted in Irvine, San Diego, Calabasas and Burbank.

The Yucaipa district is awaiting approval from the state water board.

The fill station outside the wastewater treatment plant on Oak Glen Road will be available to the agency's 12,000 water customers in Yucaipa and Calimesa.

It will open to others if approved by adjacent water providers, Zoba said. Those providers include South Mesa Water Co. in Calimesa, Western Heights Water Co. in Yucaipa and the city of Redlands.

First, customers must attend classes on the proper use of recycled water. It is not for drinking, can only be used outside and is not to be stored.

More than 50 people have signed up so far, Zoba said.

Among them were Larry and Helen Anderson, who already have purchased a 275-gallon plastic tank on eBay for \$165 and secured it to their pickup. They also got two 300-foot hoses to move the water from the truck to their yard.

The Andersons have converted their yard from grass to waterwise plants and cut their water use 30 percent compared with 2013 levels, but they said there's always more to be done.

They live on a half-acre with citrus, plum, fig, oak and walnut trees, which are looking stressed because they are getting watered only once a month now, he said.

"I'll bring the water home and turn her loose on the trees. Whatever I have left I'll water the lawn and plants and the wife's garden," said Larry Anderson, a retired phone company employee, who hopes to make a couple of trips a week to the refill station.

Yucaipa's fill station will start with nine hoses attached to a 6-inch pipe on the ground. Those additions, plus reconfiguration of the parking lot, cost less than \$10,000, Zoba said.

The district has 25 miles of purple pipe delivering treated wastewater to 65 schools, parks, churches and other commercial customers. The board recently approved \$411,000 to add 15 customers to the system by the end of the year, which will reduce demands on the drinking water system.

But the district uses only one-fourth of the available 4 million gallons a day of recycled water, he said. The excess must undergo an expensive desalting process before it is discharged into San Timoteo Creek, Zoba said.

Recycled water giveaways don't work for all suppliers, however.

Eastern Municipal Water District, which covers a wide swath of Riverside County from Moreno Valley to Temecula, uses all of the recycled water it produces

– almost 45 million gallons a day, spokesman Kevin Pearson said. The district sells the treated wastewater to more than 200 farms, parks, schools and golf courses.

It's the same story for Western Municipal Water District in Riverside.

"We would love to emulate some of these other water agencies that have created programs to provide the recycled water to customers. However, the recycled water we produce is all accounted for," said spokeswoman Michele McKinney.

Most of Western's 1 million gallons a day of recycled water go to Riverside National Cemetery, and some to General Old Golf Course at March Air Reserve Base, she said.

Max Gomberg, a senior environmental scientist who helped develop conservation requirements for the state water board, questioned whether such a program would significantly reduce people's potable water use.

Customers likely to use the fill stations probably already have cut back, he said.

In the Dublin San Ramon Services District, more than 22.5 million gallons of recycled water have been taken since June 2014, spokeswoman Sue Stephenson said.

The first station opened in Pleasanton with three hose bibs. It has since expanded to 33 bibs, and a second location opened in Dublin with eight hoses. More than 3,300 people have signed up, she said.

The services district is at 36 percent water savings compared with summer 2013, Stephenson said. That's three times its state-ordered target of 12 percent.

"We've had days where we've had 1,200 people in one day fill up," she said. "It's an amazing thing."

## Recycled wastewater

What is it? Recycled wastewater is sewage that has been treated to tertiary, or first-level, standards and complies with state standards.

What can it be used for? Watering trees, gardens, vegetables and lawns; washing cars, outdoor furniture and hard surfaces such as paths, walls and windows.

Do not use for: drinking, cooking, bathing, filling swimming pools or spas, pets, children's water toys, or in the household domestic plumbing or irrigation system. It should not be stored for later use.

Water-use restrictions do not apply to recycled water, but it cannot be allowed to run off property.

Maximum load: 300 gallons per visit, because water weighs more than 8 pounds per gallon and most vehicles cannot handle more than that.

## Learn more

For information on the program at Yucaipa Valley Water District, go to [yvwd.dst.ca.us](http://yvwd.dst.ca.us) or call 909-797-5117.



Date: Oct 21, 2015; Section: Local Extra - Southwest; Page: B2

# Watering limit down to twice a week

By ALICIA ROBINSON

## STAFF WRITER

Riverside residents should get ready to reset their sprinklers.

Starting Nov. 1, the city will require property owners to limit outdoor watering to two days a week instead of the current three days.

Landscape watering restrictions have been in place since 2014 due to the statewide drought.

The hours watering is allowed – 6 p.m. to 10 a.m. – remain the same, but the number of days will be reduced because the weather typically cools and more rain is expected in winter, especially this year with El Niño storms predicted, Riverside Public Utilities spokeswoman Heather Raymond said.

The utility is mailing customers postcards to remind them of the change. Since three-day-a-week watering took effect in mid-June, "compliance has been very high," Raymond said. "We've heard little grumbling."

Riverside's state-mandated goal is to use 28 percent less water from June to February than it used during the same period in 2013-14.

So far, the city has conserved 26 percent and has several more months to make up the remaining 2 percent, Raymond said.

## CUTTING BACK

Riverside's outdoor watering restrictions are about to change for winter. What: Property owners may water lawns and landscaping two days a week, down from three. When: The two-day rule starts Nov. 1. Details: The same hours for watering remain in effect, 6 p.m. to 10 a.m. Drip and micro-spray irrigation are exempt from the restrictions. Information: 951-826-5311 or [riversidedrought.com](http://riversidedrought.com)



## Company aims to sell groundwater from Mojave Desert

Ian James, October 22, 2015

Company aims to pipe water from Mojave Desert aquifer, sell it to water districts

Scott Slater looked out over rows of grapevines and lemon trees surrounded by the open desert. In the ground beneath this mountain-fringed valley in the Mojave Desert, he said there's plentiful water to help supply Southern California for decades to come.

As president and CEO of Cadiz Inc., Slater is focused on trying to push ahead a project that would pump as much as 50,000 acre-feet of water – or 16.3 billion gallons – from the desert aquifer each year for the next 50 years. That plan has long faced strong opposition, as well as a series of regulatory hurdles.

Cadiz encountered a new setback this month when the federal Bureau of Land Management determined the company's proposal for a water pipeline wasn't within the legal scope of a railroad right-of-way and would require a separate review.

Slater said the company is undeterred and will respond with several steps to move forward with its project. It aims to start selling water to a list of public water districts across Southern California in 2017.

"There's water for 400,000 people a year, and without causing any environmental impact," Slater said, standing on a platform overlooking the company's farm near the unincorporated San Bernardino County community of Cadiz.

His Los Angeles-based company owns 34,000 acres along Route 66 in the Cadiz and Fenner valleys, about 75 miles northeast of Palm Springs. The company has been pumping groundwater to irrigate nearly 2,000 acres of farmland while pursuing its plans to start selling water.

