

**DESERT WATER AGENCY**  
**NOVEMBER 1, 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 – October 18, 2016** **CIOFFI**

**3. GENERAL MANAGER'S REPORT** **KRAUSE**

**4. COMMITTEE REPORTS – A. Executive – October 26, 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. Adoption of Resolution No. 1142 Granting Retirement Status to Robert Pettersen **KRAUSE**
- B. Water Use Violation – Civil Penalty Hearing (s) **KRAUSE**
- C. Memorandum of Understanding for Colorado River Funding Area (DAC Round Prop 1) **METZGER**
- D. Contract Amendments for RMC for CVRMWG (Prop 1 DAC & IRWMP Update Planning Grant) **METZGER**

**7. ITEMS FOR DISCUSSION**

- A. State Water Contractors' Meeting – October 20, 2016 **RIDDELL**
- B. Legislative Report **REEB**

**8. OUTREACH & CONSERVATION** **METZGER**

- A. Media Information
- B. 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 REGULAR MEETING  
OF THE  
DESERT WATER AGENCY  
BOARD OF DIRECTORS**

**OCTOBER 18, 2016**

DWA Board:	James Cioffi, President	)	<b>Attendance</b>
	Joseph K. Stuart, Vice President	)	
	Patricia G. Oygur, Director	)	
	Craig A. Ewing, Director	)	

Absent:	Kristin Bloomer, Secretary-Treasurer	)
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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. Mgr.	)
	Irene Gaudinez, Human Resources Manager	)

Consultant:	Michael T. Riddell, Best Best & Krieger	)
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Public:	Marcus Fuller, City of Palm Springs	)
	David Freedman, P.S. Sustainability Comm.	)

17620. 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**

17621. President Cioffi called for approval of the September 28 Special and October 4, 2016 Regular Board meeting minutes. **Approval of 09/28/16  
Special & 10/04/16  
Regular Board Mtg.  
Minutes**

Director Oygur moved for approval. After a second by Vice President Stuart, the minutes were approved as written (Director Ewing abstained on the October 4 minutes due to his absence, Director Bloomer absent).

17622. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's  
Report**

Mr. Krause stated on October 10 at approximately 11:40 a.m., staff responded to a hit fire hydrant on the west side of Gene Autry Trail, north of Ramon Road. Staff replaced the hydrant and put it back in service. The water loss was a fully open 6-inch pipe, which ran for approximately **Hit Fire Hydrant**

30 minutes. A damage report was filled out and a police report number was received.

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

BLM Right of Way  
Grant/Whitewater  
Spreading Basins

Mr. Krause provided an update on the Bureau of Land Management (BLM) Right of Way Grant for Whitewater Spreading Basins for Coachella Valley Water District.

Mr. Krause reminded everyone of the Tram Road Challenge on Saturday, October 22. Board Members interested in volunteering to distribute water to participants should contact Mrs. Metzger.

United Way Tram  
Road Challenge  
Volunteers

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

General Manager's  
Meetings & Activities

17623. President Cioffi noted the minutes for the October 11, 2016 Executive Committee were provided in the Board's packet.

**Committee Reports**  
Executive 10/11/16

17624. President Cioffi noted the minutes for the October 12, 2016 Conservation & Public Affairs Committee were provided in the Board's packet. He noted the City's tree watering request will be discussed in Item 8B.

Conservation & Public  
Affairs 10/12/16

17625. President Cioffi opened the meeting for public input.

**Public Input**

John Soulliere, Cathedral City resident, recommended the Agency waive the fee for customers paying their bill online in order to promote electronic payment processing.

John Soulliere

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

17626. President Cioffi called upon Finance Director Krieger to provide an overview of financial activities for the month of September 2016.

**Secretary-Treasurer's  
Report – September  
2016**

Finance Director Krieger reported that the Operating Fund received \$2,594,878 in Water Sales Revenue. \$178,926 was received in Reclamation Sales Revenue. \$2,676 was received from SCE for Snow Creek Hydro Power Sales (July 2016) and \$232,545 was received in Meter Sales and Services. Included in the Miscellaneous receipts is \$57,184 from Wastewater Fund, \$12,966 (Solar field II rebate-July 2016) and \$12,507 (Solar field II rebate-August 2016) from SCE. \$1,523,905 was paid out in Accounts Payable. Year-to-date Water Sales are 17% over budget, Year-to-date Total Revenues are 18% over budget, and Year-to-date Total Expenses are 17% under budget. There were 22,309 active services as of September 30, 2016 compared to 22,301 as of August 31, 2016 and compared to 21,824 as of September 30, 2013.

Operating Fund



Reporting on the General Fund, Mr. Krieger stated that \$592,973 was received in Property Tax Revenues. \$329,424 was received from CVWD (\$315,811 SWP Management Agrmt. & \$13,613 Mission Creek Management Agrmt.) for 4<sup>th</sup> quarter Fiscal 2015/2016. \$31,812 was received in State Water Project Refunds. \$51,861 was received in Whitewater Hydro Power Sales for August 2016. Included in the Miscellaneous receipts is \$78,108 from MWD for reimbursement of 2016 Multi-Year Pool Water Program. \$119,782 was paid to CVWD per Whitewater Basin Management Agreement. \$1,674,252 was paid out in State Water Project Charges (YTD SWP Payments (July-Sept.) are \$5,953,808).

Regarding the Wastewater Fund, \$40,636 was received in Sewer Capacity Charges. There are a total of 69 contracts (48 Cathedral City Cove and 21 Dream Homes), one contract was paid in full (Cove) with 28 delinquent (41%). \$109,885 was paid out in Accounts Payable.

17627. President Cioffi asked General Manager Krause to present staff's request for Board action regarding a claim filed by Angela Lacerenza.

**Item for Action:**  
Request Board  
Action/Claim for  
Damages

Mr. Krause explained Ms. Lacerenza is claiming damage to a blocked sewer line at 675 E. Racquet Club Road on June 12, 2016. She contends there was damage to the main caused by the Agency's existing water main.

Continuing his report, Mr. Krause stated the 6" main was installed in 1959, with the most recent work in the area in 2005 (new copper service). The new copper water service lateral was installed 7 feet west of the sewer lateral damage. The installation date of the sewer lateral was investigated; however a date was not available from the City of Palm Springs. Because of the proximity of the water service lateral to the damaged sewer lateral, it is virtually impossible the Agency's work had any impact on the sewer lateral. Staff requests the Board reject the claim for damages filed by Angela Lacerenza.

Director Ewing made a motion to reject the claim for damages filed by Angela Lacerenza. After a second by Director Oygard, the motion passed unanimously (Secretary-Treasurer Bloomer absent).

In response to Director Ewing, Mr. Krause explained that the claim will be forwarded to ACWA/JPIA for handling.

17628. President Cioffi asked Conservation and Public Outreach Manager Metzger to report on the September Water Production Comparison.

Mrs. Metzger reported that the Agency and its customers achieved an 8 percent reduction during September 2016 compared to September 2013. Mrs. Metzger noted the cumulative savings June 2015 through September 2016 is 25 percent.

Continuing her report, Mrs. Metzger noted on November 1, watering days will revert to Monday, Wednesday and Friday. This information will be publicized via social media.

Mrs. Metzger stated 332,271 acre feet of fresh water from the SWP was released into the ocean during September. She then noted there were 28 formal warnings issued for water waste or violation of conservation rules and 28 penalties were issued.

17629. President Cioffi asked Conservation and Public Outreach Manager Metzger to present the City of Palm Springs Request for Alternative Watering Schedule.

Palm Springs Request  
for Alternative  
Watering Schedule

Mrs. Metzger stated on October 6 the City of Palm Springs sent a letter to the Board of Directors requesting a five day per week watering schedule for its parks and recreation areas. Under Ordinance No. 65, the General Manager has authority to allow exceptions due to exceptional circumstances that would cause an unnecessary and undue hardship to the water user or the public. It is under this authority that the General Manager intends to consider the City's request with the help of the Conservation & Public Affairs Committee guidance. DWA will retain the right to revoke the exemption at any time.

Continuing her report, Mrs. Metzger stated the Conservation & Public Affairs Committee discussed this item at its recent meeting. Recognizing the community benefit of keeping trees and grass in public parks and recreation areas healthy, the Committee expressed interest in accommodating the request. The Committee gave staff guidance in consideration of the request: 1) Clearly define the exception as applying only to City parks and recreation areas; 2) Revisit the City's turf reduction program, which was previously presented to DWA; 3) Work with the City to develop a short-term conservation plan, identify partnership possibilities, and; 4) Request the City create a long term (10 year) strategy for non-native and spray irrigated trees on City property.

President Cioffi invited Marcus Fuller, Palm Springs Assistant City Manager to discuss the City's request.

Mr. Fuller explained that the City conducted a tree inventory in 2014 and discovered numerous ageing trees and those needing removal. He noted outdated irrigation systems and the cost for turf removal. He suggested the possibility of reclaimed water at Sunrise Park and no restriction of reclaimed water usage.

**Discussion Items:**  
(Cont.)  
Palm Springs Request  
for Alternative  
Watering Schedule

President Cioffi requested the City come back to the Agency with its turf proposal.

There was discussion on the City's Adopt a Tree Program. The Agency will be collaborating with the City on this program.

17630. President Cioffi asked Finance Director Krieger to present his report on the Annual Reporting of Back-Up Facility and Capacity Charges.

Annual Reporting of  
Back-Up Facility &  
Capacity Charges

Mr. Krieger stated that summaries are provided of the back-up facility charges and capacity charges the Agency collects when a new service connection is made to the water distribution, reclaimed or sewer systems. He explained that since capital expenditures for these facilities exceed the fees collected, legal counsel has indicated annual reporting is not necessary. Staff, however, feels it is prudent to continue apprising the Board of these amounts during the year on projects for which the fees are collected. He noted that a copy of this report has been sent to the Building Industry Association.

17631. Director Ewing stated he will be on vacation therefore, not attending the November 4 ACWA Region 9 Tour.

**Directors  
Comments/Requests**  
11/4 ACWA Region 9  
Tour

17632. At 8:50 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 Manager, Negotiating Parties: Chris Thomsen, New Mesquite HOA, Under Negotiation: Price and terms of possible acquisition.

**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

17633. At 10:04 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

**Reconvene – No  
Reportable Action**

17634. In the absence of any further business, President Cioffi adjourned the meeting at 10:05 a.m.

**Adjournment**

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James Cioffi, President

ATTEST:

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Kristin Bloomer, Secretary-Treasurer

DRAFT

## GENERAL MANAGER'S REPORT NOVEMBER 1, 2016

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Reminder: The **November 15 Regular Board Meeting** has been cancelled; the next regular meeting will be held on December 6.



DWA's offices will be closed Thursday, Nov. 24 and Friday, Nov. 25 for the Thanksgiving holiday.



Unless the Board objects, gift cards in the amount of \$35 will be purchased and distributed during the second week of December to Agency employees.

## General Manager's Meetings and Activities

### Meetings:

10/17/16	DWA/MWD/CVWD Imported Water Supply Coordination Conference Call	DWA
10/18/16	DWA Board	DWA
10/19/16	SWP Delta Committee	Sacramento
10/20/16	SWP Monthly Board	Sacramento
10/20/16	State & Federal Contractor's Water Agency Committee	Sacramento
10/21/16	SITES Onsite Tour	Sacramento
10/24/16	SGMA Indio Sub-basin Partners	CVWD
10/26/16	DWA Executive Committee	DWA
10/27/16	SGMA San Geronio Pass Partners	Cabazon
10/27/16	MWD Perris Seepage Recovery Conf. Call	DWA

### Activities:

- Perris Reservoir Seepage Water Supply Recovery – Finance Agreements, Water Rights, Costs, Coordination Meetings
- Sites Reservoir – Onsite meeting and Onboarding meeting, CEQA
- E-Billing – Completed and now tracking
- Outreach Talking Points - KMIR
- SWP Delta Charges – Rate Study Final
- Well 6 and Well 32 Water Quality Remediation issues
- Proposition 218 – Mailed out and posted on website
- 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
- Snow Creek Cabin refurbishment
- Cal WaterFix – Change of Point of Diversion Hearings
- Turf Buy back, Alternative Conservations Plans, Reseeding
- United Way of The Desert – DWA Customer Assistance Program
- Snow Creek Security Position
- Reorganization of Departments
- Backup Facility Charges and Fees
- Reorganization of Accounting, Customer Service, and Operations Department

**Minutes**  
**Executive Committee Meeting**  
October 26, 2016

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**Directors Present:** Jim Cioffi, Joe Stuart

**Staff Present:** Mark Krause, Steve Johnson

**1. Discussion Items**

A. Review Agenda for November 1, 2016 Regular Board Meeting

The proposed agenda for the November 1, 2016 regular board meeting was reviewed.

**2. Other**

A. Public Records Act Request

Staff informed the Committee of a Public Records Act request from James Hayton for the Board's health benefits and travel, conference information for last Fiscal Year.

**3. Adjourn**

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

**NOVEMBER 1, 2016**

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1142, GRANTING  
RETIREMENT STATUS TO ROBERT E. PETTERSEN WITH  
APPRECIATION**

Attached is a copy of Resolution No. 1142 officially granting retirement status to Water Service Worker III, Robert E. Pettersen.

Mr. Pettersen will be presented a copy of Resolution No. 1142 acknowledging his 25 years of dedicated service and loyalty to Desert Water Agency.



## **RESOLUTION NO. 1142**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY GRANTING RETIREMENT STATUS TO ROBERT E. PETTERSEN**

**WHEREAS**, Robert Pettersen began his service with Desert Water Agency on August 12, 1991 as a Water Service Worker I in the Construction Department. He was promoted to Equipment Operator in 2001, and on December 3, 2003, was promoted to Water Service Worker III; and is concluding his career in that capacity; and

**WHEREAS**, over his career with Desert Water Agency, Robert has worked both out in the field as a Water Service Worker as well as in our Warehouse ensuring parts and equipment were ready and available to for our work crews; and

**WHEREAS**, Robert has continued his education and obtained a Water Distribution Grade D3 and Water Treatment Grade T2 certification from the State of California; and

**WHEREAS**, in 2004, Robert was assigned to an installation crew as a Lead Man to assist the Foreman; and

**WHEREAS**, Robert has shared his knowledge and trained staff in the operation of larger vehicles and assisted them in obtaining their Class "A" commercial driver's license.

**WHEREAS**, Robert was given and accepted the additional responsibility of performing respiratory fit tests for construction personnel; and

**WHEREAS**, in 2013, Robert was reassigned to the Warehouse department as the Agency's locator and shared his knowledge and experience by training staff on how to locate underground water mains and services; and

**WHEREAS**, Robert has always taken great pride in his work and the appearance of his vehicle and earned the Agency's monthly "Clean Vehicle Award" a total of 13 times and was awarded the "Clean Vehicle of the Year" in 2015; and

**WHEREAS**, Robert has always been a conscientious, dependable employee who is a team player and always willing to help whenever needed; and

**WHEREAS**, the Desert Water Agency is deeply appreciative of this employee's loyalty, honesty, integrity, competency and conscientious service in his duties; and

**WHEREAS**, Robert has served as an outstanding role model with respect to his work ethics and has consistently performed his duties meticulously and with commitment to the highest standards required in conjunction with fulfilling his responsibilities, and has done so with the Agency's best interest in mind;

**NOW, THEREFORE, BE IT RESOLVED** by the Desert Water Agency Board of Directors that  
**ROBERT E. PETTERSEN**

is, with infinite thanks and appreciation for his 25 years of service to the Desert Water Agency, and our community, hereby granted the status of retirement. It is the wish of the Board that Robert spends countless years enjoying a happy and healthy retirement, for he has earned it.

**ADOPTED** this 1st day of November, 2016, with retirement effective November 19, 2016.

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James Cioffi, President  
Board of Directors

ATTEST:

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Kristin Bloomer, Secretary-Treasurer  
Board of Directors

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

**NOVEMBER 1, 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 380 violations have been issued. Recipients of the violations have 7 days to request a hearing in writing. Two violations will be reviewed at 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. Ken Jones, 37492 Melrose Drive, Cathedral City**

- a. On Friday, October 14 at 9:35 a.m. a Desert Water Agency representative observed water use violations at said address and reported them.
  - i. Irrigating during restricted hours
  - ii. Runoff
- b. Fine amount \$50
  - i. Single-family home
  - ii. First violation
- c. Reason for petition
  - i. Landscaper did not know about restrictions. Customer will personally confirm compliance.











October 17, 2016

Ken Jones  
% ATI  
16108 Covello St  
Van Nuys, CA 91406

**RE: FINE ON ACCOUNT# [REDACTED] 37492 Melrose Dr**

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Friday, October 14, 2016 at 9:35 am, you are being served with a complaint to impose a civil (monetary) penalty.

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

You were cited for:

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

**\*\* Daily watering within the times noted above 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

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**From:** KC Jones <kc@accuratetelecom.com>  
**Sent:** Wednesday, October 19, 2016 1:30 PM  
**To:** Ashley Metzger  
**Subject:** FW: 37492 Melrose [REDACTED]

Hello Ashley,

I live in W. LA, CA. and have three rentals, two of which are in your water district.

Many years ago before the drought, when the **Smart Controllers** were first announced, I proactively sought out those and purchased one and obtained a second Smart Controller as provided by DWA free of charge. Both were installed and programmed a long while back (years). One was installed in The Cat City Cove (the Melrose address in question) and one at another SFR rental in S. Palm Springs, at 930 S. Nueva Vista Dr. Since those were installed there has been documented water use reduction year over year for each property, so it's working.

I was surprised to learn that the sprinklers were in operation after 7 am recently as my gardener who goes out once a week to each property had been instructed to program per the guidance from DWA. He speaks broken English but he now clearly understands that there is to be no watering between 7 am to 7 and then only on M,W,F,S,S outside of those hours.

I had him go to the property early this week and adjust the sprinklers to conform to DWA specs. He confirmed this task was completed yesterday. He stated that it apparently was set of 8 am but to operate for only 3 minutes. We have not watered excessively, you can see that from the reports on the DWA invoices and the condition of the lawn in the pictures provided to me.

I will meet with my gardener at each property this weekend to **personally confirm compliance**. I am requesting relief from this penalty, if possible as I feel I am very water use conscious. Thanks.

Kind regards,

K C Jones, CEO

Accurate Telecom Inc

16108 Covello Street

Van Nuys, CA 91406

818-779-6111

[kcjones@accuratetelecom.com](mailto:kcjones@accuratetelecom.com)

[www.accuratetelecom.com](http://www.accuratetelecom.com)



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**From:** Ashley Metzger [<mailto:AMetzger@dwa.org>]

**Sent:** Monday, October 17, 2016 4:17 PM

**To:** [kc@accuratetelecom.com](mailto:kc@accuratetelecom.com)

**Subject:** 37492 Melrose

Hello,

Here are the photos that I referenced on our call.

Thanks,

***Ashley Metzger***

Outreach & Conservation Manager | Desert Water Agency

760-323-4971 x 184 | [www.dwa.org](http://www.dwa.org) | [Facebook](#) & [Twitter](#)

**2. Seventh Day Adventist Church, 620 S Sunrise Way, Palm Springs**

- a. On Wednesday, October 19 at 10:56 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. Non-residential
  - ii. First violation
- c. Reason for petition
  - i. Power outages and surges. Vandalism by homeless (no police report).











October 19, 2016

Seventh Day Adventist Church  
620 S Sunrise Way  
Palm Springs, CA 92264

**RE: FINE ON ACCOUNT# [REDACTED] Camino Parocela**

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Wednesday, October 19, 2016 at 10:56 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.***

**\*\* Daily watering within the times noted above 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,

Vicki Petek  
Outreach & Conservation  
Desert Water Agency  
*On behalf of General Manager Mark Krause*

# PALM SPRINGS



620 South Sunrise Way ♦ Palm Springs, CA 92264  
palmspringsadventist@gmail.com  
Michael Leno, Senior Pastor

24 October 2016

Vicki Petek  
Outreach & Conservation  
Desert Water Agency  
P O Box 1710  
Palm Springs, CA 92253-1710

Dear Ms. Petek:

RE: Fine on Account [REDACTED]

I am in receipt of your letter dated October 19, 2016 concerning the water use violation your representative noted and documented on October 19, 2016 at 10:56 a.m. and am writing to request a hearing on this violation.

We are very aware of the irrigation schedule as cited, and our gardener is careful to assure that our watering schedule is set during these cited hours.

However, the recent deviances particularly during the current month were caused by two factors: (1) a power outage which began on the evening of October 7 and continued until the morning of October 9, plus several brief outages and power surges during the past two weeks which resulted in irrigation turning on and running at odd hours and (2) the ongoing challenges of correcting issues that occur due to malicious vandalism caused by the numerous homeless individuals who camp on our property most nights. While we have encased our timer to discourage access, most recently it seems they have accessed the wiring leading to the timer in order to allow themselves access to our irrigation. Because there are several days each week when no one is on the property, the results of the vandalism are not always corrected and repaired in a timely manner. We are currently studying a more effective way of securing our irrigation system.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Joyce Engel".  
D. Joyce Engel  
Church Treasurer  
760-346-0447

(760) 327-5112 ♦ Fax: (760) 322-6702  
www.palmspringsadventistchurch.com

RECEIVED

OCT 26 2016

DESERT WATER AGENCY  
ENGINEERING



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

**NOVEMBER 1, 2016**

**RE: MEMORANDUM OF UNDERSTANDING FOR THE COLORADO RIVER  
FUNDING AREA TO ALLOCATE FUNDS FOR THE DISADVANTAGED  
COMMUNITY INVOLVEMENT ROUND OF PROPOSITION 1**

The Department of Water Resources (DWR) is requiring that initial round of Integrated Regional Water Management's (IRWM) Proposition 1 funds will be distributed based on a single application from each funding area. This means that the round is noncompetitive. As such, to get any project funding the Coachella Valley Regional Water Management Group (CVRWMG) must coordinate with the other IRWMGs in our funding area.

The six water agencies that make up the CVRWMG have met with the other Integrated Regional Water Management Groups (RMGs) within the Colorado River Funding Area to determine an appropriate funding split for the initial distribution of Proposition 1 funding, which is focused on outreach and planning in disadvantaged communities (DACs). Currently there are two other IRMG's, Imperial Valley RMG, and Mojave RMG.

For this distribution, \$2.25 million is available to the Colorado River Funding Area. At a preliminary meeting, the parties preliminarily agreed to a funding split based 30% of the funds being split evenly and the remainder being split based on DAC population. The result of that split gives the CVRWMG access to \$1,118,030 for this round of funding.

Meetings with the CVRWMG, IVRMG and MRWMG confirmed agreement of this split and brought proposed projects to the table. Each IRWM was responsible for the projects it proposed. CVRWMG proposed three projects: CVWD DAC Preliminary Engineering and Environmental Planning, Coachella Water Authority Chromium-6 Treatment Facilities and Design and Permitting, Mission Springs Water District Groundwater Protection Program Engineering Design. The funds were split equally amongst these three DAC projects. CVRWMG agreed to the selection of these projects unanimously.

Desert Water Agency did not have DAC projects that qualified for this round, and therefore does not have any financial responsibility for costs related to receipt of funds (application costs, matching funds).

The MOU (attached) would not bind CVRWGMG or DWA to any future funding split agreements for the remainder of Proposition 1. The MOU also stipulated that in the event that any of the IRWMs are unable to spend the funding allotted to them, the remainder will be split according to the aforementioned 30%-70% split.

Staff requests approval to authorize the General Manager to sign a Memorandum of Understanding as a member of the Coachella Valley Regional Water Management Group to enter into an agreement with the Imperial Valley Water Management Group and the Mojave Water Management Group for the purposes of an agreed funding split for the DAC Involvement Solicitation round of Proposition 1.

**2016**  
**MEMORANDUM OF UNDERSTANDING**  
**FOR INTEGRATED REGIONAL WATER MANAGEMENT PLANNING AND FUNDING IN**  
**THE COLORADO RIVER BASIN FUNDING AREA**

This Memorandum of Understanding (MOU) is entered into this \_\_\_\_ day of \_\_\_\_\_ 2016 (Effective Date) among the Parties listed below:

**PARTIES:**

**1. Coachella Valley Regional Water Management Group (RWMG)**, hereinafter CVRWMG agencies includes the following members:

Coachella Water Authority, hereinafter CWA; Coachella Valley Water District, hereinafter CVWD; Desert Water Agency, hereinafter DWA; Indio Water Authority, hereinafter IWA; Mission Springs Water District hereinafter MSWD; and Valley Sanitary District, hereinafter VSD.

**2. Imperial RWMG**, hereinafter IRWMG agencies, includes the following members: Imperial Irrigation District, hereinafter IID; Imperial County; and the City of Imperial.

