

DESERT WATER AGENCY

JULY 18, 2017



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 – June 20, 2017** **CIOFFI**
- 3. GENERAL MANAGER'S REPORT** **KRAUSE**
- 4. COMMITTEE REPORTS – A. Executive – July 12, 2017** **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-TREASURER'S REPORT – JUNE** **BLOOMER**
- 7. ITEMS FOR ACTION**
 - A. Water Use Violation (s) – Civil Penalty Hearing (s) **KRAUSE**
 - B. Resolution No. 1171 in Recognition of the City of Palm Springs Water Savings Efforts **KRAUSE**
 - C. Request Authorization for Board Attendance/CSDA Annual Conference **KRAUSE**
 - D. ACWA Candidate Nominations 2018-19 Term **KRAUSE**
- 8. ITEMS FOR DISCUSSION**
 - A. State Water Contractors' Meeting – June 14, 2017 **RIDDELL**
 - B. Certificates of Appreciation for Turf Buy Back Projects **METZGER**
 - C. June Water Production Figures **KRAUSE**
 - D. California Waterfix Infrastructure **KRAUSE**
- 9. OUTREACH & CONSERVATION** **METZGER**
 - A. Media Information
 - B. Activities
- 10. DIRECTORS COMMENTS AND REQUESTS**
- 11. CLOSED SESSION**
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al
 - C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: 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: Ayres Advisors

Under Negotiation: Price and terms

12. RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION

13. ADJOURN

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

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June 20, 2017

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

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

Consultant:	Michael T. Riddell, Best Best & Krieger)
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Public:	David Freedman, P.S. Sustainability Comm.)
	Robert Stone, Palm Springs resident)

17854. 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**

17855. President Cioffi called for approval of the June 6, 2017 Regular Board meeting minutes. **Approval of 06/06/17
Regular Board Mtg.
Minutes**

Director Oygard moved for approval. After a second by Director Ewing, the minutes were approved as written.

17856. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's
Report**

Mr. Krause stated as part of the purchase agreement for the Mesquite property, the Agency agreed to install screening vegetation on a 6-foot-tall fence. The Agency coordinated with Riverside County Flood Control, which owns and maintains the adjacent flood control channel, to repair an existing 6-foot-tall fence. A DWA construction crew removed built-up sand around the fence and installed an irrigation connection for the screening vegetation. The Agency also removed any vegetation that could be used, and was being used, as shelter for homeless individuals. Down to

Mesquite Property
Fencing

Earth landscaping will install irrigation piping and plant *Pyracantha* which will be used as the screen vegetation.

Snow Creek Emergency
Pipeline Replacement

In March 2017, a series of leaks occurred on the 1950's section of the Snow Creek Pipeline, adjacent to Highway 111, south of Mountain Gate development. The leaks were due to the deterioration and age of the pipe. The Agency was forced to reduce the flow through the pipeline to prevent further pipe ruptures. Starting on June 5th, Agency construction crews began replacing approximately 2,300 lineal feet of the deteriorating pipe with a new 18" Ductile Iron pipe. Work Order No. 14-196-18 with a budget of \$230,000 will cover the cost of the pipe installation. The estimated cost for the project is \$200,000 with \$100,000 for labor and \$100,000 for materials. Work is expected to take 8 weeks to complete.

Continuing his report, Mr. Krause stated from June 1 through June 13, the Whitewater Hydro has generated approximately 290,825 kWh.

Whitewater Deliveries

Concluding his report, Mr. Krause noted the current system leak data. In response to a Board Member's inquiry, he stated that staff is up to date on AB1825 training.

System Leak Data
AB1825 Training

17857. 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.

17858. Vice President Stuart noted the minutes for the June 9, 2017 Finance Committee were provided in the Board's packet.

Committee Reports
Finance 06/09/17

President Cioffi noted the minutes for the June 14, 2017 Executive Committee were provided in the Board's packet.

Executive 06/14/17

17859. President Cioffi called upon Secretary-Treasurer Bloomer to provide an overview of financial activities for the month of May 2017.