Cadiz's claim that its pumping wouldn't harm the desert environment is hotly disputed by conservation groups such as the Center for Biological Diversity and the National Parks Conservation Association, as well as by Sen. Dianne Feinstein and other opponents.

It's a debate that revolves around whether to allow a private company to tap water near the Mojave National Preserve and other public lands. And it's also a scientific debate. Both sides have enlisted researchers to study the potential effects and the natural rate of groundwater recharge, and they've come to very different conclusions.

"The project poses really significant impacts to public lands," said David Lamfrom, director of the California desert program of the National Parks Conservation Association.

"The protection of this watershed and these waters is one of the single-most important conservation issues in the Mojave Desert," Lamfrom said. "We should be thinking about how to protect this water and not extract it and ship it out to urban markets. The Mojave needs its water."

Slater touts the company's studies, saying Cadiz plans to use groundwater that would otherwise gradually flow downhill and evaporate from two dry lakes – where other companies dig trenches in the cracked soil to mine the salts left behind by the evaporating water.

"This water is flowing downhill toward those dry lakes. If we're going to curtail that and stop that water from going to evaporation, we need to pump in excess of the recharge rate for a period of years," Slater said. "What is occurring under a natural condition is a waste of this water, a loss of this water to the region through the evaporation of the dry lakes."

Pumping out a portion of the water, he said, would avoid waste.

For that reason, the company refers to it as a water conservation project – a label that critics dismiss as misleading. They argue it's actually groundwater "mining." Slater insists it's "groundwater management at its best."

Cadiz has proposed a second phase in the future that would involve "banking" imported water. The water would flow in from the Colorado River or the State Water Project, and would seep underground to be stored for later use. It's the latest iteration of a project that has been in the works for many years.

The company was founded in 1983 and in the following years gradually expanded its landholdings in the desert around Cadiz. Its farming operation has become the one business at the former train stop, where freight trains continue to rumble past and the silence is occasional broken by distant explosions during training exercises at the Marine Corps base in Twentynine Palms.

In 1997, Cadiz and the Metropolitan Water District of Southern California together proposed storing water from the Colorado River in the groundwater basin. Metropolitan eventually decided not to go forward with it, and the company later changed the project and relaunched it in 2009.

Cadiz has since partnered with the Santa Margarita Water District in Orange County, which has a signed contract to buy a portion of the water. The same water district was also the lead agency in the environmental review process under the California Environmental Quality Act. Opponents have tried to challenge that process through lawsuits.

Plaintiffs have included the company Tetra Technologies, which mines sodium and calcium salts at the dry lakes, as well as the Center for Biological Diversity and the National Parks Conservation Association. Six cases are pending before the 4th District Court of Appeal.

San Bernardino County supervisors approved a plan in 2012 that specified an average annual pumping limit and included monitoring requirements. With that approval in hand, the company turned to its plans for a 43-mile pipeline from its property to the Colorado River Aqueduct.

But this month, that proposal hit a significant snag. BLM State Director James Kenna wrote in an Oct. 2 letter that the plan, which would involve building the pipeline along a railroad line, isn't within the rights originally granted to the Arizona and California Railroad under an 1875 law.

"BLM has determined that the Project does not derive from or further a railroad purpose," Kenna wrote. He said for the proposal to proceed, it "will require BLM authorization for a right-of-way." When news of that decision broke, the publicly traded company's stock price plunged on the Nasdaq exchange.

Cadiz has responded by calling for the agency to rescind or modify its determination.

"We're going to try to get the BLM to change their mind," Slater said. "And we have congressional supporters who are trying to pursue that for us now."

Supporters of the project in Congress include Reps. Paul Cook, R-Apple Valley; Jim Costa, D-Fresno; Dana Rohrabacher, R-Huntington Beach; and Loretta Sanchez, a Santa Ana Democrat running for U.S. Senate.

After the BLM decision, the company said it will consider multiple possible routes for the pipeline. One option would be to stick with the 43-mile route along the train tracks and apply for a right-of-way.

Another would be a shorter right-of-way, previously approved by the BLM in 2002, across undisturbed federal land. Lastly, the company said it would also consider whether to file a request to carry water through a 96-mile northern pipeline that previously was used for natural gas.

Costa said the project "is part of a broader strategy which will provide an additional, stable water supply to our entire state."

"Millions of dollars have gone toward research to assess the environmental impacts as well as solutions to mitigate the issues that have been raised," Costa said in a statement. He said he was disappointed by the BLM decision because it will "result in a lengthy delay and require additional permit acquisition to utilize railroad right-of-way to locate and construct the pipeline."

On the other side of the debate is Feinstein, who has opposed Cadiz while pushing for the creation of new national monuments in the desert.

"I remain concerned the Cadiz project could damage the Mojave Desert beyond repair and believe the BLM decision to deny the right-of-way is the right one," Feinstein said in an emailed statement.

For years, Feinstein has been attaching riders to the Department of Interior appropriations bills blocking the government from spending funds on work related to the Cadiz project. The rider for fiscal year 2015 says the government may not use funds "in relation to any proposal to store water underground for the purpose of export." The 2016 bill refers to "any proposal to export groundwater for municipal use."

"I'll continue to work through the Appropriations Committee to block any additional attempts to draw down this aquifer," Feinstein said. "We need to use water more responsibly, not less, and the Cadiz project is a bad idea."

The company says it would pump water at a well field located 15 miles from the Mojave National Preserve.

Slater said the company's studies have found that the pumping wouldn't cause any harm to the preserve or to natural springs in the area.

Scientists hired by Cadiz have studied the dry lakes and taken measurements of the evaporation rates. They've also studied the watershed and calculated that about 32,000 acre-feet of water recharges the aquifer system each year, part of it coming from rain and snow high in the Providence Mountains.

Other scientists disagree and say that estimate is far too high.

Studies carried out for the Center for Biological Diversity and the National Parks Conservation Association came up with much lower ballpark figures. Groundwater hydrologist John Bredehoeft wrote in a 2012 report that an estimate in the range of 16,000 acre-feet per year, or perhaps less,

"seems much more likely." Hydrogeologist Andrew Zdon estimated recharge of 14,000 acre-feet a year, less than half the company's figure.

The National Park Service also weighed in, submitting comments before the Santa Margarita Water District certified the environmental impact report and approved the project in 2012. The federal agency raised concerns that the company was substantially overestimating the amount of natural precipitation recharging the groundwater in the two valleys.

Jay Cravath, cultural director of the Chemehuevi Indian Tribe, has warned that the pumping would suck away water that gushes from springs on the tribe's ancestral lands. He said he thinks the company is using "fuzzy math" to justify its goals.

"It is greedy and narcissistic of them to take what is there from its natural and rightful place," Cravath said.