**3. Mojave RWMG**, hereinafter MRWMG agencies, includes the following members: Mojave Water Agency, hereinafter MWA; Victor Valley Wastewater Reclamation Authority, hereinafter VVWRA; Technical Advisory Committee, hereinafter TAC; Mojave Desert Resource Conservation District, hereinafter Mojave Desert RCD; and Morongo Basin Pipeline Commission.

The agencies acting collectively under this agreement are the COLORADO RIVER INTEGRATED REGIONAL WATER MANAGEMENT PARTNERS, hereinafter called the Colorado River IRWM Partners. The agencies also are sometimes referred to in this MOU collectively as “Parties” and individually as “Party.”

**RECITALS:**

- A. The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Public Resources Code, sections 79740-79744) (Proposition 1), authorizes the Legislature to appropriate funding for competitive grants for Integrated Regional Water Management (IRWM) projects. Funding is administered by the Department of Water Resources (DWR).
- B. The intent of Proposition 1 is, in part, to encourage integrated regional strategies for management of water resources and to provide funding through competitive grants, for projects that protect communities from drought, protect and improve water quality, promote environmental stewardship, and improve local water security by reducing dependence on imported water.

- C. The Colorado River Basin Hydrologic Region, also known as the Colorado River Funding Area, is composed of the IRWM regions of the three Parties – the CVRWMG, IRWMG, and MRWMG. The boundaries of the CVRWMG, IRWMG, and MRWMG are shown in **Attachment A**. Each IRWM region has been accepted into the IRWM Grant Program via the Region Acceptance Process.
- D. For the purposes of this 2016 MOU, the formula for allocating funds among the Parties will be based on a combination of population and an even split. The division of funding and terms of the funding agreement among the Colorado River IRWM Partners shall be consistent with terms articulated in **Attachment B**, which are summarized below:

DAC Involvement Solicitation				
Region	DAC Population	30% Split Evenly	70% Split by DAC Population	Funding per Region
Coachella	195,662	\$225,000	\$893,030	\$1,118,030
Mojave	39,898	\$225,000	\$182,100	\$407,100
Imperial	109,521	\$225,000	\$499,870	\$724,870
<b>Total</b>	<b>345,081</b>	<b>\$675,000</b>	<b>\$1,575,000</b>	<b>\$2,250,000</b>

- E. Each Party has adopted an accepted IRWM Plan pursuant to Water Code § 10530 et seq. The Parties now desire coordination of applications for Proposition 1 grants to fund projects to enhance the quality of planning, identify opportunities for supporting common goals and projects, and improve the quality and reliability of water in the Colorado River Funding Area and throughout the State of California. The Parties will rank and select projects for inclusion in IRWM grant applications for their projects consistent with their respective IRWM Plans.
- F. The Parties will balance the necessary autonomy of each planning region to plan for itself at the appropriate scale with the need to coordinate among themselves to improve inter-regional cooperation and efficiency. By consensus, the Parties have developed the 2016 MOU to improve the IRWM planning process in the Funding Area to coordinate planning across planning region lines, and facilitate the appropriation of funding for IRWM projects by DWR.
- G. The Parties will coordinate on grant funding requests to ensure that the sum of the total grant requests does not exceed the amount designated for the funding region.

The RECITALS are incorporated herein and the PARTIES hereby mutually agree as follows:

## 1. Definitions

The following terms and abbreviations, unless otherwise expressly defined by their context, shall mean:

- A. **Funding Area** – refers to any one of the 12 regions and sub-regions referenced in Public Resources Code section 79744(b) and allocated a specific amount of funding to support IRWM activities. The Colorado River Basin Hydrologic Region (also referred to as Colorado River Funding Area) incorporates lands in the Colorado River Basin Regional Water Quality Control Board.
- B. **RWMG** – refers to a group of at least three agencies, two of which must have statutory authority over water management, that have joined together to manage water resources to meet regional needs. Each RWMG is the documented leader of IRWM planning and implementation efforts in a planning region.

- C. **Planning Region** –refers to regions with integrated stakeholders, agencies and projects in their regions for the purpose of coordinating with other planning regions and DWR. The boundaries of the three planning regions in the Colorado River Funding Area are shown in **Attachment A**.
- D. **Colorado River Integrated Regional Water Management Partners (Colorado River IRWM Partners)** – refers collectively to the three RWMGs entering into this MOU. The Colorado River IRWM Partners is composed of at least one representative from each recognized RWMG in the Funding Area. The Colorado River IRWM Partners will meet periodically to discuss issues pertaining to the Funding Area and make recommendations to the RWMGs.
- E. **Stakeholder Advisory Committee** – refers to the recognized committee or committees of stakeholders advising a planning region’s RWMG and/or governing agencies on key issues related to IRWM planning and grant applications.

## **2. General Planning Cooperation via Colorado River IRWM Partners**

All RWMGs will meet on an as-needed basis through the Colorado River IRWM Partners. The number and timing of meetings will depend on the amount and intensity of planning and coordination efforts of the planning regions. The efforts of the Colorado River IRWM Partners will be to coordinate on IRWM-related funding efforts, enhance the quality of planning, and identify opportunities for supporting common goals and projects in the Funding Area.

## **3. Coordination of Submittals and Applications**

The Parties agree to coordinate their IRWM grant applications. To the greatest extent practicable, to facilitate DWR’s review process, the Parties will develop a single application format containing common sections, headings, tables and maps. Each Party will preface its submittals and applications with statement noting the common material and its location in the documents.

## **4. Advisory Committee Cross Membership**

Each planning region with a stakeholder advisory committee will invite the other advisory committees in the Funding Area to participate in its committee to promote understanding, communication, and coordination.

## **5. Scope of the Agreement**

Nothing contained within this MOU binds the Parties beyond the scope or term of this MOU unless the Parties expressly so agree in subsequent agreements, amendments, or contracts. This MOU does not require any commitment of funding beyond that which is voluntarily committed by separate board actions, but recognizes in-kind contributions of RWMG agencies and stakeholders.

## **6. Term of Agreement**

The term of this MOU is from its Effective Date set forth above to December 31, 2021 unless extended or terminated by mutual agreement of the Parties.

## **7. Modification or Termination**

This MOU may be modified or terminated with the concurrence of the RWMGs. Modification or termination shall be effective upon execution of a written agreement by all the RWMGs.

## 8. Withdrawal

Any Party may withdraw from the Colorado River IRWM Partners after giving a written 60-day notice to the other Parties.

## 9. Notice

Any notices sent or required to be sent to any Party shall be mailed and electronically mailed to all Parties at the following addresses:

CVRWMG Agencies

TBD per CVRWMG who to list here

IRWMG Agencies

TBD per IRWMG who to list here

MRWMG Agencies

TBD per MRWMG who to list here

## 13. Funding Uncertainties

The RWMGs do not guarantee that these coordination efforts and applications for funding will result in actual funding of any specific project. Nothing in this MOU shall be construed as creating a promise or guarantee of future funding. No liability or obligation shall accrue to any Party if DWR does not provide funding in response to any Party's application. The Parties are committed to planning and coordinating notwithstanding IRWM funding. The form of such coordination may change based on the sources of funding.

## 14. Indemnification

To the fullest extent permitted by law, each Party shall defend, indemnify and hold harmless the other Parties, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses, and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with work performed pursuant to this MOU. Such obligation shall not apply to any loss, damage, or injury, as may be caused by the sole negligence or willful misconduct of a Party, its directors, officers, employees, agents, and consultants.

## 15. Miscellaneous Provisions

- A. **Governing Law:** This MOU is to be construed in accordance with the laws of the State of California. Any action at law or in equity brought by any of the Parties shall be brought in a court of competent jurisdiction in Imperial, Riverside, or San Bernardino Counties, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.
- B. **Severability and Validity of Provisions:** If any provision of this MOU is held by a court to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.
- C. **Arms' Length Negotiations:** This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsels. No provision contained herein shall be construed against any Party because of its participation in preparing this MOU.

- D. **Waiver:** Any waiver by a Party of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective Parties to require from the others exact, full and complete compliance with any terms of the MOU shall not be construed to change the terms hereof or to prohibit the Party from enforcement hereof.
- E. **Execution in Parts or Counterparts:** This MOU may be executed and delivered in any number of parts or counterparts, hereinafter called "Counterpart". When each Party has signed and delivered at least one Counterpart to the other parties hereto, each Counterpart shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the Parties hereto. Facsimile or electronic signatures shall be binding.
- F. **Exclusive Expression of Agreement:** This MOU is intended by the parties hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOU shall not be changed or modified except by the written consent of all Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown on the attached counterpart signature pages:

Desert Water Agency

\_\_\_\_\_  
Mark S. Krause, General Manager-Chief Engineer

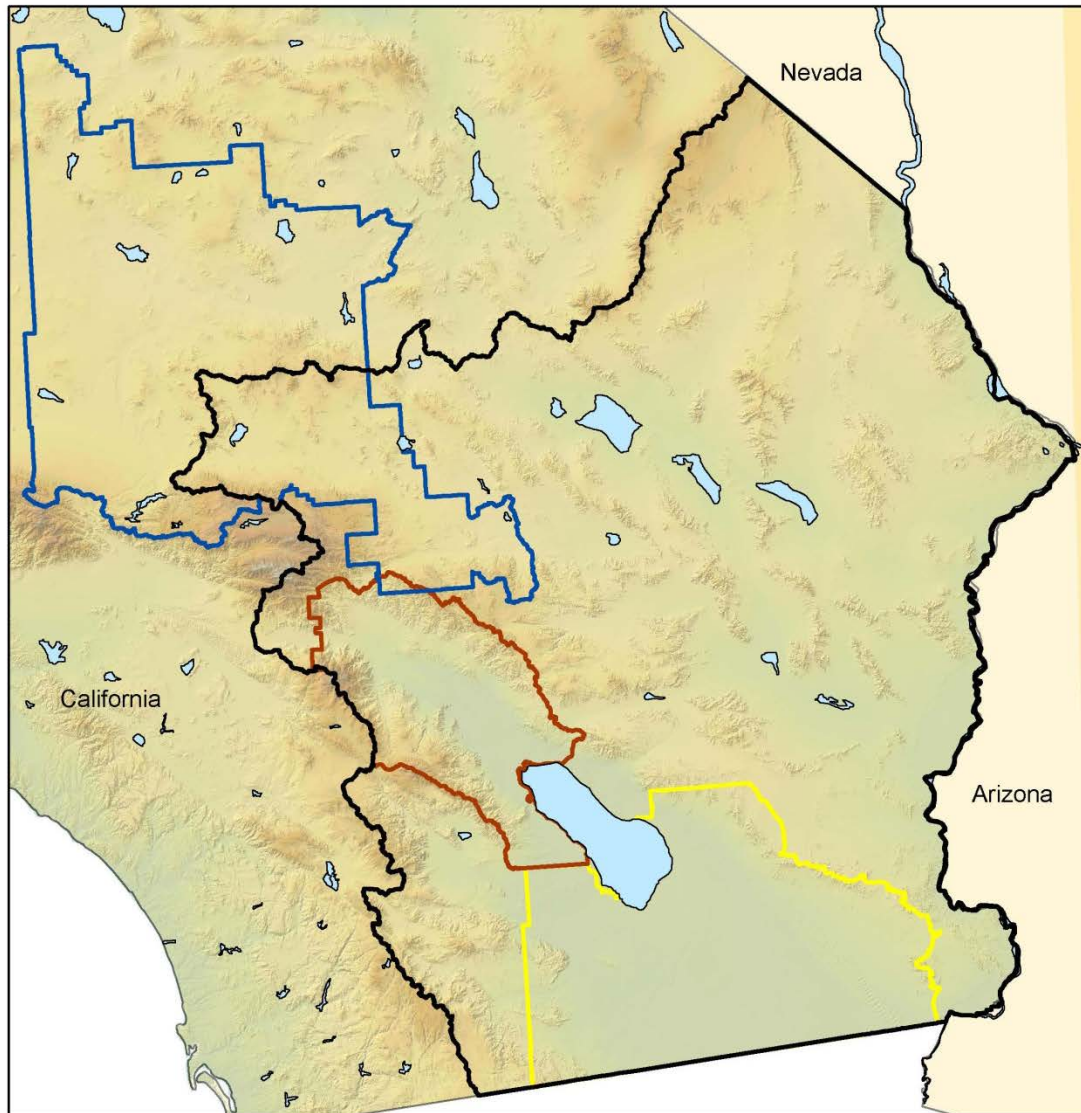
\_\_\_\_\_  
Date

## Attachment A

### Colorado River Funding Area and Planning Region Boundaries

This figure shows the location of the Coachella Valley, Imperial, and Mojave IRWM Planning Regions within the Colorado River Funding Area. Please note that the Mojave IRWM Planning Region spans two Funding Areas: Lahontan and Colorado River, while the Coachella and Imperial IRWM Planning Regions are wholly located in the Colorado River Funding Area.

#### Colorado River Funding Area



#### Legend

##### IRWM Regions

- (12) Imperial
- (18) Mojave
- (5) Coachella Valley
- Colorado River Funding Area



## **Attachment B**

### **Allocation and Use of Proposition 1 Funds**

Funding through Proposition 1 is anticipated through two primary methods: 10% (\$2,250,000) distributed through a non-competitive DAC Involvement Solicitation, and the remainder distributed through Implementation Grant Solicitation(s). This MOU addresses only the DAC Involvement Solicitation, which will be allocated in accordance with the amounts shown in the following table. The allocations are based on a formula that is similar to that used to allocate funding in the Proposition 84 bond.

<b>DAC Involvement Solicitation</b>				
<b>Region</b>	<b>DAC Population</b>	<b>30% Split Evenly</b>	<b>70% Split by DAC Population</b>	<b>Funding per Region</b>
Coachella	195,662	\$225,000	\$893,030	\$1,118,030
Mojave	39,898	\$225,000	\$182,100	\$407,100
Imperial	109,521	\$225,000	\$499,870	\$724,870
<b>Total</b>	<b>345,081</b>	<b>\$675,000</b>	<b>\$1,575,000</b>	<b>\$2,250,000</b>

With respect to the funding designated to each planning region through the DAC Involvement Solicitation, the following shall apply:

1. The Colorado River IRWM Partners agree to use due diligence distributing and reimbursing for grant funding in an expeditious manner. Based on the current schedule elaborated by DWR, DAC Involvement grant funding should be spent within two years of contract execution for the funding. To ensure that this condition is met, the Partners agree to do the following:
  - a. Review DWR invoices on a quarterly basis to monitor the amount of grant funding not yet encumbered.
  - b. As soon as practicable one year after the contract has been executed with DWR, the partners will conduct a formal evaluation of funds not yet encumbered. Any funding which has not yet been encumbered by one of the planning regions is subject to redistribution. The redistribution calculation shall follow the original calculation used to distribute the DAC Involvement Solicitation funds.

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

**NOVEMBER 1, 2016**

**RE: REQUEST APPROVAL OF CONTRACT AMENDMENTS FOR RMC  
FOR CVRWMG (PROP 1 DAC INVOLVEMENT ROUND AND  
PLANNING GRANT FOR IRWMP UPDATE)**

In July 2012, the Coachella Valley Regional Water Management Group (CVRWMG) selected RMC Water and Environment (RMC) as its consultant for plan completion and grant applications. As the administrative agency for the CVRWMG, Coachella Valley Water District entered into a consulting contract with RMC on behalf of the CVRWMG. RMC's contract was extended in October of 2014. RMC has completed the tasks in their contract.

Since entering into a consulting contract with RMC, the CVRWMG has completed the 2014 IRWMP Update and secured approximately more than \$18 million in funding for the region.

Staff is requesting approval for two contract amendments.

The first contract amendment is for coordinating monthly CVRWMG meetings, Planning Partners meetings, project solicitation and project selection for the DAC Involvement Round Funding. RMC's proposal amount for ongoing coordination through June 2017 is \$118,660.00. DWA is responsible for paying one sixth of this amount (\$19,776.67).

The second contract amendment is for RMC to develop an application for a Department of Water Resources planning grant to update the Coachella Valley Integrated Regional Water Management Plan. If this grant was awarded, CVRWMG would work with other stakeholders (county, cities, etc.) to collect funding for the match funds needed to execute the plan update, which would include a storm water resources plan. RMC's proposal amount for the preparation of a planning grant application is \$38,568.00. DWA is responsible for paying one sixth of this amount (\$6,428.00).

The amounts proposed by RMC are estimates, not to be exceeded, and RMC will only bill for actual costs incurred. This is not a reimbursable amount. Should the agencies contract with RMC for continued services, funding must be provided by the agencies as no further grant funding is available for this effort. If approved by all members, CVWD will invoice each of the agencies for their share of the costs.

Staff requests approval of the contract amendments for RMC.



October 5, 2016

Coachella Valley Regional Water Management Group  
Coachella Valley Water District  
Coachella Water Authority  
Desert Water Agency  
Indio Water Authority  
Mission Springs Water District  
Valley Sanitary District

RE: Proposal for *Coachella Valley IRWM Program Management for Fiscal Year 2017*

Dear Coachella Valley Regional Water Management Group:

RMC Water and Environment (RMC) appreciates the opportunity to assist the Coachella Valley Regional Water Management Group (CVRWMG) in administering the Coachella Valley Integrated Regional Water Management (IRWM) Program. This proposal is based on our ongoing experience supporting the Coachella Valley IRWM Program since April 2010, including development of the 2010 Coachella Valley IRWM Plan and the 2014 Coachella Valley IRWM Plan Update, implementation of the Coachella Valley Disadvantaged Communities (DAC) Outreach Program, and preparation of Proposition 84-Round 1, -Round 2, -Round 3, and -Round 4 grant applications. Our team has enjoyed supporting the CVRWMG in establishing a successful IRWM Program that truly helps to meet the water resource needs of the Coachella Valley. We hope, based on our successful track record, for the opportunity to continue supporting ongoing program management activities.

## **Proposed Scope of Work**

### **Task 1: CVRWMG Coordination**

Provide ongoing CVRWMG coordination services through Fiscal Year 2017 (from July 1, 2016 to June 30, 2017) that includes: coordination and facilitation of monthly CVRWMG meetings, quarterly (or as-needed) Planning Partners meetings, one General Managers meeting, ongoing tracking of California Department of Water Resources (DWR) IRWM Program activities (including funding solicitations and awards), preparation of letters and other materials necessary to support the CVRWMG's position on IRWM-related matters, and tracking of general Proposition 1 funding opportunities that could support projects in the Coachella Valley.

This task includes tracking and reporting of IRWM Program funding solicitations and awards, but does not include project solicitation, scoring, and ranking, or preparation of application materials. For budgeting purposes, RMC assumes attendance by our Project Manager at all meetings and our Principal at approximately half of the meetings.

### ***Task 1 Deliverables***

- CVRWMG meeting packets, including agenda, notes, and additional materials for up to twelve (12) meetings



- Planning Partners meeting packets, including agenda and additional materials for up to three (3) meetings
- One General managers meeting packet, including agenda, notes, and additional materials for up to one (1) meeting
- Updated list of Proposition 1 funding opportunities at each CVRWMG meeting, including information about new Guidelines and solicitations, as applicable

### **Task 2: Coordination of DAC Project Selection Process**

The current IRWM solicitation related to DAC Involvement Funding would make \$2,250,000 available for the Colorado River Funding Area. Work included in this task would support the Coachella Valley's internal project selection process, but does not include preparation of grant application materials. Work included in this task includes activities that do not fall under Task 1: CVRWMG Coordination and do not fall under our existing Program Management contract that is set to expire in June 2016.

Based upon previous project solicitation efforts in the Coachella Valley, and additional needs associated with the DAC Involvement Funding, our proposal includes completion of the following work items:

- Releasing 'Call for Projects' and providing technical support to stakeholders
- Holding a Project Concept Workshop to discuss project concepts with stakeholders, and providing support to stakeholders to develop strong project submittals
- Technical vetting of submitted information and numerical scoring
- Presenting numerical scoring to CVRWMG, and conducting internal prioritization
- Preparing for and holding one day of project interviews with potential project sponsors
- Preparing for and holding one (1) meeting of the Colorado River Funding Area, anticipated in July 2016, to finalize projects that will be included in the Funding Area's proposal
- Preparing for and holding one (1) meeting with DWR and the Colorado River Funding Area partners, anticipated in July 2016, to vet the final projects and ensure they meet DWR standards
- Preparing materials related to final project approval for the Planning Partners

### ***Task 2 Deliverables***

- "Call for Projects" announcement, website text, and supporting information for stakeholders
- Agenda and materials for one (1) Project Concept Workshop
- Draft list of scored and ranked projects
- Final list of scored and ranked projects with CVRWMG input
- Materials for one day of project interviews
- Agenda and materials for one (1) meeting of the Colorado River Funding Area Partners
- Agenda and materials for one (1) meeting with DWR and the Colorado River Funding Area Partners
- Materials to present the final list of DAC projects to the Planning Partners

### **Task 3: CVRWMG Website Updates**

Provide ongoing updates to the [www.cvrwmg.org](http://www.cvrwmg.org) website. This scope assumes that the web developer will spend up to 16 hours at the outset of the project to complete comprehensive updates to the website so that information is current. After that time, the web developer will work with the Project Manager to update the website after each Planning Partners meeting (up to four times during the contract period). Updates will include uploading new files to the website, making language changes, updating the news section of the website, and other adjustments to ensure information is current, but will not include adding new pages or significant new features to the website.

### ***Task 3 Deliverables***

- CVRWMG website updates

### **Proposed Fee Estimate**

RMC proposes to provide the CVRWMG with support for Task 1, Task 2, and Task 3 for a fee not to exceed \$118,660 to be billed on a time and materials basis. Details about the proposed fee for Task 1, Task 2, and Task 3 are included in Exhibit A. We are prepared to begin work on this effort upon your authorization to do so.

Please do not hesitate to contact me (858-875-7420) or Crystal (858-875-7421) if you have any questions about this proposal.

Sincerely,



Rosalyn Prickett  
Senior Water Resources Planner  
Principal  
  
RMC Water and Environment  
10509 Vista Sorrento Parkway, Suite 205  
San Diego, CA 92121



Crystal Benham  
Water Resources Planner  
  
RMC Water and Environment  
10509 Vista Sorrento Parkway, Suite 205  
San Diego, CA 92121

Approved by:

---

Jim Barrett  
General Manager  
Coachella Valley Water District



## Exhibit A: Proposed Fee Estimate

### Coachella Valley Regional Water Management Group Coachella Valley IRWM Program Management for FY 2017

October 5, 2016

Tasks	Labor					Total Hours	Total Labor Costs (1)	Total ODCs (2)	Total Fee (3)
	Rosalyn Prickett	Crystal Benham	Farhad Navaei	Sally Johnson	Jen Sindermann				
	PIC	PM	Web Developer	PP	Admin				
	\$242	\$199	\$147	\$178	\$100				
Task 1: CVRWMG Coordination	92	272	0	48	12	424	\$86,136	\$2,640	\$88,776
Total for Task 1:	92	272	0	48	12	424	\$86,136	\$2,640	\$88,776
Task 2: Coordination of DAC Project Selection Process	16	48	0	60	0	124	\$24,104	\$660	\$24,764
Total for Task 2:	16	48	0	60	0	124	\$24,104	\$660	\$24,764
Task 3: CVRWMG Website Updates	0	8	24	0	0	32	\$5,120	\$0	\$5,120
Total for Task 3:	0	8	24	0	0	32	\$5,120	\$0	\$5,120
<b>TOTAL</b>	<b>108</b>	<b>328</b>	<b>24</b>	<b>108</b>	<b>12</b>	<b>580</b>	<b>\$115,360</b>	<b>\$3,300</b>	<b>\$118,660</b>

1. The individual hourly rates include salary, overhead and profit.
2. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
3. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.



