



**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 – May 2, 2017** **CIOFFI**
3. **GENERAL MANAGER'S REPORT** **KRAUSE**
4. **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.
5. **ITEMS FOR ACTION**
  - A. 2017/2018 Groundwater Replenishment Assessments **KRAUSE**
  - B. Request Adoption of Resolution No. 1158 Nomination of Kristin Bloomer for Candidate of CSDA Board of Directors **KRAUSE**
  - C. Request Adoption of Resolution No. 1159 Authorizing Establishment of Accounts **KRIEGER**
  - D. Request Adoption of Resolution No. 1160 Supporting ACWA Policy Statement on Bay-Delta Flow Requirements **KRAUSE**
6. **ITEMS FOR DISCUSSION**
  - A. April Water Production Figures **KRAUSE**
  - B. Directors' Report on ACWA Conference **DIRECTORS**
7. **DIRECTORS COMMENTS AND REQUESTS**
8. **CLOSED SESSION**
  - A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
  - B. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
  - C. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Mission Springs Water District vs. Desert Water Agency
  - D. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
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: DWA and Ayres Advisors  
Under Negotiation: Price and terms
9. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
10. **ADJOURN**

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

2

**May 2, 2017**

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

Absent: Craig A. Ewing, Director )

DWA Staff: Mark S. Krause, General Manager )  
Steve Johnson, Asst. General Manager )  
Martin S. Krieger, Finance Director )  
Sylvia Baca, Asst. Secretary of the Board )  
Vicki Petek, Outreach & Conserv. Associate )  
Irene Gaudinez, Human Resources Mgr. )  
Caitlin Allen, Snow Creek Security )

Consultant: Michael T. Riddell, Best Best & Krieger )

Public: David Freedman, P.S. Sustainability Comm. )

17805. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Oygard in the Pledge of Allegiance. **Pledge of Allegiance**

17806. President Cioffi called upon General Manager Krause to introduce the new employee. **Employee Introduction**

General Manager Krause introduced newly hired employee Caitlin Allen, Snow Creek Security.

17807. President Cioffi called for approval of the April 18, 2017 Regular Board meeting minutes. **Approval of 04/18/17 Regular Board Mtg. Minutes**

Director Oygard moved for approval. After a second by President Cioffi, the minutes were approved as written (Director Ewing absent).

17808. President Cioffi called upon General Manager Krause to provide an update on Agency operations.

Confined Space Rescue  
Joint Training

Mr. Krause stated on March 29, DWA Operations and Construction staff participated in a Confined Space Rescue joint training exercise with the Palm Springs Fire Department. The rescues were conducted from a vault that descended over 25 feet. This was the first time the fire department had ever performed a confined space training in a real vault, outside of their training center, and deeper than 10 feet. DWA will continue to train on a quarterly basis with the Palm Springs Fire Department to further develop the skills of both rescue teams.

Windstorm Damage

On March 30, DWA suffered damage to several trees and a section of fence at the Operations Center due to a windstorm, which severely impacted most of the Coachella Valley. The Agency is in the process of cleaning debris and repairing damage caused to a portion of the fence line and taking preemptive action by trimming dead limbs and weak branches.

Annual Evacuation  
Drill

Mr. Krause stated on April 21, DWA conducted its annual Emergency evacuation drill. Employees assembled for a personnel accountability check at the primary evacuation area. The drill was coordinated with the Palm Springs Fire department, who were given a tour of the Agency and a copy of our site plan.

Active Shooter/Attack  
Evacuation Drill

On April 25, DWA conducted its annual Active Shooter/Attack evacuation drill. Employees evacuated the building and walked to the designated area. Sergeant Stjerne from the Palm Springs Police department was on site to observe and evaluate the drill. Throughout the drill he stated DWA is ahead of the majority of businesses within the valley on this type of training. There was interest in coordinating an after-hours S.W.A.T. team training at the Agency in order to develop a plan of entry specifically tailored for our Operations Center.

Recycled Water Facility  
Filter Maintenance

Continuing his report, Mr. Krause stated as part of routine maintenance at the Recycled Water Facility, the Agency entered into a contract with ERS Industrial Services to remove and replace the mixed media in its filters and re-coat the interior of the filters. The work began in early January and was completed on April 21.

Recycled Water Facility  
Effluent Reservoir #1

Mr. Krause also stated as a part of routine maintenance of Effluent Reservoir #1, the Agency entered into a contract with Paso Robles Tank, Inc. in 2013 to rehabilitate and re-coat the reservoir. At the two-year anniversary inspection, deficiencies in the coating were observed; the cause was inconclusive. The Agency and the contractor agreed to have the contractor perform work on deficient areas at a reduced cost. The roof was re-coated with a thicker application of the original coating. The remedial work began in December 2016 and was completed on April 13, 2017.

Mr. Krause stated on April 25, Facilities & Safety Officer Gonzalez was informed of damage to the fence at Well No. 25, located on the corner of 34<sup>th</sup> Avenue and Marguerite Street. After inspection, it was discovered that a vehicle had crashed through the fence damaging a 15-foot section of the fence line. A local fence contractor was contacted for a repair quote. The fence will be scheduled for repair as soon as the quote is approved.

**GM's Report**  
(Cont.)

Well No. 25 Fence  
Damage

Concluding his report, Mr. Krause discussed the current system leak data and noted several meetings and activities he participated in during the past several weeks.

System Leak Data  
General Manager's  
Meetings & Activities

17809. President Cioffi noted the minutes for the April 25, 2017 Executive Committee were provided in the Board's packet. He added that along with a request for staff to look into conducting a Colorado River Aqueduct tour was a request for the State Water Project tour.

**Committee Reports**  
Executive 04/25/17

President Cioffi noted the minutes for the April 26, 2017 Finance Committee were provided in the Board's packet.

Finance 04/26/17

17810. 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.

17811. President Cioffi called upon General Manager Krause to present the civil penalty hearing for water use violations.

**Items for Action:**

Water Use Violation –  
Civil Penalty Hearing

Mr. Krause noted there have been more than 475 violations issued and that recipients have 7 days to request a hearing in writing. Staff has received one hearing request for today; the appellant is not present for today's hearing.

Mr. Krause announced the appellant is Hosea E. Brown and noted the violations: 1) Runoff, and 2) Irrigating on a restricted day. The fine is \$200 (Commercial building/second violation) and the reason for appeal is that there is no date and timestamp on photos and runoff is from adjacent property. Mr. Krause noted that the last penalty (October 2016) was for excessive runoff and there are no other landscape water meters in the area. He stated that staff was able to provide the date and time from the water waste phone application.

Hosea E. Brown

President Cioffi moved to deny appeal and uphold violation and penalty. Vice President Stuart seconded the motion, which carried unanimously (Director Ewing absent).

Appeal  
Denied/Violation &  
Penalty Upheld

President Cioffi requested staff provide current conservation incentives to appellant.

17812. President Cioffi called upon Agency Counsel Riddell to present the request for adoption of Resolution No. 1157 Adopting California Environmental Quality Act (CEQA) Guidelines.

**Action Items:**  
(Cont.)  
Request Adoption of  
Reso. 1157 Adopting  
CEQA Guidelines

Mr. Riddell stated as a local governmental entity, the Agency is required by law to adopt guidelines implementing CEQA. As the law changes, the Agency's guidelines must be revised to maintain consistency. The guidelines have been prepared by legal counsel. He noted changes of interest to the Agency.

Director Oygar made a motion to adopt Resolution No. 1157 Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act. After a second by Vice President Stuart, the motion carried unanimously (Director Ewing absent).

