

**DESERT WATER AGENCY
DECEMBER 6, 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 – November 1, 2016** **CIOFFI**
- 3. GENERAL MANAGER'S REPORT** **KRAUSE**
- 4. COMMITTEE REPORTS –**
 A. Conservation & Public Affairs – November 10, 2016 **CIOFFI**
 B. Executive – November 23, 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. SECRETARY-TREASURERS REPORT (OCTOBER 2016)** **BLOOMER**
- 7. ITEMS FOR ACTION**
 A. Water Use Violation – Civil Penalty Hearing (s) **METZGER**
 B. Request Board Action – Claim Filed by Russell Lane **KRAUSE**
 C. Request Approval of Contract Extension with Reeb Government Relations, LLC **KRAUSE**
 D. **Request Board Approval of Desert Water Agency Position Classification Schedule Change **KRAUSE**
 (Item to be considered after discussion on Item 11-A)
 E. Action on Closed Session Item 11-A **KRAUSE**
- 8. ITEMS FOR DISCUSSION**
 A. State Water Contractors' Meeting – November 17, 2016 **RIDDELL**
 B. October Water Production Comparison **KRAUSE**
 C. Nomination for ACWA Region 9 Board of Directors vacancy **KRAUSE**
 D. Directors' Report on NWRA Conference Attendance **DIRECTORS**
- 9. OUTREACH & CONSERVATION** **METZGER**
 A. Media Information
 B. Activities
- 10. DIRECTORS COMMENTS AND REQUESTS**
- 11. CLOSED SESSION**
 **A. CONFERENCE WITH LABOR NEGOTIATORS
 Pursuant to Government Code Section 54957.6
 Agency Designated Representatives: General Manager Krause, Assistant General Manager Johnson,
 Finance Director Krieger, Human Resources Manager Gaudinez
 Employee Organization: DWA Employees' Association

 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. Coachella Valley Water District, et al

- C. 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
- D. 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
- E. 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
- F. 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
- G. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (STEVE'S ITEM)
Pursuant to Government Code Section 54956.8
Property: 0.504 acre west of Indian Canyon Drive between Racquet Club Rd. and Via Olivera
APN No. 504-260-026 and portions of APN No. 504-260-025 and 504-260-027
Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Asst. General Manager
Negotiating Parties: Ayres Advisors
Under Negotiation: Price and terms

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

****Item 11-A will be heard prior to 7-D.**

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

November 1, 2016

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygur, Director)	

Absent:	Craig A. Ewing, Director)
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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.)

Consultant:	Michael T. Riddell, Best Best & Krieger)
	Bob Reeb, Reeb Government Relations, LLC)

Public:	David Freedman, P.S. Sustainability Comm.)
	Ron & Vera MacKay, Sunrise Villas HOA)

17635. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Secretary-Treasurer Bloomer in the Pledge of Allegiance. **Pledge of Allegiance**

17636. President Cioffi called for approval of the October 18, 2016 Regular Board meeting minutes. **Approval of 10/18/16 Regular Board Mtg. Minutes**

Director Oygur moved for approval. After a second by Vice President Stuart, the minutes were approved as written (Secretary-Treasurer Bloomer abstained due to her absence, Director Ewing absent).

17637. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause reminded everyone of the following: 1) November 15 Board meeting has been cancelled; the next regular meeting will be on December 6; and 2) DWA offices will be closed on Thursday, November 24 and Friday November 25 for the Thanksgiving holiday. **November 15 Board Meeting Cancelled
DWA Offices Closed – Thanksgiving Holiday**

Mr. Krause stated with the Board's approval and in keeping with an annual tradition, \$35 Christmas gift cards will be purchased for employees.

General Manager's Report (Cont.)
Employee Christmas Gift Cards

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

General Manager's Meetings & Activities

17638. President Cioffi noted the minutes for the October 26, 2016 Executive Committee were provided in the Board's packet.

Committee Reports
Executive 10/26/16

17639. President Cioffi opened the meeting for public input.

Public Input

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

17640. President Cioffi called upon General Manager Krause to present staff's request for Adoption of Resolution No. 1142, Granting Retirement Status to Robert Pettersen.

Items for Action:
Adoption of Resolution No. 1142/Pettersen Retirement

Mr. Krause announced that Mr. Pettersen is retiring from the Agency after 25 years of dedicated service.

President Cioffi thanked Mr. Pettersen for his hard work over the years, he then read aloud Resolution No. 1142 highlighting Mr. Pettersen's years of service to Desert Water Agency.

Director Oygar moved for adoption of Resolution No. 1142. Vice President Stuart seconded the motion, which passed unanimously (Director Ewing absent).

RESOLUTION NO. 1142
A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DESERT WATER AGENCY GRANTING
RETIREMENT STATUS TO ROBERT E. PETTERSEN

Resolution No. 1142
Adopted

17641. President Cioffi asked General Manager Krause to present the civil penalty hearings for water use violations.

Water Use Violations – Civil Penalty Hearings

Mr. Krause noted there have been more than 380 violations issued. Staff has received two hearing requests for today.

Mr. Krause announced the first appellant is Ken Jones. He then presented the information and noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine is \$50 and the reason for appeal is the landscaper did not know the restrictions; Customer will personally confirm compliance.

Ken Jones

Director Oygur stated since this is his first violation; she would support upholding the violation and waive the penalty.

Action Items:

(Cont.)

Water Use Violations

Vice President Stuart concurred with Director Oygur.

Vice President Stuart made a motion to uphold the appeal; violation occurred and waive the penalty. After a second by Director Oygur, the motion carried unanimously (Director Ewing absent).

Uphold
Appeal/Violation
Occurred/Waive
Penalty

Mr. Krause stated the second appellant is Seventh Day Adventist Church. He noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$100 and reason for appeal is power outages, surges and vandalism by homeless.

Seventh Day Adventist
Church

Patrick Sylvester, representing D. Joyce Engel stated the property has continuing problems with the homeless in the area.

Vice President Stuart noted an issue with the runoff and that he is aware of the homeless issue.

Director Oygur made a motion to uphold the appeal; violation occurred and waive the penalty. After a second by Vice President Stuart, the motion carried unanimously (Director Ewing absent).

Uphold
Appeal/Violation
Occurred/Waive
Penalty

17642. President Cioffi asked Conservation & Outreach Manager Metzger to present staff's request for authorization to sign a Memorandum of Understanding for Integrated Regional Water Management (IRWM) Planning and Funding in the Colorado River Basin Funding Area.

MOU/IRWMP &
Funding in Colorado
River Basin Funding
Area Proposition 1

Mrs. Metzger stated that the Department of Water Resources (DWR) is requiring the initial round of IRWM Proposition 1 funds be distributed based on a single application from each funding area. This means that the round is noncompetitive; as such, to receive any funding the Coachella Valley Regional Water Management Group (CVRWMG) must coordinate with the other IRWM groups in our funding area. The initial distribution of Prop. 1 funding is focused on outreach and planning in disadvantaged communities (DAC). DWA does not have DAC projects that qualify for this round, therefore, does not have any financial responsibility for costs related to funds received. The MOU does not bind CVRWMG or DWA to any future funding split agreements for the remainder of Prop. 1. Staff requests authorization for the General Manager to sign a MOU as a member of the CVRWMG 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 Prop. 1.

Director Oygar made a motion to approve staff's request. After a second by Secretary-Treasurer Bloomer, the motion carried unanimously (Director Ewing absent).

Action Items:
(Cont.)
MOU/IRWMP &
Funding in Colorado
River Basin Funding
Area Proposition 1

17643. President Cioffi asked Conservation & Outreach Manager Metzger to present staff's request for approval of contract amendments with RMC Water and Environment (RMC) for CVRMWG (Prop. 1 DAC Involvement Round and Planning Grant for IRWMP Update).

Contract
Amendments/RMC

Mrs. Metzger stated two contract amendments with RMC are being presented today. The first is for coordinating monthly CVRWMG meetings, Planning Partners meetings, project solicitation and project selection for the DAC Involvement Round Funding. The proposal amount for ongoing coordination through June 2017 is \$118,660; DWA is responsible for paying one sixth, \$19,776.67. The second amendment is for RMC to develop an application for a DWR planning grant to update the CVIRWMP. The proposal amount is \$38,568; DWA is responsible for paying one sixth, \$6,428.

Concluding her report, Mrs. Metzger noted that both contract amendment amounts are included in the budget. Staff requests approval of the above mentioned contract amendments with RMC.

Director Oygar moved for approval of staff's request. Vice President Stuart seconded the motion, which carried unanimously (Director Ewing absent).

17644. President Cioffi asked Agency Counsel Riddell to provide a report on the October 20, 2016 Board of Directors of the State Water Contractors, Inc. meeting.

Items for Discussion:
10/20/16 SWC Meeting

Mr. Riddell provided a report on the following items: 1) Board Action Items, 2) DWR Management Report, 3) State Water Project Operations Report, 4) Legislative Report, 5) General Manager's Report, 6) SWC Committee Structure; and 7) Report on Infrastructure Objectives.

17645. President Cioffi asked Mr. Reeb, Legislative Lobbyist to present his 2016 Annual Legislative Report.

2016 Legislative Report
– Reeb Government
Relations, LLC

Mr. Reeb discussed the following items: (1) The upcoming election; (2) State budget; (3) Cap and Trade program spending plan; (4) Drought response; (5) Water transfer legislation; (6) California WaterFix; and (7) DWA's advocacy efforts.

President Cioffi thanked Mr. Reeb for all his hard work and effort this past year. He noted that he along with Mr. Reeb and Mr. Krause will be meeting with Assemblyman Garcia later today.

17646. President Cioffi noted that Board packets included Outreach & Conservation reports for October 2016.

Discussion Items:
(Cont.)

Mrs. Metzger stated that last Friday she was interviewed by KESQ news.

Outreach & Conservation – October 2016

17647. Vice President Stuart noted his attendance at the Tram Road Challenge where he volunteered distributing water bottles.

Directors
Comments/Requests
Vice President
Stuart/Tram Road
Challenge Volunteer

17648. At 9:22 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

17649. At 10:19 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

Reconvene – No Reportable Action

17650. In the absence of any further business, President Cioffi adjourned the meeting at 10:20 a.m.

Adjournment

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT DECEMBER 6, 2016

Reclamation plant fence/copper wire theft-

On the morning of Monday October 31, 2016, DWA Operations employees discovered that two storage containers and the outer perimeter of the Reclamation Plant had been vandalized, broken into, and burglarized. It's believed that the crime happened sometime between 3:30 p.m. on Sunday the 30th, and that morning before 09:00 a.m. Over \$3000.00 of copper wire, metal clad cabling, and aluminum wire had been stolen from one of the storage containers. Further investigation revealed that a vehicle was used to remove the material from the premises. Palm Springs Police Department was contacted and a report was made by Officer Newbry. Due to the lack of evidence, video surveillance, or still photos, the Police Department has closed the case until new evidence can be presented to assist in solving it.

11/22/16 Riviera Hotel-

On November 22, 2016 at approximately 2:30 a.m. Brandon Pelton, DWA Stand-by foreman, received a call asking to assist the fire department with turning the water off near the Riviera Hotel due to a traffic accident. A vehicle hit and destroyed the hotel's 8" fire service device and two potable service backflows. Brandon was able to turn the water off at the water main to the fire service and the manifold feeding the potable water system.

Brandon spoke with the engineer for the Riviera Hotel to see if they wanted DWA to make any repairs. At that time, the engineer declined, would speak to his General Manager and he would call the Agency in the morning.

At approximately 8 a.m. Frank Robinson and Jake Hook, DWA Construction Superintendent and Construction Foreman, arrived at the site to offer assistance. Frank met with the hotel's GM and engineer. They advised Frank that a plumber (Tommy Rooter) was called to make repairs to the potable water system. Frank told them that the Agency would repair the fire service piping from the water main to the property line, to include a new fire service device.

A fire department representative and a City inspector were on site and notified the hotel and DWA personnel that the area was not safe for repair crews due to the significant undermining of the existing sidewalk and prevented crews from making any repairs until the undermined sidewalk was stabilized. The fire department also requested that existing trees be removed to help shore up the area. A hotel representative contacted a contractor to secure the sidewalk and remove the trees so that repairs could be made. Frank notified the hotel that the Agency would be back first thing the next morning to install the new 8 inch fire service piping and device. (continued)

On November 23, 2016 at 7:00 a.m. Brandon Pelton, DWA Construction Foreman, and his crew arrived on site and began installing the new 8 inch fire service piping and device. Brandon also repaired the two backflow riser piping and angle stops that were damaged. The hotel's plumber, Tommy Rooter, was on site making repairs to the customer side of the potable water system manifold and was able to complete his work and turn the water back on to the hotel later that day. DWA completed the fire service piping and device installation around 1:00 p.m., leaving the fire service water off until the hotel completed the on-site private piping repairs.

On November 25, 2016 at approximately 9:30 a.m. the Riviera Hotel engineer called the Agency requesting that the fire service water be turned on.

All the water is back on at the hotel; however, some sidewalk replacement work still needs to be completed.



11/27/16 Sanborn Way south of Racquet Club Dr.

On November 27, 2016 at approximately 11:30 a.m., William Martin responded to a hit 2" air release/vacuum valve at Sanborn Way south of Racquet Club Dr. William was able to shut off the valve and on November 28, 2016 Manuel Lopez repaired the valve, replacing a cracked union and the smashed cover. A police report was filed. The water loss from the cracked union was minimal; a small spray for about 2 hours.



State Water Project Allocation-

The initial 2017 allocation was set at 20%. DWR used the 30% delivery schedules submitted earlier by the SWP contractors to arrive at the 20% schedule.

DWA's offices will be closed Friday, December 23 and Monday, December 26 for the Christmas holiday.



REMINDER: Prop 218 Hearing will be held on Thursday, December 15, 6:00 p.m. Cielo Vista Charter School Cafeteria, 650 S. Paseo Dorotea, Palm Springs.

General Manager's Meetings and Activities

Meetings:

11/1/2016	Meet with Edwardo Garcia	Indio
11/1/2016	DWA Board	DWA
11/3/2016	Prop 218 Workshop	Mizell Senior Ctr.
11/7/2016	General Manager's Quarterly Mtg DWA/MSWD/CVWD	DWA
11/10/2016	MSWD Lawsuit Meeting	DWA
11/17/2016	SWP Monthly Board	Sacramento
11/17/2016	State & Federal Contractor's Water Agency Committee	Sacramento
11/18/2016	SITES Reservoir Agreement Phase 1	Maxwell
11/19/2016	Prop 218 Workshop	CC Senior Ctr.
11/21/2016	Engineering Operations Meeting	DWA
11/21/2016	DWA/MWD/CVWD Imported Water Supply Coordination Conference Call	DWA
11/22/2016	Desert Sun Editorial Board Review	Desert Sun Bldg.
11/23/2016	Executive Committee	DWA
11/28/2016	DWAEA Meet and Confer Departmental Reorganization	DWA
11/28/2016	Prop 218 Workshop	DWA
11/29/2016	ACWA Fall Conference	Anaheim
11/30/2016	ACWA Fall Conference	Anaheim
11/30/2016	Meeting with MWD Jeff Kightlinger & Roger Patterson	Anaheim
11/30/2016	Meeting with Jim Watson (Sites Reservoir)	Anaheim
12/1/2016	ACWA Fall Conference	Anaheim

Activities:

- Recalculate State Stress Test
- Prepare to meet with Desert Sun Editorial Review Board.
- 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
- Prepare for 218 Workshops
- 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
- Indio GSA and MCSB Bridge Documents and MOU's
- Phase 1 site study
- Chain of title investigation

- Racquet Club Area Property Appraisal
- GSA Formation In the SGPSB
- 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
Conservation & Public Affairs Committee Meeting

November 10, 2016

Directors Present: Jim Cioffi, Craig Ewing

Staff Present: Mark Krause, Ashley Metzger

1. Discussion Items

A. Turf Buy Back Request

The Committee reviewed requests from two customers regarding eligibility for grant funding. Staff will follow up with the customers on the status of their application.

B. October Conservation

Staff updated the Committee on October's conservation figure and timing for sending to the state.

C. Website Draft Preview

Staff showed the Committee a preview of the new website. Director Ewing requested a modification to the menu font size.

D. Update on Rate Outreach

Staff updated the Committee on the efforts to date and the timeline for upcoming elements.

2. Other

A. City of Palm Springs Tree Program

The Committee reviewed a draft bill insert for the City of Palm Springs tree program and the Agency's partnership to promote it.

B. E-billing

The Committee discussed E-billing and the fee for processing payments made by card.

3. Adjourn

Minutes
Executive Committee Meeting
November 23, 2016

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Steve Johnson

1. Discussion Items

A. Review Agenda for December 6, 2016 Regular Board Meeting

The proposed agenda for the December 6, 2016 regular board meeting was reviewed.

B. Expense Reports

The October expense reports were reviewed.

C. 2017 Board Travel/Conference Calendar

The 2017 Board travel/conference calendar was reviewed and approved.

