

DESERT WATER AGENCY
OCTOBER 4, 2016



BOARD OF DIRECTORS
REGULAR MEETING AGENDA

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

About Desert Water Agency:

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

- 1. PLEDGE OF ALLEGIANCE**
- 2. APPROVAL OF MINUTES –** A. September 8, 2016 (Special) CIOFFI
B. September 20, 2016 CIOFFI
- 3. GENERAL MANAGER'S REPORT** KRAUSE
- 4. COMMITTEE REPORTS –** A. Human Resources – September 28, 2016 OYGAR
B. Executive – September 29, 2016 CIOFFI
- 5. PUBLIC INPUT:**
Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
- 6. ITEMS FOR ACTION**
A. Water Use Violation – Civil Penalty Hearing (s) KRAUSE
- 7. ITEMS FOR DISCUSSION**
A. State Water Contractors' Meeting – September 15, 2016 RIDDELL
B. Back-Up Facility Charge, Supplemental Imported Water Capacity Charge & Misc. Fixed Charge Analysis Review (PowerPoint) KRAUSE
C. Turf Buy Back Program Update (Verbal) METZGER
D. Prop. 218 Notice - Drought Rate KRAUSE
- 8. PUBLIC INFORMATION** METZGER
A. Media Information
B. PI Activities
- 9. DIRECTORS COMMENTS AND REQUESTS**
- 10. CLOSED SESSION**
A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
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

11. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

12. ADJOURN

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

September 8, 2016

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygur, Director)	
	Craig A. Ewing, 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)	
	Lee Lahtinen, Controller)	
	Esther Saenz, Account Clerk III)	
	Sarah Rapolla, Staff Engineer)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
	Kim Boehler, NBS Local Government Solutions)	
	Greg Henry, NBS Local Government Solutions)	
17579.	President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Oygur in the Pledge of Allegiance.	Pledge of Allegiance
17580.	President Cioffi opened the meeting for public input.	
	There being no one from the public wishing to address the Board, President Cioffi closed the public comment period.	Public Input
17581.	President Cioffi asked Finance Director Krieger to introduce the discussion on the rate study.	Discussion Item: NBS Rate Study

Mr. Krieger introduced Kim Boehler and Greg Henry from NBS Local Government Solutions who will be providing a PowerPoint presentation on the preliminary rate study results.

Ms. Boehler stated she would be presenting goals and objectives, financial plans, rate alternatives and an overview of the presentation.

Ms. Boehler provided an overview of the key components in the rate study; 1) financial plan, 2) cost of service analysis; and 3) rate design. She noted some of the major components of the financial plan consists of funding capital improvement costs, maintaining acceptable levels of reserves and rate design.

Ms. Boehler stated current projections for the next four years would result in a \$12.9 million deficiency. NBS recommends an annual 13% rate increase each year over the next 5 years. She discussed the recommended adjustments to the water rate structure: Alternative (1) 30% Fixed & 70% Variable 1) Maintain Uniform Volumetric Rate Structure (Due to primary source of water supply). This alternative would change the current monthly meter charge (standard & fire), increasing 13% each year. The uniform rate for all customers would be reduced from \$1.57 to \$1.39 the first year, then increase over the next four years. At the end of the five-year period, the uniform rate would be \$2.27.

Rate Study
Recommendations

Alternative #1

Regarding alternative 2) Increase percentages of revenue collected from fixed charges (64% Fixed & 36% Variable). This alternative would change the current monthly meter charge (standard & fire) the first year increasing from \$10.75 to \$44.73. The uniform rate would be reduced from \$1.57 to 0.72 the first year, then a gradual increase to \$1.18 at the end of the five-year period.

Alternative #2

Regarding alternative 3) 30% Fixed & 70% Variable (no reduction in volumetric rate & higher initial rate increase). Ms. Boehler explained this would have a higher initial increase for the first year for the monthly meter charge (27.25% increase), and then adjust to 7.5% at the end of the five-year period. The uniform rate would stay the same for the first year, and then increase to \$2.09 at the end of the five-year period.

Alternative #3

In regards to alternative 4) 30% Fixed & 70% Variable (transition to 30% fixed over 5 years). Ms. Boehler noted the first year's rate revenue would be 21% fixed and 79% variable, increasing to 30% fixed and 70% variable at the end of five years. The uniform rate would stay the same for the first year and gradually increase to \$2.27 at the end of the five-year period.

Alternative #4

Ms. Boehler provided sample monthly water bill comparisons for each of the alternatives. She explained the annual average residential customer uses 26 units of water per month.

Continuing her presentation, Ms. Boehler explained the two alternative plans for the reclaimed water system. Alternative 1) 11% Fixed & 89% Variable, includes the uniform rate for all customers to adjust from 0.79 to 0.70. Alternative 2) 2% Fixed & 98% Variable includes the uniform rate to remain the same over the five-year period.

Reclaimed Water
Financial Plan/Rate
Alternatives

Regarding the recommended adjustments to the Wastewater rates, Ms. Boehler stated the recommendation is for reserve targets to be consistent with existing Agency policy. She explained the proposed monthly rate per equivalent dwelling unit (EDU) to adjust from \$5.00 to \$6.15 over the five-year period.

Discussion Item:
(Cont.)
NBS Rate Study
Wastewater Rates

Concluding her presentation, Ms. Boehler explained the next steps, which include: 1) NBS will complete the scope of work to develop/advise on drought rate, backup facility charges and supplemental imported water capacity charges, 2) Present subsequent rate proposal to the Board; and 3) Proceed with the Proposition 218 process. She noted the timeline of mid October for mailing out the Proposition 218 notices, holding community workshops in November and conducting a public hearing in December.

There was discussion on the preference of alternatives presented and further information on drought rates.

17582. There was consensus that the next discussion on the NBS rate study would be held on September 28 at 8:00 a.m.

Next Study Session

17583. Director Ewing informed the Board and staff that he would be out of town for the October 4 and November 1 Board meetings.

Director's Comments

17584. In the absence of any further business, President Cioffi adjourned the meeting at 10:04 a.m.

Adjournment

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

2-B

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

September 20, 2016

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygar, Director)	
	Craig A. Ewing, 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)	
	Irene Gaudinez, Human Resources Manager)	
	Alfredo Felix, Water Service Worker, Const.)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
Public:	David Freedman, P.S. Sustainability Comm.)	
	Ron & Vera MacKay, Sunrise Villas HOA)	

17585. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Vice President Stuart in the Pledge of Allegiance. **Pledge of Allegiance**

17586. President Cioffi called upon General Manager Krause to introduce the new employees. **Employee Introductions**

Mr. Krause introduced newly hired employees Alfredo Felix and Ryan Wooten (not present), Water Service Worker I in the Construction Department.

17587. President Cioffi called for approval of the September 6, 2016 Regular Board meeting minutes. **Approval of 09/06/16 Regular Board Mtg. Minutes**

Vice President Stuart moved for approval. After a second by Director Ewing, the minutes were approved as written (Director Oygar abstained due to her absence).

17588. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated on September 7 at approximately 11:15 a.m., Assistant Construction Superintendent Kuhlman responded to a leak on West Cerritos Dr. and Andreas Rd. The leak was caused by a street grinder hitting the top of a four-inch water main causing several gashes. Staff filled out a damage report and the contractor Matich will be charged.

General Manager's Report (Cont.)

Water Leak – West Cerritos Dr. & Andreas Rd.

Mr. Krause announced once again DWA has been awarded the Platinum Award from United Way and DWA continues as the Water Challenge Winner.

United Way

Mr. Krause stated DWA is receiving contributions from its vendors with donations for the United Way Customer Assistance Program.

United Way Customer Assistance Program Update

Concluding his report, Mr. Krause noted several meetings and activities he participated in during the past several weeks.

General Manager's Meetings & Activities

17589. President Cioffi noted the minutes for the September 13, 2016 Executive Committee were provided in the Board's packet.

Committee Reports
Execute 09/13/16

President Cioffi noted he will be speaking at today's Building Industry Association luncheon.

17590. President Cioffi opened the meeting for public input.

Public Input

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

17591. President Cioffi called upon Secretary-Treasurer Bloomer to provide an overview of financial activities for the month of August 2016.

Secretary-Treasurer's Report – August 2016

Secretary-Treasurer Bloomer reported that the Operating Fund received \$2,413,187 in Water Sales Revenue, \$125,196 in Reclamation Sales Revenue and \$171,721 in Meter Sales and Services. \$187,208 was included in the Miscellaneous Receipts (from CPV for reimbursement of the 2015/16 controller program). \$1,288,055 was paid out in Accounts Payable. Year-to-date Water Sales are 13% over budget, Year-to-date Revenues are 10% over budget, Year-to-date total Expenses are 22% under budget. There were 22,301 active services as of August 31, 2016 compared to 22,287 as of July 31, 2016 and compared to 21,798 active services as of August 31, 2013.

Operating Fund

Reporting on the General Fund, Secretary-Treasurer Bloomer stated \$464,019 was received in Property Tax Revenue. \$81,721 was received in Groundwater Assessments from private pumpers. \$113,726 was received in State Water Project refunds. \$48,260 was received from SCE for Whitewater Hydro Power Sales. \$1,154,152 was paid out in State Water Project Charges (YTD State Water Project payments for July/August is \$4,279,556).

General Fund

Regarding the Wastewater Fund, \$3,734 was received in Sewer Contract payments. There are a total of 70 contracts (49 in Cathedral City Cove and 21 in Dream Homes), one contract was paid in full (Cathedral City Cove) with 26 delinquent (37%). \$62,947 was paid out in Accounts Payable.

17592. President Cioffi asked General Manager Krause to present staff's request for authorization to participate in the 2016-2017 United States Geological Survey Cooperative Water Resources Program.

Items for Action:
2016-2017 USGS
Cooperative Water
Resources Program
Participation

Mr. Krause stated as in previous years, the Agency, along with Coachella Valley Water District, the Riverside County Flood Control and Water Conservation District ("Agencies") and the USGS will share the costs for the operation and maintenance of a number of stream gauging facilities, as well as a ground and surface water quality program. The cost share ratio of the program remains at 60/40 between the agencies and the USGS, with USGS paying 40 percent.

Mr. Krause noted there is a 21% increase due to the changes in federal funding for the USGS National Streamflow Information Program (NSIP). This amount covers the operation and maintenance costs for 14 gauging stations. Staff wishes to continue participation in the USGS Cooperative Water Resources Program in order to maintain the monitoring of our water supplies and uses throughout the upper Coachella Valley, and requests Board approval of the Agency's participation in the 2016-2017 program in the amount of \$82,825.

Director Oygar made a motion to approve the Agency's participation in the USGS Program for 2016-2017 in the amount of \$82,825. After a second by Vice President Stuart, the motion passed unanimously.

17593. President Cioffi asked General Manager Krause to report on the August Water Production Comparison.

Items for Discussion:
August Water
Production Comparison

Mr. Krause reported that the Agency and its customers achieved an 18.5 percent reduction during August 2016 compared to August 2013. Mr. Krause noted the cumulative savings June 2015 through August 2016 is 26 percent.

Mr. Krause noted 466,691 acre feet of fresh water from the SWP was released into the ocean during August.

Concluding his report Mr. Krause noted there were 28 formal warnings issued for water waste or violation of conservation rules and 25 penalties were issued for water waste or violation of conservation rules.

17594. President Cioffi asked General Manager Krause to provide an update on the Lake Perris Dam Seismic Remediation.

Discussion Items:
(Cont.)
Lake Perris Dam
Seismic Remediation
Update

Mr. Krause stated the update is from September. The highlights of the report are 71% of the work has been completed with 59% of the time elapsed. Liquidated damages for the delays on the left abutment road are now being assessed. The contractor is still claiming a change in conditions regarding the quarry rock processing but the materials currently being produced are meeting specifications

Concluding his update, Mr. Krause reported to date there have been \$702,000 in liquidated damages for the left abutment haul road and \$802,614 (no change since update in April 2016) in change orders submitted. This amount in change orders is a little 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. It is still anticipated that the contractor will be submitting change orders for a change of site conditions for both of these items.

17595. President Cioffi asked Director Ewing to report on his attendance at the ACWA Groundwater Committee Meeting.

Director's Attendance
at ACWA Groundwater
Committee Meeting

Director Ewing noted his attendance via a webinar for the ACWA Groundwater Committee Meeting on September 14.

17596. There was discussion regarding the cancellation of the November 15 Board Meeting due to the NWRA conference being held the same week. There was consensus by the Board to cancel the November 15 Board Meeting.

**Directors
Comments/Requests**
Cancellation of
November 15 Board
Mtg.

Vice President Stuart expressed his appreciation to Outreach and Conservation Manager Metzger and Outreach and Conservation Associate Petek for their outreach efforts regarding the August production numbers.

Outreach &
Conservation

17597. At 8:30 a.m., President Cioffi 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 Steve L. Johnson, Assistant General

Closed Session:
A. Existing Litigation –
ACBCI vs. CVWD, et
al. B. Existing
Litigation – ACBCI vs.
Riverside County
C. Existing Litigation –
DWA vs. U.S. Dept. of
Interior
D. Existing Litigation –
MSWD vs. DWA
E. Real Property
Negotiators

Manager, Negotiating Parties: Chris Thomsen, New Mesquite HOA, Under Negotiation: Price and terms of possible acquisition.

