1. PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES – August 2, 2016

3. GENERAL MANAGER’S REPORT

   B. Executive – August 30, 2016

5. PUBLIC INPUT:
   Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.

6. SECRETARY-TREASURERS REPORT

7. ITEMS FOR ACTION
   A. Water Use Violation – Civil Penalty Hearings
   B. Request Acceptance of Work-Chino Canyon 1040 Zone Reservoir Project
   C. Request Authorization to Execute Quitclaim – Temporary Drainage Easement Within Desert Palisade Development Tract Map No. 35540
   D. Request Authorization to Execute Informed Written Consent
   E. Request Authorization to Execute SGMA MOU in the Indio Subbasin (DWA, CVWD, IWA, CWA)
   F. Request Board Action on Claim Submitted by Michael Kapalungan
   G. Request Authorization to Execute MOU with United Way
   H. Request Board Approval of Director Ewing’s Attendance at ACWA Groundwater Committee Meetings and Expense Reimbursements

8. ITEMS FOR DISCUSSION
   A. San Gorgonio Pass SGMA Update

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. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   Pursuant to Government Code Section 54956.9 (d) (1)
   Name of Case: Desert Water Agency vs. U.S. Department of Interior

D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   Pursuant to Government Code Section 54956.9 (d) (1)
   Name of Case: Mission Springs Water District vs. Desert Water Agency

E. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
   Pursuant to Government Code Section 54956.8
   Property: 1.17 acre lot North of the Northeast corner of Sunrise Way and Mesquite Avenue, APN No. 502-560-038
   Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Asst. General Manager
   Negotiating Parties: Chris Thomsen, New Mesquite HOA
   Under Negotiation: Price and terms of possible acquisition

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN
MINUTES
OF THE REGULAR MEETING
OF THE
DESERT WATER AGENCY
BOARD OF DIRECTORS

August 2, 2016

DWA Board: Joseph K. Stuart, Vice President
Kristin Bloomer, Secretary-Treasurer
Craig A. Ewing, Director

Absent: James Cioffi, President
Patricia G. Oygar, Director

DWA Staff: Mark S. Krause, General Manager
Steve Johnson, Asst. General Manager
Martin S. Krieger, Finance Director
Sylvia Baca, Asst. Secretary of the Board
Ashley Metzger, Outreach/Conserv. Manager
Irene Gaudinez, Human Resources Manager

Consultant: Michael T. Riddell, Best Best & Krieger

Public: David Freedman, PS Sustainability Comm.
Ron & Vera MacKay, Sunrise Villas
Lee Simons, Palm Springs Villas II

17545. Vice President Stuart opened the meeting at 8:00 a.m. and asked everyone to join Secretary-Treasurer Bloomer in the Pledge of Allegiance.

17546. Vice President Stuart called for approval of the July 19, 2016 Regular Board meeting minutes.

Director Ewing moved for approval. After a second by Secretary-Treasurer Bloomer, the minutes were approved as written (President Cioffi and Director Oygar absent).

17547. Vice President Stuart called upon General Manager Krause to provide an update on Agency operations.

Mr. Krause stated on July 23 at approximately 5:00 p.m. stand-by responded to a hit 2 inch backflow at 2218 Toledo Ave. This service is used for irrigation and staff was able to turn the angle stop off. Contact was made with the HOA to notify them of the incident and that the
Agency could make the repairs, or they can make them themselves. The water loss was metered and a police report was made.

Mr. Krause noted several meetings and activities he participated in during the past several weeks.

17548. Vice President Stuart noted the minutes for the July 26, 2016 Executive Committee were provided in the Board’s packet.

17549. Vice President Stuart opened the meeting for public input.

Mr. MacKay stated he attended the recent Turf Buy Back workshop. He suggested DWA notify its customers in writing regarding the Fall watering schedule. He noted that although he supports DWA’s conservation measures, more outreach is needed for those that do not.

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

It was noted that the Executive Committee and Conservation & Public Affairs Committee will be discussing outreach at a future meeting.

17550. Vice President Stuart called upon General Manager Krause to present the civil penalty hearing for water use violations.

Mr. Krause noted there have been more than 275 violations issued and that recipients have 7 days to request a hearing in writing. Staff has received three requests, which are being heard today. He noted that only one appellant is present. He stated the first appellant is Palm Springs Villas II. He noted the violations: 1) Irrigating between the restricted hours of 7:00 a.m. and 7:00 p.m., 2) Irrigating on a restricted day; and 3) Runoff from irrigation onto hardscape. The fine amount is $200 (second violation) and reason for the appeal is a power outage.

Rebekah Ensley, representing the Palm Springs Villas II management company, stated there was a power surge/outrage and due to the property’s older timer system, it took some time to adjust the timer manually.

In response to Vice President Stuart, Ms. Metzger stated that a smart controller cannot be installed on the property until a secured power source is confirmed.

Discussion ensured regarding the photos not showing where the runoff originated and no photo indicating the sprinklers were on during restricted hours/day.
Director Ewing made a motion to uphold the appeal, waive penalty; no violation. After a second by Secretary-Treasurer Bloomer, the motion carried 3-0-2 (President Cioffi and Director Oygar absent).

Mr. Krause stated the second appellant is Huntington Gardens. He noted the violations: 1) Irrigation between the restricted hours of 7:00 a.m. and 7:00 p.m., 2) Irrigating on a restricted day; and 3) Runoff from irrigation onto hardscape. The fine amount is $200 (second violation) and reason for the appeal was a system malfunction. There is no representative at today’s meeting.

Director Ewing noted the photos show a clear violation of runoff.

Director Ewing made a motion to deny the appeal (violation occurred) and issue the penalty. After a second by Secretary-Treasurer Bloomer, the motion carried 3-0-2 (President Cioffi and Director Oygar absent).

Mr. Krause stated the third appellant is Don Karchmer. He noted the violations: 1) Irrigation between the restricted hours of 7:00 a.m. and 7:00 p.m., and 2) Runoff from irrigation onto hardscape. The fine amount is $50 and reason for the appeal is extenuating circumstances. Mr. Karchmer is not in attendance.

Vice President Stuart suggested since Mr. Karchmer is an out of town owner, staff inform him of DWA’s smart controller program.

Responding to Vice President Stuart, Ms. Metzger said that Mr. Karchmer had battery issues with his timer.

Vice President Stuart made a motion to deny the appeal (violation occurred) and issue the penalty. After a second by Director Ewing, the motion carried 3-0-2 (President Cioffi and Director Oygar absent).

17551. Vice President Stuart asked Finance Director Krieger to present the Annual Review of Resolution Establishing Policy and Guidelines for Agency Investments.

Mr. Krieger stated that Resolution Nos. 886 and 1007 established the policies and guidelines for the Agency’s investments. As in past years, there have been no changes to the Government Code and staff has no recommendations for revisions to the existing policy. This policy is brought to the Board for an annual review.
Vice President Stuart asked Agency Counsel Riddell to provide a report on the July 20, 2016 and July 21, 2016 Board of Directors of the State Water Project Contractors Authority and State Water Contractors, Inc. meeting.


Vice President Stuart asked General Manager Krause to provide an update on the Lake Perris Dam Seismic Remediation.

Mr. Krause noted the update is from June. The highlights are that 70% of the work is complete with 58% of the time elapsed. Thus far the contractor has completed the cement deep soil mixing (CDSM), the borrow pit material for the berm has been cleared and potholed and the new drain at the toe of the berm has been installed. The contractor continues to work on the following: the placement of material for the compacted berm, blasting of the left abutment haul road, filter rock processing for drain piping, placement of filter material for drain piping and the removal of the old drain pipe at the toe of the dam.

Continuing his report, Mr. Krause stated there has been $802,614 (no changes since April) in change orders submitted thus far, which amounts to more than 1% of the original contract. This amount does not include anticipated change orders resulting from work being performed on the left abutment haul road nor the quarry rock processing plant. The Cement Deep Soil Mixing (CDSM) operation is complete.

Vice President Stuart noted that Board packets included media and public information reports for July 2016.

Ms. Metzger noted that the July 21 Turf Buy Back workshops were well attended. Applications will be available starting August 17.

Vice President Stuart asked staff if they have any action items for the next meeting of August 16. He noted there would be two Board Members absent for that meeting.

In response to Vice President Stuart, Mr. Johnson stated there is one tentative item, which can wait until the September 6 meeting.

Ms. Metzger noted one penalty hearing request and a tentative Prop. 218 study session.
Vice President Stuart will inform President Cioffi and await his decision to cancel the August 16 meeting.

17556. At 9:08 a.m., Vice President Stuart convened into Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al; (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), ACBCI vs. County of Riverside, et al; (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Desert Water Agency vs. U.S. Department of Interior; (D) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; and (E) Real Property Negotiators, pursuant to Government Code Section 54956.8, Property-APN 502-560-038. Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Assistant General Manager, Negotiating Parties: Chris Thomsen, New Mesquite HOA, Under Negotiation: Price and terms of possible acquisition.

17557. At 9:48 a.m., Vice President Stuart reconvened the meeting into open session and announced there was no reportable action.

17558. In the absence of any further business, Vice President Stuart adjourned the meeting at 9:50 a.m.

Joseph K. Stuart, Vice President

ATTEST:

Kristin Bloomer, Secretary-Treasurer
On August 4 at 9:00 a.m. staff received a call about a stolen backflow at 68895 Perez Rd. The thieves turned the angle stop off to take the backflow. Authorization was received to replace the backflow and it is now back in service. The customer was advised to make a police report. The water loss was metered.
On August 12 at approximately 8:00 a.m., staff responded to a hit angle stop by a bobcat tractor at 3099 Linea Terrace. Staff replaced the angle stop and the meter register. A damage report was filled out and the developer Alta Verde Group will be charged. The water loss was from a broken meter coupling on the angle stop which ran for approximately 5 minutes.
On August 16 at approximately 10:15 a.m., staff noticed a stolen 2 inch back flow on Civic Dr. and Alejo Rd., which belongs to the City. Staff notified the City and authorization was given to replace the backflow. There was no water loss due to the thieves turning the backflow off and unscrewing the fittings. The City filed a police report.
On August 17, DWA construction crew was on Farrell Drive, south of Sonora Rd. repairing a one inch pe service leak. At approximately 12:30 p.m. a car clipped the driver’s side door of Unit #18. Our crew had the north bound fast lane closed. The car came down heading north in the wrong lane (south bound lane) and clipped the door. Palm Springs Police department came out, got the driver’s information, took photos and made a report.
Emergency Conservation Regulations – Stress Test

On 08/16/16 we were contacted by Jenela Hartman of the California State Water Board. She notified us that Metropolitan Water District had included the DWA/CVWD State Water Project, Table A transfer callback as part of their stress test water supply. We had also included the callback water as part of our water supply. She indicated that only one agency could claim this water as part of their water supply.

The State Board had required that we mirrored the years 2013-2015 for our projected water supply for 2017-2019. In the years 2013-2015 the callback water had been part of our water supply, so we included it in our water supply projection. Even though Metropolitan Water District had not called back the water in those years they projected that they would call it back for this exercise. They did this because the State Board had restricted them from including many of their other water supply options in their projections. This forced MWD to use everything that was allowed. The State Board permitted the use of the callback water in their calculation.

We recalculated our water supply excluding the callback water and instead of mirroring our water supply deliveries from 2013-2015 we relied solely on our Table A and historic allocation percentages from the years 2013-2015. The recalculation did not impact our original conservation standard calculation of 0%.
General Manager’s Meetings and Activities

Meetings:

08/16/16 Conservation and Outreach Committee Meeting – DWA Operations Center
08/17/16 & 8/25/16 Delta Specific Project Committee – Conference Calls
08/18/16 Chromium 6 Compliance & other Drinking Water Standards – CVWD
08/16/16, 08/19/16 & 08/22/16 Emergency Conservation Regulation – Stress Test – Conference Calls with CVWD, MWD
08/26/16 Cal WaterFix Weekly Update – Conference Call
08/29/16 SWC Special Board Meeting – Conference Call
08/30/16 Mission Springs Water District – DWA Operations Center
08/30/16 Deposition Preparation with BB&K – DWA Operations Center
08/30/16 Executive Committee Meeting – DWA Operations Center
08/31/16 Deposition, County of Riverside & ACBCI – DWA Operations Center
09/02/16 Cal WaterFix Weekly Update – Conference Call

Activities:

- Perris Reservoir Seepage Water Supply Recovery – Finance Agreements, Water Rights, Costs, Coordination Meetings
- Sites Reservoir Water Supply Opportunity
- E-Billing – Monitoring Startup
- Outreach Talking Points - KMIR
- USGS cooperative agreement – Murray Canyon Gaging Station
- SWP Delta Charges – Rate Study
- Well 6 and Well 32 Water Quality Remediation issues
- Whitewater Ranch Water Service Agreement – Follow up to May 23 Meeting
- Rate Study
- Proposition 218 – Compiling and checking Mailing List, Development of notification document
- Snow Creek Hydro SCE contract extension - ongoing
- Whitewater Hydro – Developing new administration procedures
- SWP/DWA tax rates
- State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- Property Acquisition - New Mesquite HOA – Ongoing
- MSWD Lawsuit - Ongoing
- Snow Creek Security Weekly Meeting
- Cal WaterFix – Change of Point of Diversion Hearings
- Turf Buy back, Alternative Conservations Plans, Reseeding
Minutes
Conservation & Public Affairs Committee Meeting
August 16, 2016

Directors Present: Jim Cioffi, Craig Ewing
Staff Present: Mark Krause, Ashley Metzger

1. Discussion Items

A. Overseeding
   The Committee discussed the options for water restrictions around the issue of overseeding. It was agreed that the Agency should not advocate overseeding, but given the conservation gains observed under our 10-13% goal, allow a time period for customers to overseed efficiently (if they are inclined to do so). This would suspend restrictions during this period. All customers would still be subject to all other restrictions.

B. Turf Buy Back
   The Committee discussed the application rollout and reviewed the application.

C. Smart Controller Program
   The Committee approved a request for accommodation of a customer that wished to purchase a different smart irrigation controller.

D. Toilet Rebate Program
   The Committee decided to allow customers who purchase the tank and toilet bowl separately to qualify for reimbursement of the full rebate amount.

E. Conservation Coupons
   Outreach & Conservation Manager Metzger described plans for a leak detection coupon.

F. Rate Outreach
   The committee reviewed draft materials for rate messaging.

2. Other
   The Committee discussed Tram Road Challenge participation, the possibility of sprinkler or pressure reducer rebates to abate runoff, fall newsletter timing and upcoming PSA production.

   The Committee reviewed the City’s temporary conservation alternative plan request and agreed to allow the plan.

3. Adjourn
Minutes
Executive Committee Meeting
August 30, 2016

Directors Present:  Jim Cioffi, Joe Stuart
Staff Present:  Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items
   
   A. Review Agenda for September 6, 2016 Regular Board Meeting
      The proposed agenda for the September 6, 2016 regular board meeting was reviewed.

      Regarding Item No. 7-H on the agenda, the Committee inquired as to how many ACWA Groundwater meetings were scheduled annually and the locations. Meetings are held four times a year, one at both the Fall and Spring conferences, and one in Northern California and Southern California between conferences. The next Committee meeting will be held in Tulare.

   B. Expense Reports
      The July reports were reviewed.

2. Other - None

3. Adjourn
# DESERT WATER AGENCY
## STATEMENT OF CASH RECEIPTS AND EXPENDITURES
### OPERATING ACCOUNT
#### JULY 2016

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<th>Budget Account Description</th>
<th>Amount</th>
<th>Invested Reserve Funds</th>
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<td>WATER SALES</td>
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<td>RECLAMATION SALES</td>
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<td>POWER SALES</td>
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<td>METERS, SERVICES, ETC.</td>
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<td>REIMBURSEMENT – WASTEWATER FUND</td>
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| **PAYMENTS**                                                 |                         |                        |
| PAYROLL CHECKS                                                | $325,588.45             |                        |
| PAYROLL TAXES                                                 | 160,984.47              |                        |
| ELECTRONIC TRANSFERS                                          | 922,726.45              |                        |
| CHECKS UNDER $10,000.00                                      | 345,865.90              |                        |
| CHECKS OVER $10,000.00 – SCH. #1                             | 1,580,156.80            |                        |
| CANCELLED CHECKS AND FEES                                    | 56,635.33               |                        |
| **TOTAL PAYMENTS**                                           | **$3,391,957.20**       |                        |

| **NET INCOME**                                               |                         | ($384,113.44)          |

| **BOND SERVICE ACCOUNT**                                     |                         |                        |
| MONTHLY WATER SALES                                          | $0.00                   |                        |
| EXCESS RETURNED BY B/A                                       | $0.00                   |                        |

| BOND SERVICE FUND                                            | $0.00                   |                        |

| INVESTED RESERVE FUNDS                                       |                         |                        |
| FUNDS MATURER                                                | $1,420,000.00           |                        |
| FUNDS INVESTED – SCH. #3                                     | 561,208.74              |                        |

| **NET TRANSFER**                                            |                         | ($858,791.26)          |

| **BALANCE**                                                 | **JULY 31, 2016**       |                         |
|                                                            | ($507,683.45)            | $11,629,520.60          |
## OPERATING ACCOUNT

### SCHEDULE #1-CHECKS OVER $10,000

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**TOTAL**                                                                        $1,580,156.60
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**Local Agency Investment Fund**

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<th>DESCRIPTION</th>
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<th>CALLABLE STATUS</th>
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**Certificates of Deposit**

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<tr>
<th>PURCH DATE</th>
<th>NAME</th>
<th>DESCRIPTION</th>
<th>MATURITY DATE</th>
<th>COST</th>
<th>PAR VALUE</th>
<th>MARKET VALUE</th>
<th>YIELD TO MATURITY</th>
<th>CALLABLE STATUS</th>
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<tbody>
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<td>04-30-12</td>
<td>Union Bank</td>
<td>General Electric</td>
<td>04-27-17</td>
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<td><strong>Total Commercial Paper</strong></td>
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**Commercial Paper**

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<th>PAR VALUE</th>
<th>MARKET VALUE</th>
<th>YIELD TO MATURITY</th>
<th>CALLABLE STATUS</th>
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<td>11-25-15</td>
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<td>11-25-19</td>
<td>$1,000,000.00</td>
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<td><strong>Total Government Agency</strong></td>
<td></td>
<td>$1,000,000.00</td>
<td>$1,000,000.00</td>
<td>$1,000,040.00</td>
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**Government Agency**

Weighted Mean YTM 0.843%

TOTAL INVESTED @ 07/31/16 $11,629,520.60 $11,624,820.60 $11,636,830.60
BALANCE @ 06/30/16 $12,488,311.86
INCREASE (DECREASE) ($858,791.26)
# DESSERT WATER AGENCY
## STATEMENT OF CASH RECEIPTS AND EXPENDITURES
### GENERAL ACCOUNT
#### JULY 2016

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<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>BALANCE JULY 1, 2016</strong></td>
<td>($557,515.93)</td>
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<tr>
<td>* TAXES - RIVERSIDE COUNTY</td>
<td>365,777.39</td>
</tr>
<tr>
<td>* INTEREST EARNED - INV. FUNDS</td>
<td>121,373.37</td>
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<td>GROUNDWATER REPLEN. ASSESSMENT</td>
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<td>REIMBURSEMENT - OPERATING FUND</td>
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<tr>
<td>REIMBURSEMENT - CVWD MGMT AGRMT</td>
<td>0.00</td>
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<tr>
<td>STATE WATER PROJECT REFUNDS</td>
<td>0.00</td>
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<tr>
<td>REIMB - CVWD - WHITEWATER HYDRO</td>
<td>0.00</td>
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<tr>
<td>POWER SALES - WHITEWATER</td>
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<td>MISCELLANEOUS</td>
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<td><strong>TOTAL RECEIPTS</strong></td>
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<td><strong>PAYMENTS</strong></td>
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<td>CHECKS UNDER $10,000.00</td>
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<td>CANCELLED CHECKS AND FEES</td>
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<table>
<thead>
<tr>
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<tbody>
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<td>INVESTED RESERVE FUNDS</td>
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<td>RECEIPTS IN CALENDAR YEAR</td>
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<td>CHECK #</td>
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<tr>
<td>8770</td>
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<td>8772</td>
<td>STATE WATER CONTRACTORS AUTHORITY</td>
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<td>8782</td>
<td>STATE OF CA. DEPT. OF WATER RESOURCES</td>
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<tr>
<td>8783</td>
<td>COUNTY OF RIVERSIDE</td>
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<td>8785</td>
<td>US GEOLOGICAL SURVEY</td>
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**TOTAL**  
$3,778,453.21
<table>
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<tr>
<th>PURCHASE DATE</th>
<th>NAME</th>
<th>DESCRIPTION</th>
<th>MATURITY DATE</th>
<th>COST</th>
<th>PAR VALUE</th>
<th>MARKET VALUE</th>
<th>YIELD TO MATURITY</th>
<th>CALLABLE STATUS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>State of California</td>
<td>LAIF</td>
<td>06-30-83</td>
<td>$52,636,459.03</td>
<td>$52,636,459.03</td>
<td>$52,636,459.03</td>
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<td>$1,000,000.00</td>
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<tr>
<td></td>
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<td>12-08-14</td>
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<tr>
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<td>Capital Bank CD</td>
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<td>$250,000.00</td>
<td>$251,195.00</td>
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<tr>
<td></td>
<td>Ladenburg Thalmann</td>
<td>Goldman Sachs CD</td>
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<td>Ally Bank CD</td>
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<td>Capital One NA CD</td>
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<tr>
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<td>Ladenburg Thalmann</td>
<td>Discover CD</td>
<td>11-04-15</td>
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<td>$245,000.00</td>
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**Total Certificates of Deposit: $3,475,000.00**

<table>
<thead>
<tr>
<th>COMMERCIAL PAPER</th>
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<tbody>
<tr>
<td>Stifel</td>
</tr>
<tr>
<td>Ladenburg Thalmann</td>
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<tr>
<td>Union Bank</td>
</tr>
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**Total Commercial Paper: $2,586,470.00**