2. Other - None

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

OCTOBER 2016

INVESTED
RESERVE FUNDS
\$13,904,520.60

BALANCE	OCTOBER 1, 2016	(\$138,123.69)	
WATER SALES		\$2,265,209.62	
RECLAMATION SALES		164,184.04	
WASTEWATER RECEIPTS		81,799.10	
POWER SALES		1,505.52	
METERS, SERVICES, ETC.		86,410.00	
REIMBURSEMENT – GENERAL FUND		84,540.66	
REIMBURSEMENT – WASTEWATER FUND		3,283.92	
ACCOUNTS RECEIVABLE – OTHER		9,453.53	
CUSTOMER DEPOSITS – SURETY		5,740.00	
CUSTOMER DEPOSITS – CONST.		54,630.00	
LEASE REVENUE		3,368.43	
INTEREST RECEIVED ON INV. FDS.		26,367.49	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		<u>343,013.50</u>	
TOTAL RECEIPTS		\$3,129,505.81	
PAYMENTS			
PAYROLL CHECKS		\$324,353.90	
PAYROLL TAXES		151,500.54	
ELECTRONIC TRANSFERS		118,811.49	
CHECKS UNDER \$10,000.00		287,371.68	
CHECKS OVER \$10,000.00 – SCH. #1		1,942,780.60	
CANCELLED CHECKS AND FEES		<u>17,833.84</u>	
TOTAL PAYMENTS		<u>\$2,842,652.05</u>	
NET INCOME		\$286,853.76	
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES		\$0.00	
EXCESS RETURNED BY B/A		<u>\$0.00</u>	
BOND SERVICE FUND			\$0.00
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,883,000.00	
FUNDS INVESTED – SCH. #3		<u>2,114,867.49</u>	
NET TRANSFER		(\$231,867.49)	\$231,867.49
BALANCE	OCTOBER 31, 2016	(\$83,137.42)	\$14,136,388.09

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
112823	CANON SOLUTIONS AMERICA, INC	PLOTTER SCANNER - ENGINEERING DEPARTMENT (W/O # 16-196-M)	\$10,618.16
112857	NBS GOVERNMENT FINANCE CORP	CONSULTING SERVICES	\$13,120.00
112912	SOUTHERN CALIFORNIA EDISON CO	POWER	\$272,852.70
112916	DESERT WATER AGENCY - GENERAL	1ST QUARTER 2016/2017 GROUNDWATER REPLENISHMENT ASSESSMENT	\$1,010,013.80
112932	ACWA/JOINT POWERS INS AUTHOR	AUTO & GENERAL LIABILITY PREMIUMS - FISCAL YEAR 2016/2017	\$150,389.00
112933	PSA PRINT GROUP	POSTAGE FOR PROP 218 MAILER	\$16,578.06
112936	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING - SEPTEMBER 2016	\$84,630.04
112961	DESERT WATER AGENCY - WASTEWATER	RIVERSIDE CO REIMBURSEMENT PAYMENT (W/O # 14-001)	\$56,437.63
112963	ACWA-JPIA	HEALTH,DENTAL & VISION INSURANCE PREMIUMS - NOVEMBER 2016	\$148,503.74
112981	BEST BEST & KRIEGER LLP	LEGAL FEES	\$55,342.13
113001	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$31,882.28
113022	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$14,497.87
113027	KRIEGER & STEWART INC	ENGINEERING	\$35,055.19
113061	Z&L PAVING, INC	PAVING	\$42,860.00

== TOTAL

\$1,942,780.60

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
OCTOBER 31, 2016**

PURCH DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
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Local Agency Investment Fund

06-30-83	State of California	LAIF	Open	\$ 10,381,688.09	\$ 10,381,688.09	\$ 10,381,688.09	0.660%	-
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Certificates of Deposit

09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 251,127.50	1.050%	Bullet
01-15-16	Union Bank	Union Bank CD	01-13-17	\$ 500,000.00	\$ 500,000.00	\$ 500,215.00	0.830%	Bullet

Total Certificates of Deposit	\$ 750,000.00	\$ 750,000.00	\$ 751,342.50
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Commercial Paper

04-30-12	Union Bank	General Electric	04-27-17	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,006,500.00	2.300%	Bullet
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Total Commerical Paper	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,006,500.00
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Government Agency

09-20-16	Union Bank	FNMA (Callable 3-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,600.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-17)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,160.00	1.000%	Quarterly

Total Government Agency	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,994,760.00
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Weighted Mean YTM 0.858%

TOTAL INVESTED @ 10/31/16	\$ 14,136,388.09	\$ 14,131,688.09	\$ 14,134,290.59
BALANCE @ 06/30/16	\$ 12,488,311.86		
INCREASE (DECREASE)	\$1,648,076.23		

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

OCTOBER 2016

INVESTED
RESERVE FUNDS
\$102,925,929.03

BALANCE	OCTOBER 1, 2016	(\$95,003.70)	
* TAXES - RIVERSIDE COUNTY		0.00	
* INTEREST EARNED - INV. FUNDS		124,194.84	
GROUNDWATER REPLEN. ASSESSMENT		1,350,110.05	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		411,787.00	
REIMB - CVWD - WHITEWATER HYDRO		7,808.65	
POWER SALES - WHITEWATER		32,804.21	
MISCELLANEOUS		0.00	
TOTAL RECEIPTS		\$1,926,704.75	
PAYMENTS			
CHECKS UNDER \$10,000.00		10,406.53	
CHECKS OVER \$10,000.00 - SCH. #1		884,555.53	
CANCELLED CHECKS AND FEES		239,103.04	
TOTAL PAYMENTS		<u>\$1,134,065.10</u>	
NET INCOME		\$792,639.65	
INVESTED RESERVE FUNDS			
FUNDS MATURED		6,079,000.00	
FUNDS INVESTED - SCH. #2		<u>6,769,461.44</u>	
NET TRANSFER		(\$690,461.44)	\$690,461.44
BALANCE	OCTOBER 31, 2016	\$7,174.51	\$103,616,390.47
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$1,422,769.13	\$331,024.30
RECEIPTS IN CALENDAR YEAR		\$18,169,446.55	\$809,933.88

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8812	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - JULY 2016	\$124,803.00
8814	SP KINNEY ENGINEERS, INC	EQUIPMENT FOR WHITEWATER HYDRO	\$12,250.00
8815	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR SEPTEMBER 2016	\$73,540.66
8817	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - AUGUST 2016	\$20,249.87
8818	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - OCTOBER 2016	\$653,712.00

*** TOTAL

\$884,555.53

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
OCTOBER 31, 2016**

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
Local Agency Investment Fund								
06-30-83	State of California	LAIF	Open	\$ 47,610,170.47	\$ 47,610,170.47	\$ 47,610,170.47	0.660%	-
Certificates of Deposit								
01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,690.00	1.100%	Bullet
12-04-14	Ladenburg Thalmann	AEX Centurion Bank CD	12-05-16	\$ 245,000.00	\$ 245,000.00	\$ 245,127.40	1.050%	Bullet
09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 251,127.50	1.050%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$ 245,000.00	\$ 245,000.00	\$ 246,781.15	1.350%	Bullet
10-29-15	Ladenburg Thalmann	Ally Bank CD	10-30-17	\$ 245,000.00	\$ 245,000.00	\$ 246,063.30	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Capital One NA CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 246,073.10	1.100%	Bullet
11-04-15	Ladenburg Thalmann	Discover CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,975.10	1.150%	Bullet
01-15-16	Union Bank	Union Bank CD	01-13-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,430.00	0.830%	Bullet
Total Certificates of Deposit				\$ 3,475,000.00	\$ 3,475,000.00	\$ 3,485,267.55		
Commercial Paper								
12-16-13	Stifel	General Electric	05-15-18	\$ 587,600.00	\$ 500,000.00	\$ 531,730.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 998,680.00	1.000%	Bullet
02-01-16	Union Bank	US Bank Note (Callable 12-29-17)	01-29-18	\$ 1,000,950.00	\$ 1,000,000.00	\$ 1,003,090.00	1.450%	1 Time
Total Commercial Paper				\$ 2,586,470.00	\$ 2,500,000.00	\$ 2,533,500.00		
Government Agency								
09-19-12	Stifel (D.A.D)	FNMA	09-19-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,820.00	0.950%	1 Time
12-28-12	Stifel (D.A.D)	FHLB (Callable Continuous)	12-28-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,590.00	0.840%	Continuous
03-12-13	Stifel (D.A.D)	FFCB (Callable Continuous)	03-12-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	1.030%	Continuous
03-27-13	Ladenburg Thalmann	FNMA (Callable 12-27-16)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,400.00	1.050%	Qtrly
06-13-13	Ladenburg Thalmann	FHLB (Callable 12-13-16)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,260.00	1.100%	Qtrly
06-23-15	Ladenburg Thalmann	FHLMC	06-23-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,460.00	0.900%	1 Time
10-02-15	Stifel	FHLB (Callable 10-2-17)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,060.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,020.00	1.120%	Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 11-23-16)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 998,790.00	1.000%	Qtrly
11-25-15	Stifel	FNMA (Callable 11-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,230.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 11-26-16)	02-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,080.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 12-23-16)	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,260.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 12-30-16)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,820.00	1.350%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 12-30-16)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,980.00	1.250%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$ 999,500.00	\$ 1,000,000.00	\$ 993,900.00	1.550%	Continuous
05-23-16	Stifel	FHLMC STEP (Callable 11-23-16)	05-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,960.00	0.800%	Qtrly

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
OCTOBER 31, 2016**

PURCHASE DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY	CALLABLE STATUS
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Government Agency

05-23-16	Ladenburg Thalmann	FHLMC (Callable 11-23-16)	11-16-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,050.00	1.200%	Qtrly
05-23-16	Stifel	FNMA (Callable 11-23-16)	08-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,430.00	1.250%	Qtrly
05-25-16	Stifel	FNMA STEP (Callable 11-25-16)	05-25-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,180.00	1.000%	Qtrly
05-26-16	Union Bank	FNMA (Callable 5-26-17)	11-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,230.00	1.300%	1 Time
05-31-16	Ladenburg Thalmann	FHLMC (Callable 11-29-16)	08-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,060.00	1.020%	Qtrly
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,820.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 12-13-16)	06-13-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,370.00	1.400%	Qtrly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,280.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 12-21-16)	06-21-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,340.00	1.400%	Qtrly
06-28-16	Stifel	FHLMC STEP (Callable 12-28-16)	06-28-19	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,498,605.00	0.750%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 12-28-16)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,420.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 12-30-16)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,060.00	1.000%	Qtrly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,740.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable 1-11-17)	10-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,910.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,130.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,640.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 1-26-17)	07-26-19	\$ 999,500.00	\$ 1,000,000.00	\$ 994,360.00	1.125%	Qtrly
07-27-16	Stifel	FNMA STEP (Callable 1-27-17)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,050.00	1.250%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 11-10-16)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,620.00	1.450%	Qtrly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 2-24-17)	08-24-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,550.00	1.000%	Qtrly
08-24-16	RBC Capital Markets	FHLMC STEP (Callable 2-24-17)	08-24-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,200.00	0.750%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 11-30-16)	08-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,290.00	1.000%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 02-27-17)	11-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,990.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable 12-6-16)	03-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,580.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,600.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 12-27-16)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,330.00	1.000%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-17)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 948,109.50	1.250%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-17)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,010.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 1-6-17)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,840.00	1.375%	Qtrly
10-11-16	Ladenburg Thalmann	FHLMC (Callable 4-11-17)	10-11-18	\$ 999,750.00	\$ 1,000,000.00	\$ 998,790.00	1.000%	Qtrly
10-17-16	Stifel	FNMA (Callable 10-17-17)	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,220.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 4-28-17)	10-28-21	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,497,570.00	1.250%	Qtrly
10-28-16	Union Bank	FHLMC STEP (Callable 4-28-17)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,160.00	1.000%	Qtrly

Total Government Agency \$ 49,944,750.00 \$ 49,950,000.00 \$ 49,859,164.50

Weighted Mean YTM 0.951%

TOTAL INVESTED @ 10/31/16 \$ 103,616,390.47 \$ 103,535,170.47 \$ 103,488,102.52

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

INCREASE OR (DECREASE) \$ (3,551,959.90)

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

OCTOBER 2016

INVESTED
RESERVE FUNDS
\$1,113,436.16

BALANCE	OCTOBER 1, 2016	(\$38,969.32)	
ACCOUNTS RECEIVABLE - OTHER		\$0.00	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		1,622.88	
WASTEWATER REVENUE		84,630.04	
SEWER CAPACITY CHARGES		8,952.01	
MISCELLANEOUS		<u>56,437.63</u>	
TOTAL RECEIPTS		\$151,642.56	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$11,271.31	
CHECKS OVER \$10,000.00 - SCH. #1		52,993.04	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$64,264.35</u>	
NET INCOME		\$87,378.21	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$40,000.00	
FUNDS INVESTED - SCH. #2		<u>86,590.02</u>	
NET TRANSFER		(\$46,590.02)	\$46,590.02
BALANCE	OCTOBER 31, 2016	\$1,818.87	\$1,160,026.18

**DESERT WATER AGENCY
WASTEWATER ACCOUNT
SCHEDULE #1-CHECKS OVER \$10,000**

CHECK #	NAME	DESCRIPTION	AMOUNT
2457	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR SEPTEMBER 2016	\$52,993.04
** TOTAL			\$52,993.04

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
OCTOBER 31, 2016**

PURCH DATE	NAME	DESCRIPTION	MATURITY DATE	COST	PAR VALUE	MARKET VALUE	YIELD TO MATURITY
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Local Agency Invstment Fund

06-30-83	State of California	LAIF	Open	\$ 1,160,026.18	\$ 1,160,026.18	\$ 1,160,026.18	0.660%
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TOTAL INVESTED @10/31/16	\$ 1,160,026.18	\$ 1,160,026.18	\$ 1,160,026.18
BALANCE @ 06/30/16	\$ 1,027,031.01		
INCREASE OR (DECREASE)	\$ 132,995.17		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 16-17 OCTOBER	THIS MONTH			FISCAL YEAR TO DATE			VARIANCE	
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD	PCT
OPERATING REVENUES								
WATER SALES	1,941,370.16	1,828,175.90	1,766,575.00	9,362,777.32	8,371,139.75	8,092,900.00	1,269,877.32	14
RECLAMATION SALES	118,939.40	87,594.27	84,100.00	612,770.95	558,719.11	541,300.00	71,470.95	13
POWER SALES	1,505.52	241.72	1,750.00	12,743.28	6,068.75	7,000.00	5,793.28	83
OTHER OPER REVENUE	46,857.65	260,757.58	108,000.00	465,411.37	631,528.25	424,500.00	40,911.37	10
TOTAL OPER REVENUES	2,108,672.73	2,176,769.47	1,960,425.00	10,453,752.92	9,567,455.86	9,065,700.00	1,388,052.92	15
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	14,696.57	26,470.24	27,083.00	1,066,971.54	921,749.09	1,102,832.00	35,860.45	3
PUMPING EXPENSE	286,671.04	284,046.92	289,025.00	1,032,692.96	1,285,528.01	1,524,875.00	492,182.04	32
REGULATORY WATER TREAT	38,382.94	32,967.57	42,100.00	161,154.53	154,248.60	168,400.00	7,245.47	4
TRANS & DIST EXPENSE	185,756.46	261,301.31	287,092.00	780,980.02	815,118.97	1,148,368.00	367,387.98	32
CUSTOMER ACT EXPENSE	71,460.97	71,754.65	74,025.00	272,824.57	291,394.69	296,100.00	23,275.43	9
ADMIN & GEN EXPENSE	551,410.63	407,294.02	561,525.00	3,368,497.13	3,125,911.34	3,502,200.00	133,702.87	4
REGULATORY EXPENSE	6,200.68	12,562.40	16,992.00	35,269.35	32,349.66	67,958.00	32,698.65	48
SNOW CREEK HYDRO EXP	5,109.64	6,105.16	3,400.00	19,634.27	14,213.96	13,600.00	6,036.27	44
RECLAMATION PLNT EXP	60,989.60	52,595.68	67,100.00	219,722.78	252,722.96	267,625.00	47,896.22	18
SUB-TOTAL	1,220,678.53	1,365,107.95	1,467,342.00	6,957,755.15	6,893,237.28	8,091,968.00	1,134,212.85	14
OTHER OPER EXPENSES								
DEPRECIATION	460,365.50	449,462.59	459,005.00	1,845,729.15	1,798,160.78	1,836,900.00	5,829.15	0
SERVICES RENDERED	8,041.90	20,038.84	13,850.00	37,992.75	69,906.91	55,400.00	17,407.25	31
DIR & INDIR CST FOR WD	136,609.62	152,735.92	72,750.00	708,155.46	669,695.90	291,000.00	417,135.46	143
TOTAL OPER EXPENSES	1,552,476.31	1,661,673.45	1,867,657.00	8,133,241.59	8,091,609.07	9,693,268.00	1,559,926.41	16
NET INCOME FROM OPERATIONS	556,196.42	494,896.02	92,758.00	2,320,411.33	1,475,846.79	627,568.00	2,947,979.33	470
NON-OPERATING INCOME (NET)								
RENTS	35,208.43	3,343.72	3,375.00	45,313.72	45,214.88	45,350.00	36.28	0
INTEREST REVENUES	9,640.96	6,120.05	8,300.00	34,708.42	28,868.22	33,200.00	1,588.42	5
INTEREST EXP. OTHER	57,064.99	480.00	25,325.00	220.00	00	101,300.00	101,300.00	100
OTHER REVENUES	19.84	00	75.00	32.34	00	2,625.00	2,405.00	92
GAINS ON RETIREMENT	138.58	4.53	275.00	167.61	367.53	225.00	192.66	86
DISCOUNTS	00	7,689.24	3,750.00	10,672.67	12,817.51	1,100.00	939.39	85
LOSS ON RETIREMENTS	12,057.18	2,259.06	17,050.00	69,842.42	64,183.84	11,250.00	577.33	3
TOTAL NON-OPER INCOME	544,139.24	497,155.08	75,708.00	2,390,253.75	1,540,030.63	657,618.00	3,047,871.75	463
TOTAL NET INCOME								

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

DECEMBER 6, 2016

RE: WATER USE VIOLATION – CIVIL PENALTY HEARINGS

Starting after the March 1st board meeting, staff began issuing water use violations under the new ordinance; to date, more than 420 violations have been issued. Recipients of the violations have 7 days to request a hearing in writing. Three 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. Mervis Ellis, 2493 Savanna Way, Palm Springs

- a. On Friday, October 28 at 4:09 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Irrigating during restricted hours
 - ii. Runoff
- b. Fine amount \$50
 - i. Single-family home
 - ii. First violation
 - iii. Warning call in September 2014 regarding restricted period
- c. Reason for petition
 - i. Customer not aware that irrigation timer wasn't set properly.



Ashley Metzger

From: mervis ellis <mervisellisrealty@yahoo.com>
Sent: Tuesday, November 01, 2016 4:06 PM
To: Ashley Metzger

Follow Up Flag: Follow up
Flag Status: Flagged

RE: COMPLAINT FOR CIVIL (MONETARY) PENALTY)

Address:
2493 Savanna way, Palm Springs,

Madam,

Thank you for meeting with me this morning to discuss the alleged violation.

I was not aware that the days were not correct.
, I had asked my gardner to correct same, and he did.
I think he mistakenly changed the days.

I am requesting the fine be omitted since this is my first violation,

I promise to pay more attention to the matter, and it will never happen again.

I am on a fixed income and \$50 means a lot to me over the holidays.

Thank you,

Mervis Ellis

DESERT WATER



Date: 10/28/2016 Time: 4:05 A.M. / P.M.

Address: 2478 S. ANAHEIM AVE

RE: COMPLAINT FOR CIVIL (MONETARY) PENALTY

Dear Valued Customer:

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

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

You have been cited for:

- ☐ *Unreasonable use of water (unnecessary runoff onto adjacent property and non-irrigation areas, private and public walkways, roadways, parking lots and parking structures.)*
- ☒ *Outdoor irrigation during restricted days or times (Watering is only permitted Mondays, Wednesdays, and Fridays before 7:00 a.m. and after 7:00 p.m.)*
- ☐ *Other* _____

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

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

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

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

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

If you have any additional questions, please contact us.

Thank you,

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

2. Nabil Ali, 1197 N Via Monte Vista, Palm Springs

- a. On Friday, October 28 at 3:07 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Irrigating during restricted hours
 - ii. Runoff
- b. Fine amount \$50
 - i. Single-family home
 - ii. First violation
 - iii. Warning letter sent in July 2015 regarding watering during restricted period and excessive runoff
- c. Reason for petition
 - i. Various reasons including: should have received warning; second home/experiences power outages; not aware of battery backup; two sprinklers broken; already conserved considerably; maximum coverage needed; request concession for reseeded.







Ashley Metzger

From: NABILALI@aol.com
Sent: Monday, November 14, 2016 11:53 AM
To: Ashley Metzger; Ashley Metzger
Cc: Mark Krause; Sylvia Baca
Subject: 1197 Via Monte Vista
Attachments: Scan0065.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Ashley;

First, we want to express our frustration in your handling of this situation.

I sent you a nice email, explaining our situation and your answer was translated into; "pay the fine". I left you a voice mail message to describe why the water was leaking. We emailed you asking you to call us. You finally called and continued to talk over me without giving me the chance to explain the situation. Obviously, you are too busy to listen to your customers before passing judgement.

We are stating this in writing to the Desert Water Agency;

1. Most agencies will give a customer at least a chance to comply before being fined for something they were unaware of. This is the way it currently is in Los Angeles County, which is where our main residence is located.
2. We use our Palm Springs home as a welcomed, frequent vacation escape and for multiple extended Holiday trips. There are sometimes power shortages in the area, which throws off the watering system schedule and the entire multitude of electrical products in our residence. We are never made aware of these power shortages from Edison, until we visit our desert home and view this situation firsthand.
3. We were not aware of the watering system having a battery backup (in case of power failure) and have replaced it immediately.
4. We had two sprinklers heads broken in the driveway on each side of the gate in the front of the house, which are now repaired. (see attached)
5. To conserve water, last winter we removed a tremendous amount of vegetation in the front, replacing it with large, mounded sculptures of gravel. This now leaves a minimum amount of xeriscape greenery remaining in the front yard ...to continue the integrity of the house's landscape design. (see attached)
6. The driveway sprinkler pressure needs to be higher to reach maximum coverage; that is why you see the small amount of water residue on the driveway (if it's in a dirt area, it will be absorbed into the soil). We are not happy about it either, but it's a better solution than the use of more low sprinklers heads to avoid this situation, as that defeats the purpose of water conservation. Over the years, we have also extensively added drip lines for most of the planting in the front of the house.