17598. At 9:29 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action. **Reconvene – No Reportable Action**

17599. In the absence of any further business, President Cioffi adjourned the meeting at 9:30 a.m. **Adjournment**

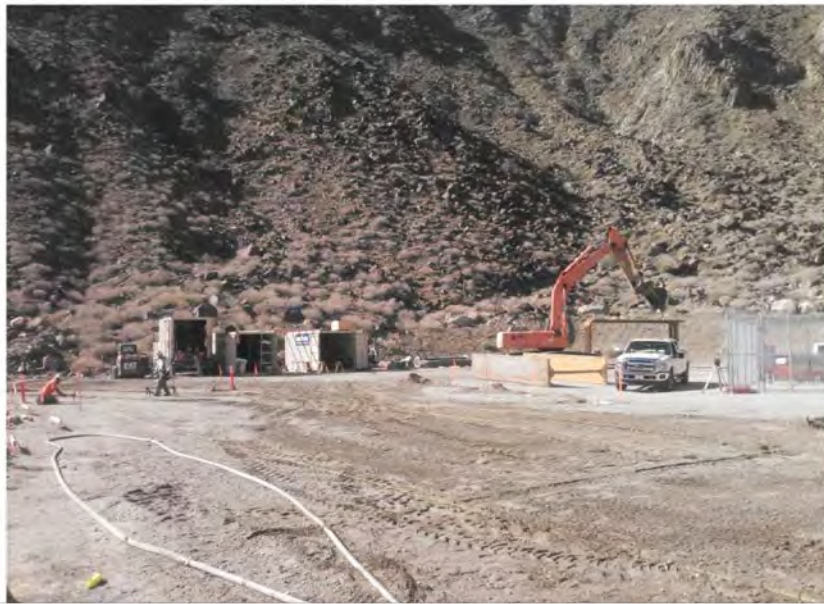
James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT OCTOBER 4, 2016

Cora Constructors have started constructing the **1240 Booster Plant**, located within the Desert Palisade development. The new plant will provide pressure to approximately 50 lots within the development. Completion of the booster plant is scheduled for Mid-January 2017.



General Manager's Meetings and Activities

Meetings:

09/21/16	East Branch State Water Contractors Meeting	SBVMWD
09/22/16	All Employee Sexual Harassment Training	DWA
09/28/16	DWA Special Board Meeting – Rate Study	DWA
09/28/16	DWA Human Resources Committee Meeting	DWA
09/29/16	SGMA San Geronio Pass Sub-basin Meeting	Morongo Indian Res.
09/29/16	DWA Executive Committee Meeting	DWA
09/30/16	MSWD Negotiation Meeting	DWA

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
- SWP Delta Charges – Rate Study
- Well 6 and Well 32 Water Quality Remediation issues
- 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
- United Way of The Desert – DWA Customer Assistance Program

**Minutes
Human Resources Committee Meeting
September 28, 2016**

Directors Present: Patricia Oygar, Craig Ewing
Staff Present: Mark Krause, Steve Johnson, Martin Krieger, Irene Gaudinez

1. Discussion Items

A. 2016 Employee Salary Survey

The Committee and Staff discussed the 2016 Salary Survey, which was conducted per the terms of the 2015-2018 Memorandum of Understanding between the Desert Water Agency and the DWA Employees' Association which specified that a salary survey for benchmarked job classifications would be conducted at the end of 2016.

Staff reviewed the salary survey results, proposed salary adjustments, and percentage of increase to payroll budget if adjustments were implemented. Approved salary adjustments will become effective on January 1, 2017.

It was noted that Management Staff had met in April with the Desert Water Agency Employees' Association (DWAEA) members who would be involved in the survey process and the DWAEA had approved the benchmark positions and the water agencies selected to participate.

Human Resources Committee Board Members Patricia Oygar and Craig Ewing directed management to present the salary survey results to the Desert Water Agency Employees' Association Salary Survey Negotiating Committee.

Upon approval by the DWA Employees' Association Salary Survey Negotiating Committee, the results of the salary survey and recommended salary range adjustments will be presented to the Board of Directors at their December 6, 2016 meeting.

2. Other

General Manager Krause discussed anticipated retirements in early 2017 and informed the committee that he would be reorganizing some departments as a result of those retirements.

3. Adjourn

Minutes
Executive Committee Meeting
September 29, 2016

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

A. Review Agenda for October 4, 2016 Regular Board Meeting

The proposed agenda for the October 4, 2016 regular board meeting was reviewed.

2. Other – None

3. Adjourn

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

OCTOBER 4, 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. Four 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. Michael O'Neil, 890 Sierra Way

- a. On Monday, August 23 at 10:55 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 \$100
 - i. Single-family home
 - ii. Second violation
- c. Reason for petition
 - i. Landscapers checking the valves each week to prevent leaks





August 23, 2016

Michael O'Neal
4951 Hawley Blvd
San Diego, CA 92116

RE: FINE ON ACCOUNT# [REDACTED] 890 E Sierra Way

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Monday, August 23, 2016 at 10:55 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 **\$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****

- ***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

Ashley Metzger

From: michael o'neil <michael.oneil@me.com>
Sent: Tuesday, August 30, 2016 1:13 PM
To: Ashley Metzger
Subject: Re: Hearing Request: [REDACTED]

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Ashley

we have had two water leaks over the past six months. I can provide repair costs for both of those leaks. Our water bill went up significantly in February as a result of one of those leaks.

we asked our landscapers to check the water valves each week to ensure we do not have leaks go unnoticed. they come on tuesdays.

we only water 5 days per week and our water usage has dropped more than 40% last year during the drought.

i would like an exception from the water agency...we are being responsible with our water usage and looking to prevent more widespread waste.

thanks for your help!

> On Aug 29, 2016, at 2:55 PM, Ashley Metzger <AMetzger@dwa.org> wrote:

>

> Hello,

>

> If you would provide the rationale for the appeal, that would be great.

> That way, if you're unable to attend the Board can still consider your

> appeal.

>

> Thank you,

>

> Ashley Metzger

> 760-323-4971 x184

>

>

> -----Original Message-----

> From: michael o'neil [<mailto:michael.oneil@me.com>]

> Sent: Monday, August 29, 2016 12:16 PM

> To: Ashley Metzger

> Subject: Hearing Request: [REDACTED]

>

> Hi Ashley

>

> We spoke briefly last week.

>

> Thank you for taking the time to speak with me. Per our conversation,

> I would like to contest the water violation that was provided to me on
> August 23rd.
>
> My address is:
> 890 sierra way
> 92264
>
> Account #: [REDACTED].
>
> We were looking to get on the 10/4 hearing schedule.
>
> Please confirm that you received this email.
>
> Thank you!
>
> Michael

2. Neil Badham, 990 Vista Dunes Rd

- a. On Wednesday, August 31 at 4:34 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Watering during restricted hours
 - ii. Runoff
- b. Fine amount \$50
 - i. Single-family home
 - ii. First violation
- c. Reason for petition
 - i. Accidentally swapped a.m. and p.m. on timer







September 1, 2016

Neil Badham
PO Box 951
Palm Springs, CA 92263-0951

RE: FINE ON ACCOUNT# [REDACTED] 990 Vista Dunes

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Wednesday, August 31, 2016 at 4:34 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 **\$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

DESERT WATER



Date: 08/31/2016 Time: 4:34 A.M. / P.M.

Address: 990 VISTA DINES

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,


_____, Desert Water Agency
On behalf of Mark Krause, General Manager

Desert Water Agency

1200 South Gene Autry Trail
Palm Springs CA 92264

Thursday, September 01, 2016

Sent by U.S. Mail Service

Re 990 Vista Dunes Palm Springs CA – Violation Complaint

To whom it may concern

I am appealing your violation penalty dated August 31st.

While I have no information to present to you other than an explanation that the 'a.m.' and 'p.m.' programming on my irrigation device was reversed during a recent review of my irrigation system watering pattern, I understand I need to appear at a hearing.

Sincerely



Neil Badham.

RECEIVED

SEP 06 2016

DESERT WATER AGENCY
ENGINEERING

3. Canyon View Estates 5, 2463 Sierra Madre

- a. On Tuesday, August 30 at 1:45 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Watering during restricted hours
 - ii. Runoff
- b. Fine amount \$100
 - i. Homeowners association
 - ii. First violation
- c. Reason for petition
 - i. Turned electricity off, forgot to reset one of their timers





August 30, 2016

Canyon View Est #5
% Accounting Office
PO Box 5802
Palm Springs, CA 92263

RE: FINE ON ACCOUNT# [REDACTED] Sierra Madre - IRRIG

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Tuesday, August 30, 2016 at 1:45 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****

- ***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

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

RE: Fine on ACCOUNT # [REDACTED]

Dear Sirs,

I am Neil Brooks, President of Canyon View Estates # 5. I would request a hearing regarding a fine on this account but being that I am handicapped with severe neuropathy due to Chemotherapy, I would hope that you will accept this statement in place of my physical appearance.

At Canyon View Estates # 5, we are in the midst of renovating one of our pools and replacing old electrical panels which control all exterior lighting and irrigation in our complex. On Monday, August 29, 2016 our Electrician was working well into the evening, replacing the electrical panels that conduct electricity to the complex. What she didn't realize, nor did I, was that by turning off all electricity to our complex we were changing the calibration on our irrigation pump Timers. We thought we had readjusted all of them since they were roughly 18 hours behind, due to the original shut off of electricity by our electrician. Apparently we missed one !!!

I assure you that we are fully complying with Water Agency's Ordinance No. 65 at all times with the exception of this time due to no deliberate intention on our part to violate any ordinance. I am requesting this fine be rescinded.

Thank you for your attention to this matter and again be assured that we will diligently make sure this doesn't happen again !

Respectfully,


Neil Brooks

President , Canyon View Estates # 5 HOA

RECEIVED

SEP - 8 2016

DESERT WATER AGENCY
ENGINEERING

4. Mark Neveu, 971 Chuckwalla Rd

- a. On Wednesday, September 7 at 4:00 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Watering during restricted hours
 - ii. Runoff
- b. Fine amount \$100
 - i. Commercial - apartments
 - ii. First violation
- c. Reason for petition
 - i. Owner does not live at property, spends majority of time in Los Angeles; had no knowledge the issue was occurring.



September 8, 2016

Mark Neveu
1200 E Del Paso Way
Palm Spring, Ca 92262

RE: FINE ON ACCOUNT# [REDACTED] 971 Chuckwalla Rd

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Wednesday, September 7, 2016 at 4:00 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****

- ***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.

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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

Desert Water Agency

REC'D SEP 21 2016

1200 South Gene Autry Trail
Palm Springs, CA 92264
Attn: Mark Krause or Staff

RE: 971 Chuckwalla Road/[REDACTED]

Dear Mr. Krause or Staff:

I contacted your office and my property management team on the day I received the attached letter. I bought this rental property last year in mid-November and retained the existing gardener.

Upon receipt of your letter I have taken corrective action and had the watering corrected.

Please remove the fine as I do not live on subject property and spend the majority of time in Los Angeles and had no knowledge this was happening.

Thanks for letting me know about the situation and hopefully you will reverse the fine.



Mark Neveu
1200 East Del Paso Way
Palm Springs, CA 92262
(310) 213-5676

September 26, 2016

MEMORANDUM

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

FROM: BEST BEST & KRIEGER LLP

RE: SEPTEMBER 14, 2016, MEETING OF THE BOARD OF DIRECTORS OF
THE STATE WATER PROJECT CONTRACTORS AUTHORITY AND
SEPTEMBER 15, 2016 MEETING OF THE BOARD OF DIRECTORS OF
THE STATE WATER CONTRACTORS, INC.

The September 14, 2016 meeting of the Board of Directors of the State Water Project Contractors Authority was conducted at the offices of the State Water Project Contractors Authority in the Senator Hotel in downtown Sacramento. The September 15, 2016 meeting of the Board of Directors of the State Water Contractors, Inc., was conducted at the Tsakopoulos Library Galleria in downtown Sacramento.

1. SFCWA Habitat Restoration Projects.

At the SWPCA Board meeting, the General Manager of the State and Federal Contractors Water Agency, Byron Buck, was present and advised the Board that the Department of Water Resources has finally entered into a contract with SFCWA to perform the Tule Red Habitat Restoration Project. The SFCWA had already started that project, and had invested more than a million dollars in it. The contract with DWR means that DWR will now reimburse SFCWA for expenditures already incurred. That is good news, since that is money previously advanced by Contractors for the performance of that work. The Tule Red Habitat Restoration Project will satisfy a portion of the 8,000 acre habitat restoration obligation set forth in the biological opinions. DWR will solicit proposals for the next project to further address that requirement. The Board of Directors of SFCWA has decided not to submit a proposal for the next project, and instead to wait and see what proposals DWR receives from other interested parties. If DWR gets good proposals from other parties, SFCWA may decide to simply rely on other parties to perform the work going forward. However, if the next project is awarded at a

price that the SFCWA Board deems too high, the SFCWA itself may decide to submit proposals for future projects in order to hold down the ultimate expense for the Contractors.

2. Sites Reservoir.

After the SWPCA Board meeting, a couple of committee meetings were conducted at the Resources Building. One of those meetings included a report on the status of the Sites Reservoir project. The principal proponents for that project had solicited interest from Contractors wishing to participate. The Sites Reservoir project is expected to produce approximately one half million acre feet of additional water. Bond funds are available to finance a portion of the cost. In order to qualify for the bond funding, the State of California itself must be given the option to take up to 50% of the additional water, although the State is not required to exercise that option. At the meeting it was reported that letters of interest had been received from nine State Water Contractors, one Feather River Settlement Contractor, one mutual water company in Northern California, one mutual water company in Southern California, and California Water Service, a regulated utility. The broad response was very positive for purposes of success in obtaining the funding, but approximately one fourth of the total yield is still available for subscription. SWC's General Manager, Terry Erlewine, had prepared a quick analysis of the cost per acre foot for participation. Based upon his quick analysis the cost will be approximately \$440 per acre foot if the Cal Water Fix Project is not developed, and \$333 per acre foot if the Cal Water Fix Project does proceed.