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<th>GOVERNMENT AGENCY</th>
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<td>Stifel (D.A.D)</td>
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<td>Stifel (D.A.D)</td>
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<tr>
<td>Ladenburg Thalmann</td>
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<tr>
<td>Stifel (D.A.D)</td>
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<tr>
<td>Stifel (D.A.D)</td>
</tr>
<tr>
<td>Ladenburg Thalmann</td>
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<tr>
<td>Ladenburg Thalmann</td>
</tr>
<tr>
<td>Ladenburg Thalmann</td>
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<td>Ladenburg Thalmann</td>
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<tr>
<td>Stifel</td>
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<td>Stifel</td>
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<td>Ladenburg Thalmann</td>
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<td>Union Bank</td>
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<tr>
<td>Stifel</td>
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<tr>
<td>Stifel</td>
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</table>
## DESERT WATER AGENCY

### GENERAL FUND - LISTING OF INVESTMENTS

**JULY 31, 2016**

<table>
<thead>
<tr>
<th>PURCHASE DATE</th>
<th>NAME</th>
<th>DESCRIPTION</th>
<th>MATURITY DATE</th>
<th>COST</th>
<th>PAR VALUE</th>
<th>MARKET VALUE</th>
<th>YIELD TO MATURITY</th>
<th>CALLABLE STATUS</th>
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<tbody>
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<td>Ladenburg Thalmann</td>
<td>FHLMC STEP (Callable 10-14-16)</td>
<td>04-14-21</td>
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<td>Ladenburg Thalmann</td>
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<td>$1,000,000.00</td>
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</table>

**Total Government Agency** $48,493,700.00 $48,500,000.00 $48,523,904.00

**Weighted Mean YTM** 0.901%

**TOTAL INVESTED @ 07/31/16** $107,191,628.03 $107,113,459.03 $107,188,493.43

**BALANCE @ 06/30/16** $107,168,350.37

**INCREASE OR (DECREASE)** $23,278.66
# Desert Water Agency

## Statement of Cash Receipts and Expenditures

### Wastewater Account

**JULY 2016**

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance</strong> JULY 1, 2016</td>
<td>$1,078.44</td>
</tr>
<tr>
<td>Accounts Receivable - Other</td>
<td>$38,975.33</td>
</tr>
<tr>
<td>Customer Deposits - Construction</td>
<td>0.00</td>
</tr>
<tr>
<td>Interest Earned - Invested Funds</td>
<td>1,441.27</td>
</tr>
<tr>
<td>Wastewater Revenue</td>
<td>0.00</td>
</tr>
<tr>
<td>Sewer Capacity Charges</td>
<td>27,148.51</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>$67,565.11</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checks Under $10,000.00</td>
<td>$7,956.43</td>
</tr>
<tr>
<td>Checks Over $10,000.00 - SCH. #1</td>
<td>49,127.24</td>
</tr>
<tr>
<td>Cancelled Checks and Fees</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td><strong>$57,083.67</strong></td>
</tr>
</tbody>
</table>

**Net Income**

- Invested Reserve Funds
  - Funds Matured                    | $0.00       |
  - Funds Invested - SCH. #2         | 6,404.15    |

**Net Transfer**

- ($6,405.15) $6,405.15

**Balance** JULY 31, 2016

- $5,154.73 $1,033,436.16
<table>
<thead>
<tr>
<th>CHECK #</th>
<th>NAME</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2447</td>
<td>COACHELLA VALLEY WATER DISTRICT</td>
<td>WASTEWATER REVENUE BILLING FOR JUNE 2016</td>
<td>$49,127.24</td>
</tr>
</tbody>
</table>

**TOTAL** $49,127.24
<table>
<thead>
<tr>
<th>PURCH DATE</th>
<th>NAME</th>
<th>DESCRIPTION</th>
<th>MATURITY DATE</th>
<th>COST</th>
<th>PAR VALUE</th>
<th>MARKET VALUE</th>
<th>YIELD TO MATURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-30-83</td>
<td>State of California</td>
<td>LAIF</td>
<td>Open</td>
<td>$1,033,436.16</td>
<td>$1,033,436.16</td>
<td>$1,033,436.16</td>
<td>0.600%</td>
</tr>
</tbody>
</table>

TOTAL INVESTED @ 07/31/16 $1,033,436.16 $1,033,436.16 $1,033,436.16

BALANCE @ 06/30/16 $1,027,031.01

INCREASE OR (DECREASE) $6,405.15
### DESERT WATER AGENCY - OPERATING FUND
#### COMPARATIVE EARNINGS STATEMENT

**MONTH** 16-17  
**JULY**

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>THIS YEAR</th>
<th>LAST YEAR</th>
<th>BUDGET</th>
<th>THIS YEAR</th>
<th>LAST YEAR</th>
<th>BUDGET</th>
<th>YTD</th>
<th>PCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER SALES</td>
<td>2,388,437.91</td>
<td>2,186,514.14</td>
<td>2,220,750.00</td>
<td>2,383,437.91</td>
<td>2,186,514.14</td>
<td>2,220,750.00</td>
<td>150,687.91</td>
<td>7%</td>
</tr>
<tr>
<td>RECLAMATION SALES</td>
<td>146,295.74</td>
<td>163,529.06</td>
<td>156,500.00</td>
<td>146,295.74</td>
<td>163,529.06</td>
<td>156,500.00</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>POWER SALES</td>
<td>2,711.25</td>
<td>1,438.00</td>
<td>1,750.00</td>
<td>2,711.25</td>
<td>1,438.00</td>
<td>1,750.00</td>
<td>961.25</td>
<td>55%</td>
</tr>
<tr>
<td>OTHER OPER REVENUE</td>
<td>52,091.25</td>
<td>161,414.95</td>
<td>100,500.00</td>
<td>52,091.25</td>
<td>161,414.95</td>
<td>100,500.00</td>
<td>46,408.75</td>
<td>48%</td>
</tr>
<tr>
<td><strong>TOTAL OPER REVENUES</strong></td>
<td>2,591,636.15</td>
<td>2,513,106.15</td>
<td>2,487,500.00</td>
<td>2,591,636.15</td>
<td>2,513,106.15</td>
<td>2,487,500.00</td>
<td>104,136.15</td>
<td>4%</td>
</tr>
</tbody>
</table>

| Operating Expenses | SOURCE OF SUPPLY EXP | 10,819.63 | 14,741.05 | 27,653.00 | 10,914.63 | 14,753.05 | 27,814.00 | 16,243.37 | 60% |
|                   | PUMPING EXPENSE    | 296,434.05 | 287,573.88 | 453,575.00 | 296,434.05 | 287,573.88 | 453,575.00 | 157,140.15 | 25% |
|                   | REGULATORY WATER TREAT | 32,935.31 | 35,072.11 | 42,100.00 | 32,935.31 | 35,072.11 | 42,100.00 | 9,146.89 | 22% |
|                   | TRANS & DIST EXPENSE | 155,969.48 | 84,290.29 | 287,042.00 | 155,969.48 | 84,290.29 | 287,042.00 | 131,122.52 | 46% |
|                   | CUSTOMER ACT EXPENSE | 62,932.17 | 69,673.59 | 74,025.00 | 62,932.17 | 69,673.59 | 74,025.00 | 11,093.83 | 15% |
|                   | ADMIN & GEN EXPENSE | 1,429,662.85 | 1,373,003.28 | 1,476,325.00 | 1,429,662.85 | 1,373,003.28 | 1,476,325.00 | 62,462.15 | 4% |
|                   | REGULATORY EXPENSE | 17,832.65 | 12,615.39 | 16,782.00 | 17,832.65 | 12,615.39 | 16,782.00 | 3,901.53 | 3% |
|                   | SNOW CREEK HYDRO EXP | 3,003.32 | 2,147.30 | 3,400.00 | 3,003.32 | 2,147.30 | 3,400.00 | 1,940.12 | 3% |
|                   | RECLAMATION PLNT EXP | 31,346.51 | 6,376.16 | 66,600.00 | 31,346.51 | 6,376.16 | 66,600.00 | 35,461.49 | 53% |
| **SUB-TOTAL**      | 2,041,138.78 | 1,862,700.71 | 2,467,392.00 | 2,041,138.78 | 1,862,700.71 | 2,467,392.00 | 426,438.27 | 17% |

| Other Operating Expenses | DEPRECIATION | 461,729.97 | 449,545.16 | 459,225.00 | 461,729.97 | 449,545.16 | 459,225.00 | 2,504.97 | 1% |
|                         | SERVICES RENDERED | 6,129.60 | 16,383.77 | 13,650.00 | 6,129.60 | 16,383.77 | 13,650.00 | 7,710.40 | 59% |
|                         | DIR & INDIR CST FOR WO | 254,936.60 | 247,381.99 | 254,830.00 | 254,936.60 | 247,381.99 | 254,830.00 | 162,086.60 | 25% |
| **TOTAL OPER EXPENSES** | 2,254,171.95 | 2,082,747.75 | 2,367,717.00 | 2,254,171.95 | 2,082,747.75 | 2,367,717.00 | 413,454.56 | 21% |

| Net Income from Operations | 337,464.20 | 430,359.40 | 380,217.00 | 337,464.20 | 430,359.40 | 380,217.00 | 717,681.20 | 159% |

| Non-Operating Income (Net) | RENTS | 3,368.43 | 3,342.72 | 3,325.00 | 3,368.43 | 3,342.72 | 3,325.00 | 6.57 | 0% |
|                            | INTEREST REVENUES | 8,282.35 | 8,266.51 | 8,263.00 | 8,282.35 | 8,266.51 | 8,263.00 | 17.80 | 0% |
|                            | INTEREST EXP. OTHER | 0.00 | 0.00 | 25,325.04 | 0.00 | 0.00 | 25,325.04 | 0.00 | 0% |
|                            | OTHER REVENUES | 240.00 | 3,252.52 | 0.00 | 240.00 | 3,252.52 | 0.00 | 240.00 | 0% |
|                            | DISCOUNTS | .46 | 329.48 | 275.00 | .46 | 329.48 | 275.00 | 274.54 | 100% |
| **TOTAL NON-OPER INCOME** | 11,891.24 | 12,357.91 | 13,375.00 | 11,891.24 | 12,357.91 | 13,375.00 | 25,266.24 | 189% |

| **TOTAL NET INCOME** | 349,355.44 | 442,716.31 | 363,592.00 | 349,355.44 | 442,716.31 | 363,592.00 | 742,947.44 | 189% |
STAFF REPORT
TO
DESSERT WATER AGENCY
BOARD OF DIRECTORS

SEPTEMBER 6, 2016

RE: WATER USE VIOLATION – CIVIL PENALTY HEARINGS

Starting after the March 1st board meeting, staff began issuing water use violations under the new ordinance; to date, more than 300 violations have been issued. Recipients of the violations have 7 days to request a hearing in writing. Six violations have hearings scheduled for today’s board meeting.

The following is a summary of the procedure for the hearings.

Staff has provided the Board with the correspondence for each of the violations including photographic evidence. Photographs will also be projected during the hearing to provide the board and customer a common point of reference for discussion.

Staff will introduce each violation with a summary of the event. After the introduction the customer will be invited by the Board to speak concerning the violation. If the recipient of the violation is not present or does not wish to speak, staff will read the violation summary and submit the written petition into the record for board action.

Each petition will be discussed and voted on separately.

As a point of reference, staff has notified Agency customers concerning water conservation regulations in several different ways:

Recent Notifications

1. Published the ordinance in The Public Record
2. Published the ordinance in the Agency Website
3. Social media outlets
4. KMIR, KESQ, KPCC, the Joey English Show
5. Desert Sun Valley Voice
6. Palm Desert Patch
7. Email to Palm Springs and Cathedral City Chambers
8. Emails to HOA in our contact list
9. Emails to high volume users
Comprehensive Notifications – Since June 2015

1. Direct mail to all customers
2. Bill Inserts
3. Bill on envelope messaging
4. Billboards
5. Online advertising (KESQ)
6. Television advertising (Time Warner)
7. Social media
8. Several public presentations on TV
9. Print and radio Interviews
10. DWA and CVWD websites
1. Leonard & Norma Gerona, 3118 E Vista Chino

   a. On Thursday, July 21 at 7:21 a.m. a Desert Water Agency representative observed water use violations at said address and reported them.
      i. Irrigating during restricted hours
      ii. Irrigating on a restricted day

   b. Fine amount $50
      i. Single-family home
      ii. First violation

   c. Reason for petition
      i. Turned off power and forgot to reset timer
July 22, 2016

Leonard & Norma Gerona
3118 E Vista Chino
Palm Springs, CA 92262

RE: FINE ON ACCOUNT# [REDACTED]; 3118 E Vista Chino

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Thursday July 21, 2016 at 7:21 am, you are being served with a complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty of $50.00 will be added onto your water bill.

You were cited for:

- **Outdoor irrigation shall be restricted to Mondays, Wednesdays, Fridays, Saturdays & Sundays before 7:00 a.m. and after 7:00 p.m.**

  **Saturdays and Sundays only allowed Through October 31, 2016**

This is a violation of Desert Water Agency’s Ordinance No. 65. For a first violation within any 12-month period, the civil penalty shall be $100 for a multi-family residential, commercial or institutional establishment or $50 for a single-family residential customer.

For a second violation within any 12-month period, the civil penalty shall be $200 for a multi-family residential, commercial or institutional establishment or $100 for a single-family residential customer.

For a third and each subsequent violation within any 12-month period, the civil penalty shall be $500 for a multi-family residential, commercial or institutional establishment or $250 for a single-family residential customer.
Failure to pay the civil penalty on your water bill may result in termination of water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of the Ordinance.

If you have any additional questions, please contact us.

Thank you,

Ashley Metzger  
Outreach & Conservation Manager  
Desert Water Agency  
*On behalf of General Manager Mark Krause*
To Whom it may concern,

We are writing this letter to explain, Re: FINE ON ACCOUNT [redacted], 3118 E. Vista Chino. We had a visit from the realtor last Wednesday 7-20-16. At around noon time. He turned off the main electric switch after an hour he turned it on, my husband forgot to reset the sprinkler, that was the reason 7:30 AM Thursday you were able to capture that picture. He did put back the right time that he set after realizing sprinkler were not reset after the realtor had left. We conserve water as mandated by the California law. Thank you

Sincerely Yours,

Mrs. Norma Gerona
2. David Milani, 2090 S. Camino Real

a. On Monday, July 25 at 4:03 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
   i. Hosing off hardscape

b. Fine amount $100
   i. Commercial
   ii. First violation

c. Reason for petition
   i. Temporary worker using hose without owner permission
July 28, 2016

David Milani
1930 S Camino Real #8
Palm Springs, CA 92264

RE: FINE ON ACCOUNT# 2090 Camino Real S

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Monday, July 25, 2016 at 4:03 pm, you are being served with a complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty of $100.00 will be added onto your water bill.

You were cited for:

- **Outdoor irrigation shall be restricted to Mondays, Wednesdays, Fridays, Saturdays & Sundays before 7:00 a.m. and after 7:00 p.m.**
  
  **Saturdays and Sundays only allowed Through October 31, 2016**

- **Washing of hard surfaced areas is prohibited unless it is to protect public health; provided that the use of recycled water and the use of potable water from a bucket, use of a pressure washer, or use of a water broom for such purposes shall be permitted.**

- **Runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures is prohibited.**

This is a violation of Desert Water Agency’s Ordinance No. 65. For a first violation within any 12-month period, the civil penalty shall be $100 for a multi-family residential, commercial or institutional establishment or $50 for a single-family residential customer.
For a second violation within any 12-month period, the civil penalty shall be $200 for a multi-family residential, commercial or institutional establishment or $100 for a single-family residential customer.

For a third and each subsequent violation within any 12-month period, the civil penalty shall be $500 for a multi-family residential, commercial or institutional establishment or $250 for a single-family residential customer.

Failure to pay the civil penalty on your water bill may result in termination of water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of the Ordinance.

If you have any additional questions, please contact us.

Thank you,

Ashley Metzger
Outreach & Conservation Manager
Desert Water Agency

On behalf of General Manager Mark Krause
Dear Ashley,

We applied for the rebate to low water conversion to remove the grass and replace with desert landscape. We were approved but the funds dried up. Excuse the pun.

We decided to proceed with the project to save water although we were likely to be disqualified for the grant to start saving on the water consumption. Our tenants were very excited to see we were being proactive.

A lot of debris was created. Someone came along and offer for a fee to remove a pile that was on the sidewalk and with the remaining amount to be completed that day in excessively high temperatures we felt it would help to have this taken care of at the time. The debris was mostly removed and when we saw that one of the people involved in the removal was washing the drive and sidewalk as well as the roadway we told him to stop and use a broom.

It would be greatly appreciated if you could wave the fine as although we are responsible for actions that occur on our property it was something that was started without our knowledge and corrected immediately upon discovery.

sincerely,

John P. O’Carroll for David J. Milani
760-567-4252
thank you for your consideration
3. Wessman Development, 67555 Palm Canyon Drive

   a. On Tuesday, August 2 at 5:09 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
      ii. Irrigating during restricted hours
      iii. Irrigating on a restricted day
      iv. Runoff

   b. Fine amount $500
      i. Commercial
      ii. Third violation

   c. Reason for petition
      i. Timer out of sync; power outage
August 9, 2016

Desert Water Agency
PO Box 1710
Palm Springs, CA 92263-1710
Attn: Ashley Metzger
Outreach and Conservation Manager
Re: [redacted] Fine $500

Ms. Metzger,

I would like to request a hearing on this fine.
I received the fine notification on August 5, 2016.
I promptly requested our landscaper to investigate and correct as necessary.
Our landscaper found the timer was out of sync with the correct time.
He made the necessary adjustments.
Please advise what actions we need to take next.

Sincerely,

Cindy Lepley
Property Manager
For
Wessman Holdings, LLC
dba
Canyon Plaza South
Cindy Lepley

From: Javier Jimenez <j.magoo88@gmail.com>
Sent: August 06 16 11:42 AM
To: Cindy Lepley
Subject: Re: 202-Canyon Plaza South Irrigation timer
Attachments: 20160806_112800.jpg

The timer was programed with the wrong time as if the power recently went out. It had to be recently because I just checked it two weeks ago and it was correct then. It read that it was 9:43 pm at 11:28 am. I reset it to the correct time and left it programed to continue to water at 3:00 am.

On Aug 5, 2016 3:24 PM, "Javier Jimenez" <j.magoo88@gmail.com> wrote:

I will take care of it. Unless the power was shut off recently, there is no reason for it to be watering early. I have always had it programed for 3am.

On Aug 5, 2016 3:08 PM, "Cindy Lepley" <Cindy@spinellopropertymanagement.com> wrote:

Javier,

Please inspect and reset if necessary the timer at Canyon Plaza South. Water was observed on Tuesday the 2nd of August at 5:09 pm and a fine is being assessed in the amount of $500.

Please photograph the timer set correctly so I can request hearing to see if this fine can be reduced or waived.

Thank-you Cindy
4. Larry Simonson, 500 E Bogert Trail

   a. On Thursday, August 18 at 4:30 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
      i. Irrigating during restricted hours
      ii. Irrigating on a restricted day
      iii. Runoff

   b. Fine amount $100
      i. Single-family home
      ii. Second violation

   c. Reason for petition
      i. Planned power outage due to maintenance on August 5
Date: 08/18/16   Time: 4:30 A.M./P.M.

Address: 500 El Paseo Blvd

RE: COMPLAINT FOR CIVIL (MONETARY) PENALTY

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative today, you are being served with this complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty will be added onto your water bill.

You have been cited for:

☐ Unreasonable use of water (unnecessary runoff onto adjacent property and non-irrigation areas, private and public walkways, roadways, parking lots and parking structures.)

☒ Outdoor irrigation during restricted days or times (Watering is only permitted Mondays, Wednesdays, and Fridays before 7:00 a.m. and after 7:00 p.m.)

☐ Other

This is in violation of Desert Water Agency’s Ordinance No. 65.

For a first violation within any 12-month period, the civil penalty shall be $100 for a multi-family residential, commercial or institutional establishment or $50 for a single-family residential customer.

For a second violation within any 12-month period, the civil penalty shall be $200 for a multi-family residential, commercial or institutional establishment or $100 for a single-family residential customer.

For a third and each subsequent violation within any 12-month period, the civil penalty shall be $500 for a multi-family residential, commercial or institutional establishment or $250 for a single-family residential customer.

Failure to pay the civil penalty on your water bill may result in termination of water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of the Ordinance.

If you have any additional questions, please contact us.

Thank you,

[Signature]

On behalf of Mark Krause, General Manager

Desert Water Agency - 1200 South Gene Autry Trail, Palm Springs, CA 92264
P.O. Box 1710, Palm Springs, CA 92263-1710 | Phone: 760-323-4971 | Fax: 760-325-6505 | Website: www.dwa.org
DE: Days of Watering Violation

LARRY SIMONSON
500 E. ROGERTY TRC.
Palm Springs, CA. 92264

I am refuting alleged violation

Please find enclosed Power Outage Notice from So. Cal. Edison.

I wasn't aware the Power Outage changed timing of water system.

I have been out town from Aug 1st - Aug 20th. On return home I found this notice attached to my front door!

The timing has been correct (watering system)

I'm requesting you drop the alleged violation charge.

Thank you

LARRY SIMONSON
500 E. ROGERTY TRC
Palm Springs, CA 92264
Dear Larry Simonson,

We will be performing maintenance on the electrical system in your area that will cause the power to be out temporarily. This work will ensure our grid is modern, reliable and up-to-date, but we understand that it can be an inconvenience. We will do our best to minimize the length of time you are without power. Please keep in mind that working with electricity can be hazardous and know that the safety of our customers and crews is our top priority.

Thank you for your patience and understanding as we work to maintain and improve our system to better serve you.