7. It is currently the grass seeding period. As you can see from our billing chart every year, we feel in this area some sort of concession should be granted.

Our home is on the current Palm Springs tour route and has been for many years. We do not know why; maybe some celebrity owned it in the old days, but they are always stopping at our home and some take pictures. We are extremely proud of our home and are trying to keep the design and integrity of the house for the city to be proud of... and its visitors to enjoy. We would appreciate and are asking for some consideration, for our continued tireless effort in water conservation in our Vista Las Palmas residence.

Thank you,
Nabil & Jeff

November 1, 2016

Nabil Ali
970 Palm Ave Apt 109
West Hollywood, CA 90069

RE: FINE ON ACCOUNT# [REDACTED] 1197 N Via Monte Vista

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Friday, October 28, 2016 at 3:07 pm, you are being served with a complaint to impose a civil (monetary) penalty.

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

You were cited for:

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

3. Deepwell Apartments, 1680 E Palm Canyon Rd, Palm Springs

- a. On Wednesday, November 9 at 1:13 p.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Irrigating during restricted hours
- b. Fine amount \$500
 - i. Commercial
 - ii. Third violation
 - iii. Previous violations in June 2016 and October 2016 for watering during restricted period
 - iv. Two warnings sent before violations
- c. Reason for petition
 - i. Various including: doesn't receive bills, so didn't see notice about restrictions; new manager unaware of guidelines; confused by media coverage.





Ashley Metzger

From: Steve Huffman <sellapartments@gmail.com>
Sent: Thursday, November 17, 2016 2:47 PM
To: Ashley Metzger
Subject: 1680 E. Palm Canyon Rd.
Attachments: Desert Water Letter.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Ashley:

My name is Steve Huffman and I am the owner of the apartment property at 1680 E. Palm Canyon Rd. I received a copy of the enclosed fine notice.

I am typically a huge water saver on all my apartment properties, but completely dropped the ball here. I live in San Diego and read the Desert Sun remotely and saw the headlines on the state reducing awards. As a result, I authorized our onsite manager to go ahead and do the over seeding and turn up the water. Because regular water bills are sent to the management company, I did not see any of the notices about Desert Water and I assumed wrongly that the restrictions had been eased. I relied on the stories below, and did not even realize (coming from San Diego) that Coachella Valley is different than Desert Water. I also relied on storied like the ones below. I did not over seed last year due to the restrictions and wish I had not this year too.

I drove to Palm Springs today to meet my managers and immediately instructed them to water only on the days mentioned between 7 and 7. I am hopeful that given my mis-understanding of being remote, a new manager I hired who was unaware of the guidelines, and my management company dropping the ball, that this can be waived one time. We have corrected the actions and do want to adhere to drought guidelines. I would appreciate your consideration of this request.

Kind regards.

Steve Huffman
Atlas Management Group
San Diego, CA
Mobile - 619-997-7878

<http://www.desertsun.com/story/news/environment/2016/05/25/water-district-eases-drought-penalty-fees/84886988/>

<http://www.desertsun.com/story/news/environment/2016/05/18/agencies-set-own-goals-under-new-calif-drought-rules/84563360/>

Steve Huffman
Email: sellapartments@gmail.com / Steve@HuffmanPropertiesInc.com
Mobile: 619-997-7878

November 9, 2016

AMG Deepwell Apts LLC
4455 Morena Blvd Ste #208
San Diego, CA 92117

RE: FINE ON ACCOUNT# [REDACTED]; 1680 Palm Canyon DR E

Dear Valued Customer:

Due to a water use violation observed and documented by a Desert Water Agency representative on Wednesday, November 9, 2016 at 1:13 pm, you are being served with a complaint to impose a civil (monetary) penalty.

You have 7 days to request, in writing, a hearing on this violation. If you do request a hearing, you will need to come to the Agency and present information that refutes the alleged violation. If you do not request a hearing within 7 days of this complaint, the civil penalty of **\$500.00** will be added onto your water bill.

You were cited for:

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

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

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

DECEMBER 6, 2016

**RE: REQUEST BOARD ACTION WITH REGARD TO CLAIM FOR
DAMAGES FILED BY RUSSELL LANE**

Attached for the Board's review is a claim form submitted to the Agency by Mr. Russell Lane. Mr. Lane claims the Agency is responsible for injury to his knees, lower back and shoulders due to a loose man hole cover at 1580 Cabildo Circle on July 5, 2016.

On November 28, General Manager Krause and Construction Superintendent Robinson viewed the location and determined this is not the property of DWA. Therefore, staff requests that the Board reject the claim for damages filed by Russell Lane.

Claim Form

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

NOV 0 2016

NAME OF DISTRICT: DESERT WATER AGENCY	
1	Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth. <i>Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we MUST have both your Social Security Number and your date of birth.</i>
	Name: Russell Lane Phone Number: (949) 466-4555
	Address(es): 1558 Cabildo Circle Social Security No.: [REDACTED]
	Palm Springs, CA 92264 Date of Birth: [REDACTED]
	E-mail: russlane@me.com
2	List name, address, and phone number of any witnesses.
	Name: No person has specifically been identified
	Address:
	Phone Number: ()
3	List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.
	Date: 07/05/2016 Time: 9:15 a.m. Place: Man hole cover at Cabildo Circle at Canyon Estates, P.S.
	Tell What Happened (give complete information): Man Hole cover was loose and flipped when claimant stepped
	on it while walking his dogs. His right foot fell approximately 3 feet. See attached photos.
	Approximately 3" to right side of driveway at 1580 Cabildo Circle, Palm Springs, CA 92264
NOTE: Attach any photographs you may have regarding this claim.	
4	Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.
	Claimant suffered injuries to both knees, lower back and both shoulders. Claimant is still
	treating for his injuries.
5	Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.
	Water District failed to properly secure Man Hole cover.
6	The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.
	The amount claimed is in excess of \$10,000.00.
Date: 10/28/2016 Time: 12:13 p.m. Signature: [Signature]	
ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!	

















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

DECEMBER 6, 2016

**RE: REQUEST APPROVAL OF CONTRACT EXTENSION WITH REEB
GOVERNMENT RELATIONS, LLC**

Since December of 2004, Desert Water Agency has maintained a Legislative Representation Contract with Robert J. Reeb, of Reeb Government Relations, LLC. That contract has been renewed annually since that time to ensure Mr. Reeb continues to represent Desert Water Agency's interest in Sacramento.

Attached for your review is a copy of the proposed contract renewal which will extend the term of Mr. Reeb's contract through December 31, 2018. Mike Riddell, of Best Best & Krieger, has reviewed the document on the Agency's behalf. The proposed contract represents a 3.4% increase. The last increase was in 2013 for a CPI adjustment.

Staff requests authorization be given to the General Manager to execute the proposed Contract with Reeb Government Relations, LLC, thus extending its services to Desert Water Agency through December 31, 2018.

Reeb Government Relations, LLC

1107 9th Street, Suite 620
Sacramento CA 95814
Phone: 916-558-1926
Facsimile: 916-558-1932

LOBBYING FIRM RETENTION CONTRACT

The following constitutes a lobbying firm retention contract between **REEB GOVERNMENT RELATIONS, LLC** ("RGR" hereinafter), or its legal successor in interest, and **DESERT WATER AGENCY** ("DWA" hereinafter), or its legal successor in interest.

1. **SERVICES TO BE PERFORMED**— DWA engages the services of RGR as an independent contractor. RGR will provide advice and representation on behalf of DWA on California legislative and regulatory matters. Such services shall include:
 - A. Representation in the State Capitol and with the Executive Branch in regard to the 2017-18 Regular Session of the California Legislature.
 - B. Research and analysis of state legislative and regulatory issues and related initiatives; drafting legislation and amendments thereto relating to such issues.
 - C. Legislative reporting services as may be required by DWA.
 - D. Participation and attendance at DWA meetings to discuss current events, tasks under the scope of work and other business related to the governmental relations program. Attendance and participation at other meetings, upon request by DWA, including, but not limited to, meetings related to issues management and formation of lobbying coalitions.

RGR will work under the direction of the General Manager and will coordinate services to be performed with same.

Desert Water Agency
Lobbying Firm Retention Contract
Page 2 of 3

2. TERMS OF PAYMENT— DWA will pay RGR, according to terms and conditions set forth herein, a fee of ONE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00) for the period of January 1, 2017 through December 31, 2018. This amount shall be paid in twenty-four (24) equal installments of SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$7,500.00) due on the first (1st) of each month from January 2017 through December 2018, inclusive. Payment shall cover all time expended by RGR personnel unless otherwise agreed to by RGR and DWA.

- A. Invoices shall be submitted monthly by RGR for payment by DWA. Payment is past due the next business day following the fifteenth of the month. If DWA has any valid reason for disputing any portion of an invoice, DWA will so notify RGR within seven (7) calendar days of receipt of invoice, and if no such notification is given, the invoice shall be deemed valid. The portion of RGR's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.
- B. DWA shall reimburse RGR all costs incurred in connection with the services rendered. Reimbursable costs shall include travel costs and other costs approved by the steering committee. Travel costs are defined as air travel, lodging, meals and incidentals, ground transportation, and all costs associated with travel. All travel expenses must receive DWA's prior approval. RGR shall provide to DWA substantiation of reimbursable costs incurred. In no event shall the aggregate amount of reimbursable costs payable by DWA during the term of the agreement exceed the amount of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00). Any expense incurred in excess of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) shall be the legal responsibility of RGR.
- C. A finance charge of 1.5% per month on the unpaid amount of an invoice will be charged on past due accounts. Payments by DWA will thereafter be applied first to accrued interest and then to the principal unpaid balance. Any attorney fees, court costs, or other costs incurred in collection of delinquent accounts shall be paid by DWA. If payment of invoices is not current, RGR may suspend performing further work.

**Desert Water Agency
Lobbying Firm Retention Contract
Page 3 of 3**

3. **INDEPENDENT CONTRACTOR**—It is understood that RGR will function as an independent contractor and will hold itself out as such and will be without authority to obligate DWA for indebtedness, contracts, or other legal obligations.
4. **POLITICAL REFORM ACT**—RGR will be solely responsible for its filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time. DWA will be solely responsible for its filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time.
5. **GOVERNING LAW** - This agreement shall be governed by and construed pursuant to the laws of the State of California.
6. **ENTIRE AGREEMENT** - This is the entire agreement of the parties and no other representations, promises or agreements, oral or otherwise, shall be of any force or effect. This agreement may be supplemented, amended or revised only in writing by agreement of the parties.
7. **TERM OF CONTRACT**—The engagement shall be subject to review at any mutually agreed upon time. Either party may terminate this engagement without cause by giving written notice at least sixty (60) days prior to the date of termination. DWA's obligation to pay any further monthly installments shall cease upon the date of the termination and DWA shall have no further monetary obligation to RGR as of that date of termination. The effective date of this agreement is January 1, 2017, and it shall terminate on December 31, 2018.

DESERT WATER AGENCY

P. O. Box 1710
Palm Springs CA 92263-1710

By: Mark S. Krause
General Manager & Chief Engineer

Date:

**REEB GOVERNMENT
RELATIONS, LLC**

1107 9th Street, Suite 620
Sacramento CA 95814

By: Robert J. Reeb
Managing Officer

Date:

(Item to be considered after discussion on Item 11-A)

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

DECEMBER 6, 2016

**RE: REQUEST BOARD APPROVAL OF DESERT WATER AGENCY
POSITION CLASSIFICATION SCHEDULE CHANGE**

In February 2017, the Controller in the Accounting Department and the Water Operations Supervisor in the Operations Department will both be retiring. Staff has recommended that a reorganization of both departments occur as a result of these retirements.

Currently, the Controller oversees both the Accounting and Customer Service departments. With the Controller retirement, staff will be promoting an in-house individual to the Accounting Supervisor position to oversee the department. Staff would then like to separate the Accounting and Customer Service departments, promoting the current Customer Service Supervisor to a department head to oversee the Customer Service department. Several years ago, the departments were separated, however, due to past staffing issues Customer Service was added to the Accounting department, eliminating the Customer Service department head position. Staff has re-evaluated the current staff and has determined that it would be beneficial to the Agency to separate the departments and promote the current Customer Service Supervisor, re-establishing the position as the Customer Service department head. Due to the vacancy of the Controller position, the fiscal impact of both promotions will be an overall decrease of approximate \$4,651 per month in salary expenses.

The Water Operations Supervisor, with the assistance of the Electrical Services Supervisor, oversees the Operations Department. In order to advance to the Water Operations Supervisor position, an individual must be able to obtain a State of California Water Distribution 5 certificate. Currently, the State Water Resources Control Board has been critical of allowing an individual with the title of Electrical Services Supervisor the ability to obtain the D5 certificate. The State requires that an individual must demonstrate that he/she performs the duties of an Operator or Construction Water Worker. Although the duties of the Electrical Services Supervisor encompass all of the Operation Technician positions within the department, the State has been hesitant to award the certificate to that position. To alleviate this problem, staff would like to rename the position of Electrical Services Supervisor to Operations Technician Foreman. The proposed new name better reflects the duties associated with the position, matches industry terminology for operation department job titles, and meets State guidelines for obtaining water distribution certifications. Staff is also recommending that the department have two Operation Technician Foremen. This will allow the department to provide better training for

individuals to become the Water Operations Supervisor in the future. Currently, there are two individuals capable of filling the position.

The Operations Department has a total of 12 staff members, decreasing to 11 when the Water Operations Supervisor retires. Staff recommends keeping a total of 11 department members, promoting in-house individuals to fill the Water Operations Supervisor and the two Operation Technician Foreman positions. The fiscal impact of all three promotions will be an overall decrease of approximate \$6,402 per month in salary expenses.

Finally, staff is requesting the elimination of the Snow Creek Security/Operations Technician I position, keeping just the Snow Creek Security position. This change will have no fiscal impact to the 2016-2017 budget.

Management met with Desert Water Agency Employee Association (DWAEA) representatives on November 28, 2016, confirming the proposed changes. The DWAEA is in agreement with the proposed position classification changes.

It is hereby requested that the Board:

1. Authorize the General Manager to make the following changes to the Desert Water Agency's Position Classification Schedule:
 - a. Create Customer Service department head position.
 - b. Rename Electrical Services Supervisor position to Operations Technician Foreman.
 - c. Eliminate the Snow Creek Security/Operations Technician I position
2. Approve Desert Water Agency January 1, 2017 Position Classification Schedule

Attachments:

Operations Technician Foreman Job Description
1-1-17 Position Classification Schedule

DESERT WATER



OPERATIONS TECHNICIAN FOREMAN

Engineering-Operations Department

Range: 51

Salary: \$6,823 – 8,296

JOB DEFINITION:

Under general supervision of the Water Operations Supervisor, performs a variety of tasks associated with the operation and maintenance of domestic production facilities, reclaimed water treatment and distribution facilities, wastewater lift stations, hydro electric plants, photovoltaic generating facilities, field SCADA (Supervisory Control and Data Acquisition) communications and security systems. Supervises Operations Technicians and coordinates System Operator duties; and performs related duties as assigned.

SUPERVISOR:

Water Operations Supervisor

DISTINGUISHED FROM LOWER RANGE POSITION(S):

The Operations Technician Foreman is a supervisory position in the Operations Department. This is a single position classification distinguished by its responsibility for providing direct supervision to Operations Technicians. At the discretion of the General Manager, a second position may be added when there is a benefit to the Agency.

At this level, an employee will be required to perform the duties of all three Operations Technician levels and have extensive work experience and knowledge, as well as Grade T2 Water Treatment Certification and Grade D3 Distribution Certification. Placement within this position requires that the employee obtain their Grade D4 Distribution Certification from the State of California within **two years**, or they will be reclassified to a non-supervisory Operations Technician position within the department.

EXAMPLE OF DUTIES:

Duties assigned to the Foreman include the ability to perform all aspects of work as outlined for the Operations Technician I, II, and III. Monitors and evaluates performance of Operations Technicians and other assigned personnel; schedules, coordinates, supervises the work of assigned personnel; assists in departmental training and supervision of all Operations Technicians and implements Agency personnel rules and procedures, safety policies and procedures; assists with preparation of annual departmental budgets; prepares specifications for purchase of water, reclaimed water, wastewater, hydro electric, photovoltaic, and electrical/electronic equipment, devices and supplies; participates in the design, installation, testing, calibration, modification, maintenance, repair and servicing of water works equipment and industrial electrical, instrumentation, electronic control and related equipment, such as deep well pumps, booster stations, lift stations, above/below ground electrical distribution systems, motor controllers, transformers, exciters, switches, generators, chlorinator injector systems, vacuum regulators, chlorine gas detection systems, liquid chlorine pump systems, halogen automatic valve closing systems; chlorine feed lines, chlorine analyzer systems, and programmable logic controllers; involved in the purchase, upkeep and operation of Agency radio, SCADA (Supervisory Control and Data Acquisition) system, security systems and related operational systems; performs a variety of difficult and complex tasks related to the diagnoses, calibration, installation and troubleshooting of various telecommunication and SCADA (Supervisory Control and Data Acquisition) equipment, PLC's and related systems and facilities using sophisticated electronic test and measurement instrumentation; designs and maintains ladder logic, databases and graphics master files for wells, boosters, pumping plants, lift stations and generating facilities (including interface to central control); researches new and upgraded process and supervisory control and telecommunications methods and equipment; trained to, and assists with, dealing with chlorine leaks, changing of 1-ton and 150 lb chlorine containers; under supervision of Operations Supervisor, checks and maintains chlorine equipment and residuals within system and stream sources requiring chlorine, performs system chlorination as needed, collects system samples, well samples and chlorine residual

within system; inspects and evaluates work performed by Agency staff and contractors for compliance to standards and equipment, with subsequent problem identification and direction for remedial measures; plans and preparation for Agency jobs using blueprints, drawings and verbal instruction; plans the testing of electrical and electronic equipment and devices on a regularly scheduled basis; develops written procedures and equipment/facility operations manuals; analyze, diagnose and modify computer based hardware and software programs; other duties as assigned; may be required to work a schedule other than a standard five-day work week, and with respect to stand-by, is expected to be on 24-hour emergency call and respond within 30 minutes to DWA Operations Center when notified.

QUALIFICATIONS:

Schooling: High School Diploma or G.E.D.

Certification(s): Grade T2 Water Treatment and Grade D3 Water Distribution certification from the State of California. Must obtain Grade D4 Water Distribution certification from the State of California within 2 years of becoming Foreman. Successful passage of medical exam in conjunction with S.C.B.A.

Experience: At least six years of experience in journey-level water works or similar maintenance and repair; with at least two years experience as an Operations Technician III; or any combination of training and experience which would likely provide the required knowledge and abilities needed for this position

License(s): Possession of a valid drivers' license issued by the California Department of Motor Vehicles appropriate for the use of Agency vehicles required in the fulfillment of the job duties for this position, with an acceptable driving record.

Knowledge of: Principles, techniques, tools, materials and equipment used in repairing and servicing vertical deep well pumps, reclamation pumps, booster pumps, industrial electrical, instrumentation, electronic control and related equipment; common malfunctions and trouble-shooting techniques used in the repair of related equipment; basic electrical and electronic theory; various electronic test equipment such as oscilloscopes, frequency counter, radio service monitor, vibration analyzers and volt/ohm meter; water distribution and treatment standards as established by the State of California; relevant safety precautions

Ability: Work independently under general supervision, as well as fill the capacity of supervisor; understand and carry out oral or written instructions; diagnose malfunctions and determine effective courses of action for correcting them; perform a variety of sophisticated electrical and electronic work; maintain detailed work records; and establish and maintain cooperative and professional relationships with fellow employees

PHYSICAL REQUIREMENTS:

Climbing: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐
Examples: Going up and down ladders, getting into large vehicles, climbing into/out vaults, etc.