3. Report from DWR Director Mark Cowin.

One of the committee meetings included a report from DWR Director Mark Cowin, whose office is there in the Resources Building. Cowin reported that DWR has agreed to enter into reconsultation on the OCAP biological opinions. DWR is in the process of working out its strategy for reconsultation. Unfortunately, the timing is such that the reconsultation will extend beyond the end of President Obama's administration, which means that the change in the administration will further delay the process. DWR and the Contractors had hoped to have the new biological opinions completed before the change in the administration so that it would not hold up the Cal Water Fix Project. It now appears that the completion of the environmental document for Cal Water Fix will be delayed at least another three or four months. Cowin stated

that DWR has had good interaction with the National Marine Fisheries Service and the United States Fish and Wildlife Service, which will be preparing the biological opinions for the Delta Smelt and for Salmon.

Cowin reported that DWR is working on responses to comments received on the environmental document circulated for Cal Water Fix. Hundreds of thousands of comments were submitted, but he said that only approximately 200 are substantively significant.

Earlier that day, an article released by the Associated Press stated that based upon the economic analysis prepared by economist David Sunding, the Contractors will need federal funding in order to proceed with the Cal Water Fix Project. Cowin stated that the report was simply not true, and that each Contractor will simply need to make an economic decision whether or not to participate. He stated that the article presents a very bleak water picture for California and that the Contractors, and the public in general, should not believe what they read in the newspaper.

4. Water Supply Report.

At the SWC Board meeting, the water supply report revealed that storage in Lake Oroville was at 1.7 million acre feet, a little less than half of capacity. Releases from Oroville were scheduled to be reduced, which would slow the decline in storage in that reservoir. The previous week, winds and high tides had caused increased salinity in the Delta, requiring an increase in releases from Oroville in order to prevent salt water intrusion into the Delta. DWR reacted on a “real time” basis to prevent salt water intrusion, because it is better to prevent salt water from getting into the Delta than to try and flush it out of the Delta once it has been allowed in. Total storage in the San Louis Reservoir was at 430,000 acre feet, with the State Water Project share being 380,000 acre feet and the Bureau of Reclamation share at 50,000 acre feet. The Bureau was paying back the State Water Project water that had been borrowed earlier in the year.

5. Report of Business Processes Objective.

Attached to this memo is a copy of the PowerPoint presentation used to report on progress in addressing business processes objectives for the year. Eight objectives had been

identified for the year, including four high priority objectives and four lesser priority objectives. The report includes items on DWR's budget process, the financial enhancement management project, dispute oversight, audit oversight, and financial/annual debt service.

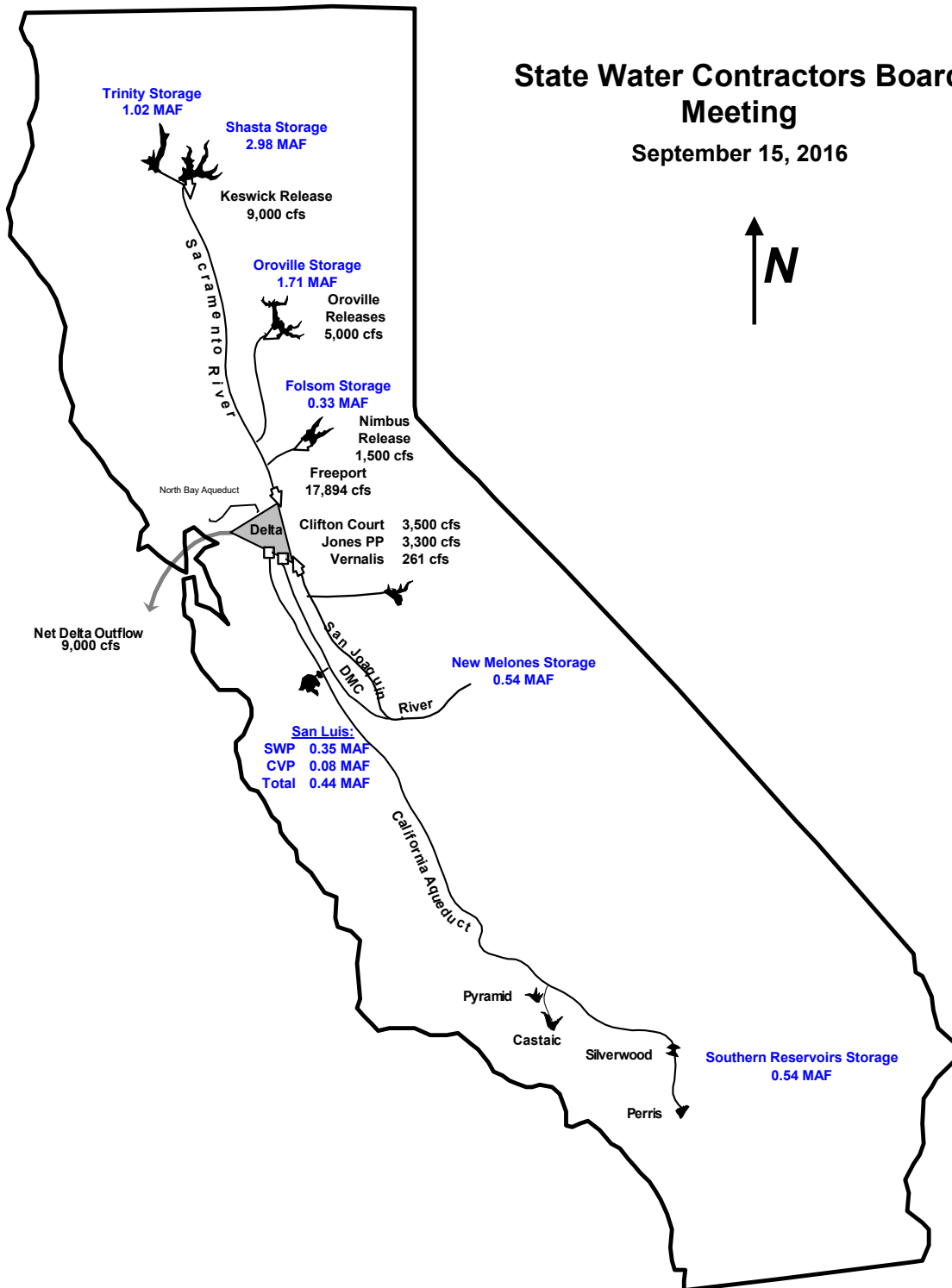
6. General Counsel's Report.

The meeting concluded with a closed session with the general counsel for the SWC, who provided a report on some litigation items, the EIR prepared for the contract amendment to extend its term, and a report on the proceedings before the State Water Resources Control Board for a change in the point of diversion to allow the diversion of water into the proposed tunnels to be constructed as part of the Cal Water Fix Project.