Ileene Anderson, a scientist with the Center for Biological Diversity, said it would be unsustainable to draw down the desert aquifer and it would also threaten springs and wildlife.

"The concern is that water is a public trust resource," Anderson said. "It comes primarily off of public lands. And to have a private company extracting it and exporting it for profit – at the expense of not only the plants and animals that live there but also the humans – it just seems wrong." She praised the BLM's decision and said it means Cadiz should have to go through a full environmental review under the National Environmental Policy Act.

Lamfrom said the National Parks Conservation Association wants to see hydrologists from the U.S. Geological Survey study the project and settle the question of how much water actually recharges the aquifer system.

"If Cadiz is wrong, everybody pays the price. And it's not a risk that we're willing to take," Lamfrom said during a visit to the Mojave National Preserve, where the Providence Mountains tower over a sloping plain dotted with creosote bushes, smoke trees and barrel cacti.

"Cadiz stands to make \$1-\$2 billion, and they have their perspective," he said. "They have used their influence to skirt and get privileges throughout this process."

The nonprofit Center for Responsive Politics, on its website OpenSecrets.org, lists a total of more than \$2.4 million spent on lobbying by Cadiz since 2001 and more than \$40,000 in political contributions since 2000. Much of that spending on lobbying - \$800,000 – came during 2014, along with \$8,100 in contributions to both Democrats and Republicans.

While battling lawsuits, Cadiz has also shown its clout by receiving backing from a list of influential organizations. Those that have filed friend-of-the-court briefs include the Association of California Water Agencies, the California Building Industry Association and the California Chamber of Commerce, among others.

A list of Southern California water districts have signed option agreements or letters of intent to buy water from Cadiz, among them Three Valleys Municipal Water District, Golden State Water Company and Otay Water District. The company would charge \$960 per acre-foot of water delivered to the Colorado River Aqueduct.



Slater said the Cadiz project is one way California can supplement its limited water supplies. He pointed to projections of worsening shortages along the Colorado River as climate change adds to the long-term stresses.

Slater, a water lawyer, said he has made it a priority to invest in scientific studies in order to respond to concerns and criticism. He said those studies have found that pumping on the valley floor wouldn't affect springs that are located at least 11 miles away and at higher elevation.

"If we can't do an environmentally benign project which takes water away from no one and basically eliminates waste," he said, "it sends really bad signals to everybody else who's looking or hoping to try to do things the right way."

Leading a tour of the property, he and a consultant explained they are prepared to treat the water to meet California's new drinking water limit for the contaminant chromium-6, which occurs in the groundwater in parts of the desert.

Operations manager Lesley Thornburg said the farm produces lemons, table grapes and raisins, and has been experimenting with crops including squash, green beans, colored carrots and asparagus. She has been working at the Cadiz site since 1991, and commutes from Twentynine Palms. Other than the staff who work on the property, only a few people live in several houses along Route 66 in Cadiz.

As for the water, Thornburg said the wells are monitored monthly and their levels have remained steady. "We can pump 24 hours a day, 7 days a week and nothing," she said.

Asked what the company would do if it were blocked from piping out water, Slater said one option would be to expand its farming operation. He said the farm could grow to nearly 10,000 acres, or maybe more.

For now, though, he said Cadiz will attempt to convince the BLM to rescind its decision on the use of the railroad right-of-way for the pipeline. He said the company will also consider filing a right-of-way application and will talk with officials about "expedited processing."

"We have an opportunity for them to do the right thing for the people in California to rapidly approve the access route to the Colorado River Aqueduct," Slater said.

If that doesn't happen, he said, the company could take its case to federal court to clarify its rights. Cadiz has told investors that if it can secure a reversal of the BLM's decision, it would be in a position to build the pipeline in 2016. But if it ends up instead suing or facing an additional environmental review, the company has said construction of the pipeline could be delayed.

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## Water bills will creep up next year in L.A. because we've conserved so much

Water bills for DWP customers will rise about \$1.80 per month next year to offset a loss of revenue from L.A. residents' conservation efforts.

**Matt Stevens and Alice Walton, October 22, 2015**

Under orders to slash their water use in the fourth year of a statewide drought, Los Angeles residents and businesses have largely risen to the challenge.

But this week, Los Angeles Department of Water and Power officials said that because its customers have done such a good job saving, the agency is short on revenue.

To help fill in the gap, the Board of Water and Power Commissioners approved a pass-through charge that will require an average customer to pay about \$1.80 more a month, beginning in 2016.

"We have no other way of recovering the revenue to maintain the system for our customers," Neil Guglielmo, director of budget, rates and financial planning for the DWP, said Wednesday.

The DWP fell about \$111 million short of its revenue projection in the fiscal year that closed this summer, in part because Los Angeles residents and businesses reduced their water consumption about 10% more than expected, officials said.

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The 18 billion gallons of unsold water left the utility about \$57 million in the hole. Officials say they need that money — about \$380 million in total — to cover "fixed costs" such as pipe repairs, aqueduct maintenance and continued operation of water-treatment facilities. A city ordinance allows the utility to recover those costs from customers using a so-called water revenue adjustment factor.

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Guglielmo emphasized that even with the rate adjustment, the average water-conscious customer is still saving money: about \$3.26 each month compared with fiscal year 2013-14. Back then, officials say, customers were using more water each month and paying for the added use.

"If they've conserved, they're still going to save on their bill," Guglielmo said.

The water agency has used its adjustment tool periodically since it was established in 1993 after another California drought. The commissioners last approved an adjustment in 2011, which took effect the following calendar year.

The DWP is not the only water agency to struggle with revenue shortages tied to conservation. Some water districts want to double their basic service charge. Others have implemented “drought surcharges” to help cover costs.

“When sales go down, you can end up in the red,” Ellen Hanak, director of the Water Policy Center of the Public Policy Institute of California, said in a previous interview. “It can be tricky in the near term.”

Heather Cooley, water program director of the Pacific Institute, said that even when demand for water decreases (as it has in L.A.), a utility’s fixed costs usually remain about the same. Those costs are then spread out among fewer units of water, making each gallon more expensive, even as a customer’s overall water bill goes down.

That paradox can be difficult for customers to “wrap their heads around,” Cooley said in a recent interview. “Then it becomes a problem of communication.”

Guglielmo said he and his team are constantly adjusting their revenue targets for future years and building conservation into their projections. It’s impossible to know for sure whether an adjustment will be necessary next year, but, Guglielmo said, “We hope we don’t have to use it.”

The 3.6% adjustment approved Tuesday expires at the end of 2016. But DWP officials have spent much of the last year advocating for a much broader rate hike, which would change how customers are charged for water and increase a typical residential customer’s bill by about 3.4% each year for five years.

On Wednesday, DWP officials sent an email to customers promoting two online videos that make the case for the five-year rate hike. The videos have been part of the utility’s presentation to Angelenos since the summer.