August 10, 2016

Coachella Valley Regional Water Management Group  
Coachella Valley Water District  
Coachella Water Authority  
Desert Water Agency  
Indio Water Authority  
Mission Springs Water District

RE: Proposal for Preparation of a Proposition 1 IRWM Planning Grant for the Coachella Valley

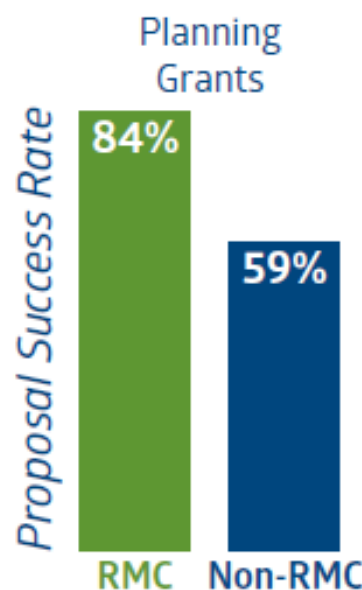
Dear Coachella Valley Regional Water Management Group:

RMC Water and Environment (RMC) appreciates the opportunity to submit this letter proposal to prepare a Planning Grant application through the Proposition 1 Integrated Regional Water Management (IRWM) Program to prepare a Stormwater Resources Plan (SWRP) that meets provisions of Water Code 10565 as amended under Senate Bill 985. This proposal is based on our ongoing experience working with the Coachella Valley Regional Water Management Group (CVRWMG) on issues pertaining to the IRWM Program and regional water resources planning. Furthermore, this proposal is based on our extensive experience preparing successful Planning Grant applications through the IRWM Program, and our experience with regional stormwater management planning. We hope, based on our successful track record, for the opportunity to support the CVRWMG in obtaining grant funding for a region-wide SWRP that will allow the entire Coachella Valley IRWM Region to be eligible for Proposition 1 funding for stormwater projects.

### Project Understanding

RMC has an extensive resume of successfully preparing grant and loan applications for agencies throughout California, including specific experience completing successful grant applications for the Coachella Valley. Our in-depth understanding of loan and grant funding processes, water resource and engineering expertise, innovative approaches to project development, and ability to meet tight grant application deadlines, has allowed RMC to secure over \$1 billion in grants and loans for California agencies and municipalities for water resource, wastewater, storm water, recycled water, and watershed management projects.

RMC secured nearly 30% of the Planning Grant funding that was available statewide through Proposition 84 for our clients, including obtaining a \$1 million grant for the CVRWMG in 2011 to fund preparation of the Region's 2014 *Coachella Valley IRWM Plan*. Through this project, RMC completed both the successful Planning Grant application, and an IRWM Plan that was determined to be compliant with all 16 IRWM Plan Standards defined by the California Department of Water Resources (DWR).



Our team also recently prepared a Storm Water Grant Program (SWGP) planning grant application under the State Water Resources Control Board (SWRCB) Proposition 1 grant program. Our experience developing the type of regional SWRP scope, budget, schedule, and DAC justification will help inform our work on the CVRWMG's application.

Based on our initial conversations with DWR, we believe that the most critical parts of the CVRWMG's Planning Grant application will be:

1. Demonstrating how the SWRP will benefit the entire Coachella Valley IRWM Region, including economically disadvantaged communities
2. Explaining that the activities associated with the SWRP will enhance the Region's existing IRWM Plan
3. Making a connection between the SWRP and stormwater projects that are currently in or will be added to the Coachella Valley IRWM database
4. Demonstrating that the existing governance structure established for the IRWM Program will facilitate development of a SWRP that includes input from stakeholders across the Coachella Valley

## **Proposed Scope of Work**

### **Task 1: Proposition 1 IRWM Planning Grant Application**

RMC will prepare the Planning Grant Application in accordance with the final DWR 2016 IRWM Planning Grant Proposal Solicitation Package (PSP), which is expected to be released mid-May 2016.

#### ***Subtask 1.1: Coordination with CVRWMG and MS4 Group***

Once the final PSP has been released by DWR, RMC will coordinate a facilitated discussion with the CVRWMG, the MS4 Group, and other interested parties to discuss the scope of work for the Planning Grant. As a result of this meeting, RMC will ensure that the information submitted to DWR both meets standards required by DWR for the Planning Grant, and is in alignment with regional expectations. This scope assumes that RMC will hold one meeting with the CVRWMG, MS4 Group, and other interested stakeholders, and one follow-up meeting with the CVRWMG to finalize the scope of work. This scope also assumes that additional calls throughout development of the application will be held, as necessary. Please note that the CVRWMG meeting is not included in the budget, as it is assumed that this meeting will take place as part of a regular CVRWMG meeting that falls under our existing IRWM Program Management contract.

#### ***Subtask 1.1 Deliverables***

- Draft and final agenda, handouts, and meeting notes for up to 1 meeting of the CVRWMG, MS4 Group, and other interested stakeholders
- *Draft and final agenda, handouts, and meeting notes for up to 1 meeting of the CVRWMG: not included in the budget for this proposal*

#### ***Subtask 1.2: Preparation of Planning Grant Application and Submittal to DWR***

After the scope of work for the Planning Grant has been determined, RMC will complete the Planning Grant application and will submit the application to DWR through the online GRanTS system. Below are details on the attachments that will be submitted.

#### ***Regional Attachments (Attachments 1, 2, 7, and 8)***

RMC will compile the information necessary to complete the regional attachments:

- *Checklist* – RMC will compile information for DWR's GRanTS Checklist. The Checklist includes all information beyond the application attachments that needs to be submitted electronically to DWR via GRanTS.



- *Attachment 1: Authorizing Documentation* – RMC will develop a summary of the CVRWMG and designation of one of the CVRWMG agencies as the region’s grant applicant. RMC will also help that agency to prepare a resolution that is required for submittal to DWR, authorizing the agency to file an application for an IRWM Planning Grant and enter into an agreement with DWR.
- *Attachment 2: Eligible Applicant Documentation* – RMC will develop information to demonstrate that the applicant meets all requirements established for the IRWM Planning Grant by DWR, including information about legal agreements (the MOU) between the CVRWMG agencies.
- *Attachment 7: Disadvantaged Community (DAC)* – RMC will develop information for DWR to determine if the CVRWMG has developed an effective strategy to facilitate and support sustained DAC participation in the SWRP planning process. RMC will also complete mapping and a GIS analysis to demonstrate the presence of DACs in the Coachella Valley, which could be used to apply for a funding match reduction, if desired by the CVRWMG.
- *Attachment 8: Water Meter Implementation Compliance*– RMC will develop information for DWR to demonstrate that the applicant agency is in compliance with Water Meter Implementation requirements.

#### ***Work Plan (Attachment 3)***

RMC will work with the CVRWMG to obtain necessary information for the Work Plan. RMC will use existing documents in the Region, as well as information from the CVRWMG to develop a Work Plan that meets DWR’s requirements. RMC will review the tasks and subtasks in the draft Work Plan to ensure that they are consistent with those shown in the Budget and Schedule attachments. RMC will review the Work Plan using scoring criteria listed in the PSP to ensure that each criterion is addressed.

#### ***Budget (Attachment 4)***

RMC will work with the CVRWMG to obtain necessary information for the Budget. RMC will use information from our internal water resources planning team, as well as information from the CVRWMG to develop a Budget that meets DWR’s requirements. RMC will review the tasks and subtasks in the draft Budget to ensure that they are consistent with those shown in the Work Plan and Schedule attachments. RMC will review the Budget using scoring criteria listed in the PSP to ensure that each criterion is addressed.

#### ***Schedule (Attachment 5)***

RMC will work with the CVRWMG to obtain necessary information for the Schedule. RMC will use information from our internal water resources planning team, as well as information from the CVRWMG to develop a Schedule that meets DWR’s requirements. RMC will review the tasks and subtasks in the draft Schedule to ensure that they are consistent with those shown in the Work Plan and Budget attachments. RMC will review the Schedule using scoring criteria listed in the PSP to ensure that each criterion is addressed.

#### ***Draft Grant Application***

Following CVRWMG and MS4 Group review and comments on the components of the grant application listed above, RMC will consolidate all information into a Draft Application Package.

#### ***Final Grant Application***

RMC will incorporate final comments on the Draft Application Package and prepare the Final Application Package. After finalizing the deliverable, RMC will upload the final grant application to DWR’s GGrants system and will print hard copies of the application for the CVRWMG agencies as requested.

#### ***Subtask 1.2 Deliverables***

- Compiled Draft Application Package for review by CVRWMG and MS4 Group
- Final Application Package in Microsoft Word/Excel/Project and PDF formats

- Upload the Final Application Package to DWR's GRanTS system
- Print up to six (6) copies of the Final Application Package for the CVRWMG agencies as requested

### **Proposed Fee Estimate**

RMC proposes to provide the CVRWMG with the Proposition 1 IRWM Planning Grant Application for the Coachella Valley for a fee not to exceed \$38,568 to be billed on a time and materials basis according to our 2016 standard rate sheet (attached). A proposed fee estimate is attached as Exhibit A. A proposed schedule for this work is included as Exhibit B.

Please do not hesitate to contact us if you have any questions about this proposal.

Sincerely,



Rosalyn Prickett  
Senior Water Resources Planner  
Principal  
RMC Water and Environment  
10509 Vista Sorrento Parkway, Suite 205  
San Diego, CA 92121



Crystal Benham  
Water Resources Planner  
RMC Water and Environment  
10509 Vista Sorrento Parkway, Suite 205  
San Diego, CA 92121

Approved by:

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Jim Barrett  
General Manager  
Coachella Valley Water District



## Exhibit A: Fee Estimate

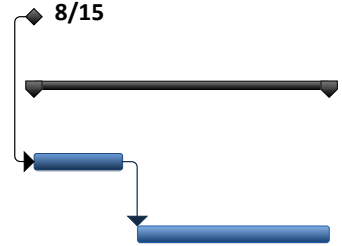
### Coachella Valley Regional Water Management Group Proposition 1 IRWM Planning Grant and Stormwater Resources Plan for the Coachella Valley

Tasks	Labor						Total Hours	Total Labor Costs (1)	ODCs Total ODCs (2)	Total Total Fee (3)
	Rosalyn Prickett	Crystal Benham	Sally Johnson	Paul Glenn	Alexis Cahalin	Jen Sindermann				
	PIC & Project Manager	Deputy Project Manager	Project Planner	Technical Review and QA/QC	Project Planner	Admin				
	\$242	\$199	\$178	\$242	\$148	\$100				
<b>Task 1: Proposition 1 IRWM Planning Grant Application</b>										
Subtask 1.1: Coordination with CVRWMG and MS4 Group	12	20					32	\$6,884	\$220	\$7,104
Subtask 1.2: Preparation of Planning Grant Application and Submittal to DWR	8	32	50	10	80	0	180	\$31,464	\$0	\$31,464
Subtotal Task 1:	20	52	50	10	80	0	212	\$38,348	\$220	\$38,568
<b>Task 2: Coachella Valley Stormwater Management Plan Preparation</b>										
Subtask 2.1: Identify Existing Plans and Data Gaps	8	16	40	2	60	0	126	\$21,604	\$0	\$21,604
Subtask 2.2: Develop Organization, Coordination, and Collaboration Section	8	16	32	2	40	0	98	\$17,220	\$0	\$17,220
Subtask 2.3: Develop Prioritization Criteria and Quantitative Methods Section	8	20	40	2	60	0	130	\$22,400	\$0	\$22,400
Subtask 2.4: Develop Implementation Strategy and Schedule Section	8	24	32	2	60	0	126	\$21,772	\$0	\$21,772
Subtask 2.5: Develop Education, Outreach, and Public Participation Section	8	16	32	2	40	0	98	\$17,220	\$0	\$17,220
Subtask 2.6: Prepare Draft SWRP	12	24	40	8	60	0	144	\$25,616	\$0	\$25,616
Subtask 2.7: Stakeholder Workshop	12	20	8	0	0	8	48	\$9,108	\$220	\$9,328
Subtask 2.8: Prepare Final SWRP	16	24	30	8	60	8	146	\$25,604	\$440	\$26,044
Subtotal Task 2:	80	160	254	26	380	16	916	\$160,544	\$660	\$161,204
<b>TOTAL</b>	<b>100</b>	<b>212</b>	<b>304</b>	<b>36</b>	<b>460</b>	<b>16</b>	<b>1128</b>	<b>\$198,892</b>	<b>\$880</b>	<b>\$199,772</b>

1. The individual hourly rates include salary, overhead and profit.
2. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
3. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.

## Exhibit B: Preparation of a Proposition 1 IRWM Planning Grant for the Coachella Valley

ID	Task Name	Duration	Start	Finish	August					September				
					7/31	8/7	8/14	8/21	8/28	9/4	9/11	9/18	9/25	
1	Notice to Proceed	0 days	Mon 8/15/16	Mon 8/15/16			◆ 8/15							
2	Task 1: Proposition 1 IRWM Planning Grant Application	30 days	Mon 8/15/16	Fri 9/23/16										
3	Subtask 1.1: Coordination with CVRWMG and MS4 Group	10 days	Mon 8/15/16	Fri 8/26/16										
4	Subtask 1.2: Preparation of Planning Grant Application and Submittal to DWR	20 days	Mon 8/29/16	Fri 9/23/16										





**RMC Water and Environment  
2016 Standard Billing Rates**

<b>Billing Classifications</b>	<b>2016 Rates</b>
<b>Engineer-Planner-Scientist</b>	
Associate EPS	\$ 125.00
EPS-1	\$ 148.00
EPS-2	\$ 166.00
EPS-3	\$ 178.00
EPS-4	\$ 195.00
EPS-5	\$ 199.00
EPS-6	\$ 216.00
EPS-7	\$ 230.00
EPS-8	\$ 242.00
EPS-9	\$ 249.00
EPS-10	\$ 266.00
EPS-11	\$ 282.00
EPS-12	\$ 295.00
EPS-13	\$ 299.00
EPS-14	\$ 308.00
Intern	\$ 55.00
<b>Technician</b>	
TECH-1	\$ 132.00
TECH-2	\$ 136.00
TECH-3	\$ 141.00
TECH-4	\$ 147.00
TECH-5	\$ 153.00
TECH-6	\$ 161.00
TECH-7	\$ 163.00
<b>Administrative</b>	
AD-1	\$ 96.00
AD-2	\$ 100.00
AD-3	\$ 110.00
AD-4	\$ 120.00
AD-5	\$ 132.00
AD-6	\$ 144.00
AD-7	\$ 150.00

Note: The individual hourly rates include salary, overhead and profit. Other direct costs (ODCs) such as reproduction, delivery, mileage (as allowed by IRS guidelines), and travel expenses will be billed at actual cost plus 10%. Subconsultants will be billed as actual cost plus 10%. RMC reserves the right to adjust its hourly rate structure at the beginning of each year for all ongoing contracts.

October 20, 2016

**MEMORANDUM**

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

**FROM:** BEST BEST & KRIEGER LLP

**RE:** OCTOBER 20, 2016 MEETING OF THE BOARD OF DIRECTORS OF THE  
STATE WATER CONTRACTORS, INC.

The October 20, 2016 meeting of the Board of Directors of the State Water Contractors, Inc., was conducted at the Tsakopoulos Library Galleria in downtown Sacramento.

1. Board Action Items.

As previously reported, the Contractors and DWR are developing a Delta Smelt Resiliency Plan as a proposed alternative to proposed revisions to the biological opinion that would require the release of additional water to help protect the Delta Smelt. The Contractors believe that the Montezuma Slough salinity gates can be operated in a way that will flush more of the Smelt's food supply (plankton) into the Smelt habitat. The Contractors want to develop a pilot adaptive management project to operate the salinity gates in a way that would help increase the food supply. This could be accomplished without the loss of water, as that water would continue to flow into the Delta. The SWC Board authorized an expenditure of up to \$50,000 to engage a consultant to help develop that plan. The total projected cost is \$100,000, with the Central Valley Project Contractors putting up the other 50% share.

On the day prior to the SWC Board meeting, the State Water Resources Control Board staff issued its Phase 2 scientific report proposing flow requirements through the Delta equal to what the "unimpaired" flow would be without improvements in the Delta. However, the Contractors believe that the "unimpaired flow" standard is incorrect; because it does not replicate what the "natural" flow would be if conditions in the Delta had remained in their natural state. Natural flow through the Delta would have been far less than unimpaired flow. Therefore, the SWC Board also authorized an expenditure of up to \$30,000 to engage a consultant to help provide comment on the Phase 2 scientific report just released by the State Board staff.

2. DWR Management Report.

Deputy Director Mark Anderson was present to provide a DWR management report. One of the items negotiated in the proposed amendment to extend the term of the State Water Contract is the creation of a Financial Oversight Committee under the leadership of a Chief Financial Manager to be engaged by DWR. Mark Anderson reported that DWR believes that the Chief Financial Manager will be identified and engaged in that position by the end of this year. The Chief Financial Manager would be headquartered in the State Water Project Analysis Office.

Mark Anderson also reported that DWR has had four meetings with the Bureau of Reclamation and the Central Valley Project Contractors to update and revise the Coordinated Operations Agreement between DWR and the Bureau. Apparently the Central Valley Project Contractors and the Bureau are so anxious to have that agreement updated that they have wanted to skip some required steps for an update. DWR has told them that it will be necessary to go through those required steps, however. He said that the update may warrant advance funding, which DWR would prefer to get into place in advance of the “no blank checks” initiative proposed to the voters in the upcoming election. (The “no blank checks” initiative is a measure that would require voter approval before revenue bonds can be issued by DWR.)

Anderson also reported that Yuba County Water Agency and Westlands Water District have expressed a desire to execute a proposed Amendment No. 6 to the Yuba Accord Agreement to increase the price paid for water and to provide guaranteed capacity in State Water Project facilities. DWR has assembled a technical team to address disagreements regarding the accounting of water under the Yuba Accord Agreement.

3. State Water Project Operations Report.

John Leahigh of DWR reported that the new water year, which began on October 1, 2016, was off to a great start, as the State Water Project watershed had received more than 5 inches of rain the previous weekend. The average precipitation at that point in the year was only 3 inches. He pointed out that this rainfall would merely “prime” the system, in that it would help saturate the soil without producing significant runoff, but could likely result in better runoff from subsequent storms. Additional rain was forecasted for the middle of the very next week, and

DWR was hopeful of receiving some runoff from that storm. Storage at Lake Oroville was at 1.55 million acre-feet, which was 72% of average. The Project was being managed to address salinity requirements in the Delta. He said that DWR would be diverting water from the Delta at 3,000 cubic feet per second as of that day. The SWP share of storage in the San Luis Reservoir was at 410,000 acre-feet, and the Bureau's share of storage was at 100,000 acre-feet, for a total of 510,000 acre-feet of storage compared to capacity of approximately 2 million acre-feet. He noted that the Bureau had returned all of the water that it owed to the State Water Project under the Coordinated Operations Agreement. John also stated that the climatologists had backed off from their prediction of a developing La Nina condition, and that they were now stating that the upcoming year appeared to be of the "neutral" type, neither El Nino nor La Nina. Therefore, he said that it was difficult to predict whether the upcoming year would be a good year or a bad year in terms of anticipated precipitation. He did note that most of the "catastrophic" storm events had occurred during neutral conditions, however.

4. Legislative Report.

A copy of the legislative report provided for the meeting is attached to this memo. One proposed piece of legislation was Senate Bill No. 554, introduced by Senator Wolk. That legislation would have increased the cap on SWP obligations for Delta levee maintenance expenses from a 50% share to a 75% share. The proposed legislation got through both houses of the Legislature, but then was vetoed by Governor Brown.

5. General Manager's Report.

Terry Erlewine reported that he and General Counsel Stephanie Morris had been advised of a drafting error in the Yuba Accord Agreement, which resulted in an erroneous price of water. A simple letter agreement to correct that error has been prepared for execution by those Contractors that have signed the Yuba Accord Agreement. Attorney Morris is reviewing the proposed letter agreement to determine whether she sees a problem with it. Terry also advised that there are two different processes in place affecting Delta levee funds, and how they will be distributed. First, the Delta Stewardship Council has proposed five different categories of beneficiaries, and is attempting to develop guidelines to identify those beneficiaries and how the available money would be allocated among them. Second, the Delta Protection Commission had



received some funding a year ago and expended the money to create a flood control assessment district with assessments for Delta levee maintenance that would disproportionately benefit Delta interests. However, they ran into a problem under Proposition 218, which requires that special assessments on property be allocated in proportion to benefit received. In order to achieve the result desired by the Delta Protection Commission, it would have been necessary to raise the money not by special assessments, but rather by a special tax. However, that would require two-thirds approval by both houses of the State Legislature, and the Commission was not confident that it could achieve that level of support in the Legislature.

6. SWC Committee Structure.

A lengthy presentation was provided regarding the State Water Contractor committees that currently exist, and how the committee structure had changed over a period of time. The bottom line is that currently there are ten standing committees, five ad hoc committees, and four bylaw committees. The Contractors would like to revisit the committee structure to make sure that the existing committees match the current needs of the Contractors.

7. Report on Infrastructure Objectives.

A lengthy report was also provided regarding progress in addressing infrastructure objectives identified for the year. A copy of the power point presentation used for the meeting has been attached to this memo. Items of note included the work involved in restoring the Oroville Dam river valves to working condition. Recall that there was an event that resulted in OSHA violations and required the valves to be taken out of operation until the condition was addressed. DWR took quick action to restore limited availability of the valves, which was extremely useful last year in addressing flow and temperature requirements in the Delta. One of the required improvements was the replacement of a baffle ring, which had been completed. In addition, six cone valves were replaced. These improvements had increased the release capacity of the valves from 2,000 cubic feet per second to 4,000 cubic feet per second, which was approximately equal to the original design specification for those valves.

Another item of note was the Sisk Dam seismic stability study, which included the possibility of raising the dam. Sisk Dam is one of the dams on the San Luis Reservoir. Among the alternatives considered are structural improvements which would increase reservoir

levels. The total cost of the recommended improvements is quite large, at \$500 million. The sharing of costs will be a significant issue. If it is determined that the problem was a latent defect, 85% of the cost will be borne by the Department of Interior, and the Contractors will share the other 15% of the cost. If the problem is determined not to be a latent defect, the State Water Project Contractors must pay 55% of the cost, and the Central Valley Project Contractors must pay 45% of the cost. Obviously, the difference in expense to the Contractors is enormously large.

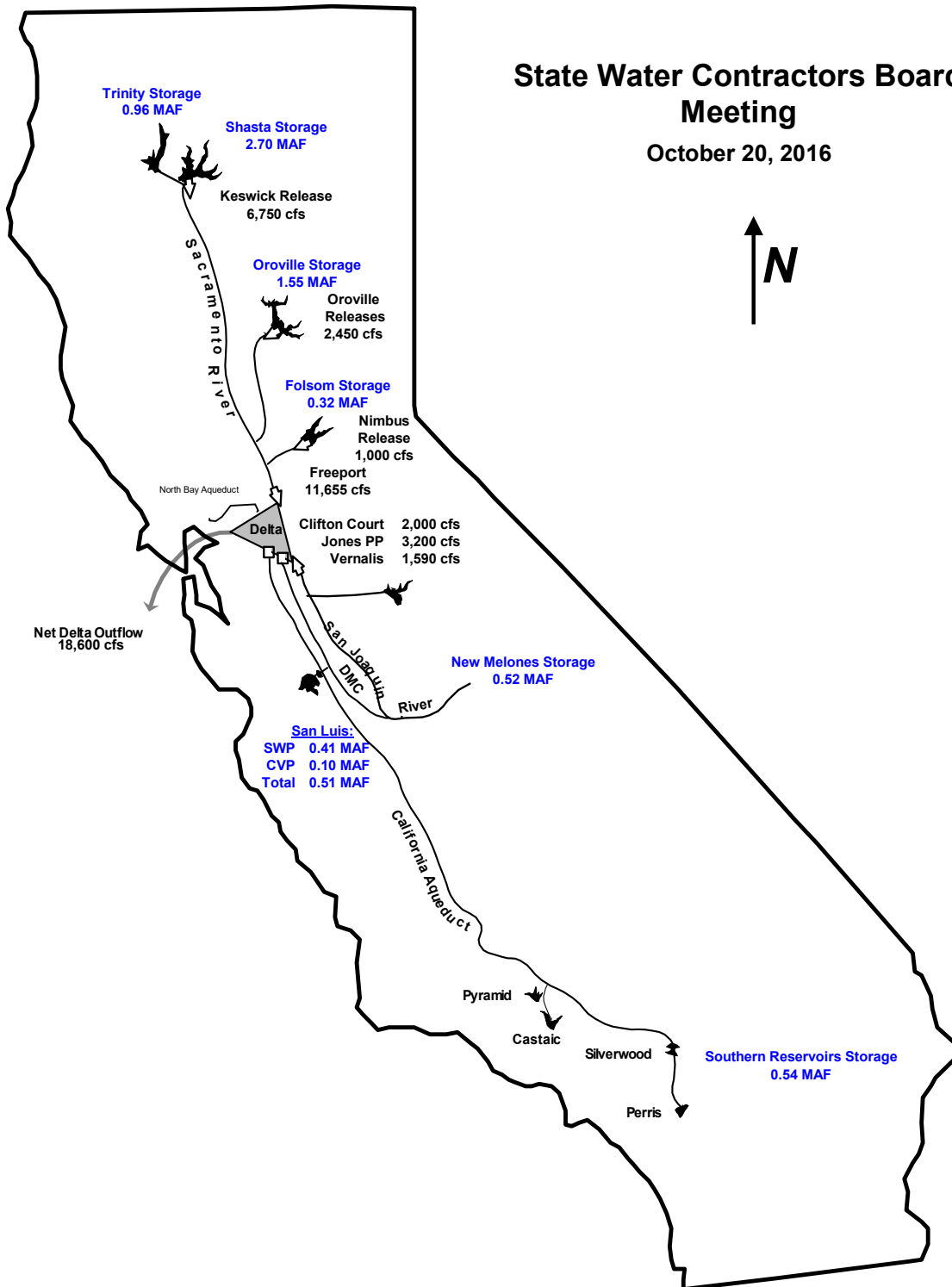
A third item of note was a report on the Perris Dam seismic retrofit project. The total cost of the project is projected to be \$75.5 million. The work is 76% done, and 65% of the time allocated for the project has expired.