Bending: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐
Examples: Performing repairs, facility installations, testing of machinery, etc.

Lifting: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐

Examples: Lifting motors, vault lids, oil cans, etc.

Digging: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☐ Infrequently ☒ Never ☐
Examples:

Sedentary/sitting: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☐ Infrequently ☒ Never ☐
Examples: Driving or riding in vehicles, sitting at desk

Standing: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐
Examples: Standing on pavement, dirt, concrete at work sites or in Agency facilities

Repetitive motion: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐
Examples: Operation of hand tools such as screwdriver, wrench, hammer, etc.

Respiratory (requiring use of respirator or face mask) ☒ yes ☐ no
Examples: When entering reservoirs, recycling facilities, sewer facilities, etc.

WORK ENVIRONMENT:

Generally, work is typically performed outdoors and will take place in all weather conditions, including extreme heat in excess of 110°; on occasions, work will be assigned within the Agency Operations Center or outlying Agency facilities.

I have reviewed this Job Description with my Supervisor and received a copy.

Employee Signature

Date

Supervisor Signature

Date

The specific statements shown in each section of this job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

Desert Water Agency
January 1, 2017 Position Classification Schedule

DEPARTMENT	RANGE
ACCOUNTING	
Account Clerk/Telephone Operator	20
Account Clerk I	24
Account Clerk II	31
Account Clerk III	33
Senior Account Clerk.....	40
Accounting Supervisor.....	53
Controller.....	66
CUSTOMER SERVICE	
Meter Reader I	26
Meter Reader II	30
Meter Reader III	36
Customer Service Representative I	34
Customer Service Representative II	37
Customer Service Supervisor	53
ADMINISTRATIVE	
Administrative Assistant I	34
Administrative Assistant II	38
Administrative Assistant III	42
Senior Administrative Assistant	46
Executive Secretary/Assistant Secretary to the Board	53
CONSTRUCTION - FLEET MAINTENANCE	
Construction	
Water Service Worker I	27
Water Service Worker II	32
Water Service Worker III	36
Equipment Operator	35
Water Service Foreman.....	46
Assistant Construction Superintendent.....	53
Construction Superintendent.....	64
Fleet Maintenance	
Fleet Mechanic I	29
Fleet Mechanic II	34
Fleet Mechanic Foreman.....	43
ENGINEERING - OPERATIONS	
Engineering	
Engineering Technician I	34
Engineering Technician II	39
Engineering Technician III	43
Senior Engineering Technician.....	45

Laboratory Director..... 51

ENGINEERING – OPERATIONS (Continued)

Staff Engineer..... 51

Associate Engineer..... 56

Senior Engineer 64

Operations Engineer..... 72

Operations

System Operator in Training..... 30

System Operator I 35

System Operator II 38

System Operator III 41

Operations Technician in Training..... 30

Operations Technician I..... 37

Operations Technician II..... 41

Operations Technician III..... 46

Operations Technician Foreman 51

Water Operations Supervisor 60

FACILITIES MAINTENANCE AND SAFETY

Facilities and Safety Officer 54

INFORMATION SYSTEMS

PC Support Technician I..... 37

PC Support Technician II..... 43

Operator I 31

Operator II 40

Programmer I 46

Programmer II 54

Information Systems Administrator..... 65

MANAGEMENT

General Manager..... Contract

Human Resources Manager..... 66

Finance Director 81

Assistant General Manager 83

OUTREACH AND CONSERVATION

Outreach and Conservation Associate 45

Outreach and Conservation Manager..... 55

SNOW CREEK SECURITY

Snow Creek Security..... 17

November 29, 2016

MEMORANDUM

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

FROM: BEST BEST & KRIEGER LLP

RE: NOVEMBER 17, 2016, MEETING OF THE BOARD OF DIRECTORS OF
THE STATE WATER CONTRACTORS, INC.

The November 17, 2016, meeting of the Board of Directors of the State Water Contractors, Inc., took place at the Citizen Hotel in downtown Sacramento.

1. Board Action Items

The SWC Board authorized a consulting contract of up to \$40,000 with Dr. Barry Noon to develop a monitoring program for the proposed Spring-Summer Outflow Augmentation Action. The costs will be split equally between SWC and the San Luis and Delta-Mendota Water Authority. The proposed Action is part of the Natural Resources Agency's Delta Smelt Resiliency Program. The program is of concern to public water agencies because of the sizeable increased flow releases it would entail. General Manager Terry Erlewine explained that Dr. Noon, a professor in the Department of Fishery and Wildlife Biology at Colorado State University, will provide input to the Delta Smelt Resiliency Program work team to help ensure that any outflow-related actions will actually lead to improved conditions for Delta smelt.

The Board also authorized funding of up to \$16,500 for Yuba Salmon Forum activities. The Forum is a multi-stakeholder effort to collaboratively address anadromous fish restoration and water management issues in the Yuba River Watershed. Through the Forum, state and federal agencies, public water agencies and environmental groups are negotiating to determine passage for spring-run Chinook salmon and steelhead above two Army Corps dams. Terry explained that the Forum is an important vehicle for promoting understanding about river conditions and habitat enhancement approaches versus existing "trap and haul" programs. The National Marine Fisheries Service is discontinuing funding for the Forum. Terry explained that it

is in SWC's interest that the program continues. Before spending any funds, SWC intends to coordinate and seek funding support from other event participants.

2. Water Supply Report

John Leahigh of DWR provided a brief report on water supply conditions. Above average precipitation in the last half of October provided a good start to the water year. Usually, about 6 percent of the total water year precipitation materializes by mid-November. This year, the state had received 26 percent of the total year's supply by that point. Northern Sierra precipitation was 205 percent of average as of November 16, while the Central Sierra / San Joaquin region's precipitation was 142 percent of average. Farther south, precipitation in the Tulare Basin was lower, at 57 percent of average for the date. On the Feather River, the generally warm rains served to saturate soil moisture but did not result in significant inflows into Lake Oroville. In the Delta, a moderate increase in inflows improved Delta water quality conditions and allowed for increased exports.

Storage in Lake Oroville, the State Water Project's principal reservoir, was at 43 percent of capacity, while Shasta Reservoir (the state's and CVP's largest reservoir) was at 62 percent of capacity. Don Pedro Reservoir held 66 percent of capacity; Trinity Lake, 44 percent; New Melones, 21 percent; and San Luis Reservoir, 36 percent. Other reservoirs ranged from 20 percent of capacity (Pine Flat Reservoir) to 69 percent of capacity (Castaic Lake).

As a related note, DWR cited October's plentiful rainfall when it set its initial State Water Project Allocation at 20 percent on November 28. In a news release, DWR Director Mark Cowin cautioned that California's weather is unpredictable and it was still possible that a sixth year of drought could occur. The 29 public water agencies that receive SWP water collectively requested 4,172,786 acre-feet of water for 2017. Under the 20 percent initial allocation, they would receive 839,376 acre-feet. DWR typically modifies its initial allocations, with final allocations usually coming in May after the wettest months have concluded.

3. General Manager's Report

A significant portion of Terry Erlewine's report involved the new flow requirements under consideration by the State Water Resources Control Board in the second

phase of the Board's update to the Bay-Delta Water Quality Control Plan. The State Board is recommending a range of 35 percent to 75 percent of "unimpaired" inflows into the Delta from upstream tributaries to the Sacramento River basin and Delta eastside tributaries to protect fish and wildlife beneficial uses. Similar Delta outflows also are being recommended. These flow recommendations are contained in the Board's draft Scientific Basis Report released October 19, 2016.

Terry explained that the use of "unimpaired" flows rather than natural flows is a simplistic and faulty approach that does not reflect true hydrological conditions and will result in significant reductions in exports. Unimpaired flows, for example, do not recognize the vast amounts of water absorbed as groundwater recharge or consumed by tule swampland as upstream flows make their way into and through the Delta. As one example of the potential impact to state and federal water project operations, Terry calculated that the proposed flow requirements – when applied to the San Joaquin "Inflow to Export Ratio" based on the average for all water year types under required federal actions for fish species – could reduce total exports by 800,000 acre-feet (from 4.8 MAF to 4.0 MAF) between April and May. It is the view of SWC and other concerned interests that the Board's staff is selectively choosing the science used to support the proposed flow requirements while failing to consider other applicable scientific literature or accounting for uncertainties.

The State Board is requiring written comments on the draft Scientific Basis Report by December 18, 2016. Terry noted that this represents an extremely short two-month turnaround time for comments compared to the several years that Board staff have been working on this proposal. SWC has a team of biologists reviewing the draft Scientific Basis Report and developing comments. This work is being done in coordination with the San Luis and Delta-Mendota Water Authority, Friant Water Authority, and notably, Northern California water interests. The State Water Contractors and Northern California interests often find themselves at odds on water issues. But here, the unimpaired flow regime would produce Lake Oroville bypasses of such magnitude that it would negatively impact upstream water users as well as Delta exporters. Hence, these interests are working together on the flow issue.

Environmental review documents for the Bay-Delta Water Quality Control Plan changes are expected in summer of 2017, with State Board adoption slated for Spring of 2018.

Included with this memo is a copy of a September 19, 2016, letter that Gov. Jerry Brown sent to State Board Chairwoman Felicia Marcus. Terry called the letter an encouraging development in the difficult update process to the Bay-Delta Water Quality Control Plan. In the letter, Gov. Brown urged the State Board to accelerate the Plan update. In addition, Gov. Brown said he is directing his staff at the Resources Agency to explore forming a comprehensive settlement agreement on environmental flows in both the San Joaquin and Sacramento River Basins as an option to the current regulatory approach. Terry said he and others will be meeting and doing what they can to promote the Governor's voluntary settlement approach.

On a related note, Terry noted that the appointments of two Water Board members – Frances Spivy Weber and Tam Doduc – expire in March and that he and others have been involved in talks about potential new candidates.

During his report, Terry also explained that the SWC bylaws have been streamlined and a revised draft will be distributed in coming weeks. Additionally, in early November, he and Roger Patterson, Assistant General Manager for Strategic Water Initiatives at Metropolitan Water District, met with Paul Souza, who was named in May as Regional Director for the U.S. Fish and Wildlife Service's Pacific Southwest Region. During the meeting, they emphasized the need to promote more positive water supply outcomes when managing spring flows for Delta smelt protection.

4. Water Supply Objectives Update

Attached to this memo is a copy of the November 17, 2016, power point presentation updating the SWC Water Supply Objectives for 2016-2017. Allison Febbo, SWC's Water Resource Specialist, led the discussion, which covered several topics of note.

The California WaterFix project remains an important priority for the State Water Contractors. This project involves upgrading the existing water conveyance system in the Delta by constructing three new intake facilities on the Sacramento River and two new underground pipelines. In the update discussion, Allison noted that the EIR/EIS for this project, which was circulated last year, contained a range of four operations (H-1 through H-4) that would be driven by an adaptive "decision tree" process. However, a new Biological Assessment under the Endangered Species Act that is due at the end of December is shifting to a more settled "H-3"

scenario. Allison said the H-3 scenario would be better for exports than the high-outflow H-4 scenario, but still problematic for SWP contractors. The final EIR/EIS and Biological Opinion for the project are scheduled for release in March 2017.

Discussions are continuing about water supply and cost allocations of California water between the CVP and SWP, as well as among SWP contractors. Additionally, talks are ongoing with CVP contractors and upstream water users to identify available water supplies for export or for purchase by state and federal agencies to address environmental requirements, which could prove beneficial for the California WaterFix project.

During the Water Supply Objectives Update, Allison also described two ongoing efforts underway in the Delta to improve levees. One approach, by the Delta Stewardship Council, involves allocation of state bond funding, which is not causing great concern for SWC. The other process, by the Delta Protection Commission, is looking at possibly forming an assessment district that would allocate levee improvement costs to non-landowners such as Delta exporters. Allison said SWC is concerned about the broad scope of this approach and is monitoring it closely. A question arose about how the Delta Protection Commission could impose and enforce levee improvement assessments on exporters. Terry Erlewine replied that the Commission could not directly charge DWR or SWC, and that it would require legislation, which would be a “tough sell.”

The Update also included discussion of escalating costs of habitat restoration projects required under the OCAP Biological Opinions. To address this issue, SWC and DWR have formed a Delta Compliance Committee to coordinate with DWR on review of budget and planning projects. This committee is moving forward and making good strides.

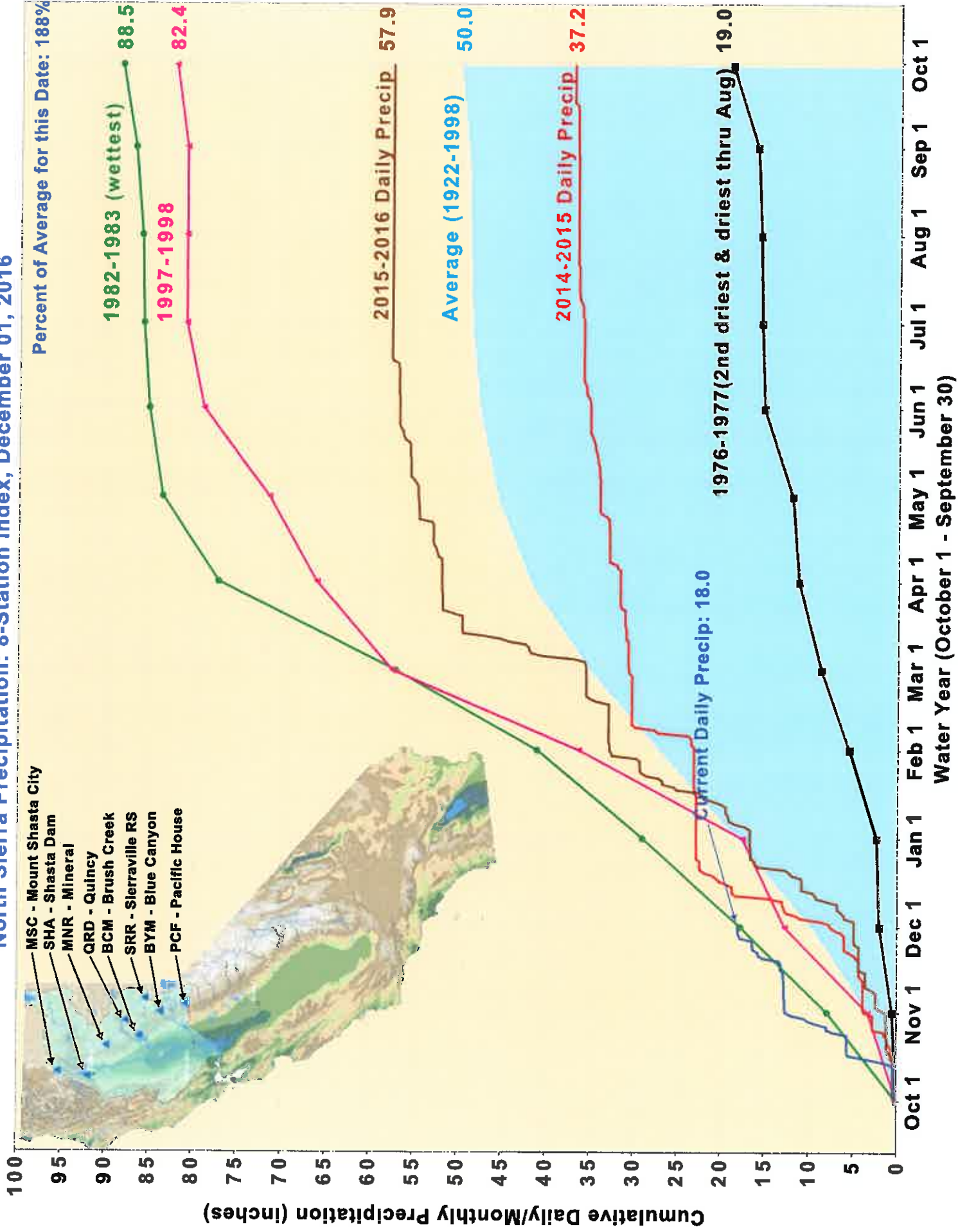
Additionally, Allison noted that progress is being made on development of a forecasting tool that will enable SWC to monitor precipitation, evaluate available water supplies, and predict water supply allocations during the runoff season.

With regard to another objective, SWC’s Dry Year Transfer Program, staff is working to bring buyers and sellers together to facilitate water transfers in the coming year. (No SWP transfers were achieved in 2016 because of lack of capacity.)

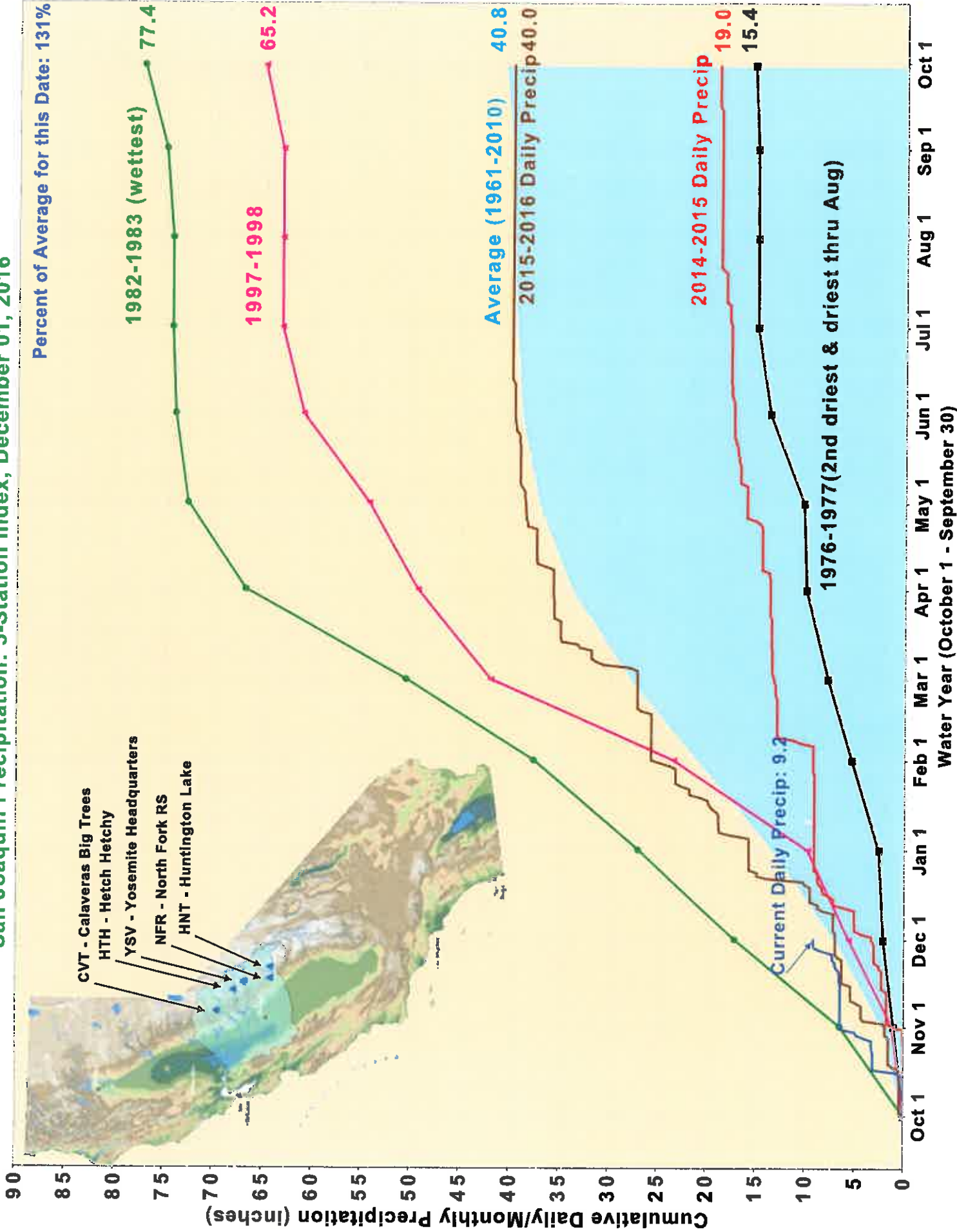
The discussion also touched on the “Collaborative Adaptive Management Team,” a working group formed as an outgrowth of litigation over Delta Smelt and salmon issues. Members include managers and scientists representing state and federal agencies, water contractors, and non-governmental organizations. The goal is to promote a collaborative and structured scientific process and to identify study projects that will improve the knowledge of fisheries and water use and resolve difficult issues. Allison said work on the group’s five-year plan is proceeding and SWC continues to monitor and participate in the process.