Please be prepared to be without electric service on the following date(s) and estimated timeframe(s):

<table>
<thead>
<tr>
<th>Maintenance Power Outage Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Outage #</td>
</tr>
<tr>
<td>Start (Estimate)*</td>
</tr>
<tr>
<td>End (Estimate)*</td>
</tr>
<tr>
<td>Service address affected:</td>
</tr>
</tbody>
</table>

*Please be aware that your power may be turned on and off again more than once during the outage period. Power Outages may not begin or end for all customers at the stated times.

Be Prepared. Stay Informed.

Help us better communicate with you about outages.
Sign up for text, email, or phone alerts at sce.com/outage

Safety always comes first during an outage.
We can help you plan and prepare at sce.com/outagetips
5. Joanne Bekke & Gilbert Wiener, 3100 E Sonora Rd

a. On Monday, August 22 at 7:24 a.m. a Desert Water Agency representative observed water use violations at said address and reported them.
   i. Irrigating during restricted hours
   ii. Runoff

b. Fine amount $50
   i. Single-family home
   ii. First violation

c. Reason for petition
   i. Unaware of the problem; resolved issue since citation
August 22, 2016

Gilbert Wiener
3100 E Sonora Rd
Palm Springs, CA 92264

RE: FINE ON ACCOUNT# [ ] ; 3100 E Sonora Rd

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Thursday, August 18, 2016 at 7:24 am, you are being served with a complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty of $50.00 will be added onto your water bill.

You were cited for:

- **Outdoor irrigation shall be restricted to Mondays, Wednesdays, Fridays, Saturdays & Sundays before 7:00 a.m. and after 7:00 p.m.**
  **Saturdays and Sundays only allowed Through October 31, 2016**

- **Runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures is prohibited.**

This is a violation of Desert Water Agency’s Ordinance No. 65. For a first violation within any 12-month period, the civil penalty shall be $100 for a multi-family residential, commercial or institutional establishment or $50 for a single-family residential customer.

For a second violation within any 12-month period, the civil penalty shall be $200 for a multi-family residential, commercial or institutional establishment or $100 for a single-family residential customer.

For a third and each subsequent violation within any 12-month period, the civil penalty shall be $500 for a multi-family residential, commercial or institutional establishment or $250 for a single-family residential customer.
Failure to pay the civil penalty on your water bill may result in termination of water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of the Ordinance.

If you have any additional questions, please contact us.

Thank you,

Ashley Metzger  
Outreach & Conservation Manager  
Desert Water Agency  
On behalf of General Manager Mark Krause
Attn: Ashley Metzger

I received your letter yesterday (8-25-16), dated 8-22-16 regarding the violations. I was unaware of the problems. As of 2:00 P.M. today they should be completely resolved. I will, however, watch to make sure they are corrected. This explains why our water bill has doubled.

Please let this correspondence serve as our request for a hearing on this violation.

Regards,

Joanne Bekke
Gilbert Wiener
3100 E Sonora Rd
Palm Springs, CA. 92264
760-322-0506
6. **Destination Ramon Shopping Center, along Crossley between Sunny Dunes and Ramon**

   a. On Friday, August 19 at 2:06 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
      i. Irrigating during restricted hours
      ii. Runoff

   b. Fine amount $200
      i. Commercial
      ii. Second violation

   c. Reason for petition
      i. Testing the sprinkler system
August 23, 2016

Destination Ramon LLC
% Rothbart Devel Corp
10990 Wilshire Blvd Ste 1000
Los Angeles, CA 90024

RE: FINE ON ACCOUNT# Ramon Rd IRRG

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Friday, August 19, 2016 at 2:06 pm, you are being served with a complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty of $200.00 will be added onto your water bill.

You were cited for:

- Outdoor irrigation shall be restricted to Mondays, Wednesdays, Fridays, Saturdays & Sundays before 7:00 a.m. and after 7:00 p.m.
  **Saturdays and Sundays only allowed Through October 31, 2016**

- Runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures is prohibited.

This is a violation of Desert Water Agency’s Ordinance No. 65. For a first violation within any 12-month period, the civil penalty shall be $100 for a multi-family residential, commercial or institutional establishment or $50 for a single-family residential customer.

For a second violation within any 12-month period, the civil penalty shall be $200 for a multi-family residential, commercial or institutional establishment or $100 for a single-family residential customer.

For a third and each subsequent violation within any 12-month period, the civil penalty shall be $500 for a multi-family residential, commercial or institutional establishment or $250 for a single-family residential customer.
Failure to pay the civil penalty on your water bill may result in termination of water service. In addition, the Agency staff shall be authorized to discontinue water service for any violation of the Ordinance.

If you have any additional questions, please contact us.

Thank you,

Ashley Metzger
Outreach & Conservation Manager
Desert Water Agency
*On behalf of General Manager Mark Krause*
August 29, 2016

Ashley Metzger
Desert Water Agency
1200 South Gene Autry Trail
Palm Springs, CA 92264

RE: Fine on Account # [Redacted]

We are writing this letter on behalf of our landscape contractor Adco Services, Inc. who spoke with you this morning and explained that crew was working on irrigation on site this day and doing some testing. We are having him also double check on irrigation timers for site to make sure that they are all programmed correctly.

If you should have any questions you may contact Joseph Addante directly at 760-275-3285 or myself.

Thank you in advance for your time and understanding in this matter.

Sincerely,

Tanya C. Keshishian
Asset manager
STAFF REPORT  
TO  
DEsert WATER AGENCY  
BOARD OF DIRECTORS  
SEPTEMBER 6, 2016

RE: REQUEST ACCEPTANCE OF CONSTRUCTION OF  
CHINO CANYON 1040 ZONE RESERVOIR

All construction work performed by Canyon Springs Enterprises dba RSH Construction has been essentially completed. The original contract amount, contract change order amounts, and adjusted contract amount are set forth as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount</td>
<td>$928,100.00</td>
</tr>
<tr>
<td>Contract Change Order No. 1</td>
<td>($15,919.93)</td>
</tr>
<tr>
<td>Adjusted Contract Amount</td>
<td>$912,180.07</td>
</tr>
</tbody>
</table>

Contract Change Order No. 1 consists of deductions for eliminating work and materials related to the overflow structure and the SCE service pedestal and equipment, a credit for Agency-provided construction staking, and an increase for furnishing and installing bypass piping for testing. In addition, Change Order No. 1 extends the Contract Completion Date until August 19, 2016 for completion of the additional work.

To date, no stop notices have been filed with this Agency.

The 2005/2006 Capital Improvement Budget includes Work Order 05-582-R-33 and 05-570 for the installation of the 0.5MG reservoir and for the transmission pipeline that supplies water to the reservoir. The budgets for said work orders are $1,604,600 and $1,030,400 respectively, to include engineering, construction, inspection, and overhead costs, for a combined budget of $2,635,000.

In November 2015, the Agency accepted the 16” transmission pipeline project, by Jones Bros. Construction, with a total construction cost of $509,032.53. The final transmission pipeline costs, to include engineering, construction, inspection, and overheads is $705,879. This is $324,521 under budget.

In November 2015, the Agency accepted the 16” transmission pipeline project, by Jones Bros. Construction, with a total construction cost of $509,032.53. The final transmission pipeline costs, to include engineering, construction, inspection, and overheads is $705,879. This is $324,521 under budget.

The Agency costs for the reservoir, to include purchase of the property, reservoir site rough grading improvements, engineering, construction, inspection and overheads is $1,828,553. This is $223,953 over budget.

The total cost for the reservoir and the 16” transmission pipeline is $2,593,918. This is $41,082 under the combined budget.
The Contract was awarded on September 1, 2015, Notice to Proceed was issued on October 8, 2015, and the original Contract Completion Date was May 5, 2016. The Contract Completion Date was extended to August 19, 2016 by Contract Change Order No. 1. All work was essentially completed in accordance with the Contract Documents by said date.

Staff recommends acceptance of the work in the amount of $912,180.07. Subsequent to Board acceptance, a Notice of Completion will be filed.
STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS

SEPTEMBER 6, 2016

RE: REQUEST AUTHORIZATION TO EXECUTE QUITCLAIM TERMINATING TEMPORARY DRAINAGE EASEMENT INTEREST WITHIN DESERT PALISADE DEVELOPMENT, TRACT MAP 35540

As part of the reservoir site grading project, Pinnacle View, LLC granted the Agency a temporary drainage easement over Lots 106-110 within the development for the reservoir overflow and site drainage until a permanent drainage facility could be built.

A new 12” diameter drainage pipeline was constructed within the existing street (Rising Sun Court) to convey reservoir overflow and site drainage to a natural drainage ditch located within the Tract. This new pipeline eliminates the need for the temporary drainage easement. A new Grant of Easement has been prepared allowing the Agency to operate and maintain the drainage pipeline (Attached).

Pinnacle View LLC has also prepared a Quitclaim Deed (Attached) vacating the temporary drainage easement.

Staff recommends Authorization to Execute Quitclaim, terminating the temporary drainage easement over Lots 106-110 on Tract Map 35540.
RECORDING REQUESTED BY
Desert Water Agency

AND WHEN RECORDED MAIL DOCUMENT AND TAX STATEMENT TO:

NAME Pinnacle View LLC

STREET PO Box 1754

CITY, STATE & Lake Oswego, OR

ZIP CODE 97035

QUITCLAIM DEED
APN: 504-400-047, -048, -049, -050, and -051

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We) Desert Water Agency a public agency hereby remise, release and quitclaim to Pinnacle View, LLC, A California Limited Liability Company

the following described real property in the City of Palm Springs, County of Riverside, State of California

(Insert Legal Description)
See Exhibit "A"

DATED: ____________________________

By: ____________________________
Its: ____________________________

MAIL TAX STATEMENT AS DIRECTED ABOVE
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ____________________________ )

On ______________________ before me, ____________________________

Date
Here Insert Name and Title of the Officer

personally appeared ____________________________

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: ____________________________

Document Date: ____________________________

Number of Pages: ____________

Signer(s) Other Than Named Above: ____________________________

Capacity(ies) Claimed by Signer(s)
Signer's Name: ____________________________

☐ Corporate Officer — Title(s): ____________________________

☐ Partner — Limited General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: ____________________________

Signer Is Representing: ____________________________

Signer's Name: ____________________________

☐ Corporate Officer — Title(s): ____________________________

☐ Partner — Limited General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: ____________________________

Signer Is Representing: ____________________________
EXHIBIT "A"
LEGAL DESCRIPTION

THE TEMPORARY DRAINAGE EASEMENT SHOWN AS EXHIBIT "B" PER GRANT OF EASEMENT TO DESERT WATER AGENCYRecorded March 20, 2016 AS DOCUMENT NUMBER 2016-0113845, DESCRIBED AS FOLLOWS:

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

AN EASEMENT FOR DRAINAGE PURPOSES OVER LOTS 106 THROUGH 110, INCLUSIVE, AS SHOWN ON TRACT MAP NO. 35540, ON FILE IN BOOK 443, PAGES 65 THROUGH 78, INCLUSIVE, OF MAPS, RECORDS OF RIVERSIDE COUNTY, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN.

PREPARED BY OR UNDER THE DIRECTION OF:

[Signature]
CHARLES R. HARRIS  P.L.S. 4989
EXP. 12/31/2017

DATED: 7/21/2016

[Stamp]
PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property. In accordance with section 490.3 of the Revenue and Taxation Code, a Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder’s office for the county where the property is located.

NAME AND MAILING ADDRESS OF BUYER/TRANSFEEE
(Please see necessary corrections to the printed name and mailing address)

Pinnacle View LLC
PO Box 1784
Lake Oswego
Oregon 97035

ASSURER’S PARCEL NUMBER
504-400-047, -048, -049, -050, and -051

SELLER/TRANSFEROR
Desert Water Agency

BUYER’S DAYTIME TELEPHONE NUMBER
(503) 850-4043

BUYER’S EMAIL ADDRESS
edefreeman3176@aol.com

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY

MAIL PROPERTY TAX INFORMATION TO

ADDRESS

CITY

STATE

ZIP CODE

☑ YES ☐ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy

PART 1. TRANSFER INFORMATION

Please complete all statements.

This section contains possible exclusions from reassessment for certain types of transfers.

☑ YES ☐ NO

☐ A. This transfer is solely between spouses (addition or removal of a spouse, death of a spouse, divorce settlement, etc.).

☐ B. This transfer is solely between domestic partners currently registered with the California Secretary of State (addition or removal of a partner, death of a partner, termination settlement, etc.).

☐ C. This is a transfer: ☐ between parent(s) and child(ren) ☐ from grandparent(s) to grandchild(ren).

☐ D. This transfer is the result of a tenant’s death. Date of death ____________________________

☐ E. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county? ☐ YES ☐ NO

☐ F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? ☐ YES ☐ NO

☐ G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (e.g., a name change upon marriage).

If YES, please explain: ________________________________________________________________

☐ H. The recorded document creates, terminates, or reconveys a lender’s interest in the property.

☐ I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., cosigner). If YES, please explain: ________________________________________________________________

☐ J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.

K. This is a transfer of property:

☐ 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of the ☐ transferor, and/or ☐ the transferor’s spouse ☐ registered domestic partner.

☐ 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.

☐ 3. to/from an irrevocable trust for the benefit of the ☐ creator/grantor/trustor and/or ☐ grantor’s/trustor’s spouse ☐ grantor’s/trustor’s registered domestic partner.

☐ L. This property is subject to a lease with a remaining lease term of 35 years or more including written options

☐ M. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.

☐ N. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.

☐ O. This transfer is to the first purchaser of a new building containing an active solar energy system.

* Please refer to the instructions for Part 1.

Please provide any other information that will help the Assessor understand the nature of the transfer.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION
PART 2. OTHER TRANSFER INFORMATION
Check and complete as applicable.
A. Date of transfer, if other than recording date: N/A
B. Type of transfer:
- Purchase
- Foreclosure
- Sale/leaseback
- Gift
- Trade or exchange
- Merger, stock, or partnership acquisition (Form BOE-100-B)
- Inheritance. Date of death:
- Original term in years (including written options): ______
- Remaining term in years (including written options): ______
-或其他。请解释：Quitclaim of easement for no monetary compensation
C. Only a partial interest in the property was transferred. YES [☑] NO [ ] If YES, indicate the percentage transferred: %

PART 3. PURCHASE PRICE AND TERMS OF SALE
Check and complete as applicable.
A. Total purchase price
B. Cash down payment or value of trade or exchange excluding closing costs
C. First deed of trust @ % interest for ______ years. Monthly payment $________
   - FHA (______ Discount Points)
   - Cal-Vet
   - VA (______ Discount Points)
   - Fixed rate
   - Variable rate
   - Bank/Savings & Loan/Credit Union
   - Loan carried by seller
   - Balloon payment $________ Due date:
D. Second deed of trust @ % interest for ______ years. Monthly payment $________
   - Fixed rate
   - Variable rate
   - Bank/Savings & Loan/Credit Union
   - Loan carried by seller
   - Balloon payment $________ Due date:
E. Was an Improvement Bond or other public financing assumed by the buyer? YES [ ] NO [☑] Outstanding balance $________
F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price $________
G. The property was purchased: [☑] Through real estate broker. Broker name: __________ Phone number: ( )
   - Direct from seller
   - From a family member/Relationship __________
   - Other. Please explain: __________
H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property. Quitclaim of easement for no monetary compensation

PART 4. PROPERTY INFORMATION
Check and complete as applicable.
A. Type of property transferred
   - Single-family residence
   - Multiple-family residence. Number of units: ______
   - Other. Description: (i.e., timber, mineral, water rights, etc.)__
   - Quitclaim of easement
   - Co-op/Own-your-own
   - Manufactured home
   - Condominium
   - Unimproved lot
   - Timeshare
   - Commercial/Industrial
B. YES [☑] NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.
   If YES, enter the value of the personal/business property $________
   Incentives $________
C. YES [☑] NO A manufactured home is included in the purchase price.
   If YES, enter the value attributed to the manufactured home: $________
   YES [ ] NO The manufactured home is subject to local property tax. If NO, enter decal number: __________
D. YES [☑] NO The property produces rental or other income.
   If YES, the income is from: [☐] Leasehold [☐] Contract [☐] Mineral rights [☐] Other:
   Please describe: __________
E. The condition of the property at the time of sale was: [ ] Good [ ] Average [ ] Fair [ ] Poor

CERTIFICATION
I certify (or declare) that the foregoing and all information herein, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.

SIGNATURE OF BUYER/TRANSFEREE OR CORPORATE OFFICER
DATE
TELEPHONE
NAME OF BUYER/TRANSFEREE/Legal Representative/Corporate Officer (please print) TITLE
EMAIL/ADDRESS

The Assessor’s office may contact you for additional information regarding this transaction.
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Desert Water Agency
Exempt from filing fees per G.C. §6103
Post Office Box 1710
Palm Springs, CA 92263-1710

APN 504-390-066

GRANT OF EASEMENT
(Non-Exclusive)

Pinnacle View, LLC, A California Limited Liability Company, hereinafter called GRANTOR, does hereby grant and convey to DESERT WATER AGENCY, a public agency, its successors and assigns, hereinafter called GRANTEE, a perpetual easement and right-of-way to construct, reconstruct, alter, replace, use, operate, inspect, maintain, repair, and remove water, drainage facilities and sewage pipelines and appurtenances and electrical and communication conduits and appurtenances, with all connections thereto, together with the right of ingress and egress, across, along, over, under, through, and within that certain real property in the County of Riverside, State of California, described as follows:

See Exhibit "A" Legal Description Attached

GRANTEE covenants to maintain the perpetual easement and right-of-way in good repair so that no unreasonable damage will result to the adjacent land of the GRANTOR, his successors and assigns, from its use. GRANTEE reserves the right to clear all brush, plants, shrubs, trees, trash, and other obstructions from the perpetual easement and right-of-way.

GRANTOR, his successors and assigns, covenants that it will not erect, place, or maintain, or allow to be erected, placed, or maintained, within the boundaries of the said perpetual easement and right-of-way, any structure, without first securing permission of the GRANTEE, and that it will not plant or maintain or permit to be planted or maintained, any plants, shrubs, or trees that may interfere with the full and complete use of the perpetual easement and right-of-way. GRANTOR agrees that GRANTEE, its successors and assigns, and its agents and employees, may trim or remove any plants, shrubs, or trees that encroach on the permanent easement and right-of-way.

Any use hereinafore permitted to be made of the surface of said land by GRANTOR or its heirs or assigns, shall be exercised so as not to impair, endanger or interfere with the present or prospective exercise of any of the rights herein granted.
GRANT OF EASEMENT

GRANTEE shall not be liable for the replacement of decorative concrete or other surface improvements except asphalt concrete surfacing which GRANTEE may be required to remove in the future to gain access to its pipelines and appurtenances.

GRANTOR hereby covenants on behalf of itself, its heirs, successors and assigns that if any type of gate or other structure is constructed which could restrict GRANTEE'S ingress and egress to said system, a utility access control box will be installed as part of the operating portion of said structure to ensure GRANTEE'S free access to its easement. Said box shall be of a type and style approved by GRANTEE and shall be supplied at the GRANTOR'S expense.

The terms and covenants of this perpetual easement and right-of-way shall bind and inure to the benefit of the heirs, executors, administrators and assigns of GRANTOR and to the successors and assigns of GRANTEE.

Desert Water Agency is not responsible for any damage that may occur to these items by Agency personnel during any maintenance and that the Agency will not replace any of these items if necessary to remove for maintenance of the pipe, to include leak repairs.

IN WITNESS WHEREOF, this instrument is executed on this, the ____________ day of ____________________, 2016.

By:  

Joseph E. Weston  (Grantor)

Title:  Member  

Member, Pinnacle View LLC
EXHIBIT "A"
LEGAL DESCRIPTION

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA;

AN EASEMENT OVER LOT "K", ALSO KNOWN AS RISING SUN COURT, A
PRIVATE STREET, AS SHOWN ON TRACT MAP NO. 35540, ON FILE IN BOOK
443, PAGES 65 THROUGH 78, INCLUSIVE, OF MAPS, RECORDS OF RIVERSIDE
COUNTY, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP
4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN.

PREPARED BY OR UNDER THE DIRECTION OF:

[Signature]

CHARLES R. HARRIS  P.L.S. 4989

DATED: 7/21/2016

PAGE 1 OF 1
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of______________________________
On____________________ before me,______________________________

Date

Here Insert Name and Title of the Officer

personally appeared______________________________________________

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________________

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ______________________________

Document Date: ______________________________

Number of Pages: ________ Signer(s) Other Than Named Above: ________

Capacity(ies) Claimed by Signer(s)

Signer’s Name: __________________________________________

☐ Corporate Officer — Title(s): ______________________________

☐ Partner — Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: __________________________________________

Signer Is Representing: __________________________________

□ Corporate Officer — Title(s): ______________________________

□ Partner — Limited ☐ General

□ Individual ☐ Attorney in Fact

□ Trustee ☐ Guardian or Conservator

□ Other: __________________________________________

Signer Is Representing: __________________________________

©2014 National Notary Association • www.NationalNotary.org • 1-800-US NOTARY (1-800-876-6627) Item #5967
PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property. In accordance with section 460.3 of the Revenue and Taxation Code. A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located.

NAME AND MAILING ADDRESS OF BUYER/TRANSFEE
(If necessary, corrections to printed name and mailing address)

Desert Water Agency
PO Box 1710
Palm Springs
CA 92263-1710

ASSESSOR'S PARCEL NUMBER
504-390-006

SELLER/TRANSFEE
Pinnacles View, LLC

BUYER'S CONTACT TELEPHONE NUMBER
(760) 323-4971

BUYER'S EMAIL ADDRESS
sjohnson@dwa.org

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY
N/A

MAIL PROPERTY TAX INFORMATION TO (NAME)

ADDRESS

CITY

STATE

ZIP CODE

☐ YES ☐ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy.

PART 1. TRANSFER INFORMATION

Please complete all statements.

This section contains possible exclusions from reassessment for certain types of transfers.

☐ YES ☐ NO

☐ A. This transfer is solely between spouses (addition or removal of a spouse, death of a spouse, divorce settlement, etc.).