A fourth item of note is the Thermolito post-fire restoration project. Cleanup and recovery of the site has been completed at a cost of \$95.7 million. Restoration of the facility is under way, at a projected cost of \$139.1 million. A \$10 million contribution to that cost has come from cap and trade funds. Thus, the total expenses are approximately \$235 million. Restoration work is currently under way which will include replacement of the roof, new transformers, a new bypass gate, and other expensive improvements.

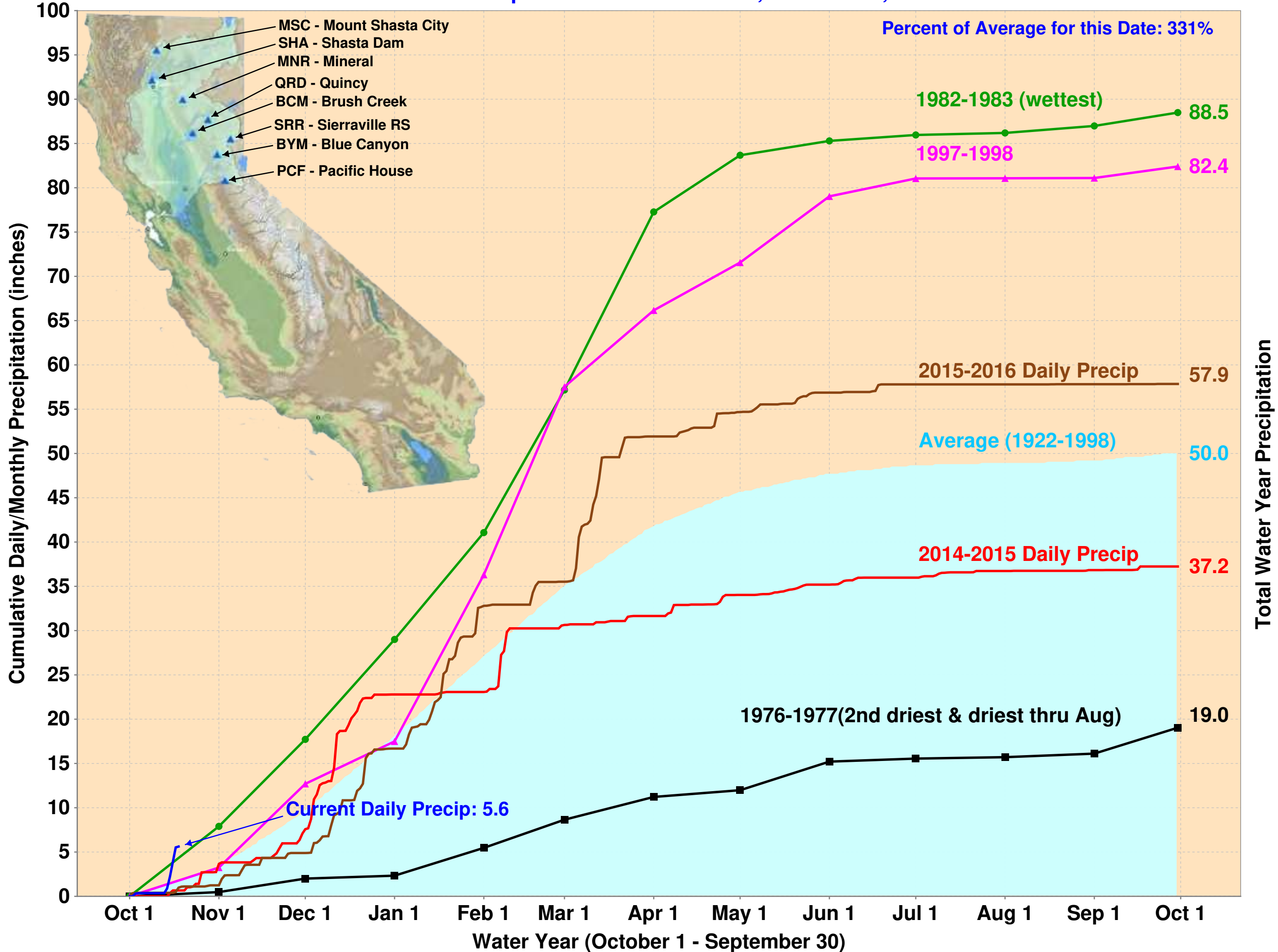
MICHAEL T. RIDDELL

# State Water Contractors Board Meeting

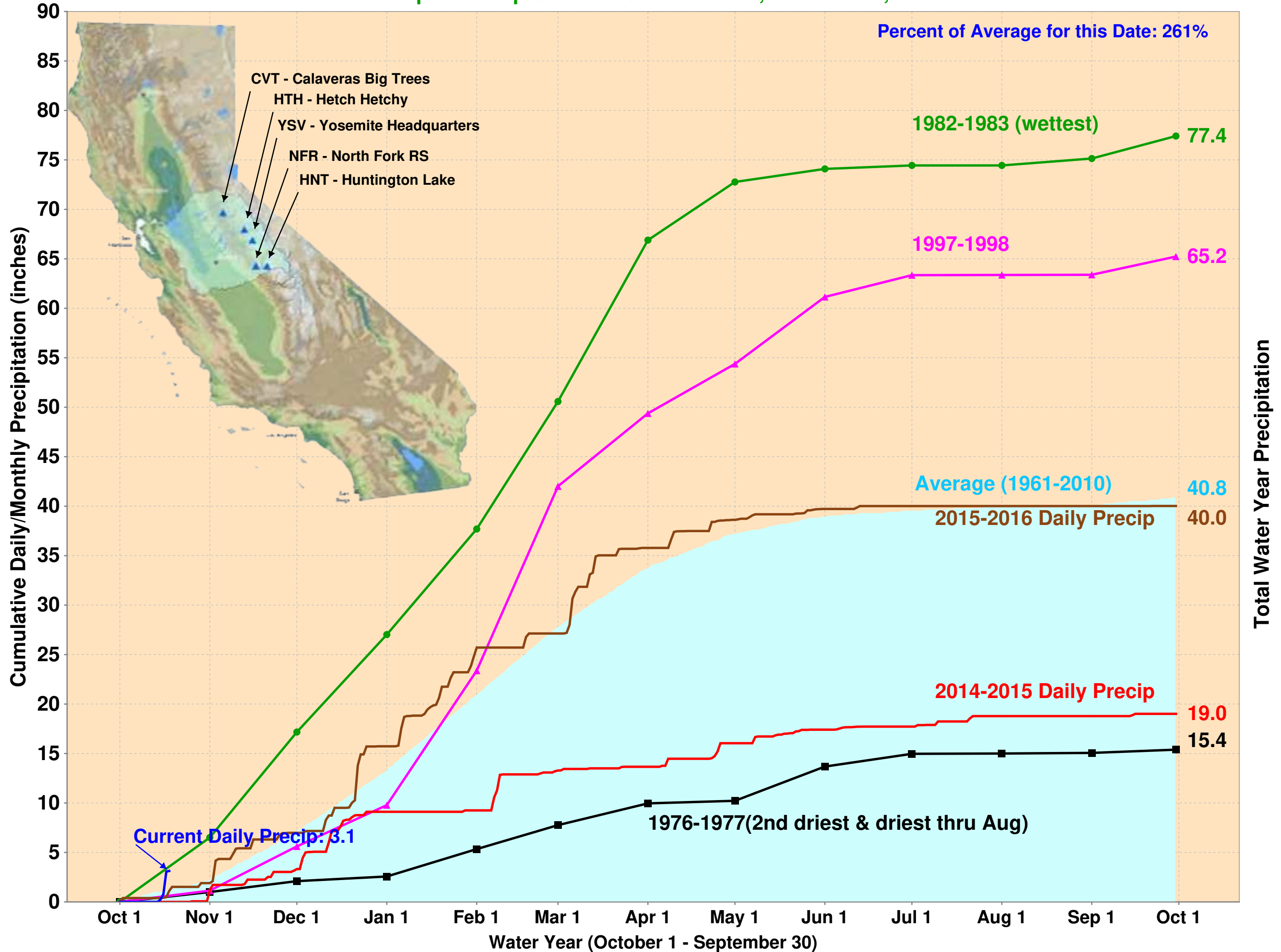
October 20, 2016



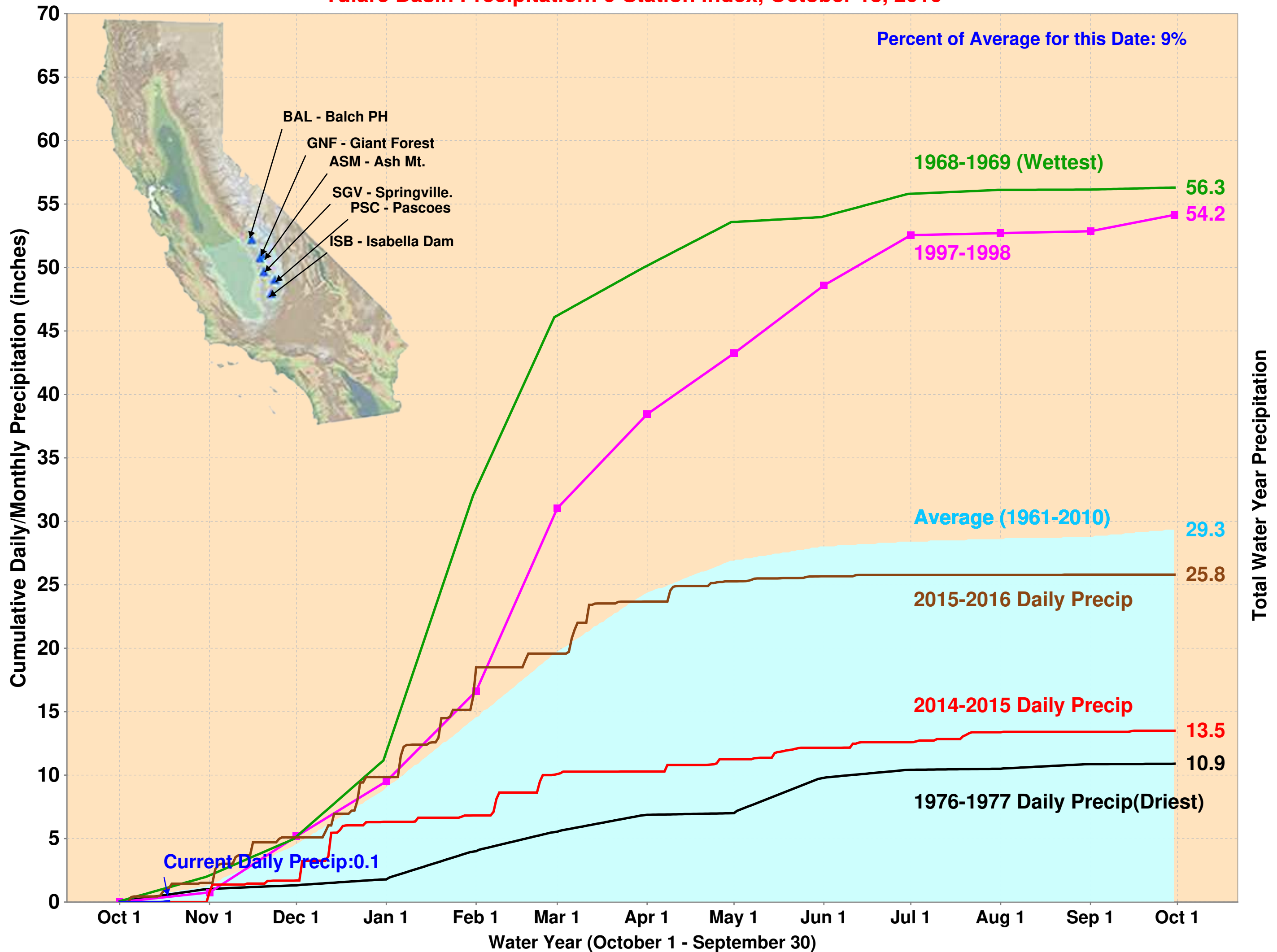
# North Sierra Precipitation: 8-Station Index, October 18, 2016



# San Joaquin Precipitation: 5-Station Index, October 18, 2016



# Tulare Basin Precipitation: 6-Station Index, October 18, 2016



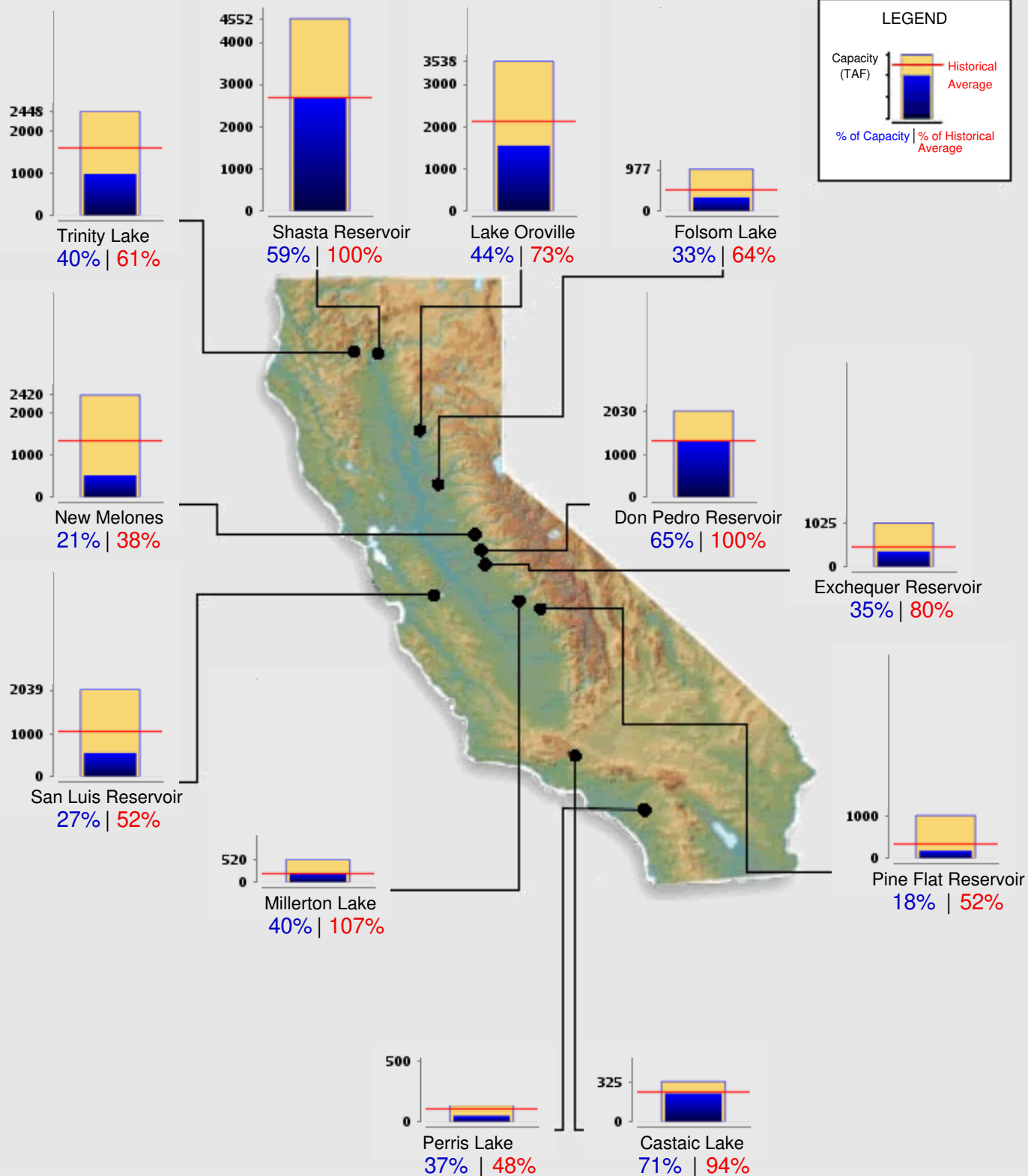




# Reservoir Conditions

Ending At Midnight - October 27, 2016

## CURRENT RESERVOIR CONDITIONS





# SWC FY 2016-17 INFRASTRUCTURE OBJECTIVES Update

October 20, 2016  
SWC Board Meeting



## SWC FY 2016-17 Infrastructure Objectives

October 20, 2016 Update

### Priority 1

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

### Priority 2

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

### Priority 3

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





## Oroville Dam River Valves

- Baffle ring (deflector shield) replacement was completed March 2016.
- Both fixed-cone valves (FCVs) were replaced concurrently.
- Latent defect with FCVs' gearbox required removal for repair, so original FCVs were re-installed to allow testing of new baffle ring.
- Goal: Increase the regulated maximum river valves release capacity from the current 2,000 cfs to 4,000 cfs (must prove to Cal/OSHA and Stationary Engineers union).
- Physical test of new baffle ring conducted the week of September 5<sup>th</sup>
  - ✓ Several tests with varying releases and up to two Hyatt units in operating concurrently
  - ✓ Differential pressures on partition wall were within acceptable levels during releases of up to 4,000 cfs
  - ✓ No damage observed on new ring following test releases

SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

3



## Oroville Dam River Valves

New Baffle Ring (looking upstream)



SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

4



## Oroville Dam River Valves

New Baffle Ring (looking downstream)



SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

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## Sisk Dam Seismic Stability & Dam Raise Study

Re: Seismic Stability & Corrective Action Study (CAS)

- Material Testing and stability modeling are complete.
- Conclusion: Large crest deformations will result from design earthquake in portions of the embankment [North Valley Section (NVS) – Patterson Alluvium and slopewash abutment].
- Components of a structural fix (only in select portions of dam) to allow continued use of maximum reservoir capacity:
  - 1) downstream stability berm
  - 2) crest raise in select areas
  - 3) downstream crack filter

SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

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## Sisk Dam Seismic Stability & Dam Raise Study

### ■ CAS Alternatives Likely to be Carried Forward:

#### Three non-structural alternatives

- Alternative 1: Do nothing
- Alternative 2: Reservoir Restriction (Need about 40' restriction to address seismic stability issue without any stability berm)
- Alternative 3: Breach (take dam completely out of service)

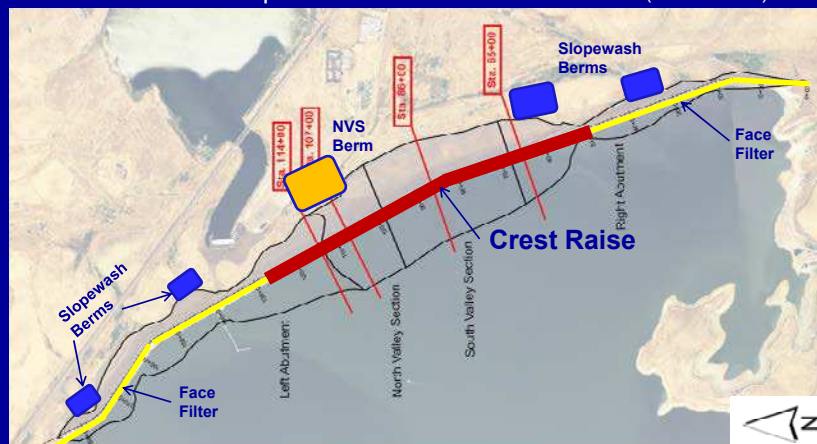
#### Three structural alternatives

- **Alternative 4: 12-ft crest raise with berms at NVS and slopewash sections**
- Alternative 5: 18-ft crest raise with berms at NVS and slopewash sections
- Alternative 6: 25-ft crest raise with berms at NVS and slopewash sections



## Sisk Dam Seismic Stability & Dam Raise Study

Depiction of Structural Alternatives (not to scale)





## Sisk Dam Seismic Stability & Dam Raise Study

### ■ Recent/Future CAS Milestones

- Deformation Analysis TM Sep 2015 (Completed)
- Alternatives TM Nov 2015 (Completed)
- Risk Reduction Meeting Dec 2015 (Completed)
- Inundation Study May 2016 (Completed)
- Quantities TM Jun 2016 (Completed)
- Constructability TM Jul 2016 (Completed)
- Award EIS/EIR Contract Aug 2016 (Completed)
- Value Planning Study Aug 2016 (Completed) ← SWC, MWD, KCWA participated
- PSHA Update Using UCERF3 Sep 2016
- FLAC Sensitivity Analyses Dec 2016
- Final CRB Meeting Feb 2017
- Decision Document Mar 2017
- DSAT Meeting Apr 2017

SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

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## Sisk Dam Seismic Stability & Dam Raise Study

### ■ Project Phase Milestones

Phase	Start Date	End Date
Corrective Action Study (CAS)	Oct 2007	May 2017
EIS/EIR	Nov 2015	Dec 2018
Final Design and MOD Report	Jun 2017	Feb 2020
Permitting	Jan 2018	Dec 2019
OMB Approval	May 2019	Oct 2019
Congressional Notification	Nov 2019	Jan 2020
Procurement	Feb 2020	Dec 2020
Construction	Jan 2021	May 2026

SWC FY 2016-17 Infrastructure Objectives  
October 20, 2016 Update

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## Sisk Dam Seismic Stability & Dam Raise Study

### ■ CAS Budget (from USBR's June 21 update)

COST CATEGORIES	TOTAL COST
Project Management	5,000,000
CAS (30% Design)	14,500,000
Field Studies	1,000,000
Environmental	2,000,000
Cultural Resources	500,000
Final Design	1,500,000
Mod Report/Economics	250,000
Public involvement/Repayment	250,000
Procurement and Award	2,000,000
Construction Support/Management	40,000,000
Construction	430,000,000
Environmental Mitigation	2,500,000
Post Construction Documentation	500,000
<b>TOTAL SOD Modification Cost</b>	<b>\$500,000,000*</b>

\*Note: The USBR intends to solidify the Fed/State cost sharing this calendar year.



## Sisk Dam Seismic Stability & Dam Raise Study

### ■ Value Planning Study (August 22-26)

- USBR Requirement – New “set of eyes” to determine broad range of ideas or options/alternatives that best meet the project objectives
- Included SWC, KCWA, MWD, DWR, and USBR representatives
- Baseline alternative was 12' crest raise & berms. Cost Est went to \$675M
- Four Alternatives Developed (report still being finalized):
  - 1) Optimize a Raise/Reservoir Restriction Combination
  - 2) Groundwater Banking
  - 3) Maximum Pool Timeline Limits
  - 4) Alternate Off-stream Dam Site



## Sisk Dam Seismic Stability & Dam Raise Study

### ▪ Re: Dam Raise (aka San Luis Low Point) Study

- Concept: Raise max storage elevation in San Luis Reservoir to allow operationally raising the minimum low point elevation and keep algae from the federal San Felipe intake which serves SCVWD.
- USBR Regional Director has requested the engineering and EIR/EIS work be integrated with the ongoing CAS project.
- Low Point issue is a CVP issue, but preliminary modeling shows potential loss to SWP supply (reduced Article 21 opportunity) from the 130 taf storage increase.
- Must exercise caution that a reservoir enlargement does not exacerbate the stability issue, cause long-term operation difficulties, or increase the CAS and/or O&M costs to the SWP Contractors.