Secretary-Treasurer's
Report (May 2017)

Secretary-Treasurer Bloomer reported that the Operating Fund received \$2,061,807 in Water Sales Revenue, \$127,745 in Reclamation Sales Revenue and \$245,338 in Meter Sales and Services. Included in the Miscellaneous Receipts is \$100,000 from CPV for the 2017 Controller Program. \$1,630,199 was paid out in Accounts Payable. Year-to-date Water Sales are 11% over budget, Year-to-date Total Revenues are 11% over budget and Year-to-date Total Expenses are 15% under budget. There were 22,425 active services as of May 31, 2017 compared to 22,398 as of April 30, 2017.

Operating Fund

Reporting on the Operating Fund, Ms. Bloomer stated that \$9,496,719 was received in Property Tax Revenue. \$80,809 was received in Groundwater Replenishment Assessments from private pumpers and \$218,649 was received in State Water Project refunds. \$67,617 was received in Whitewater Hydro Power Sales for April 2017. \$144,925 was paid to CVWD for Whitewater Basin Management (3rd quarter Fiscal 2016-17). \$680,589 was paid in State Water Project Charges (YTD payments July 2016-May 2017 \$17,288,326).

Reporting on the Wastewater Fund, Ms. Bloomer stated that \$3,770 was received in Sewer Contract Payments. There are a total of 58 contracts (46 Cathedral City Cove and 12 Dream Homes). Total delinquents of 29 (50%). \$137,537 was paid out in Accounts Payable.

Wastewater Fund

17860. President Cioffi called upon Finance Director Krieger to present staff's request for adoption of Ordinance No. 66, 67 and 68 for Water Service, Recycled Water Service and Sewer Service.

Items for Action:
Request Adoption of
Ord. 66 Water Service,
Ord. 67 Recycled Water
Service & Ord. 68
Sewer Service

Mr. Krieger stated revisions to the ordinances were needed to correct minor typographical errors, inconsistencies and to implement late fees on delinquent accounts.

Regarding Ordinance No. 66, Mr. Krieger explained the proposed late fee. Currently, delinquent accounts do not pay any late fees. Staff spends a significant amount of time handling delinquent accounts prior to water shutoff. Staff recommends implementing a late fee in the amount of \$25 to reduce and cover the cost of staff time associated with delinquent accounts. Late fees will also help encourage on-time payments.

Continuing his report, Mr. Krieger explained that the Agency's shutoff policy is more lenient than other area agencies. Staff recommends tightening the shutoff period by 30 days. This will streamline staff time and help encourage customers to pay their bill promptly. Shortening the shutoff period will also mean a customer will not incur as much billing, which lessens the financial burden needed to restore water service. In addition to adjusting the time for customers to make payments before shutoff, staff recommends increasing the amount charged to restore water service outside of standard hours from 8:00 a.m. – 4:00 p.m. This would allow staff to turn service back on the same day within normal Agency business hours. Due to discrepancies that arise with other payment methods, staff recommends only the acceptance of cash for after-hours fees.

Concluding his report, Mr. Krieger stated the final revision for Ordinance No. 66 is the language for returned check fees. New language was updated to refer to all payment types, including electronic payments and auto-payments. Staff recommends that the Board approve and adopt Ordinance Nos. 66, 67 and 68 on a roll call vote.

Items for Action:

(Cont.)

Request Adoption of
Ord. 66 Water Service,
Ord. 67 Recycled Water
Service & Ord. 68
Sewer Service

Director Ewing moved to approve and adopt Ordinance No. 66. The motion was seconded by President Cioffi. The motion carried by the following roll call vote:

AYES: EWING, CIOFFI, OYGAR, BLOOMER, STUART
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

**ORDINANCE NO. 66
REGULATIONS GOVERNING
WATER SERVICE**

**Ordinance No. 66
Adopted**

Director Ewing moved to approve and adopt Ordinance No. 67. The motion was seconded by Vice President Stuart. The motion carried by the following roll call vote:

AYES: EWING, STUART, OYGAR, BLOOMER, CIOFFI
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

**ORDINANCE NO. 67
REGULATIONS GOVERNING
RECYCLED WATER SERVICE**

**Ordinance No. 67
Adopted**

Director Ewing moved to approve and adopt Ordinance No. 68. The motion was seconded by President Cioffi. The motion carried by the following roll call vote:

AYES: EWING, CIOFFI, OYGAR, BLOOMER, STUART
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

**ORDINANCE NO. 68
REGULATIONS GOVERNING
SEWER SERVICE**

**Ordinance No. 68
Adopted**

17861. President Cioffi asked Finance Director Krieger to present staff's request for adoption of Resolution No. 1167, 1168 and 1169 Establishing Rates and fees for Domestic Water Service, Recycled Water Service and Sewer Service.