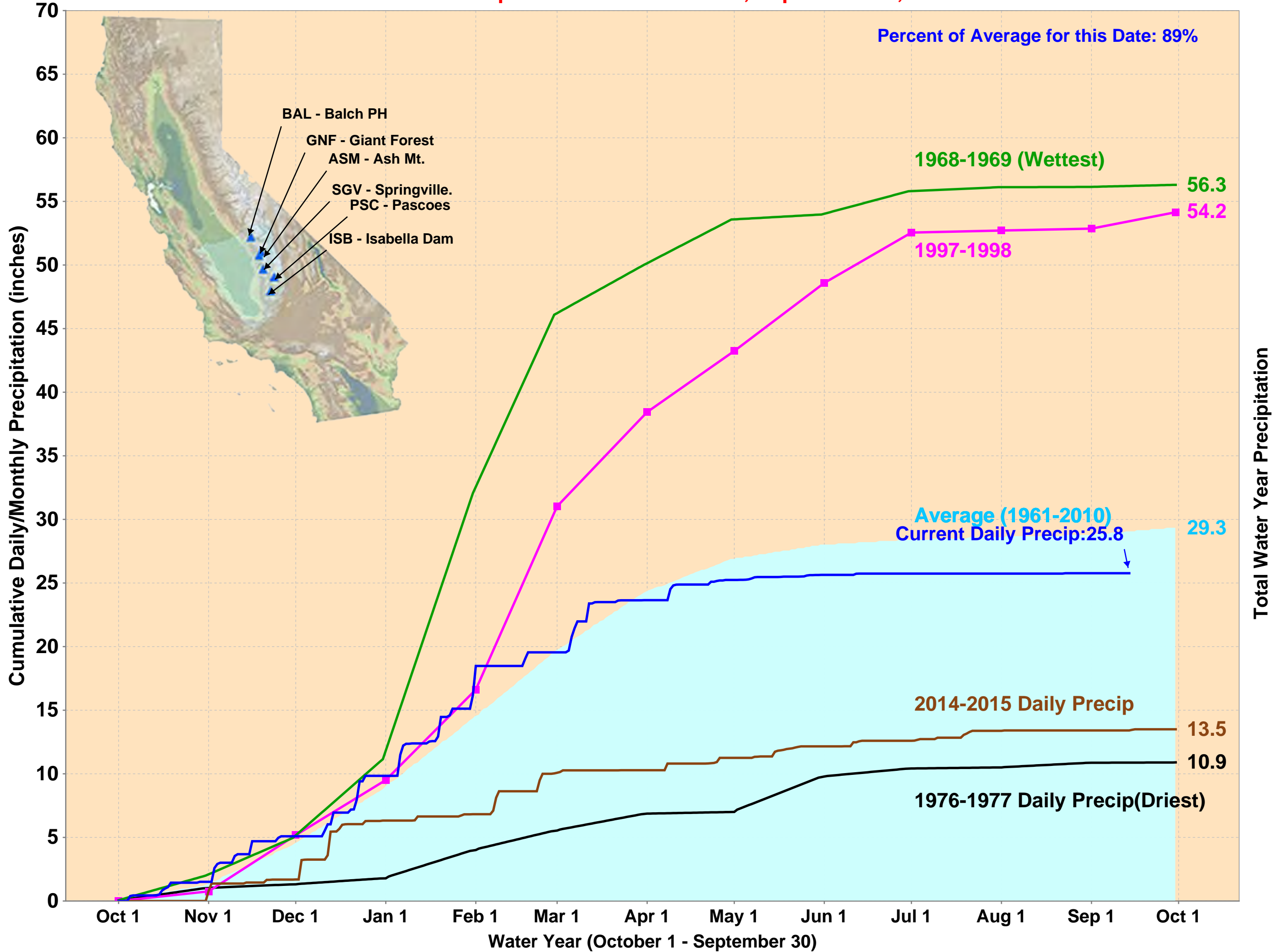
MICHAEL T. RIDDELL

State Water Contractors Board Meeting

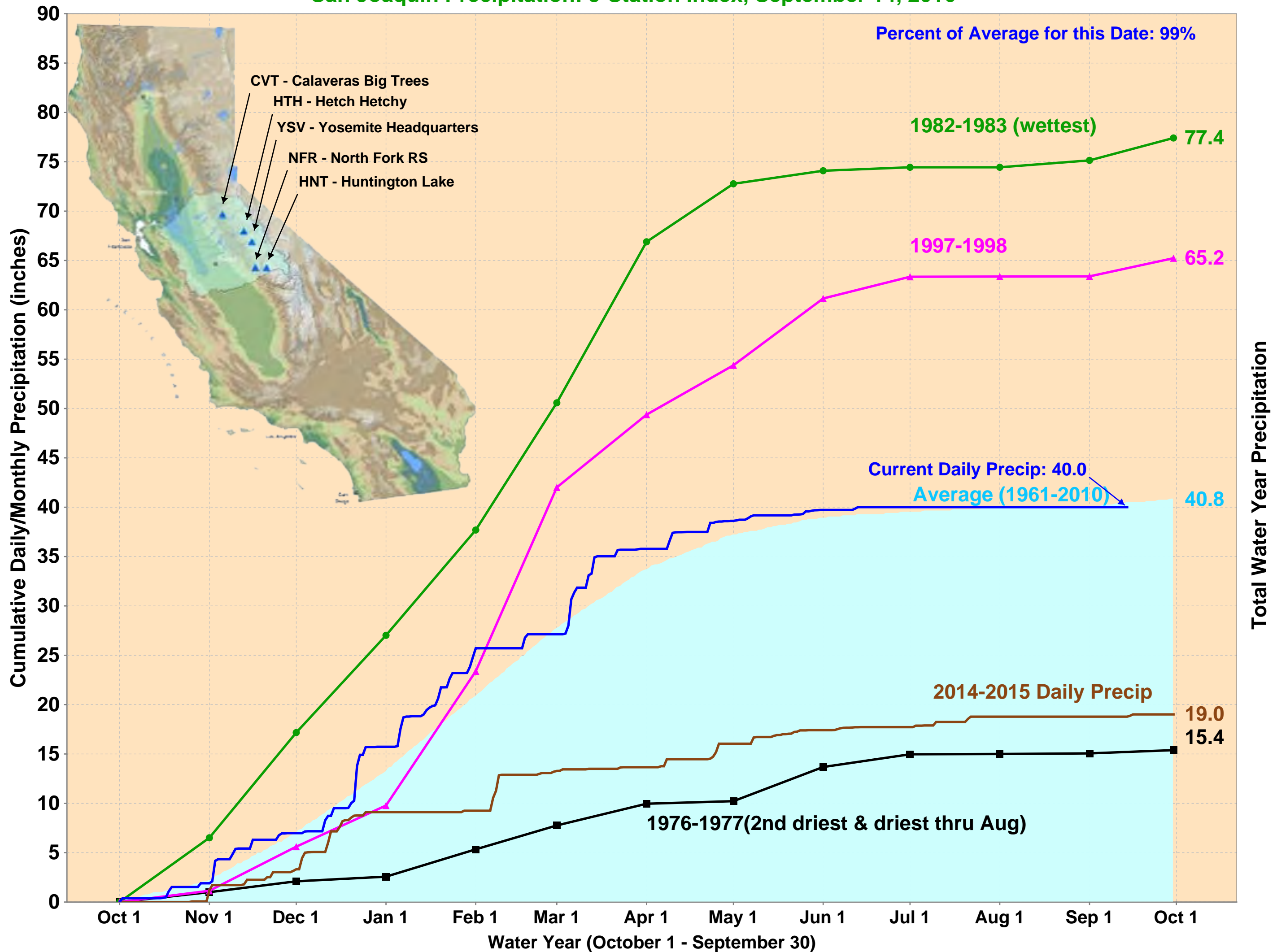
September 15, 2016



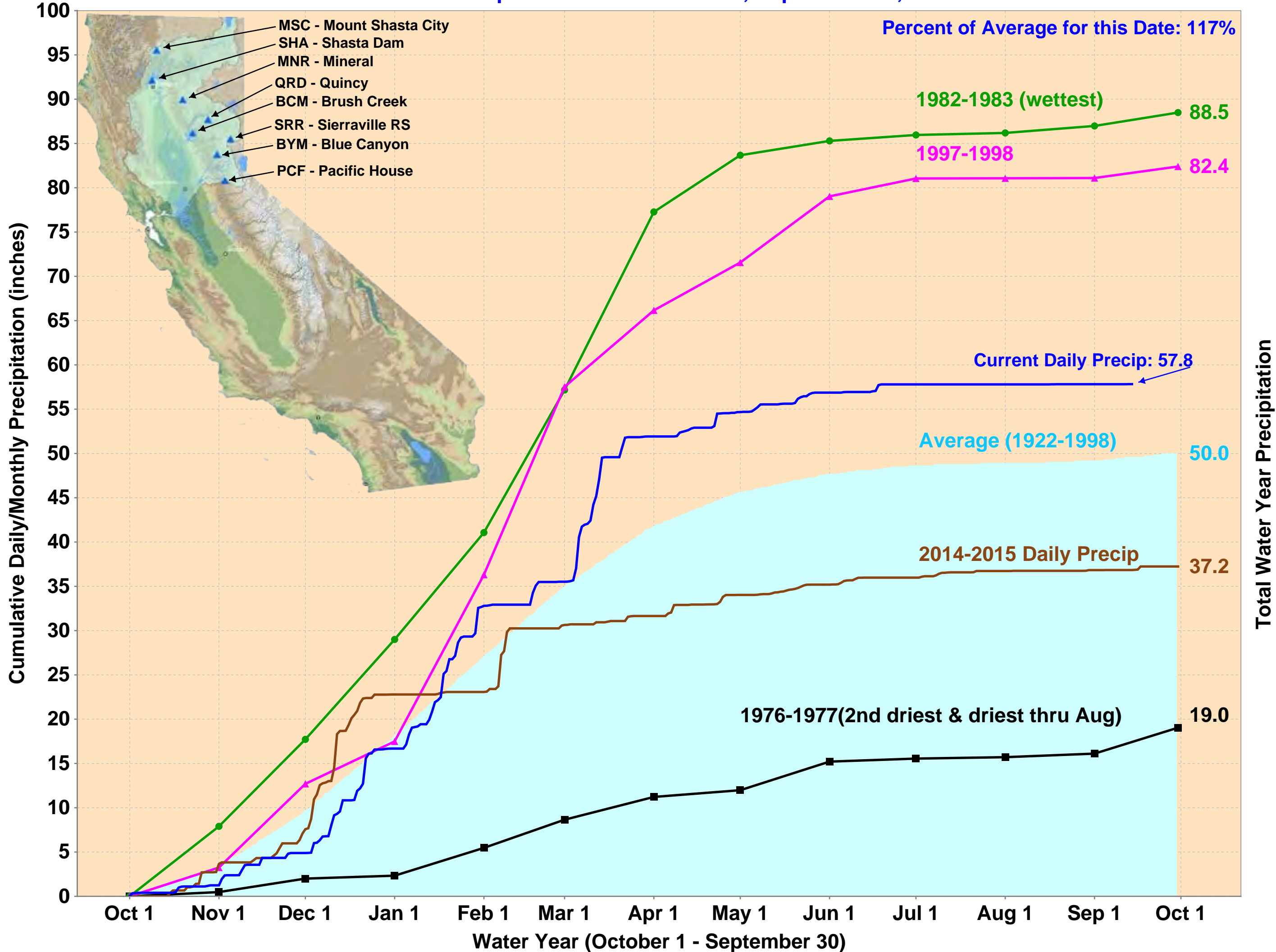
Tulare Basin Precipitation: 6-Station Index, September 14, 2016



San Joaquin Precipitation: 5-Station Index, September 14, 2016



North Sierra Precipitation: 8-Station Index, September 14, 2016

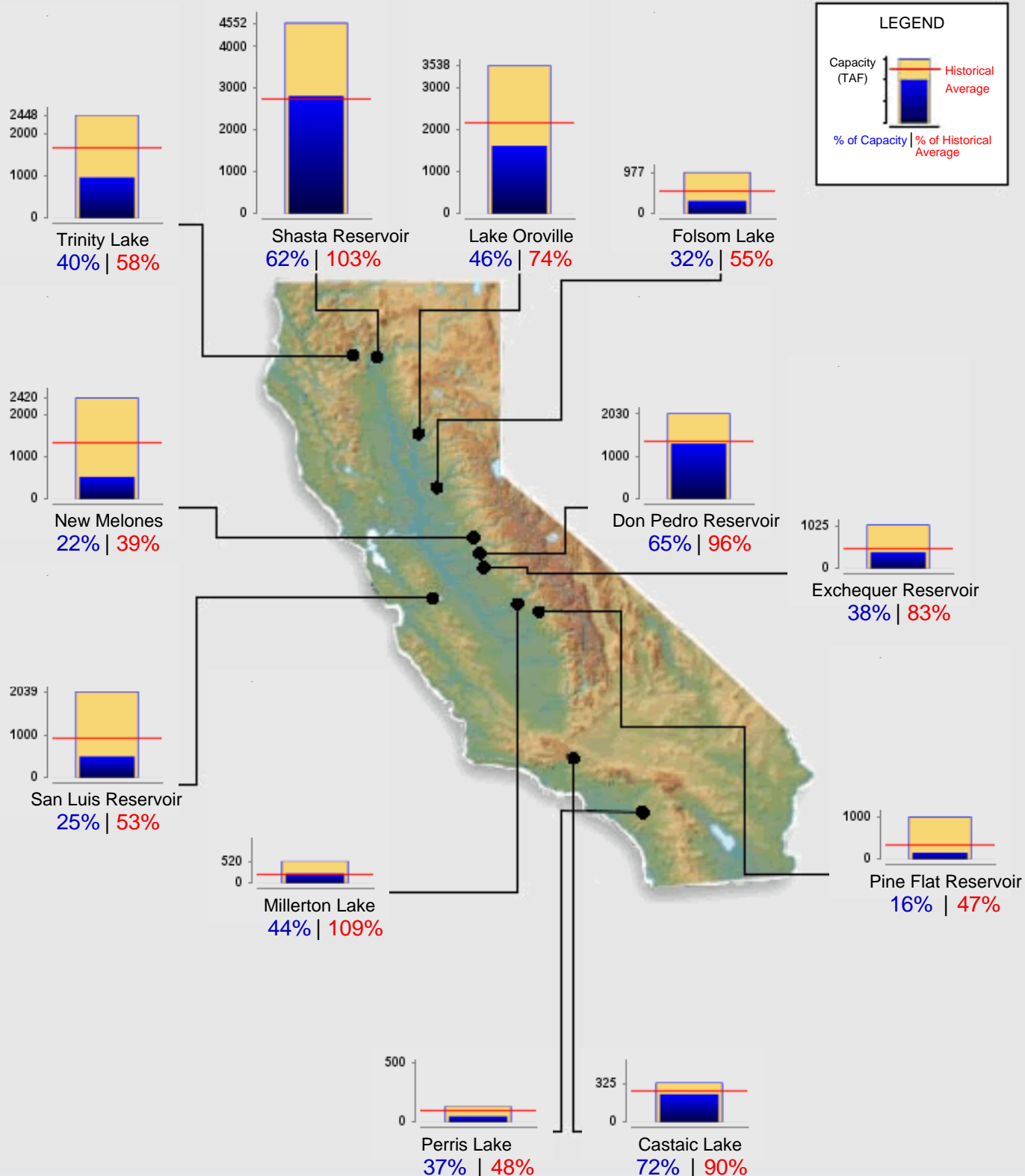




Reservoir Conditions

Ending At Midnight - September 29, 2016

CURRENT RESERVOIR CONDITIONS



FY2016-17 Business Processes Objectives

State Water Contractors
September 15, 2016



Business Process Vision

The roadmap for the future

MISSION

Improve Fundamental
Management Controls of the
State Water Project

VISION

Enhance Fiscal Policies and
Administrative Measures for the
Operation of the SWRDS

GOALS



Business Process Objectives

Priority I:

1. Financial Enhancements

- Coordination of DWR and Contractors on Financial Enhancements being negotiated under contract amendments

2. Reporting

- Coordinating the Development of Contractors' SWP Reporting Requirements

3. Cash & Financing Oversight

- Oversight and coordination of Contractors' policy and decisions related to cash flow and financing activities

4. Job Costing Oversight (Actual Costs)

- Oversight and coordination of SWP allocation and classification of expenditures

Priority II:

5. Future Projects & Financing Oversight

- Coordination of DWR's Bulletin 132 capital project estimates

6. Cost Recovery/SOC Oversight (Estimated Costs)

- Coordination of DWR's Bulletin 132 extraordinary and baseline estimates

7. Financial Audit and Dispute Oversight

- Work with Contractors and DWR to identify and resolve existing and potential protest items

8. Appropriations and Other Funding

- Work with Contractors and DWR to identify, ensure collection, and track usage of non-State Water Project Contractor funding

State Water Contractors
Business Processes

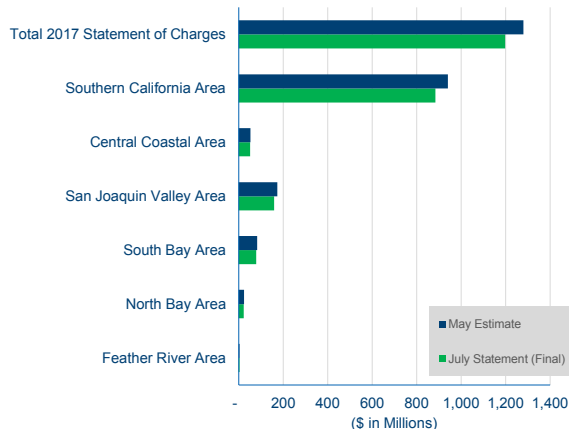
September 15, 2016

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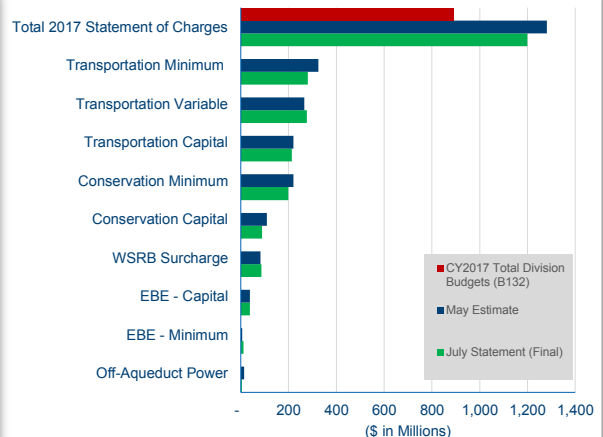
Statement of Charges Oversight

2017 Statement of Charges, \$1.2 billion

By Contractor Area



By Charge Type



State Water Contractors
Business Processes

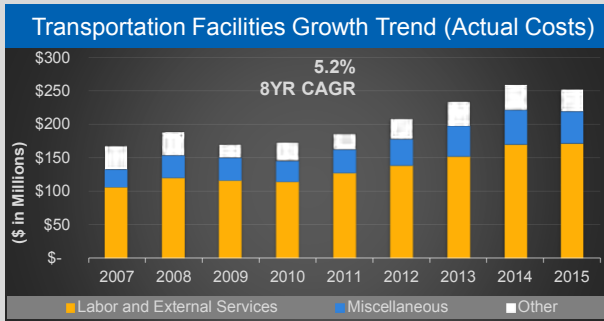
September 15, 2016

4

Statement of Charges Oversight

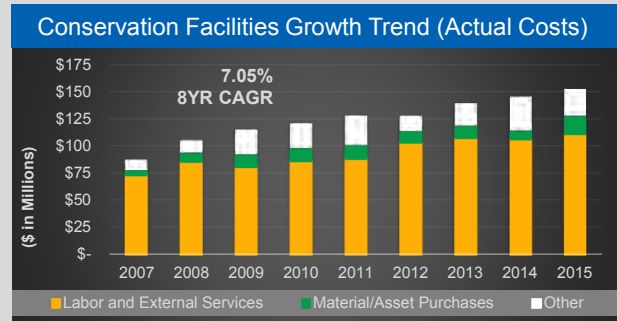
May 2016 State Water Contractors' Board Request

- Issue: Insufficient Information Regarding Recent Increases in Statement of Charges and SWP Forecasted Long-term Cost Trends
- Actual Minimum Cost Trends for Transportation & Conservation Facilities:



State Water Contractors
Business Processes

September 15, 2016



5

Reporting Strategy Workgroup

Contractor Lead: Kathy Cortner

WORKGROUP OBJECTIVES:

- Exploring Contractors' Preferred Reporting Strategy for the State Water Project.
- Developing Contractors' Consensus on Preferred Reporting Strategy.
- Preparation for Contractors' Reporting Recommendation to DWR.
- Discuss strategies for providing feedback to DWR.