The first explains the need to upgrade the city’s power infrastructure, while the second lays out the details of the rate proposal. By the end of the year, DWP representatives expect to have participated in 45 community presentations on the rate hikes.

Officials are expected to bring the five-year plan before the board by mid-December. It would require additional approvals before it could take effect as early as next spring.

In a statement, the DWP urged its customers to share the videos online using the hashtag #LADWP, but a search of #LADWP posts shows Angelenos complaining about power outages — and the recent pass-through water charge.

“#LADWP hikes rates because they aren’t making enough revenue. We’re saving water like we’re supposed to,” one user tweeted. “U mad? I am.”

Twitter @ByMattStevens

Date: Oct 23, 2015; Section: Front Page; Page: A1

# HEAT SABOTAGES WATER CUTBACKS

Inland agencies say hot weather has wrecked efforts to meet state reduction targets.

**JANET ZIMMERMAN**

## STAFF WRITER

Mid-October's triple-digit temperatures did more than scorch lawns and send residents retreating indoors to their air conditioning.

The heat wave and overall higher-than-normal temperatures also stymied state-ordered water conservation efforts in some parts of the Inland region.

### Riverside

County's largest provider, Eastern Municipal Water District in Perris, reduced use 15 percent from Oct. 1 to 19 compared with the same period in 2013, agency officials said.

Under orders of the State Water Resources Control Board, the district must cut 28 percent by the end of February or face fines of \$10,000 a day. Providers throughout the state have to trim 8 percent to 36 percent in response to an April order by Gov. Jerry Brown in response to the drought.

Eastern saved 24 percent in September, and between June and August had a cumulative savings of 20 percent.

The district pleaded with customers this week to do more to save water, particularly regarding outdoor irrigation. Eastern serves 555 square miles from Moreno Valley south along the Interstate 215 corridor to Temecula, and east to Hemet and San Jacinto.

"This shows how much of a factor weather is in water use," Eastern spokesman Kevin Pearson said. "Our area is hotter. We have larger lots. We do have challenges that other areas of the state don't have."

Average temperatures in Eastern's service area this month have been 10 degrees warmer than the same period in October 2013, he said.

In Riverside, temperatures this month have been 6 degrees warmer than average, according to National Weather Service data logged at the municipal airport. The average monthly temperature is 75.7 degrees; this month's average temperature at that station was 86.9 degrees.

At the same station in October 2013, the average temperature was 66.5 degrees, meteorologist James Thomas said.

Warming temperatures are forecast for the Inland area through Sunday. By next Thursday, temperatures are expected to drop to the mid-70s and there is a chance of showers, Thomas said.

Water officials had expressed worry that conservation savings would be harder to achieve in the fall.

"Traditionally, in fall, customers don't think about cutting back because it's relatively warm," said Michele McKinney, spokeswoman at Western Municipal Water District in Riverside.

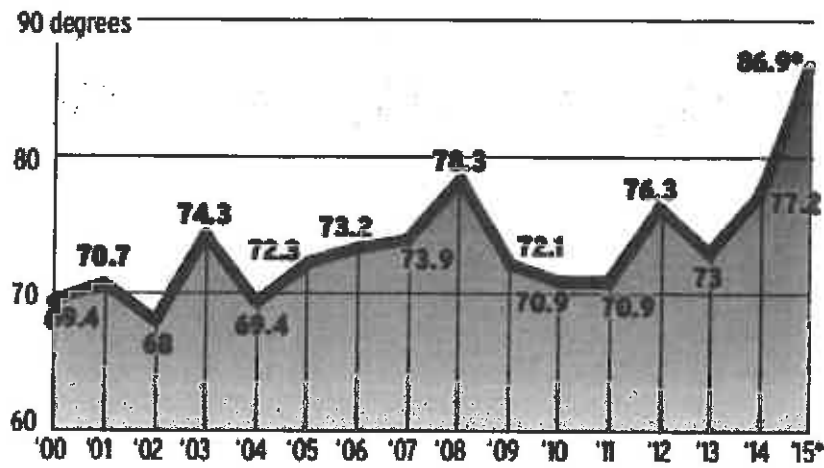
So far in October, Western has saved 24 percent, still off its state target of 32 percent. The district saved 32 percent last month.

"It's been so hot we definitely have our concerns that we're not going to be on target for October," she said.

Southern California often has warm, dry weather in September and October, when Santa Ana winds kick in. It is definitely not a time to back off conservation, said Max Gomberg, senior environmental scientist for the state water board.

The city of Riverside is faring better in October, with preliminary numbers showing a savings around 25 percent. Riverside Public Utilities' state-set target is 28 percent, which residents achieved in September. The city has ordered residents to cut back outside watering from three days per week to two days starting Nov. 1.

## The average high temperatures for October in Riverside since 2000



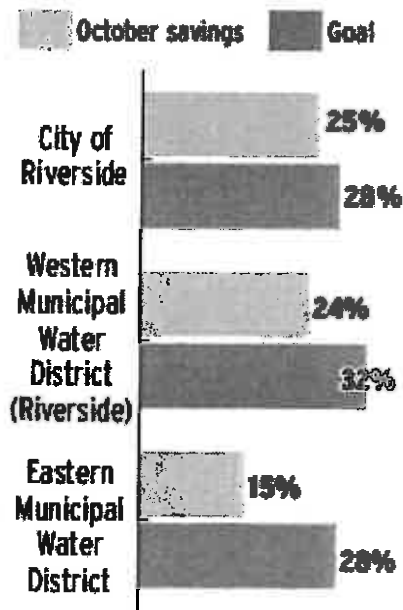
\*As of Oct. 22, 2015

Source: National Oceanic and Atmospheric Administration

STAFF GRAPHIC

## Water conservation

High temperatures in October have impacted many water suppliers' efforts to reach state-set savings targets.



STAFF GRAPHIC





## CA drought: CVWD doesn't raise penalty fees for wasters

Sammy Roth, October 27, 2015

The Coachella Valley Water District's board of directors decided not to raise penalty fees for water wasters Monday night, postponing a decision for at least two weeks even as the agency edges closer to missing Gov. Jerry Brown's mandatory conservation target.

It's been a rough few months for the Coachella Valley's six water agencies, none of which are on track to meet their water-saving mandates. After a strong start at the beginning of the summer, conservation lagged across the valley in August and September, even though the drought did not.

The Coachella Valley Water District has been tasked with cutting consumption 36 percent between June 2015 and February 2016 — a target it is increasingly unlikely to meet. Through September, the district was at 26 percent. And with the hot summer months now gone, the biggest opportunities to save water have passed.

State officials could slap poorly performing agencies with fines of \$10,000 per day, which would likely be passed on to customers. But the district's board of directors chose not to raise penalty fees for excessive water users Monday, after hearing concerns from local residents.

"I agree that there are some questions we could answer that could offer some more clarity about what the right number is," board member Peter Nelson said.