☐ B. This transfer is solely between domestic partners currently registered with the California Secretary of State (addition or removal of a partner, death of a partner, termination settlement, etc.).

☐ +C. This is a transfer: ☐ between parent(s) and child(ren) ☐ from grandparent(s) to grandchild(ren).

☐ *D. This transfer is the result of a tenant's death. Date of death

☐ E. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county?

☐ F. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county?

☐ G. This transaction is only a correction of the name(s) of the person(s) holding title to the property (e.g., a name change upon marriage). If YES, please explain:

☐ H. The recorded document creates, terminates, or reconveys a lender's interest in the property.

☐ I. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., co-signer). If YES, please explain:

☐ J. The recorded document substitutes a trustee of a trust, mortgage, or other similar document

K. This is a transfer of property:

☐ 1. to/from a revocable trust that may be revoked by the transferee and is for the benefit of ☐ the transferee, and/or ☐ the transferee's spouse ☐ registered domestic partner.

☐ 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.

☐ 3. to/from an irrevocable trust for the benefit of the ☐ creator/grantor/trustor and/or ☐ grantor's/trustor's spouse ☐ grantor's/trustor's registered domestic partner.

☐ L. This property is subject to a lease with a remaining lease term of 35 years or more including written options.

☐ M. This is a transfer between parties in which proportional interests of the transferee(s) and transferor(s) in each and every parcel being transferred remain exactly the same after the transfer.

☐ N. This is a transfer subject to subsidized low-income housing requirements with governmental imposed restrictions.

☐ O. This transfer is to the first purchaser of a new building containing an active solar energy system.

* Please refer to the instructions for Part 1.

Please provide any other information that will help the Assessor understand the nature of the transfer.

THE DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION
PART 2. OTHER TRANSFER INFORMATION
A. Date of transfer, if other than recording date: N/A
B. Type of transfer:
   - Purchase
   - Foreclosure
   - Gift
   - Trade or exchange
   - Merger, stock, or partnership acquisition (Form BOE-100-B)
   - Contract of sale. Date of contract: ____________________________
   - Inheritance. Date of death: ____________________________
   - Sale/leaseback
   - Creation of a lease
   - Assignment of a lease
   - Termination of a lease. Date lease began: ____________________________
   - Other. Please explain: Grant of easement for no monetary compensation
C. Only a partial interest in the property was transferred: YES ☑ NO
   If YES, indicate the percentage transferred: %

PART 3. PURCHASE PRICE AND TERMS OF SALE
A. Total purchase price: $________
B. Cash down payment or value of trade or exchange excluding closing costs: Amount $________
C. First deed of trust @ ___% interest for ______ years. Monthly payment $________
   - FHA (___ Discount Points)
   - Cal-Vet
   - VA (___ Discount Points)
   - Fixed rate
   - Variable rate
   - Bank/Savings & Loan/Credit Union
   - Loan carried by seller
   - Balloon payment $________ Due date: ____________________________
D. Second deed of trust @ ___% interest for ______ years. Monthly payment $________
   - Fixed rate
   - Variable rate
   - Bank/Savings & Loan/Credit Union
   - Loan carried by seller
   - Balloon payment $________ Due date: ____________________________
E. Was an Improvement Bond or other public financing assumed by the buyer? YES ☑ NO
   Outstanding balance: $________
F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price: $________
G. The property was purchased: ☑ Through real estate broker. Broker name: ____________________________ Phone number: ____________________________
   - Direct from seller
   - From a family member. Relationship: ____________________________
   - Other. Please explain: Grant of easement for no monetary compensation

PART 4. PROPERTY INFORMATION
A. Type of property transferred:
   - Single-family residence
   - Multiple-family residence. Number of units: ______
   - Other. Description: (i.e., timber, mineral, water rights, etc.) ____________________________
   - Co-op/Own-your-own
   - Condominium
   - Manufactured home
   - Unimproved lot
   - Timeshare
   - Commercial/industrial
B. YES ☑ NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.
   If YES, enter the value of the personal/business property: $________
   Incentives $________
C. YES ☑ NO A manufactured home is included in the purchase price.
   If YES, enter the value attributed to the manufactured home: $________
   The manufactured home is subject to local property tax. If NO, enter decal number: ____________________________
D. YES ☑ NO The property produces rental or other income.
   If YES, the income is from: ☑ Lease/rent ☑ Contract ☑ Mineral rights ☑ Other: ____________________________
E. The condition of the property at the time of sale was: ☑ Good ☑ Average ☑ Fair ☑ Poor
   Please describe: ____________________________

CERTIFICATION
I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.

SIGNATURE OF BUYER/TRANSFEREE OR CORPORATE OFFICER ____________________________
DATE ____________________________ TELEPHONE ( )
NAME OF BUYER/TRANSFEREE/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT) ____________________________
TITLE ____________________________ EMAIL ADDRESS ____________________________

The Assessor’s office may contact you for additional information regarding this transaction.
STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS
SEPTEMBER 6, 2016

RE: REQUEST FOR AUTHORIZATION TO SIGN INFORMED WRITTEN CONSENT

Desert Water Agency’s legal counsel, Best Best & Krieger LLP (“BB&K”), serves as general counsel to several water districts that will be dealing with Sustainable Groundwater Management Act issues in the San Gorgonio Pass Subbasin, including the San Gorgonio Pass Water Agency, Cabazon Water District and High Valleys Water District. Although Desert Water Agency’s boundaries include only a small portion of that subbasin, and although DWA’s involvement will be minimal, DWA probably will need to enter into an agreement or MOU with those water districts to coordinate with them in complying with SGMA. DWA and the other water districts may seek advice from BB&K in that effort.

While we do not anticipate conflicts arising, the potential for conflict exists, and therefore the districts that have BB&K as their legal counsel are executing informed written consents to allow them to continue using BB&K for review and advice. All three of the other water districts have already signed informed written consents, substantially identical to the consent presented to the DWA Board for consideration.

Staff requests authorization to sign and return the informed written consent that accompanies this staff report.
August 8, 2016

Mr. Mark Krause  
General Manager  
Desert Water Agency  
1200 Gene Autry Trail South  
P.O. Box 1710  
Palm Springs, CA 92263-1710


Dear Mark:

As you know, Best Best & Krieger LLP (BB&K) serves as General Counsel for the San Gorgonio Pass Water Agency (SGPWA), Cabazon Water District (Cabazon), Desert Water Agency (DWA), and High Valleys Water District (HVWD).

Recently, SGPWA, Cabazon, DWA, and HVWD each have requested BB&K to provide separate legal advice regarding compliance with the Sustainable Groundwater Management Act (SGMA) in the San Gorgonio Pass Subbasin (Basin). More specifically, SGPWA, Cabazon, DWA, and HVWD each are considering whether to prepare and enter a Memorandum of Agreement regarding the formation of one or more Groundwater Sustainability Agencies (GSAs) for the Basin, and each may continue to be involved in the preparation of one or more Groundwater Sustainability Plans (GSPs) for the Basin for purposes of complying with the requirements of SGMA. For these and related issues (herein referred to as the “SGMA Matters”), SGPWA, Cabazon, DWA, and HVWD each and respectively have requested and will continue to request BB&K to provide separate legal advice regarding SGMA Matters in the Basin. Paeter Garcia will advise SGPWA, Mike Riddell will advise DWA, and Steve Anderson will advise Cabazon and HVWD. This letter is to inform you about our joint representation of SGPWA, Cabazon, DWA, and HVWD with respect to SGMA Matters in the Basin, to discuss the potential conflicts that may arise among SGPWA, Cabazon, DWA, and HVWD with respect to the joint representation, and to obtain your informed written consent.

01358.000000039133444.1
RULES OF PROFESSIONAL CONDUCT

Rule 3-310 of the California Rules of Professional Conduct provides in pertinent part:

(C) A member [of the Bar] shall not, without the informed written consent of each client:

(1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or

(2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or

(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

JOINT REPRESENTATION

As mentioned above, BB&K simultaneously will be assisting SGPWA, Cabazon, DWA, and HVWD with respect to the SGMA Matters in the Basin. Although your respective interests are likely to be aligned in such SGMA Matters, there is a possibility that the respective interests of these parties may develop in such a way that creates a conflict. Therefore, the interests of our four clients “potentially conflict” as described in Rule 3-310(C)(1). In the event that circumstances arise in which the interests of SGPWA, Cabazon, DWA, or HVWD actually conflict, we will address those circumstances with you at that time. It is possible that in such circumstances BB&K might have to withdraw from representing one or all of the parties with respect to the SGMA Matters in the Basin in order to resolve the issue.

Because the conflict of your interests is potential but not actual, we do not intend to erect any ethical walls between the BB&K attorneys advising these parties about the SGMA Matters. We also expect that the BB&K attorneys may occasionally share information among themselves about the SGMA Matters in an effort to strengthen the position of all four of our clients. If you disagree with this procedure now, or if it becomes a concern to you, please let us know immediately.

POTENTIAL ADVERSE CONSEQUENCES

We are required to inform you of any actual or reasonably foreseeable adverse effects of this joint representation. It is possible that:
August 8, 2016
Page 3

- We may disclose confidential information to a client that the other client would not like revealed since we cannot keep confidences among clients on the same matter.

- Rather than vigorously asserting a single client’s interest on an issue, there may be a balancing of interests among the parties represented. Terms that are advantageous to one client may be disadvantageous to another client.

- An attorney representing more than one client may view his or her task as attempting to accomplish the stated common goals of the joint representation, and may be less likely than an attorney representing a single client to warn of possible improper action by another client.

- We may impair the position or claims of one client because of an adverse position we take for another client.

- Disputes may arise among SGPWA, Cabazon, DWA, and HVWD regarding tactics, objectives, or resolution of the SGMA Matters because of our joint representation.

- We may be restricted from forcefully advocating a client’s position for fear of alienating another client.

- We may be forced to withdraw from representing SGPWA, Cabazon, DWA, and HVWD in the SGMA Matters for the Basin because of disputes or further conflicts of interest which could increase the clients’ attorneys’ fees and costs.

- There may be an appearance of impropriety in our simultaneous representation of SGPWA, Cabazon, DWA, and HVWD.

YOUR CONSENT

If you wish for BB&K to represent DWA in the SGMA Matters for the Basin, we need you to sign this consent letter. I believe that you are familiar with the factual background in this matter, and I have given you a sufficiently detailed description for obtaining the informed written consent of the SGPWA. However, if you believe that there is any other information that you or I need to have before such informed written consent can be granted, please let me know immediately.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.
August 8, 2016
Page 4

I should emphasize that you are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent form.

Sincerely,

Michael T. Riddell
of BEST BEST & KRIEGER LLP

AGREED AND ACCEPTED:

By: ____________________________
Dated: __________________________
Enclosure
In 2014, Governor Brown passed legislation that provides a statewide framework for sustainable groundwater management in California (Senate Bill [SB] 1168, Assembly Bill [AB] 1739, and SB 1319). This legislation, referred to as the SGMA, is intended to support local groundwater management through the oversight of a Groundwater Sustainability Agency(s) (GSA). The SGMA requires that all area of a basin be covered by one or more GSAs in all high and medium priority basins by June 30, 2017. DWA has been named the “exclusive” GSA for the area within its boundaries. The SGMA also requires the GSA to develop either a groundwater sustainability plan (GSP) or alternative GSP for their respective groundwater basins within the boundary of DWA. The Partners have elected to develop an alternative GSP.

This MOU is for governance of the Indio Sub-basin under the Sustainable Groundwater Management Act (SGMA). The intent of the MOU is to encourage cooperation and coordination regarding management of the Indio Sub-basin within the respective Partners area, and to improve and maintain overall communication between the Partners involved. It is anticipated that coordination and information sharing among the Partners will assist in achieving their respective missions to the overall well-being of the Indio Sub-basin.

Granting authority to enter into the MOU that covers the Indio Sub-basin will obligate DWA to move forward on developing and submitting an alternative GSP with the Partners. The alternative GSP will consist of a bridge document prepared MWH America’s Inc. (MWH), and the 2010 Coachella Valley Water Management Plan Update. The total cost for MWH to perform said work is $112,723. Each partner will be responsible for paying $28,180.75.

Staff recommends that the Board authorize the General Manager to enter into an MOU with the Partners for the purpose of developing a common understanding among the Partners regarding the governance structures applicable to implementation of the SGMA.
MEMORANDUM OF UNDERSTANDING
REGARDING GOVERNANCE OF THE INDO SUB-BASIN
UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

This memorandum of understanding (MOU) is entered into among the City of Coachella, a municipal corporation acting through, and on behalf of, the Coachella Water Authority (CWA), the Coachella Valley Water District (CVWD), the Desert Water Agency (DWA), and the City of Indio, a municipal corporation acting through, and on behalf of, the Indio Water Authority (IWA) for the purpose of developing a common understanding among the Partners regarding the governance structures applicable to implementation of the Sustainable Groundwater Management Act (Water Code, Part 2.74, Section 10720 et seq.) (SGMA) in the Indio Sub-Basin of the Coachella Valley Groundwater Basin. The Partners to this MOU shall be collectively referred to herein as “Partners” and individually as “Partner”.

WHEREAS, SGMA requires all groundwater basins designated as high or medium priority to be managed under a groundwater sustainability plan (GSP), under coordinated GSP’s, or under an approved “alternative”;

WHEREAS, the California Department of Water Resources (DWR) has designated the Coachella Valley Groundwater Basin, Indio Sub-Basin (Bulletin 118, No. 7-21.01) (“Indio Sub-Basin” or the “Sub-Basin”) as a medium priority basin; and,

WHEREAS, the service area of each of the Partners overlies over a portion of the Indio-Sub-Basin;

WHEREAS, SGMA provides that “any local agency or combination of local agencies overlying a groundwater basin may elect to be a groundwater sustainability agency [GSA] for that basin” and that GSA’s are to be formed no later than June 30, 2017;

WHEREAS, under SGMA, DWA has been deemed the exclusive local agency with the power to implement SGMA within DWA’s statutory boundaries, unless DWA elects to “opt out of being the exclusive groundwater management agency within its statutory boundaries” (Water Code, § 10723(c)(2));

WHEREAS, each of the Partners plans to become a separate GSA or groundwater management agency for portions of the Indio Sub-Basin; and

WHEREAS the Partners desire to reach a common understanding with respect to the future SGMA governance structure of the Indio Sub-Basin to maximize coordination and minimize potential areas of disagreement.

NOW, THEREFORE, it is mutually understood and agreed as follows:
SECTION 1:
AUTHORITY OF THE PARTNERS

1.1 Coachella Water Authority is a joint powers authority formed as a component of the City of Coachella and the Housing Authority of the City of Coachella and has statutory authority over water supply.

1.2 Coachella Valley Water District is a public agency of the State of California organized and operating under the County Water District Law, California Water Code section 30000, et seq, and the Coachella Valley Water District Merger Law, Water Code section 33100, et seq. Coachella Valley Water District has groundwater management powers under its enabling legislation and other applicable law.

1.3 Desert Water Agency is an independent special district created by a special act of the State Legislature contained in chapter 100 of the appendix of the California Water Code. Desert Water Agency is empowered to replenish local groundwater supplies and collect assessments necessary to support a groundwater replenishment program as provided for in the Desert Water Agency Law, and has statutory authority over water supply.

1.4 Indio Water Authority is a joint powers authority formed as a component of the City of Indio and Housing Authority of the City of Indio and has statutory authority over water supply.

SECTION 2:
PURPOSES AND GOALS OF THIS MOU

2.1. This MOU is to memorialize the intent of the Partners to coordinate and cooperate regarding implementation of SGMA within their respective jurisdictions to ensure that the sustainability goals of SGMA are met within the Indio Sub-Basin. This MOU is intended to encourage cooperation and coordination regarding management of the Indio Sub-Basin, and to improve and maintain overall communication between the Partners involved. It is anticipated that coordination and information sharing among the Partners will assist in achieving their respective missions to the overall well-being of the Sub-Basin.

2.2 Each Partner shall have the sole and exclusive right to determine whether, and if so when, it will elect to be a GSA or, in the case of DWA, the exclusive local agency with powers to implement SGMA for the portion of the Indio Sub-Basin underlying its statutory boundaries.

2.3 Subject to SGMA and any other applicable laws, the Partners agree that if a Partner elects not to become a GSA for the portion of the Sub-Basin underlying its service area by June 30, 2017, the other Partners will not object should such Partner later seek to become a GSA on or after July 1, 2017.
2.4 The Partners agree to coordinate to ensure, to the greatest extent feasible, that there are no overlapping boundaries among the recognized GSA’s governing the Sub-Basin. The Partners further agree to cooperate regarding any contemplated Sub-Basin boundary modification requests that may be pursued that affect their respective GSA boundaries or groundwater management service areas.

2.5 Should any Partner withdraw or cease being a GSA, the other Partners shall have the first opportunity to become the GSA for the abandoned area of the Sub-Basin before such area would potentially fall under the groundwater management jurisdiction of the County of Riverside, the State of California, or other entity pursuant to SGMA; provided that the service area of the abandoned area is within the service area of the Partner seeking to become the new GSA for the abandoned area.

2.6 Nothing in this MOU is intended to affect the statutory powers granted under SGMA or any other law to any of the Partners, or to a GSA or local agency duly formed by any Partner. Nothing in this MOU shall affect any existing authorities or powers of the Partners existing under each Partner’s enabling legislation or otherwise.

2.7 Each Partner shall be responsible for the adoption and enforcement of any ordinances, bylaws or other legally enforceable action taken by any GSA it forms or local agency with authority to implement SGMA. None of the actions or decisions of one Partner shall be attributable to the other Partners.

2.8 The Partners acknowledge and agree that a pre-existing, approved water management plan or plans (WMP) has been prepared and adopted that covers the Indio Sub-Basin. The Partners acknowledge and agree that CVWD individually or with Partners has the right to submit the WMP(s) as a potential “alternative” to a GSP for the portion of the Sub-Basin within their respective GSA boundaries or local agency boundaries. (See Water Code, section 10733.6.) The Partners agree to support, and not object, to the submission of the currently approved WMP(s) as an alternative to a GSP. Should modifications or amendments to the WMP(s) become necessary to meet the alternative compliance procedures outlined in SGMA or for other reasons, the Partners agree to the following:

2.8.1 MWH America’s Inc. (MWH), the consultant who completed the pre-existing, approved water management plan is the most qualified consultant to complete an alternative GSP.

2.8.2 MWH has provided a scope of work, fees that have been agreed to by the Partners.

2.8.3 CVWD shall retain MWH to prepare an alternative Plan for an amount not to exceed $112,723, without prior authorization.

2.8.4 CVWD shall invoice each Partner for reimbursement of one-fourth (1/4) of the cost of GSP alternative Preparation which is an amount equal to $28,180.75.
2.8.5 The Partners agree to coordinate their implementation of SGMA in the Sub-Basin whether or not DWR approves the alternative, in whole or in part.

2.8.6 The Partners acknowledge that by virtue of commitments and intentions stated within this MOU, the need to share additional costs shall be addressed in future amendments to this MOU.

2.9 Unless otherwise agreed to by the Partners in the future, each Partner shall absorb its own costs related to implementation of this MOU.

2.10 By signing this MOU each of the Partners commits to sharing the responsibility and the resources necessary to comply with SGMA in the Sub-Basin under the statutory, regulatory and other applicable timelines, including but not limited to attending scheduled meetings, providing comments and other deliverables on time, and otherwise fully participating in the process.

2.11 The Partners acknowledge that SGMA may require the Partners to enter into future agreements, including a coordination agreement, to fully implement SGMA in the Indio Sub-Basin.

SECTION 3:
JOINT PLANNING FOR SGMA IMPLEMENTATION

3.1 It is the intent of the Partners that they coordinate and collaborate to address the common issues identified in this MOU. The Partners may develop and implement governance objectives, projects and programs under SGMA individually or jointly, or enter into additional agreements in furthering those goals.

3.2 It is the intent of the Partners to meet on at least a quarterly basis in order to carry out the purposes and goals of this MOU. The frequency and location of meetings are subject to the discretion of the Partners and may be changed whenever appropriate.

SECTION 4:
GENERAL PROVISIONS GOVERNING MOU

4.1 Term: The term of this MOU shall be from the date the second Partner signs this MOU (“Effective Date”). This MOU shall be effective as to any Partners that execute it, whether or not all named Partners execute it.

4.2 Termination. Any Partner may terminate its participation in this MOU upon thirty (30) days prior written notice to the other Partners for any reason or no reason. Any Partner terminating or otherwise ceasing its participation in this MOU shall be responsible for its share of the costs, as set forth herein, which are incurred on or before the effective date of said termination.
4.3 Construction of Terms: This MOU is for the sole benefit of the Partners and shall not be construed as granting rights to any person other than the Partners or imposing obligations on a Partner to any person other than another Partner.

4.4 Good Faith: Each Partner shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of its terms.

4.5 Rights of the Partners and Constituencies: This MOU does not contemplate the Partners taking any action that would adversely affect the rights of any Partners, or adversely affect the customers or constituencies of any Partners.

4.6 Partner Discretion. Participation in this MOU shall not restrict any Partner’s authority and discretion to continue its own planning and undertake its own efforts to secure SGMA, Proposition 1 or other funding from any other source.

4.7 Necessary Actions. Each Partner agrees to execute and deliver additional documents and instruments and to take any additional actions as may be required to carry out the purposes of this MOU.

4.8 Third Party Beneficiaries. This MOU shall not create any right or interest in any non-Partner or in any member of the public as a third-party beneficiary.

4.9 Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original

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

______________________________       ______________________________
Jim Barrett                     David Garcia
Coachella Valley Water District  Coachella Water Authority

______________________________       ______________________________
Mark Krause                     Brian Macy
Desert Water Agency             Indio Water Authority
EXHIBIT “B”

TO

PROFESSIONAL SERVICES CONTRACT

PROFORMA TASK ORDER

COACHELLA VALLEY WATER DISTRICT

PROFESSIONAL SERVICES AGREEMENT

TASK ORDER NO. 5

This Task Order No. 5 ("Task Order") is entered into this ___ day of ___________, 2016 by and between Coachella Valley Water District ("CVWD") and MWH Americas Inc ("Consultant").