## Perris Dam – Remediation of Seismic Deficiency

- \$75.5M Contract with Pulice Construction
  - Stability berms + deep soil-cement mixing
  - NTBW 8/20/14, Completion date 11/15/17
  - Estimated total cost \$121.5M (\$39.1M from Davis-Dolwig recreation funding)
- Status: **76% work completed; 65% time expended**
  - Contractor nearing completion of the left abutment haul road
  - Quarry excavation and rock processing
  - Placement of filter and blanket drain



## Perris Dam – Remediation of Seismic Deficiency

Drain Blanket  
and Berm  
Installation on  
D/S Toe



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## Perris Dam – Remediation of Seismic Deficiency

Left Abutment  
Haul Road & D/S  
Toe Berm & Drain  
Construction



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## Perris Dam – Remediation of Seismic Deficiency

Left Abutment  
Haul Road –  
Major Cut Section



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## SWP Asset Management

- Project Charter launched December 2014 (\$4.9M, completion by May '18)
- Program Development Charter (vision, goals, executive commitment) established January 25, 2016 (charter in package - signed by DWR Exec.)
- Vision: **Establish a consistent and unified framework for condition assessment, risk management, and strategic planning of capital investments in SWP electrical, mechanical, and civil infrastructure for the next 50 years.**
- Consultant(s) retained: Black & Vetch and Brown & Caldwell
- Using International Organization for Standardization (ISO) 55001 Asset Management Systems Framework
- Note: This initial effort focuses only on the Division of O&M activities

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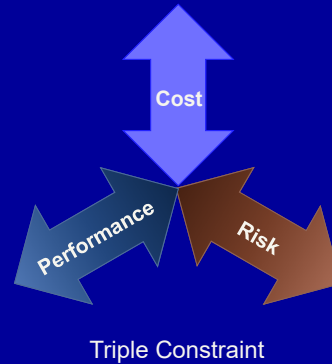




## SWP Asset Management

### DWR's Key Elements of Asset Management

- Providing a defined level of service
- Monitoring performance and condition
- Identifying, assessing and managing risks
- Taking a life cycle approach to developing cost-effective asset management plans
- Optimizing capital and O&M expenditure
- Long-term financial planning: expenditure and funding



## SWP Asset Management

### 27 Elements of ISO 55001





## SWP Asset Management

### Project Phase Overview

#### Phase A (budget = \$2M )

- Assessment
  - Develop Project Plan
  - "As Is" Assessment
  - Risk Mapping
  - CAP Assessment
  - Gap Analysis against ISO 55000 & other standards
- Scoping
  - Define "To Be" framework
  - Develop "To Be" Implementation Plan

#### Phase B

- 1<sup>st</sup> Year
  - Policy & Strategy Development
  - Documentation
  - CAP enhancements
- 2<sup>nd</sup> Year
  - Model/tool development
  - Testing, training
  - Implementation
  - Continual Improvement



## SWP Asset Management

### Project Schedule

Task	15	2016												2017												2018											
	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Phase A - Assess & Plan																																					
Project Plan <i>(complete)</i>																																					
ISO 55001 Gap Analysis <i>(complete)</i>																																					
Risk Mapping																																					
CAP Assessment and Plan																																					
AM Program Strategy																																					
AM Program Implementation Plan																																					
Phase B - Develop & Implement																																					
DWR Review of AMP Implementation Plan																																					
Management of Change																																					
CAP Implementation																																					
Risk/Financial Model																																					



## Thermalito Plant Post-fire Restoration

### Work Phases Following Nov 22, 2012 Thermalito Fire

Phase	Elements	Status	Cost
Fire Cleanup	Debris removal, toxic residue cleanup immediately following fire	Completed	\$95.7M
Recovery	Structural repairs, HVAC system replaced, lighting, painting, water by-pass channel repairs	Completed	
Restoration	Replacement of: AC/DC distribution systems, select switchyard equipment, plant protections/controls/comm, switchboard, AVR's and digital governors, flow meters, instrumentation, roof/gutter. Upgrade life safety/fire protection. Complete refurbishments of Units & by-pass gate.	In Progress	\$139.1M (\$10M of this amount will come from Cap & Trade for new unit 1 runner)

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## Thermalito Plant Post-fire Restoration

### Cleanup & Recovery



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## Thermalito Plant Post-fire Restoration

### ■ Restoration Phase: On-Going Design Work

- Consultant Design
  - Plant electrical system (95%)
  - Switchyard equipment (80%)
  - Fire Protection (100%)
  - AVR's (100%, under contract submittals being reviewed)
  - Digital Governors (under contract)
  - Plant instrumentations/controls/communications/protection (95%)
- DWR Design
  - Unit & plant protection/controls (95%)
  - Unit 2 & 3 mechanical refurbishments (100%)
  - Life safety upgrades (100%)
  - Communication & SCADA (95%)



## Thermalito Plant Post-fire Restoration

### ■ Restoration Phase: On-going Construction Work

- Roof Replacement
- KY1-KY4 Transformer Refurbishment
- By-pass gate refurbishment (completed)
- Unit 1 (new 7-blade Kaplan runner) – procurement/manufacturing on-going
- Unit 2 (refurbishment of existing turbine & generator)
- Unit 3 (refurbishment of existing turbine & generator)
- Unit 4 (refurbishment of existing turbine & generator)





## Thermalito Plant Post-fire Restoration

### Milestone Schedule

□ Fire Recovery Project – <b>Completed</b>	Oct 20, 2014
□ Restoration Project Kickoff – <b>Completed</b>	Apr 09, 2015
□ Unit 4 Mechanical Refurbishment – <b>Completed</b>	Mar 01, 2018
□ Plant Clean-up & Recovery Project – <b>Completed</b>	May 18, 2018
□ Control Systems (Switchboard) 100% Bid Package Ready	Sep 20, 2018
□ F&LS 100% Contractor Bid Package Ready	Oct 30, 2018
□ Plant Roof Replacement Project Complete	Oct 30, 2016
□ Transformer Refurbishment Complete	Oct 30, 2017
□ Completion Contract 100% Contractor Bid Package Ready	Nov 30, 2016
□ Unit 2 Mechanical Refurbishment Complete	Dec 30, 2016
□ All Contractor Submittals Approved	Jul 15, 2017
□ SWBD & Control System Contractor Equipment	Aug 30, 2017
□ Unit 1 Mechanical Refurbishment Complete	Aug 30, 2017
□ Final Wiring Design Complete	Sep 30, 2017
□ Unit 3 Mechanical Refurbishment Complete	Nov 30, 2017
□ Switchyard Refurbishment Complete	Dec 30, 2017
□ Start System Testing	Mar 15, 2018
□ Start Unit 4 Commissioning	May 15, 2018
□ All Completion Contract Improvements Complete	Aug 30, 2018
□ All Fire & Life Safety Improvements Complete	Aug 30, 2018
□ Final Install – Plant/Unit Services	Oct 01, 2018
□ Complete Unit 1, 2 & 3 Commissioning	Nov 01, 2018
□ Complete SCADA Commissioning	Dec 01, 2018
□ <b>All Plant Systems Operational</b>	<b>Dec 31, 2018</b>

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## Thermalito Plant Post-fire Restoration

### Work on Units



Unit 1 Hub



Unit 1 Shaft



Unit 1 wicket gates



Unit 2 runner shipment



Wicket Gate Removal



In-place machining

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## **SWC Legislative Report October 20, 2016**

The Legislature worked just beyond midnight on the final day of the 2015-16 legislative session having adjourned during the early morning hours of September 1. Attention then turned to the Governor who had until September 30 to take action on the hundreds of bills sent to him during the final weeks of session including:

**SB 554 by Senator Lois Wolk (D-Davis)** would have authorized the Central Valley Flood Protection Board to extend the 75% state cost share cap for Delta levee maintenance or improvements until July 1, 2020. Existing law extends the 75 percent state cost share until July 2018.

On September 30, Governor Brown vetoed the measure on the grounds he felt the bill was premature in light of the Delta Stewardship Council's Delta Levee Investment Prioritization process and the DWR/Delta Protection Commission's Delta Flood Risk Management Assessment District Feasibility Study are still underway.

**SB 1386 by Senator Lois Wolk (D-Davis)** was approved by the Governor and declares that the protection and management of natural and working lands is state policy and an important strategy in meeting the state's greenhouse gas reduction goals.

**AB 1755 by Assembly Member Bill Dodd (D-Napa)** was signed into law. The measure requires DWR, in consultation with SWRCB, DFW and CA Water Quality Monitoring Council, to create and maintain a statewide integrated water data platform for coordination and integration of existing water and ecological data to improve water resource management and transparency.

**AB 2087 by Assembly Member Marc Levine (R-San Rafael)**, a priority bill for the CA Natural Resources Agency and DFW, was signed into law and authorizes DFW to develop regional conservation investment strategies, in consultation with local land use authorities, for the purpose of informing science-based conservation and habitat enhancement actions for conservation of focal species. The measure also authorizes mitigation credits to fulfill compensatory mitigation requirements established under any state or federal environmental law.

The Governor approved **AB 2480 by Assembly Member Richard Bloom (D-Santa Monica)** which is a declaration of state policy that source watersheds should be recognized and defined as integral components of California's water infrastructure. The bill also provides that source watersheds are eligible for the same forms of financing as other water infrastructure projects.

**AB 2551 by Assembly Member James Gallagher (R-Plumas Lake)**, also signed into law, authorizes a local agency to use an alternative project delivery system, including design build and design-build-operate, for surface storage projects identified in the CALFED Record of Decision.

Governor Brown enjoyed a major victory in final weeks of session with the passage of climate change legislation, despite lobbying from oil interests and some resistance from moderate Democrats. The “climate change” package he approved included:

**SB 32 (Pavley, D-Los Angeles)** reauthorizes the state’s climate change law (AB 32 from 2006) and requires the state to reduce greenhouse gas emission levels to 40 percent below 1990 levels by 2030. Last year, the Governor issued an executive order to reduce greenhouse gas emissions, a goal codified by SB 32.

**AB 197 by Assembly Member Eduardo Garcia (D-Coachella)** which imposes additional legislative oversight of CARB.

**AB 1613 by the Assembly Budget Committee** representing the compromise between the Senate, Assembly and Governor for expenditure of cap-and-trade auction revenues. The bill appropriates \$900m from the Greenhouse Gas Reduction Fund to benefit disadvantaged communities, support clean transportation and protect natural ecosystems. Sixty percent of cap-and-trade auction proceeds are allocated on an ongoing basis to public transit, affordable housing, sustainable communities and high-speed rail. The \$900m in AB 1613 represents an investment of the remaining unallocated funds for FY 2016/17 and retains a reserve of approximately \$462m for appropriation in future years.

To date, the total cap-and-trade investments, including the appropriation in AB 1613, total \$3.2b.

**SB 859 by the Senate Budget and Fiscal Review Committee** contains the statutory provisions for implementing the \$900 million expenditure plan. The measure also includes a plan to produce more biomass energy in face of the state’s tree mortality epidemic and provides \$1.4m for Salton Sea restoration.

**SB 1383 by Senator Ricardo Lara (D-Bell Gardens)** seeks to reduce emissions of short-lived climate pollutants by reducing emissions of methane, hydrofluorocarbon gases and anthropogenic black carbon by specified levels.

Lawmakers will return to the State Capitol on December 5 to take their oath of office but January 4, 2017, marks the practical beginning of 2017-18 legislative session.

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**TO:** Mark Krause, General Manager & Chief Engineer  
Desert Water Agency

**FROM:** Bob Reeb and Raquel Ayala  
Reeb Government Relations, LLC

**SUBJECT:** 2016 Annual Report

The final weeks of the second year of the 2015-16 Regular Session of the California Legislature were relatively quiet as compared to previous sessions where last-minute and often-times controversial legislation sprung up overnight to later become new state law. Moderate Democrats in the Assembly failed to block a number of bills opposed by business and production agricultural groups signaling the potential for growing influence of the progressive wing of the Democratic Caucus—a trend that might increase given the potential for growing numbers following the November General Election when Democrats are seeking to regain a two-thirds majority in both the Senate and Assembly. While a super-majority will not affect passage of a state budget, it could lead to tax increases and a more direct path to the state ballot, both of which require a two-thirds vote of both houses of the Legislature.

With the election season looming large on the political horizon, Governor Brown sought to hold back spending increases made possible by a rebounding state economy. This year, Brown considered 1,059 bills, the second highest number of bills in his third and fourth terms as Governor; he considered 1,074 bills in 2014. In each of his first two terms, Brown considered more bills each year. Governor Brown vetoed his highest percentage of bills in 2016 (15.1%) in any of his terms as Governor. During his 14 years as Governor, Brown's has vetoed 8% of the bills he has considered. Governor Brown's average veto rate (13.3%) during his current term (2011–16) is triple his veto rate during his first two terms (4.6%). The Legislature has not overridden a Governor's veto since 1980.

According to Brown, many bills he vetoed would have created new or expanded existing tax breaks totaling over a quarter billion dollars.

"Each of these bills creates a new tax break or expands an existing tax break. In total, these bills would reduce revenues by about \$300 million through 2017-18," said Governor Brown in his veto message. "As I said last year, tax breaks are the same as new spending - they both cost the General Fund money. As such, they must be considered during budget deliberations so that all spending



## MEMORANDUM

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proposals are weighed against each other at the same time. This is even more important when the state's budget remains precariously balanced. Therefore, I cannot sign these measures."

### **State Budget**

The economy has finished its seventh year of expansion, two years longer than the average recovery. With a majority vote threshold for passage of the state budget, negotiations between the governor and legislative Democrats provides the only friction in producing an annual spending plan.

The FY 2016-17 budget focuses new spending on one-time activities, such as repairing and replacing aged infrastructure, building affordable housing, and addressing the effects of the drought. It began with implementation of raising the state minimum wage to \$15 per hour by providing funding for an increase to \$10.50 per hour for state employees. It implements the managed care financing package passed earlier this year in a special session called by the governor in 2015, and included rate adjustments for community-based providers serving individuals with developmental disabilities.

The 2016-17 Budget Act prepares the state for the next recession, according to Governor Brown, by increasing the Rainy Day Fund to a total of \$6.7 billion and limiting new ongoing spending obligations. The passage of Proposition 2 in 2014 gives the state an opportunity to mitigate the boom-and-bust budget cycles of the past two decades. Recent budget shortfalls have been driven by making ongoing commitments based upon temporary spikes in revenues, primarily from capital gains tax revenue. Under Proposition 2, a significant portion of these spikes in capital gains tax revenue will instead be used to save money for the next recession and to pay down the state's debts and liabilities. Proposition 2 establishes a constitutional goal of having 10% of tax revenues in the Rainy Day Fund. The Budget funds the constitutionally required deposit into the Rainy Day Fund (\$1.3 billion) and supplements this with an additional \$2 billion deposit –bringing the fund's balance to \$6.7 billion next year, or 54% of its goal.

In addition, the Budget pays down debts and liabilities by a total of \$1.3 billion from Proposition 2 funds. The state has \$232 billion in long-term costs, debts, and liabilities. The vast majority of these liabilities (\$228 billion) are related to retirement costs of state and University of California employees.

Finally, the Budget includes over \$2 billion in funds for various infrastructure improvements, including a \$1.3 billion General Fund appropriation for improving Sacramento office buildings including the State Capitol Annex. The Budget also includes \$688 million (\$485 million General Fund) for critical deferred maintenance for levees, state parks, universities, community colleges, prisons, state hospitals, and other state facilities, as well as \$270 million in lease-revenue bond authority for replacing or renovating county jail facilities.

### **Cap and Trade Program Spending Plan**

The California Global Warming Solution Act of 2006 (AB 32) set California's initial greenhouse gas emission reduction goals and directed the state to maintain and continue reductions beyond 2020. Last year, California adopted several ambitious policies that will further advance clean energy and significantly reduce greenhouse gas emissions.

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Over multiple years, the Cap and Trade program is intended to enable the state to transform communities—particularly those disadvantaged ones—into innovative, sustainable economic centers. Governor Brown, Senate President pro Tempore Kevin de León and Assembly Speaker Anthony Rendon announced on August 31 an agreement on an expenditure plan for unallocated cap-and-trade proceeds that will reduce greenhouse gas emissions. Under current law, 60 percent of annual auction proceeds are allocated on an ongoing basis to public transit, affordable housing, sustainable communities and high-speed rail. This agreement invests \$900 million of the remaining unallocated funds for fiscal year 2016-17, and reserves approximately \$462 million for appropriation in future years.

The agreement includes the following appropriations:

- \$368 million to the Air Resources Board
- \$140 million to the Office of Planning and Research for the Strategic Growth Council to provide transformative climate communities grant.
- \$135 million to the Transportation Agency for the Transit and Intercity Rail Program
- \$80 million to the Natural Resources Agency for the Urban Greening program
- \$65 million to the Department of Food and Agriculture, including:
  - \$50 million for the early and extra methane emissions reduction from dairy and livestock operations
  - \$7.5 million for the Healthy Soils Program
  - \$7.5 million for the State Water Efficiency and Enhancement Program (SWEEP)
- \$40 million to the Department of Forestry and Fire Protection, including:
  - \$25 million for the Healthy Forest Program.
  - \$15 million for urban forestry programs.
- \$40 million to the Department of Resources Recycling and Recovery for waste diversion and greenhouse gas reduction financial assistance.
- \$20 million to the Department of Community Services and Development for weatherization and renewable energy projects.
- \$10 million to the Department of Transportation for the Active Transportation Program.
- \$2 million to the Office of Planning and Research for the Strategic Growth Council to provide technical assistance to disadvantaged communities.

The Cap-and-trade investments in California, including expenditures in the agreement above, now total \$3.2 billion.

### **Drought Response**

The California Water Action Plan, a roadmap to sustainable water management, guides the state's emergency drought response and includes a long-term commitment to making conservation a way of life, improving groundwater sustainability, and managing and preparing for dry periods. The FY 2016-17 State Budget included \$254.7 million to continue the state's emergency response to the drought.

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Significant Adjustments to the Governor's proposed budget released in January include:

- **Enhanced Fire Protection**—An increase of \$84.9 million General Fund and \$2.9 million State Responsibility Area Fund for the Department of Forestry and Fire Protection (CAL FIRE) to continue firefighter surge capacity, retain seasonal firefighters beyond the budgeted fire season, and enhance aviation capabilities to suppress wildfires from summer through early winter 2016.
- **Tree Mortality**—An increase of \$51 million to address extensive tree mortality.
- **Emergency Services**—An increase of \$26.7 million General Fund for the Office of Emergency Services to provide local communities with technical guidance and disaster recovery support related to the drought, distribution of bottled water, and response and recovery training and credentialing for local agencies.
- **Food Assistance**—An increase of \$18.4 million General Fund for the Department of Social Services to continue the Drought Food Assistance Program, which since 2014 has delivered more than a million boxes of food to communities most impacted by the drought.
- **Wildlife Impacts**—An increase of \$15.7 million General Fund and \$2 million Hatchery and Inland Fisheries Fund for the Department of Fish and Wildlife to continue fish rescue and stressor monitoring, water efficiency projects on department lands, law enforcement activities, and to provide infrastructure to protect salmon. This funding includes \$4.2 million General Fund to accelerate habitat improvement and aggressively reduce stressors for the Delta smelt.
- **Drought Operations**—An increase of \$14 million General Fund for the DWR to implement statewide actions, including continuation of the Save Our Water campaign, operation of the drought management operations center, water transfer support and water supply modeling.
- **Local Assistance for Small Communities**—\$10 million General Fund for the DWR to provide emergency drinking water support for small communities, including addressing private wells.
- **Farmworker Assistance**—An increase of \$7.5 million General Fund for the Department of Community Services and Development to provide emergency assistance to unemployed farmworkers, including housing, utility and job training assistance.
- **Water Rights and Grants**—An increase of \$5.4 million General Fund and \$16 million Cleanup and Abatement Account for the State Water Resources Control Board to continue enforcement of drought-related water rights and water curtailment actions and provide grants for emergency drinking water projects.

### **State Response to the Drought**

The attention of public water systems at the beginning of 2016 was focused on the State Water Board and whether it would extend mandatory water conservation targets across the state through October 2016. A normal winter in Northern California erased the need for a continued broad state mandate for

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many areas, while other areas of the state that rely on a sustainable groundwater supply or the development of local resources like recycled water and desalination argued that extending severe conservation mandates were unnecessary.

Recognizing persistent yet less severe drought conditions throughout California, on May 18, 2016, the State Water Board adopted an emergency water conservation regulation that replaced an earlier emergency regulation. The May 2016 regulation that will be in effect from June 2016 through January 2017 requires locally developed conservation standards based upon each agency's specific circumstances. It replaces the prior percentage reduction-based water conservation standard with a localized "stress test" approach. These standards require local water agencies to ensure a three-year supply assuming three more dry years like the ones the state experienced from 2012 to 2015. Water agencies that would face shortages under three additional dry years will be required to meet a conservation standard equal to the amount of shortage.

State Water Board Chair Felicia Marcus stated: "We created the 'stress tests' so that local agencies could demonstrate their ability to supply water under extended drought conditions, so we could step back from our unprecedented 25 percent water conservation mandate with some confidence. Demonstrating adequate preparation for drought through developing supplies like local storage, recycling, groundwater banking and other means is great. Sharing that information with customers in an accessible way is also a critical piece of developing consumer comfort and confidence. Being prepared, however, is not a license to abandon conservation, because one thing we know is we can't know what next year or the next will bring."

Water suppliers that pass their "stress test" will not face a state-mandated conservation standard through January 2017, but are expected to keep conserving water to build long-term drought resilience. Of the 379 suppliers that submitted "stress tests," 36 indicated that they would face a supply shortage in 2019 and will be required to meet a conservation standard equal to the shortage amount. Thirty-two suppliers did not submit "stress tests" and will retain their March 2016 conservation standards through January 2017. The State Water Board will also closely monitor conservation levels through the end of the year and will prepare a proposal to return to state-mandated conservation levels in February 2017 if drought conditions persist and statewide conservation levels falter significantly—a troubling signal to over 300 water suppliers should the north state experience a normal or above-normal precipitation year.

In addition to monitoring conservation levels, the State Water Board is working closely with DWR and other state agencies to develop long-term water use efficiency standards, as directed by Governor Brown's Executive Order B-37-16. The efficiency standards will be applicable across California. The new standards are intended to provide for improved water conservation and efficiency in the years ahead based on climate, population, and business types, rather than percentage reductions off a given baseline. The new standards will also include permanent prohibitions on wasteful water use, improved drought planning, and enhanced leak detection and repair requirements (SB 555, 2015). It is widely anticipated that the Administration will sponsor or seek introduction of legislation related to implementation of the Governor's executive order. For example, a recommendation to require urban water suppliers to assess the impact of a 5-year drought period in the urban water management plan process will require a change to state law. There also is a recommendation to require a more detailed



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water shortage contingency analysis in the urban water management plan. The latter recommendations are supported by the Association of California Water Agencies (ACWA). The development, adoption and application of state standards for indoor and outdoor water use will be a key area of focus as flexibility, adaptive approaches and reasonable conservation targets that recognize local variabilities across the state will be the goal of Desert Water and other urban water suppliers. ACWA notes in its comments on the development of the framework for implementation of the executive order that:

“Water suppliers have identified a number of potential unintended consequences of decreasing urban water use that must be more fully evaluated prior to standard and target setting, including, reduced flows that impact the effective operation of wastewater collection and treatment systems; reduced flows that impact drinking water quality, and the higher costs of water efficiency measures that will necessitate increased water rates, further exacerbating affordability issues in urban disadvantaged communities.”

It is clear, despite not be addressed directly in the ACWA comments, that a further permanent reduction in urban water use also will place upward pressure on water rates as fixed system costs will likely continue to increase as compared to savings achieved in variable costs related to water production and treatment.

The overall goal of the executive order elements is to further reduce urban gallons per capita per day water use beyond the 20% target set in SB 7X 7 (2009). And, to establish more frequent and robust reporting by urban water suppliers to DWR and State Water Board. Finally, state enforcement actions will be developed and implemented by 2025, depending on progress in water use efficiency research and analysis across all urban use categories; e.g., commercial, industrial and institutional uses and landscape irrigation.

### **Agency Remains Active on the Legislative Front**

The Agency actively monitored or engaged in direct lobbying on 41 bills this year. Below, we highlight some of the legislation on which the Agency was most active.

#### Water Transfer Legislation

Assemblymember Marc Levine (D-Marin County), Chairman of the Assembly Committee on Water, Parks and Wildlife, introduced AB 2304 to create a centralized online platform to provide real-time information to the public about water transfers in California. The measure was sponsored by Environmental Defense Fund (EDF).

Existing law, the Costa-Isenberg Water Transfer Act of 1986, requires DWR to establish an ongoing program to facilitate the voluntary exchange or transfer of water and implement the various laws that pertain to water transfers. The act requires DWR to create and maintain a list of entities seeking to enter into water supply transfers, leases, exchanges, or other similar arrangements and to maintain a list of the physical facilities that may be available to carry out water supply transfers. The act requires the department to prepare a water transfer guide with prescribed components.

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AB 2304, as introduced, would have established the California Water Market Exchange governed by a 5-member board in the Natural Resources Agency. The legislation would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange. The bill, for all transfers and exchanges of water occurring on or after January 1, 2018, would require the submission of certain data and information to the market exchange and the payment of an administrative fee to the market exchange. AB 2304 would require the market exchange to develop procedures relating to the platform and the work of the Exchange in consultation with federal, state, and local agencies.