DEB KOLLARS

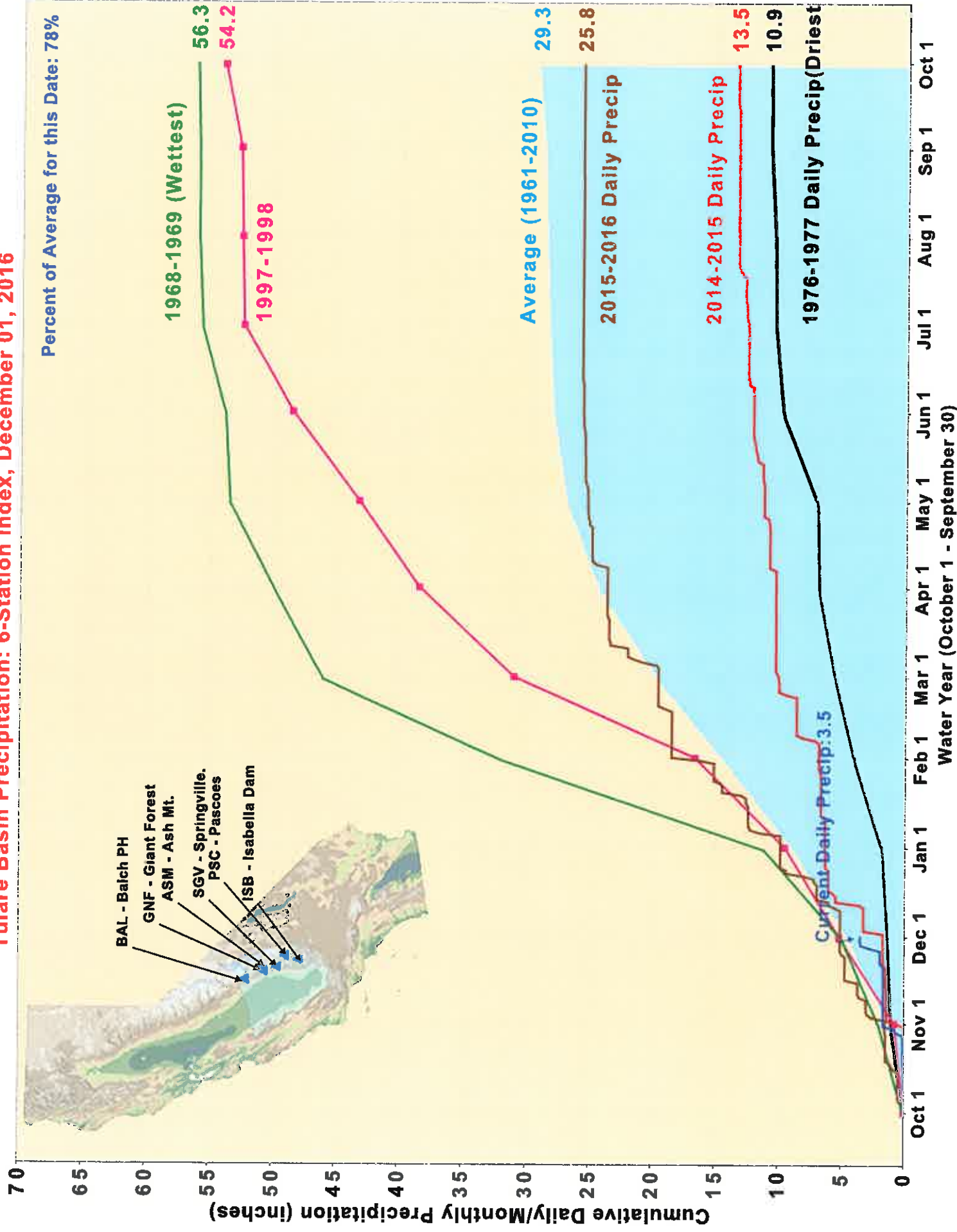
North Sierra Precipitation: 8-Station Index, December 01, 2016



San Joaquin Precipitation: 5-Station Index, December 01, 2016



Tulare Basin Precipitation: 6-Station Index, December 01, 2016

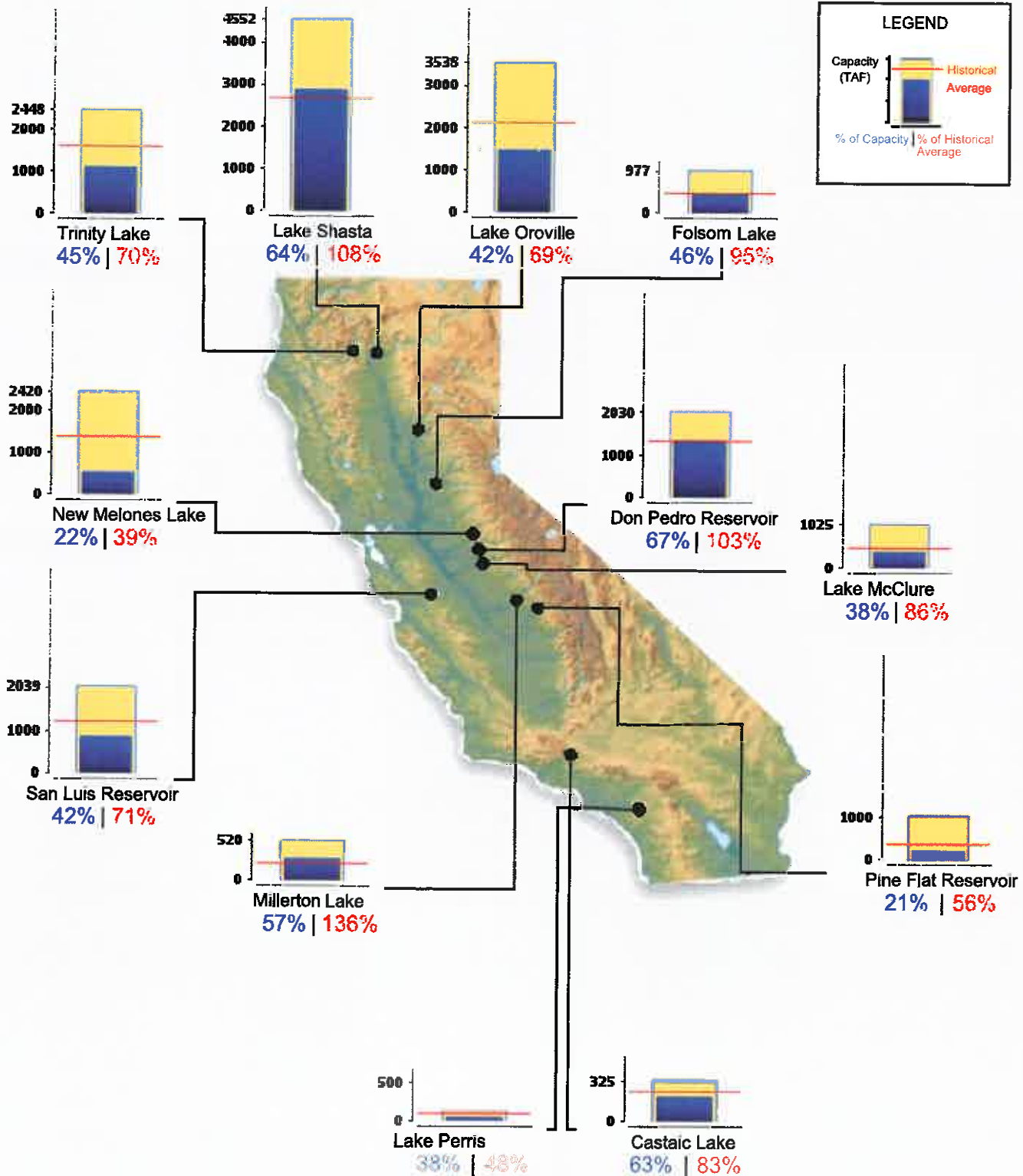




Reservoir Conditions

Ending At Midnight - November 30, 2016

CURRENT RESERVOIR CONDITIONS



SWC FY 2016-17 Water Supply Objectives Update

NOVEMBER 17, 2016

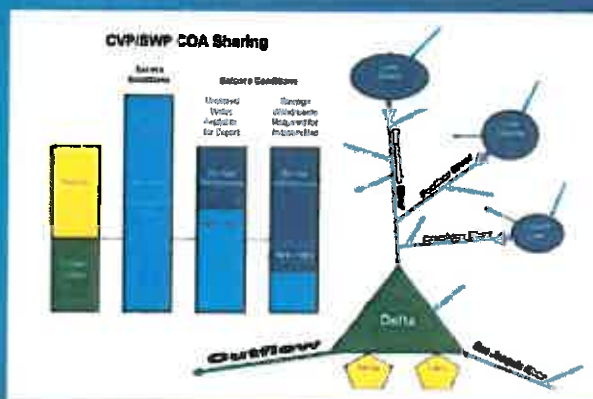
STATE WATER CONTRACTORS BOARD MEETING

FY 2016-17 Water Supply Objectives

- ▶ Priority I
 - ▶ California WaterFix
 - ▶ Water Management Contract Amendment
 - ▶ Coordinated Operations Agreement
 - ▶ State Water Resource Control Board Activities
- ▶ Priority II
 - ▶ Facilitate Water Transfers
 - ▶ Upstream Water Supply Augmentation
 - ▶ Delta Levee Strategy
 - ▶ CCAP and Regulatory Compliance
 - ▶ Water Operations Improvements
 - ▶ Water Operations Evaluation
 - ▶ Delta Related Litigation
- ▶ Priority III
 - ▶ Collaborative Adaptive Management Team
 - ▶ Wastewater Discharge and Water Quality Issues

Coordinated Operations Agreement

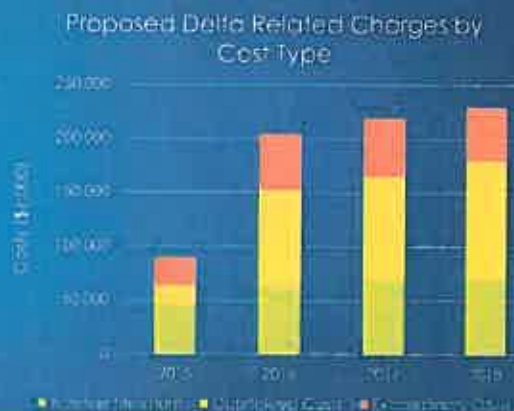
- ▶ Annual implementation; currently balanced
 - ▶ COA account
 - ▶ Accrued/repaid in balanced conditions
 - ▶ Equal sharing account
 - ▶ Accrued/repaid in excess conditions
- ▶ Negotiations between DWR and Bureau of Reclamation
 - ▶ Revisit equity of COA shares



Coordinate with DWR and SWC members in developing information for and participating in discussions of possible COA modifications

OCAP and Regulatory Compliance

- ▶ New SWC/DWR Delta Compliance Committee
 - ▶ Coordinating with DWR on review of budget and planning processes
 - ▶ Bay Delta Office, Division of Environmental Services, Delta Compliance Program
 - ▶ Big cost driver; OCAP BIOp Compliance
 - ▶ Habitat Restoration Projects largest component



Collaborate with DWR on planning and implementation of required habitat and other EPAs under OCAP Biological Opinions. Monitor progress of implementation of the Suisun Marsh Agreement

Water Operations Evaluation

Delta Operations: Water Year 2016-17



- ▶ Review of current operations:
 - ▶ Controlled for water quality management through summer and early fall
 - ▶ Recently in excess conditions
 - ▶ Currently in balanced conditions

Develop documentation for ongoing Delta water supply operations including water losses from regulatory actions. Develop analysis tool to evaluate water supply and predict water supply allocations during the runoff season.

Facilitate Water Transfers

- ▶ 2016:
 - ▶ No SWP transfers due to lack of capacity
- ▶ 2017: Dry Year Transfer Program
 - ▶ SWC Board approved moving forward with 2017 program



Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers, including facilitating regulatory approvals. Begin planning for implementation of long-term transfers.

California WaterFix

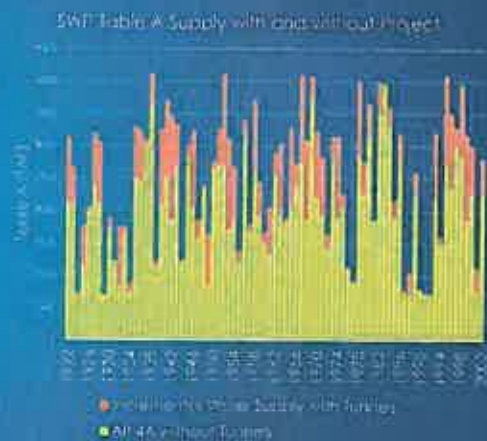
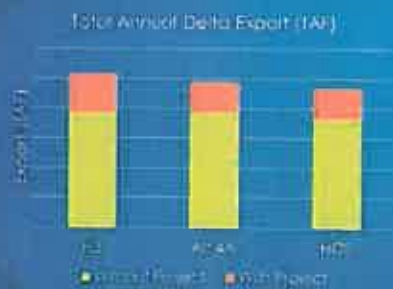
- ▶ Water Supply Analysis provides reduction from Bay Delta Conservation Plan
- ▶ Public Drafts of EIR/EIS Circulated in July 2015; Comment period ended October 30, 2015
- ▶ Hearings on Change in Point of Diversion at SWRCB started in Spring 2016
- ▶ Pursue Opportunities for Developing Voluntary Settlement Agreements for Other Agencies
- ▶ Draft Biological Assessment and 2081 Permit to be Completed December 2016
- ▶ Final EIR/EIS and Biological Opinion scheduled for March 2017



Obtain ROD for California WaterFix. Proceed with Implementation Activities including SWRCB Change Petition.

California WaterFix

- ▶ Water supply and cost allocations
 - ▶ Between CVP and SWP
 - ▶ Among SWP contractors
 - ▶ Participants and non-participants



Obtain ROD for California WaterFix. Proceed with Implementation Activities including SWRCB Change Petition.

Water Management Contract Amendment

- ▶ Contract Amendment Process Initiated December 2014
- ▶ SWC Objectives
 - ▶ Provide water management tools
 - ▶ Allocate costs and benefits of California Water Fix
- ▶ SWC Caucus Meetings
 - ▶ Significant progress on water management tools, with one exception
 - ▶ Work continues on possible allocation formula
 - ▶ Strawman to be discussed
- ▶ Continue to develop SWC proposal – Winter 2016-2017

Coordinate SWP contractors involvement in Contract Amendment discussions on California WaterFix Cost Allocation and Water Management Activities

Upstream Water Supply Augmentation

- ▶ Meetings with Central Valley Water Users
- ▶ Coordinate with State on Proposed Approach
- ▶ Identify water supply opportunities on Sacramento and San Joaquin Valley water users
- ▶ Water Supply available to meet export water demands, or for purchase by State/Federal government for environmental purposes
- ▶ Identify specific management actions and anticipated benefits, with monitoring to indicate performance

Work with CVP Contractors and upstream water users to identify water supply operations to address existing and potential regulatory obligations

Delta Levee Strategy

- ▶ Delta Stewardship Council developing Delta Levee Investment Strategy
 - ▶ Identifies State interest in Delta Levees
- ▶ Delta Protection Commission Conducting Delta Flood Risk Management Assessment Feasibility Study
 - ▶ Available for use in Developing Cost Assessments for Outside Stakeholders including Water Users
- ▶ Develop PWA Effort to address water supply effects from Delta Levees
 - ▶ Build on past efforts identifying water quality impacts from levee failure
 - ▶ Consider potential responses to levee failures
 - ▶ Identify least cost approaches to water supply protection



Work with MWD and DWR in identifying and evaluating alternative approaches for levee improvements to protect SWP water supplies.

Collaborative Adaptive Management Team (CAMT)

- ▶ Initiated from OCAP Biological Opinion Court Decision
- ▶ Structured Scientific Process, with Long Time Line
- ▶ Three Delta Smelt Studies Identified
- ▶ Salmon Studies Being Identified through Gap Analysis
- ▶ Developing Five Year Plan
- ▶ SWC Providing Resources for Adaptive Management Plan for Suisun Marsh Salinity Control Gates

Participate in Collaborative Adaptive Management Team through membership on CAMT, identification and formulation of study projects and involvement in work efforts of scoping teams

State Water Resource Control Board Activities

- ▶ WQCP update
- ▶ CPOD
- ▶ Watermaster Activities
- ▶ Curtailment



Present testimony and participate in hearings on updating the Bay-Delta Water Quality Control Plan and related activities such as San Joaquin River water rights and illegal diversions.

SWC 2014-17 Water Supply Objectives		
California WaterFix	Obtain ROD for California WaterFix. Proceed with Implementation Activities including SWRCS Change Petition	• Erlwine
Water Management Contract Amendment	Coordinate SWP Contractors involvement in Contract Amendment discussions on California WaterFix Cost Allocation and Water Management Activities	• Erlwine
Coordinated Operations Agreement	Coordinate with DWR and SWC members in developing information for and participating in discussions of possible COA modifications	• Febbo
State Water Resource Control Board Activities	Present testimony and participate in hearings on updating the Bay-Delta Water Quality Control Plan and related activities such as San Joaquin River water rights and illegal diversions	• Morris
Facilitate Water Transfers	Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers, including facilitating regulatory approvals. Begin planning for implementation of long-term transfers	• Chapman
Upstream Water Supply Augmentation	Work with CVP Contractors and upstream water users to identify water supply operations to address existing and potential regulatory obligations	• Erlwine
Delta Levee Strategy	Work with MWD and DWR in identifying and evaluating alternative approaches for levee improvements to protect SWP water supplies	• Erlwine
OCAP and Regulatory Compliance	Collaborate with DWR on planning and implementation of required habitat and other RPAs under OCAP Biological Opinions. Monitor progress of implementation of the Buisson Marsh Agreement	• Febbo
Water Operations Improvements	Identify and implement Delta and/or upstream operations strategies to minimize reductions to near term exports and increase water supply reliability using existing facilities or with additional features	• Febbo
Water Operations Evaluation	Develop documentation for ongoing Delta water supply operations including water losses from regulatory actions. Develop analysis tool to evaluate water supply and predict water supply allocations during the runoff season	• Febbo
Delta Related Litigation	Defend or intervene in litigation to protect SWP water supply. Pursue methods for State Water Resources Control Board to protect stored water through curtailments and participate in litigation and administrative proceedings that could impact stored water. Continue challenging the CEQA and authority of the Delta Stewardship Council to implement certain Delta Plan activities	• Morris
Collaborative Adaptive Management Team	Participate in Collaborative Adaptive Management Team through membership on CAMT, identification and formulation of study projects and involvement in work efforts of working teams	• Erlwine
Wastewater Discharge and Water Quality Issues	Follow-up on remaining litigation efforts related to Sacramento Regional CSD discharge permits. Participate in development and review of discharge standards for other Delta Watershed dischargers. Participate in processes related to methylmercury regulations	• Morris
Water Operations Evaluation	Develop documentation for ongoing Delta water supply operations including water losses from regulatory actions. Develop analysis tool to evaluate water supply and predict water supply allocations during the runoff season	• Febbo

Questions?