Request Adoption of
Resolution No. 1167
Establishing Domestic
Water Service,
Resolution No. 1168
Recycled Water Service
and Resolution No.
1169 Sewer Service

Mr. Krieger explained that after a comprehensive rate study process performed by the Agency's financial expert NBS, the Board of Directors implemented domestic water service, recycled water service and sewer service rates effective January 1, 2017. As part of the multi-year plan

that was approved at the 2016 Prop 218 hearing, the Board decided to assess future rate adjustments close to the proposed implementation date.

Continuing his report, Mr. Krieger noted that July 1 is the next planned step within the rate plan. Given the Agency's current financial needs, staff recommends implementing the increases as planned. Though the drought is officially over, water use levels have remained low and even further unexpected costs have been incurred due to new requirements.

Mr. Krieger noted the changes in Resolution No. 1167; 1.) Volumetric rate \$1.72 per hundred cubic feet, 2.) Updates the water service charges for domestic water customers in accordance with the NBS rate study report, 3.) Updates the drought rate surcharge; and 4.) Adjusts the zone charges.

Director Oygar made a motion to adopt Resolution No. 1167. After a second by Vice President Stuart, the motion passed unanimously.

RESOLUTION NO. 1167
A RESOLUTION OF THE BOARD
OF DIRECTORS OF DESERT WATER AGENCY
ESTABLISHING RATES, FEES & CHARGES FOR
DOMESTIC WATER SERVICE, BACKUP FACILITY,
SUPPLEMENTAL IMPORTED WATER CAPACITY
AND SERVICE CONNECTION CHARGES

Resolution No. 1167
Adopted

Continuing his report, Mr. Krieger noted the change in Resolution No. 1168 updates the fees to match those for domestic and sewer service (based on staff time).

Director Oygar made a motion to adopt Resolution No. 1168. After a second by Director Ewing, the motion passed unanimously.

RESOLUTION NO. 1168
A RESOLUTION OF THE BOARD
OF DIRECTORS OF DESERT WATER AGENCY
ESTABLISHING RATES, FEES AND CHARGES FOR
RECYCLED WATER SERVICE

Resolution No. 1168
Adopted

Concluding his report, Mr. Krieger stated that the change in Resolution No. 1169 includes the sewer charge of \$5.55.

Director Oygar made a motion to adopt Resolution No. 1169. After a second by Vice President Stuart, the motion passes unanimously.

RESOLUTION NO. 1169
A RESOLUTION OF THE BOARD
OF DIRECTORS OF DESERT WATER AGENCY
ESTABLISHING RATES, FEES AND CHARGES
FOR SEWER SERVICE

11862. President Cioffi asked Finance Director Krieger to present the Operating, General and Wastewater Budgets for 2017/2018.

Adoption of Fiscal Year
2017/18 Operating,
General & Wastewater
Budgets

Mr. Krieger noted that the Finance Committee has reviewed the budgets and amendments to the General Fund Capital Expenditures and General Fund Reserves were made.

Director Oygar made a motion to adopt the 2017/2018 Operating, General and Wastewater budgets. Vice President Stuart seconded the motion, which carried unanimously.

11863. President Cioffi asked Finance Director Krieger to present staff's request for adoption of Resolution No. 1170 Establishing Tax Rate for Fiscal Year 2017-2018.

Resolution No. 1170
Establishing Tax Rate

Mr. Krieger stated the proposed resolution will fix the tax rate of \$0.10 per \$100 of assessed valuation, as adopted in the 2017-18 General Fund budget, which is the same rate as 2016-2017. Staff recommends adoption of Resolution No. 1170 Establishing Tax Rate for 2017-2018.

Director Ewing made a motion to adopt Resolution No. 1170. Director Oygar seconded the motion, which carried unanimously.