RECITALS

A. On or about December 15, 2015, CVWD and Consultant executed that certain Professional Services Agreement ("Agreement").

B. The Agreement provides that the parties would enter into a Task Order to make changes to or authorize certain work set forth in the Scope of Services (as defined in the Agreement). The purpose of this Task Order is to make changes to or authorize work on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree:

1. Section 1.01 of the Agreement is hereby amended to [include] or [delete] those services listed on Exhibit “1” attached hereto and by this reference incorporated herein.

2. Section 2.01 of the Agreement is hereby amended to [increase] or [decrease] or [confirm] the amount to be paid by CVWD to Consultant as more particularly set forth on Exhibit “1.”

3. In the event this Task Order authorizes additional work or confirms work set forth in the Task Order but not authorized, Consultant shall perform the services listed in Paragraph 1 above pursuant to the schedule set forth on Exhibit “1.”

4. Except as amended or supplemented herein or in previous task orders, the terms and conditions of the Agreement shall remain in full force and effect. Notwithstanding the immediately preceding sentence, the Agreement shall be interpreted in a manner consistent with the intent of this Task Order.

IN WITNESS WHEREOF, CVWD and Consultant have caused this Task Order No. 5 to be executed as of the day and year first above written.
"CONSULTANT"
MWH AMERICAS, INC., a California corporation
By: [Signature]
Name: Eric M. Mills
Its: Vice President

"CVWD"
COACHELLA VALLEY WATER DISTRICT, a public agency
By: [Signature]
Name: J.M. Barrett
Its: General Manager
EXHIBIT “1”
TO
TASK ORDER NO. 5
Sustainable Groundwater Management Act Alternative Plan Submittal
and 2016 Status Report – Indio Subbasin

SCOPE OF WORK

CVWD and the three other groundwater sustainability agencies for the Indio Subbasin (GSAs), Desert
Water Agency (DWA), Coachella Water Authority (CWA), and Indio Water Agency (IWA), plan to meet the
requirements of the 2014 Sustainable Groundwater Management Act (SGMA) through submittal of an
alternative plan document. The GSAs intend to submit the 2010 Coachella Valley Water Management Plan
Update (2010 CVWMP Update) as the alternative groundwater sustainability plan for the Indio Subbasin.
CVWD has requested professional engineering services to prepare a report on behalf of the GSAs that
meets the SGMA requirements and documents the implementation status of the 2010 CVWMP Update.

The purpose of this task order is to:

- Review the requirements of the Sustainable Groundwater Management Act (SGMA) relative to
  submittal of alternative plan documents under Section 10733.6 of the California Water Code and
  the SGMA regulations approved by the California Water Commission on May 18, 2016, which go
  into effect June 1, 2016;
- Document the compliance of the 2010 WMP Update with SGMA requirements;
- Prepare additional materials required to comply with SGMA requirements;
- Document the implementation status of projects and programs identified the 2010 WMP Update
  as of July 1, 2016; and
- Prepare a summary report that serves as a “bridge document” for alternative plan submittal under
  SGMA.

The following tasks will be performed:

1. Conduct up to two (2) meetings and/or conference calls with CVWD and DWR staff to confirm
   the contents and criteria that will be used to evaluate alternative plan compliance with SGMA.
2. Document SGMA requirements and plan compliance:
   a. Review the SGMA law and regulations relative to the submittal of alternative
      groundwater sustainability plans (GSPs).
   b. Prepare a detailed table and accompanying text summarizing the requirements and
      compliance of the 2010 WMP Update with the SGMA requirements.
   c. Document any GSP components that may require supplemental information relative to
      the 2010 CVWMP Update.
3. Document the current urban water demand projections:
   a. Collect and review the final urban water management plans (UWMPs) prepared by the
      Coachella Valley water agencies for 2016.
b. Document the current and projected urban water demand and per capita water use of the major water suppliers based on the UWMPs.

c. Compare population and water demand projections to projections developed for the 2010 CVWMP Update and the 2014 CVWMP Update Status Report.

d. Document the projected urban water supplies that will be used to meet the projected urban water demands through 2045.

4. Summarize recent water supply data:
   b. Prepare tables and charts summarizing the recent trends in water use by usage sector and source.
   c. Collect and evaluate local precipitation and USGS streamflow gauging data for the period 2010 through 2015 and prepare updated estimates of historical natural inflows to the Indio Subbasin.

This data will include local surface water, groundwater, recycled water, Canal water, and SWP Exchange water. Most of this data was collected for UWMP preparation and is readily available in MWH files.

5. Review and update (if needed) the non-potable water demand projections prepared for the draft Imported Water Use Strategy report prepared in August 2015 and the CVWD Board Study Session on March 2, 2016. MWH will also incorporate any information updated as part of CVWD’s on-going non-potable water master planning effort.

6. Review and update the current and future groundwater balance for the Indio subbasin:
   b. Update the historical and projected water balances using the updated demand, supply, return flows, and natural inflow projections.

Groundwater modeling will not be performed as part of this effort. All water balance calculations will be based on the groundwater model boundary inflows and outflows developed for the 2010 WMP Update and the revisions in the 2016 Engineer’s Report on the Groundwater Replenishment Program.

7. Document the progress made toward achieving a sustainable groundwater balance in the Valley over the previous ten years using a hydrology-adjusted water balance. The hydrology-adjusted water balance will consider the differences between actual and long-term average natural and imported water inflows to the Valley. Charts showing the water balance in each subbasin and the Valley as a whole will be prepared.

8. Review and update the Implementation Status and Schedule table prepared for the 2014 WMP Update Status Report based on discussions and information obtained from CVWD staff. Prepare an update table for inclusion in the report.

9. Prepare supplemental information to address differences between the 2010 CVWMP Update and SGMA requirements. This information is anticipated to include the following:
   a. Additional maps showing the coverage area of the plan relative to the groundwater basin; federal, state, and tribal jurisdictional areas; monitoring locations; recharge areas; land use; and well density;
   b. Document how the plan objectives are implemented and progress is evaluated;
   c. Additional documentation of current and proposed monitoring program;
   d. Descriptions of current land use plans and land uses; and
e. Descriptions of how the current plan addresses the six key SGMA sustainability factors (chronic lowering of groundwater levels, significant and unreasonable reductions in groundwater storage; significant and unreasonable seawater intrusion; significant and unreasonable degradation of water quality; significant and unreasonable land subsidence; and surface water depletions that have significant and unreasonable adverse impacts on beneficial uses).

No formal revisions to the existing plan documents will be made per SGMA requirements.

10. Prepare a summary report that serves as a “bridge document” for alternative plan submittal under SGMA and documents the findings and conclusions of this review:
   a. Prepare a draft report for review by CVWD and the other GSAs.
   b. Prepare a table documenting responses to comments received on the draft report.
   c. Prepare a final report for submittal to DWR including relevant supporting documents.

11. Prepare for and attend monthly status meetings with CVWD and GSAs staff (six meetings)

12. Prepare for and conduct biweekly conference calls between status meetings with CVWD staff.

13. Conduct one public meeting to discuss the requirements of SGMA, the approach for alternative GSP compliance, and to obtain input on the planning document.

14. Prepare for and attend one CVWD Board Meeting/Study Session on the Status Report.

15. Provide project management services to be conducted by MWH consist of project setup, regular monitoring of expenditures and progress, coordinating staff resources with the project activities, preparation of monthly invoices, project filing, schedule updates, and record keeping. MWH will also provide quality assurance and quality checks on all project deliverables.

16. Due to the uncertain nature of the work required for SGMA compliance, CVWD may amend this scope of work if additional services are required.

SCHEDULE

MWH will commence work immediately upon notice to proceed. The following milestones are anticipated:

- Documentation of SGMA requirements and listing of required additional information – July 15, 2016
- Public meeting on alternative GSP compliance approach – August, 2016
- Preparation of administrative draft status report – September 30, 2016
- Circulation of draft report to GSAs for review – October, 31, 2016
- Board Study Session – November, 2016
- Preparation of final report – November 30, 2016
- Submittal of final documentation to DWR – December 15, 2016

BUDGET

The total not to exceed amount for the task is $112,723. The detail breakdown of hours and estimate is provided on the next page.
SAVE THE DATE

SUSTAINABLE GROUNDWATER MANAGEMENT ACT

ALTERNATIVE PLAN PREPARATION

August 15, 2016

Dear Stakeholder:

The Coachella Valley Water District, Coachella Water Authority, Desert Water Agency, Indio Water Authority, and Mission Springs Water District have scheduled a public stakeholder meeting to kick off the preparation of Alternative Groundwater Sustainability Plans for the Mission Creek and Indio Subbasins of the Coachella Valley.

Meeting Date: September 7, 2016

Meeting Time: 10:00 a.m.

Meeting Location: Coachella Valley Water District
75515 Hovley Lane East
Palm Desert, CA

On September 16, 2014 Governor Edmund G. Brown Jr. signed a three-bill package known as the Sustainable Groundwater Management Act. The legislation allows local agencies to customize groundwater sustainability plans to their regional economic and environmental needs. SGMA creates a framework for sustainable, local groundwater management for the first time in California history.

For more information about SGMA, please visit the Department of Water Resources Website at: http://groundwater.ca.gov/

If you have questions please contact:

Patti Reyes at 760-398-2661, extension 2270, or preyes@cvwd.org
Ivory Reyburn at 760-398-2661, extension 2200, or ireyburn@cvwd.org
STAFF REPORT
TO
DEsert WATER AGENCY
BOARD OF DIRECTORS
SEPTEMBER 6, 2016

RE: REQUEST BOARD ACTION WITH REGARD TO CLAIM FOR
DAMAGES FILED BY MICHAEL KAPALUNGAN

Attached for the Board’s review is a claim form submitted to the Agency by Mr. Michael Kapalungan on August 11, 2016. Mr. Kapalungan claims the Agency is responsible for vehicle damage due to a water main leak that occurred on July 14, 2016. Information on the leak was provided in the July 19 General Manager’s report.

It was apparent that the damage was substantial and that the vehicle had become unusable. For this reason, the same day the claim was submitted, staff forwarded it to ACWA/JPIA for their review and handling. It was determined by the claimant’s auto insurance company that the vehicle was totaled. Reimbursement for his deductible has been paid by ACWA/JPIA.

As indicated above, the claim has been paid by ACWA/JPIA, therefore as a formality and procedure, ACWA/JPIA requests that the Board deny any and all claims arising from Mr. Kapalungan’s claim.
Claim Form

(A claim shall be presented by the claimant or by a person acting on his behalf.)

NAME OF DISTRICT: DESERT WATER AGENCY

<table>
<thead>
<tr>
<th>1</th>
<th>Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth. Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we MUST have both your Social Security Number and your date of birth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: MICHAEL KAPALUNGAN</td>
<td>Phone Number: (888) 339-4130</td>
</tr>
<tr>
<td>Address(es): 560 E. RACQUET CLUB RD.</td>
<td>Social Security No.:</td>
</tr>
<tr>
<td>PALM SPRINGS, CA 92262</td>
<td>Date of Birth: 9-4-72</td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>List name, address, and phone number of any witnesses.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: CHARLES KUHLMAJ</td>
<td>Desert Water Agency</td>
</tr>
<tr>
<td>Address: PALM SPRINGS RD #3</td>
<td>1200 GENE AUTRY TRAIL</td>
</tr>
<tr>
<td>Phone Number: (760) 323-8181</td>
<td>(760) 323-4971 XT. 135</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: 7/14/16</td>
<td>Time: 8:30</td>
</tr>
<tr>
<td>Tell What Happened (give complete information): 7/14/16 8:30 AM, I PARKED MY VEHICLE ON STARR RD. JUST NORTH OF E. RACQUET CLUB RD. WEST CURB. 0830-0900. I WAS ALERTED BY A NEIGHBOR WORKER THAT THERE WAS AN INCIDENT INVOLVING MY VEHICLE. WENT OUTSIDE TO LOOK, &amp; FOUND WATER HALTING FROM STREET ACROSS FROM MY VEHICLE. SHOOTING AT &amp; PEPPERING MY VEHICLE. POSSIBLE BROKEN WATER PIPE. NOTE: Attach any photographs you may have regarding this claim.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Insurance Deductible. Possible Car Rental. Unknown Damage to Vehicles Engine, Body &amp; Interior, or Possible Electronic Components.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5</th>
<th>Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY OF PALM SPRINGS</td>
<td>DESERT WATER AGENCY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6</th>
<th>The amount claimed if it totals less than ten thousand dollars ($10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars ($10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Civil Case</td>
<td></td>
</tr>
</tbody>
</table>

Date: 8/11/16 Time: 0957 Signature:

ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!
August 4, 2016

MICHAEL KAPALUNGAN
80647 declaration ave
indio, CA 92201

RE: OUR INSURED: MICHAEL KAPALUNGAN
OUR CLAIM NUMBER: CAPA-00299466
DATE OF LOSS: JULY 14, 2016

Dear MICHAEL KAPALUNGAN:

Please find enclosed a copy of the check issued to TQI EXCHANGE, LLC ON BEHALF OF TOYOTA FINANCIAL SERVICES for the collision settlement amount of $15,922.00.

Please do not hesitate to contact me if you have any questions.

Sincerely,
Mercury Insurance Company

Bryan Easterday
Claims Department
888-917-6372, ext. 26995
beasterday@mercuryinsurance.com

Encl.
Mail To: TOYOTA FINANCIAL SERVICES
        PO BOX 9490
        Cedar Rapids, IA 52409

INSURED: MICHAEL KAPALUNGAN
CLAIMANT: MICHAEL KAPALUNGAN
PAYEE: TQI EXCHANGE, LLC

COMMENTS: VIN# JTLZE4FE1FJ066647

MEMO: For payment resulting from your Comprehensive claim of 07/14/2016

CLAIM NUMBER: CAPA-00299466
PAYMENT TYPE: Indemnity
INVOICE/FILE NUMBER: 
ISSUED BY: Bryan Easterday
REPRESENTATIVE: Katelyn Moraine

PAY FIFTEEN THOUSAND NINE HUNDRED TWENTY TWO AND 00/100 DOLLARS

Bank of America
Commercial Disbursement Account
Northbrook, IL

Signature
Dear Mercury Ins:

TQI Exchange, LLC* will accept payment of $15,922.00 as the physical damage or comprehensive insurance settlement for the account of KAPALUNGAN, MICHAEL.

Upon receipt of this settlement, Toyota Motor Credit Corporation, ("TMCC") guarantees release of title or security interest filing to you. If the settlement amount is less than the payoff, please tax the settlement breakdown and the evaluation to (319) 221-2262. We require these documents in order to release the title or our security interest when the settlement is less than the payoff.

Please make the check payable to TQI Exchange, LLC and remit funds to the address indicated at the top of this letter.

If you require any further information or have any questions, please contact us at (800) 874-8822 at your convenience.

Sincerely,

TOYOTA MOTOR CREDIT CORPORATION

*As part of a like-kind exchange program, TMCC has engaged TQI Exchange, LLC (TQI) as a qualified intermediary. You are hereby notified that TMCC has assigned to TQI its rights (but not its obligations) in the agreement for the sale of this leased vehicle to you.
August 1, 2016

MICHAEL KAPALUNGAN
80547 declaration ave
indio, CA 92201

RE: OUR INSURED: MICHAEL KAPALUNGAN
OUR CLAIM NUMBER: CAPA-00299466
DATE OF LOSS: JULY 14, 2016
VEHICLE OWNER: MICHAEL KAPALUNGAN

Dear MICHAEL KAPALUNGAN:

Your 2015 SCION XB, license plate number 7KIL381 was recently inspected at Toyota of the Desert. The estimate of repairs is $11,959.00. Due to the extent of damage, your vehicle is considered a total loss.

We would like to provide you with this summary of the market value of your 2015 SCION XB:

\[
\text{MERGENCY RETAINED} \\
\text{\$16,261.00 (+) Actual Cash Value} \\
\text{\$16,261.00 (=) Adjusted Cash Value} \\
\text{\$15.00 (+) DMV Title Transfer} \\
\text{\$146.00 (+) Vehicle License Fee Refund} \\
\text{\$16,422.00 (=) Gross Settlement} \\
\text{\$500.00 (=) Less Deductible} \\
\text{\$15,922.00 (=) Net Settlement}
\]

The enclosed research was used to determine the Actual Cash Value based upon comparable vehicles for sale in your area. Adjustments have been made for any differences between the comparable vehicle and the loss vehicle.

If you are in a rental, your rental reimbursement will end 5 days after settlement is extended for your total loss. To avoid out of pocket expenses kindly return the rental by 08/06/2016, not to exceed your policy limit of 30 days.

If you are unable to find a comparable vehicle for the gross settlement amount within 35 days, you have the option to contact me to reopen your file.

We welcome the opportunity to serve you. Please do not hesitate to contact me if you have any questions.

MD 04/2016
As a public water agency, Desert Water Agency can only charge the cost of service to its customers. Water rates cannot be used to subsidize low-income customers. Because water is a vital resource, DWA staff has examined assistance options for customers with demonstrated financial need.

United Way of the Desert (UWD) manages customer assistance programs for Mission Springs Water District (MSWD) and Coachella Water Authority (CWA). Our staff has worked with UWD on a framework for a similar fund, which would be supported by employee, business and community contributions.

Eligible customers would receive a $50 credit on a water bill available once per year. The amount and frequency is the same and the MSWD and CWA program, but could be tailored to the DWA customer base after the fund is established and we have a better idea of contribution and funding levels. Assistance will depend on availability of funding.

Customers that contact DWA and express financial hardship will be directed to UWD to substantiate their financial need based on income qualifications detailed in the MOU. Once approved, UWD would contact DWA, and staff would credit the approved customer’s account. UWD and DWA would keep a list of the program participants.

If approved, the program would publicized and available to customers starting in October.

Staff recommends that the Board of Directors authorize the Agency to enter into a Memorandum of Understanding with United Way of the Desert to establish a customer assistance program to be funded through employee, business and community contributions.
Memorandum of Understanding  
Between  
United Way of the Desert and Desert Water Agency  
for  
The Development and Administration of an  
Emergency Assistance Program for Agency Water Customers  

This Memorandum of Understanding dated Tuesday, September 6, is entered into between United Way of the Desert and Desert Water Agency (the Parties) for the purpose of the creation of an Emergency Assistance Program for the customers of Desert Water Agency.

Whereas, in these times of unprecedented economic uncertainty, many residents are experiencing greater pressure to make ends meet;

Whereas, the formation of an Emergency Assistance Program will help qualified residents pay for a most basic and life-sustaining service - water;

Whereas, a joint endeavor between United Way of the Desert and the Desert Water Agency provides the most efficient approach desired by the Parties;

Now, Therefore, it is mutually understood and agreed as follows:

Section 1: Guidelines

1.1 Desert Water Agency will solicit/raise the “seed money” to implement this program. The United Way of the Desert will be the fiscal agent to manage the funds.

1.2 United Way of the Desert will be responsible for the screening of applicants and will determine who qualifies for the Emergency Assistance Program from guidelines established by the Parties, and mutually agreed by the Parties. Those guidelines are attached as Exhibit 1, and dated August 15, 2016.

1.3 United Way of the Desert will provide a monthly financial report to Desert Water Agency.

1.4 United Way of the Desert will retain $50.00 per month from program contributions for the management and administration of the program. A six month and twelve month review of administration costs, and subsequently thereafter, will occur. Program administration fees may, can or will be adjusted according to level of services provided by administrator. Notice of change of administration fees will be communicated in writing to Desert Water Agency and agreed upon by both parties. Any fee changes would occur 30 days after notification.
Section 2: General Provisions Governing the MOU

2.1 The MOU may be terminated by either Party with 45 days notice in writing. The funds remaining in the program will continue to be used to help DWA customers pay their bills until the funds are exhausted.

2.2 Each Party shall use its best efforts and work wholeheartedly and in good faith for the satisfactory performance and expeditious completion of the terms of this MOU.

2.2 This MOU may be executed in any number of counterparts, each of which shall be deemed original, but all of which, when taken together, shall constitute one and the same instrument.

In witness whereof, the Parties have executed this MOU as of the day and year indicated on the first page of this MOU.

_________________________            ___________________________
Kristal Granados              Mark S. Krause
Executive Director              General Manager
United Way of the Desert              Desert Water Agency
Desert Water Agency (DWA) has partnered with United Way of the Desert to provide a DWA Customer Assistance Program to help eligible residential customers avoid water service shut-off due to non-payment. A maximum of up to $50 toward the actual amount owed is available to qualified residential customers once in a 12-month period. Assistance is available based on the amount of program funding available.

Who Qualifies for Assistance?
To receive assistance, a residential customer must make a request through United Way of the Desert. Customers must meet the following requirements in order to receive assistance:

- The DWA bill must be in the name of the residential customer seeking assistance.
- The address on the bill must be the customer’s primary residence.
- Customers must call United Way of the Desert at (760) 323-2731 prior to applying in person, and provide all information requested.
- The customer must meet the following income guidelines, which will be updated annually based on inflation and cost of living factors:

### Maximum Household Income

<table>
<thead>
<tr>
<th>Number of Persons in Household</th>
<th>Total Combined Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>up to $32,040.</td>
</tr>
<tr>
<td>3</td>
<td>up to $40,320.</td>
</tr>
<tr>
<td>4</td>
<td>up to $48,600.</td>
</tr>
<tr>
<td>5</td>
<td>up to $56,880.</td>
</tr>
<tr>
<td>6</td>
<td>up to $65,160.</td>
</tr>
<tr>
<td>each additional person</td>
<td>$8,320.</td>
</tr>
</tbody>
</table>

How to Apply for Assistance
If you would like to apply for the DWA Customer Assistance Program, please call United Way of the Desert at (760) 323-2731 during normal business hours. You will be given information on how to make an appointment to apply in person and provide all the information requested.