**RESOLUTION NO. 1157**  
**A RESOLUTION OF THE DESERT WATER AGENCY**  
**AMENDING AND ADOPTING LOCAL GUIDELINES**  
**FOR IMPLEMENTING THE CALIFORNIA**  
**ENVIRONMENTAL QUALITY ACT**

Resolution No. 1157  
Adopted

17813. President Cioffi called upon Human Resources Manager Gaudinez to present staff's request for Approval of July 1, 2017 cost-of-living salary increase for DWA employees and General Manager.

Request Approval of  
07/01/17 COLA Salary  
Increase for DWA  
Employees & GM

Ms. Gaudinez stated the 2015-2018 Memorandum of Understanding between DWA and the DWA Employees' Association calls for a cost of living salary increase effective July 1 of each year. The increase is equal to the percentage change for the year ending each March with the percentage derived from the Bureau of Labor Statistics "Consumer Price Indexes – Pacific Cities and U.S. City Average", "Urban Wage Earners and Clerical Workers" for Los Angeles-Riverside-Orange County index. The CPI index for March 2017 was 2.4%. The General Manager has an employment agreement that includes a cost-of-living adjustment to the base salary of the same percentage as provided to all Agency employees. Upon approval by the Board, the General Manager's employment agreement will be amended to reflect a 2.4% base salary increase.

Continuing her report, Ms. Gaudinez noted that staff has updated the Agency's monthly salary schedule to reflect the 2.4% increase for all salary ranges effective July 1, 2017. The position classification schedule remains in effect since only the salary range for each position will change. Staff recommends the Board approve a 2.4% cost-of-living increase to all employees and the General Manager effective July 1, 2017; approve the July 1, 2017 DWA monthly salary schedule reflecting a 2.4% increase; and approve a third amendment to the General Manager's employment agreement reflecting a 2.4% cost-of-living increase to the base salary.

President Cioffi moved to approve staff's recommendation. After a second by Vice President Stuart, the motion carried unanimously (Director Ewing absent).

**Action Items:**  
(Cont.)  
Request Approval-  
COLA Eff. 07/01/17

17814. President Cioffi asked General Manager Krause to present staff's request for authorization for the General Manager to enter into a Memorandum of Understanding (MOU) for the reauthorization of the Whitewater River Groundwater Replenishment facility.

Request Auth. GM  
Enter Into  
MOU/Reauth. WW  
River GW Repl.  
Facility

Mr. Krause stated that he is seeking authorization to enter into a MOU with the Bureau of Land Management (BLM) and the Coachella Valley Water District (CVWD), known as the Partners. The MOU will lay the foundation for the Partners to work together to reauthorize the existing Whitewater River Groundwater Replenishment Facility (WRGRF) on public federal lands. The intent of this MOU is to establish the responsibilities for each of the Partners and provide a framework for the Partners to work together. Granting the General Manager to enter into this MOU will allow the Partners to move forward for the reauthorization of the WRGRF on public federal lands.

Continuing his report, Mr. Krause explained the concern with DWA being co-lead as listed in the MOU. He noted that DWA may not have to be co-lead, but rather a collaborator. If the Board approves, he will not be signing the MOU today, he wants to look into being a collaborator. The BLM is still in the process of reviewing the MOU. A final version will be provided to the Board once the BLM has approved it. Barring any significant material changes, Staff recommends the Board authorize the General Manager to enter into a MOU with the Partners for the purpose of the reauthorization of the WRGRF on public federal lands.

In response to Vice President Stuart, Agency Counsel Riddell stated there is liability in being co-permittee and prefers the Agency not be one. Regarding the CEQA document, Mr. Riddell also prefers the Agency be a collaborator rather than co-lead. He concurs with the Board authorizing General Manager Krause to sign the MOU and allow him to research the co-lead requirement.

Director Oygar moved for approval of staff's recommendation. After a second by President Cioffi, the motion carried unanimously (Director Ewing absent).

17815. President Cioffi called upon General Manager Krause to present staff's request for authorization to enter into agreement regarding Article 21 and Turnback Pool participation.

Request Auth. Enter  
into Agrmt/Article 21 &  
Turnback Pool  
Participation

Mr. Krause stated the Agency has requested Article 21 water, Pool A & B water and Yuba Exchange water. The Agency has already received Article 21 water supplies and is anticipating future delivery of

Pool A water. The Agency's current water exchange agreement with Metropolitan Water District (MWD) does not guarantee delivery exchange of supplementary water supplies acquired by the Agency. The agreement is negotiated on a case-by-case basis and the Agency is currently in negotiations with MWD for the delivery of exchange water for our supplementary water supplies.

**Action Items:**

(Cont.)

Request Auth. Enter  
into Agrmt./Article 21  
& Turnback Pool  
Participation

Continuing his report, Mr. Krause explained the proposed agreement specified that MWD will deliver the Agency's supplementary water provided that it does not harm MWD. If MWD cannot deliver its entire Table A supply water into its service area, our supplemental water could be reduced as specified in the agreement. The reduction will only affect our supplemental water delivery, not our Table A delivery amount. Provided there are no material changes to the attached draft agreement, Staff requests authorization for the General Manager to enter into an agreement with MWD and CVWD for the delivery exchange of supplemental water supplies for 2017.

Director Oygar moved for approval of staff's request. After a second by President Cioffi, the motion carried unanimously (Director Ewing absent).

17816. President Cioffi called upon Agency Counsel Riddell to provide a report on the April 20, 2017 meeting of the Board of Directors of the State Water Contractors, Inc.

**Discussion Items:**

State Water Contractors  
Meeting 04/20/17

Mr. Riddell provided a report on the following items: 1) Board Action Items, 2) Water Supply Report, 3) General Manager's Report and Update on Oroville Spillway Damage, 4) Water Quality Report-Mussel Monitoring Presentation, and 5) Water Supply Objectives Update.

17817. President Cioffi announced his attendance at the National Water Resources Association's (NWRA) Groundwater Taskforce Committee meeting in Dallas. Discussions were held regarding developing an Amicus brief.

Directors' Report on  
Meetings/Seminars  
Attended

Secretary-Treasurer Bloomer stated she and Assistant General Manager Johnson attended a Water Laws and Regulations seminar in San Diego. There were sessions on surface water and groundwater rights, SGMA lawsuits and new legislation.

17818. President Cioffi noted that Board packets included Outreach & Conservation reports for April 2017.

Outreach &  
Conservation – April  
2017

17819. Secretary-Treasurer Bloomer announced that she will be attending the California Special District Association's (CSDA) Legislative Days May 16-May 17; therefore, unable to attend the next Board meeting.

**Director's  
Comments/Requests**

Vice President Stuart requested staff look into coordinating a State Water Project tour.

**Director's  
Comments/Requests  
(Cont.)**

President Cioffi noted that ACWA is requesting member support on Bay Delta Flows. He asked for Staff to look into and bring back to the Board at a future meeting.

17820. At 9:37 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), Mission Springs Water District vs. Desert Water Agency; (D) Real Property Negotiators, pursuant to Government Code Section 54956.8, Property-0.504 acre west of Indian Canyon Drive between Racquet Club Rd. and Via Olivera, Agency Negotiators: Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Assistant General Manager, Negotiating Parties: DWA and Ayres Advisors, Under Negotiation: Price and terms; and (E) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, Title: General Manager.