RESOLUTION NO. 1170
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DESERT WATER AGENCY DETERMINING,
CERTIFYING, AND DIRECTING 2017-2018 LEVIES
PURSUANT TO SECTION 27 OF THE AGENCY
ACT AS AMENDED

Resolution No. 1170
Adopted

11864. President Cioffi asked Assistant General Manager Johnson to present staff's request for Authorization to Execute Quitclaim deed for APN No. 687-510-002 to the City of Cathedral City and the request for authorization to execute easement in favor of City of Cathedral City.

Request Authorization
to Execute Quitclaim
Deed APN No. 687-
510-002 to Cathedral
City and Request Board
Authorization for
General Manager to
Execute Easement in
Favor of Cathedral City

Mr. Johnson stated in November 2012 the Agency received a request from the City of Cathedral City requesting the vacation of a series of Agency easements located within Parcel Map No. 36428. These easements were acquired from the Palm Springs Water Company to maintain water facilities that service the area. The Agency also acquired APN No. 687-510-002, a 0.03 acre parcel that one time had a small water reservoir. The facilities within the easement and the reservoir were abandoned several years ago.

Continuing his report, Mr. Johnson explained on November 16, 2012, the Board authorized staff to execute a quitclaim terminating easement interest with Parcel Map No. 36428; this did not include APN No. 687-510-002. The City has agreed to receive said parcel and also agreed to replace the existing chain link fence surrounding Well 31 with a new no climb fence in order to provide more security at the site. The City of Cathedral City has agreed to receive APN No. 687-510-002 through a Quitclaim Deed. Staff recommends authorization to execute a quitclaim deed for APN No. 687-510-002 to the City of Cathedral City and Board authorization for the General Manager to execute the easement document.

Action Items:
(Cont.)

Request Authorization to Execute Quitclaim Deed APN No. 687-510-002 to Cathedral City and Request Board Authorization for General Manager to Execute Easement in Favor of Cathedral City

Director Ewing made a motion to approve staff's recommendation. After a second by Vice President Stuart, the motion carried unanimously.

11865. President Cioffi asked General Manager Krause to report on the May water production figures.

Discussion Items:
May Water Production

Mr. Krause reported that the Agency and its customers achieved a 27.86 percent reduction in potable water production during May compared to May 2013. He noted the cumulative savings June 2015 through current is 24 percent. He also noted the amount of fresh water outflow to the ocean was 5,920,054 acre feet.

11866. Secretary-Treasurer Bloomer and Director Oygar stated they will be out town, unable to attend the next Board meeting of July 5.

Directors
Comments/Requests

11867. At 8:55 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; and (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.

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)

17868. At 10:50 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

Reconvene –No
Reportable Action

17869. In the absence of any further business, President Cioffi Adjournment
adjourned the meeting at 10:51 a.m.

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

DRAFT

GENERAL MANAGER'S REPORT

JULY 18, 2017

Whitewater Mutual Water System Abandonment

The residential service for this system was discontinued several years ago (2009). However, approximately 7 months ago we had a leak on the N/E corner of May Dr. and Tachevah Dr. To our surprise it was a pressurized leak on a steel Whitewater line.

Frank Robinson, our Construction Superintendent began investigating to see where the water was coming from and was unable to find anything. The pressure dissipated at that time and the leak stopped. We patched the leak and continued to investigate where the water was coming from.

The next month we began potholing to see in what part of the Whitewater system we had water. Again to our surprise we found we had water in most of the abandoned system. We had another leak on Granvia Valmonte west of Via Miraleste. At the intersection of Via Miraleste and Tamarisk Rd. Agency crews installed a pressure relief pipe on the Whitewater main to bleed off the pressure every 2 weeks until we could find where the water was coming from. For the next couple of months we continued to pothole and locate the Whitewater lines in the area.

Around the end of May, crews began cutting out sections of the Whitewater pipe to see which way the water was flowing. They started at Tamarisk Rd and Via Miraleste and determined that the water was flowing from the south.

Crews located a 2 inch galvanized pipe that went east down Granvia Valmonte. It went into the residence at 735 Granvia Valmonte. This property is served off of our potable system by 2 meters and when they checked them, one had constant motion. Construction staff contacted the gardener who was working at the property and informed him that we were going to shut the water off for a few minutes to see if there was a cross-connection. The potable water was shut off and it stopped the water from flowing in the Whitewater pipeline. However, when staff turned the water back on nothing came out of the Whitewater pipe. Staff had observed the gardener go to an irrigation box and turn something. Staff looked in the box and discovered a 2 inch ball valve in the off position. Staff opened the ball valve and started getting water in the Whitewater pipe again. Through unrelenting determination and keen observation the 7 month investigation had finally solved the mystery.