“Our precious water supply is very limited,” said Levine upon introduction of AB 2304. “Californians need a market-based system to maximize the best and most efficient use of each drop,” he said. “This drought has taught us that California must explore best practices used in other drought-devastated areas of the world. For example, Australians dealt with a 14-year drought by developing a market-based water trading system. The Australian system improved cooperation between water users and focused on water efficiency. We must look at similar solutions here in California.”

David Festa, EDF Senior Vice President, said: “This bill lays the foundation for a modern water transfer system that will allow California to use water more efficiently and to meet the needs of the environment and disadvantaged communities.”

EDF released a report in April titled “Better Access. Healthier Environment. Prosperous Communities. Recommended Reforms for the California Water Market.” The Executive Summary stated, in part:

“Although California has a water market, it is bogged down by patchwork regulations that discourage transfers and routinely benefit only well-capitalized users. As a result, water users with fewer resources, such as small farmers, poor communities, and the environment, have suffered disproportionately during the drought. And even well-capitalized users have been hindered by the system’s complexity.”

The EDF report and AB 2304 created tension from the beginning between traditional water market participants—urban and agricultural water right holders that favor an unfettered and efficient marketplace setting—and environmental and environmental justice groups that seek a marketplace that is more tightly regulated and that provides direct benefits to the environment and disadvantaged communities.

AB 2304, in creating the California Water Market Exchange, would have made the following data and information available to the public online:

- The names of the buyer and seller.
- The quantity of water transferred or exchanged.
- The price of the water.
- The time and duration of the transfer or exchange.
- The nature of the underlying right to the water.

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- The location of origin and proposed place of use.
- A description of the conveyance and storage facilities necessary.
- Third-party impacts.

The Association of California Water Agencies provided feedback to EDF during the writing of the EDF report. Calling voluntary water transfers “a vital management tool that will be increasingly valuable in the future,” ACWA in May 2016 released recommendations for improving the water transfer process and access to the voluntary water market, especially for smaller agencies. The recommendations, titled “Recommendations for Improving Water Transfers and Access to Water Markets in California,” came as ACWA and other organizations like EDF were discussing market-oriented solutions as part of a comprehensive water management strategy for California. ACWA Executive Director Timothy Quinn noted that water transfers played an important role in past droughts. He said that while California has a water market that functions relatively well for some agencies, streamlining the transfer process and making water markets more accessible would yield a number of benefits for agencies across the state.

“These recommendations not only address water needs during a multi-year drought, they create the foundation for more effective water management in the future,” Quinn said. “Legislation in the early 1990s helped improve the water transfer process, but more can and should be done, especially as the state looks to implement a comprehensive water management policy.”

ACWA’s policy statement on water transfers emphasized the need to protect existing water rights, encourage a water market for voluntary water transfers, and flatly stated that regulatory actions that “reallocate water supplies should not be used as a substitute for voluntary water transfers, because such actions undermine the foundation of the water rights priority system and create uncertainty for water suppliers and the general public.”

Reeb Government Relations worked to ensure that AB 2304 reduced red tape and eliminated barriers to conducting voluntary water transfers, at times working to hold ACWA to the principles it set forth in its recommendations. For example, ACWA recommended creation of a water transfer data base, and then, establishment of an online water market “Information Clearinghouse” to monitor and collect publicly available or voluntarily submitted data regarding market transactions for voluntary participants, including those that require use of state or federal storage or conveyance.

“Buyer and seller participation in the Information Clearinghouse would be voluntary and would not be a condition of water transfer approvals,” ACWA wrote. “The Information Clearinghouse would not function as a “broker” for water market transactions. This Information Clearinghouse should be created within an existing state agency, such as DWR. Establishment of a new state entity is not recommended.”

AB 2304 as introduced would have created a new state entity within the Natural Resources Agency that would be governed by five gubernatorial appointees not subject to Senate confirmation. The legislation included a statement of legislative intent that “water transfers and exchanges should protect and enhance environmental and community benefits” that include instream flows and ecosystem water supply; ecosystem restoration projects benefitting aquatic and riparian species;

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improved drinking water supply and quality projects; development of needed technical, managerial, and financial capacity for disadvantaged communities; and acquisition through the market exchange of needed water supplies for small community water systems. The Exchange would be required to establish standards and procedures to ensure that transfers and exchanges protect environmental and community benefits. The Exchange would be authorized to impose fees on all water transfers and exchanges occurring after January 1, 2018.

Reeb Government Relations, on behalf of its clients with an interest in an efficient and cost-effective water transfer marketplace, worked with other interested parties to raise concerns about the provisions of AB 2304. Assemblymember Levine listened to those concerns and decided against pursuing the legislation this year. A later effort by Levine to expedite state agency review of proposed water transfers (AB 2909) was held in the Senate Appropriations Committee. Therefore, water transfer legislation may be on the legislative agenda in 2017. In the meantime, ACWA is working with DWR to address many of the Association's recommendations regarding changes to DWR and US Bureau of Reclamation policies and practices that arguably hinder an efficient water transfer marketplace.

### Drought Response Legislation

Legislators also weighed in on the California drought by introducing a number of bills prior to the February 2016 bill introduction deadline. Three of those bills cleared the legislature and were signed into law by Governor Brown.

#### *SB 814 (Hill, D-San Mateo) [Chapter 230, Statutes of 2016]*

Existing law authorizes any public entity that supplies water at retail or wholesale for the benefit of persons within the service area to adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in a county jail for not more than 30 days, or by a fine not exceeding \$1,000, or both.

SB 814 declares that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex is prohibited. The new law would require each urban retail water supplier during prescribed periods to establish a method to identify and discourage excessive water use. SB 814 authorizes as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers. SB 814 authorizes as a method to identify and discourage excessive water use the establishment of an excessive water use ordinance, rule, or tariff condition that includes a definition of or procedure to identify and address excessive water use and would make a violation of this excessive water use ordinance, rule, or tariff condition an infraction or administrative civil penalty and would authorize the penalty for a violation to be based on conditions identified by the urban retail water supplier.



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The Agency opposed SB 814 arguing that it had sufficient authority under existing law to address excess water use, or water wastage, and that it demonstrated its ability to respond to current drought conditions with a combination of drought resiliency planning (basin replenishment), customer rebate programs and a strong water conservation message.

### *AB 1928 (Campos, D-San Jose) [Chapter 326, Statutes of 2016]*

Existing law requires the State Energy Resources Conservation and Development Commission, in consultation with the DWR, to adopt, by January 1, 2010, performance standards and labeling requirements for landscape irrigation equipment and, on or after January 1, 2012, prohibits that equipment from being sold unless it meets the performance standards and labeling requirements.

AB 1928 postpones the date by which the commission is to adopt the performance standards and labeling requirements to January 1, 2019, and will prohibit the sale or the offer for sale of that equipment manufactured on or after the effective date of the performance standards and labeling requirements unless the equipment meets the performance standards and labeling requirements and is certified by the manufacturer as meeting the performance standards. The new law additionally requires the commission, in adopting those standards and requirements, to consider developments in landscape irrigation efficiency occurring on or after January 1, 2010.

An August 2009 Pacific Gas and Electric Company (PG&E) Codes and Standards Enhancement (CASE) Initiative Project examined the potential savings from equipment standards in California that address landscape irrigation controllers. DWR reported in its 2005 California Water Plan Update that in 2000, cities and suburbs used about 8.7 million acre feet (MAF) of water and that about one-third of water used by urban areas – 3 million acre-feet (MAF) – was applied to residential and commercial, institutional, and industrial (CII) landscapes. In California, the water used to water lawns and gardens generally accounts for anywhere from 30-60% of household's potable water use. A 2003 Pacific Institute study found that significant improvements in landscape irrigation efficiency (25-40%) could be achieved in California, cost-effectively, through a combination of better management practices, landscape design and improved hardware (Gleik et al. 2003).

PG&E noted in its report:

*"In addition to this embedded-energy component, most irrigation controllers either plug-in or are hardwired to the electricity grid, and consequently, consume electricity at their point-of-use. It is important that any potential appliance standard in California be evaluated from a perspective that considers the potential water savings and associated embedded-energy savings, as well as any potential direct energy savings. This report evaluates the potential savings from, and cost-effectiveness of, an appliance standard that would require all new irrigation controllers sold and installed in California to be "smart" irrigation controllers. Based on the analysis presented in this report, which assumes homes on average can achieve a relatively modest 7.3% reduction in irrigation from replacing an existing conventional controller with a smart controller, we find that at this time, such a standard is generally not cost-effective. However, additional water-savings from the status quo can be achieved cost-effectively with rain shut-off devices. We recommend the CEC require that all new landscape*

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*irrigation controllers, effective January 1, 2011, be sold with a rain shut off device. This requirement would be cost-effective even in the drier areas of California and will result in significant water and energy savings. Preliminary estimate over the total water and associated embedded-energy savings are also significant: upon full stock turnover, we estimate water savings would be on the order of 45,000 million gallons, along with annual (embedded) energy savings of 135 GWh and a 13 MW reduction in peak demand."*

AB 1881 (Laird, Chapter 559, Statutes of 2006) required the California Energy Commission to develop and adopt efficiency performance standards and labeling requirements for irrigation controllers and sensors by January 1, 2010, and prohibited the sale or installation of non-compliant equipment by January 1, 2012. On July 29, 2009, the California Energy Commission committee created to pursue implementation of AB 1881 suspended its work. It found that:

*"After reviewing the available information and submittals by the parties, the Committee has determined that there is insufficient technical data and analyses necessary to substantiate specific standards or labeling requirements for the landscape irrigation equipment defined in the Scoping Order.*

*"Public Resources Code section 25402, subdivision (c), requires the Energy Commission to set standards for appliances that use a significant amount of energy or water; that are feasible, and reduce energy or water demand growth; and do not result in any added total costs for consumers over the designed life of the appliances.*

*"As a result of the information gained through the staff's technical workshops and review of available studies, it is clear that initial expectations that adequate information would be available on which to base a proposed standard that met the above requirements and criteria were incorrect.*

*"Sufficient information on costs, actual performance, and methods to verify savings is lacking. In addition, recent studies have shown that the use of industry-preferred controllers, or "Smart Controllers", frequently increases water use as well as energy consumption. The only industry accepted test methods available for controllers do not test for water conservation, but rather measure the efficiency of applying adequate amounts of water supplies to landscapes. Industry accepted test methods, albeit under development, are not finalized for other landscape irrigation equipment, such as rain or soil moisture sensors.*

*"In order to develop the needed information and evidence, the Committee recognizes that significant additional time and resources are necessary to conduct the needed studies and to complete the analyses. Due to increasing Energy Commission workload and priorities and increased staff furloughs, it will be necessary to retain paid consultants to provide the Committee and staff with the necessary studies and analyses to properly conduct this proceeding. The funds to retain such consultants have not been identified, and are not provided for in the authorizing legislation, and thus such funds are not "available" as required in the Water Conservation in Landscaping Act.*

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*"As a result, the Committee is suspending the proceeding until such time as sufficient funding resources become available to pursue and complete the evidence-gathering, studies, and analyses necessary to re-initiate the proceeding. In the interim, staff is directed, as resources are available, to work with the DWR and other interested parties on further data gathering, studies, analyses and issue resolution."*

AB 1928 changes the deadlines included under AB 1881. It is unclear as to whether sufficient funding sources have been identified for the CEC work; however, the Greenhouse Gas Reduction Fund might be a possibility for financial resources as it was not available in 2009.

The Agency supported AB 1928 as the development of state standards might lead to even greater water and energy savings than that which occurs today. AB 1928 drives the marketplace to greater innovation and will, over time, enable Agency customers to become more efficient in landscape watering, which in turn enables the Agency to achieve conservation targets without punitive rate structures or penalties for excessive use during a declared drought condition.

*AB 2515 (Weber, D-San Diego) [Chapter 576, Statutes of 2016]*

The existing Water Conservation in Landscaping Act requires DWR to update its model water-efficient landscape ordinance by regulation and prescribes various requirements for the updated model ordinance.

AB 2515 requires the Department, on or before January 1, 2020, and every three years thereafter, to either update the model water-efficient landscaping ordinance or make a finding that an update to the model water-efficient landscaping ordinance at that time is not a useful or effective means to improve either the efficiency of landscape water use or the administration of the ordinance. The new law additionally requires the department to submit the update to the Building Standards Commission during the triennial update process of the California Green Building Standards Code.

### New Requirements Proposed for California WaterFix

*AB 1713 (Eggman, D-Stockton)*

Assembly Member Susan Eggman introduced AB 1713 to prohibit the construction of a peripheral canal or similar project to transfer water through the Sacramento-San Joaquin Delta unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017. AB 1713 also would require the Legislative Analyst's Office to complete an economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.

AB 1713 would have required statewide voter approval of California WaterFix, the proposal to construct twin tunnels with appurtenant structures to transfer water from the Sacramento River to the federal and state water project pumping facilities located in the South Delta. Project costs are now planned to be funded through the issuance of revenue bonds that will be repaid by water contractors. A statewide vote is not now required for projects funded through the issuance of revenue bonds.

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Desert Water joined other State Water Contractors, business, labor organizations and production agriculture interests to oppose AB 1713. Despite narrow passage in the Water, Parks & Wildlife Committee where a last-minute supporting vote was cast by the committee chairman, the opposition coalition was able to stop the bill in the Assembly Appropriations Committee.

### *AB 2853 (Frazier, D-Oakley)*

The Sacramento-San Joaquin Delta Reform Act of 2009 established the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The Delta Plan is required to further the coequal goals of providing a more reliable water supply and protecting, restoring, and enhancing the Delta ecosystem. The act requires the Council to consider the Bay Delta Conservation Plan (BDCP) for inclusion in the Delta Plan and requires the incorporation of the BDCP into the Delta Plan if the BDCP meets certain requirements.

Assembly Member Jim Frazier introduced AB 2853 to add a definition of California Water Fix to the Delta Reform Act. The Frazier bill would eliminate certain provisions applicable to the BDCP and would revise other provisions to instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coequal goals.

Desert Water joined other State Water Contractors, business, labor and production agriculture interests to oppose AB 2853, arguing that the legislation was unnecessary as the proposed project already was considered a 'covered action' under the Delta Reform Act and would be reviewed for consistency with the Delta Plan. Frazier represents the 11th Assembly District, which includes portions of the Delta lying within Contra Costa, Sacramento and Solano counties. He opposed the Bay Delta Conservation Plan and now opposes California Water Fix, writing last year "...when I first spoke out against Governor Brown's Bay Delta Conservation Plan (BDCP), the Administration has continued to push forward this flawed, fiscally irresponsible proposal, now rebranded as California WaterFix and California EcoRestore. Under any name, this plan further threatens the Delta's fragile ecosystem and does not deliver one ounce of new water."

AB 2853 failed passage in the Assembly Water, Parks & Wildlife Committee.

### Groundwater Well Construction Standards

Existing law requires DWR to investigate and survey conditions of damage to quality of underground waters that are, or may be, caused by improperly constructed, abandoned, or defective groundwater wells. Existing law requires the Department to report to the appropriate California regional water quality control board its recommendations for minimum standards for well construction in any particular locality in which it deems regulation necessary to protection of quality of underground water.



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Senator Fran Pavley introduced SB 995 to require DWR to update well standards for water wells, monitoring wells, and cathodic protection wells based on existing knowledge and to submit these standards to the State Water Board. The bill would require the Department to establish an advisory panel to identify critical gaps in existing knowledge about the best practices for well construction, alteration, maintenance, and destruction for these wells. SB 995 would, on or before January 1, 2022, require the advisory panel to make recommendations for improvements in well regulations and the Department to submit the recommendations to the State Water Board. The State Water Board would be required to revise the model ordinance upon the receipt of the recommendations for improvements in well regulations from the Department.

It has been 26 years since the last revision of the state's water well standards. DWR Bulletins 74-81 (1981) and 74 (1968) provided the Department's standards for water wells and cathodic protection wells just prior to the last supplement, which was revised in 1990 (Bulletin 74-90). DWR standards for monitoring wells were generally the same as for water wells prior to 1990 and were included in Bulletin 74-81. The 1990 supplement is used together with Bulletin 74-81 for a complete description of DWR Water Well Standards. The standards are recommended minimum statewide standards for the protection of groundwater quality. The standards are not necessarily sufficient for local conditions. Local enforcing agencies may need to adopt more stringent standards for local conditions to ensure groundwater quality protection, according to DWR.

Desert Water Agency took a "support" position on SB 995. The Agency's dependence on groundwater and its role in protecting the quality of the groundwater subbasins the Agency overlies, in addition to the Agency becoming a groundwater sustainability agency under the Sustainable Groundwater Management Act (SGMA), all argue for support of updating the state's water well standards.

SB 995 passed the Senate with a 39-0 vote, but died in the Assembly after failing to meet the August 12 legislative deadline for fiscal committees to meet and report bills to the floor. Reeb Government Relations recently contacted DWR staff regarding the possibility of including funding to update the well standards in Governor Brown's proposed FY 2017-18 Budget. Talks have been held amongst administration officials regarding the latter approach, but we will not know whether funding will be included in the governor's budget until it is released in January.

### Water Supply Planning

Existing law requires a city or county that determines that a development project is subject to the California Environmental Quality Act (CEQA) to identify water systems that may supply water for the project and to request those systems to prepare and approve a water supply assessment. Under existing law, if no public water system is identified, the city or county is required to prepare and approve the water supply assessment. Existing law provides that if, as a result of its assessment, the public water system or city or county concludes that its water supplies are, or will be, insufficient, the public water system or city or county is required to provide its plans for acquiring additional water supplies.

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As introduced, SB 1262 by Senator Fran Pavley would require a city or county that determines a project is subject to CEQA to identify any water system whose service area includes the project site and any water system adjacent to the project site. The bill would, if a water supply for a proposed project includes groundwater, require additional information to be included in the water supply assessment. First, it would require a city or county that determines a development project is subject to CEQA to identify any water system whose service area includes the project site as well as any water system "adjacent" to the project site. The bill would require, if a water source for a proposed project includes water of a quality not sufficient to meet certain drinking water standards, that additional information be included in a water supply assessment. This bill, if no water system is identified, would require a city or county to prepare a technical report containing prescribed information. SB 1262 would require a city or county to submit the technical report to the local agency formation commission (LAFCO) if the city or county concludes based on the technical report that it is feasible for a water system to provide water to the project. If LAFCO declines to approve an annexation or extensive of service, SB 1262 would require the city or county to develop a water supply assessment for the project.

Second, the legislation would provide that hauled water or groundwater from a probationary basin are not sources of water for the purposes of a water supply assessment relating to a proposed development project. This bill would, if a water supply for a proposed project includes groundwater, require additional information to be included in the water supply assessment. For a basin designated as high- or medium-priority pursuant the SGMA, the most recently adopted or revised adopted groundwater sustainability plan would have to be considered. Although the Agency will be developing and adopting a groundwater sustainability plan or an alternative pursuant to SGMA, this portion of the legislation would not likely have an impact on Desert Water Agency. It would potentially benefit the Agency by ensuring that its groundwater sustainability plan or alternative will be properly considered by a city or county.

Existing law provides that if a city or county is required to conduct a water supply assessment for a proposed development project, the water supply assessment for the project shall include a discussion with regard to whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses. The third portion of this legislation would have repealed that provision of law, and instead provide that if a water system is not identified by the city or county, or none of the water systems identified are willing to supply the water, the city or county shall prepare a technical report that includes all of the following:

(A) The name of each public water system that has a service area boundary within five miles of any boundary of the development project applicant's proposed service area.

(B) An analysis of the feasibility of a water system identified by the city or county annexing, connecting, or otherwise supplying domestic water to the project.

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(C) An analysis of the long-term feasibility of creating a new water system to serve the project, including, but not limited to, projecting the capacity of anticipated ratepayers to sustain a water system if there is the potential that water treatment will be required in the foreseeable future.

(D) A description of all actions taken by the city or county to secure a supply of domestic water from an existing public water system for the project.

(E) A description of all actions taken by the project proponent to pursue a contract for managerial or operational oversight from an existing public water system.

If the city or county concluded based on the technical report that it is feasible for a water system to provide water to the project, the city or county would be required to submit their technical report to LAFCO. If LAFCO declines to approve an annexation or extension of service by the water system, the city or county must develop a water supply assessment for the project that includes a discussion on whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, or multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

Finally, SB 1262 proposed to revise the definition of "sufficient water supply" under existing law to include additional factors relating to a proposed subdivision that relies in whole or in part on groundwater. The bill would provide that groundwater from a probationary basin is not a water supply for these purposes. It would provide that if a water supply for a proposed project includes water of a quality not sufficient to meet all primary and secondary drinking water standards (MCLs), the following additional information shall be included in the water supply assessment: (1) A detailed description of the concentration of contaminants; (2) The proposed method for treating, blending, or otherwise ensuring that the water will meet drinking water quality standards; (3) The project cost to achieve drinking water quality; and (4) An analysis of the affordability of water for the project's anticipated residents.

The intent of SB 1262 was to strengthen existing laws relating to the preparation and provision of written verifications and water supply assessments relating to proposed development projects that include 500 dwelling units or the equivalent water use for other beneficial purposes; e.g., commercial, industrial and institutional. The author sought to update provisions of SB 221/SB 610 given the enactment of SGMA. Several provisions of SB 1262, however, presented concerns for a public water system like Desert Water Agency. First, while current law authorizes a city or county to prepare a water supply assessment in certain circumstances, it does not authorize a city or county to make determinations regarding the feasibility of an existing public water system to provide water service to a proposed development project. If the city or county concluded based on its technical report that it is feasible for a water system to provide water to the project, the city or county would submit their technical report to the local agency formation commission (LAFCO) with jurisdiction over the project. LAFCO could approve an annexation or extension of service based on the technical report, even when the public water system had previously determined that it would not (or could not) serve the proposed project. This would not be a welcome outcome for the public water system. Desert Water opposed this provision of the legislation.

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Finally, drinking water quality standards in California are established by the Federal government under the Environmental Protection Agency (USEPA) and the State Water Board Division of Drinking Water. Any compounds found in water may be considered a contaminant for possible regulation. However, most contaminants do not present any health concern. Primary MCLs are health based drinking water standards and must be met to ensure protection of public health. Secondary MCLs are set not for public health concerns but for the esthetics of drinking water, and should also be met. However, exceedances may be allowed under certain conditions. SB 1262 presumed that all secondary standards would be met and that an analysis of the manner in which the standards would be met and the cost of which would be analyzed. The affordability of water for the proposed project's residents might be unnecessarily hampered. DWA sought the deletion of this provision of SB 1262 or, in the alternative, to amend the legislation to reflect any allowable exceedances of secondary MCLs established by the State Water Board.

The Agency approved a 'support if amended' position on SB 1262 and Reeb Government Relations went about the work of trying to eliminate onerous provisions of the legislation, while keeping intact the beneficial provisions. The advocacy effort proved successful in the end, providing only for a stronger nexus between "Show Me the Water" planning laws and the analysis of the availability of groundwater. SB 1262 passed the Legislature and was signed into law by Governor Brown on September 24. [Chapter 594, Statutes of 2016]

### Groundwater Extraction Permits

The California Constitution requires the reasonable and beneficial use of water and that the conservation of the water resources of the state is to be exercised with a view to the reasonable and beneficial use of the water in the interest of the people and for the public welfare. SGMA requires all groundwater basins designated as high- or medium-priority basins by DWR and designated as subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified.

SB 1317 by Senator Lois Wolk would have required a city or county overlying a basin designated as a high- or medium-priority basin to do both of the following: (1) By July 1, 2017, establish a process for the issuance of a conditional use permit for the development of a groundwater extraction facility that imposes conditions on the development of a new groundwater extraction facility in order to prevent the new groundwater extraction facility from contributing to or creating an undesirable result; and (2) Prohibit the issuance of a conditional use permit for a new groundwater extraction facility in either a probationary basin or a basin designated as a basin subject to critical conditions of overdraft.

DWA opposed SB 1317 stating that the bill was unnecessary in that a city or county may already rely on its constitutional police powers to regulate the extraction of groundwater, including placing a moratorium on new groundwater extraction facilities. The Agency argued that a conditional use permit is generally issued for certain uses of land or types of businesses that are not allowed as a matter of

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right in a particular zone. Such a permit does not normally apply to the drilling of a groundwater extraction facility. Beyond this, it is the responsibility of groundwater sustainability agencies to manage local groundwater resources pursuant to provisions of SGMA. These new agencies are required to develop and adopt groundwater sustainable plans or alternatives that, when implemented, will ensure the sustainable management of the groundwater basin.