OFFICE OF THE GOVERNOR

September 19, 2016

Chairwoman Felicia Marcus
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Dear Chairwoman Marcus:

State Water Board staff recently released a draft proposal to update minimum flow standards for the Lower San Joaquin River to the Delta. This is only one part of the information needed. To provide a complete picture of the needs in the Delta, I urge the Board to move quickly to complete the remainder of their analysis on the Sacramento River basin.

Delay may be too costly. The need to improve our aquatic ecosystems is urgent. Many communities are paralyzed and fearful of a lengthy and unpredictable regulatory process. Voluntary agreements in which water rights holders improve stream flows and restore habitat could offer a faster, less contentious, and more durable outcome.

I have directed my departments at the Natural Resources Agency to explore the potential for a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. I have asked them to report back to me by the end of October with their assessment and a schedule that enables California to start improving water quality in the Delta and its tributaries beginning in 2017. I urge the Water Board to use its authorities to assure that the process can accommodate this acceleration. We ask that the Board and staff prioritize analysis and implementation of voluntary agreements.

Sincerely,


Edmund G. Brown

CC: Members, State Water Resources Control Board

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

DECEMBER 6, 2016

RE: OCTOBER 2016 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 16 percent reduction in total water production during October 2016 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. Desert Water Agency's cumulative water savings June 2015 through October 2016 is 24% percent. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 19.8%.

DWA is asking its customers to save 10-13% to help achieve long-term sustainability. DWA reports its production to the state on a monthly basis.

Below is additional information reported to the State Board for October 2016.

October 2016 water production	2,368.9 AF
October 2013 water production	2,809.6 AF
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	624.2 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	67.9%
Population (inclusive of seasonal residents)	105,954
Estimated R-GPCD	159.6
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	22

How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	74
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	72
How many penalties were issued for water waste or for a violation of conservation rules?	56
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Resources Control Board (State Board) analyzes data on a per capita basis. Historically, DWA has submitted data based on the permanent population of the service area; however that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population.</p> <p>DWA would like it noted that the amount of fresh water outflow to the ocean during the month of October was 355,091 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 89,670 acre feet. If our recycled water production for October was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	

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

DECEMBER 6, 2016

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1143 PLACING
IN NOMINATION JOSEPH A. STUART AS A MEMBER OF THE
REGION 9 BOARD OF ACWA**

Leadership of the ten geographical ACWA Regions is integral to the leadership of the Association as a whole. Members of the Region 9 Board determine the direction and focus of regional issues and activities, and support ACWA's goals on behalf of its members.

A one-year membership on the Region 9 Board has become available due to a resignation. The Region 9 Board declared a vacancy on December 1, 2016 and directed ACWA staff to take the steps necessary to solicit candidates for election to the remainder of the open term.

Director Stuart expressed an interest in serving as a member of the ACWA Region 9 Board, and has been furnished with the paperwork required for nomination. For the purposes of discussion and in anticipation of a call for nominations, staff has prepared Resolution No. 1143, which expresses the Agency's support for Director Stuart's nomination as required by ACWA. If the Board wishes to take action today the resolution will conform to the date when ACWA's call for nominations.

RESOLUTION NO. 1143

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DESERT WATER AGENCY
PLACING IN NOMINATION JOSEPH A. STUART
AS A MEMBER OF THE REGION 9 BOARD OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES**

WHEREAS, the Board of Directors of the Desert Water Agency does encourage and support the participation of its members in the affairs of the Association of California Water Agencies; and

WHEREAS, Joseph A. Stuart has indicated a desire to serve as a Director of ACWA Region 9;

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Desert Water Agency places its full and unreserved support in the nomination of Joseph A. Stuart as a candidate for the office of Director, ACWA Region 9; and

FURTHER BE IT RESOLVED that the Desert Water Agency Board of Directors pledges the Agency's support of Mr. Stuart's efforts in fulfilling the duties of this office if he is elected.

ADOPTED this 6th day of December, 2016.

James Cioffi, President
Board of Directors
Desert Water Agency

ATTEST:

Kristin Bloomer, Secretary-Treasurer
Board of Directors
Desert Water Agency

**DESERT WATER AGENCY
MEDIA INFORMATION
OCTOBER 2016**

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
10/31/16	1	KESQ.COM	DWA Increases Rates
10/31/16	2-3	THE DESERT SUN	Water District Will Test A Cheaper Treatment Water
10/31/16	4-6	LOS ANGELES TIMES	After Saving A Lot Of Water, A Big Backslide
11/02/16	7-8	LOS ANGELES TIMES	Water Conservation Improved In September But Is Still Worse Than 2015
11/02/16	9-10	PRESS ENTERPRISE	Water Usage On Rise In State
11/03/16	11-12	THE DESERT SUN	Desert Water Agency Customers Could See Rate Hike
11/10/16	13-15	THE DESERT SUN	Big Contributions From Farmers, Developers Turned Water District Campaign Into Costliest Local Race
11/10/16	16	PRESS ENTERPRISE	Perris Water Project Gets Funding Help
11/13/16	17-18	PRESS ENTERPRISE	Beaumont Hustles To Expand Sewage Plant
11/19/16	19	PRESS ENTERPRISE	Mountain Water Ruling To Be Appealed
11/27/16	20	THE DESERT SUN	Desert Water Agency Needs Investments For The Future
11/30/16	21-22	THE DESERT SUN	California Drought: State Initially Estimates 20% Of Full Water Deliveries

DWA increases rates

By: Lauren Coronado Posted: Oct 28, 2016

PALM SPRINGS, Calif. - The Desert Water Agency plans on increasing rates by four dollars per year, on average, starting January 2017 until 2020.

"If you receive a notice in the mail you will be impacted one way or another," said Ashley Metzger, DWA's Outreach and Conservation Manager.

The rate proposal comes as pipelines dating back to the 1920s need to be replaced. In 2015 DWA repaired nearly 500 leaks, resulting in 12 million gallons of water lost. Some customers are willing to do whatever it takes to conserve water and protect infrastructures.

"If raising the price is what it takes, then we're just going to have to buckle up and take it," said one DWA customer.

Another DWA customer, Donna Chaban-Delmas is protesting the rate increase and says the agency should look to other funds for the pipeline replacement.

"Perhaps they need to rethink the salary structure of the higher executives as well as cut back in internal expenses in order to figure out how to keep those rates down," said Chaban-Delmas.

The DWA encourages customer input and is holding a public hearing on Dec. 15 to further educate customers about the increase and to get their feed back.

"At that hearing we will look at all of the protests that we've received and if we have received more than 50 percent of our customers have protests, our board won't even consider the rate increase. However, if we get less protests, our board will consider increasing the rates in January," said Metzger.

Water district will test a cheaper treatment

Ian James, October 31, 2016

Coachella Valley seeks less costly way to remove chromium-6 IAN JAMES THE DESERT SUN Four months ago, the Coachella Valley Water District's managers approved a plan they described as their costliest infrastructure project ever: the construction of small water treatment plants at nearly a third of the district's 92 wells.

At the time, the total price tag was estimated at \$250 million.

But it turns out the water district may be able to remove chromium-6 from drinking water at a much lower cost.

The district's board voted last week to change course by rescinding the construction agreement and instead will start tests at wells to see if a different water treatment process will work.

The process involves using tin in the form of the chemical stannous chloride, which is added to the water pumped from wells and dramatically reduces levels of chromium-6. The district's officials said they learned of this treatment process when new research results were presented at technology workshop in September.

"I call it the solution," said Steve Bigley, the district's director of environmental services, presenting the idea to board members on Oct. 25. "It's a simpler process to construct and operate."

The district's board adopted the original plan to comply with a new state drinking water standard for chromium-6, a carcinogen also known as hexavalent chromium. That plan would have involved building ion-exchange treatment plants at wells plus a specialized plant where waste from the process would be collected.

Instead, the board will try injecting small amounts of stannous chloride into the water at wells and will use filters to remove particles that form in the process. Bigley said stannous chloride is used in food products and has also been used as an additive in drinking water to help prevent corrosion of pipes.

He explained that aluminum has been used to treat surface water for years, and the process is similar.

"You're using a metal's properties to attract other things into particles that you can then separate out from the water," he said. "You're getting between 70 and 75 percent removal of the chromium using this process."

While it's not clear exactly how much this treatment technique would cost, it's expected to be much less. The district's managers aim to finish their testing by mid-2017.

Lower treatment costs would translate into smaller increases in water bills in the coming years.

In June, the district's board voted to raise its per-gallon rates, citing the chromium-6 treatment costs as well as a projected decline in revenue due to conservation. In October, board members adopted

smaller increases in monthly service charges than originally proposed, saying their revenues had turned out to be higher than expected.

The district's managers sent a notice to customers earlier this year detailing potential rate increases through 2020. They plan to reassess whether and how much to raise rates each year.

In large portions of the aquifer beneath the Coachella Valley, the groundwater has levels of chromium-6 that exceed the state's limit. Water agencies say the heavy metal occurs naturally, dissolving from rocks into the groundwater. Chromium-6 can also be released into the environment as pollution from sources such as cooling towers and industrial plants.

The Coachella Valley Water District has 30 wells that pump water with levels of chromium-6 over the state's limit. CVWD says it has more wells affected by the rule than any other water district in California.

The potential dangers of chromium-6 were highlighted in the 1990s by a court case brought by then-legal clerk Erin Brockovich against Pacific Gas & Electric Company, claiming groundwater contamination in the Mojave Desert town of Hinkley. After that case became widely known through the 2000 film 'Erin Brockovich,' the California Legislature in 2001 passed a law instructing public health agencies to develop a drinking water standard for chromium- 6.

State regulators adopted the new standard for chromium-6 in 2014. Water agencies have been given until 2020 to comply with the limit of 10 parts per billion.

California's standard is the first in the country to focus specifically on chromium- 6 in drinking water. The U.S. Environmental Protection Agency limits the level of any chromium compound to 100 parts per billion.

After saving a lot of water, a big backslide

By Matt Stevens and Ryan Menezes, October 31, 2016

The San Juan Water District showed the rest of California how to save water when the state needed the savings most.

The supplier for eastern Sacramento and southern Placer counties cut consumption 41% from 2013 levels during the summer of 2015 — the height of a years-long drought

District residents let their acre-sized properties fade, livestock went thirsty, vineyards decayed.

Then, the rain arrived. Regulators relaxed the rules and on went some spigots.

This summer, the district used almost 600 million more gallons than it did last summer. Lacking a state mandate to conserve, residents' daily consumption climbed to more than 500 gallons per person.

The San Juan Water District's especially steep backslide stood out as part of a statewide trend: With mandatory state restrictions lifted, the overwhelming majority of local suppliers saved less this summer, according to a Times analysis of state water data.

Regulators say San Juan — which this summer cut water use 12.8% from 2013 levels — is one of the suppliers they are scrutinizing and could reprimand as the prospect of a dry winter looms.

"Do these water managers understand how precarious our statewide situation still is, and are they acting responsibly?" said Max Gomberg, climate and conservation manager at the State Water Resources Control Board. "A relaxation of [conservation requirements] is reasonable and appropriate; an abandonment of rules that help customers conserve is shortsighted and irresponsible."

Do these water managers understand how precarious our statewide situation still is?

In interviews, officials with some water districts where water use has jumped the most cited faulty data, while others said regulators weren't giving them appropriate credit for their unique circumstances.

But some also acknowledged that they were eager to ease up on their customers after the state board lifted mandatory conservation for the vast majority of urban suppliers.

Lisa Brown, the San Juan Water District's customer service manager, said she and her colleagues could not ask people to save at high levels indefinitely, especially after they saw their local reservoir fill, and eventually spill.

As Brown sees it, 12.8% savings may be less than 41%, but it's far better than the zero percent the state now requires of her district.

"The mandatory restrictions were eliminated. Our customers did exactly what they were supposed to do," Brown said. The district has asked residents to cut back 10% voluntarily.

Concerned by a statewide decline in water conservation, regulators cranked up their rhetoric at an early-October meeting.

They announced that statewide water conservation flagged in August for the third consecutive month, and their data showed that Californians had saved far less water this last summer compared with summer 2015. Water board Chairwoman Felicia Marcus said the state should be on "yellow alert."

The Times analysis uses two metrics that regulators say they are monitoring: drop-offs in conservation and high residential per-capita water use.

The amount of water an urban supplier saved during summer 2015 was compared with the savings in June, July and August of this year. Adjustments were made to give greater weight to districts with atypically heavy residential per-capita water use.

Statewide, water conservation slid about nine percentage points, according to the analysis. About 93% of local suppliers saved less this summer than they did during the summer of 2015. Water districts in inland Northern California regressed the most. Three of the water districts where consumption rebounded at the highest rate draw supply from Folsom Lake.

When customers saw that Folsom was spilling this spring, they expressed “significant anger” toward district staff members who urged them to keep conserving, Brown said.

Under pressure from districts such as San Juan, state water board members eventually ended mandatory conservation for providers that could prove they have a reliable three-year supply. The regulators argued that California’s improved hydrology allowed them to provide districts some relief. The changes took effect in June.

The Times analysis found that similar levels of backsliding occurred regardless of whether suppliers still were required to conserve by the state. Those without a state mandate saw water consumption rebound about 8.9 percentage points this summer. The smaller group of suppliers that are still under state orders to conserve saw water consumption increase slightly less — about 7.7 percentage points.

(Conservation efforts dropped off in Los Angeles, but only slightly, the analysis shows. The Department of Water and Power saved 18% during the summer of 2015 and continued to save 14% this summer, despite being told the district no longer was required to conserve. Angelenos used about 81 gallons of water per day in June, July and August.)

As California’s drought conditions improved and members of the state board mulled changing its rules, many of the districts did away with their excessive-use surcharges, allowed residents to resume watering their lawns more days per week and returned to voluntary conservation.

Brown said it was “absolutely unfair” to compare 2016 savings with 2015 savings, especially because the district had conserved so much during the drought’s most punishing period. Water managers in other districts where water savings have declined made similar arguments.

Brown attributed San Juan’s high per-capita use to its demographics and relatively low density.

“You have to consider what we look like here,” Brown said, adding that livestock, orchards and vineyards require water to maintain. “We do not have postage-stamp-sized lots.”

“Most people just want to salvage what they had, and to save 36% [as required by the state in 2015], they really had to sacrifice a lot,” Brown continued. “[Customers are] really trying to reestablish existing landscapes, trying to revive trees and shrubs, revive what they have back.”

Tracy Quinn, a policy analyst with the Natural Resources Defense Council, acknowledged that it can be difficult to assess appropriate water use in areas with large lots. A property owner who appears to be using a lot of water might be using it efficiently if the property’s outdoor area is extremely large, she said.

“But in a drought emergency, it seems a bit egregious to be using nearly 500 gallons of water per person per day,” Quinn said. “They have the capacity to cut back.”

Quinn said she is worried state officials will report an even larger backslide Tuesday when they are expected to release water-use data for September.

But Quinn said she is also concerned about what lies down the road.

The executive order that governs the current drought rules will expire in February. So the water board soon will need to grapple with whether to extend the emergency regulations and then potentially decide how to adjust them.

The decision to reinstate mandatory statewide water conservation is mostly a question of weather. The drier this winter proves to be, the more likely water districts will be told to ramp up their efforts again. Quinn said getting them to do so could prove difficult.

But one thing is almost certain.

“The only way for [the executive order] to expire is for us to determine that there is no longer a drought emergency,” Gomberg said, “and the likelihood of that is close to zero.”

How we did it

A Times analysis found that the overwhelming majority of California water districts increased their usage after the state eased its drought restrictions. Some of the most extreme increases were found in inland Northern California, led by the San Juan Water District near Folsom Lake.

How did The Times come to that conclusion?

We started by downloading data from California’s State Water Resources Control Board, which publishes a monthly accounting of each district’s water usage on its website.

That data has been used by state regulators to monitor and enforce mandatory water-use reductions introduced as part of the state’s emergency drought response. Regulators ended mandatory conservation for the vast majority of urban water suppliers this spring.

The state measures each district’s water savings by comparing the number of gallons it supplies to homes, businesses and institutions each month versus the same month in 2013, a baseline that precedes Gov. Jerry Brown’s proclamation of a drought state of emergency.

The Times calculated that statistic for three months this summer after restrictions were eased, then compared it against the same months in 2015. In total, 93% of 387 districts increased water usage this summer. Nineteen districts were excluded because they did not report enough data to the state.

California’s water districts vary greatly in size, from large urban areas like Los Angeles to small districts in the rural north. To compare suppliers and identify areas where residents use large amounts of water at home, state officials also track the total amount of water used by each district’s average resident each day.

The Times combined that measure with each district’s change in total summer water usage to create a ranking we’re calling a Conservation-Consumption Score. By including both factors, this statistic better identifies areas where residents account for increases.

To learn more about our analysis and review the computer code that compiled the ranking, visit [our open-source repository on GitHub](#).

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Times staff writer Ben Welsh contributed to this report.

Water conservation improved in September but is still worse than in 2015

Matt Stevens, November 2, 2016

Californians halted a three-month slide in water conservation in September, saving enough to hearten state regulators who previously had expressed alarm about possible drought fatigue.

Residents and businesses cut their water consumption by 18.3% in September compared with the same month in 2013. The savings represented a slight uptick from the 17.5% reduction urban Californians managed in August.

"I am glad to see the slide stop, and even reverse a bit overall, especially as we move into traditionally lower water-use months when we would expect [savings] percentages to drop significantly," State Water Resources Control Board Chairwoman Felicia Marcus said in a statement.

"Overall, we're happy to see millions of Californians and many water agencies continue significant conservation," she added. "Conversely, we're concerned to see some agencies return to using hundreds of gallons per person per day while saving little. ... We need to keep conserving."

Conservation backsliding has been a point of concern among officials in recent months.

A statewide analysis by The Times found that water conservation slid about 9 percentage points in June, July and August of this year compared with the same period in 2015, at the height of the drought.

About 93% of local suppliers saved less this summer than they did during the summer of 2015, according to the analysis.

In its statement Tuesday, the board praised many water suppliers for maintaining high levels of conservation — including some that saved more this September than in September 2015.

However, regulators also singled out a few suppliers that they said were not "sustaining significant conservation." They listed the San Juan Water District, the supplier The Times focused on in its report, as one they were "particularly concerned about."

At their Tuesday meeting, regulators and representatives of water agencies said it was important to look at cumulative savings numbers rather than concentrating solely on monthly savings percentages.

During the 16-month period that ended in September, Californians used 23% less water compared with 2013 benchmarks, water board staff members said.

Some agency representatives took umbrage at the notion that they are abandoning conservation.

"It's a good news story," said Dave Bolland of the Assn. of California Water Agencies.

He added that some media organizations are attempting to "make a story about all of California out of a few specific agency situations."

Inland Northern California was home to some of the state's biggest backsliders during June, July and August, according to The Times' analysis.

On Tuesday, Amy Talbot, a representative of the Regional Water Authority for the greater Sacramento area, framed the upticks in usage as a natural consequence of moving from mandatory conservation to voluntary conservation. "We see it not as backsliding, as some articles have mentioned," she said.