The 2" pipe was disconnected from the Whitewater system on 06/01/17. The pressure relief pipe was checked at Tamarisk Rd. and Via Miraleste on 06/16/17 and it was found dry.

Facilities & Safety Update

Whitewater easement between N. Virginia Street and Zanjero

There's a continued problem with people dumping on our Whitewater easement between N. Virginia Street and Zanjero. They're also trespassing on the property and clipping the bushes and shrubs, then leaving all the clippings in piles on the property. It's becoming a weekly issue.

Well 25

A vehicle went thru the fence over a month and a half ago. Allen Fence was contacted shortly afterward but they've been swamped with work. They were contacted again to ask them to expedite and they said they'd try to get on it right away.

Well 32 & New Mesquite HOA Property

Down to Earth Landscaping completed their installation of the irrigation system and shrubs at Well 32 / Mesquite property fence job.

HAZWOPER –Hazardous Waste Operations and Emergency Response

A HAZWOPER 8 hour refresher course is scheduled for August 3 & August 4. It takes 2 days to train everyone that needs the course.

Solar II Facilities

The A/C unit on the Inverter II building has been serviced and is back in operation. A technician with FM Thomas spent most of his day cleaning, troubleshooting, and servicing the unit. He determined that the hi pressure cut out switch on the unit was causing the compressor to cut out in order to save it from damage due to high Freon pressures in the system. Strangely enough, the A/C unit at the Rec Plant tower cut out and threw a code that showed the same problem: High pressure switch error. FM Thomas is scheduled to come service that unit as well.

2016/2017 REPLACEMENT PIPELINE PROJECT

Borden Excavating, Inc. began mobilizing and grinding Area 1 streets (W. Paseo El Mirador, E. Paseo El Mirador, Pasatiempo Road, and Linda Vista Road) on Friday, June 30, 2017. On July 5th they began pipe installation within this area.

As of the end of the work day on July 11, 2017, Borden has installed the pipeline and fittings on the following streets:

- E. Paseo El Mirador (796± L.F.)
- Pasatiempo Road (1,843± L.F.)
- Linda Vista Road (956± L.F.).

Base paving on E. Paseo El Mirador was completed on July 7, 2017. Borden intends to base pave the rest of the abovementioned streets by July 14.

Borden's tentative schedule for the next couple of weeks is as follows:

July 12-13th – Base Paving on Pasatiempo Road and Linda Vista Road

July 14th – Install mainline on W. Paseo El Mirador (1,250 L.F.)

July 17th – 28th – Finish up mainline and base paving on W. Paseo El Mirador; installation of services and fire hydrant runs on Area 1 streets; testing / disinfection / flushing of Area 1 streets; DWA tie-over work Area 1 streets

The City of Palm Springs requested that the order of construction be adjusted in order to avoid any conflicts with upcoming fall events in the downtown area of Palm Springs. As a result, the Contractor will begin work on Sunny Dunes Road (Area 4) upon completion of the Area 1 streets.

DWA is in the process of finalizing the design and estimate for the add-on streets (Saturmino Drive, Belding Drive, and Desert Palms Drive) and should have the change order for said work sent off to Borden by July 14 for review.

Borden anticipates completing the entire project, including the additional streets by December 15, 2017.

2016/2017 REPLACEMENT PIPELINE PROJECT

(Cont.)



2016/2017 REPLACEMENT PIPELINE PROJECT

(Cont.)



Whitewater Hydro Update

For the month of June, the Whitewater Hydro Plant generated 726,993 kWh and SCE paid a monthly settlement payment in the amount of \$67,141. The following is a summary for the year:

Month	Generated (kWh)	SCE Settlement Payment
January	220,050	\$19,406
February	346,095	\$30,424
March	211,027	\$18,795
April	769,759	\$67,617
May	792,968	\$69,495
June	726,993	\$67,141
Total	3,066,892	\$272,878

Per the US Energy Information Administration, the average annual electricity consumption for a residential customer is 11,000 kWh. Based on that average, the amount of electricity generated by the Whitewater Hydro Plant for the first 6 months of the year is enough to supply, on average, 278 homes for one year.