**Closed Session:**

A. Existing Litigation – ACBCI vs. CVWD, et al.  
B. Existing Litigation – ACBCI vs. Riverside County  
C. Existing Litigation – MSWD vs. DWA  
D. Real Property Negotiators (DWA & Ayres Advisors)  
E. Public Employee Performance Evaluation-General Manager

17821. At 11:24 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

**Reconvene –No  
Reportable Action**

17822. In the absence of any further business, President Cioffi adjourned the meeting at 11:25 a.m.

**Adjournment**

\_\_\_\_\_  
James Cioffi, President

ATTEST:

\_\_\_\_\_  
Joseph K. Stuart, Vice President



## GENERAL MANAGER'S REPORT MAY 16, 2017

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On May 1 at approximately 7:35 p.m. a 2-inch polyethylene water service split open (31" long opening) at Village Square North. The water ran for approximately 30 minutes. There was damage to the street and the pool flooded. Staff replaced 30 feet of service line and completed a large amount of clean up.



### Whitewater Deliveries

For the month of April, approximately 38,680 AC-Ft of water was delivered to the basin and Whitewater Hydro generated 769,759 kWh, collecting \$67,617 from SCE for power produced.

### Desert Palisade 1240 Booster

Cora Constructors performed the initial plant start-up on Wednesday May 3, 2017. All of the equipment operated as designed. We anticipate all of the work to be completed by May 12, 2017.



Reminder: DWA Offices will be closed on Monday, May 29 in observance of Memorial Day.

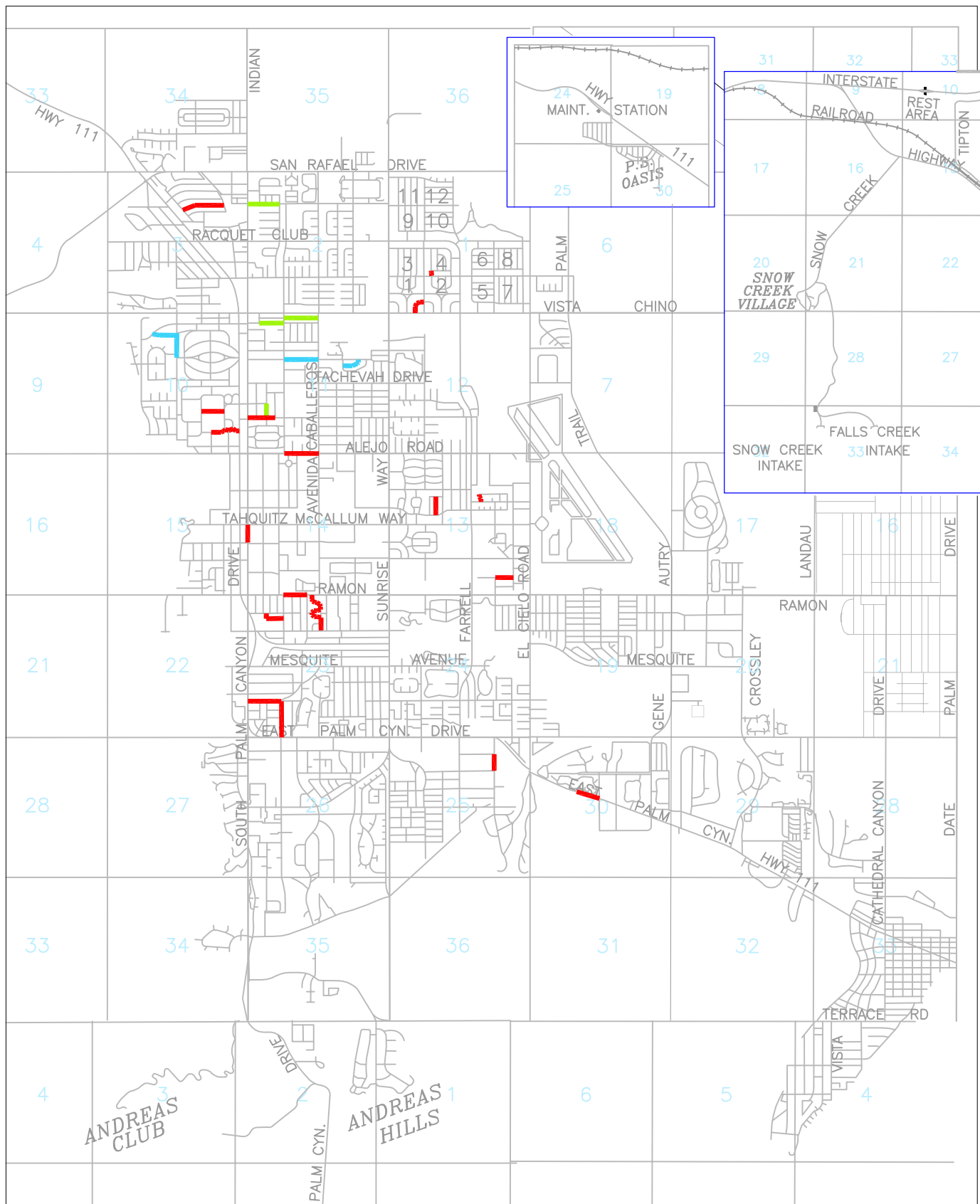


SYSTEM LEAK DATA		
(PERIOD BEGINNING APRIL 26, 2017 THRU MAY 9, 2017)		
STREET NAME	QUARTER SECTION	NUMBER OF LEAKS
COTTONWOOD RD	4411NW	10
LINDA VISTA RD	4411NE	4
VIA VAQUERO	4413SE	3
W ACACIA RD	4401SW	3
PASEO EL MIRADOR	4411NW	2
CHUCKWALLA RD	4411NW	2
DEBBY DR	4413NW	2
CAMINO NORTE	4410NW	1
FRANCIS DR	4402NW	1
VIA MONTE VISTA	4410NE	1
AVENIDA PALOS VERDES	4411SW	1
MOUNTAIN VIEW	4410SE	1
CALLE PALO FIERRO	4423SW	1
SONORA RD	4423SW	1
INDIAN CANYON DR	4415SE	1
EASMOR CIR	4413NE	1
SAHARA RD	4401SW	1
ALEJO RD	4411SW	1
WARM SANDS DR	4423NE	1
MERITO PL	4410SE	1
TAMARISK RD	4411SW	1
RAMON RD	4423NW	1
ARABY DR	4425NE	1
E PALM CANYON DR	4530NW	1
CALLE ROCA	4423NW	1
SEPULVEDA RD	4403NE1	1

<b>TOTAL LEAKS IN SYSTEM:</b>	<b>45</b>
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\* Streets highlighted in blue are being replaced as part of the 2016/2017 Replacement Pipeline Project

\* Streets highlighted in green are included as part of the proposed list of streets for the 2017/2018 Replacement Pipeline Project



# SYSTEM LEAKS

(Period beginning April 26, 2017 thru May 9, 2017)

DESERT WATER AGENCY  
PALM SPRINGS, CALIFORNIA

## LEGEND

- LEAK(S) RECORDED
- LEAK(S) RECORDED; INCLUDED IN 2016/17 REPLACEMENT PIPELINES
- LEAK(S) RECORDED; INCLUDED IN PROPOSAL FOR 2017/18 REPLACEMENT PIPELINES

DWG. BY  
SR

DATE  
5/17

SCALE  
NTS

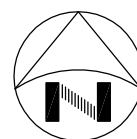


EXHIBIT  
"A"