NEXT STEPS:

1. Review working draft with Rusty Mills for additional input and support.
2. Review revisions with Workgroup.
3. Review and gather additional input with other Contractors.
4. Additional review with Rusty.
5. Review final draft with Mark Andersen.

State Water Contractors
Business Processes

September 15, 2016

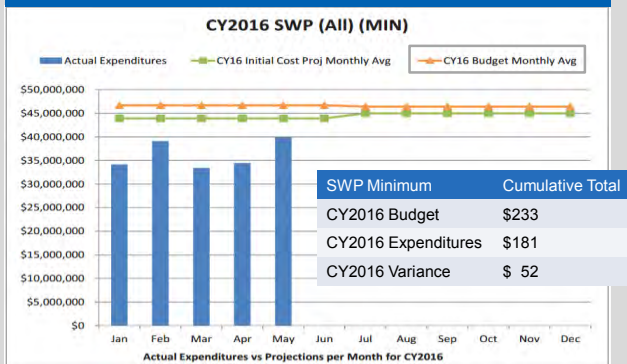
6

Reporting Provided by DWR's Program Control Office

State Water Project in Total (SWPAO 6/15/2016)

- Managing to a Budget by Division (SWP in Total as of May 31, 2016)
 - Minimum Activities: \$52M under budget
 - Capital Activities: \$40M under budget

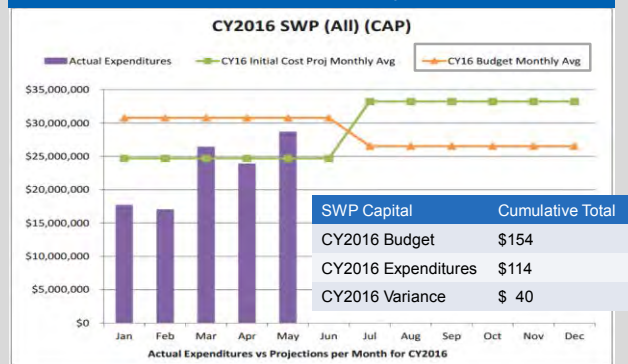
CY2016 Minimum Activities (as of May 31, 2016)



State Water Contractors
Business Processes

September 15, 2016

CY2016 Capital Activities (as of May 31, 2016)

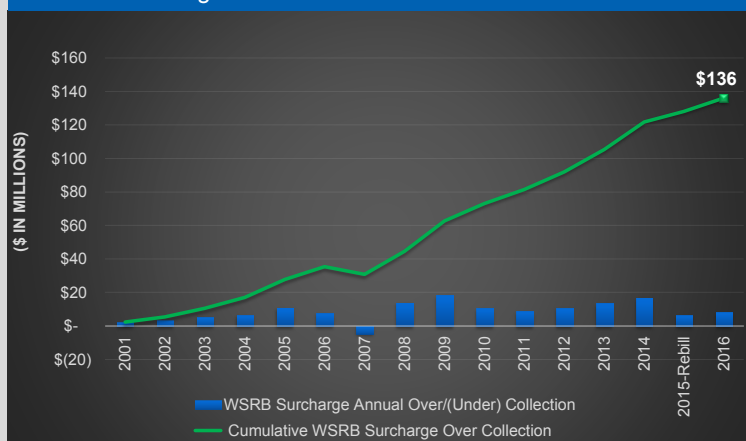


7

Dispute Oversight

Protest Issue: WSRB Surcharge

WSRB Surcharge Estimated Over-Collection



State Water Contractors
Business Processes

September 15, 2016

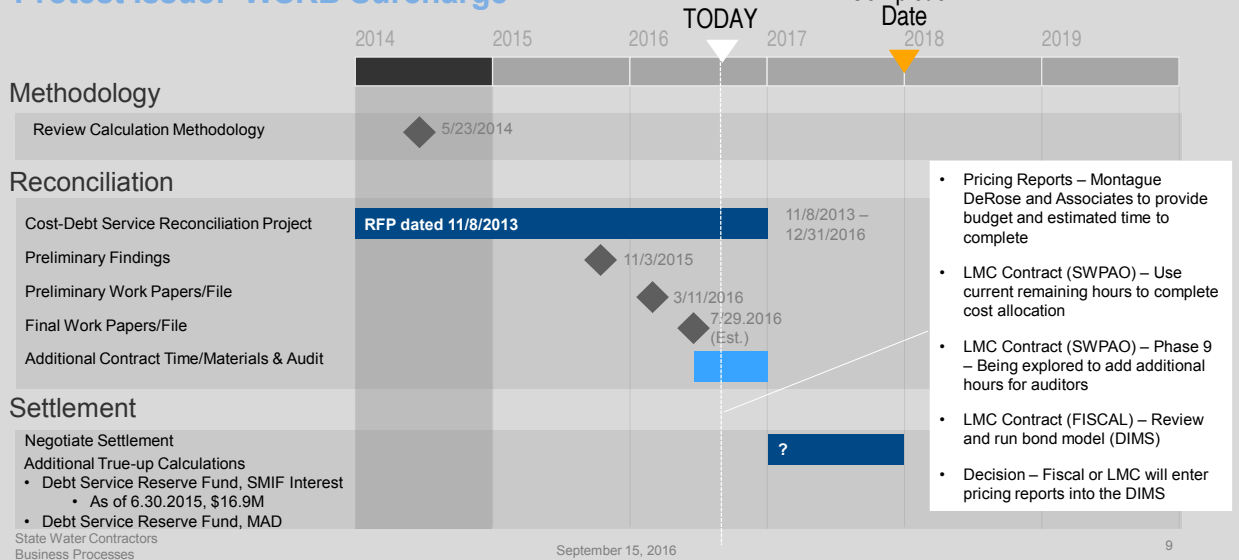
ISSUE:

- 2001-2011 DWR estimated the Surcharge based on CY 2000 calculation
- 2012-2015 Surcharge calculated using incorrect bond proceeds
- Claim - DWR Overcharged Contractors
- DWR Agrees with Claim but not amount

8

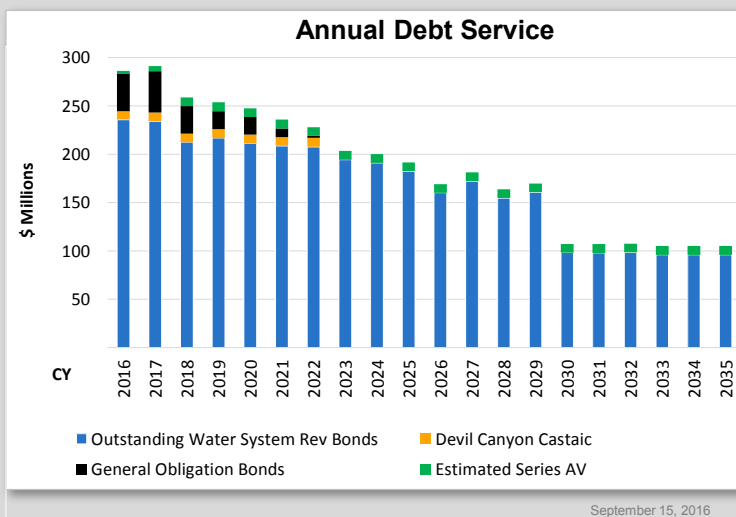
Dispute Oversight

Protest Issue: WSRB Surcharge



Financing Oversight

- Bond Series AV priced on May 10; rate is \$2.37%, \$121M in new money
- All Off-Aqueduct bonds have been defeased as of June '16; Used capital refund from RGU4 closure



2016 Declaration of Official Intent	
List of Projects	Maximum Projected Debt Issuance (\$ in Millions)
East Branch Enlargement-Phase II	434
North Bay Aqueduct Alternate Intake	545
SWP Communications System Replacement	3
Arroyo Pasajero Program	2
Delta Facilities Program	420
Perris Dam Remediation Program	82
Facilities Reconstruction & Improvement Project	530
Project Planning and Study Costs	3
Thermalito Powerplant Clean-up & Reconstruction	142
Tehachapi East Afterbay	.40
East Branch Extension	47
South Bay Aqueduct Enlargement	5
South Bay Aqueduct Improvement	1
FERC Relicensing - State Water Project	46
TOTAL	\$2,260

Audit Oversight

Audit Matrix

Goal	Internal Controls	Next Steps
Send letter to the Department expressing concerns regarding internal control weaknesses and the corresponding increase in contractors' financial risk	<ul style="list-style-type: none">▪ <u>Control Activities</u>: measures used by DWR to ensure that DWR management's internal control directives are carried out and that risk is addressed.▪ <u>Control Environment</u>: overall attitude, awareness, direction, and actions of DWR's Management to promote financial integrity and reliable financial reporting through formalized internal control practices.	<ol style="list-style-type: none">1. Standardize Auditing Categories2. Create Single List of Outstanding Items3. Create Audit File with Work Papers for each outstanding item4. Determine Auditing Category for each outstanding item5. Complete Audit Matrix and Letter

State Water Contractors
Business Processes

September 15, 2016

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Questions

State Water Contractors
Business Processes

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Business Process Initiatives

Objectives	Initiatives	Objectives	Initiatives
1. <i>Financial Enhancements</i>	1.1 Development of Freeze-Go Business Requirements	5. <i>Future Projects & Financing Oversight</i>	5.1 Capital Infrastructure Program (CIP)
	1.2 Implementation of Freeze-Go		5.2 Forecasting and Financial Planning of O&M and Variable
	1.3 Development and Implementation of Freeze-Go Bulletin 132 Requirements		5.3 Capitalization Policy
	1.4 Financial Policy Recommendations		5.4 Water System Facilities Financing Plan
2. <i>Reporting</i>	2.1 Reporting	6. <i>Cost Recovery /SOC Oversight (Estimated Costs)</i>	6.1 Budget Projections Submitted by Division
	2.2 Actual Costs Compared to Budgets		6.2 51(e) Annual Calculation of Excess Revenue Oversight
	2.3 51(e) 5-Year Review		6.3 Reconcile & True-up Difference between Annual Scheduled Debt Service Payments and Contractor's Annual Capital Payments
			6.4 Annual Statement of Charges Preparation
3. <i>Cash and Financing Oversight</i>	3.1 Capital Reconciliation	7. <i>Financial Audit and Dispute Oversight</i>	7.1 WSRB Surcharge
	3.2 Capital Facilities Account Projections		7.2 Audit Findings
	3.3 Bond Issuance	8. <i>Appropriations and Other Funding</i>	8.1 Prop 84 - The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) authorizes \$5.388 billion in general obligation bonds
	3.4 Review Uses & Investment of 51(e) Revenues		8.2 USBR
4. <i>Job Costing Oversight (Actual Costs)</i>	3.5 Cash-Flow		8.3 Davis-Dolwig Appropriation
	4.1 Alpha Allocations		
	4.2 Water Transfer Credits		
	4.3 EBE Capital Cost Allocation		
	4.4 PALPOC to FALPOC Completion (1999-2013)		
	4.5 OAP Reconciliation (2000-2011)		
	4.6 RGU4 Cost Allocation		
	4.7 \$2.5 Mil Credit to Offset Effect of Davis-Dolwig Solution		

State Water Contractors
Business Processes

September 15, 2016

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Schedule of Business Process Initiatives

Annual Activities

	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
2.2 Cost – Budget Comparison	◆	◆	◆	◆
3.4 Uses & Investments of 51(e) Revenues	◆	◆	◆	◆
3.5 Cash-Flow	◆	◆	◆	◆
4.7 Annual \$2.5M Davis-Dolwig Credit			◆	
6.1 Division Budget Review	◆	◆		
6.2 51(e) Annual Calc of Excess Revenues			◆	
6.4 Annual SOC Preparation		◆	◆	
7.2 Audit/Protest Items Workgroup	◆	◆	◆	◆
3.3 Bond Issuance	◆	◆	◆	◆
5.4 Water System Facilities Financing Plan	◆	◆	◆	◆
3.2 Capital Facilities Account Projections	◆	◆	◆	◆
5.2 Forecasting Plan for O&M and Variable	◆	◆	◆	

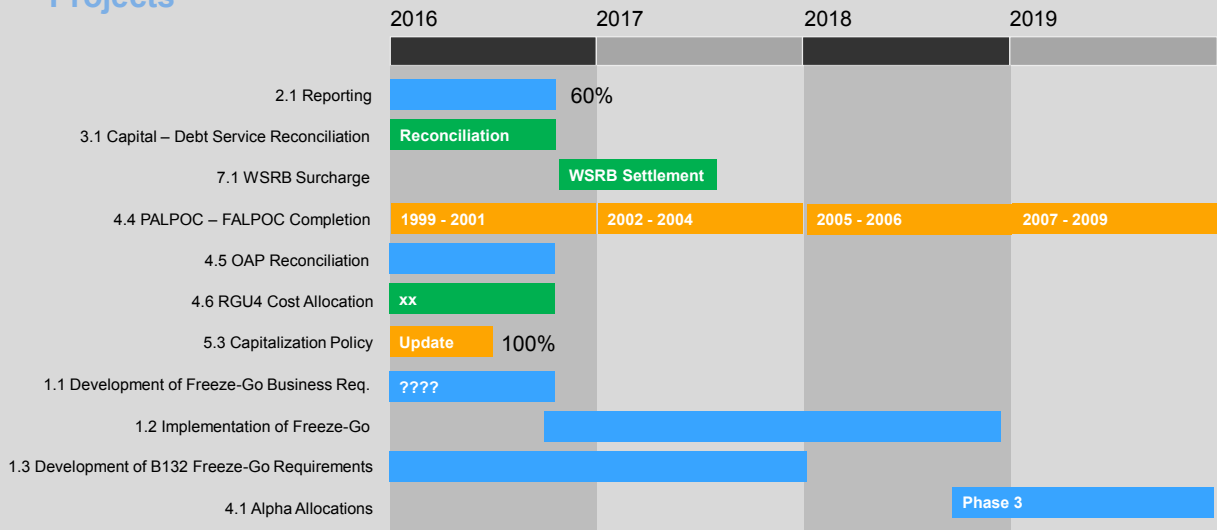
State Water Contractors
Business Processes