On July 12 at approximately 2:00 p.m. Construction responded to a **hit fire hydrant** on the 3000 block of Hermosa Dr. North inside of **Sunrise Palms HOA**. The fire hydrant was hit by a seated lawn mower. The hydrant was replaced and put back in service. The water loss was from a fully open fire hydrant bury which ran for approximately 20 minutes. The customer's billing information was obtained and a damage report was filed.



Hit Hydrant – Sunrise Palms HOA

(Cont.)



Nueva Vista Dr. Gas Company Incident

On July 12 at approximately 3:00 p.m., Engineering staff informed Construction that the gas company had reported water in their lines at Nueva Vista Dr. Construction responded and found a leak by listening to the angle stop. The gas company probed down through the asphalt and at that point the leak surfaced. Construction assisted the gas company to expose the area that they wanted to crimp, just east of the leak. Once the gas line was crimped, we repaired the service line. The gas line was located directly over the one inch PE service line. The gas line is two inch plastic running east and west over the top of our service line running north and south. The water from the leak cut a ¼ inch hole in the gas line and it was starting to split. The waterline and gas line were repaired.

The gas company informed us that there were 23 homes that would need the gas meters replaced and the lines purged due to the water intrusion. The repairs required at least 15 workers, three big crew trucks, service vehicles, truck and trailer with a backhoe. Liability was not discussed. The gas company noted that our line was PE. And inquired when our lines were installed. We confirmed that our line was PE but could not determine the installation date at the time. On July 13 the gas company contacted us again asking for information when that service was installed.

Nueva Vista Dr. Gas Company Incident

(Cont.)

Construction staff followed up the next morning. There was a gas sub-contractor saw cutting the areas that they jacked hammered and one gas company service vehicle. Staff will report back as necessary any additional information regarding this incident



Hit Hydrant/E. Palm Cyn. Dr.

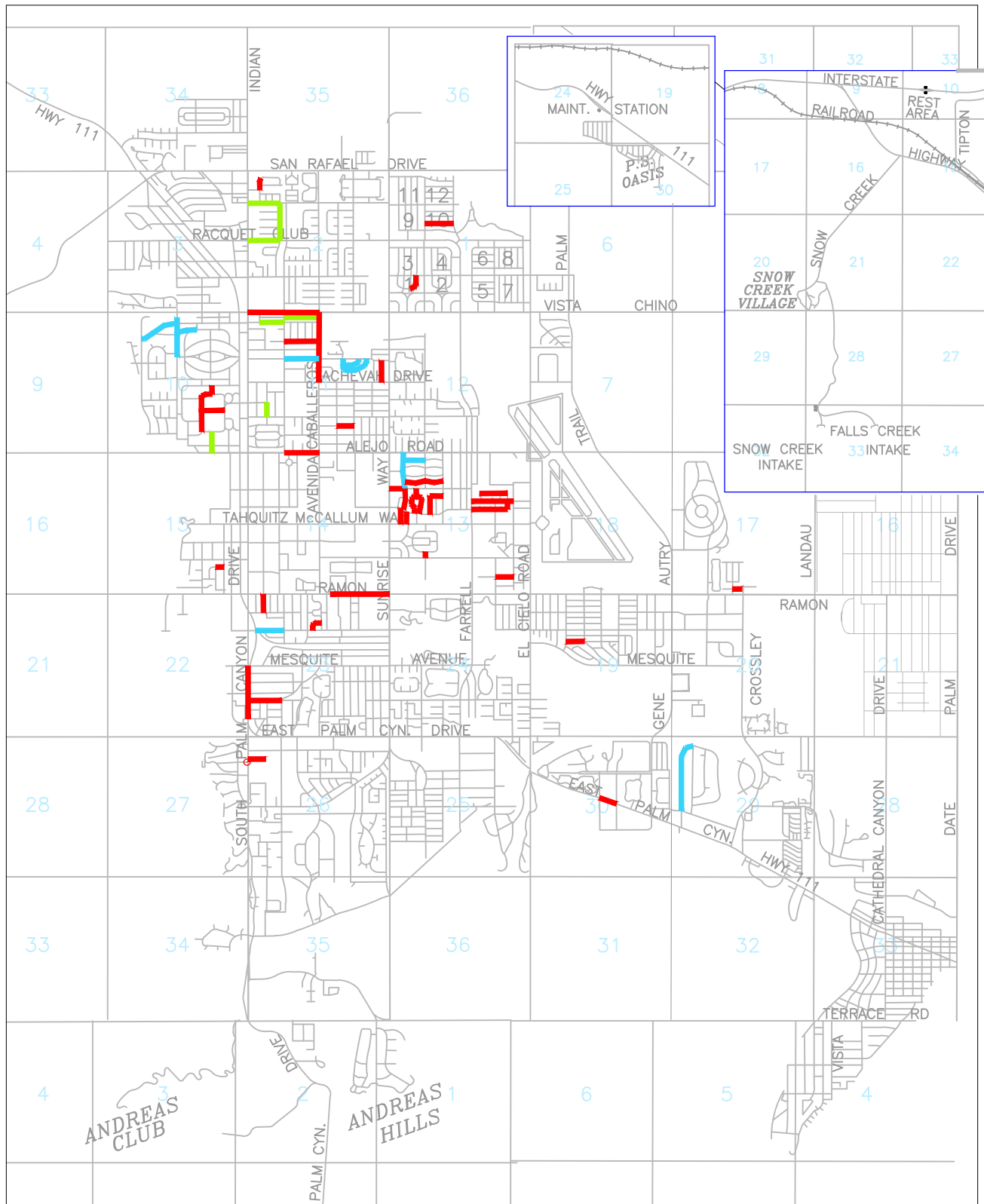
On July 13 at approximately 2:30 a.m. stand-by responded to a hit fire hydrant on the west side of Cathedral Canyon Dr., south of East Palm Canyon Dr. The fire hydrant was replaced and put back in service and a police report was made. This appears to have been hit by a drunk driver. The water loss was from a fully open fire hydrant bury which ran for approximately 15 minutes.