## General Manager's Meetings and Activities

### Meetings:

05/02/2017	DWA Board Meeting	DWA
05/02/2017	BLM - Whitewater River Recharge Basins – BLM Permit	Conf. Call
05/03/2017	CPS – Meeting to discuss WWTP Discharge Order	DWA
05/08/2017	Staff Meeting/Information Sys. Meeting/Snow Creek Security Mtg.	DWA
05/08/2017	BLM - Whitewater River Recharge Basins – BLM Permit	DWA
05/09/2017	ACWA Conference	Monterey
05/10/2017	ACWA Conference	Monterey
05/11/2017	ACWA Conference	Monterey

### Activities:

- 1) Sites Reservoir Agreement
- 2) E-Billing – implementing customer payment history capabilities
- 3) Outreach Talking Points – KESQ
- 4) Snow Creek Hydro SCE contract extension - ongoing
- 5) Whitewater Hydro – Developing new administration and operating procedures
- 6) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 7) Clifton Court SWP Damage
- 8) MSWD Second Amended Petition– Ongoing
- 9) ACBCI Section 14 Facilities & Easements
- 10) New Mesquite Property Fencing
- 11) Chain of Title
- 12) Lake Oroville Spillway Damage
- 13) Replacement Pipelines 2016-2017
- 14) Lake Oroville NMFS Requirements
- 15) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 16) DWA/CVWD/MWD Agreements Update
- 17) Recycled Water Effluent Reservoir Coating Failures
- 18) SGMA Alternative Plans and Bridge Documents/Public Comments
- 19) SWP 2017 Water Supply
- 20) SGMA San Geronio Pass Sub-Basin MOU
- 21) ACBCI Law Suits
- 22) Lake Perris Dam Remediation
- 23) Drought Pricing Study
- 24) Section 14 Pipeline Easements
- 25) DOI Regulation
- 26) DWA Fiscal Year 2017-2018 Budget
- 27) A.B. 1562
- 28) Cathedral City Monitoring Well Site Abandonment

Activities:  
(Cont).

- 29) California Legislation Review
- 30) FOIA
- 31) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 32) Adjusting Drought Requirements
- 33) Multi-Agency Rate Study
- 34) SGMA Tribal Stakeholder Meetings
- 35) 2016/2017 Engineer's Report on Groundwater Replenishment and Assessment Program
- 36) Whitewater Spreading Basins – BLM Permits

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

**MAY 16, 2017**

**RE: PUBLIC MEETING ON GROUNDWATER REPLENISHMENT**

- (1) 2017/2018 MISSION CREEK GROUNDWATER  
REPLENISHMENT ASSESSMENT**
- (2) 2017/2018 WHITEWATER RIVER GROUNDWATER  
REPLENISHMENT ASSESSMENT**
- (3) 2017/2018 GARNET HILL GROUNDWATER  
REPLENISHMENT ASSESSMENT**

At its April 18, 2017 meeting, the Board discussed the draft Engineer's Report on Groundwater Replenishment Assessments for the Mission Creek, Whitewater River and Garnet Hill Sub-basins. Today's meeting is intended to allow interested parties to come to the Board and provide their comments on the proposed assessments contained in the final Engineer's Reports. As indicated in the draft and final Replenishment Reports, the proposed Mission Creek Groundwater Replenishment Assessment will be set at \$120 per acre-foot. The proposed Whitewater River Groundwater Replenishment Assessment will also be set at \$120 per acre-foot. The proposed Garnet Hill Groundwater Assessment will also be set at \$120 per acre-foot.

Staff requests a determination be made that funds should be raised by a replenishment assessment, and the Board set the time and place for public hearing on the matter for June 6, 2017, to consider resolutions of findings of fact and levying replenishment assessments for the fiscal year 2017/2018.

Copies of the public hearing notices that were published in The Public Record on May 9 are attached.



**NOTICE OF PUBLIC HEARING  
ON PROPOSED REPLENISHMENT ASSESSMENT  
FOR THE GARNET HILL SUBBASIN  
DESERT WATER AGENCY**

NOTICE is hereby given that the Board of Directors of the Desert Water Agency will hold a public meeting on May 16, 2017 and has called for a public hearing on June 6, 2017 at 8:00 AM in the Board Room at the Agency's Operations Center, 1200 Gene Autry Trail South, Palm Springs, California.

The purpose of the public hearing is to consider a proposed water replenishment assessment to be levied by the Desert Water Agency upon all water production, except as hereinafter provided, within the following described Area of Benefit:

That portion of the Garnet Hill Subbasin of the Upper Coachella Valley  
Groundwater Basin lying within the boundaries of the Desert Water Agency

The proposed replenishment assessment will apply to both groundwater extractions and surface water diversions within or affecting the Area of Benefit. Minimal pumpers producing less than 10 AF/Yr, and diverters of stream flow that do not diminish said flow in excess of 10 AF/Yr, will be exempt from the replenishment assessment. Production of water pursuant to any right to divert surface flow, which has been determined in a statutory adjudication proceeding, specifically, the Whitewater River Adjudication, will also be exempt from assessment.

The purpose of the proposed assessment is to provide funds for fiscal year 2017/2018 to replenish groundwater supplies within the Area of Benefit. The Consulting Engineer of the Desert Water Agency has concluded that such groundwater supplies are in a condition of overdraft, and that the Agency should continue to request its maximum Table A water allocation of State Water Project water (and to exchange it for Colorado River water pursuant to an exchange agreement with the Metropolitan Water District of Southern California) for replenishment purposes.

The Consulting Engineer specifically recommends that the Agency request its maximum annual Table A allocation for 2017 and 2018 of 55,750 AF/Yr, and that the proposed 2017/2018 replenishment assessment rate for the Garnet Hill Subbasin increase to \$120.00/AF in accordance with the rates adopted by Desert Water Agency during the Proposition 218 proceedings held in Fall 2016. The 2017/2018 replenishment assessment is expected to raise approximately \$36,000 within the Garnet Hill Subbasin Area of Benefit. The replenishment assessment will be collected from all non-exempt groundwater producers on a quarterly basis.

A copy of the engineering report prepared by the Agency's Consulting Engineer, entitled "Engineer's Report on Ground Water Replenishment and Assessment Program for the Whitewater River, Mission Creek, and Garnet Hill Subbasins, Desert Water Agency, 2017/2018", is available for inspection at the office of the Desert Water Agency, 1200 Gene Autry Trail South, Palm Springs, California.

All interested parties are invited to attend the public hearing, and be heard in support of or in opposition to the proposed assessment. Those wishing to provide written support or opposition regarding the proposed assessment may provide same to the Agency at the following address and telephone number:

Desert Water Agency  
P.O. Box 1710  
Palm Springs, CA 92263-1710  
(760) 323-4971  
Attn: Mark S. Krause, General Manager-Chief Engineer

The law requires that the Board of Directors make specific findings upon all facts relevant and material to any replenishment assessment following the June 6, 2017 public hearing, and that action to levy any such assessment be taken before July 1st of this year.

Dated: April 18, 2017

Mark S. Krause  
General Manager-Chief Engineer

**NOTICE OF PUBLIC HEARING  
ON PROPOSED REPLENISHMENT ASSESSMENT  
FOR THE MISSION CREEK SUBBASIN  
DESERT WATER AGENCY**

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That portion of the Mission Creek Subbasin of the Upper Coachella Valley  
Groundwater Basin lying within the boundaries of the Desert Water Agency

The proposed replenishment assessment will apply to both groundwater extractions and surface water diversions within or affecting the Area of Benefit. Minimal pumpers producing less than 10 AF/Yr, and diverters of stream flow that do not diminish said flow in excess of 10 AF/Yr, will be exempt from the replenishment assessment. Production of water pursuant to any right to divert surface flow, which has been determined in a statutory adjudication proceeding, specifically, the Whitewater River Adjudication, will also be exempt from assessment.