Generally speaking, neither a city nor a county will have the data available to determine whether a new groundwater extraction facility would contribute to or create an undesirable result. SGMA establishes a timeline for compliance with its requirements. SB 1317 would have leapt ahead of the SGMA process—well before a groundwater sustainability agency would have the information or the ability or desire to take action in regard to limit the drilling of new groundwater extraction facilities, for which they are authorized under SGMA.

Reeb Government Relations sought an amendment to SB 1317 that exempted areas within the statutory boundaries of a special act water district. The bill was so amended in May and DWA removed its opposition to the bill. SB 1317 passed the Senate on a 21-17 vote, but died in the Assembly after failing to meet the July 1 legislative deadline for bills to be reported out of policy committees to the floor.

### Extension of Water Service to Disadvantaged Communities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if the city or district requests and receives permission to do so from the LAFCO in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

Senator Wolk introduced SB 1318 to (1) authorize LAFCO to initiate a proposal by resolution of application for the annexation of a disadvantaged unincorporated community; and (2) prohibit LAFCO from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, or has entered into an agreement to extend those services to those disadvantaged communities. SB 1318 would prohibit LAFCO from approving a sphere of influence update where there exists a disadvantaged unincorporated community within or adjacent to the city or special district's sphere of influence that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless the commission finds, based upon written evidence, that a majority of the residents of the affected disadvantaged community or communities are opposed to receiving the identified service or services.

Desert Water opposed SB 1318 arguing that the bill did not provide a definition of "disadvantaged community," making it difficult to assess the potential impact of the legislation on the Agency. Is a mobile home park a disadvantaged community? Is there a minimum number of service connections? What median household income would qualify an area to be considered a disadvantaged community?



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Further, the legislation seemed to "extort" service from a public water system by prohibiting annexations or extensions of service that might otherwise be feasible until all disadvantaged communities are served by the water system. Finally, the Agency argued that the legislation was unnecessary as a budget trailer bill enacted by the Legislature last year authorizes the State Water Board to mandate the consolidation of water systems. That law is supported by emergency regulations adopted by the State Water Board that provide a process and standards for determining when a consolidation is appropriate.

SB 1318 passed the Senate on a 23-13 vote, but the author declined to set the bill for hearing in the Assembly due to significant opposition from local government entities.

### **Desert Water Agency an Effective Advocate on Behalf of its Taxpayers and Customers**

This completes the 12th year of a commitment on the part of the Desert Water Agency Board of Directors to aggressively pursue advocacy efforts in the State Capitol relying on Reeb Government Relations to be its voice. The Agency remains active in opposing legislation that would impose new costs on the Agency and its taxpayers and ratepayers without providing measurable benefits. The Agency alternatively supports legislation that will assist it in providing more cost-effective or efficient services.

Aside from outcomes related to the Agency's advocacy efforts in the Legislature this year, our firm assisted the Agency to:

- Strengthen relationships with its legislative delegation in the State Capitol—Senator Jeff Stone, Assembly Member Chad Mayes and Assembly Member Eduardo Garcia. All three provided open access to the Agency and Reeb Government Relations and provided careful consideration of Agency positions on the state budget and legislation.
- Navigate the requirements of SGMA as it pertains to formation of a groundwater sustainability agency and implementation of the Act, engaging members of the Legislature and DWR to ensure that the law and regulations were being implemented in an even-handed and thoughtful manner.
- Review and respond to the process established by the State Water Board to determine whether urban water use drought reduction targets would be continued throughout 2016 and into January 2017.
- Amplified the Agency's voice in the Association of California Water Agencies, Public Works Coalition and WaterReuse Association, California Chapter, through the active involvement of Agency staff and Reeb Government Relations.

**DESERT WATER AGENCY  
MEDIA INFORMATION  
OCTOBER 2016**

<b>DATE</b>	<b>PACKET PAGE</b>	<b>MEDIA SOURCE</b>	<b>ARTICLE</b>
10/05/16	1-3	THE DESERT SUN	Two Years Ago, CVWD's Permit For Its Largest Groundwater Facility Expired. Now The District Is Applying For A New Permit
10/05/16	4	THE DESERT SUN	California Water Board Fears Water-Saving Has Been Abandoned
10/06/16	5	THE DESERT SUN	CVWD Finalizes Water Rates, Adopting Smaller Increases Than Originally Planned
10/06/16	6-7	LOS ANGELES TIMES	Weaker Water Conservation Numbers Prompt Fears That California Is Going Back To Its Old Bad Habits
10/06/16	8-9	PRESS ENTERPRISE	August Water Savings Fall Below 20%
10/11/16	10	LOS ANGELES TIMES	Southland Major Water Agency Is Rebuilding Depleted Regional Storage
10/11/16	11	THE PUBLIC RECORD	CV Water Counts Hosts: "Thanks For Conserving (So Why Are Prices Rising?)"
10/18/16	12-13	THE DESERT SUN	California Drought: Water Conservation Flagging In The Desert
10/19/16	14-16	THE DESERT SUN	Federal Court Weighs Whether Agua Caliente Tribe Holds Rights To Groundwater

## **Two years ago, CVWD's permit for its largest groundwater facility expired. Now the district is applying for a new permit.**

Ian James , The Desert Sun 11:48 a.m. PDT October 5, 2016

The Coachella Valley Water District has for decades been using a series of oblong ponds carved into the desert near the base of Mt. San Jacinto to capture imported water from the Colorado River. When water pours out of the Colorado River Aqueduct, it cascades down the serpentine channel of the Whitewater River and collects in the basins, where it seeps into the sandy soil and recharges the aquifer.

The Whitewater River groundwater replenishment facility is the largest in the Coachella Valley and a crucial piece of the district's strategy of using imported water to boost groundwater levels.

But in 2014, the agency failed to submit an application in time to renew its permit for portions of the facility that lie on federal land, and the permit expired. Now CVWD is applying to the federal Bureau of Land Management for a new permit, and the application could face resistance from the Agua Caliente Band of Cahuilla Indians as the tribe fights the district in federal court in a landmark case over water rights.

The tribe's leaders have yet to weigh in on CVWD's application for a "right-of-way" to continue operating the groundwater facility, which spreads out in a fan-shaped series of basins beneath the windmills on the outskirts of Palm Springs. As the Bureau of Land Management considers the district's request, a point of contention in the lawsuit will also come up in the environmental review: the dispute over whether using imported water from the Colorado River to replenish the aquifer is degrading the quality of drinking water.

The tribe sued the Desert Water Agency and the Coachella Valley Water District in 2013 in an attempt to assert rights to a portion of the area's groundwater. The tribe accused the agencies of imperiling the aquifer by allowing its levels to decline in much of the valley, and also by using saltier, less pure Colorado River water to offset the amounts pumped from wells.

Agua Caliente Chairman Jeff Grubbe has said the tribe's members want to be involved in water management decisions and are concerned that using untreated Colorado River water will harm the quality of the valley's drinking water in the long run.

The two water agencies have defended their efforts to combat groundwater overdraft. They've been using imported water to recharge the aquifer at the facility at Windy Point since 1973.

The agencies' managers have insisted that water from the Colorado River, despite having higher levels of "total dissolved solids," or TDS, than much of the valley's groundwater, meets all drinking water standards and does not require treatment when used to replenish groundwater.

"We haven't seen any adverse impacts of that recharge process," said Mark Johnson, CVWD's director of engineering. "In fact, it has improved water quality for some constituents, and the big one is chromium."

The district plans to spend \$250 million on treatment plants to remove the potentially hazardous heavy metal chromium-6 from groundwater in parts of the valley, as required under a new state standard. Treatment won't be necessary in the Palm Springs area, though, because the groundwater has been diluted with Colorado River water, which has little or no chromium-6.

"We believe that recharging using Colorado River water is actually a benefit to water quality," Johnson said. In considering CVWD's application, federal officials plan to carry out an environmental review. The Bureau of Land Management will accept public comments and hold public meetings on the proposal of granting a permit early next year, said Brandon Anderson, a BLM realty specialist.

Anderson said the environmental review will consider impacts on desert species such as the Coachella Valley fringe-toed lizard and Coachella Valley milk-vetch, an endangered plant that produces pink flowers. He said officials also will consider potential impacts on groundwater quality.

"We're going to be releasing an environmental document, and this is the public's opportunity to review and comment on all of the environmental impacts," Anderson said. "We want to hear from the public if there are any additional items we need to analyze."

He said a draft environmental report will probably be released next spring or summer.

The federal government is now in the position of being both the authority deciding on CVWD's application and a party to the Agua Caliente tribe's lawsuit.

The Justice Department has intervened to back the tribe in the case. But Anderson said the litigation is "not going to affect our process."

Representatives of the tribe and the Bureau of Indian Affairs joined officials from various agencies at a "pre-application meeting" in March as well as a tour of the groundwater facility, Johnson said.

"They were all part of the stakeholder process," Johnson said, adding that the tribe was represented by Margaret Park, the director of planning and natural resources.

Leaders of the tribe did not respond to a request for comment about the water district's permit.

The Coachella Valley Water District was formed in 1918 and has been using the patch of desert next to the Whitewater River for nearly a century. At first, the district captured floodwaters there.

The bureau first granted CVWD permission for its dams, reservoirs and other water infrastructure in 1937. Some of the land is federally owned, while other portions belong to CVWD.

In 1984, the bureau authorized additional infrastructure and gave permission for CVWD to maintain its system of canals and dikes and recharge the aquifer using up to 220,000 acre-feet of Colorado River water annually for 30 years

That 1984 "right-of-way" authorization was set to expire on April 4, 2014. One day before the expiration date, on April 3, CVWD submitted its application for renewal.

The bureau, however, requires applications to be submitted 120 days prior to expiration, so it rejected CVWD's request.

In a letter to CVWD on Jan. 22, 2015, Field Manager John Kalish explained there were other issues on top of missing the deadline.

"The renewal application proposes to increase the amount of Colorado River recharge water and occupy more public lands than previously approved," Kalish wrote. He explained that under federal regulations, "a right-of-way grant holder must seek an amendment when a proposal is a substantial deviation in location or use."

As for why the permit expired, Johnson said the district's staff weren't aware of the requirement to submit applications 120 days in advance.

"We've worked that out with the BLM," he said, "so that's not an issue anymore."

Johnson submitted CVWD's new application in March 2015. In it, the district applied for permission to operate the facilities and have access for maintenance and other work on a total of 941 acres, including 432 acres that weren't covered under the previous permit. Those additional areas include service roads and portions of the Whitewater River.

Johnson said the district also is clarifying in its application that the facility has the capacity to take in up to 511,000 acre-feet of water per year – enough water to cover an area of 400 square miles two feet deep.

CVWD and Desert Water Agency, when they receive their full allotments, can bring in 194,100 acre-feet per year from the State Water Project. During wet years, larger amounts can flow into the ponds.

Because the canals and pipelines of the State Water Project don't reach the Coachella Valley, the water districts trade their allotments to the Metropolitan Water District of Southern California for equivalent amounts from the Colorado River. Met also "banks" water through an agreement with the districts, routing a portion of its flows to the valley's aquifer when it has surplus water.

California's drought, now in its sixth year, has triggered sharp reductions in water deliveries and left the groundwater basins dry much of the time. Last year, only 865 acre-feet flowed in, down from the four-decade average of 67,000 acre-feet, Johnson said.

The facility, which collects both imported water and natural flows from the seasonal Whitewater River, is one of three operated by the water district. Other facilities in La Quinta and Desert Hot Springs receive smaller quantities of water and are used to replenish other portions of the aquifer.

Groundwater levels have declined in large portions of the Coachella Valley over the past several decades, even as the inflows of imported water have helped partially offset those declines. In recent years, the water table has risen near the groundwater recharge ponds in Palm Springs and La Quinta, while the biggest declines in the aquifer's levels – in some areas 90-100 feet or more since the 1950s – have occurred away from those ponds in the middle of the valley.

Under its standard procedures, the federal agency will allow CVWD to continue operating the facility while officials carry out the environmental review and decide on the application, said Stephen Razo, director of external affairs for the BLM's California Desert District Office.

"The BLM will look at the application for the new authorization and determine what level of environmental analysis is required," Razo said in an email. "Given the maximum amount of water recharge CVWD proposes for the new authorization is more than what the BLM originally analyzed, the BLM needs to look at the effects of the additional water recharge."

Anderson said the bureau considers the application a request for a new permit rather than a renewal.

The review under the National Environmental Policy Act will include a range of alternatives, from "no action" to CVWD's proposal. Anderson said those alternatives, which have yet to be drawn up, could include a range of volumes of water.

"It's just a simple renewal process," Johnson said. "And it just takes time because of the federal process and the fact that their staffing levels are so low."

"But we're working closely with the BLM. We have a good relationship with them," Johnson said. "We're hoping to get our application approved here in the next year or so."

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# California water board fears water-saving has been abandoned

Scott Smith, The Associated Press, October 5, 2016

State regulators said Wednesday they fear some water districts in drought-stricken California have abandoned conservation efforts as saving dropped off significantly.

Californians saved less than 18 percent in August, down by nearly 10 percent from a year earlier, the State Water Resources Control Board in Sacramento reported. The figures are compared to the same period in 2013, a year before a drought emergency was declared in the state.

"We're at yellow alert," said Felicia Marcus, chair of the board, expressing alarm at the numbers and wanting to know what's going on with increased use. "I'm not ready to go to red alert until we figure it out."

Last winter, a near-average amount of rain and snow fell mostly in Northern California, prompting officials to relax conservation efforts by turning over control to local water districts.

Some of the communities with the least savings include Malibu in Southern California and in Northern California Folsom and South Tahoe.

Each district is responsible for telling its residents how much — or whether — they should cutback based on an analysis of their projected water supply and demanded for the next three years.

After calling for voluntary cutbacks, Gov. Jerry Brown at the height of drought last year, ordered residents to cutback by 25 percent.

Californians' water conservation remained steady at 20 percent in July, just one percentage point below June's savings of 21 percent, officials reported. The figures are compared to the same period in 2013, a year before a drought emergency was declared in the state.

Some communities are doing a good job of conserving, but some aren't, said Max Gomberg, a senior climate scientist for the state water board, adding that in January regulators will consider returning to state-mandated water restrictions.

## **CVWD finalizes water rates, adopting smaller increases than originally planned**

Ian James , The Desert Sun, October 6, 2016

The Coachella Valley Water District has approved new monthly service charges, adopting smaller rate increases than originally proposed.

The CVWD board previously increased the per-gallon water rates in June but delayed a decision on the monthly fixed rates after an outpouring of opposition from customers who criticized the hikes as excessive. The board finalized the new rates on Wednesday.

The water district says the monthly bill for a typical single-family home with an "efficient" level of water use will increase about \$2, from \$28.30 to \$30.36 a month. Under the increases that the agency's staff had initially proposed, monthly bills could have gone as much as \$6 a month for a typical homeowner.

Representatives of homeowners' association vocally opposed the initial rate increase proposal, which could have pushed up monthly bills for some HOA accounts by more than 50 percent. Figures provided by CVWD show that under the smaller rate increases, a typical homeowners' association with 1.5-inch water meters and using the same amount of water will see monthly bills increase by about 37 percent starting in November as compared to the rates prior to July.

CVWD's staff proposed the smaller increases in fixed rates after reexamining the district's finances, said Heather Engel, the director of communication and conservation.

"The board thought that we should take advantage of the fact that the revenue was a little higher than we expected," Engel said.

The district's managers have said they needed to charge more to invest \$250 million in new treatment plants to remove the potentially hazardous heavy metal chromium-6 from drinking water as required under a new state standard. CVWD, the largest water agency in the Coachella Valley, is also trying to make up for a projected decline in revenue due to conservation.

The district's monthly service charges are intended to cover the costs of operating and maintaining wells and pipelines, in addition to testing and treating water. CVWD commissioned a study of its costs before proposing the rate increases, and the consultants who carried out the study recommended larger increases for landscape meters – such as those used by HOAs – to reflect the true costs associated with serving those large customers.

The Coachella Valley has long had relatively high per-capita water use and some of the lowest water rates in California.

The agency's board readjusted the tiered rate structure this year to make customers' water budgets stricter, a change aimed at encouraging conservation.

The water district's managers have approved a single year of rate increases for now. They sent a notice to customers earlier this year detailing potential rate increases through 2020, and they plan to reassess whether and how much to raise rates each year.

## Weaker water conservation numbers prompt fears that California is going back to its old bad habits

By Matt Stevens, October 6, 2016

Californians' water conservation slipped for the third consecutive month in August, prompting new alarm from regulators about whether relaxed water restrictions may be causing residents to revert to old habits as the state enters its sixth year of severe drought.

The trend raises new questions about Californians' willingness to continue austere conservation after spending the last two years dramatically reducing their water use by ripping out lawns, installing water-sipping appliances and shortening their showers.

Conservation numbers varied widely across the state, with some places actually saving more water compared with 2015 levels. But other communities are turning the spigot back on, and state data show that several of the worst offenders are the affluent cities that previously have been criticized for heavy consumption.

Regulators on Wednesday singled out Malibu as one example of a city returning to profligate water use. The water district that serves the city saw its water-savings drop from 20.4% in August 2015 to just 7.9% in August 2016. The 22,000 residents served by the district used about 300 gallons per person per day, according to state data. By contrast, Los Angeles residents used an average of only 84 gallons per day in August.

The Santa Fe Irrigation District, which serves upscale pockets of northern San Diego County, including Rancho Santa Fe, saw its residents use about 525 gallons per person per day. The district had ramped up conservation efforts after being tagged as one of the state's heaviest water users and had managed to save 36.6% in August 2015. But this August, the savings fell to 14%.

Beverly Hills, long a target of regulators' scorn, actually increased its water savings in August by about two percentage points compared with the same month in 2015.

"Everybody liked to pick on Beverly Hills in the beginning, but Beverly Hills is using less than half of what Malibu is," State Water Resources Control Board Chairwoman Felicia Marcus said.

Statewide, people in cities and towns cut their water use by just 17.7% in August, compared with the same month in 2013, state board staff members said. That's a dip from August 2015, when Californians reduced their consumption by 27%, beating the target of a 25% reduction set by Gov. Jerry Brown.

"We're at yellow alert," Marcus said. "I'm not ready to go to red alert until we see the details."

Regulators lifted mandatory conservation for the vast majority of the state's water suppliers beginning in June. That month, water savings fell sharply to 21.5%, and conservation has continued to flag each month since.

Water board members have defended their decision to ease the rules, saying that while a 25% statewide reduction in urban water use was necessary for a time, it could not continue indefinitely. They cite significant rains and snow in Northern California, which replenished some reservoirs, as helping reduce the need for conservation.

But faced with lower conservation numbers, officials on Wednesday acknowledged that easing the restrictions may have contributed to increased water consumption.

"There are some communities back over 500 gallons [per person] per day," Marcus said. "I'm not going to say, 'What's the story there?' But that's a question. ... Did they stop messaging, or what's happening?"

Mark Gold, UCLA's associate vice chancellor for environment and sustainability, called the August numbers "completely predictable."

"This is what we've come to expect when there are strong messages from Sacramento that the crisis isn't as bad as we thought it was," Gold said. "People, on their own, in a voluntary way, don't do as much to conserve."

California is broken down into 10 so-called hydrologic regions, and in every one, residents used more water per person per day in August 2016 than they did during the same month in 2015.

On average, Southern Californians used about 104 gallons per person per day, about 10 gallons more than they had the year prior, making them the fourth-lowest users among the 10 regions.

In April 2015, Brown ordered a 25% statewide reduction in urban water use, which the board tried to achieve by assigning conservation "standards" to each of the state's urban suppliers. Some were told to slash their usage by as much as 36%; others could cut as little as 4% and remain in compliance.

The suppliers were required to hit their targets beginning in June 2015. In the 15 months since, Californians have cumulatively cut their consumption by about 23%, state officials said. They have saved almost 660 billion gallons of water over that period — enough to provide water for 10 million residents for a year.

Some water officials were more optimistic than others about the August conservation numbers. Rob Hunter, general manager of the Municipal Water District of Orange County, noted that this August was two degrees warmer than August 2013, the baseline against which water savings was measured. So an 18% statewide reduction is something "we should be congratulating people for, not castigating people for," he said. "That's an incredible achievement," Hunter said. "There was some concern there would be zero conservation, that everybody would start using more," he added. "That's not happening."

But water board staff members also said conservation efforts tend to start sliding around this time of year, as the temperatures cool and water use dips. As urban Californians use less water, there is less savings to be had, officials say.

When the water year ended last week, forecasters and water officials warned that it will be hard to predict whether this winter will bring the rain and snow the state so desperately needs. And if a sixth year of drought is on the horizon, regulators have warned that they could return to mandatory conservation.

"While last year's rain and snow brought a respite for urban California, we are still in drought, and we can't know what this winter will bring," Marcus said in a statement released later Wednesday. "What we do know is that climate change will continue to make our water years even more unpredictable, so we need to retain our conservation habits for the long term, rain or shine, drought or no drought."

## **August water savings fall below 20% WATER: Still battling drought The state's cumulative average is below the governor's original mandate of 25%**

By Suzanne Hurt, Staff Writer, October 6, 2016

Statewide water savings continued to slide in August, dropping below 20 percent shortly after the close of a fifth year of drought, state water officials reported Wednesday.

Californians used 17.7 percent less water in August than in August 2013, which fell below July's 20 percent savings, said State Water Resources Control Board scientist Jelena Hartman.

Since June 2015, when mandatory residential water conservation began, Californians have saved 2 million acrefeet of water, Hartman told the board at its Wednesday morning meeting in Sacramento.

That's 659.7 billion gallons, equal to a year's worth of water for 10.1 million people – about 26 percent of the state's residents, or roughly the population of San Bernardino, Orange, San Diego and Sacramento counties.

Water officials are reviewing conservation data provided by more than 400 local water suppliers to understand why some reported lower savings than others, said water resources board Chairwoman Felicia Marcus. "While last year's rain and snow brought a respite for urban California, we are still in drought and we can't know what this winter will bring," Marcus said in a statement.

"What we do know is that climate change will continue to make our water years even more unpredictable, so we need to retain our conservation habits for the long term, rain or shine, drought or no drought," she said.

The state's cumulative average savings for the 15month period was 23.3 percent.

The Inland region had some standouts on both ends of the water savings spectrum, according to figures released Wednesday.

The most savings, compared with their August 2013 water use, were reached in San Jacinto (29.5 percent), Lake Hemet Municipal Water District (28.1 percent), Perris (26.6 percent), Apple Valley Ranchos Water Company (24.9 percent) and San Bernardino (23.8 percent).

Four others saved more than 20 percent.

Among the region's 35 biggest water suppliers, the lowest amount of savings were found in Beaumont Cherry Valley Water District (0.5 percent), Colton (5.7 percent) and Western Municipal Water District of Riverside (9.7 percent).

Fifteen suppliers reported 10 percent to 13 percent savings, and eight saved 15 percent to 20 percent.

Until June 1, water suppliers had individualized, state mandated savings targets intended to help reach Gov. Jerry Brown's 25 percent statewide conservation mandate, with 2013 water use set as the baseline for savings.

After average to slightly above average snow and rain in Northern California last winter and spring, state officials ended emergency drought restrictions requiring the 25 percent savings.

Copyright (c)2016 The Press Enterprise, Edition 10/6/2016 Suppliers were directed to set their own savings goals, based on assessments of their expected three year water supplies if drought continues.

Most reported they expect no shortfalls and set conservation targets at zero, which are in effect through January. Water officials say they may return to state ordered savings goals in 2017.



Statewide, average per person daily consumption was 114.1 gallons, compared with 102.2 gallons per person in August 2015.

Two suppliers serving ritzy communities – Santa Fe Irrigation District in Rancho Santa Fe and San Juan Water District in suburban Sacramento's Granite Bay – reported daily water use higher than 500 gallons a day per person in August.

Marcus called out another tony enclave, Malibu, for less than 10 percent savings in August.

The board also heard an update on the governor's May executive order for permanent conservation measures, which will include water use efficiency standards for residential, commercial, industrial and institutional use.

A draft report is expected to be ready for public comment in early November, said board Climate and Conservation Manager Max Gomberg. The final report is due Jan. 10.

## Southland's major water agency is rebuilding depleted regional storage

By, Bettina Boxall, October 11, 2016

The Southland's biggest water agency painted a surprisingly upbeat picture Monday of the region's water supplies.

Although the Southland remains stuck in a severe drought, officials of the Metropolitan Water District of Southern California say they are rebuilding depleted storage reserves with imports from the north.

They also dismissed concerns about slipping conservation efforts since state regulators eased urban water savings requirements in June.

"I was very pleased that the numbers stayed as high as they did," said Jeffrey Kightlinger, the district's general manager.

The region is holding its use to about 16% to 17% below 2013 levels even though it has been a hot year and the precipitation that helped fill major reservoirs in Northern California last winter bypassed the southern end of the state.