SYSTEM LEAK DATA		
(PERIOD BEGINNING JUNE 9, 2017 THRU JULY 11, 2017)		
STREET NAME	QUARTER SECTION	NUMBER OF LEAKS
COTTONWOOD RD	4411NW	15
SATURMINO DR	4413NW	10
LIVMOR AVE (ALL SECTIONS)	4413NE	6
LINDA VISTA RD	4411NE	5
FRANCIS DR	4402NW	4
MISSION RD	4410SE	4
STEVENS RD	4410NW	3
CAMINO NORTE	4410NE	3
STARR RD	4402NW	3
CHUCKWALLA RD	4411NW	3
SARAH ST	4517SW	3
AVENIDA CABALLEROS (20" MAIN)	4411NW	3
PASEO EL MIRADOR	4411NW	2
VIA MONTE VISTA (8")	4410NE	2
BROADMOOR DR	4529NW	2
BELDING DR	4413NW	2
RACQUET CLUB RD	4402NW	2
CAHUILLA RD	4410SE	2
S PALM CANYON DR	4423SW	2
CHIA DR	4411NW	2
HERMOSA PL	4410SE	2
CALLE SAN RAPHAEL	4519NW	2
VISTA CHINO (20" MAIN)	4411NW	2
TERRY LN	4413NW	2
VIA ALTAMIRA	4411SE	2
CANYON ROCK RD	4426NW	2
PLAIMOR AVE	4413NE	2
WAYNE RD	4401NW	2
PASATIEMPO RD	4411NE	1
VIA MONTE VISTA (6")	4410NW	1
SUNNY DUNES RD	4423NW	1
AVENIDA PALOS VERDES	4411SW	1
LURING DR	4413NW	1
MOUNTAIN VIEW PL	4410SE	1
E PALM CANYON DR	4530NE	1
PABLO DR	4415SE	1
NICOLA RD E	4401SW	1
VIA VAQUERO RD	4413SE	1
AMADO RD	4413NW	1
AIRLANE DR	4413NE	1
ALEJO RD	4411SW	1
CALLE MARCUS	4411NE	1
CERRITOS DR	4413NW	1
SONORA RD	4423SW	1
ANDREAS RD	4413NE	1
CRESTVIEW DR (FH RUN)	4427NE	1
SATURMINO DR (S/O AMADO)	4413NW	1
MICHELLE RD	4413NW	1
WARM SANDS PL	4423NE	1
CALLE ENCILIA	4423NW	1
SATURMINO DR (N/O TAHQUITZ)	4413NW	1
CERRITOS DR	4413SW	1
MISSION RD (4")	4410SE	1
SUNNY VIEW DR	4402NW	1
RAMON RD (4")	4423NE	1
MCMANUS DR	4413NW	1
TOTAL LEAKS IN SYSTEM:		122