When Brown called for mandatory water cuts earlier this year, the Coachella Valley Water District was the only local agency that decided to penalize water wasters through higher rates. At first that strategy appeared to work, with homes and businesses cutting back 41 percent in July, compared to July 2013. But then conservation lagged, with the district's customers managing just 27 percent in August and 16 percent in September.

Water district staff had suggested increasing the penalty fees at Monday's board meeting. Under the proposal submitted to the board of directors, the penalty fee for Tier 3 water use would have doubled, the penalty for Tier 4 use would have tripled, and the penalty for Tier 5 use would have quadrupled. Water use in the highest tier — which covers consumption at least 250 percent above a customer's outdoor water budget — would have cost \$44.60 per hundred cubic feet.

But the board decided to put off a decision until Nov. 10, after more than a dozen public commenters urged them to move more slowly.

Bryan Jensen, president of Palm Desert-based Hort Tech Landscape Management, asked board members to avoid a "knee-jerk reaction" to September's poor conservation numbers, at least until they see what happens in October. He questioned whether raising penalty fees for the highest water wasters would actually bring the water agency to its 36 percent target.

"What I ask is that you go back, you spend the time and you really try to do a plan that will get you where you need to be," Jensen said.

Several commenters criticized Brown. Among them was Rancho Mirage resident Robert Hasman, who said he was frustrated to see drought penalties on his bill after cutting his water use. He urged the board to "fight the governor" through legal action.

"The governor can't expect to allow me to let (my landscaping) die just because he's put a mandate in," Hasman fumed. "The governor wants 36 percent? Well the governor can't have 36 percent!"

Board member Ed Pack sympathized with those criticisms, saying the water district has no choice but to comply with the governor's mandate. Brown, he said, "doesn't understand our way of life down here," a reference to the valley's lush, verdant image.

"I think he's jealous in a way," Pack said.

Three members of the five-person board — Castulo Estrada, Nelson and board president John Powell Jr. — made clear they support higher penalty fees. Nelson and Powell proposed lower penalty fee increases than those suggested by district staff, although they agreed to hold off that discussion until November. Pack and board member Patrick O'Down didn't say whether they support higher penalty fees.

The Coachella Valley Water District isn't the only local water agency in a tough spot.

In Indio, conservation fell to 12 percent in September. The City Council responded by approving penalty fees for excessive water use last week, but they won't take effect until Feb. 1 — too late to make much of a difference toward meeting the city's 32 percent conservation target.

Indio Water Authority general manager Brian Macy said the fees could help the city recoup any fines it ends up having to pay the State Water Resources Control Board for failing to meet its targets. In the meantime, he said, the city will redouble its education efforts.

"It's people's behavior that has to change. We're going to continue to beat the bushes, if you will," Macy said.

## California drought: Agencies not fining water wasters

Sammy Roth, October 28, 2015

The Coachella Valley has fallen far short of its state-mandated water conservation targets, but local agencies have largely declined to fine homes and businesses for violating water rules.

When Gov. Jerry Brown ordered cities to slash consumption by as much as 36 percent earlier this year, local agencies dramatically restricted water use, limiting outdoor irrigation to certain days and hours. They told homes and businesses to stop hosing down their driveways, to turn off non-recirculating fountains and not to water their lawns after it rains, among other rules. People who violated those rules would be fined anywhere from \$50 to \$500.

But three local water providers — the Desert Water Agency, the Indio Water Authority and the Mission Springs Water District — haven't levied a single fine since the new rules took effect from April to June. The Coachella Water Authority issued a \$52 fine in July, and none since.

The Coachella Valley Water District levied its first \$50 fines this week, penalizing two customers for letting water run onto the sidewalk. (In addition to fining people who break the rules, the district has been penalizing homes and businesses that fail to reduce consumption 36 percent below their outdoor water budgets. Those per-gallon penalty fees have been added to customers' water bills.)

The lack of fines doesn't stem from a lack of complaints. Local water agencies received more than 2,600 water-waste complaints and doled out more than 2,200 warnings from April through August, according to data from the State Water Resources Control Board.

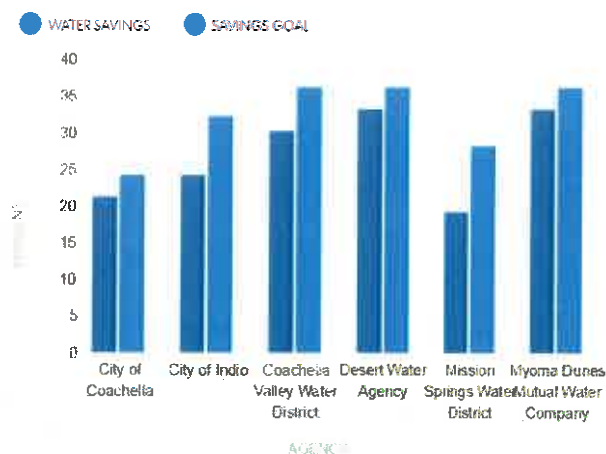
Only the Myoma Dunes Mutual Water Company — the valley's smallest water provider — has made a habit of fining water wasters, issuing 31 fines in August and September. The nonprofit company is closer to its conservation target than any other local water agency, although that probably isn't because of the fines.

"The vast majority do care. A lot of people are trying a lot," Myoma Dunes General Manager Mark Meeler told The Desert Sun earlier this month. "But we have those few that are just telling us, 'Too bad.'"

Gov. Jerry Brown's conservation mandate called for cumulative water reductions between June and February. Here's a breakdown of how much each of the valley's six water agencies cut overall from June through August, compared to their state-mandated targets

### DESERT WATER USE

Gov. Jerry Brown's conservation mandate called for cumulative water reductions between June and February. Here's a breakdown of how much each of the valley's six water agencies cut overall from June through August, compared to their state-



Source: Desert Sun reporting

Water agencies that haven't fined anyone generally have the same explanation: People are responding to the warnings. Under the rules that local agencies have adopted, they can only fine repeat offenders.

"We've been lucky in that every time we've sent someone the legal letter that says three days to change this or you'll be fined — every time they've changed," Desert Water Agency spokesperson Ashley Hudgens said. "We've been fortunate that working with people has generally solved these problems."

Some water officials argue that fining people won't necessarily lead to dramatic leaps in conservation. Indio Water Authority General Manager Brian Macy said that while his agency can fine people for watering outside of established days and hours, homes and businesses can still use as much water as they want during those periods.

"The usage and the fines — they can be connected, but they're probably not," Macy said. "While the fines are a mechanism to make sure people are conserving, they don't necessarily ensure that they're conserving."

The Coachella Valley Water District has received hundreds of complaints over the past few months, and while it's issued more than 600 warnings, it hasn't had the resources to follow up with water wasters in most of those cases, spokesperson Heather Engel said. Only now is the agency starting to do follow-up work — hence the two fines earlier this week.