September 15, 2016

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Schedule of Business Process Initiatives

Projects



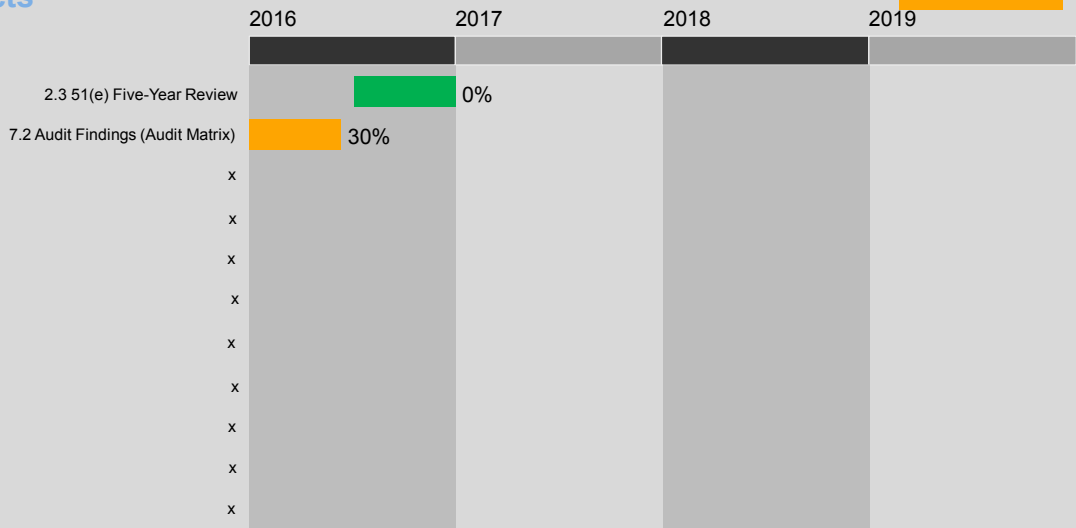
State Water Contractors
Business Processes

September 15, 2016

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Schedule of Business Process Initiatives

Projects



State Water Contractors
Business Processes

September 15, 2016

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<http://www.wral.com/apnewsbreak-california-water-tunnels-would-need-us-funding/16014395/>

APNewsBreak: California water tunnels would need US funding

Posted 10 minutes ago

Updated 8 minutes ago

By ELLEN KNICKMEYER, Associated Press

SAN FRANCISCO — Giant tunnels that Gov. Jerry Brown wants to build to haul water across California are economically feasible only if the federal government bears a third of the nearly \$16 billion cost because local water districts may not benefit as expected, according to an analysis that the state commissioned last year but never released.

The findings counter longstanding state pledges that the local agencies that would get water from the tunnels would bear the full cost. Restore the Delta, a group opposing the project, obtained the fall 2015 cost analysis and subsequent state emails on revising the report through open record laws and provided them to The Associated Press on Wednesday.

The analysis and its new assumptions of shifting some costs to taxpayers are likely to heighten debate over Brown's proposal to build two 40-foot-high tunnels to carry water from Northern California's Sacramento River, just above its delta with the San Joaquin River, 35 miles south for use by politically influential agricultural and urban water districts, including in the state's top population center of Los Angeles.

Conservation groups and project supporters disagree over whether the tunnels would hurt or help dozens of threatened native fish and other species in the delta, which leads to the San Francisco Bay and is part of the largest estuary on the West Coast.

The cost-benefit analysis by economist David Sunding of the University of California, Berkeley, for the first time raises the prospect that funding from the federal government would be needed. U.S. officials have not publicly said they would share in the price tag.

Further, no local water districts have publicly agreed to pay their slated share of the tunnels because of uncertainty over regulatory approval of the project and whether it would be worth the expense for them. The project, which is still in the planning phase, became the subject this year of ongoing state and federal audits.

State spokeswoman Nancy Vogel said in an email Wednesday that officials still were sorting through the project's costs, benefits and financing options.

California's Natural Resources Agency commissioned the study from Sunding, who works as an economist with Brattle Group consultants. It looked at the share of costs that rural and urban water districts would pay and whether they would get enough water consistently to make the project's price worthwhile for them.

However, even if the federal government or another party steps in to pay a third of the costs, the tunnels as proposed now would pay off only for the urban water districts involved, not for the rural districts, Sunding wrote.

If the water districts have to pay all the costs, as the state has said it intends, "then the net benefits of the project are even more negative" for the rural districts that would help pay for it, Sunding wrote. Brown's administration is pushing for state and federal approval to build the tunnels, which would replace part of a half-century-old water system built by his father, Pat Brown, when the elder Brown was governor.

The report builds in an assumption that the delta in coming years will see a magnitude-6.7 quake, which Sunding predicts would knock out the current water system for up to 30 months but leave the tunnels, if they were built, untouched. Geologists and engineers differ on the impact of such a quake on the state's water system.

Barbara Barrigan-Parrilla of Restore the Delta said the project's sponsors "have to put inflated numbers in the economic analysis ... to try to create the economic justification" for the tunnels.

Read more at <http://www.wral.com/apnewsbreak-california-water-tunnels-would-need-us-funding/16014395/#YWb2eyY8QTW8ZOD9.99>

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

OCTOBER 4, 2016

RE: PROPOSITION 218 NOTICE – DROUGHT RATE

In response to the Board's request, staff has prepared the attached draft table regarding drought rates for our Proposition 218 notice.

The table is meant to show the incremental increase in the volumetric rate in addition to the total rate (less pumping zone charges). The footnotes below the table are meant to explain the factors in the table as well as how and when the drought rate surcharge will be activated.

Volumetric Surcharge (per 100 cubic feet)

	2016/2017		2017/2018		2018/2019		2019/2020		2020/2021	
	Volumetric Rate: \$1.57		Volumetric Rate: \$1.72		Volumetric Rate: \$1.89		Volumetric Rate: \$2.08		Volumetric Rate: \$2.28	
Water Consumption Baseline (hcf/yr)	11,473,591 *		11,587,738		11,683,886		11,789,033		11,894,181	
Conservation	Drought Surcharge (\$/hcf)	TOTAL RATE (\$/hcf)	Drought Surcharge (\$/hcf)	TOTAL RATE (\$/hcf)	Drought Surcharge (\$/hcf)	TOTAL RATE (\$/hcf)	Drought Surcharge (\$/hcf)	TOTAL RATE (\$/hcf)	Drought Surcharge (\$/hcf)	TOTAL RATE (\$/hcf)
0%	\$0.00	\$1.57	\$0.00	\$1.72	\$0.00	\$1.89	\$0.00	\$2.08	\$0.00	\$2.28
10%	\$0.09	\$1.66	\$0.10	\$1.82	\$0.12	\$2.01	\$0.14	\$2.22	\$0.16	\$2.44
20%	\$0.21	\$1.78	\$0.22	\$1.94	\$0.28	\$2.17	\$0.32	\$2.40	\$0.37	\$2.65
30%	\$0.36	\$1.93	\$0.37	\$2.09	\$0.47	\$2.36	\$0.55	\$2.63	\$0.63	\$2.91
40%	\$0.56	\$2.13	\$0.58	\$2.30	\$0.74	\$2.63	\$0.86	\$2.94	\$0.97	\$3.25
50%	\$0.85	\$2.42	\$0.87	\$2.59	\$1.11	\$3.00	\$1.28	\$3.36	\$1.46	\$3.74
60%	\$1.27	\$2.84	\$1.31	\$3.03	\$1.66	\$3.55	\$1.92	\$4.00	\$2.19	\$4.47

* BASELINE WATER CONSUMPTION - Water consumption between April 2015 and March 2016

- TOTAL RATE - Volumetric Rate plus Volumetric Surcharge. This does not include pumping charges which will apply where applicable.

- Drought Surcharge is added to the Volumetric Rate on a per unit basis to cover the cost of water service during times of State Agency mandated conservation and/or extreme water supply shortage, resulting in water consumption below the established baseline.

- ACTIVATION - The Drought Surcharge will NOT be added to your water bill unless approved by the Desert Water Agency Board. If the surcharge is activated, it will remain in effect as necessary and will be reviewed by the Agency Board every six (6) months for a determination of necessity until the surcharge is deactivated.

**DESERT WATER AGENCY
MEDIA INFORMATION
SEPTEMBER 2016**

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
08/30/16	1	THE PUBLIC RECORD	CVWD Receives Federal Grants For Conservation Programs
09/03/16	2-3	LA TIMES	California's Heavy Water Users Could Face Penalties if Drought Persists
09/10/16	4	THE DESERT SUN	Water Theft is Complicated to Measure
09/12/16	5-6	THE DESERT SUN	Climate, Groundwater Issues Weigh on CVWD Candidates
09/13/16	7	THE PUBLIC RECORD	CVWD Board to Conduct Evening Meeting in Palm Desert
09/16/16	8-9	THE DESERT SUN	California Drought: August Not So Hot For Water Conservation
09/20/16	10	THE PUBLIC RECORD	CVWD Awarded Transparency Certificate
09/20/16	11	THE PUBLIC RECORD	CVWD Board Opposes Proposition 53
09/22/16	12	PRESS ENTERPRISE	Water District Credit Rating Gets Boost

The Public Record

TUESDAY, AUGUST 30, 2016

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

CVWD RECEIVES FEDERAL GRANTS FOR CONSERVATION PROGRAMS

Coachella Valley Water District (CVWD) is utilizing two federal grants to expand one of its most effective water conservation programs and also enlarge its nonpotable water delivery infrastructure, preserving precious groundwater and alleviating aquifer overdraft.

The U.S. Bureau of Reclamation (Reclamation) has awarded CVWD a \$1 million WaterSMART Water and Energy Efficiency grant to help finance rebates for the removal of turf that is replaced with drought-tolerant, low water-use desert landscaping at golf courses.

CVWD has budgeted \$6 million of its own money for turf replacement rebates at residences, businesses and homeowners associations. Golf course turf removal rebates are available when the district receives the state or federal grants needed to fund them.

"Using grant dollars leveraged with our own program funding helps us to expand our conservation programs quickly and responsibly," said CVWD General Manager Jim Barrett. "Funding such as this assists us in our on-going, 100-year efforts to manage the Coachella Valley's water supplies."

The turf replacement project is expected to result in the removal of nearly 11.3 million square feet (almost 260 acres) of turf. It is anticipated that approximately 1,750 acre-feet of water (525 million gallons) will be saved annually. This grant also is meant to achieve energy efficiency through reduced groundwater pumping. The turf removal is expected to save more than 1 million kilowatt hours of electricity annually.

Reclamation has also awarded CVWD a \$300,000 Drought Resiliency Project grant to help offset the costs of a pipeline and pump station that will enhance the district's ability to deliver Colorado River water to the Bermuda Dunes area. The new infrastructure will make it possible to annually bring more than 1,000 acre-feet of Colorado River water to Bermuda Dunes for irrigation purposes, reducing groundwater pumping by a like amount.

Total project cost is nearly \$4.1 million. In 2014, CVWD was awarded \$1 million in Proposition 84 funds by the state Department of Water Resources for this project.

Conservation programs such as turf removal rebates and substituting nonpotable water for groundwater for irrigation are identified in the Coachella Valley Water Management Plan as effective ways to efficiently manage the Coachella Valley's various water sources.

CVWD began offering residential and commercial turf removal rebates in July 2009. Rebates have been awarded to almost 3,775 CVWD customers. This has resulted in the removal of more than 11 million square feet (more than 267 acres) of turf. As a result an estimated 4,710 acre-feet of groundwater is conserved annually.

A special program for golf courses began in January 2015 and nearly \$998,000 has been paid to 14 golf courses for the removal of more than 4 million square feet (94 acres) of turf. This translates to annual savings of an estimated 580 acre-feet of groundwater.

In June, the Departments of the Interior and Agriculture announced more than \$47 million in grant funding for 76 projects to help water districts and private landowners to better conserve water resources.

The Department of Interior funding is made available through competitive grant programs, which are part of the WaterSMART sustainable water initiative. The grants and selection process are managed by Reclamation, which is the nation's largest wholesale water supplier, providing one in five western farmers with irrigation water for 10 million acres of farmland and potable water to more than 31 million Americans across 17 western states. More information about WaterSMART is available online.

WaterSMART Water and Energy Efficiency Grants can be used for projects that conserve and use water more efficiently, increase the use of renewable energy, improve energy efficiency, benefit endangered and threatened species, carry out activities to address climate-related impacts on water, or prevent any water-related crisis or conflict.

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

California's heavy water users could face penalties if drought persists

Matt Stevens, September 3, 2016

Locked in a multi-year drought, California's urban water suppliers have, for the most part, happily enforced rules that prohibit specific wasteful water practices, such as hosing down driveways and over-watering lawns.

But far fewer agencies have been willing to go beyond state mandates and penalize customers simply for using profligate volumes of water. The names of those heavy users have been mostly kept secret under California public records law.

That's about to change.

Gov. Jerry Brown signed a bill this week requiring water districts to crack down on excessive use anytime a drought emergency is in effect and water conservation is required — as has been the case for much of the last year.

The new law also has the “side effect” of making it easier to expose heavy users, said state Sen. Jerry Hill (D-San Mateo), who wrote the bill.

Under current state rules, residents can be fined \$500 for hosing down a sidewalk, among other prohibited actions, but can otherwise use as much water as they want without penalty. Customers must only pay for the water.