The purpose of the proposed assessment is to provide funds for fiscal year 2017/2018 to replenish groundwater supplies within the Area of Benefit. The Consulting Engineer of the Desert Water Agency has concluded that such groundwater supplies are in a condition of overdraft, and that the Agency should continue to request its maximum Table A water allocation of State Water Project water (and to exchange it for Colorado River water pursuant to an exchange agreement with the Metropolitan Water District of Southern California) for replenishment purposes.

The Consulting Engineer specifically recommends that the Agency request its maximum annual Table A allocation for 2017 and 2018 of 55,750 AF/Yr, and that the proposed 2017/2018 replenishment assessment rate for the Mission Creek Subbasin increase to \$120.00/AF in accordance with the rates adopted by Desert Water Agency during the Proposition 218 proceedings held in Fall 2016. The 2017/2018 replenishment assessment is expected to raise approximately \$1,027,200 within the Mission Creek Subbasin Area of Benefit. The replenishment assessment will be collected from all non-exempt groundwater producers on a quarterly basis.

A copy of the engineering report prepared by the Agency's Consulting Engineer, entitled "Engineer's Report on Ground Water Replenishment and Assessment Program for the Whitewater River, Mission Creek, and Garnet Hill Subbasins, Desert Water Agency, 2017/2018", is available for inspection at the office of the Desert Water Agency, 1200 Gene Autry Trail South, Palm Springs, California.

All interested parties are invited to attend the public hearing, and be heard in support of or in opposition to the proposed assessment. Those wishing to provide written support or opposition regarding the proposed assessment may provide same to the Agency at the following address and telephone number:

Desert Water Agency  
P.O. Box 1710  
Palm Springs, CA 92263-1710  
(760) 323-4971  
Attn: Mark S. Krause, General Manager-Chief Engineer

The law requires that the Board of Directors make specific findings upon all facts relevant and material to any replenishment assessment following the June 6, 2017 public hearing, and that action to levy any such assessment be taken before July 1st of this year.

Dated: April 18, 2017

Mark S. Krause  
General Manager-Chief Engineer

**NOTICE OF PUBLIC HEARING  
ON PROPOSED REPLENISHMENT ASSESSMENT  
FOR THE WHITEWATER RIVER SUBBASIN  
DESERT WATER AGENCY**

NOTICE is hereby given that the Board of Directors of the Desert Water Agency will hold a public meeting on May 16, 2017 and has called for a public hearing on June 6, 2017 at 8:00 AM in the Board Room at the Agency's Operations Center, 1200 Gene Autry Trail South, Palm Springs, California.

The purpose of the public hearing is to consider a proposed water replenishment assessment to be levied by the Desert Water Agency upon all water production, except as hereinafter provided, within the following described Area of Benefit:

That portion of the Whitewater River Subbasin of the Upper Coachella Valley  
Groundwater Basin lying within the boundaries of the Desert Water Agency

The proposed replenishment assessment will apply to both groundwater extractions and surface water diversions within or affecting the Area of Benefit. Minimal pumpers producing less than 10 AF/Yr, and diverters of stream flow that do not diminish said flow in excess of 10 AF/Yr, will be exempt from the replenishment assessment. Production of water pursuant to any right to divert surface flow, which has been determined in a statutory adjudication proceeding, specifically, the Whitewater River Adjudication, will also be exempt from assessment.

The purpose of the proposed assessment is to provide funds for fiscal year 2017/2018 to replenish groundwater supplies within the Area of Benefit. The Consulting Engineer of the Desert Water Agency has concluded that such groundwater supplies are in a condition of overdraft, and that the Agency should continue to request its maximum Table A water allocation of State Water Project water (and to exchange it for Colorado River water pursuant to an exchange agreement with the Metropolitan Water District of Southern California) for replenishment purposes.

The Consulting Engineer specifically recommends that the Agency request its maximum annual Table A allocation for 2017 and 2018 of 55,750 AF/Yr, and that the proposed 2017/2018 replenishment assessment rate for the Whitewater River Subbasin increase to \$120.00/AF in accordance with the rates adopted by Desert Water Agency during the Proposition 218 proceedings held in Fall 2016. The 2017/2018 replenishment assessment is expected to raise approximately \$3,996,000 within the Whitewater River Subbasin Area of Benefit. The replenishment assessment will be collected from all non-exempt water producers on a quarterly basis.

A copy of the engineering report prepared by the Agency's Consulting Engineer, entitled "Engineer's Report on Ground Water Replenishment and Assessment Program for the Whitewater River, Mission Creek, and Garnet Hill Subbasins, Desert Water Agency, 2017/2018", is available for inspection at the office of the Desert Water Agency, 1200 Gene Autry Trail South, Palm Springs, California.

All interested parties are invited to attend the public hearing, and be heard in support of or in opposition to the proposed assessment. Those wishing to provide written support or opposition regarding the proposed assessment may provide same to the Agency at the following address and telephone number:

Desert Water Agency  
P.O. Box 1710  
Palm Springs, CA 92263-1710  
(760) 323-4971  
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The law requires that the Board of Directors make specific findings upon all facts relevant and material to any replenishment assessment following the June 6, 2017 public hearing, and that action to levy any such assessment be taken before July 1st of this year.

Dated: April 18, 2017

Mark S. Krause  
General Manager-Chief Engineer

**Copies of the  
Engineer's Reports on the  
  
2017 / 2018  
Groundwater Replenishment  
Assessment Program for  
  
Mission Creek Subbasin  
Whitewater River Subbasin  
Garnet Hill Subbasin  
  
are available for review  
upon request**

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

**MAY 16, 2017**

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1158 PLACING IN  
NOMINATION KRISTIN BLOOMER AS DIRECTOR OF THE BOARD OF  
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION**

Attached for the Board's review is Resolution No. 1158, placing in nomination Kristin Bloomer for the position of Director of the Board of California Special Districts Association.

California Special Districts Association (CSDA) announced the nomination period for the voting process of Board of Directors of CSDA (attached). The deadline for receiving nominations is May 19, 2017. CSDA will mail ballots on June 2, with ballots due no later than 5:00 p.m., August 4.

The commitment and expectations for the Board of Directors include: Attend all Board meetings held every other month at the CSDA office in Sacramento; participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento (CSDA reimburses Directors for their related expenses for Board and committee meetings); attend CSDA's two annual events (Special Districts Legislative Days and Annual Conference); and complete all four modules of CSDA's Special District Leadership Academy within two years.

It should be noted that Ms. Bloomer will not be in attendance at today's meeting because she is attending the CSDA Legislative Days in Sacramento.

It is requested that the Board adopt Resolution No. 1158 placing in nomination Kristin Bloomer as Director of the Board of California Special Districts Association.

## **RESOLUTION NO. 1158**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY PLACING IN NOMINATION KRISTIN BLOOMER AS A DIRECTOR OF THE BOARD OF THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION**

**WHEREAS**, the Board of Directors of Desert Water Agency (DWA) does encourage and support the participation of its members in the affairs of the California Special Districts Association (CSDA); and

**WHEREAS**, Kristin Bloomer has served as a Desert Water Agency Director since 2015; currently serves as Secretary-Treasurer to the DWA Board; current member of the DWA Finance Committee and Ad Hoc Legislative Committee; and

**WHEREAS**, Kristin Bloomer has indicated a desire to serve as a Director of the CSDA Board, and

**WHEREAS**, it is in the best interest of Desert Water Agency and all member agencies of the CSDA to have the most qualified Board of Directors to serve the CSDA;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Desert Water Agency, places its full and unreserved support in the nomination of Kristin Bloomer for Director of the CSDA Board and does hereby determine that the expenses attendant with the service of Kristin Bloomer in the CSDA shall be borne by Desert Water Agency.