How is the DWA Customer Assistance Program funded?
The program is funded year-round through charitable donations sent directly to United Way of the Desert, designated for the “DWA Customer Assistance Program.” Anyone may make a tax-deductible donation via check to United Way of the Desert, P.O. Box 13210, Palm Desert, CA 92255, or via credit card by calling United Way at (760) 323-2731.

Thank you for your support!
RE: UPDATE FOR SAN GORGONIO PASS SGMA MOU

The Sustainable Ground Water Management Act (SGMA) requires that the entire area of a groundwater basin that is classified as either high or medium priority shall be covered by one or more Groundwater Sustainability Agency (GSA). DWA boundary overlies a portion of the San Gorgonio Pass Subbasin (SGPS) is classified as medium priority, and as such needs to be covered by one or more GSAs. DWA is currently working with City of Banning, High Valleys Water District, Cabazon Water District, Mission Springs Water District, and Morongo Band of Mission Indians (MBMI) to fulfill the requirements of SGMA within the SGPS. As such the group, excluding Morongo Band of Mission Indians and DWA, has elected to form and be governed by a single GSA. The establishment of this GSA will be under a memorandum of agreement (MOA). An executive committee will oversee this GSA with members from the City of Banning, High Valleys Water District, Cabazon Water District, and Mission Springs Water District. A majority vote will determine decisions for this GSA. Said GSA will govern areas within the GSA’s member areas.

DWA will be outside the governing influence of above mentioned GSA. Thus, DWA will be able to maintain its statutory right within its boundaries as the exclusive local agency with the power to comply with SGMA. To preserve right DWA has formed a separate GSA and intends to enter into an MOU with the above mentioned GSA. It is important for DWA to maintain its interest in the SGPS. Currently, MSWD owns and operates two wells within DWA’s boundary that overlies the SGPS.

The MBMI, which encompasses approximately 65% of the SGPS, has determined that it will not formally participate in SGMA. The MBMI does plan to move forward on updating their water resource planning documents. Only 35% of the basin falls under the regulations of SGMA. It is questionable how SGMA can be effective under these conditions.
March 22, 2016

Mr. Jeff Davis  
San Gorgonio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223

RE: March 08, 2016 SGMA letter

Dear Mr. Davis,

I am in receipt of your March 08, 2016 letter regarding the efforts being made by your agency as well as others related to the Sustainable Groundwater Management Act of 2014 (SGMA). As you are likely aware, the Morongo Band of Mission Indians (MBMI), a federally recognized tribe as well as other federally recognized tribes throughout the state have limited abilities as defined in the legislation to do no more than participate in a Groundwater Sustainability Plan (GSP) as defined in §10727 and §10720.3 (c) of the legislation.

It is my understanding that the position of the state while drafting the SGMA regulations was to imply that federally recognized tribes already by default are managing their water resources in a similar fashion as a Groundwater Sustainability Agency (GSA) and may already impose the level of authority granted to a GSA within the boundaries of the reservations. The MBMI is clearly the largest landowner within the Cabazon Sub-Unit of the Coachella Valley Groundwater Basin and for decade’s has been managing our water resources in a manner that promotes sustainability and protects water quality.

As you are aware the MBMI, your agency, and others have had a longstanding commitment to enhance and preserve water resources within the San Gorgonio Pass area. Over the years we have engaged with your agency and will continue to do the same as we progress through the many challenges ahead pertaining to water resources. We recognize that the SGMA legislation has many fast tracked deadlines for the local agencies to meet and we expect to follow the progress as it moves forward.

The Morongo Band of Mission Indians Tribal Council has elected to move forward and update our current water resource planning documents pursuant to the Tribes Rules and Regulations.
We anticipate that our updated plan may be beneficial to the region and our staff will coordinate any future efforts with your agency or the future GSA as the process moves forward if needed.

Should you have any questions regarding this letter please feel free to contact John Covington at (951-755-5270) or jcovington@morongo-nsn.gov.

Sincerely,

Robert Martin
Tribal Chairman
Morongo Band of Mission Indians

cc:
Mark Krause, Desert Water Agency
Arden Wallum, Mission Springs Water District
Art Vela, City of Banning
Calvin Louie, Cabazon Water District
Bob Krieger, Krieger and Stewart
Stan Houghton, High Valley Water District
Julie Hutchison, Banning Heights Mutual Water Company
DRAFT OUTLINE

MEMORANDUM OF AGREEMENT (MOA) TO FORM A GROUNDWATER SUSTAINABILITY AGENCY (GSA) FOR THE SAN GORGONIO PASS SUBBASIN

A. Parties

- Parties to MOA vs. Key Stakeholders

B. Recitals

- Identify SGMA
- SGMA Policy/Purpose
- SGMA requirements to form GSAs and adopt GSPs for medium/high priority basins
- SGMA Section 10723.6 authorizes multiple local agencies overlying a basin to form a GSA by way of MOA or other legal agreement
- San Gorgonio Pass Subbasin is identified and designated by DWR (Bulletin 118 Subbasin No. 7-21.04) as a medium priority basin and is therefore subject to the requirements of SGMA
- Identify each Party as a “local agency” under SGMA or other level of participation
- Identify Parties’ shared intent, desire and interests in forming a GSA, and later preparing and implementing a GSP for sustainable management of the Basin
- Identify Parties’ shared intent, desire and interests to work with local stakeholders and interested entities in the Basin, including but not limited to the Morongo Band of Mission Indians, the County of Riverside, the County of San Bernardino, Banning Heights Mutual Water Company, overlying landowners, and others to carry out the policy, purposes, and requirements of SGMA throughout the Basin

C. Purpose

- Form a GSA pursuant to SGMA Section 10723.6 and establish related provisions as the basis for preparing and implementing one or more GSPs and carrying out the policy, purposes, and requirements of SGMA throughout the Basin

D. Approval of MOA

- Approval of this MOA shall be accomplished by the holding of a noticed public hearing (per Govt. Code 6066) and approval of a Resolution by the governing boards of each of the Parties hereto to enter this MOA and jointly form a GSA for the Basin in accordance with this MOA and SGMA.
- Upon such approval by all Parties there shall be established the San Gorgonio Pass Subbasin Groundwater Sustainability Agency (“SGP-GSA”)

JULY 28, 2016
E. Definitions

- SGMA/Act
- Parties
- Basin
- Other/Etc.
- Consistency w/ SGMA Definitions; SGMA Definitions control

F. Boundaries of GSA

- If one GSP, entire Basin, recognizing portions under DWA’s exclusive SGMA jurisdiction
- If more than one GSP, entire basin LESS portions under DWA’s exclusive SGMA jurisdiction
- Maps/Diagrams

G. Governance and Management

- Powers/Authorities
  - SGMA powers generally
  - Itemize ???

- Decision Making Process
  - Executive Committee – Decisions
    - Composition – One elected appointed from each public agency ???
    - Voting
  - Management Committee – Management, Technical, Operations, and Recommendations
    - Composition – One or more staff from each Party ???
    - Voting
  - Defer possible formation of Committees until later ???

- Management Areas ???
  - Pass Agency solely responsible for carrying out GSA functions in areas of the Basin outside the jurisdictional boundaries of other Parties to the MOA
  - Respective powers/authorities of Parties within specific Management Areas ???
  - Subject to review/approval by other Parties ???
• Dispute Resolution

• Meetings
  o Executive Committee
    ▪ Frequency; Forum; Requirements; Noticing as provided in Section K below
  o Management Committee
    ▪ Parameters

H. Roles and Responsibilities

a. General

• Responsibility to cooperate, communicate and work jointly to fulfill the purpose of this MOA in accordance with the purposes and requirements of SGMA
• Responsibility to meet regularly under this MOA in accordance with Section G above and Section K below
• The Parties shall work jointly and cooperatively to develop additional and supplementary governance and management provisions as needed in the future

b. Specific

• As noted in Section G above, Pass Agency is solely responsible for carrying out GSA functions in areas of the Basin outside the jurisdictional boundaries of other Parties to the MOA
• Parties shall cause all applicable noticing and submission of required information to DWR regarding formation of the SGP-GSA
• Ongoing CASGEM Responsibilities
• Modeling
• Metering Program
• Monitoring
• Hiring Consultants
• Maintaining list of interested persons per SGMA Section 10723.4
• Budgeting; See also Section I below
• Other Initial Tasks; Etc.

I. Funding

J. Fees/Charges
K. Public/Stakeholder Access

- Reference to public/stakeholders and beneficial users of groundwater including, without limitation, those identified in SGMA Section 10723.2
- Meetings of Executive Committee to be noticed by [Pass Agency] and will be open to the public
- Forum/Process for meetings of Management Committee ???

L. Term, Termination, and Withdrawal

- Continue and remain in effect unless and until terminated by the mutual written consent of the Parties or as otherwise authorized by law
- Any Party may decide in its sole discretion to withdraw from the MOA by providing [90]-days written notice to the other Parties
  - Withdrawal Party shall remain obligated for any financial obligations incurred under this MOA and shall remain subject to Section O below
  - Withdraw shall not affect this MOA or the existence of the SGP-GSA with respect to the non-withdrawing Parties

M. Notice Provisions

- Any notices required under the MOA must be sent via one or more specified means to Parties at designated points of contact

N. Amendments

- Requires unanimous written consent of all Parties and approval by respective Boards of Parties

O. Indemnification / Hold Harmless

- Shall survive termination of MOA or withdrawal by any Party
P. General Terms

a. Successors and Assigns

b. Exemption from CEQA
   - MOA and preparation of GSP do not constitute a “project” or approval of a project under CEQA and State CEQA Guidelines, and are expressly exempt from CEQA review pursuant to SGMA Section 10728.6

c. Choice of Law
   - MOA shall be subject to and interpreted in accordance with California law

d. Attorney’s Fees, Costs, and Expenses
   - In the event of a dispute among the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney’s fees, costs, and expenses

e. Entire Agreement / Integration

f. Construction and Interpretation

g. Force Majeure

h. Counterparts

i. Other …
San Gorgonio Pass Water Agency
San Gorgonio Pass Subbasin


LEGEND

- SGPWA Boundary
- County Boundary
- San Gorgonio Pass Subbasin (No. 7-21.04)
- Desert Water Agency
- Beaumont-Cherry Valley Water District
- City of Banning Water Dept. (modified)
- Banning Heights Mutual Water Company
- High Valleys Water District
- Cabazon Water District (modified)
- Mission Springs Water District
- Morongo Band of Mission Indians Tribal Lands

San Gorgonio Pass Subbasin
San Gorgonio Pass Water Agency

WEBB ASSOCIATES

0 2 4 6 Miles
<table>
<thead>
<tr>
<th>DATE</th>
<th>PACKET PAGE</th>
<th>MEDIA SOURCE</th>
<th>ARTICLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/02/16</td>
<td>1</td>
<td>KESQ.COM</td>
<td>Californians Remain On Target For Saving Water Under Local Leadership</td>
</tr>
<tr>
<td>08/03/16</td>
<td>2-3</td>
<td>PRESS ENTERPRISE</td>
<td>Water Savings Drop After Curbs Lifted</td>
</tr>
<tr>
<td>08/06/16</td>
<td>4-5</td>
<td>PRESS ENTERPRISE</td>
<td>Agencies Jump At Higher Water Project Flow</td>
</tr>
<tr>
<td>08/09/16</td>
<td>6</td>
<td>THE DESERT SUN</td>
<td>Man Accused Of Stealing Over 80K Gallons Of Water</td>
</tr>
<tr>
<td>08/16/16</td>
<td>7-8</td>
<td>THE DESERT SUN</td>
<td>Crises Averted At Lake Mead: Colorado River Water Users Avoid Restrictions For Another Year</td>
</tr>
<tr>
<td>08/16/16</td>
<td>9</td>
<td>PRESS ENTERPRISE</td>
<td>State Water Board Releases New Conservation Targets</td>
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<tr>
<td>08/16/16</td>
<td>10-11</td>
<td>THE DESERT SUN</td>
<td>California Drought: Summer Water-Savings In The Desert</td>
</tr>
<tr>
<td>08/17/16</td>
<td>12-13</td>
<td>LA TIMES</td>
<td>Mandatory Water Cuts End For Many</td>
</tr>
<tr>
<td>08/17/16</td>
<td>14-15</td>
<td>PRESS ENTERPRISE</td>
<td>Water Suppliers Expect No Shortage</td>
</tr>
<tr>
<td>08/19/16</td>
<td>16</td>
<td>THE DESERT SUN</td>
<td>Bill Targeting Water Secrecy Scrapped In California Senate</td>
</tr>
<tr>
<td>08/20/16</td>
<td>17</td>
<td>PRESS ENTERPRISE</td>
<td>Water Users May Get A Break</td>
</tr>
<tr>
<td>08/20/16</td>
<td>18</td>
<td>PRESS ENTERPRISE</td>
<td>Riverside Could Increase Sale Of Unneeded Water</td>
</tr>
<tr>
<td>08/23/16</td>
<td>19</td>
<td>LA TIMES</td>
<td>Environmentalists To Sue San Bernardino And Colton Over The Killing Of Threatened Fish</td>
</tr>
<tr>
<td>DATE</td>
<td>PACKET PAGE</td>
<td>MEDIA SOURCE</td>
<td>ARTICLE</td>
</tr>
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<td>Environmentalists To Sue Water Agencies Over Fish</td>
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Californians remain on target for saving water under local leadership

State regulators say most communities were on target for saving water in June

Jeff Stahl, KESQ News Channel 3 Morning News Anchor, August 2, 2016

Fresno, Calif. -

State regulators say most communities in drought-stricken California remained on target for saving water in June, the first month that put local leaders back in charge of conservation.

State water regulators on Tuesday will release figures as California endures its fifth year of drought.

Felicia Marcus, chair of the State Water Resources Control Board, says there's a dip in savings, but Californians overall are using less water than before the drought.

A near-average amount of winter rain and snowfall eased the dry spell, prompting regulators to abandon top-down conservation orders.

Community leaders throughout California pushed for more say.

William Murray, spokesman for Southern California's Garden Grove, says cities like his invested in projects that make them drought-resilient.

He says they deserve more control over how much water they must save.
WATER SAVINGS DROP AFTER CURBS LIFTED

State Water Resources Control Board leaders are concerned that June results are a trend.
By Suzanne Hurt, Staff Writer, August 3, 2016

State officials will continue closely watching water conservation efforts around California this summer after statewide savings dropped in June – although some still praised the nearly 22 percent savings.

State Water Resources Control Board leaders said Tuesday they are keeping an eye on water suppliers whose cutbacks have taken a hit after statewide residential water conservation reached only 21.5 percent savings in June – compared with 27.5 percent a year ago and 28 percent in May.

Felicia Marcus, who heads the board, questioned whether Californians will be able to save enough water without state-imposed conservation requirements, which were no longer required as of June.

She said 21.5 percent savings is “pretty darn good in the absence of a mandate” yet added that officials must see how much water is conserved in July and August. One month’s savings levels don’t tell the whole story, she added.

“Is the drop a trend and it’s going to keep on dropping, or is it an appropriate readjustment given where we find ourselves?” she said. “Relaxation is OK. We’re just worried about it plummeting.”

The state saved 46.6 billion gallons of water, compared with 60.6 billion gallons in June 2015, according to figures released by the board in Sacramento.

Since June 2015 when mandatory conservation began, Californians saved 71.2 billion gallons – an amount that could provide enough water for 8.8 million people for a year. Cumulative average savings for the 13-month period was 24.2 percent.

Effective June 1, state officials ended emergency drought restrictions requiring suppliers to save 25 percent statewide. Water suppliers were required to set their own conservation goals, based on their assessments of what their three-year water supply will be if the drought continues.

State water officials said they will scrutinize suppliers’ data and claims about expected water supplies for accuracy.

June conservation was all over the board throughout the state, although some savings were “quite extraordinary,” Marcus said.

In the Inland region, customers of at least nine water suppliers saved more than previous state-required targets – including Big Bear Community Services District, whose savings were 11.6 percentage points higher than it had been mandated, and East Valley Water District in Highland, whose savings were 9.4 percentage points higher.

There were far more suppliers in Riverside and San Bernardino counties that fell short of former state targets. The worst among them: Yucaipa Valley Water District, which saved 7.9 percent in June after the state had previously required the district to save 34 percent.

Seven others fell at least 10 percentage points below what their state targets had been. Norco saved 21.3 percent compared with June 2013, yet still fell 14.7 percentage points below its state goal, and Rancho California Water District in Temecula, at 18.7 percent savings, fell 13.3 percentage points below its goal.

Following the emergency conservation efforts during the ongoing drought, state officials are working on longer-term water efficiency standards for indoor and outdoor use.
As droughts become more common, efficient use of water – through recycling waste water, desalination plants and other means – isn’t just good for the environment. It’s also good for communities and the state because it saves so much money, Marcus said.

"Being more efficient just makes common sense for folks. Efficiency is cheaper than anything," she said.

### June water conservation

The State Water Resources Control Board on Tuesday released figures showing how much water savings inland suppliers reached in June 2016, compared to the same month in 2013:

<table>
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<tr>
<th>Water Supplier</th>
<th>Farmer state target</th>
<th>June savings</th>
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<tr>
<td>Apple Valley Himachal Water Company</td>
<td>24%</td>
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<td>Banning</td>
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<tr>
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<td>Big Bear Community Services District</td>
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*STAFF GRAPHIC*
Agencies jump at higher Water Project flow

San Bernardino area districts have ordered a record amount this year.

By Jim Steinberg, Staff Writer, August 6, 2016

SAN BERNARDINO; Attempting to prepare for a prolonged drought, San Bernardino Valley water agencies are buying a record amount of water from the State Water Project for about $6.5 million, officials said Wednesday.

A total of 54,152 acre-feet of water has been bought this year by 10 water agencies, a nearly 35 percent larger amount than the previous record, which was 40,126 acre-feet bought in 2012, records show.

The average California household uses between half and 1 acre-foot of water per year for indoor and outdoor use, the Water Education Foundation says.

The motivation for the purchase was study findings showing that the valley must maximize State Water Project purchases when that water source is available, said Bob Tincher, water resources manager for the San Bernardino Valley Municipal Water District.

The agency is the San Bernardino Valley’s water wholesaler.

Use of imported water for recharge slows the reduction of water levels in the San Bernardino Basin, which is at a record low, Tincher said.

“We have done the planning, and this year we had a real-world scenario where we could take action,” he said.

This year, the State Water Project offered the region 60 percent of its annual allocation of 102,600 acre-feet, up from 20 percent last year, Tincher said.

The increased water buying shows area agencies “are working together,” he said.

The team effort comes despite a dispute between the city of San Bernardino and the Highland-based East Valley Water District and the San Bernardino Valley District over East Valley’s proposed Sterling Water Recycling Plant.

San Bernardino has filed two lawsuits seeking to block the project and hired a consultant to investigate its cost.

The San Bernardino Municipal Water Department is the largest buyer, at 15,900 acre-feet, for about $2 million. That amount is three times the normal order, and all of it will be used to recharge the basin, said Stacey Aldstadt, general manager.

“San Bernardino is trying to do the right thing, as we have done year after year, in replenishing the aquifer,” she said, adding that stabilizing groundwater levels is a bit like “healing the Earth.”

The East Valley Water District bought the fourth-largest amount in the area, at 7,000-acre feet in the area.
"This region, including East Valley Water District, has made great investments in the State Water Project so that when it is available we can reduce our use of groundwater," Kelly Malloy, spokeswoman for the district, said Wednesday.

"We haven't had the opportunity to use as much of this resource in the drier years, so now it is important to make the most of the current availability," she said.

"We have a state-of-the-art surface water treatment plant which can treat both State Water Project and Santa Ana River, and will be running 100 percent State Water Project through the facility through these warm months," Malloy said.

Other customers of the San Bernardino Valley Municipal Water District and their purchases in acrefeet: Rialto-based West Valley Water District, 8,792; Yucaipa Valley Water District, 8,406, including 807 for Western Heights Water Co.; Big Bear Municipal Water District, 6,500; Big Bear Valley Mutual Water Co., 3,000; Rialto, 1,917; Redlands, 1,330; Loma Linda, 500.

Last year, local water agencies used a record-low 124,000 acre-feet of water, which was 20 percent less than in 2014.

The reduction was accomplished through the conservation effort local agencies undertook to comply with mandatory cutbacks ordered by Gov. Jerry Brown.

The record year for water use was 2006, when 207,000 acre-feet were withdrawn from the basin, Tinscher said.
Man accused of stealing over 80K gallons of water

Gabby Ferreira, The Desert Sun, August 9, 2016

An Indio Hills man was arrested on suspicion of stealing 80,000 gallons of water Tuesday, according to the Riverside County Sheriff's Department.

At 11:50 p.m. Monday, the Coachella Valley Water District reported a water theft to the Riverside County Sheriff's Department. The sheriff's department said the 80,000 gallons was worth $24,000.

Baltazar Arias, 55, was arrested the next day on suspicion of felony utility theft. Deputy Mike Vasquez said they believe Arias tapped into a fire hydrant to steal the water, but did not have information as to where the hydrant was or how long the theft had gone on.

Arias was taken to the Riverside County Jail in Indio, where he is being held in lieu of $10,000 bail, according to jail records.
Crisis averted at Lake Mead: Colorado River water users avoid restrictions for another year

Brandon Loomis, The Republic, August 16, 2016

More savings are needed to prevent restriction in 2018.

Three years of conservation efforts around the Southwest have prevented a water shortage in Lake Mead for at least another year.

The U.S. Bureau of Reclamation announced projections for the Colorado River reservoir's Jan. 1 water level, and it rises above the elevation at which downstream users must restrict their water diversions.

Hydrologists expect the water level behind Lake Mead to sit at nearly 1,079 feet above sea level by New Year's, which is 4 feet higher than the trigger for a shortage that would force Arizona and Nevada to reduce their consumption of the river. The August projections for the coming season determine dam operations each year.

The Central Arizona Project has paid farmers $8 million over three years to cut back on their water use. The canal manager also has cut back on Colorado River deliveries to Phoenix and three suburbs and instead met their needs with water that Salt River Project set aside after CAP helped that water provider through a previous drought.