Hill said that “doesn't seem fair.”

“It's important that all Californians share in the efforts to conserve water during the drought,” he said. “It's as basic as that.”

Starting Jan. 1, Senate Bill 814 will require urban water suppliers to either establish a rate structure with a built-in way to hammer the wallets of excessive users, or create an ordinance capable of identifying which customers are being wasteful.

The law requires that violators of the new ordinances be penalized, and suggests a fine of up to \$500 for every unit (748 gallons) of water used that a district deems excessive.

If a supplier chooses to adopt such an ordinance — a path most are expected to take because of legal concerns about rate setting -- district officials are also required to create a way for customers to appeal their fine.

Information about violators would be subject to disclosure under the California Public Records Act, Hill said.

Unlike the prohibitions on hosing down sidewalks and runoff, however, the penalties for excessive water use apply only when the governor has issued an emergency drought proclamation, a local supplier has moved to mandatory water conservation, or both.

Hill would have preferred that the law extend beyond drought emergencies, he said, but “that was not the sentiment shared by the Legislature or by the water agencies in California.”

Water agencies “seem to want to sell as much water as they can pump through their pipes, and that was disappointing,” he said.

In a letter to Brown, the Assn. of California Water Agencies joined with nine other suppliers — including several in Orange County — and called on the governor to veto the bill.

The bill is “unnecessary as local agencies can already achieve conservation with their own ordinances,” the agencies wrote, calling it “an unwelcome and unwarranted intrusion into the responsibility of local elected officials to establish policy” for customers.

A handful of water suppliers have already crafted their own excessive-water-use rules.

In response to complaints about a Bel-Air resident who used 11.8 million gallons of water in a year, the Los Angeles Department of Water and Power amended its water conservation plan so customers can be fined \$1,000 to \$40,000 a month for unreasonable use.

Though the amendments took effect in May, a spokeswoman said the DWP has yet to issue any fines for that behavior. DWP officials believe that their ordinance, as well as their new rate structure, puts the agency into compliance with SB 814.

In general, the California Public Records Act bars the release of utility customer information. But the law requires that such information be disclosed if a utility determines that a customer has used its “services in a manner inconsistent with applicable ... usage policies.”

In response to records requests, the East Bay Municipal Utility District in Northern California released the names of some high-profile customers who had violated its ordinance.

Beverly Hills also penalized excessive users with surcharges, and released a set of warning letters and water bills to The Times in response to a records request. Those documents named customers who the city said had violated its water conservation requirements.

The DWP has so far refused to name profligate users, such as the customer in Bel-Air. But the DWP spokeswoman said information about customers who receive a fine for unreasonable use will be discoverable under the California Public Records Act.

Because the new state law requires local water districts to establish a policy to curb waste, Hill said violators of those policies will no longer be shielded from public information requests.

Water theft is complicated to measure Communities pay with higher rates

Gabby Ferriera, The Desert Sun, September 10, 2015

Water theft isn't that common in the Coachella Valley, but it affects the entire community — and it's difficult for water agencies to catch people stealing.

"If somebody steals water, they're stealing from their community," said Ashley Metzger, a spokeswoman for the Desert Water Agency.

Because valley water agencies are nonprofits, they have limited sources of revenue and depend primarily on service charges to survive. When someone steals water, those water rates go up.

Heather Engel, spokeswoman for the Coachella Valley Water District, said it's difficult for agencies to know when water has been stolen unless someone is caught in the act.

In the case of Baltazar Arias, an Indio Hills man arrested a few weeks ago on suspicion of stealing 80,000 gallons of water, the amount itself attracted immediate notice.

"It was such a large amount of water and it was on a system that is small, so it was obvious to us there was an unusual amount of water being used," Engel said, adding that the agency originally thought the water loss was due to a leak and sent a crew out to repair it.

"What we found was not what we expected."

Most cases of theft are reported because someone sees another person hooked up to a hydrant and knows that's not supposed to happen, Engel said. But it's easier to catch when service to a residence is turned off and then, suddenly, flips back on.

"We'll have a record that water traveled through that meter, so it's a little easier to recognize," she said. The valley has low water rates compared to the rest of the state, which means even if someone steals a lot of water, it doesn't always look like a lot of money.

In the case of the Indio Hills incident, the amount of water was large, but "that's under \$200 worth of water," said John Soulliere, spokesman for the Mission Springs Water District. "I just don't think people realize that for a buck and a half or so you get 748 gallons of water."

Soulliere said his agency locks off services in vacant buildings, but "people cut the locks, take water from neighbors with hoses or find other creative ways to steal."

It's also tough for agencies to determine how much water is stolen in a lot of cases, simply because people who are stealing water aren't running it through a meter the agencies can use.

Coachella Valley Water District data shows thefts decreased slightly since 2013 — from 49 incidents to 34 so far in 2016.

For the Desert Water Agency, thefts increased from seven in 2013 to nine in 2016 so far. And at Mission Springs Water District, thefts decreased from 21 in 2012 to 11 so far in 2016.

These numbers don't show a drastic trend—and agency officials said there were too few data points for a strong trend — but the thefts have larger ramifications for the community, especially in light of water-conservation efforts in the Coachella Valley.

The state of California is in its fifth year of extreme drought.

"Someone's out there stealing something that belongs to everybody," Soulliere said. "With the drought, it's offensive to us all."

Climate, groundwater issues weigh on CVWD candidates

Jesse Marx and Ian James, The Desert Sun, September 12, 2016

The next Coachella Valley Water District board of directors will have to grapple with the long-term implications of climate change, strategies for combating groundwater overdraft, and the opportunities afforded by a water transfer deal — issues at the center of the current campaigns.

Once ballots begin arriving in mailboxes next month, voters in the mid-valley will be able to choose from a range of professional backgrounds, including a farmer and golf course manager, who are vying for a single seat on the five-person board.

Three challengers in the Nov. 8 election are Anthony Bianco, a fruit and vegetable grower; Sergio Núñez, who tests underground fuel tanks to prevent leaks; and Jim Schmid, a manager at a Palm Desert country club.

The terms of two current directors are up this November, but only one, Edwin Pack, a retired Hesperia Fire Department prevention officer, will appear on the ballot. Nobody filed to run against Peter Nelson, a citrus grower, meaning he's already secured another four-year term.

If reelected, Pack said, he'll continue pushing so that well owners across the entire valley, including farmers and others, pay consistent rates. Schmid, too, said he understands the important role of agriculture in the local economy but would strive towards a "more equitable set of policies."

CVWD's board has long set different rates for groundwater pumpers in different portions of the valley depending on the costs of replenishing that supply.

The board also recently raised rates for residential customers, businesses and homeowners associations that buy water from the district. Both Pack and Schmid agreed that the move was necessary to meet long-term budget expenses and are open to additional rate hikes through 2020. Bianco and Nelson both expressed support for the recent increase but signaled that they would not support, or would be hesitant to support, future hikes.

Only Núñez disagreed with the district's decision to raise rates in the first place, writing, "The dirty little secret is that we have a surplus of water." He ran for the board in 2012, but lost by less than four percent of the vote.

The candidates agreed on most other issues. For example, they support the district's approach in responding to the state's loosened drought rules by calculating a new conservation standard under which CVWD is no longer subject to mandatory cutbacks.

All of the candidates see the state's new drinking water limit for the naturally occurring contaminant chromium-6 — 10 parts per billion — as too low and arbitrarily determined, a \$250 million capital investment that might not be necessary. Several candidates said they would monitor an existing lawsuit against the state over the chromium-6 rules.

The next CVWD board is also going to determine how to allocate increased amounts of Colorado River water as part of a transfer deal with the Imperial Irrigation District and other agencies.

In July, the board narrowly approved new guidelines allowing for river water to be supplied in a larger zone than in the past, a change that could allow for an expansion of farmland in the eastern Coachella Valley. As initially approved, those guidelines would have allowed property owners to apply and receive water from the Coachella branch of the All-American Canal regardless of whether they had an existing well or not.

The board later voted to tweak those guidelines, requiring that property owners who receive the water are operating wells — which would help reduce groundwater pumping.

What's more, the board indefinitely put on hold a \$58 million project that would have involved building a pipeline to carry Colorado River water to farmland in the Oasis area. That plan, which the district has been considering for two decades, calls for 17 miles of pipeline, three pumping stations and four reservoirs. Some 40 landowners would be expected to pay a portion of the costs through an assessment.

Board members, however, have been unable to agree on rules for those who would receive the water.

Nelson as well as John Powell, Jr., both of whom work in agriculture, would benefit from the Oasis project and have recused themselves from the discussions.

The Oasis pipeline is currently off the table while district staff continue looking into ways to use increasing amounts of water from the Colorado River in the coming years. The Imperial Irrigation District is transferring growing quantities of water to cities in the Coachella Valley and San Diego County under a landmark deal reached in 2003.

A top alternative now being studied is the construction of a groundwater recharge facility in the mid-valley, where in some parts water levels have dropped by 90-100 feet or more since the 1950s.

The Coachella Valley depends on imported water from the Colorado River to replenish the aquifer and supply farms and some of the valley's golf courses. But the strains on the river have been growing as farms and cities across the West have been drawing out more water than the river can supply. Scientists expect climate change will put additional stresses on the river.

As the level of Lake Mead has fallen to record lows, representatives of California, Nevada and Arizona have recently been negotiating potential shared cutbacks in water use to help avert a more severe shortage. CVWD and other Southern California water districts have also been involved in talks on how to prevent the level of Lake Mead from continuing to fall.

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

CVWD BOARD TO CONDUCT EVENING MEETING IN PALM DESERT

To continue on-going efforts to increase its transparency and accessibility to the general public, the Coachella Valley Water District (CVWD) Board of Directors will conduct its next regular public meeting in the evening instead of in the morning.

The meeting will be held on Tuesday, Sept. 13, in the auditorium at CVWD's Steve Robbins Administration Building in Palm Desert. Closed session begins at 5 p.m. and open session is scheduled to start at 6 p.m.

A representative of the Special Districts Leadership Foundation (SDLF) is scheduled to present board members with its March 2016-March 2018 District Transparency Certificate of Excellence. SDLF, which is administered by the California Special District's Association, reports the certificate's purpose is "to promote transparency in the operations and governance of special districts to the public/constituents and provide special districts such as CVWD with an opportunity to showcase their efforts in transparency." CVWD was previously awarded the certificate for March 2014-March 2016.

CVWD's Board of Directors is a five-person, elected board that normally meets at 9 a.m. on the second and fourth Tuesdays of each month, alternating between CVWD facilities in Palm Desert and Coachella. The Steve Robbins Administration Building is located at 75515 Hovley Lane East in Palm Desert. Free parking for the board meeting is located immediately in front of the building.

In addition to providing the public with opportunities to speak on items on the agenda, time is set aside for attendees to make comments about any district or water-related topic. The agenda will be published online at www.cvwd.org.

The Coachella Valley Water District provides domestic and irrigation water, agricultural drainage, wastewater treatment and reclamation services, regional storm water protection, groundwater management and water conservation. It serves approximately 108,000 residential and business customers across 1,000 square miles, located primarily in Riverside County, but also in portions of Imperial and San Diego counties.

California drought: August not so hot for water conservation

Ian James, The Desert Sun, September 16, 2016

Water conservation efforts have been slipping in the Coachella Valley during the past month, according to figures released by the area's water agencies.

The stats on water use in August suggest people are easing up in their water habits following California regulators' recent decision to loosen the state's drought measures.

Customers of the Coachella Valley Water District, the area's biggest water supplier, used 15 percent less water this August compared to the same month in 2013 – a big change from July, when customers cut back 28.6 percent. State regulators have been using 2013 as the baseline year to gauge conservation performance, and the latest monthly percentage fell far from the district's cumulative average of 24.7 percent since June 2015.

The Desert Water Agency, the valley's second largest supplier, reported 18.5 percent conservation in August, down from 22 percent in July and below the 15-month cumulative average of 26 percent.

There was a similar dip in conservation in Indio, where people cut back 17 percent in August after reducing water use 21 percent the previous month.

In Desert Hot Springs, customers of Mission Springs Water District went from 24 percent water-savings in July to just 2 percent in August.

Only in Coachella did people improve their conservation performance, and only slightly: from 11 percent in July to 13 percent in August.

All of the water suppliers reported substantially more water use last month than in August 2015, when they were under tighter rules including mandatory reduction targets. The gap between last August and this August ranged from 5 to 13 percentage points.

"I think unfortunately some of the water numbers that you're seeing are evidence that people have kind of gone back to business as usual – or business without a real sense of the limited supply of water we have to work with," said Jay Ziegler, director of policy for The Nature Conservancy in California. "I think we all have to realize that water is a finite and diminishing resource in California. We're now in year five of one of the driest periods in our history, and we don't know that this is going to end anytime soon."

The Nature Conservancy is one of several environmental groups that have raised concerns about the recent modifications of the state's drought measures.

In May, the State Water Resources Control Board lifted mandatory conservation targets for cities across the state after a wetter winter boosted the levels of 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.

Most cities and water agencies throughout California have similarly "self-certified" that they have ample supplies to do away with mandatory water-saving goals for now.

As a result, statewide water savings decreased to 20 percent this July, down from 31 percent in July 2015.

Ziegler said he hopes the state water board will adopt regulations in the coming months that achieve at least 25 percent conservation statewide.

In the Coachella Valley, managers of water agencies say they're seeing signs that people have been changing their habits in ways that will lead to permanent reductions, including by converting more lawns to desert landscaping.

The scorching heat this August likely contributed to an uptick in outdoor water use. This summer was California's hottest on record.

As of this week, the U.S. Drought Monitor website shows that the drought, now in its fifth year, remains severe. Drought conditions cover nearly 84 percent of California, and 43 percent of the state is marked on the map in red and maroon – denoting the worst categories of “extreme” and “exceptional” drought.