**ADOPTED** this 16<sup>th</sup> day of May, 2017.

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James Cioffi, President  
Board of Directors

**ATTEST:**

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Joseph K. Stuart, Vice President  
Board of Directors



**California Special  
Districts Association**  
*Districts Stronger Together*

## 2017 BOARD OF DIRECTORS NOMINATION FORM

**Name of Candidate:** \_\_\_\_\_

**District:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

\_\_\_\_\_

**Network:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

**Fax:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**Nominated by (optional):** \_\_\_\_\_

Return this **form and a Board resolution/minute action supporting the candidate  
and Candidate Information Sheet** by fax or mail to:

CSDA  
Attn: Beth Hummel  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(877) 924-2732      (916) 442-7889 fax

***DEADLINE FOR RECEIVING NOMINATIONS – May 19, 2017***



California Special  
Districts Association  
*Districts Stronger Together*

## 2017 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: \_\_\_\_\_

District/Company: \_\_\_\_\_

Title: \_\_\_\_\_

Elected/Appointed/Staff: \_\_\_\_\_

Length of Service with District: \_\_\_\_\_

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

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2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

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3. List local government involvement (such as LAFCo, Association of Governments, etc.):

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4. List civic organization involvement:

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**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2017 will not be included with the ballot.**



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

**MAY 16, 2017**

**RE: REQUEST ADOPTION OF RESOLUTION NO. 1159 ESTABLISHING  
AN ACCOUNT WITH SUN COMMUNITY FEDERAL CREDIT UNION  
FOR PURPOSES OF INVESTMENT**

Attached is a copy of Resolution No. 1159, authorizing establishment of accounts with Sun Community Federal Credit Union for the investment of Desert Water Agency Operating and General Account funds. Sun Community Federal Credit Union (FCU) is a full service Credit Union organized in 1954 with 10 branches located throughout Riverside County (Fact sheet attached). The funds invested with Sun Community FCU stay in the local community and are utilized in the local economy. Staff would like to include them with our other authorized investment firms, in order to increase our investment options.

Authorized signers for Agency investments, as stated in the Resolution, are:

James Cioffi, President of the Board  
Kristin Bloomer, Secretary-Treasurer of the Board  
Mark S. Krause, General Manager-Chief Engineer  
Steve Johnson, Assistant General Manager  
Martin S. Krieger, Finance Director

Staff requests the Board adopt this Resolution authorizing establishment of an account with Sun Community Federal Credit Union.

## **RESOLUTION NO. 1159**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY AUTHORIZING THE ESTABLISHMENT OF ACCOUNTS WITH SUN COMMUNITY FEDERAL CREDIT UNION FOR PURPOSES OF INVESTMENT (OPERATING FUND / GENERAL FUND)**

**BE IT HEREBY RESOLVED** that the Desert Water Agency be, and hereby is, authorized and empowered to open and maintain accounts with SUN COMMUNITY FEDERAL CREDIT UNION and its successors, by merger, consolidation or otherwise, and assigns, hereinafter called the brokers, for the purchase and sale of Certificates of Deposit (CD's) and that any of the individuals hereinafter named be, and they hereby are, authorized to give written or verbal instructions by telephone or telegraph, or otherwise, to the brokers to buy or sell CD's in accordance with Government Code (Section 53600 thru 53686), either for immediate or future delivery and, if they deem it proper to secure payment therefor with property of this Agency; and they shall at all times have authority in every way to bind and obligate this Agency for the carrying out of any contract, arrangement or transaction, with a maximum limit of \$5,000,000 per individual investment issue, which shall, for or on behalf of this Agency, be entered into or made with or through the brokers; and that the brokers are authorized to receive from this Agency, checks and drafts drawn upon the funds of this Agency by any officer or employee of this Agency, and to apply the same to the credit of this Agency or to its account with said brokers and the said brokers are authorized to receive from said individual(s) or from any other officer or employee of this Agency, CD's for the account of this Agency with said brokers; said brokers are further authorized to accept and act upon the instructions of any of the individuals hereinafter named for the transfer of funds, to the name of this Agency; and any such individual shall have the fullest authority at all times with reference to any transaction deemed by him to be proper to make or enter into for or on behalf of this Agency with the brokers or others. All confirmations, notices and demands upon this Agency may be delivered by the brokers verbally or in writing, or by telegraph, or by telephone to any such individual and the broker is authorized to empower any person, or persons that he deems proper, at any time, or times, to do any and all things that he is hereinbefore authorized to do. That this resolution shall be and remain in full force and effect until written notice of the revocation hereof shall be delivered to the brokers. The individual(s) herein referred to are named as follows:

1. James Cioffi, President \_\_\_\_\_
2. Kristin Bloomer, Secretary-Treasurer \_\_\_\_\_
3. Mark S. Krause, General Manager \_\_\_\_\_
4. Steve Johnson, Assistant General Manager \_\_\_\_\_
5. Martin S. Krieger, Finance Director \_\_\_\_\_

**ADOPTED** this 16<sup>th</sup> day of May, 2017.

\_\_\_\_\_  
James Cioffi, President  
Board of Directors

**ATTEST:**

\_\_\_\_\_  
Joseph K. Stuart, Vice President  
Board of Directors



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## About Us

Sun Community Federal Credit Union was organized on March 9, 1954, as the Imperial Valley U.S. Employees Federal Credit Union, with ten charter members. Over the years, the field of membership was enlarged. In January 1968, the name was changed to Government Agencies Federal Credit Union. Mergers followed, with IMPCO Federal Credit Union in October 1980 and Imperial Community Federal Credit Union in August 1991, as well as the purchase of Borrego Springs Bank in July 2001. In September 2002, we officially changed our name to Sun Community Federal Credit Union to better serve the people of the Imperial County. 62 years later, following our merger with Palm Springs Federal Credit Union in August 2015, and further expanding into Riverside County, Sun Community has 10 branches and serves over 36,000 members who live, work, worship, or volunteer in Imperial or Riverside County.

Sun Community Federal Credit Union | Copyright © 2015 | All Rights Reserved  
1068 Broadway, El Centro, California 92243

**Phone:** (760) 337-4200 **Routing Number:** 322275296

[Employment Opportunities \(/Employment-Opportunities.aspx\)](/Employment-Opportunities.aspx) | [Privacy Policy \(/Documents/Disclosures/Privacy-Policy.aspx\)](/Documents/Disclosures/Privacy-Policy.aspx)



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## Statement of Financial Condition

### March 2017

#### Assets

Loans	\$323,932,675
Loans delinquent over 60 days	328,831
Loan loss reserve	(1,536,822)
<b>Total Loans</b>	<b>322,724,684</b>

Investments	42,180,063
Cash	42,418,056
Other Assets	33,974,033
<b>Total Assets</b>	<b>\$441,296,835</b>

#### Liabilities and Capital

Member Shares	\$381,972,560
Borrowings	18,000,000
Other liabilities	910,012
Capital	40,414,263
<b>Total Liabilities and Capital</b>	<b>\$441,296,835</b>

#### Membership

Members at month end	38,235
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1068 Broadway, El Centro, California 92243

**Phone:** (760) 337-4200 **Routing Number:** 322275296

[Employment Opportunities \(/Employment-Opportunities.aspx\)](#) | [Privacy Policy \(/Documents/Disclosures/Privacy-Policy.aspx\)](#)

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

**MAY 16, 2017**

**RE: RESOLUTION TO SUPPORT ACWA POLICY STATEMENT ON  
BAY-DELTA FLOW REQUIREMENTS**

Background

The Association of California Water Agencies is requesting member agencies to consider adoption of the attached resolution regarding how the State Water Resources Control Board is managing water quality objectives for the Bay-Delta region. In summary, the ACWA resolution is requesting state agencies to advance both water supply and environmental goals together.