These efforts raised Lake Mead's elevation by about 5 feet, said Chuck Cullom, CAP's manager of Colorado River programs. Combined with conservation that partners in California, Nevada and the federal government enacted, they raised the reservoir by more than 9 feet.

Longer-term projections show a shortage likely beginning in 2018, but Cullom said those projections assume an end to the conservation programs. In fact, he said, CAP expects to expand the efforts and is in talks with other water managers for a coordinated effort.

"We need to do more," he said.

The Bureau of Reclamation currently projects Lake Mead will be several inches below the shortage trigger by Jan. 1, 2018, though a wet winter or further conservation could change that.

It's good that the states and Reclamation "are working hard to complete a plan that protects the overall health of the Colorado River and shores up Lake Mead," said Warren Tenney, executive director of the Arizona Municipal Water Users Association.

"The Valley cities will continue to prepare for an eventual shortage declaration on the Colorado River just as we have always managed our water wisely," he said.

Farmers, rather than cities, would suffer first if the government declared a shortage for 2018. Still, cities have worked to secure alternate sources such as recharged aquifers in case they must respond to worsening shortages in future years.
This year's reprieve is only temporary unless Southwesterners continue to cut their use, said Linda Stitzer, an Arizona water policy adviser with Western Resource Advocates. The state's two largest counties are on a good trajectory, though, cutting home use by 2 percent a year since 2000.

The concerted effort by Arizona, California and Nevada to prop up Lake Mead for the good of all shows what's possible with cooperation, Stitzer said.

"It's paying off," she said.

Mexico also contributed by storing some of its water in Lake Mead, as part of an international agreement that is currently in negotiations for an extension.

Stitzer said additional conservation measures in homes, farms and businesses are cheaper and faster remedies than projects like desalination plants, which water managers have talked about for the long term.
State water board releases new conservation targets
Suppliers set their own goals, replacing state-mandated conservation requirements that ended June 1.

By Suzanne Hurt Aug. 16, 2016

Less than 40 California water suppliers believe they could have a water shortage after three more dry years -- leading them to call for conservation efforts equal to that shortage, state water officials said Tuesday, August 16.

Most of the state’s 411 water suppliers believe they’ll have enough water to meet demand. A total of 379 suppliers submitted data to support those claims.

Nine suppliers were given orders to supply more information about future water supplies to the state, said State Water Resources Control Board officials while unveiling water suppliers’ new conservation goals online.

At least four Inland suppliers in Colton, Loma Linda, Perris and Lake Arrowhead were among the nine.

After a nearly two-month delay, the board in Sacramento released the amounts that individual water agencies are asking their customers to conserve for the rest of 2016.

The self-certified water savings standards were posted online during a State Water Resources Control Board meeting.

The targets replace state-mandated conservation requirements directing suppliers to save 25 percent statewide during continued drought, through individualized conservation targets of up to 36 percent set by the board.

State-imposed targets ended under a newly adopted emergency conservation regulation that took effect June 1.

On August 2, State Water Resources Control Board leaders said they'll closely watch conservation efforts around California this summer after statewide savings dropped in June -- yet some still applauded the 21.5 percent conservation rate.

Water officials are worried about whether Californians will save enough without state-imposed conservation requirements.

The state’s roughly 400 water suppliers were required to set their own water conservation goals, based on their assessments of what their three-year water supply will be if the drought continues, and submit “stress test” reports documenting those assessments to the state by 5 p.m. June 22.

The information was expected to be posted online the next week by the State Water Resources Control Board. But some submissions were incomplete, water board spokesmen said later.

State water officials on August 2 also vowed to scrutinize suppliers’ supporting data and claims about how big they expect their water supplies to be in three years.
California drought: Summer water-savings in the desert

Ian James, The Desert Sun, August 16, 2016

People in the Coachella Valley continued to save substantial amounts of water in July, even after California regulators relaxed drought measures and gave water districts a reprieve from state-imposed conservation targets.

Customers of the Coachella Valley Water District, the area’s biggest water supplier, used 28.6 percent less in July as compared to the same month in 2013, which state officials are using as the baseline year. That was up more than 5 percentage points from June and above the district’s cumulative average of 25.6 percent for the past 14 months since the state began tracking monthly performance in June 2015.

Some CVWD customers may have been watching their water use more carefully after the district voted to approve a rate increase in June. The district’s board also made another change intended to encourage conservation, adjusting the rate structure to make customers’ individualized water budgets stricter.

The Desert Water Agency, the area’s second largest, reported a 22 percent reduction in water use in July, smaller than the 33 percent reduction in June but still near the agency’s cumulative water-savings of 27 percent since last summer.

The agency is starting to offer a new round of rebates this week to encourage homeowners to remove grass and convert their yards to desert landscaping. Starting Wednesday, the agency’s customers in Palm Springs, parts of Cathedral City and surrounding areas will be able to apply for a rebate of up to $1,500 per home.

“These are permanent water-saving changes, and this is pretty much the biggest thing someone can do to reduce water use,” said Ashley Metzger, DWA’s outreach and conservation manager.

Last year, DWA had a $1 million turf removal rebate program and offered $2 per square foot of grass removed. This year, the agency plans to provide $500,000 in rebates and is offering $1 per square foot. Metzger said customers still can get $2 per square foot in total, though, if they apply for rebates from both DWA and the state. While only front yard lawns are eligible for the agency’s rebates, the state’s rebate funds can also be used for backyards. For homeowners’ associations and businesses that are converting larger areas of grass to desert landscaping, DWA will offer up to $20,000 per project.

Water districts in the Coachella Valley, as in other parts of the state, have boosted spending on grass removal rebates during the drought. They’ve also stepped up enforcement, issuing hundreds of fines for violations of drought rules such as hosing down driveways, watering outdoors on days that aren’t permitted or allowing water from yards to run in streets and gutters.

In May, the State Water Resources Control Board lifted mandatory conservation targets for cities across the state after a somewhat wetter winter boosted the levels of California’s reservoirs. Starting in June, the state board allowed water agencies to begin calculating their own targets, and agencies in the Coachella Valley determined — using the state’s formula and considering the area’s supplies of groundwater — that no mandatory conservation target would be needed.

Despite that change, the water agencies’ managers have said they’re still trying to encourage conservation and are seeing signs people have been changing their water habits in ways that will lead to permanent reductions. DWA, for instance, has set a goal of continuing to conserve 10 percent to 13 percent below 2013 levels in the coming months, and the agency’s customers have been easily surpassing that target.

With California in a fifth year of drought, both local and state water managers have urged people to keep conserving. The U.S. Drought Monitor website shows that 59 percent of the state is still in a severe drought. Of that, more that 42 percent of the state is classified as being in the two worst categories: “extreme” or “exceptional” drought.
State regulators have said they will scrutinize local agencies' actions and keep tracking their conservation performance. State-mandated conservation targets, however, have now been lifted for most water districts across California.

State officials said in a presentation Tuesday that 343 cities and water agencies have “self-certified” that they have ample supplies to end mandatory conservation targets. The monthly percentage targets will remain for 68 other water suppliers, more than half of which set their own goals based on the state's formula.

“We’ll be closely monitoring conservation efforts across the state. We’ll also be prepared to step back in with top-down standards come January if it’s necessary, and we hope it won’t be,” Felicia Marcus, chair of the state water board, told reporters in a conference call on Tuesday.

Statewide, urban water suppliers reported a 21.5 percent decline in water use in June, a decrease from a 28.1 percent reduction in May.

Max Gomberg, the state board's climate and conservation manager, called the June performance good. Due to the somewhat improved drought conditions, Gomberg said, state regulators aren't aiming for 25 percent statewide conservation as they were several months ago. He said they see a bit less conservation as sufficient for now given the available water supplies.

“We’re going to watch the data every month,” Gomberg said. “If we’re still in the ballpark of 20 percent statewide, then we’re going to be in good shape.”

In Desert Hot Springs, Mission Springs Water District reported its customers used 24 percent less water last month as compared to July 2013, and 19 percent less over the past 14 months — significant drops for a city that started out with lower per-capita water use than other areas of the valley.

John Souliere, Mission Springs’ conservation and public affairs officer, said the community’s response points to a growing consciousness about the importance of conserving.

“It’s become culturally unacceptable, frankly, to do certain things with water that were kind of the norm before,” Souliere said. “I remember seeing people hosing their driveways off all the time. And you see that now and it’s just, ‘Oh, my gosh. That’s offensive.’”

The Indio Water Authority reported similar water savings, saying its customers cut back 21 percent in July. In Coachella, people reduced water use 11 percent last month, down from 18 percent in June. Monthly figures for Myoma Dunes Water Company weren’t available.

The scorching summer months in the desert bring the highest levels of outdoor water use, so it’s also the time of year when changes in landscaping or watering can generate the biggest water savings.

DWA estimates that since it started offering lawn removal rebates in 2014, the program has helped customers collectively save about 350 million gallons.

CVWD’s lawn removal rebates, in place since 2010, have helped fund the removal of more than 9 million square feet of grass. Indio, Coachella and Mission Springs Water District also have offered rebates.

Those cash incentives have begun to chip away at the dominance of green grass in a valley that has long had relatively low water rates and some of the highest levels of per-capita water use in the state.

In addition to the rebates, water districts have been using other approaches to encourage conservation such as installing free irrigation controllers to scale back watering times.

“We’re very happy with the July numbers,” said Heather Engel, the Coachella Valley Water District’s director of communication and conservation. “We told our customers that we expect them to keep conserving and they did, so I think it seems to be working so far.”

Engel said another big way homeowners and homeowners associations can cut back on water use is to curtail the practice of “overseeding,” which traditionally involves planting winter-tolerant rye grass and applying more water when the summertime Bermuda grass begins to go dormant and turn brown. Engel said the district will encourage people not to overseed their grass as they typically would in September or October — and if they do, to use less water in the process.
Mandatory water cuts end for many

Matt Stevens, August 17, 2016

California may be in its fifth year of drought, but on Tuesday, state water regulators effectively turned back the clock to 2013.

Staff members of the State Water Resources Control Board announced that 343 of the state's 411 water districts reported having enough water to meet their customers' demands — even if the next three years are unusually dry.

To blunt the impact of drought, the state required water providers to reduce their consumption compared to 2013 levels. Each provider was assigned a so-called conservation standard, which was expressed as a percentage. As of Tuesday, the vast majority of those standards have been officially set at 0%.

The changes signal the latest benchmark in regulators' ongoing struggle to keep Californians drought-conscious while simultaneously easing the unprecedented restrictions that helped the state slash its statewide urban water use by almost 25%.

Regulators acknowledged Tuesday that drought conditions have improved enough to lift the top-down mandates, but they were quick to warn against the return of lush green lawns and lengthy showers.

"A bit of relaxation is OK," water board Chairwoman Felicia Marcus said. "Abandoning water conservation is not."

The new numbers came after districts submitted documents meant to show whether they could meet the state's "stress test." Since regulators adopted the stress-test approach in May, environmental advocacy groups have worried that most water suppliers would set their conservation standards at 0%.

According to the water board's analysis, only 36 suppliers indicated that they would face a supply shortage in 2019 and gave themselves a conservation target higher than 0%. Montecito Water District gave itself a 31% conservation standard; Azusa set a 3% standard.

Suppliers including the Los Angeles Department of Water and Power, Long Beach Water Department and Coachella Valley Water District set their conservation targets at 0%.

Staff members said 32 suppliers did not complete their paperwork and would therefore retain their current reduction targets from 2013, ranging from 8% to 33%.

But Tracy Quinn, a senior water policy analyst at the Natural Resources Defense Council, called the new rules deficient.

Under the latest regulations, "a water supplier could chart a course of usage that would deplete every last drop of water — including emergency supplies — and still not be required to implement mandatory conservation," Quinn said in a statement.

The water board's "history of lax enforcement is resulting in a lack of respect from some water agencies and encouraging them to cut corners," she said.

State officials pledged to investigate any allegations that "stress test" data are inaccurate. The water board can reject submissions found to be wrong or misleading, officials said.

Faced with the most dismal snowpack in hundreds of years, Gov. Jerry Brown mandated statewide water conservation in April 2015. By then, scores of wells had gone dry across the San Joaquin Valley, groundwater
was so depleted that in some places the land was sinking, and residents in some of the hardest hit towns were suffering without enough water to bathe.

So, for nine months beginning in June of last year, water districts were instructed to cut their water consumption by varying amounts or face fines.

By February, water regulators began to ease the restrictions, reducing some suppliers' conservation standards by a few percentage points on the hopes of a wet winter.

California never got the massive El Niño that some hoped would end the drought altogether. Instead, the northern part of the state enjoyed rains that were slightly above average while California's snowpack recovered to levels just below normal.

Still, the state's hydrology had improved enough by the spring to persuade regulators to revise the rules again in May; the changes gave water districts the power to return to 2013 water-use levels if they could prove that they have enough supply to meet their customers' water needs through 2019.

Officials from the Assn. of California Water Agencies have said that water providers that set their targets at 0% can do so only because they are well-prepared to cope with a prolonged water shortage. They reject the notion that water districts no longer care about conservation, pointing to the 160 suppliers statewide who still have voluntary water conservation targets.

And although many local water suppliers will no longer be required to save a specific amount of water under state rules, some districts have indicated that they plan to continue mandatory water conservation anyway. For example, Beverly Hills, which set its state conservation standard at 0%, still requires a 30% cut in water use.

The conservation standards released Tuesday are in effect only until the state regulations expire in January. State officials said they will also closely monitor conservation in the months to come and could return to mandatory statewide conservation next year if drought conditions persist.

Max Gomberg, the water board's climate and conservation manager, said that if residents and businesses continue to cut their consumption by more than 20% compared with 2013, the state would "be in good shape." But he added that if savings percentages "fall significantly, that will be cause for concern."

The rules apply only to urban California, but roughly 75% of Californians' water use is by agriculture.

Significantly more water flowed to most Central Valley growers this year than in 2015. The federal Central Valley Project gave Sacramento Valley irrigation districts and senior rights holders in the San Joaquin Valley 100% of their contract amounts.

On the San Joaquin Valley's east side, farmers who last year received zero federal deliveries this year benefited from a 75% allocation.

The one glaring exception to that brighter picture is the west side of the San Joaquin Valley, which includes the sprawling Westlands Water District. There, federal deliveries are up just slightly this year, to 5% of contract amounts.

Times staff writer Bettina Boxall contributed to this report.
Water suppliers expect no shortage
Most Inland companies say they’d be fine even with 3 more years of drought.

By Suzanne Hurt, August 17, 2016

California water suppliers have painted a glowing picture of their ability to supply customers even if they get three more dry years – and state water officials said Tuesday they have no plans to investigate those claims.

Despite previous vows of close monitoring, leaders of the State Water Resources Control Board said they expect independent researchers – such as environmental groups, journalists and other members of the public – to scrutinize water suppliers’ data that the board posted online Tuesday.

The data show 33 Inland water suppliers are among the majority of suppliers declaring they’ll have enough water to meet demand. They projected no shortfalls and set their conservation standards at zero percent.

Only 36 water suppliers – three in the Inland region – out of 379 statewide that submitted data to support their projections believe they could have a water shortage by the end of 2019, leading them to call for conservation efforts equal to those shortages.

During a media conference call Tuesday, water board officials in Sacramento said they believe the agencies provided accurate information.

The board’s enforcement office won’t look into the claims unless outside research indicates something clearly erroneous, said Max Gomberg, the board’s climate and conservation manager.

“We’re not going to go looking under rocks to see if they were fudging,” Gomberg said.

On Aug. 2, state water officials had vowed to inspect suppliers’ claims and supporting data.

Water suppliers were required to set their own water conservation goals, based on their assessments of what their three-year water supply will be if the drought continues. They also had to submit “stress test” reports documenting those assessments to the state by June 22.

After a nearly two-month delay, the board released the amounts individual water agencies are asking customers to conserve for the rest of 2016. The self-certified water savings standards were posted online Tuesday morning during a State Water Resources Control Board meeting.

Three Inland water suppliers set a conservation standard: Yucaipa Valley Water District, which called for 20 percent savings; Lake Hemet Municipal Water District, seeking 15 percent; and Perris, which set 4 percent. That’s also how big they expect their water shortages could be in 2019.

Out of 411 water suppliers in the state, 32 did not submit stress tests to the board. Their customers will be expected to meet state mandated savings dating back to March.
Nine suppliers were given orders to supply more information about future water supplies to the state. Among those were four Inland suppliers in Colton, Loma Linda, Perris and Lake Arrowhead.

Suppliers that project no water shortage and set conservation standards at zero percent are considered to have passed the stress test. Yet the water board wants to know if those agencies are telling customers they no longer have to conserve, board Chairwoman Felicia Marcus said.

"We're sort of looking for folks to tell us ... where it's a real problem," Marcus said.

The new standards replace state-mandated conservation requirements directing suppliers to save 25 percent statewide during continued drought, through individualized conservation targets of up to 36 percent set by the board. Those state-imposed targets ended June 1.

The new conservation standards and supporting documentation were expected to be posted online in late June by the State Water Resources Control Board.

Many suppliers did a "stellar" job with the process, but some submissions were incomplete, Gomberg said. The biggest problems involved a lack of information about groundwater availability, calculations that didn't have supporting documentation, and retail water supplier information that didn't match what wholesale suppliers submitted, he added.

Staff members followed up with suppliers for two months to get information so the data could be posted publicly. Failure to provide information in the future could lead to conservation orders and fines.

Water board officials ended the state-mandated conservation targets after the 2015-16 El Niño-driven winter improved water supplies.

The state continues in a fifth year of drought, but it's not as bad as the previous three years, Marcus said. People need to make efficient water use a habit because of climate change and the state's growing population, she said.

"The need to save water is not over," Marcus said.
Bill targeting water secrecy scrapped in California Senate

Ian James, The Desert Sun, August 19, 2016

Strong opposition in the Legislature has scuttled a bill that would have required agencies in California to release information about water use by businesses such as farms and golf courses.

With the bill’s demise in the Senate, water districts will be able to continue keeping confidential information about how much water businesses are using during the drought.

Assembly member Mark Stone, who backed the measure, said there weren’t enough supporters in the Senate to take up the bill for a vote.

“There are some organizations out there that are claiming that all this is intending to do is shame private users, give away trade secrets, which is nonsense,” said Stone, a Democrat who represents the Monterey Bay area. “There are too many senators that are afraid of what the opposition is saying and they’re not listening any further. So it’s a hard conversation to have right now.”

The bill, AB 1520, faced opposition from a long list of groups representing water districts, agriculture and other businesses. They included the Association of California Water Agencies, the California Manufacturers and Technology Association and the California Farm Bureau Federation, among others.

The bill had been introduced last year in the Assembly Judiciary Committee, which Stone chairs, and was approved in June by the Senate Judiciary Committee.

In its initial version, the bill would have made public information about how much water and energy is used by businesses and institutions. The bill was later amended to drop energy use, leaving its focus solely on water. But that change wasn’t nearly enough to win over enough supporters in the Senate.

Stone said he still thinks the public ought to have access to this sort of data, especially in light of the historic drought, and he will consider whether to take up similar legislation next year.

The bill was backed by organizations including the First Amendment Coalition, the California Newspaper Publishers Association, the Natural Resources Defense Council and Leadership Counsel for Justice and Accountability.

In 2014, the First Amendment Coalition sued the Coachella Valley Water District and the Desert Water Agency after they stopped releasing detailed information about groundwater pumping by large customers such as farms, golf courses, housing developments and resorts.

DWA later settled the case and resumed disclosing pumping data for businesses and organizations. CVWD, however, won the case in Riverside County Superior Court, with the judge backing its argument that the district didn’t need to disclose the data.

CVWD stopped releasing that information in 2014 after The Desert Sun published the names of some of the area’s biggest water users. The water district’s managers also denied requests for the data, saying they believe all of their customers are entitled to privacy, whether they are individuals or businesses.

Peter Scheer, executive director of the First Amendment Coalition, has argued that while state law makes clear residential customers’ data should be kept confidential, information about the large quantities of water used by businesses should not be kept secret.
WATER USERS MAY GET A BREAK

Hemet City Council is expected to eliminate drought fees Tuesday.

By Craig Schults, August 20, 2016

In a world where bills only seem to go up, Hemet water bills could be going down.

The City Council could vote Tuesday to eliminate drought rates.

When water rates were raised in October, there were two levels – one for normal times and one for the drought. So water customers will pay less in their next bill than they have been paying but more than they did one year ago.

The change, which would take effect Sept. 1, would lower the consumption billing rate from $6.25 per hundred cubic feet of water (748 gallons) consumed to $4.28 per hundred cubic feet.

Rates went up 19 percent Oct. 1 and another 19 percent in March. A 4 percent increase is set for Jan. 1, with 3 percent raises each January through 2020. The rate increase was the first for city water customers since 2008. Mayor Bonnie Wright said she expects residents will be happy to see their average bill of $63 reduced.

“They were raised for a reason, and they are coming down for a reason,” she said.

Under state law, municipalities cannot profit from water rates.

Prices are to be set based on the cost of operations for the water department.

Many consumers – who in Hemet pay a flat monthly fee based on the size of their meter and a per-unit cost of water used – are unaware of that, and some felt the increase was a cash grab by the money-starved city.

“The government has to do a better job of explaining the return on the customer’s investment,” Councilwoman Shellie Milne said.

The Hemet municipal water department serves about 9,700 customers over 5.25 square miles, extending generally from Menlo Avenue south to Stetson Avenue and from Sanderson Avenue east to San Jacinto Street.

Hemet residents outside those boundaries are served by the Eastern or Lake Hemet municipal water districts, which set their own rates.

Though water will be a bit cheaper, the city hopes customers continue to conserve and be aware that drought rates could be reinstated.

“Should the need arise to return to ‘drought’ rates in the future, council would be able to take appropriate action to move back to drought rates ... without the need for an additional ... hearing,” a report from City Manager Alex Meyerhoff and Public Works Director Kris Jensen said.

Lower rates also mean less money for the water department, but officials state that the lost revenue would be made up with money set aside for large projects that have not been started.