"We've done a great job," Kightlinger said.

Citing improved conditions, the State Water Resources Control Board in June relaxed last year's requirement for a 25% cut in Californians' overall urban water use.

Since then, statewide savings have declined. In August, conservation dropped to 17.7%, compared with 27% during the same month last year.

Although Kightlinger said California was no longer in the drought emergency that prompted the first-ever, statewide mandatory cuts, he acknowledged the future is uncertain.

Eight of the last 10 years have been dry, and the outlook for this winter is murky. "We really don't know what it's going to be," he said.

Metropolitan board President Randy Record also emphasized the need for continued savings. "It's no time to stop conserving," he said at a news conference marking October's start to a new water year.

Roughly half of the Southland's water supplies come from Metropolitan's imports from the Colorado River and Northern California.

This year's jump in State Water Project deliveries is helping refill Diamond Valley Lake, where Metropolitan stores emergency and drought-relief supplies. The Riverside County reservoir should be more than 70% full by the end of the year, officials said.

"That's the first increase to regional reserves in four years," he noted.

But environmental groups complain that the district's supply projections for the next several years are overly optimistic.

"They're really playing a very dangerous game," contended Tracy Quinn, a water policy analyst for the Natural Resources Defense Council.

"We've seen some tremendous demand rebound over the last few months that I don't think Metropolitan and other water suppliers in Southern California are incorporating into this sunny picture," she added.

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

## CV WATER COUNTS HOSTS: "THANKS FOR CONSERVING (SO WHY ARE PRICES RISING?)"

As part of Desert Garden Community Day, Saturday, Oct. 15, CV Water Counts (<http://cvwatercounts.com/>) will present on this timely topic that will help attendees better understand:

- Why community conservation gains can increase rates
- What drives water agency costs
- How agencies generate revenue

The program begins at 9 a.m. at UCR Palm Desert, Room B213, 75080 Frank Sinatra Drive, Palm Desert. This is a free event. Desert Garden Day is presented by Desert Horticultural Society of the Coachella Valley and co-hosted with UCR Palm Desert.

"With conservation we have increased our capacity to be sustainable, but it comes with a price. Our goal is to help water customers throughout the valley understand this sometimes complex issue," notes Ashley Metzger, representative for CV Water Counts, and Desert Water Agency's Outreach & Conservation Manager.

## California drought: Water conservation flagging in the desert

Ian James, The Desert Sun, October 18, 2016

Water conservation efforts are flagging in parts of California as the state enters a sixth year of drought.

Much of the Coachella Valley saw a sharp drop in monthly water savings for a second consecutive month in September.

Customers of the Coachella Valley Water District reduced water use just 4.3 percent in September as compared to the same month in 2013, which state officials are using at a baseline year. A month earlier, the number was 15 percent. Back in July, people reduced water use 28.6 percent.

The Desert Water Agency's monthly performance has also been waning since customers reduced water use 33.3 percent in June. Last month, they cut back just 8 percent, down from 18.5 percent in August.

"This is a low month for us," said Ashley Metzger, DWA's outreach and conservation manager. She pointed out that the agency's water use has declined by a cumulative 25 percent since state officials began monthly tracking in June 2015 – a number still slightly ahead of the statewide cumulative average of 23 percent as of August.

"That being said, we are asking our customers to do more," Metzger said. "Everyone should be doing what they can. And the people who have already done a lot, we're really thankful to them."

The lackluster September performance could reflect drought fatigue and a combination of other factors. The drop-off in water-savings mirrors a trend that has emerged across California since the State Water Resources Control Board relaxed drought measures in May and lifted mandatory conservation targets for cities across the state after a wetter winter.

Statewide water conservation slipped to 17.7 percent in August, down from 20 percent in July. State water board officials have said they will closely monitor conservation each month and will consider whether it's necessary to return to state-mandated conservation measures next year.

As of this week, the U.S. Drought Monitor website shows that drought conditions still cover nearly 84 percent of the state. About 43 percent of California is still marked on the drought map in red and maroon – denoting the worst categories of "extreme" and "exceptional" drought.

September brought rain in the desert, which ought to have allowed people to shut off their sprinklers for a while. But that bit of wet weather didn't seem to bring much of a boost to the overall conservation numbers.

People who live in Indio reduced water use 10 percent in September as compared to the same month in 2013. The city's conservation percentage had already slipped from 26 percent in June to 21 percent in July and then 17 percent in August.

Scott Trujillo, Indio's water conservation programs coordinator, said he was a bit surprised to see the relatively low percentage.

"Although 10 percent is not where we wish we were, we definitely point to the fact that we still saved nearly 60 million gallons for that one month," Trujillo said.

The Indio Water Authority pumps water from wells to supply about 88,000 people. Like other agencies, Indio has been offering rebates for converting grass to desert landscaping. The city has restrictions in effect that permit outdoor watering only before 6 a.m. and after 6 p.m.

Two other water suppliers in the desert had better conservation numbers last month. Residents of Coachella went from 13 percent water savings in August to 18 percent in September. Mission Springs Water District's customers cut back 16 percent last month after a 2-percent reduction in August.

Metzger said DWA's self-imposed goal is for customers to achieve at least 10 percent conservation each month.

Katie Evans, conservation manager for the Coachella Valley Water District, said it's not clear what factors may have led to the smaller reduction in water use last month. She said the district is working toward long-term conservation goals and "it's important for us to focus on making these changes permanent."

Lush communities in the Coachella Valley have long had relatively high levels of per-capita water use. Figures compiled by the state water board show residential water use stood at a statewide average of 114 gallons per person per day in August. During the same month, the Coachella Valley Water District's customers used an average of 258 gallons a day, and the Desert Water Agency's customers used 216 gallons per day.

While the hot desert climate leads to more outdoor watering than in other parts of California, some desert communities are getting by with significantly less. In Desert Hot Springs, customers of Mission Springs Water District used an average of 147 gallons a day in August. In Brawley, per-capita residential water use that month stood at 156 gallons a day.

The Coachella Valley's water districts pump groundwater from wells and use water imported from the Colorado River to replenish the desert aquifer.

With strains on the river growing and the levels of Lake Mead falling, CVWD and other water districts are in talks on a proposed "drought contingency plan" in which California would join Arizona and Nevada in reducing water deliveries to help prevent a more severe shortage.

The valley's supplies of imported water have already shrunk during the drought due to cuts in water deliveries from the State Water Project. Because the canals and pipelines of the State Water Project don't reach the valley, the valley uses its allotments to trade for equivalent amounts of water from the Colorado River.

Felicia Marcus, chair of the state water board, said earlier this month that the slipping water conservation numbers raise questions.

"Are we seeing relaxation of conservation messaging and programs, or are we seeing abandonment of programs?" Marcus said in a statement. "Many communities who certified that they didn't 'need' to conserve are still conserving up a storm, while others have slipped more than seems prudent."

She and other state officials have said that while rain and snow last winter brought something of a respite, it's uncertain what this winter may bring and Californians need to make conservation "a way of life" – especially as climate change adds to the strains on the state's water supplies.



## Federal court weighs whether Agua Caliente tribe holds rights to groundwater

Ian James , The Desert Sun, *October 19, 2016*

Lawyers for the Coachella Valley's largest water districts and the Agua Caliente Band of Cahuilla Indians presented their arguments to a federal appeals court in a water rights case that could set a precedent for tribes across the country.

The case hinges on the question of whether the Agua Caliente tribe holds a federally granted "reserved right" to groundwater beneath its reservation in Palm Springs and surrounding areas.

Lawyers for the Coachella Valley Water District and the Desert Water Agency urged the three-judge panel of the Ninth Circuit Court of Appeals to overturn a 2015 decision in which a judge sided with the tribe. If the water districts lose their appeal, a court would eventually determine how much groundwater the tribe is entitled to, and Agua Caliente leaders would gain greater influence in decisions about how the desert aquifer is managed.

Attorney Roderick Walston laid out the water agencies' case during the hearing in Pasadena on Tuesday, citing a 1978 U.S. Supreme Court ruling relating to the water rights of the Gila National Forest in New Mexico. He said the court established important limitations in that case and decided that such water rights only exist "if it is necessary to satisfy the primary purpose of the reservation."

In their appeal, lawyers for the water districts pointed out the tribe does not pump groundwater but rather buys water from the agencies. They said the tribe wasn't using groundwater when the reservation was created, and they argued the tribe holds the same right to use groundwater under state law as all other landowners in California.

The judges raised skeptical questions during Walston's comments. Circuit Judge Richard Tallman told him: "The problem I'm having with your position is, this is very arid desert land that we're talking about, and it's worthless without water."

"And surface water is not available for more than perhaps a few weeks in the year, so the only water that everybody relies on is the underground water, the aquifer," Tallman said. "And so the question is, do they have a right inherent in the creation of the reservation to water from below the surface?"

After hearing more of Walston's argument, Tallman interrupted: "Forget about surface water because there's not enough of it to get them through a year or maybe a few weeks – at best in a rainy winter, which doesn't happen very often in that part of California."

Lawyers for the Agua Caliente and the federal government urged the court to uphold the lower court's ruling, arguing that California's water law can't trump the tribe's rights under federal law.

The debate circled around questions of what the federal government intended when it established the Agua Caliente reservation in 1876, and on conflicting interpretations of a landmark 1908 Supreme Court decision and subsequent rulings.

In the 1908 case, *Winters v. United States*, the court ruled Indian tribes are entitled to sufficient water supplies for their reservations. But the Supreme Court has never specified whether those so-called "Winters rights" apply to groundwater in addition to surface water.

After listening to Walston, District Judge Matthew Kennelly raised several questions.

"OK, why would one distinguish at that level between surface water and groundwater? I don't get it. It's all water," Kennelly said. "Some of it's above the ground, some of it's below the ground. It all has two hydrogen

molecules and one oxygen molecule. Why would, what's the principled reason for determining where the right is, to distinguish between what's on top of the ground and what's below the ground?"

Walston argued that the 1908 decision helped ensure surface water for reservations at a time when non-Indians were acquiring rights to divert water from rivers and streams across the West.

"But the priority rule that applies to surface water," Walston said, "does not apply to groundwater."

The appeals court will be the highest federal court to directly address the question of whether water rights reserved by the federal government apply to groundwater as well as surface water. In debating the issue, the lawyers touched on other decades-old water cases relating to national forests and endangered fish.

Circuit Judge Morgan Christen called the Agua Caliente lawsuit "a big deal case."

"This is the first time we would have talked really directly about groundwater," she said. "This is a very significant issue."

The Agua Caliente tribe sued the two water agencies in May 2013, seeking to assert rights to a portion of the area's groundwater. The tribe accuses the agencies of imperiling the desert aquifer by allowing its levels to decline over the years and by using saltier, less pure Colorado River water to offset the amounts drawn out.

The water agencies have defended their efforts to manage the supply of groundwater and have insisted that water from the Colorado River meets or exceeds all drinking water standards.

Agua Caliente Tribal Chairman Jeff Grubbe has said the case is about securing a "seat at the table" for the tribe to have a voice in water management decisions.

Groundwater levels have declined over the years in much of the Coachella Valley as water has been pumped from the aquifer for expanding subdivisions, golf courses, resorts and farms.

The water agencies have used imported water from the Colorado River to partially offset those declines, and the water table has risen around groundwater recharge ponds in Palm Springs and La Quinta. The biggest declines in the aquifer's levels – in some areas 90-100 feet or more since the 1950s – have occurred away from those ponds in the middle of the valley.

The two water agencies have questioned the tribe's reasons for suing and its financial motivations. The Agua Caliente tribe, which has more than 400 members, owns the Spa Resort Casino in Palm Springs and the Agua Caliente Casino Resort Spa in Rancho Mirage, and has plans for new housing subdivisions on tribal land.

The reservation spreads across more than 31,000 acres in a checkerboard pattern that includes parts of Palm Springs, Cathedral City, Rancho Mirage, and the Santa Rosa and San Jacinto mountains.

Other Native American leaders across the West are closely watching the case. A list of tribes have joined the case, backing the Agua Caliente in a "friend-of-the-court" brief in February. Eleven law professors at schools ranging from the University of Washington to the University of California, San Francisco, have also signed on to support the lawsuit.

U.S. Justice Department attorney Elizabeth Ann Peterson told the judges that state law "can't defeat a federal reserved water right."

"When the United States reserved this land for a tribe," Peterson said, "it reserved at the same time sufficient water for the long-term subsistence of this tribe on that land."

She cited a 1976 Supreme Court ruling relating to the threat groundwater pumping posed for the endangered Devils Hole pupfish in Nevada. In that case, *Cappaert v. United States*, the Supreme Court backed federal reserved water rights for what was then a national monument.

The case involved the Cappaert family, who owned a ranch where groundwater pumping was drawing down the water level in the nearby desert cavern where the fish live.

Summing up the decision, Peterson said the Supreme Court ruled “that the United States can protect its water from subsequent diversion, whether the diversion is of surface or groundwater.”

Peterson drew a parallel with the tribe’s case.

“If that water is going to provide a necessary resource for the long-term use of the tribe, protection of that resource is a critical interest of the tribe,” Peterson said. “And here it’s being subjected to diversions by others that may threaten the long-term value of that right, or availability of that water, to the tribe.”

Steven Abbott, an attorney for the water districts, defended the agencies’ efforts to address the problem of declines in groundwater levels.

“That’s why we’ve increased our supplies of imported water,” Abbott said. “We have a responsibility to manage this basin in the long term.”

He pointed out the Coachella Valley’s water management plan includes strategies for combating “overdraft” of the aquifer such as expanding the use of recycled water and Colorado River water for golf courses.

The court is expected to release a decision in several months. Then the case is to return to the district court for subsequent phases of the trial. The losing side in the appeal process, however, will be able to petition for a rehearing, either by the three-judge panel or by the full appeals court.

Desert Water Agency said in a statement that if the Agua Caliente tribe prevails, it “could gain court approval to control the region’s groundwater.”

Desert Water Agency General Manager Mark Krause said that would “threaten the reliability of our carefully managed groundwater resources and increase costs for Coachella Valley families and businesses.”

He said the case is about preserving the public’s right to an “affordable and reliable water supply.”

The water agency has warned that if the tribe wins, it could use the public drinking water supply for any purpose it chooses, such as opening a bottled water plant. Grubbe has denied those accusations, saying the lawsuit is aimed at safeguarding the water supply for all residents.

State supreme courts in Wyoming and Arizona have previously ruled on similar cases and have reached different conclusions, said Barton “Buzz” Thompson, Jr., a Stanford University law professor and water expert who isn’t involved in the Agua Caliente case.

“This is a very important case on an issue which is still, surprisingly in some ways, unresolved,” Thompson said. “This potentially could be a case that could go all the way to the U.S. Supreme Court.”

Thompson said he thinks the tribe has the stronger legal argument.

“There is a recognition today, that more and more states have built into their law, that there is really no difference between surface water and groundwater,” he said. “It is one hydrologic system.”

The Navajo Nation isn’t among the tribes formally supporting the Agua Caliente tribe in the case. But Stanley Pollack, head of the Navajo Department of Justice’s water rights unit, said he thinks the Agua Caliente tribe’s argument is well-founded.

“The fact that the states may treat surface water and groundwater differently should be of no significance when looking at what was reserved for the tribes,” Pollack said. “What was reserved for the tribes was the water necessary to create a permanent homeland. And if the water necessary for to create the permanent homeland is coming from groundwater, so be it.”

**DESERT WATER AGENCY  
OUTREACH & CONSERVATION  
ACTIVITIES**

**OCTOBER 2016**

**Activities:**

- 10/4-6/16 Vicki Petek attended the WaterSmart Innovations Conference & Expo.
- 10/06/16 Ashley Metzger was on a live conservation segment with KESQ on do-it-yourself turf removal.
- 10/07/16 DWA had a booth at the Mizell Senior Center Senior Expo.
- 10/13/16 Ashley Metzger was on a live conservation segment with KESQ regarding the Palm Springs High School public service announcement.
- 10/15/16 Ashley Metzger and Vicki Petek represented DWA along with CV Water Counts at the Desert Horticultural Society Community Garden Day at the UCR campus in Palm Desert; Ashley Metzger also gave a presentation at one of the event sessions.
- 10/19/16 Ashley Metzger attended a meeting at ACWA headquarters on water efficiency and conservation policies.
- 10/20/16 Ashley Metzger attended an Urban Advisory Group meeting in Sacramento on short- and long-term policies for conservation and water efficiency.
- 10/21/16 DWA hosted a tour group from CVEP; they toured the solar fields and reclamation plant.
- 10/21/16 Ashley Metzger was on a live conservation segment with KESQ to give a state update.
- 10/22/16 DWA provided the water trailer and water bottles at the Tram Road Challenge; Director Stuart, Ashley Metzger, Vicki Petek, Jamie Hoffman, Heather Marcks and Jake Hook supported the event. DWA also delivered the remaining bottles to Ruth Hardy Park for the Desert AIDS Walk.
- 10/26/16 Ashley Metzger participated in ACWA's webinar on Emergency Water Conservation Update & Outreach Actions.
- 10/26/16 Ashley Metzger met with City of Palm Springs Parks & Recreation staff regarding conservation efforts and alternative plan.
- 10/27/16 Ashley Metzger was on a live conservation segment with KESQ on the upcoming rate workshops.
- 10/27/16 DWA customers began receiving Proposition 218 notices.
- 10/31/16 DWA sent approval for alternative watering schedule to City of Palm Springs.

**Public Information Releases:**

October 18, 2016 - Local Water Agencies Defend Coachella Valley's Public Water Rights in Court

October 31, 2016 – Desert Water Agency Returns to Monday, Wednesday, Friday Watering Schedule

**Water Conservation Reviews**

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

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



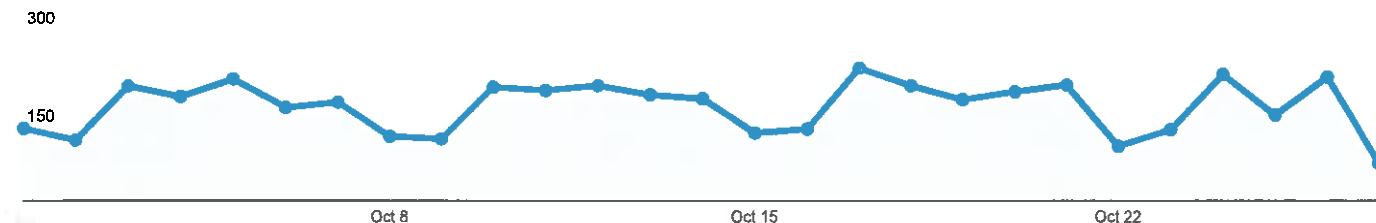
## Audience Overview

Oct 1, 2016 - Oct 27, 2016

All Users  
100.00% Sessions

### Overview

Sessions



Sessions

3,932

Users

3,192

Pageviews

9,224

Pages / Session

2.35

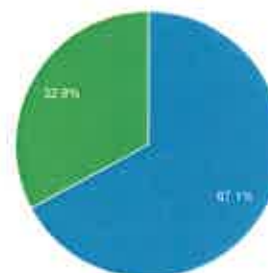
Avg. Session Duration

00:01:54

Bounce Rate

47.28%

New Visitor Returning Visitor



% New Sessions

67.07%

Language	Sessions	% Sessions
1. en-us	2,959	75.25%
2. (not set)	868	22.08%
3. en-gb	25	0.64%
4. en-ca	20	0.51%
5. de	13	0.33%
6. fr	8	0.20%
7. pl	5	0.13%
8. zh-cn	5	0.13%
9. en	4	0.10%
10. en-au	4	0.10%



## Desert Water Agency Facebook Analytics October 2016

### Actions on Page

October 21 - October 27



### Page Views

October 21 - October 27

14

Total Page Views ▼ 18%



### Page Likes

October 21 - October 27

2

Page Likes ▲ 0%



### Reach

October 21 - October 27

936

People Reached ▼ 68%



### Post Engagements

October 21 - October 27

108

Post Engagement ▲ 39%



### Videos

October 21 - October 27

4

Total Video Views ▲ 100%



### Recent Promotions on Desert Water Agency

[+ Create New Promotion](#)



#### Boosted Post

Completed

PSHS student-athletes teach us a few lessons

Promoted by Ashley Hudgens Metzger on 10/05..

2,542

People Reached

122

Post Engagements

\$27.99

Spent of \$28.00

[Boost Again](#)

Published	Post	Type	Targeting	Reach	Engagement	Promote
10/27/2016 9:30 am	Get your free DWA activity book a while you're there. Teach kids			25	0 1	<a href="#">Boost Post</a>
10/26/2016 10:00 am	DWA is lucky to have a great team of professionals who care ab			47	4 2	<a href="#">Boost Post</a>
10/24/2016 7:00 am	Soaking up the rain! Can't wait t o see all of the desert rainy day			305	1 3	<a href="#">Boost Post</a>
10/24/2016 8:00 am	If your yard saw rain this mornin g, skip sprinklers!			271	1 1	<a href="#">Boost Post</a>
10/23/2016 10:00 am	We were proud to be part of this event again this year. We also g			304	36 5	<a href="#">Boost Post</a>
10/21/2016 2:00 am	We'll be at the top of Tram Way tomorrow with LOTS of water bo			226	27 16	<a href="#">Boost Post</a>
10/17/2016 4:24 pm	DWA customers saved 8% in S eptember. Our goal is 10-13% s			233	5 1	<a href="#">Boost Post</a>
10/17/2016 1:07 pm	Cooking your pasta IN the sauc e can be quite tasty, and helps			23	3 1	<a href="#">Boost Post</a>
10/17/2016 12:04 pm	Put a nozzle on your hose - that way water flows only when you			21	2 1	<a href="#">Boost Post</a>
10/14/2016 4:00 am	Join us tomorrow for this presen tation - and to enjoy Desert Gar			11	0 0	<a href="#">Boost Post</a>
10/11/2016 10:00 am	Information about memorial servi ces for Officer Vega and Officer			131	19 0	<a href="#">Boost Post</a>
10/11/2016 11:00 am	Desert Water Agency likes Eye on the Desert, Kiner Communic			0	0 0	<a href="#">Boost Post</a>
10/10/2016 2:00 am	Here is a link to donate to the fa milies of Officer Gil Vega and Of			69	10 0	<a href="#">Boost Post</a>
10/10/2016 1:00 am	We'll be there on Saturday, will you?			16	2 0	<a href="#">Boost Post</a>

10/06/2016 10:00 am		After today's tragedy, our thoughts and heartfelt condolences ar			36		10		0	
10/07/2016 10:00 am		Join us at Mizell's Senior Expo today! We're busy giving away b			20		20		0	
10/07/2016 7:40 am		Desert Water Agency likes Mizell Senior Center, Leadership Co			0		0		0	
10/06/2016 3:10 pm		PSHS student-athletes teach us a few lessons about saving wa			3.9K		89		41	 <b>View Results</b> <i>Boosted \$27.99</i>
10/06/2016 10:00 am		Skip oweeding to #keepsaving - and pick up a FREE yard sign fr			37		30		0	
10/05/2016 2:40 pm		It is always good to keep an eye out for your neighbor so that w			12		0		0	
10/05/2016 11:25 am		Communities are learning to be more water savvy, and that's go			24		10		0	

Total Page Likes as of Today: 868





Desert Water Agency  
Twitter Analytics  
October 2016

Oct 2016 - 26 days on air

#### Tweet highlights

#### Top Tweet earned 545 impressions

Local students are eligible to enter this video contest! Win money and share the news that we all need to [#keepsaving!](#) [twitter.com/CLWAwater/stat](#)

13 1

[View Tweet activity](#)

[View all Tweet activity](#)

#### Top Follower followed by 109K people



**Alexander Verbeek**

[@alex\\_verbeek](#) [FOLLOWS YOU](#)

Institute for Planetary Security | Diplomat | Associate  
SEI & SIWI | Yale World Fellow | Public Speaker |  
Photographer | Energy-Water-Food | Innovation|  
Climate

[View profile](#)

[View followers dashboard](#)

#### Enrich your Tweets with Twitter Cards

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

[Learn more about Using Cards on Twitter](#)



#### Top mention earned 15 engagements



**Annie Andersen**

[@Annie\\_Andersen](#) [10/17](#)

Really, watering your driveway during a massive drought . Grrr!!! [@DWAwater](#) (on N. Cahulla) pic [twitter.com/xTYFnS72v](#)



1 1

[View Tweet](#)

#### Top media Tweet earned 535 impressions

DWA customers saved 8% in September  
Our goal for long-term is 10-13% If you still have work to do to [#keepsaving](#), now's the time! pic [twitter.com/bS4kqvHqGq](#)



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