ACWA's Board of Directors has adopted a policy statement (attached) urging the State Water Resources Control Board to set aside its problematic "unimpaired flow" approach to setting new water quality objectives in the Bay-Delta watershed. Under the State Water Board's current approach additional flows in the delta would be set aside for environmental purposes without regard to considerations of economic impacts, urban water supply or agricultural water needs.

The ACWA policy statement, adopted in a special meeting by conference call on March 10, requests the State Water Board to heed Governor Jerry Brown's call for negotiated agreements, which have proven successful in achieving positive ecological outcomes while maintaining water supply reliability. ACWA believes the State Water Board's policy on flows should embrace a collaborative, comprehensive approach that protects and promotes both water supply reliability and ecosystem health.

The State Water Board staff proposal to base new water quality objectives on a "percentage of unimpaired flow" (allowing additional water to flow to the ocean) could lead to widespread fallowing of agricultural land and negatively affect water reliability for much of the state's population, including imports for Desert Water Agency. The singular focus on unimpaired flow is incompatible with the state's policy of coequal goals and other broader policy commitments in the Brown Administration's California Water Action Plan.

ACWA's approach is more comprehensive and incorporates the best available science. The approach focuses on the entire life cycle of affected species and multiple variables, such as predation, delta pollutants, food and habitat availability, and incorporates

relevant current scientific information. The approach stresses comprehensive solutions for both water supply and ecosystem management.

Attachment(s):

- Resolution
- ACWA Policy Statement

Recommendation

Staff recommends adoption of Resolution No. 1160 in support of ACWA's policy statement on Bay-Delta Flow requirements.

## **RESOLUTION NO. 1160**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT WATER AGENCY IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS**

**WHEREAS**, California is facing a defining moment in water policy that will be substantially impacted by the State Water Resources Control Board's approach to water quality objectives under the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta; and

**WHEREAS**, California is facing a defining moment in water policy that will be substantially impacted by the State Water Resources Control Board's approach to water quality objectives under the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta; and

**WHEREAS**, the State Water Board has the responsibility for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water in a way that is consistent with the coequal goals of improving water supply reliability and protecting, restoring and enhancing the Delta ecosystem and with respect to the commitments made in the California Water Action Plan; and

**WHEREAS**, the State Water Board staff's current proposal, which focuses singularly on an "unimpaired flow" approach, is irreconcilable with a policy of coequal goals of improving both water supply reliability and ecosystem health; it is also inconsistent with the broader water policy objectives of the Brown Administration; and

**WHEREAS**, the ACWA Board of Directors has unanimously adopted a strong policy statement calls for a better approach that can more effectively achieve ecological objectives while maintaining water supply reliability. The statement calls on the State Water Board to set aside its "unimpaired flow" approach and heed Gov. Jerry Brown's call for negotiated agreements, which have been successful on many rivers and tributaries in California.

**WHEREAS**, the ACWA statement notes that to be successful, the state's flow policy must be consistent with the principles of collaboration, comprehensive solutions, science, functional flows, economic considerations, consistency with state policy, and leadership; and

**WHEREAS**, California's local urban and agricultural water managers are united in their vision for a future that includes a vibrant California economy as well as healthy ecosystems and fish populations, and believe that vision is best achieved through a comprehensive, collaborative approaches;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of Desert Water Agency hereby supports ACWA's Policy Statement on Bay-Delta Flows and encourages the State Water Resources Control Board to embrace the approach articulated in ACWA's policy statement.

**ADOPTED** this 16<sup>th</sup> day of May, 2017.

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James Cioffi, President  
Board of Directors

#### **ATTEST:**

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Joseph K. Stuart, Vice President  
Board of Directors





# ACWA POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

## COLLABORATIVE APPROACH IS KEY TO CALIFORNIA'S FUTURE

California is facing a defining moment in water policy. A staff proposal under consideration by the State Water Resources Control Board presents a decision point about the future we want for California and its communities, farms, businesses and ecosystems. The State Water Board's staff proposal to base new water quality objectives on a "percentage of unimpaired flow" would have impacts that ripple far beyond water for fish.

The proposal could lead to widespread fallowing of agricultural land, undercut the state's groundwater sustainability goals, cripple implementation of the Brown Administration's California Water Action Plan, negatively affect water reliability for much of the state's population and impact access to surface water for some disadvantaged communities that do not have safe drinking water. These effects are not in the public's interest.

Local water managers overwhelmingly believe the proposal's singular focus on "unimpaired flow" is the wrong choice for the state's future. California's urban and agricultural water managers are united in their vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations. That vision is best achieved through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

On behalf of its more than 430 member public agencies serving urban and agricultural customers throughout the state, the Association of California Water Agencies (ACWA) adopts the following policy statement regarding the State Water Board's proposed approach to updating the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta.

## LOCAL SUCCESS STORIES

Collaborative efforts have been successful on many rivers in the Bay-Delta watershed.

**Lower Yuba River:** A voluntary, collaborative settlement among Yuba County Water Agency, California Department of Fish and Wildlife, National Marine Fisheries Service, PG&E and conservation groups resolved 20 years of controversy and resulted in a continuing program to improve 24 miles of salmon and steelhead habitat while protecting water rights and the needs of local communities. State Water Board members have specifically recognized the value of the agreement, which was formally implemented in 2008.

**Lower American River:** A broad representation of water suppliers, environmental groups, local governments and others negotiated an historic agreement that led to a flow management standard that was successfully incorporated into a 2009 biological opinion issued by the National Marine Fisheries Service.

**Feather River:** Six years of negotiations among water users, fisheries agencies and environmental groups yielded a comprehensive agreement that includes a habitat improvement program with specific flow and temperature requirements to accommodate spawning salmon and steelhead. The State Water Board adopted the agreement, with some modification, in 2010 as a water quality certification under the federal Clean Water Act.

## CHOOSING OUR VISION FOR CALIFORNIA'S WATER FUTURE

Since 2009, state law has required water resources to be managed in a way that achieves the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA and its public water agency members believe that policy requires a commitment from state agencies and stakeholders to advance both water supply and environmental goals together. ACWA and its members further believe that effective implementation of the coequal goals requires transparent, collaborative processes and comprehensive solutions.

In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water-use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Embedded in the plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management *by providing a more reliable water supply for our farms and communities*, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient."

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem.

ACWA and its members believe the unimpaired flow approach proposed by State Water Board staff undercuts and threatens that potential and cannot lead us to the future we want for California. Simply put, any strategy that would result in vast amounts of agricultural land going out of production and ultimately reduce water supply reliability for the majority of Californians is irreconcilable with a policy of coequal goals and blatantly inconsistent with the water policy objectives of the Brown Administration.

ACWA strongly supports the collaborative approach called for by Governor Jerry Brown to move these important decisions out of adversarial processes and into negotiated, comprehensive agreements. The following principles can assure success in that endeavor.



## A BETTER PATH TO THE FUTURE

The State Water Board is responsible for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water (including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources) while considering past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (See California Water Code Section 13241.) It also has a responsibility to update the plan in a way that is consistent with the coequal goals and respects and implements the commitments made in the California Water Action Plan.