"We don't really want to be a policing agency, but we're not really meeting our conservation mandate. If people are being warned, and they've been offered assistance, we'll fine them," Engel said.

While it's only issued two fines, the district has been penalizing excessive water users since July, adding relatively small per-gallon fees to customers' water bills. The agency's board of directors declined to raise the fees Monday, postponing a decision for two weeks.

Thus far, none of the valley's other water agencies have started issuing such penalty fees. Indio's City Council voted to levy penalty fees last week, but they won't take effect until Feb. 1, too late to make much of a difference toward meeting the city's 32 percent conservation target.

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

## LA Aqueduct Flows After Dam Built For Drought Is Dismantled

October 29, 2015

OLANCHA, Calif. (AP) — Water in the aqueduct that helped fuel Los Angeles' growth was flowing toward the city Wednesday for the first time in six months after workers removed an earthen and concrete dam that had diverted runoff to the parched Owens Valley.

With little mountain runoff due to a historic drought, water managers made the unprecedented decision to try to meet legal obligations to keep the Owens River flowing, control dust from a dry lake bed and irrigate pastures where cattle graze instead of sending water to the city.

For those in the Owens Valley, who have a history of conflict with the metropolis hundreds of miles to the south, the plugged-up aqueduct brought relief to some and left others to suffer the drought's misery.

Cattleman Mark Lacey got a taste of both.

In the southern end of the valley this summer where the Department of Water and Power mostly fulfilled irrigation contracts, Lacey's cattle grazed amid an oasis as cool, clear water poured onto verdant fields framed by barbed wire.

About 100 miles north, where DWP didn't allow ranchers to take irrigation water, land Lacey leases turned dry and dusty.

Lacey had to lay off some ranch hands and he trucked a third of his cattle to Nebraska and sent another third to greener pastures in Nevada and Oregon.

Like others in California's massive agriculture industry, Owens Valley ranchers are subject to complex water rights and largely dependent on snowmelt from the Sierra Nevada that looms nearby.

Unlike most farmers, though, they are also at the mercy of Los Angeles, which looms even larger. LA owns most of the water rights it furtively bought in the early 1900s in a widely chronicled land grab loosely recounted in the movie "Chinatown."

William Mulholland conceived the gravity-fed channel to slake the growing city's thirst and famously quipped, "There it is. Take it," as water first flowed into LA 102 years ago.

There was no such declaration Tuesday as workers used an excavator to begin dismantling the temporary dam.

The aqueduct's contribution to Los Angeles has diminished over time, given legal fights over the environment and greater reliance on the California Water Project and the Colorado River.

The 338-mile aqueduct system typically provides about a third of the city's water, but it can supply a larger share after a wet and snowy winter, which forecasters are predicting in the months ahead because of El Nino.

The aqueduct will only account for about 3 percent of this year's water because of the drought, said aqueduct manager Jim Yannotta. The flow is being restored because irrigation season is over and legal obligations in the Owens Valley have expired for the year.



The relationship between the locals and the "the city," as LA is called in this rural patch of high desert, has been fraught with conflict that intensified this spring when the Department of Water and Power announced that the historic low snow levels would force it to shut off irrigation water.

"There's a little bit of animosity toward DWP that wasn't there a few years ago," Lacey said. "When you get desperate times, it creates heightened tension."

Ranchers had agreed to take less water, but DWP rejected that compromise.

The department later reversed its initial position and said it would not send water to LA, but would use the dam to keep runoff in the Owens Valley.

DWP is required by court settlements to provide water to the Owens River and dampen the desiccated Owens Lake to control unhealthy dust that has blown since its waters were siphoned south.

Air quality regulators and environmental groups agreed to take less water from DWP for dust control and habitat protection so ranchers in Inyo County could water their pastures. Ranchers in Mono County, however, lost out because there's no legal settlement protecting their water supply.

Nathan Reade, the agriculture commissioner for Inyo and Mono counties, said shutting off the spigot to everyone would have devastated the local industry.

Farm production from the two counties barely registers a blip in the state's overall farm economy, but ranching has long been a way of life in a place that provided a backdrop for westerns starring Roy Rogers, John Wayne and Gary Cooper, and featuring the pluck of the Lone Ranger and Hopalong Cassidy.

Cattle forage on the valley floor in winter and chomp on irrigated pasture in summer. Some ranchers drive their cattle up to federal land in the mountains in summer, which is how Scott Kemp managed to keep much of his herd nourished despite water cutbacks.

The state's drought had already forced farmers to cut herd sizes. Reade estimated livestock has been reduced 40 percent to 50 percent in recent years.

Unlike row and tree crops, livestock is mobile.

Gary Giacomini, who lost most of his grazing land in Mono County when the DWP said he couldn't divert water from nearby streams, paid another rancher to let his cattle graze.

Even after reducing herd sizes significantly, ranchers have been helped by high beef prices.

Giacomini said the predicament reminded him of one of his father-in-law's sayings.

"His dad told him, 'God never intended us to have a good market and good feed at the same time,'" he said. "I guess that premise has held through the generations."

## FALLING SHORT OF WATER GOALS

Matt Stevens, October 29, 2015

Over the last four months, the residents and businesses of the Indian Wells Valley Water District have cut their water consumption by about 25%, and General Manager Don Zdeba thinks that's "pretty darn good."

The problem for Zdeba and his Kern County customers is that the state expects the district to slash its water usage by even more — 36% as compared with 2013.

So Zdeba admits he is concerned.

"Resigned," he said, "to the fact I don't think we're going to do it."

As state regulators prepare to release monthly water conservation numbers, Zdeba and dozens of his counterparts are getting worried about the bigger picture.

Water use tends to be lower in the winter than in the summer because people use less outdoors when it rains and temperatures cool. With less water being used, there is less to cut, so officials say it will be even harder for their districts to achieve big savings.

That's bad news for laggard water suppliers that now face an almost insurmountable climb to reach their conservation targets by the end of February. Some that have already been put on notice by state regulators — such as Indian Wells Valley — could face fines if they fail to turn things around.

It will be extremely challenging for water districts to "make up for lost ground," said Max Gomberg, the climate and conservation manager for the State Water Resources Control Board. There are some, he added, that are unlikely to meet their state-mandated targets.

In order to attain the 25% reduction in urban water use ordered by Gov. Jerry Brown, the water board assigned conservation standards to each of the state's 411 urban suppliers earlier this year.

Suppliers with a history of high per-capita water use were ordered to cut as much as 36% off 2013 totals. Suppliers with a history of lower consumption were told to cut as little as 8% or, in rare cases, even 4%.

Statewide, Californians have managed to eclipse Brown's savings goal each month since the regulations took effect in June. Regulators are expected to announce that the state succeeded again in September when they release the latest numbers Friday.