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

CVWD AWARDED TRANSPARENCY CERTIFICATE

The Special District Leadership Foundation's (SDLF) awarded its Transparency Certificate of Excellence to Coachella Valley Water District (CVWD) for its commitment to transparency and good governance.

"It's worthwhile that the public understand through this certificate that CVWD is actively taking the steps necessary to ensure it conducts its business in the open and not behind closed doors," said Board President John Powell Jr. "Holding evening meetings is a perfect example of one of the steps we're taking to improve customer access to view and comment on business decisions."

A representative from SDLF presented the certificate to CVWD's Board of Directors at its semiannual evening meeting.

To be eligible for the certificate, CVWD had to demonstrate it has in place numerous ordinances and regulations ensuring the district conducts its business in public and makes readily available documents produced as a result of its operations. SDLF, which is associated with the California Special District's Association, issues the certificates "to promote transparency in the operations/governance of special districts to the public/constituents and provide special districts with an opportunity to showcase transparency efforts."

CVWD first received the two-year certificate from SDLF in March 2014. The SDLF website has additional information about the organization and the importance of transparency in the operation of special districts such as CVWD.

Website requirements to be eligible for the certificate are extensive, as are examples of public outreach and best transparency practices.

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

The Public Record

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

CVWD BOARD OPPOSES PROPOSITION 53

Coachella Valley Water District's (CVWD) Board of Directors recently adopted a resolution opposing Proposition 53, an initiative that will appear on the Nov. 8 ballot. If approved by a majority of voters, the proposition would amend the California Constitution to require statewide voter approval of infrastructure projects valued in excess of \$2 billion financed partially or in whole by state revenue bonds.

As stated in the resolution, the Board opposed the proposition due to concerns it will adversely affect large-scale water investments, including the much-needed renovation of the State Water Project (SWP) which provides vital imported water that CVWD uses for groundwater replenishment to alleviate aquifer overdraft.

Most of the actual costs of improvements to the SWP, now part of the comprehensive California WaterFix campaign that proposes to increase water reliability for 25 million Californians, will be funded by State Water Contractors such as CVWD and the Desert Water Agency (DWA), and not by state revenue bonds. However, the concern is that the successful passage of this proposition would subject any projects over the \$2 billion threshold to statewide voter approval if any state revenue bonds were used during the process.

Proponents state Proposition 53 is intended to give voters a say when the state government wants to incur enormous new public debt. They also argue it will increase transparency to state spending by showing voters the actual costs and benefits of large projects.

Opponents argue the proposition diminishes local control by requiring statewide voter approval for some local infrastructure projects that could be funded by a mix of local and state funds.

CVWD urges voters to research all the arguments in favor and against Proposition 53 before casting your vote on this important issue.

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

WATER DISTRICT CREDIT RATING GETS BOOST

September 22, 2016

Rancho California Water District's credit rating has been raised to AAA, the S&P Global Ratings announced Wednesday.

The upgraded rating will benefit ratepayers, a district release says, because the district will incur lower financing costs. It marks the first time the district has achieved a AAA rating, the highest offered by S&P.

The ratings agency – one of the big three international ratings agencies – credited the upgrade to the district's strong financial performance amid challenging drought conditions, affordable service rates and good operational management practices and policies.

S&P also noted strengths, including a manageable five-year capital plan that does not require additional debt for the next four fiscal years and satisfactory resolution to the creation of the Santa Rosa Regional Resources Authority, which will facilitate required wastewater treatment plant upgrades.

The district covers Temecula, portions of Murrieta and other unincorporated areas of southwest Riverside County.

– *Staff report*

DESERT WATER AGENCY

PUBLIC INFORMATION ACTIVITIES

SEPTEMBER 2016

Activities:

- 9/1/16 Ashley Metzger attended the Water Shortage Contingency Planning Workshop at Municipal Water District of Orange County.
- 9/8/16 Ashley Metzger was on a live conservation segment with KESQ on water theft.

Public Information Releases:

Water Conservation Reviews

Fairways Condos	Tahquitz Court Apts.
NOIA Building	Villa Roma
Ramada Inn & Resort	Wessman Development
Lowe's Palm Springs	

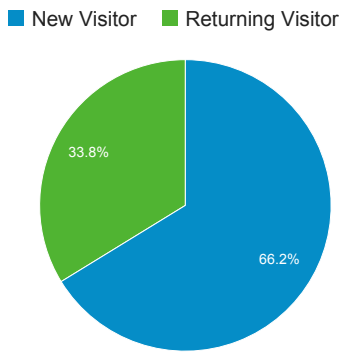
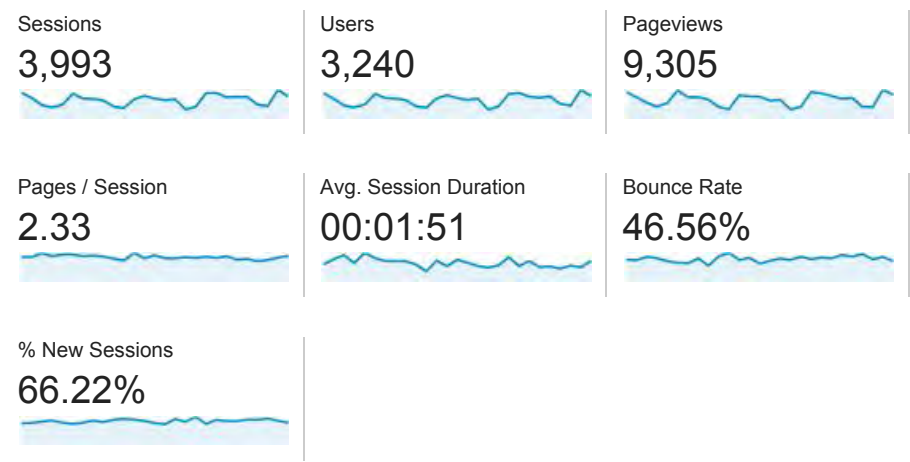
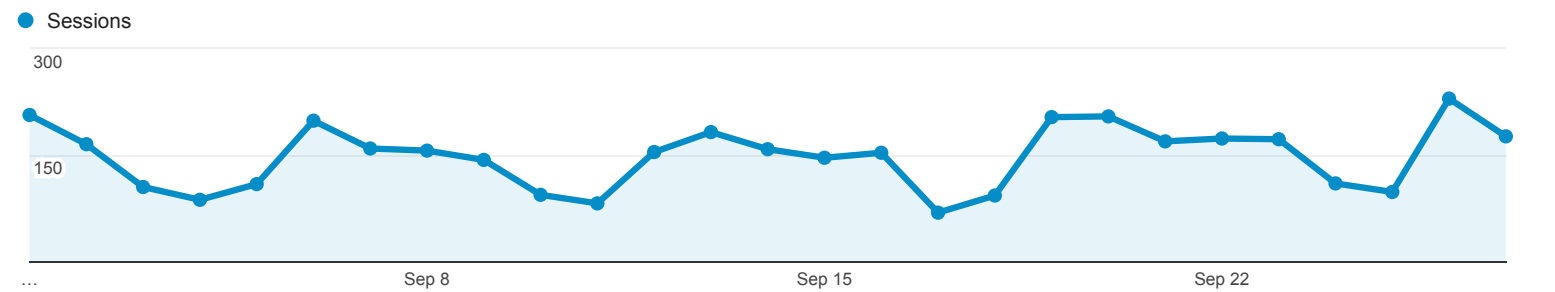
Water Conservation Reviews are annual mailings sent to large water users. The Reviews include a 5-year consumption report, facility map, and information brochures. The purpose is to help customers save water by summarizing their consumption, and offering suggestions for reducing usage. Occasionally, after viewing, the recipient may contact DWA for assistance in the form of a Mobile Lab Evaluation.

Audience Overview

Sep 1, 2016 - Sep 27, 2016

All Users
100.00% Sessions

Overview



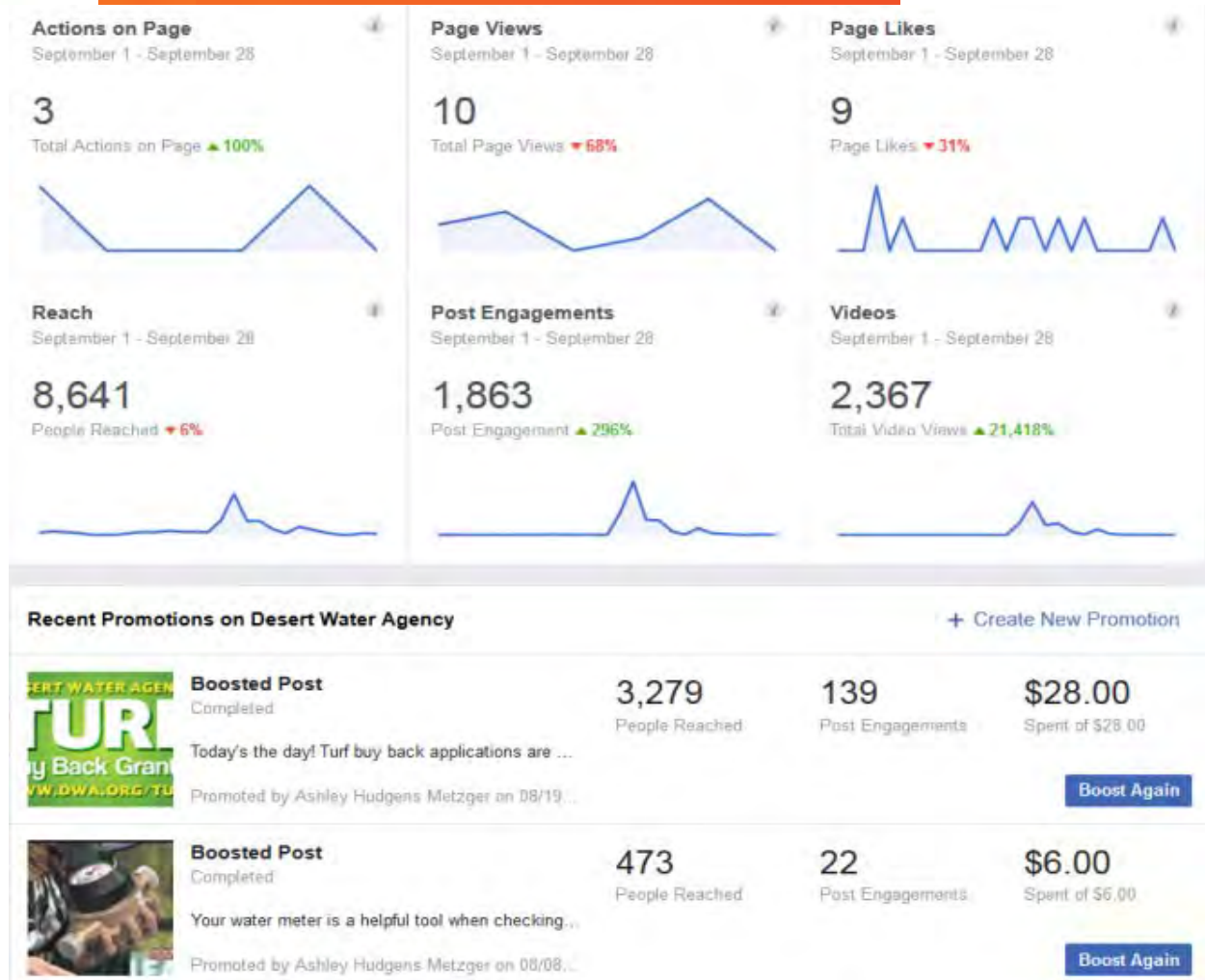
Language		Sessions	% Sessions
1.	en-us	3,194	79.99%
2.	(not set)	694	17.38%
3.	en-ca	24	0.60%
4.	en-gb	21	0.53%
5.	en	15	0.38%
6.	es	5	0.13%
7.	ko-kr	5	0.13%
8.	fr	4	0.10%
9.	ko	4	0.10%
10.	zh-cn	4	0.10%

DON'T DISMISS
THE DROUGHT

Check your watering schedule today

www.dwa.org/restrictions

**Desert Water Agency
Facebook Analytics
September 2016**



Published ▾	Post	Type	Targeting	Reach	Engagement	Promote
09/28/2016 3:48 pm	Desert Water Agency shared CV Water Counts's photo.			3	0 0	Boost Post
09/27/2016 11:52 am	Have you taken advantage of any of our conservation coupons yet?			132	1 1	Boost Post
09/23/2016 2:37 pm	One week left to apply for turf buy back grants! Visit www.dwa.or			290	21 6	Boost Post
09/21/2016 3:42 pm	Desert Water Agency shared CV Water Counts's photo.			19	1 0	Boost Post
09/20/2016 3:23 pm	Are you thinking of overseeding? Skip it or wait till it's cooler. DW			135	0 1	Boost Post
09/16/2016 8:40 am	Thanks to our employees who c ontribute to @UnitedWayoftheDe			59	5 5	Boost Post



Sep 2016 • 27 days so far...

TWEET HIGHLIGHTS

Top Tweet earned 3,300 impressions

Shower power!
twitter.com/NiagaraCnsvtio...

1 retweet 1 like

View Tweet activity

View all Tweet activity

Top Follower followed by 1.91M people



Gary O'Neill

@TheGaryo **FOLLOWS YOU**

Jack of all trades, master of none

View profile

View followers dashboard

Top media Tweet earned 889 impressions

Add a pop of pink to your landscape with hearty drought-resilient bougainvillea.
[#keepsaving](https://twitter.com/23KoROuml7) pic.twitter.com/23KoROuml7



2 retweets 3 likes

View Tweet activity

View all Tweet activity