Hemet water fees
Basic charge: $24.95 Consumption rates: $4.28 per unit (down from $6.25 per unit under drought conditions)
Riverside could increase sale of unneeded water

By Alicia Robinson, August 20, 2016

WATER FOR SALE

Riverside Public Utilities plans to provide more of its unused water to Western Municipal Water District, after the two struck a first-time sales deal in 2015. What: Riverside has the right to pump more water than it needs for its customers. Unused water would be sold to Western, which would save money by buying less imported water. How much: The deal allows 5,000 acre-feet to be sold, netting $3.5 million for Riverside and saving Western about $1.1 million. What's next: Western's board approved the deal Wednesday. Riverside Public Utilities will vote Monday.

Riverside's utility hopes to make $3.5 million this year on a deal to sell water to a nearby water district. Last year, the city sold a small amount to customers of the Western Municipal Water District.

Officials with Riverside Public Utilities and Western say the deal benefits both agencies' customers by helping Riverside make up lost revenue and saving Western money.

Under the pact, Riverside would sell up to 5,000 acre-feet of water to Western between September and February 2017. An acrefoot is about enough water to serve two households for a year.

Western would save more than $200 per acrefoot compared with what it pays for imported water purchased from wholesaler Metropolitan Water District of Southern California, resulting in about $1.1 million in savings, a Riverside city report said.

Riverside, meanwhile, would make about $3.5 million, which would help offset a $6 million shortfall last year caused by falling demand due to drought and state-mandated conservation.

With customers using less water, Riverside utility officials say they don't expect to need as much as the city has available.

Riverside has the legal right to pump a set amount annually from the Bunker Hill basin at the base of the San Bernardino Mountains, but any water it doesn't pump can't be added to future years' allotments.

The agencies made a similar deal late last year, but Riverside didn't end up selling as much water as expected because of lower wintertime demand and other issues, said Todd Jorgenson, Riverside Public Utilities' assistant general manager for water.

Neither utility expects a dramatic impact on customers, but Jorgenson said the added revenue from the water sale should lessen the need to raise rates.

Tim Barr, Western's director of water resources, said the deal only covers this year, but Western would like to continue buying Riverside's excess water.

Jorgenson said the city is looking into finding other customers for its unused water, but there's a limit to how much it can sell.

"We don't intend to sell water that we don't have," he said.

"Our first responsibility is to take care of our customers."
Environmentalists to sue San Bernardino and Colton over the killing of threatened fish

Louis Sahagun, Los Angeles Times, August 23, 2016

A coalition of environmental groups Monday announced plans to sue a regional water treatment authority and the cities of San Bernardino and Colton over the repeated stranding and killing of Santa Ana suckers, a fish on the federal threatened species list.

Roughly once a month, a water treatment plant that is jointly owned by the cities halts its outflows, quickly reducing a drought-stricken stretch of the Santa Ana River to a ribbon of dry gravel and stranding thousands of suckers.

During some of these events, U.S. Fish and Wildlife Service employees and volunteers rush into the vanishing puddles to rescue as many of the 4- to 6-inch fish as possible, placing them in buckets and ice chests filled with water.

A few hours later, treated water starts flowing into the river again and the crews return the fish to the stretch of critical habitat for the species that has lost more than 75% of the area where it historically lived.

The 60-day "notice of intent to sue" filed by the Center for Biological Diversity, Sierra Club and the San Bernardino Valley Audubon Society alleges the cities and their Regional Tertiary Treatment and Water Reclamation Authority allow the plant to kill suckers without a permit required by the Endangered Species Act.

"It is outrageous that the cities' plant is allowed to get away with killing and injuring Santa Ana suckers," Ileene Anderson, a biologist with the center, said. "So, once again we are having to take legal action to protect these fish from going extinct in their namesake river."

In an earlier interview, Stacey Aldstadt, general manager of the San Bernardino Municipal Water District, said the treatment plant shuts down its outflows to conduct maintenance required by its operating permits.

Under federal restrictions, the city isn't allowed to turn off the water because doing so threatens the fish. At the same time, however, federal water law requires the city to perform the regular maintenance because it is the only way to keep the plant's discharge clean.

The problem was discovered in 2014, when a team of U.S. Geological Survey researchers reported seeing a large number of suckers floating belly up downstream in the Santa Ana River.

The plant's average outflows of treated water have been halted at least 60 times over the last two years, according to Regional Water Quality Control Board records.

There have been 140 confirmed sucker deaths since June 2014.

The Water Reclamation Authority said it plans to make improvements to the waste water treatment system that would reduce the frequency of shutdowns.

The suckers, which scientists know as Catostomus santeanae, were once abundant across Southern California. They have mottled gray backs and silver bellies, and have large, thick lips and small mouths that vacuum or suck up algae and other organisms for food.

Today they are found in the headwaters of the San Gabriel River in Angeles National Forest, Big Tujunga Creek in the Los Angeles River Basin, portions of the Santa Ana River and parts of the Santa Clara River system in Los Angeles and Ventura counties.
Environmentalists to sue water agencies over fish

Groups say protected animals die in plant shutdowns, which officials say they are required to do.

By Jim Steinberg, The Press Enterprise, August 24, 2016

More than 100 protected Santa Ana suckers have died in water plant shutdowns, environmentalists say.

Three environmental groups have filed a notice of intent to sue San Bernardino and Colton and their regional wastewater reclamation authority for illegally killing the endangered Santa Ana sucker fish.

By halting water releases critical to maintaining surface flows of the Santa Ana River, the jointly operated Rapid Infiltration and Extraction treatment plant is strand ing and killing threatened fish, violating the Endangered Species Act and driving the fish closer to extinction, according to the notice.

The 60-day notice of intent to file a lawsuit was filed by the Center for Biological Diversity, San Bernardino Valley Audubon Society and the Sierra Club.

Since 2014, more than 100 Santa Ana sucker deaths have been documented in three instances when the Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority halted water releases into the river, the three groups said in a statement released Monday.

Each shutdown caused the Santa Ana River to go dry, stranding suckers as well as other native fish.

The shutdowns are to perform required maintenance to ensure that discharged wastewater meets federal safety standards, said Stacey Aldstadt, general manager of the San Bernardino Municipal Water Department.

San Bernardino is an 80 percent owner and Colton a 20 percent partner in the plant, which is in Colton but managed by the San Bernardino Municipal Water Department.

The plant faces two primary issues in its shutdowns. The light bulbs used in the ultraviolet disinfection system are aging and need replacement. Because of the drought, when the plant shuts down, the water in a portion of the Santa Ana River near the plant disappears, stranding fish.

During planned shutdowns, more than 1,200 Santa Ana suckers have been salvaged in buckets, then released once the water starts flowing again, the statement from the three environmental groups said.

This year, the U.S. Fish and Wildlife Service confirmed it was investigating the situation.

"We are stepping in to enforce the Endangered Species Act because the U.S Fish and Wildlife Service – the federal agency tasked with protecting our public trust resources – has so far refused to act to protect the Santa Ana sucker," Drew Feldmann, conservation chairman for the San Bernardino Valley Audubon Society, said in a statement.

In late December, the San Bernardino Valley Municipal Water District, a water wholesaler, wired $1.2 million to the San Bernardino water department to replace the more than 5,000 specialized ultraviolet lights. City officials say the order has been placed but not all light bulbs will be replaced until May, due to some complex issues.

Aldstadt said the wastewater reclamation authority is "both surprised and disappointed with the allegations" made against it by the environmentalists.

"We have been working for 16 years with the United States Fish and Wildlife Services, voluntarily and at great expense to the ratepayers, to do the right things for the Santa Ana sucker," said Aldstadt. "I'm not shocked, though, because we have not been able to get the Center for Biological Diversity to talk with us and understand either our treatment process or the lengths to which we have gone to work through the regulations imposed on us."
CVWD reaches agreement with owners to construct water plant

CITY NEWS SERVICE

DESERT HOT SPRINGS - An agreement reached this week between the Coachella Valley Water District and the owners of 39 acres of vacant Desert Hot Springs land has halted eminent domain proceedings, allowing the district to utilize the land for the construction of chromium-6 treatment facilities.

The district filed an eminent domain complaint in late July after failing to reach an agreement with the property owners by the summer, which the district said in court documents would be too late to bring CVWD’s water supply in line with new state standards for chromium-6.

The latest standard adopted in 2014 requires that districts bring their systems into compliance by 2020, by which time CVWD seeks to have facilities built and running.

Details of the settlement agreement are still being finalized, according to CVWD’s Heather Engel.

The district seeks to construct a chromium-6 treatment plant and wells at the site located on the south side of Dillon Road, west of Palm Drive and north of 18th Avenue.

District officials say 30 percent of the district’s drinking water wells have chromium-6 levels that are above California’s new standard. Meeting that standard was one of the catalysts behind a recent rate increase that went into effect July 1.

District staff said the increase was needed to secure an estimated $250 million necessary for new infrastructure to treat chromium-6. In addition to the Desert Hot Springs facility, CVWD intends to construct water treatment facilities in Rancho Mirage, Palm Desert, La Quinta, Indio and Thermal.

An appraiser valued the land at $285,000, but that offer was rejected by the owners and subsequent negotiations were “unsuccessful,” according to CVWD.
DROUGHT

Strategy centers on stormwater

Capacity at L.A. groundwater recharge facility is planned to double to supply 48,000 households.

BY MATT STEVENS

Five years of drought have struck different parts of California unevenly.

Cities with multiple sources of water have weathered the crisis relatively well, even after important reservoirs have hit bottom.

But residents of some small towns in the San Joaquin Valley and Northern California, who depend on a single source of water, have had their daily routines upended when one important well or creek has run dry.

If California’s water emergency has taught providers anything, it is that they must diversify their supply — or face dire consequences.

Los Angeles took a major step in that direction last week, when officials, brandishing shiny shovels, broke ground on a project that they say will play a key role in bolstering the region's water supply and protecting against future droughts.

The spreading grounds, a 150-acre tract of porous soil in the northeast San Fernando Valley, capture stormwater that falls from the sky or runs off from nearby mountains and hills, and allows the water to filter into a vast aquifer that can be drawn down when the resource is in short supply.

Under the $29-million expansion plan launched Monday, officials said the groundwater recharge facility will double in capacity by 2018, helping wean Angelenos off increasingly expensive and unreliable imported water.

"There's a giant lake underneath us," David Wright, the newly appointed general manager of the Los Angeles Department of Water and Power, said Monday. "We need to fill it up."

Currently, the Tujunga Spreading Grounds can capture and store about 8,000 acre-feet of water a year, officials said. That figure is expected to double to 16,000 acre-feet, or 5 billion gallons — enough water to supply 48,000 Los Angeles households each year.

Capturing more storm-water at the spreading grounds helps ensure the precious commodity does not run off into the Pacific Ocean. The project will also provide new open space and a walking path, officials said.

"This is a huge priority for me," said Mayor Eric Garcetti, who has developed a series of water-related goals for the region as part of his Sustainable City Plan.

DWP customers, spurred on by state drought regulations, are already well on their way to meeting one of the plan's goals: cutting per capita water usage by 20% compared with that in fiscal year 2013-2014.

But five years of drought have also forced water providers statewide to invest in ways to bolster their local supply. By increasing the use of recycled wastewater, capturing more storm-water and even turning to ocean water desalination, the argument goes, districts can protect their customers from future water shortages.

For example, the San Diego County Water Authority has agreed to purchase water from a newly minted desalination plant in Carlsbad, in part to reduce its reliance on imported supplies.

The Orange County Water District has expanded its groundwater replenishment system, such that it can now produce an additional 30 million gallons of water per day.

The Metropolitan Water District of Southern California even offers a financial incentive for water agencies to develop their local supplies.

Garcetti wants Los Angeles to reduce its purchase of imported water by 50% by 2025 and obtain half of its water
Currently, only 15% of the city's water comes from Los Angeles, the mayor said. About 57% is imported and purchased from the Metropolitan Water District of Southern California, a DWP spokeswoman said.

Specifically, Garcetti has called on Los Angeles to capture 150,000 acre-feet of stormwater annually; the spreading ground expansion project is expected to help get the city about 88% of the way there by 2035.

"The severity of the current drought and the challenges of climate change, population growth and an unreliable imported water supply require the combined attention and effort of the entire region," said Gail Farber, director of the L.A. County Department of Public Works, which operates the Tujunga Spreading Grounds. "The city of Los Angeles has been a fantastic partner in this regard." matt.stevens@latimes.com
Why boot private water firm?

MICHAEL HILTZIK

The citizens of Claremont, fed up with the private company that provides their water, voted overwhelmingly in 2014 to seize its water system by eminent domain and convert it to a municipal utility. A Los Angeles state judge has just wrapped up a trial over whether that’s legal and is expected to issue a ruling sometime in the next three months.

Water users who still get their supply from private companies should be rooting for him to give Claremont a green light.

Much of the evidence to be weighed by Judge Richard Fruin deals with abstruse issues of eminent domain law. But the fundamental question raised by the case is broader: whether private corporate ownership of a water system is at odds with the development of long-term policy on water use. Local residents in Claremont feel that as customers of a private monopoly, they’ve had almost no say over such policy in their city, so their only choice was to make the system a public one.

Fruin conducted a bench trial in the Claremont case, which is probably wise because the legal complexities probably would have driven your average jury up the wall.

In simple terms, if a city wants to condemn your house to widen a street, there’s almost nothing you can do about it except dicker over the price. When the target is a water system or other utility, however, the utility gets the chance to question in court whether the condemnation is for a “more necessary public use” than the way the property is being used, or whether the “public interest and necessity” requires the move.

The position of Golden State Water Co., which has been Claremont’s water company for nearly 90 years, is that the answer is no.

“...the public interest is jeopardized if this takeover occurs,” George Sonnef, Golden State’s lawyer, told me. If the city acquires the system and follows through on its plan to turn it over to the neighboring city of La Verne to run, “there will not be lower rates or a change in the water supply. There’s been no showing that there’s anything they can do differently” from Golden State, he says.

Yet residents of this community of 35,000 think there would be a sea change in how their water needs would be served, and there’s ample reason to think they’re right.

“We haven’t felt we’ve been treated fairly by Golden State on several levels,” says Helaire Goldwater, a 45-year resident of Claremont who chaired the committee that placed Measure W on the city ballot in 2014. The measure, which authorized the city to borrow up to $135 million if it decided to condemn Golden State’s property, garnered a 72% yes vote that November.

Among the residents’ complaints is that Golden State has consistently overcharged them, compared with what other Southern California communities with public systems pay.

Clarenmont also maintains that the company has tended to operate as a disdainful higher authority in dealing with the city, keeping city officials out of the loop when planning its own construction and maintenance programs, refusing to coordinate with city land-use plans and showing a lack of interest in programs dear to the city’s generally well-educated and progressive-minded residents, including water recycling, conservation and other markers of “sustainability.”

Golden State dismisses those points. “Buzzwords cannot justify the exercise of eminent domain,” the company said in a brief filed in June. The grounds for taking an existing, functioning system amount to “much more than flowery prose.” The company made much at trial over lead and E. coli contamination suffered by the La Verne system in 2011 and 2012, suggesting that proved that La Verne was incapable of safely operating the Claremont system; Claremont responded that those issues had been resolved to the satisfaction of state health regulators.

It may be that private companies simply are not up to the task of developing and pursuing forward-looking water policies in an era of drought and climate change. Their economic incentives work against policies that lead to less water use and more recycling, says J.R. DeShazo, a public finance expert at UCLA’s Luskin Center for Innovation...
who testified on Claremont’s behalf at the trial.

Indeed, one of the issues that mobilized Claremont voters in favor of Measure W was a surcharge the California Public Utilities Commission allowed the company to charge as water use declined. The result, as then-Mayor Joe Lyons told me at the time, was that “if we conserve, we don’t benefit.”

That’s because a private water company’s goal is to maximize revenue and profit, not to serve longterm water and land-use priorities. The Public Utilities Commission, which regulates private water utilities but not public agencies, mostly involves itself in financial and safety aspects of utility operations but has virtually no say on water policy.

“The PUC is a very large agency with complex responsibilities,” says Steven Weissman, a former PUC staff attorney and administrative law judge now teaching public policy at UC Berkeley, who also testified for the city. “Water service regulation has always been a low priority.”

Golden State Water, a subsidiary of San Dimas-based American States Water Co., has much at stake in this case: It recorded a $47.6-million profit last year on revenue of $364.6 million from its 39 water systems across California.

The company has reason to fear that other communities might follow Claremont if the judge clears the takeover.

Nor is Claremont the first: In 2013, residents of Ojai voted in favor of a plan for the Casitas Municipal Water District to take over Golden State’s system in their city. Golden State has refused to sell, so Casitas launched its own eminent domain proceeding in May.

In part because of the mismatch between the profit motive and long-term public interests, private water utilities like Golden State already are the exception in California, not the rule. About 80% of the state’s water deliveries are made by public agencies such as the Los Angeles Department of Water and Power, which traces its lineage to 1902. (It’s true that the DWP is anything but a paragon of efficiency, but one reason we’ve learned about its problems is that it’s subject to public scrutiny.)

DeShazo argues that Claremont is the kind of community ideally suited to pursue a public water policy. Home to the Claremont Colleges, a consortium of five undergraduate and two graduate institutions, Claremont boasts median household income of $80,754, well beyond that of California as a whole or the U.S. in general. “Resource-endowed public systems” — such as those serving such upscale communities — are the leaders in innovative water policy,” he says.

But pursuing local goals via a company that operates multiple systems grouped into regional units is difficult, if not impossible. “Decision-making is centralized to such an extent” in a private company, says Weissman, “that the particular interests of a particular community will be weighed against the corporate interest.”

Claremont wants to inject its own voice into decisions that its residents say have reduced them to silence. “Claremont has ambitious goals,” DeShazo says. “A private utility doesn’t have the incentive to tailor its activities to what Claremont wants.”

But he acknowledged that “this is a bold move on Claremont’s part.”

That’s not lost on advocates of the takeover. “Are we living in a dream world?” asks Goldwater, the Claremont resident. “I have no idea. But I honestly think that we can do a better job of managing our own system than Golden State does.”

Keep up to date with Michael Hiltzik. Follow @hiltzikm on Twitter, see his Facebook page, or email michael.hiltzik@latimes.com.
DESERT WATER AGENCY
PUBLIC INFORMATION
ACTIVITIES
August 2016

Activities:

8/1/16 - 8/31/16 Vicki Petek conducted 4 turf buy back post-conversion and follow-up inspections.

8/03/16 Ashley Metzger was interviewed by Gene Nichols on conservation.

8/04/16 Ashley Metzger was on a live conservation segment with KESQ TV on smart controllers.

8/05/16 Ashley Metzger and Vicki Petek attended training at Hunter Industries on conservation devices and techniques.

8/11/16 Ashley Metzger was on a live conservation segment with KESQ TV on leaky pipes.

8/17/16 DWA's turf buy back program was launched online.

8/18/16 Ashley Metzger was on a live conservation segment with KESQ TV on overseeding.

8/19/16 Ashley Metzger did a voice over at Alpha Media for a CV Water Counts radio ad.

8/23/16 Staff shot a weather forecast commercial at KESQ TV starring Vicki Petek.

8/24/16 Ashley Metzger managed a public service announcement video shoot with Palm Springs High School fall sports.

8/25/16 Ashley Metzger was on a live conservation segment with KESQ TV on the turf buy back program.

8/26/16 Ashley Metzger managed the KESQ TV video shoot of DWA's commercial starring various DWA staff.

8/31/16 Ashley Metzger was on a live conservation segment with KESQ TV on leak detection.

Public Information Releases/eBlasts:

August 10, 2016 – DWA Turf Buy Back Grant Applications Available August 17

Water Conservation Reviews:

Canyon Vista Rim Crest
Elmer's Pancake & Steakhouse Sagewood Condos
Golden Sands Mobile Park Sunrise Square
New Mesquite 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.
Audience Overview

Aug 1, 2016 - Aug 31, 2016

Overview

Sessions
400

Aug 8  Aug 15  Aug 22  Aug 29

Sessions  Users  Pageviews
5,110   3,964   11,860

Pages / Session  Avg. Session Duration  Bounce Rate
2.32  00:02:03  46.97%

% New Sessions
63.21%

Language  Sessions  % Sessions
1. en-us  4,061  79.47%
2. (not set)  900  17.61%
3. en-gb  37  0.72%
4. en-ca  22  0.43%
5. en  14  0.27%
6. en-au  9  0.18%
7. nb-no  6  0.12%
8. pt-br  6  0.12%
9. fr-fr  5  0.10%
10. zh-cn  5  0.10%

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<tr>
<td>08/17/2016</td>
<td>Today's the day! Turf buy back applications are now available.</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>08/12/2016</td>
<td>Desert Water Agency likes Plan t California, Be Water Smart an</td>
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<td>0</td>
<td></td>
</tr>
<tr>
<td>08/11/2016</td>
<td>In July, DWA customers saved 22% over 2013. That's 276 MILL.</td>
<td>24</td>
<td>0</td>
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</tr>
<tr>
<td>08/10/2016</td>
<td>One week until turf buy back applications are available (8/17, no</td>
<td>323</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>08/18/2016</td>
<td>Desert Water Agency's cover ph o</td>
<td>26</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>08/06/2016</td>
<td>Your water meter is a helpful tool when checking for leaks. It are!</td>
<td>608</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>08/03/2016</td>
<td>Spraying down of driveways, sid ewalks, patios, etc is not allowe</td>
<td>24</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>08/01/2016</td>
<td>You can find DWA's most recen</td>
<td>46</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Total Page Likes as of Today: 867
Aug 2016 - 70 days so far

**Top Tweet** earned 844 impressions.

This worker went the extra mile to help a family in his community. Thanks to our team who often goes above & beyond.

twitter.com/USATODAY/status...

**Top media Tweet** earned 392 impressions.

Thanks to @BeazerHomes for giving us a lovely location for our PSA video to remind customer to #keepsaving.

pic.twitter.com/tuu3P3STW87

**Top Follower** followed by 2,951 people

All Spagnola 🕴️