But some individual water districts have struggled mightily to meet their targets. In August, for example, six suppliers missed their mark by more than 15 percentage points. An additional 54 suppliers were off by between five and 15 percentage points.

Regulators met over the summer with some struggling districts and later issued conservation orders to eight of them. The orders demand that the districts take specific steps to save more water.

About 100 suppliers have received so-called information orders requiring them to send more information about the conservation measures they have undertaken, Gomberg said.

Redlands received an information order in August, spokesman Carl Baker said. That same month, the city hired two part-time water waste investigators and reached out to the 10% of its customers who used the most water.

Officials say those efforts helped nudge up the city's savings from 22% in August to 30% in September. But that's still short of the 36% target the state requires them to reach.

"This is a really aggressive goal," Baker said. "If the state has other things we haven't tried that we weren't aware of, we'd be open to that."

Under the drought regulations, water districts that violate a conservation or information order can be fined up to \$500 per day. The water board can also send violators a cease-and-desist order, which carries a stiffer penalty: up to \$10,000 for each day of noncompliance.

To determine whether to issue a fine, water board regulators will consider how far off a local district is from meeting its target and other factors such as the level of effort, Gomberg said. "What steps did a supplier take to try and close the gap?"

No fines have been issued yet, Gomberg added.

In Los Angeles, residents and businesses have had little trouble meeting their 16% target. The Los Angeles Department of Water and Power saved 21.8% in September compared with the same month in 2013, a spokeswoman said. Cumulatively, the city has saved about 19% since the regulations took effect in June.

Long Beach saved 18.6% in September, surpassing its 16% target for the fourth month in a row, officials said. But some affluent areas of the county have had a more difficult time conserving. According to the most recent state data, Malibu and Beverly Hills are cumulatively about 12 percentage points from meeting their targets.

In a statement, Beverly Hills spokeswoman Therese Kosterman said the city has put together a "comprehensive" conservation program that includes penalty surcharges, "which are just now taking effect."

"As we draw closer to the end of the year, we are naturally very concerned about not meeting the 32% goal," she added. "However, we are committed to continuing the outreach."

Mark Gold, associate vice chancellor of environment and sustainability at UCLA, said there is hope for cities and towns that have fallen behind.

Although water use does tend to drop in the winter, an El Niño year filled with rain could reduce outdoor watering even more than normal, Gold said.

"But if you're way behind," he added, "it's going to be tough to catch up."

# DESERT WATER AGENCY

## PUBLIC INFORMATION ACTIVITIES

OCTOBER 2015

### Activities:

- 10/1/15 Vicki Petek represented DWA along with CV Water Counts at the SoCal Energy + Water Summit at the Palm Springs Convention Center.
- 10/4/15 – 10/5/15 Ashley Hudgens attended Water Smart Innovations.
- 10/16/15 Ashley Hudgens spoke and gave a presentation to the Araby Cove Neighborhood Organization.
- 10/17/15 Ashley Hudgens and Vicki Petek represented DWA along with CV Water Counts at the Desert Horticultural Society Community Garden Day at the Living Desert; Ashley Hudgens also spoke and gave a presentation at one of the event's forums.
- 10/20/15 Vicki Petek and Eddie Gonzalez attended the 3<sup>rd</sup> Annual Safety Fair at Palm Springs United Methodist Church.
- 10/20/15 Ashley Hudgens spoke and gave a presentation at the Palm Springs Sustainability Commission monthly meeting.
- 10/23/15 Ashley Hudgens and Vicki Petek attended the Mizell Senior Center Senior Expo.
- 10/24/15 DWA provided the water trailer and water bottles at the Tram Road Challenge; Director Ewing, Director Oberhaus, Ashley Hudgens, Vicki Petek, Jamie Hoffman, Jake Hook, Damien Gilchrist and William Martin supported the event.

### Public Information Releases:

October 5, 2015 - Desert Water Agency Received 440 Turf Buy Back Program Applications

### Water Conservation Reviews

City of Palm Springs – Irrigation	Ramon Trailer Park	Villa Del Los Flores
Desert Crest Apartments	Sunrise-Alejo Condos	Vista Canyon Condos

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.

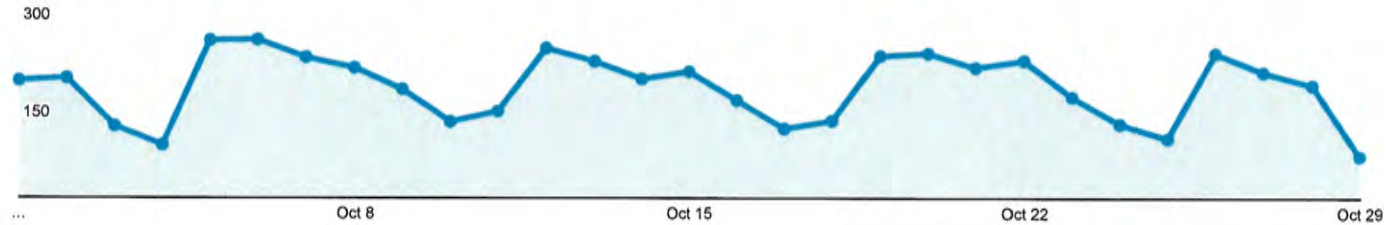
## Audience Overview

Oct 1, 2015 - Oct 29, 2015

All Sessions  
100.00%

### Overview

Sessions



Sessions

4,955

Users

3,841

Pageviews

10,677

Pages / Session

2.15

Avg. Session Duration

00:01:49

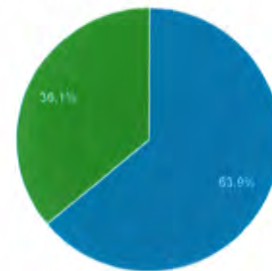
Bounce Rate

53.14%

% New Sessions

63.90%

New Visitor Returning Visitor



Language	Sessions	% Sessions
1. en-us	3,947	79.66%
2. (not set)	838	16.91%
3. en-gb	36	0.73%
4. en-ca	35	0.71%
5. en	27	0.54%
6. pt-br	14	0.28%
7. es	8	0.16%
8. zh-cn	4	0.08%
9. en-au	3	0.06%
10. es-419	3	0.06%