ACWA and its members urge the State Water Board to set aside the unimpaired flow approach and heed Governor Brown's call for negotiated agreements. ACWA believes that a successful flows policy must be consistent with the following principles:

- **Collaboration:** The governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that State Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the State Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced

regulations have not yielded the same track record. The State Water Board should wholly embrace this approach and allow enough time for it to work.

- **Comprehensive Solutions:** A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the "percentage of unimpaired flow" approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.
- **Science:** The State Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The unimpaired flow approach, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science. As noted above, the updated plan needs to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, and incorporate relevant current scientific information. Science alone cannot identify the best policy choice, but it can inform us about the policy tradeoffs we confront and help structure integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.



## FUNCTIONAL FLOWS: A BETTER APPROACH

**Sacramento Valley:** Sacramento Valley water users and conservation partners are working together to advance a new generation of innovative projects to promote salmon recovery.

Over the past two and a half years, 12 projects have been completed through the Sacramento Valley Salmon Recovery Program to address fish passage, improve the timing of flows and increase habitat for salmon and other species. Priority projects have included removal of structural barriers to fish passage, modifying riffles, eliminating predator habitat, restoring floodplains and creating side channel spawning and rearing areas.

In addition, program partners are exploring creative ways to reconnect water with the land in floodplains and agricultural areas to enhance habitat and food production and create rearing habitat in rice fields.

While each of these collaborative projects provides independent value, implementation of the entire comprehensive suite is generating unique benefits that can significantly improve ecological outcomes for salmon in the Sacramento Valley.

**Merced River:** Merced Irrigation District has spent millions of dollars and decades undertaking intense and in-depth scientific research on the Merced River. This research has included analysis of flows, temperatures, biological resources and habitat. MID is poised to put this research into action through its Merced S.A.F.E. Plan (Salmon, Agriculture, Flows, and Environment) to provide certainty for both the environment and local water supply in Eastern Merced County.

The plan would provide increased flows using science to dictate the amounts and timing, restore critical sections of habitat for spawning and rearing juvenile salmon, protect local drinking water quality, upgrade an existing salmon hatchery with state-of-the-art facilities and reduce predation.

Based on in-depth science and technologically advanced computer modeling, MID seeks to take immediate action and dramatically benefit salmon on the Merced River.

- **Functional Flows:** Science shows that functional flows have very promising benefits for fish as well agricultural and urban water users. Timed and tailored for specific purposes, functional flows can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include functional flows and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability.
- **Economic Considerations:** The State Water Board has a statutory obligation to consider economic impacts when establishing water quality objectives that reasonably protect all beneficial uses of water. Having a robust economic analysis is critical. The board also has a policy obligation under the coequal goals to ensure its actions related to a revised Bay-Delta Plan increase water supply reliability and thereby allow for a healthy, growing agricultural and urban economy in California.
- **Consistency with State Policy:** ACWA urges the State Water Board to heed the governor's direction and recognize that achieving the coequal goals will lead to a more reliable water supply and healthy ecosystem. Pursuing the coequal goals should be a guiding principle for the board's decisions related to adopting a revised Bay-Delta Plan. The State Water Board also should ensure that its decisions on the Bay-Delta Plan enable, rather than obstruct, the implementation of the California Water Action Plan.
- **Leadership:** The best policy choice will come through the give and take of the negotiating process and the enlightened leadership of the State Water Board members. Ultimately, the board must establish water quality objectives that ensure the reasonable protection of all beneficial uses of water as it implements negotiated solutions. The State Water Board should actively engage in this work and lead in a manner that is grounded in an awareness of how its actions can affect the implementation of the California Water Action Plan and the achievement of the coequal goals.

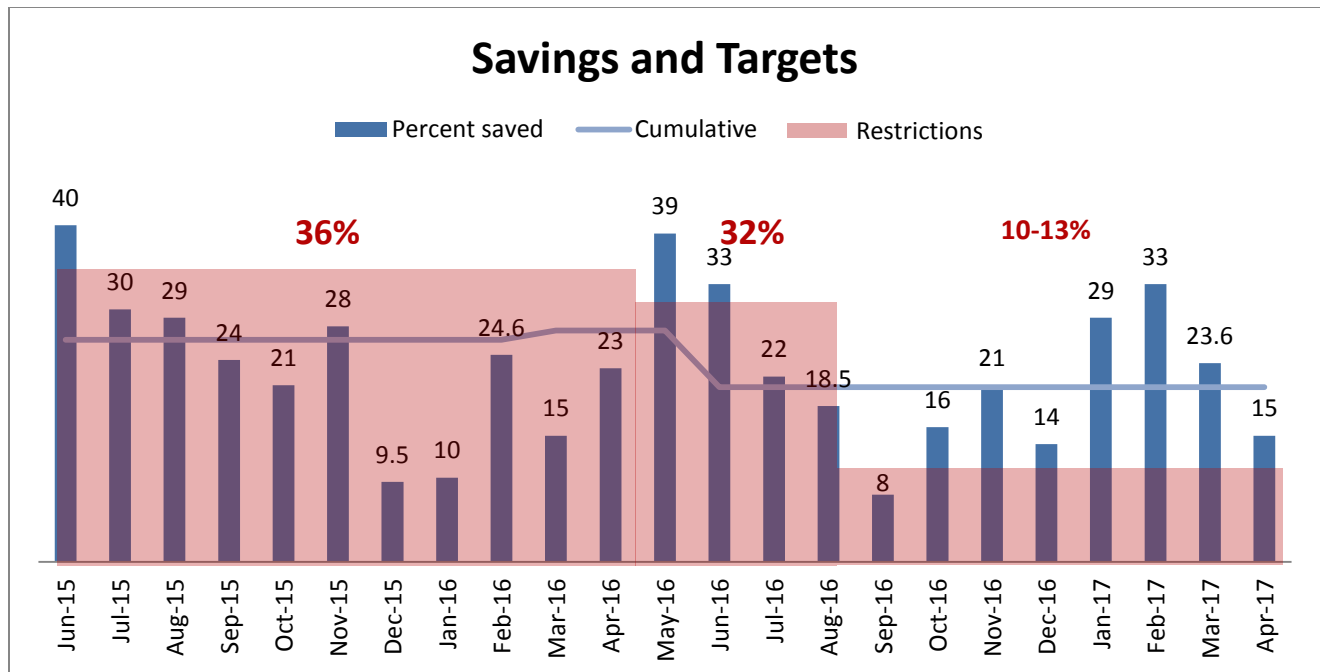
ACWA and its members have taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. We stand ready to work with the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.

# STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

MAY 16, 2017

## RE: APRIL 2017 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 15.35% percent reduction in potable water production during April 2017 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 current is 24% percent. DWA reports its production to the state on a monthly basis.



Staff is also tracking the water use compared to the threshold in the rate study regarding the proposed drought surcharge. The first trigger for the Board to consider action would be at use 10% below April 2015 – March 2016 levels. This trigger was met for January through March but fell just short in April.

DWA is asking its customers to save 10-13% compared to 2013 to help achieve long-term sustainability. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place is 21%.

Below is additional information reported to the State Board for this month.

April 2017 water production	2,192.9 AF
April 2013 water production	2,590.6 AF
Percent changed in April per drought surcharge baseline	9.9%
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	725.2 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	66.9%
Population (inclusive of seasonal residents)	105,959
Estimated R-GPCD	150.4
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	21
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	12
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?	6
How many penalties were issued for water waste or for a violation of conservation rules?	6
<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 April was 5,780,172 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 91,074 acre feet. If our recycled water production for April was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	