Environmental advocates, however, saw September's 18.3% savings as a significant slip from the 26.2% savings achieved in September 2015 under mandatory conservation.

The board lifted mandatory conservation for the vast majority of California suppliers earlier this year.

"The state board has failed the people of California by letting water agencies off the hook for mandatory conservation," said Tracy Quinn, senior water policy analyst at the Natural Resources Defense Council. "That sent a very confusing message to residents, who are wrongly being told it's OK to water their lawns or roll back the conservation efforts they'd implemented over the past few years."

In her statement, Quinn called for a return to mandatory conservation targets and "a suite of strong permanent conservation measures."

The executive order that governs the current drought rules will expire in February. So water board members will need to decide whether the emergency regulations should be extended; if so, officials may choose to modify them further.

A series of storms in Northern California has gotten the state off to a good start, officials said.

As of Tuesday, an eight-station index that measures rain in the northern Sierra Nevada had recorded 12.6 inches of precipitation — almost 400% of the average for Nov. 1.

Regulators wondered aloud how the rain would affect conservation during October. More rain, they said, should lead to less outdoor watering — and perhaps greater savings.

"We're watching the weather like everyone else is," said Max Gomberg, the water board's climate and conservation manager. "This is an encouraging start to the water year, but there's a long way to go."

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Water usage on rise in state

Mandatory cuts may make a comeback after report shows voluntary trims are about a third less than 2015.

By LAUREN WILLIAMS, November 2, 2016

Californians saved about 30 percent less water in September than they did a year earlier, and state water officials said Tuesday they might bring back mandated cuts.

Overall, communities statewide conserved 18.3 percent this September compared with the same time three years ago, according to data released Tuesday. But compared with the same time last year – when Californians reduced water consumption by 26.2 percent – water use increased by nearly 8 percent.

Last year, however, mandatory cuts were in place and irrigation basically came to a standstill.

“Clearly, in serious drought conditions, when water conditions were dire, 60 percent of the population prevailed and exceeded the mandate,” said George Kostyrko, the director of public affairs for the State Water Resources Control Board.

“People living in Southern California know that water is a precious commodity,” Kostyrko said. “The only area where we saw some deficiencies was in areas like in irrigating during rain. It’s a matter of people knowing how their sprinklers work.”

The state changed its water conservation program in May, switching from mandatory cuts to voluntary cuts. Officials said they would consider another change if drought conditions persist and water consumption continues to grow.

“We have been monitoring the situation on a month-to-month basis and we’re happy to see the average is a 23 percent savings,” Kostyrko said, referencing the cumulative savings between June 2015 and September 2016.

Water conservation did improve from August to September, though that’s typically the trend as temperatures drop from summer to fall, state officials said.

The state report highlighted water use in some cities throughout Southern California. The only water districts in the region to save more water in September than they did a year earlier were Rialto, La Habra, Irvine and El Segundo, according to the state water board data. Other cities – Tustin, Thousand Oaks, San Dimas and Simi Valley – saved water too, but not more than they did a year ago.

Water suppliers in Fontana, Garden Grove and Pomona also were among 132 agencies statewide that saved 20 percent or more; those three agencies also passed a stress test indicating they have water supplies to last three years more years in drought conditions.

Other cities are heading in a different direction.

In Malibu, conservation plunged and per person daily water use is sky-high. While the average for the entire region is less than 100 gallons a day per person, Malibu consumers on average use 278.4 gallons each day.

Placentia and La Palma – once touted as super savers – now report 10 percent or less in water savings. La Palma went from 30 percent saved in September 2015 to zero percent this September.

The three water suppliers in Riverside County all reported daily use in the range of 131 to 194 gallons per person and – like much of the state – didn't save as much water in September as they did a year earlier.

Collectively, the South Coast region, which stretches from Ventura County to the Mexican border, conserved 19.4 percent in September, down from savings of 26.7 percent during the same time last year. The number of gallons consumed per person each day slightly increased for the region from 89.3 gallons in September last year to 96 gallons this year.

Since June 2015, Californians have saved nearly 700 billion gallons of water, which translates to enough water to supply Riverside, Orange, San Diego and Santa Clara counties – or more than a quarter of the state's population – with water for a year.

Desert Water Agency customers could see rate hike

Corinne S Kennedy , The Desert Sun 5:16 p.m. PDT November 3, 2016

Desert Water Agency customers could see an increase in their bill come January, part of a fee restructuring program which will continue through 2020.

Agency officials said the increases would be gradual, rising about \$4 in January and slightly under \$4 four more times in July of each year through 2020 for the average customer, but the increase could be halted if enough customers mobilize against it.

DWA spokesperson Ashley Metzger said poor infrastructure was a major factor precipitating the rate increases.

"We have a lot of aging infrastructure," she said. "A lot of it was installed before we even existed." The district serves over 100,000 residents of the west valley.

The agency wants to update water pipelines -- some of which date back to the Great Depression -- before a break or leak necessitates emergency repairs. In 2015, DWA repaired 467 leaks, resulting in 12 million gallons of water lost and \$600,000 in emergency repair costs. The year had more leaks than any other on record, Metzger said, but 2016 is set to surpass it.

She said the rates were comparable to those recently adopted by the Coachella Valley Water District. That district cited the need to invest in new treatment plans as a contributing factor for its rate hike.

Metzger added a consumer assistance program would be available for those who felt they were unable to pay the increased fee.

Decreased revenues due to water conservation have also been a factor. Metzger said the agency hopes to make a higher proportion of water rates fixed. Currently, 18 percent of a customer's bill is from fixed costs. By the end of the adjustment period, that will be closer to 30 percent.

"We want to make the rates, much like all the landscapes out here, drought proof," she said.

Sewer customers will also see a slight increase in their rate. The current charge is \$5. Starting in January it will be \$5.36. That will eventually increase to \$6.15.

Metzger said DWA has worked for years to cut its expenses through using solar and hydro power, refinancing bonds and restructuring pensions, even before the state mandated it in 2013.

Customers could try to stop the rate hike. If DWA receives formal, written complaints from more than 50 percent of its customers -- about 15,000 to 20,000 households -- by Dec. 15, the increases could not go into effect.

That would mean going back to the drawing board, Metzger said. A rate study performed by an independent agency found DWA had to increase rates to meet costs.

So far, the agency has received emails and social media posts from customers expressing grievances, but only a handful of formal complaints.

A series of public workshops will be held to provide customers with more information about the new rates. Metzger encouraged people to attend one before taking a stance on the rate hike.

If the increase fails via the court of public opinion, either the agency will have to develop a different fee structure to meet its costs or abandon plans to update infrastructure.

"One way or another we have to figure out how to make our costs match our rate revenues," she said.

UPCOMING MEETINGS

Desert Water Agency is holding four community workshops to inform customers about the rate hikes. Events will be held:

- Nov. 10 at 12 p.m. at the Desert Water Agency, 1200 S. Gene Autry Trail, Palm Springs
- Nov. 19 at 10:30 a.m. at the Cathedral City Senior Center, 37171 Buddy Rogers Ave.
- Nov. 28 at 7:30 a.m. at the Desert Water Agency, 1200 S. Gene Autry Trail, Palm Springs.

A public hearing on the rate increase will be held:

- Dec. 15 at 6 p.m. in the cafeteria of Cielo Vista Charter School, 650 S. Paseo Dorotea in Palm Springs

Big contributions from farmers, developers turned water district campaign into costliest local race

Ian James , The Desert, *November 10, 2016*

Farmer Anthony Bianco is poised to win a seat on the Coachella Valley Water District's board after running what is likely the most expensive campaign in the agency's history.

With the vast majority of ballots counted, initial election results showed Bianco leading Jim Schmid by more than 500 votes, representing 3 percentage points. The two were well ahead of incumbent Ed Pack and Sergio Nuñez.

If the results hold as mail-in ballots are tallied, Bianco would become the third farmer on the five-member board, restoring majority control to voices allied with agriculture after two years of being in the minority.

Bianco, who manages the company Anthony Vineyards, raised more than \$130,000 in contributions, mostly from farmers, agricultural businesses and developers. Records show his campaign was the costliest of any local race in the Coachella Valley this year, surpassing the amounts raised for city and school district elections.

"I'm just concerned about the direction the Coachella Valley Water District is taking, and I'm concerned about the future of the desert," Bianco said Wednesday. He said he would be "honored and grateful, if I am chosen the winner, to represent the residents and ratepayers here in the Coachella Valley."

Schmid, the director of operations at The Lakes Country Club in Palm Desert, raised about \$28,000 in campaign contributions ahead of Tuesday's election, mostly from people and businesses with ties to golf courses and country clubs.

Campaign records show Bianco raised more money than any other CVWD candidate in the past 10 years. Current and former CVWD officials said they couldn't recall any other candidate ever raising as much money.

Russell Kitahara, a farm manager who spent 12 years on the CVWD board from 1998 through 2010, said the most he ever raised – in one of the costliest races at that time – was about \$40,000.

"The farm community generally would like to control the board. Our future pretty much depends on it," Kitahara said.

Kitahara was not among those who donated to Bianco's campaign this year. He said the heavy spending seemed geared toward ensuring a continuing flow of cheap water and defending the valley's agricultural entitlement to water from the Colorado River.

"I think the farmers understand why they're going to buy that seat basically," Kitahara said. "The farmers know what's at stake. The future of cheap water is at stake."

The four candidates were competing for the Second Division, which includes Palm Desert, Thousand Palms and other unincorporated areas.

As of Thursday, the preliminary results showed Bianco had 6,982 votes, or 38 percent of the 18,351 ballots tallied, with all precincts reporting. The Riverside County Registrar of Voters said mail-in and provisional ballots have yet to be tallied, and those full results would be available on Friday.

Nuñez was headed for his fourth loss in a CVWD race since 2000. He raised several thousand dollars during his last bid in 2012, but decided against fundraising this year because, he said, "there are no free favors or

handouts." He relied on yard signs that he'd already bought in 2012 and spent \$500 of his own money for a single online advertisement.

Pack, a retired fire prevention officer, didn't collect any contributions, either.

During the campaign, Pack called for managing the area's groundwater as "one aquifer" and charging well owners the same fees for pumping throughout the valley. Those rates, which cover costs associated with importing water to replenish the aquifer, have long varied in different parts of the valley.

The rates for well owners in the east valley, where farms are concentrated, have long been significantly lower than in other parts of the valley.

"The farmers, they keep getting all this low-cost water," Pack said. He said he thinks Bianco raised and spent a lot on the campaign "to keep the water as cheap as possible."

Bianco dismissed such claims.

"I'm not running because of anything that has to do with farming. I'm running because this is the only home I know and I'm concerned about the direction it is going with the whole Coachella Valley," Bianco said in a telephone interview. "The people who have supported me live, work and play in the Coachella Valley, and they all are concerned with the direction the Coachella Valley Water District has taken."

The district is due to receive increasing amounts of Colorado River water in the coming years thanks to a water transfer deal with the Imperial Irrigation District.

Bianco's company, Anthony Vineyards, produces table grapes and is the largest property owner in an area where the district has considered building 17 miles of pipeline, three pump stations and four reservoirs to carry Colorado River water to farms.

The Oasis pipeline plan, estimated at \$58 million, was put on hold in August after CVWD board members disagreed over guidelines dictating which landowners would be eligible to receive the water.

Under the proposal, water would flow to 7,110 acres in the Oasis area, reaching the properties of 40 landowners who would pay a portion of the costs – nearly \$20 million – through an assessment. The remainder of the costs would be paid by other users of Colorado River water and well owners throughout the eastern Coachella Valley.

Only three of the five board members have participated in discussions of the project because John Powell, Jr., and Peter Nelson both work in agriculture and have recused themselves.

The remaining three board members took up the pipeline proposal during a meeting on Tuesday, but they deadlocked again, leaving the plan indefinitely on hold.

Bianco said he would recuse himself from discussions of the Oasis pipeline since he owns property that would be affected.

"Business-wise, I'm not in favor of it because it's going to cost me more money in the long run. But it's the right thing to do for the valley," Bianco said. "It's a great project. It's something that will recharge the aquifer, and the farmers are paying for the majority of it. I mean, what more can you ask for?"

Some of the companies that would receive water from the proposed pipeline donated to Bianco's campaign. They included Sun World International, which gave \$5,000, and Tudor Ranch, which gave \$10,000. Another \$10,000 donor was Federated Insurance, which owns farmland that would get water from the pipeline and aims to eventually build a huge development called Travertine Point with more than 16,000 homes near the Salton Sea.

The district hasn't officially determined what procedure the board would follow if the pipeline project comes up again and three board members are required to recuse themselves. But Heather Engel, the district's director of

communication and conservation, has outlined a general procedure for such a scenario: One of those three board members could be randomly selected to rejoin the discussion so that a majority of the board would vote.

The board previously had a majority of its board members working in agriculture until 2014, when Franz De Klotz stepped down.

Two seats on the CVWD board were to be decided in Tuesday's election. But no one stepped forward to run against incumbent Nelson, so he automatically secured another four-year term.

During the campaign, the candidates also debated topics ranging from drought measures to how the district should use water from the Colorado River.

The Coachella Valley has long imported water from the Colorado River to sustain farms producing crops ranging from grapes to lemons and dates. But the river is severely overallocated and scientists have projected that its flows are likely to shrink significantly in the coming decades due to climate change.

With the level of Lake Mead near record lows, representatives of California, Nevada and Arizona have been negotiating shared cutbacks in water use to help avert a more severe shortage. The details of that "drought contingency plan" are also being worked out among water districts in California, and the CVWD board is expected to weigh in during the next couple of months.

List of Bianco's campaign contributors

PRIME TIME INTERNATIONAL	\$10,000	GID MORENO VALLEY, LLC	\$100
TUDOR RANCH, INC.	\$10,000	GID PALM DESERT, LLC	\$100
SUN DATE, LLC	\$10,000	GLOBAL INVESTMENT & DEVELOPMENT, LLC	\$250
JOHN BEERMAN	\$250	O. MICHAEL HOMME	\$250
DESERT VALLEY DATE	\$5,000	HYDRO AG SYSTEMS, INC.	\$250
HADLEY	\$5,000	SABBY JONATHAN	\$250
BELK FARMS, LLC	\$5,000	M.A. PERONI	\$250
DESERT MIST FARMS, LLC	\$2,000	SMH PARTNERS, INC.	\$100
FEDERATED INSURANCE	\$10,000	NOLAN SPARKS	\$100
DENNIS JENSEN	\$1,000	JAMES SURABIAN	\$100
JOSE LUIS GOMEZ FARMS AND DATES	\$1,000	ALEXANDER HAAGEN III	\$5,000
JOSEPH L. CHIRIACO, INC.	\$400	FREDERICK NOBLE	\$2,500
DRAKE LARSON	\$5,000	FOSTER-GARDNER, INC.	\$1,000
THOMAS NOBLE	\$2,500	GROWER'S TOPPING & HEDGING, LLC	\$1,000
OASIS RANCH MANAGEMENT, INC.	\$1,000	THERMICULTURE MANAGEMENT	\$1,000
OCEAN MIST FARMS	\$5,000	COACHELLA VALLEY RANCHES	\$5,000
SEA VIEW 500, LLC	\$5,000	HMS AGRICULTURAL CORPORATION	\$2,500
SEAVIEW PACKING, INC.	\$1,000	LUCICH FARMS	\$10,000
WILLIAM DALE YOUNG & SONS, INC.	\$1,000	MICA, LLC	\$5,000
GID CAMPANILE, LLC	\$100	RICHARD BAGDASARIAN, INC.	\$10,000
GID MENIFEE, LLC	\$100.00	SUN WORLD INTERNATIONAL, LLC	\$5,000
GID MONTEREY, LLC	\$100.00		

Reporter Jesse Marx contributed to this story.

READ MORE: Candidates debate how CVWD should manage water

November 10, 2016

Perris water project gets funding help

CITY NEWS SERVICE

Metropolitan Water District officials have approved financial incentives for four water recycling projects – including one in Perris – that will treat and deliver a total of nearly 5.3 billion gallons of water a year.

Separate agreements for large-scale recycling projects were approved with the Eastern Municipal Water District, with the Water Replenishment District of Southern California, with the city of Torrance and for two Los Angeles Department of Water and Power projects.

Metropolitan will provide as much as \$44 million in incentives for the projects over the next 25 years.

“Every drop of recycled water produced and used makes an equal drop of freshwater available for other uses,” Metropolitan board Chairman Randy Record said. “These types of water management investments and programs are the backbone of the region’s water resource plan that secures our water future by strengthening regional supply reliability and better prepares us to respond to the challenges of climate change.”

The agreements were approved under the MWD’s Local Resources Program, which has provided economic incentives for recycling and groundwater cleanup projects throughout Metropolitan’s six-county service area since 1982. It was revised two years ago to include seawater desalination efforts.

Eastern’s project will treat up to 5,500 acre-feet of degraded brackish groundwater from the West San Jacinto Groundwater Basin in Perris for potable uses. The project includes the construction of a reverse osmosis desalter plant, up to seven new wells, about 8 miles of pipeline and other associated facilities.

An acre-foot of water is nearly 326,000 gallons, about the amount used by two typical Southern California households in and around the home in a year.

The Metropolitan Water District of Southern California is a state-established cooperative of 26 cities and water agencies serving nearly 19 million people in six counties.

BEAUMONT HUSTLES TO EXPAND SEWAGE PLANT

City plays catch-up after failing to answer water quality officials over wastewater levels.

By Gail Wesson, November 13, 2016

The letters began arriving in November 2015, during a time of turmoil for Beaumont, which was under criminal and state auditor investigations.

Yet no one responded to the memos from the Santa Ana Regional Water Quality Control Board, which had learned that flows from Beaumont's wastewater treatment plant had exceeded 75 percent capacity. Passing the threshold triggers a requirement that the city share what steps it will take to add treatment capacity.

"It just got caught in the changes," said Amer Jakher, Public Works director and city engineer, who joined the city in late March. "Nobody was aware of it."

By May, seven former high-ranking Beaumont city officials were charged with felony corruption, including embezzlement and misappropriation of public funds. They have pleaded not guilty, and the case is pending.

And the city had finally responded to the water board – but only after water officials sent a notice-of-violation letter in April.

The Beaumont City Council took a significant step recently in dealing with the issue, deciding to expand its existing wastewater treatment plant. The choice was made over a more costly option to pay for an expansion of a Yucaipa Valley Water District plant and pipe the city's sewage 22 miles away for treatment.

The council took action Monday before a packed audience of customers, many of whom were concerned about the potential for increases in their rates, something the city will not be ready to address until 2019.

Construction, expected to be completed in 2020, is estimated at \$95.75 million. The project's 20-year life-cycle cost – including construction – is \$130.43 million. The Yucaipa option would have a lifecycle cost of more than \$205 million.

The proposed project will expand the treatment plant from 4 million gallons a day to 6 million gallons a day. Some elements will be designed for an ultimate expansion to 8-8.5 million gallons a day.

The council has authorized a contract with Albert A. Webb Associates of Riverside – which did the feasibility study – for \$725,216 for preliminary design work and to file a loan application with the state. That design must be submitted to the regional board by May 31, 2017.

The city still will have to build a pipeline to carry salt brine from the city to a regional disposal line in San Bernardino.

"You should reduce the salt that goes into the basin" to protect the quality of the groundwater available for use, Jakher said.

The plant upgrade will include a microfiltration process – which uses frames of spaghetti like hollow fiber membranes – and reverse osmosis, which helps remove salts.

“It’s a much better pretreatment for reverse osmosis,” Brian Knoll, vice president of Webb, said of the filtration. He noted it also takes up much less room at the plant than current methods.