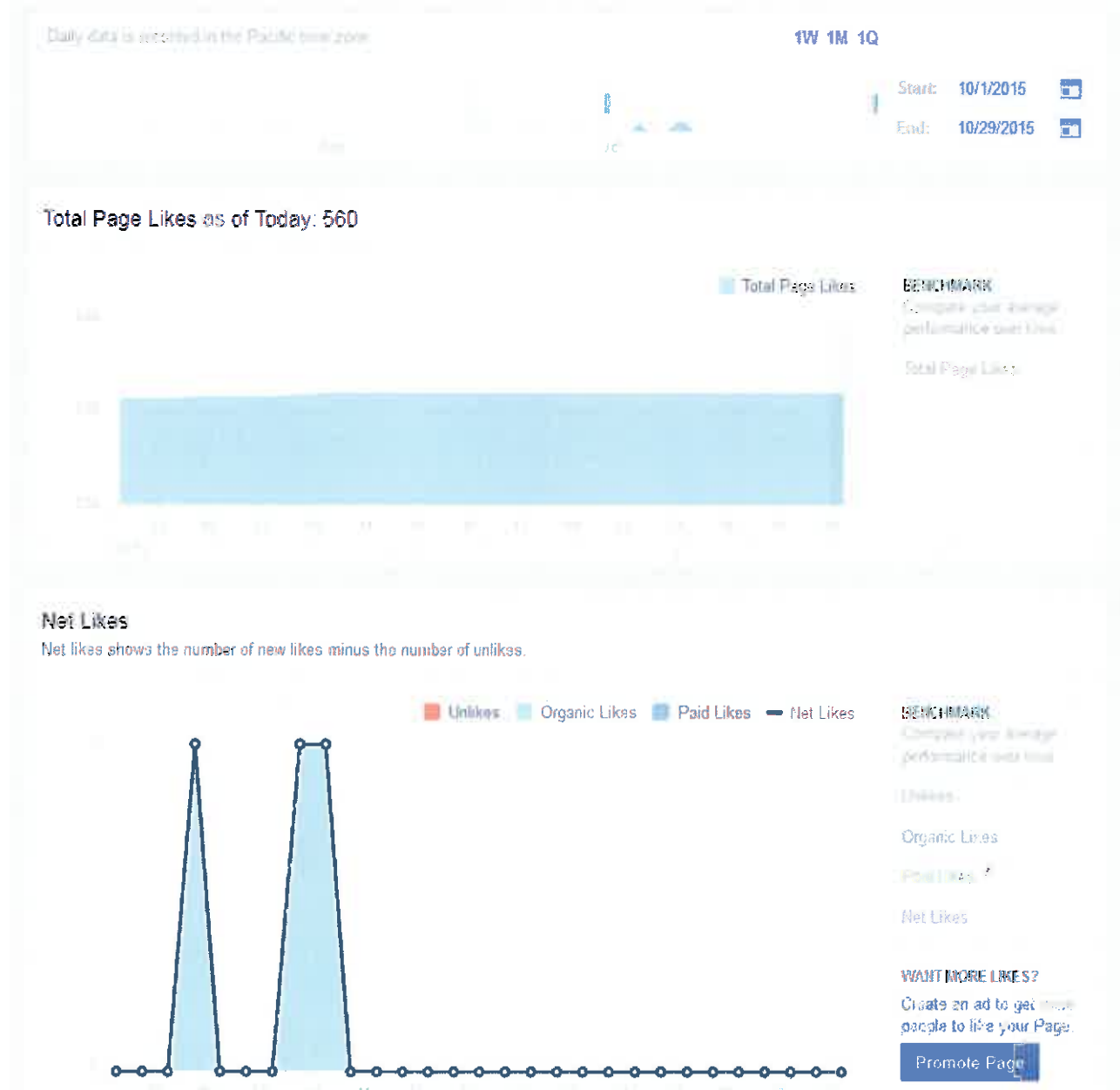


Desert Water Agency  
Facebook Analytics  
October 2015

10/28/2015 11:32 am		Here is a great idea that we heard from a customer (Canyon San			48		3 2		Boost Post
10/27/2015 8:55 am		As you #savewater use during th is historic drought, it is also imp			42		1 1		Boost Post
10/24/2015 11:24 am		We had a great morning at United Way of the Desert's Trm Roa			303		58 23		Boost Post
10/23/2015 11:19 am		High traffic at the 2015 Senior Expo! We're getting the word out a			103		4 5		Boost Post
10/21/2015 4:07 am		Did you see the KMIR News State of the Drought hosted by Ging			85		4 5		Boost Post
10/20/2015 2:15 pm		We're at the 3rd Annual Safety Fair today until 4:00 p.m. Stop by			31		2 2		Boost Post
10/20/2015 1:13 am		Have you been to the Palm Springs Lowe's Home Improvement lat			134		14 17		Boost Post
10/19/2015 9:53 am		By now, you've probably heard of El Nino and his friend the Blob.			62		0 4		Boost Post
10/16/2015 12:31 pm		We just got our new bottles in for next weekend's United Way of			70		13 11		Boost Post
10/15/2015 5:41 pm		It's raining, it's pouring, sprinklers should be snoring! Let them re			185		13 5		Boosted
10/14/2015 6:54 am		Looking for ways to help #savewater during the drought? Install a			31		2 2		Boost Post
10/12/2015 3:35 pm		Desert Water Agency customers saved 24% last month (even tho			208		15 13		Boost Post
10/05/2015 4:13 pm		Expect to see a lot more of these signs in our community. We h			89		1 5		Boost Post
10/02/2015 12:54 pm		This is a good reminder after yesterday's Energy and Water Sum			78		2 4		Boost Post
10/01/2015 3:13 pm		Today marks the new water year for 2016. We hope that this year			75		1 4		Boost Post



## Desert Water Agency Facebook Analytics October 2015





## Desert Water Agency Twitter Analytics October 2015

October 2015 • 28 days so far...

### TWEET HIGHLIGHTS

**Top Tweet** earned 693 impressions

RAIN REMINDER: no watering 48 hours  
after measurable rain.  
**#DontDismissTheDrought**  
**#HappyForRain**

🔍 ⭐

[View Tweet activity](#)

[View all Tweet activity](#)

**Top Follower** followed by 128K people



**MyFreeConcert NY**

@myfreecny FOLLOWS YOU

The most complete listing of free concerts, ticket  
giveaways, and open bars in the Greater NYC area.  
**#freenyc #freeconcerts #NYC**

[View profile](#)

[View followers dashboard](#)

**Enrich your Tweets with Twitter  
Cards**

Using Twitter Cards gives you greater  
insight into your URL clicks, app installs,  
and Retweets.



**Top mention** earned 19 engagements



**The Desert Sun**

@MyDesert Oct 7

Learn more about the candidates for  
**@DWAwater** at a forum Thursday night,  
moderated by **@TDSIanJames**. Details:  
**desert.sn/1MeTRVC**

🔍 ⭐

[View Tweet](#)

**Top media Tweet** earned 664 impressions

We had a great time reminding people to  
**#savewater** today at the **@MizellSrCtr**  
Senior Expo! **pic.twitter.com/2jUnNdqriq**



🔍 2

[View Tweet activity](#)

[View all Tweet activity](#)

**Get your Tweets in front of more  
people**

Promoted Tweets and content open up  
your reach on Twitter to more than 1.2  
billion people.

[Get started](#)



### OCTOBER 2015 SUMMARY

Tweets

12

Total impressions

4,587

Profile visits

302

Mentions

7

New followers

11