Councilman Lloyd White said Beaumont city leaders and staffers “have to move forward” and meet the state deadlines. He noted that the notification letters came during a time the city had two interim city managers and others in temporary positions, including a 12-hour-a-week city engineer.

“I personally was surprised that staff had not addressed it before we got the final letter,” he said.

CONTACT THE WRITER:

951-368-9075 or gwesson@scng.com

Mountain water ruling to be appealed

Bottling company draws millions of gallons from S.B. National Forest each year.

By Jim Steinberg, November 19, 2016

Three environmental and community-based groups have given their notice of intent to appeal a federal court's ruling allowing a subsidiary of Nestlé to continue to remove millions of gallons of water annually from the San Bernardino National Forest.

The notice comes after Riverside-based federal Judge Jesus G. Bernal rejected plaintiffs' arguments in September that the U.S. Forest Service had violated federal procedures in allowing Nestlé Waters North America to remove water from the remote west fork of Strawberry Creek above San Bernardino.

The original lawsuit was filed in October 2015 by the Center for Biological Diversity, the Story of Stuff Project and The Courage Campaign, claiming that the Forest Service made errors in allowing Nestlé to maintain pipelines, pumps and other structures in the San Bernardino National Forest for 28 years after its permit expired.

"This appeal is absolutely necessary in order to assure that the U.S. Forest Service does not continue to allow precious water to be siphoned off our public lands without any limits or conditions to protect wildlife, water and other public trust resources," said Ilene Anderson, a senior scientist working out of the Los Angeles office of the Center for Biological Diversity. "After nearly three decades since the permit expired and now with California entering its sixth year of drought, this situation must be remedied now."

The plaintiffs have until May 1 to file their appeal, said their Berkeley-based attorney Rachel Doughty.

"We have not drafted the brief, so I can't tell you what the arguments (for the appeal) are," she said.

Among other complaints, the plaintiffs unsuccessfully argued in the lower court case that the special-use permit for 4 miles of pipeline and other structures used to tap Strawberry Canyon's water had expired Aug. 2, 1988, and was never properly renewed.

Bernal said the Forest Service did receive "timely and sufficient application for renewal" in May 1987.

"Plaintiffs do not identify, and the court cannot find, any authority holding that an agency's failure to act within a reasonable time" can invalidate a special-use permit, Bernal wrote in his 12-page decision filed in U.S. District Court for the Central Division of California.

Andrew Smith, senior trial attorney for the U.S. Department of Justice in Albuquerque, N.M., declined to comment on the appeal notice. Smith handled the case on behalf of the Forest Service in Bernal's courtroom.

"Although not a party to this matter, we would welcome the 9th Circuit's review of the District Court's decision, which reflects established 9th Circuit precedent," said Chris Rieck, a Nestlé spokesman. "We continue to work cooperatively with the USFS on the permit renewal process and to manage the Arrowhead Springs in Strawberry Canyon sustainably for the long term."

"We Californians have dramatically reduced our water use over the past year in the face of an historic drought, but Nestlé has refused to step up and do its part," said Michael O'Heaney, executive director of the Story of Stuff Project.

"The court's bad ruling forces us to appeal the decision," he said.

Desert Water Agency needs investment for the future

Jim Cioffi, Special to The Desert Sun, November 27, 2016

The value of water isn't just about how much we have. Reliability – knowing that you can turn on your tap at any time and water will be there – is just as important as the water itself. Drought or no drought, it's our job to make sure that safe, clean water is there when you turn the tap. We replace pipes, fix leaks and rigorously test water quality. We invest in infrastructure, diversify our water sources, increase efficiency and carefully manage water resources to ensure on-demand, safe, clean water is available for the more than 100,000 people and businesses served by Desert Water Agency (DWA).

As a not-for-profit public agency, we know affordability is crucial. Our customers have some of the lowest water rates in California. We've taken measurable steps to cut costs before coming to our customers with a proposed rate increase. DWA has offset rising energy costs with the installation of a solar field for powering our offices and water recycling facilities, and we've received various rebates from SCE. Through bond refinancing, grant awards, and reduced employee medical and pension benefits, DWA has been able to significantly cut costs by more than \$21.5 million over the last decade. That figure will only continue to grow as many of these changes bring lasting savings year after year.

While we have reduced our expenses, our savings have been outpaced by the cost of providing water in California. Like many other water agencies, DWA is facing rising costs and falling revenue. Financial experts conducted an independent rate study to analyze our cost of service and rate revenues. They found that we're simply not charging enough to cover our costs.

Water agencies have to fix and replace old pipelines, operate facilities, conduct ongoing maintenance and meet quality standards regardless of how much water our customers use. Historically, DWA customers have made wise investments in water recycling and sustainable groundwater management.

More than one-fifth of our pipelines were installed before DWA was created in 1961, with some reaching as far back as the Great Depression, and aging pipes account for 94 percent of the leaks in our system. We used to see 100-200 leaks each year – we're now seeing about 700. We must invest in aggressive pipeline replacement now to minimize water loss and the need for costly emergency work down the road – emergency repairs can cost five times more than planned repairs and replacements.

While investments in infrastructure are one of the largest increases in expenses facing our agency, more stringent regulations are requiring more costly water testing and sampling than ever before. We've seen increases in the cost of electricity and materials. And like others, our agency also experiences the impacts of inflation.

As proposed, the rate changes would be phased in over the several years with the average household seeing an increase of less than \$4.00 per month after the first increase in January. Each additional increase would be evaluated by staff and weighed by the Board at a public meeting before adoption. We know that monthly bills add up, so we have worked with United Way of the Desert to develop a customer assistance program – funded through employee and vendor contributions – to help eligible customers in need receive a credit on their water bill.

We want to continue providing our community with the quality, reliability, and service that they deserve. Information on the proposed rate adjustment is available at www.dwa.org/rates.

Email Desert Water Agency Board President Jim Cioffi at JCioffi@dwa.org.

California drought: State initially estimates 20% of full water deliveries

Ian James , The Desert Sun, November 30, 2016

California's Department of Water Resources has made its initial projection of how much water public agencies can count on receiving from the canals and pipelines of the State Water Project next year: 20 percent of their full allotments.

The state's preliminary annual estimate for the major north-to-south water artery is typically readjusted depending on rain and snowfall, and the percentage often ends up higher at the end of the winter. This year, the state initially projected 10 percent and water districts eventually received 60 percent of their full allotments.

The Coachella Valley Water District and the Desert Water Agency are among 29 agencies that have contracts to receive water from the State Water Project. Because the water system ends in Lake Perris and doesn't reach the valley, the two agencies trade their allotments to the Metropolitan Water District of Southern California for equivalent amounts from the Colorado River Aqueduct.

The water is delivered periodically and pours into a series of oblong ponds in the desert near Palm Springs, where it seeps into the sandy soil and recharges the aquifer. But the amounts flowing into the valley have decreased sharply during the past five years of drought.

The water agencies' managers said that while a 20-percent initial estimate is better than last year, they hope the number turns out to be higher – and in the meantime they're urging people to keep conserving.

"The State Water Project is an important supply, and we depend on every drop of that for our replenishment needs," said Robert Cheng, assistant general manager of the Coachella Valley Water District.

Cheng pointed out that the State Water Project supplies a significant portion of the imported water that the district is using to combat the long-term overdraft of groundwater in the valley.

"So we should all keep conservation in our minds," he said.

Californians' water conservation efforts have slipped in many areas during the past several months after the State Water Resources Control Board in May relaxed drought measures and lifted mandatory conservation targets for urban water suppliers.

Customers of the Coachella Valley Water District reduced water use 7.3 percent in October as compared to the same month in 2013, which state officials are using as a baseline year. That was up slightly from 4.3 percent in September, but still far below the district's performance during previous months.

Water use by CVWD customers has declined by a cumulative 23.4 percent since state officials began monthly tracking in June 2015.

Despite recent wet weather in Northern California and snows in the Sierra Nevada, much of the state remains in a severe drought. The U.S. Drought Monitor website says drought conditions still extend across 73 percent of California, while 60 percent of the state is classified as being in the categories of severe, extreme or exceptional drought.

Mark Cowin, director of the state Department of Water Resources, announced the initial allocation in a statement on Monday, saying that while storms in October have "brightened the picture," the drought could still continue in the coming months.

"Our unpredictable weather means that we must make conservation a California lifestyle," Cowin said.

In 2015, Southern California water districts received 20 percent of their full allotments from the State Water Project. That was up from 2014, when agencies received just 5 percent of the water they requested.

The Coachella Valley Water District's board decided earlier this month to step up its drought restrictions and temporarily reinstate a measure prohibiting outdoor watering on Mondays and Thursdays from Dec. 1 through March 31.

The water restrictions vary for each water district. Customers of the Desert Water Agency, for instance, are permitted to water only on Mondays, Wednesdays and Fridays, before 7 a.m. and after 7 p.m.

"We still want people to do everything that they can within reason to conserve," said Ashley Metzger, DWA's outreach and conservation manager.

The Desert Water Agency's board will vote on a proposed rate increase on Dec. 15. Officials say they need to charge more to cover the costs of replacing old, leaky water lines, and also to make up for a decline in revenue during the drought, among other factors.

The agency's customers in Palm Springs and parts of Cathedral City have reduced water use by a cumulative 24 percent since June 2015, as compared to 2013 levels. In October, customers of DWA cut back 16 percent – more than in September, when water use was down 8 percent.

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.

DESERT WATER AGENCY **OUTREACH & CONSERVATION** **ACTIVITIES**

NOVEMBER 2016

Activities:

- 11/1/16 Board President Cioffi, Mark Krause and Ashley Metzger attended a meeting with Assemblyman Eduardo Garcia regarding SGMA.
- 11/3/16 Ashley Metzger was on a live segment with KESQ on the revised watering schedule.
- 11/3/16 Ashley Metzger was interviewed on the Joey English radio show on the proposed rate increase, as well as rebates and incentives.
- 11/3/16 DWA, along with Kim Boehler from NBS, hosted a workshop at Mizell Senior Center on the proposed rate increase.
- 11/9/16 Ashley Metzger was on a live segment with KESQ on eBilling and the adopt-a-tree program.
- 11/10/16 The Outreach & Conservation Committee convened a meeting.
- 11/10/16 DWA, along with Kim Boehler from NBS, hosted a workshop in the Desert Water Agency board room on the proposed rate increase.
- 11/12/16 DWA provided the water trailer to the Palm Springs Air Museum for the museum's Veterans Day celebration.
- 11/14/16 – 11/16/16 DWA staff and board members attended and presented at the NWRA annual conference in San Diego.
- 11/17/16 Vicki Petek conducted a turf buy back post inspection of the Palm Springs Dog Park; DWA also provided signage for the dog park's grand re-opening.
- 11/17/16 Ashley Metzger was on a live segment with KESQ for a conservation update.
- 11/19/16 DWA, along with Kim Boehler from NBS, hosted a workshop at the Cathedral City Senior Center on the proposed rate increase.
- 11/22/16 President Cioffi, Mark Krause and Ashley Metzger attended a meeting with the Desert Sun Editorial Board.
- 11/23/16 Ashley Metzger was on a live segment with KESQ on Thanksgiving conservation tips.
- 11/24/16 DWA provided the water trailer to Palm Springs Marathon Runners for the Turkey Trot 5K run/walk.
- 11/28/16 DWA, along with Kim Boehler from NBS, hosted a workshop in the Desert Water Agency board room on the proposed rate increase.
- 11/29/16 - 12/1/16 DWA staff and board members attended the ACWA Fall conference in Anaheim.

OUTREACH & CONSERVATION ACTIVITIES

NOVEMBER 2016

Public Information Releases/eBlasts:

November 3, 2016 - Desert Water Agency Proposes Rate Adjustment Based on Independent Cost-of-Service Study


Water Conservation Reviews

Canyon Vista	Pacific Palms Apartments
General Telephone Yard	Palm Canyon Villas
Hermosa Villas Condos	Royal Hawaiian Estates

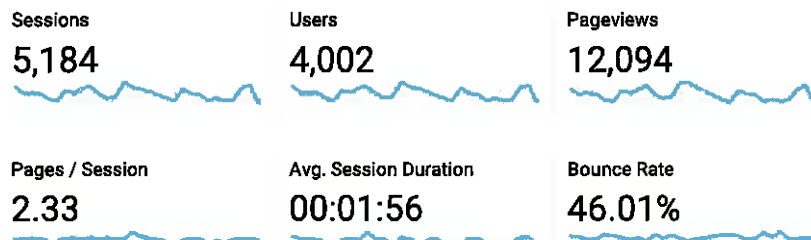
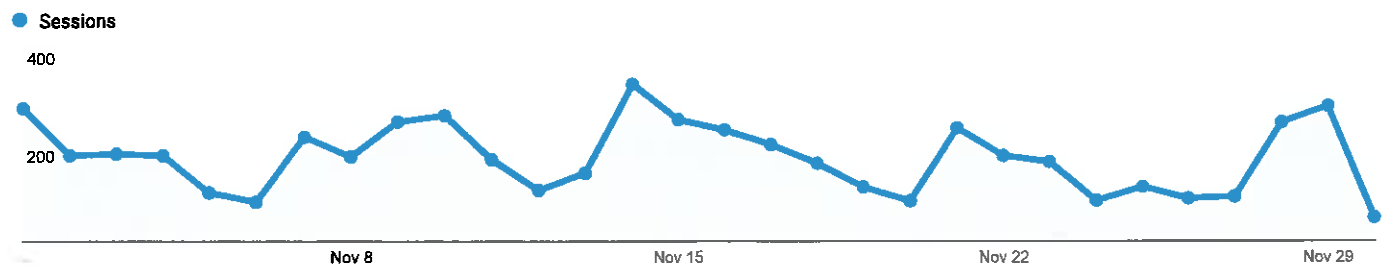
Water Conservation Reviews are annual mailings sent to large water users. The Reviews include a 5-year consumption report, facility map, and information brochures. The purpose is to help customers save water by summarizing their consumption, and offering suggestions for reducing usage. Occasionally,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

Audience Overview

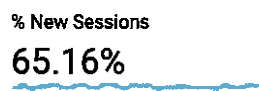
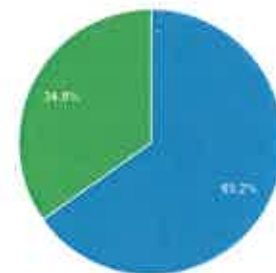
Nov 1, 2016 - Nov 30, 2016

 All Users
100.00% Sessions

Overview



 New Visitor  Returning Visitor



Language	Sessions	% Sessions
1. en-us	3,427	66.11%
2. (not set)	1,490	28.74%
3. Secret.google.com You are invited! Enter only with this ticket URL. Copy it. Vote for Trump!	101	1.95%
4. en-ca	50	0.96%
5. en-gb	45	0.87%
6. zh-cn	13	0.25%
7. fr	8	0.15%
8. en	6	0.12%
9. uk	3	0.06%
10. de	3	0.06%



Desert Water Agency Facebook Analytics November 2016

Results from Nov 03, 2016 - Nov 30, 2016

Organic Paid

Actions on Page

November 3 - November 30



We don't have data to show you this week.

Page Views

November 3 - November 30

10

Total Page Views ▲ 43%



Page Likes

November 3 - November 30

12

Page Likes ▲ 33%



Reach

November 3 - November 30

2,122

People Reached ▼ 77%



Post Engagements

November 3 - November 30

293

Post Engagement ▼ 41%



Videos

November 3 - November 30

19

Total Video Views ▼ 5%



Recent Promotions on Desert Water Agency

[+ Create New Promotion](#)



Boosted Post

Completed

2,542

People Reached

122

Post Engagements

\$27.99

Spent of \$28.00

PSHS student-athletes teach us a few lessons ...

Promoted by Ashley Hudgens Metzger on 10/05.

[Boost Again](#)

Published	Post	Type	Targeting	Reach	Engagement	Promote
11/28/2016 5:00 pm	This is an interesting read in light of the Department of Water Resources' new report on water conservation.	Text	Targeted	30	0 1	Boost Post
11/28/2016 2:21 pm	Cactus Hugs	Text	Targeted	0	0 0	Boost Post
11/28/2016 9:00 am	Do you have WaterSense?	Text	Targeted	24	2 1	Boost Post
11/27/2016 7:25 am	Soak up that rain ☔ - no need for sprinklers.	Text	Targeted	43	1 2	Boost Post
11/26/2016 4:28 pm	Skip the lines today - our rebates are the best Black Friday deal	Text	Targeted	25	1 1	Boost Post
11/24/2016 11:21 am	Happy Thanksgiving to all! We are thankful to serve such a wonderful community.	Text	Targeted	256	5 0	Boost Post
11/23/2016 10:11 am	We'll be on KESQ News Channel 3 with Jeff Stahl KESQ, Bianca	Text	Targeted	47	4 2	Boost Post
11/22/2016 10:12 am	Let's talk turkey. Start thawing your bird in the refrigerator today -	Text	Targeted	366	0 2	Boost Post
11/21/2016 7:25 am	Timeline Photos	Text	Targeted	341	0 2	Boost Post
11/18/2016 10:45 am	One of these may be a good grass alternative that helps you #KeepItGreen	Text	Targeted	32	0 1	Boost Post
11/18/2016 12:46 pm	Desert Water Agency shared CV Water Counts's post.	Text	Targeted	19	3 0	Boost Post
11/16/2016 4:14 pm	DWA has seen the reliability of its imported water supplies decrease	Text	Targeted	10	0 0	Boost Post
11/14/2016 12:48 pm	DWA customers saved 16% in October compared to 2013. Keep it up!	Text	Targeted	28	0 1	Boost Post

11/11/2016 7:10 am		Happy Veterans Day! We're proud of the nine service men and women who served our country.			322		15		Boost Post
11/08/2016 4:44 pm		This is an interesting read on how we've become more efficient with water.			17		0		Boost Post
11/06/2016 7:45 am		Today's the day. Have you earned your sticker?			29		1		Boost Post
11/07/2016 4:55 pm		If you need to find your polling place, here is a link.			34		3		Boost Post
11/07/2016 11:41 am		Dust off that broom. No hoses for washing down hardscape - just water.			30		3		Boost Post
11/07/2016 9:17 am		Desert Water Agency shared Your So Cal Tap Water's post.			25		0		Boost Post
11/01/2016 1:12 pm		DIY leak test. All you need is food coloring and five minutes!			34		2		Boost Post
11/01/2016 10:40 am		Fall back on your clock this weekend, but fall back to the Monday before.			31		0		Boost Post

Total Page Likes as of Today: 876



BENCHMARK

Compare your average performance over time.

Total Page Likes



Desert Water Agency
Twitter Analytics
November 2016

Nov 2016 - 29 days so far

Tweet Highlights

Top Tweet earned 334 impressions

High-efficiency toilets were a hit! We're sold out for residents for now, but businesses can still apply dwa.org/toilet

13

[View Tweet activity](#)

[View all Tweet activity](#)

Top Follower followed by 32.3K people



Dave's Travel Corner

@Dave1111 Follows you

Dave's Travel Corner - founded 1995 International travel & wine writer Los Angeles updates The Mapa Wine Project <http://t.co/Ux1KY9H3wR>

[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 25 engagements



NWRA

@NWRAWater

Great discussion about social media use for water suppliers with [@ACWAWater](#) [@DWAwater](#) and [@COWaterCongress](#) [pic.twitter.com/NR20HbxueT](https://twitter.com/NR20HbxueT)



13

[View Tweet](#)

Top media Tweet earned 215 impressions

Tomorrow is world toilet day - is yours efficient? Check the base or tank to see if you have 1.28 gallons per flush or less [pic.twitter.com/Kh7JrxGzZ8](https://twitter.com/Kh7JrxGzZ8)



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