* 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

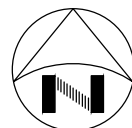
(Period beginning June 9, 2017 thru July 11, 2017)

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
7/17

SCALE
NTS

EXHIBIT
"A"

General Manager's Meetings and Activities

Meetings:

06/19/17	DWA I.S./Staff/Snow Creek Security Weekly Meeting	DWA
06/19/17	DWA/CVWD/MWD Coordination Meeting	Conf. Call
06/20/17	DWA Bi-Monthly Board Meeting	DWA
06/22/17	BLM – Whitewater River Recharge Basins – BLM Permit	Conf. Call
06/23/17	Desert Chapel (New Mesquite HOA Property) Meeting	Desert Chapel
06/23/17	Cal WaterFix Cost Allocation Workshop	DWA
06/26/17	DWA I.S./Staff/Snow Creek Security Weekly Meeting	DWA
06/27/17	Quarterly GM Settlement Agreement Meeting	MSWD
06/28/17	Cal WaterFix Cost Allocation Workshop	Conf. Call
06/29/17	Desert Sun	DWA
06/30/17	Snow Creek Pipeline Site Visit	Field
06/30/17	Cal WaterFix Cost Allocation Workshop	Conf. Call
07/12/17	Cal WaterFix Cost Allocation Workshop	Conf. Call
07/12/17	DWA Executive Committee	DWA

Activities:

- 1) Sites Reservoir
- 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) MSWD Second Amended Petition– Ongoing
- 8) ACBCI Section 14 Facilities & Easements
- 9) New Mesquite Property Fencing
- 10) Chain of Title
- 11) Lake Oroville Spillway Damage
- 12) Replacement Pipelines 2017-2018
- 13) Lake Oroville NMFS Requirements
- 14) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 15) DWA/CVWD/MWD Agreements Update
- 16) SGMA Alternative Plans and Bridge Documents/Public Comments
- 17) SWP 2017 Water Supply
- 18) ACBCI Law Suits
- 19) Lake Perris Dam Remediation
- 20) Drought Pricing Study
- 21) Section 14 Pipeline Easements
- 22) DOI Regulation
- 23) DWA Fiscal Year 2017-2018 Budget
- 24) A.B. 1562
- 25) Cathedral City Monitoring Well Site Abandonment

Activities:
(Cont.)

- 26) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 27) Multi-Agency Rate Study
- 28) SGMA Tribal Stakeholder Meetings
- 29) 2016/2017 Engineer's Report on Groundwater Replenishment and Assessment Program
- 30) Whitewater Spreading Basins – BLM Permits
- 31) Lake Perris Dam Seepage Recovery Project Participation
- 32) Cal Waterfix Cost Allocation

Minutes
Executive Committee Meeting
July 12, 2017

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Steve Johnson, Martin Krieger

1. Discussion Items

- A. Review Agenda for July 18, 2017 Regular Board Meeting
The proposed agenda for the July 18, 2017 regular board meeting was reviewed.
- B. Expense Reports
The June expense reports were reviewed.
- C. ACWA Candidate Nominations 2018-19 Term
The Committee reviewed the nomination packet from ACWA and requested Staff place the item on the July 18 Board agenda for consideration.
- D. Urban Water Institute Sponsorship Request
The Committee reviewed the sponsorship request and decided the Agency would not be sponsoring this event.
- E. 2017 CSDA Annual Conference
The Committee reviewed the brochure for the September 25-28, 2017 conference. The item will be placed on the July 18 Board agenda for consideration.
- F. 2017 Colorado River Aqueduct Trip
Staff informed the Committee that MWD will be hosting a CRA trip for DWA. The Committee provided tentative dates of March or April 2018.

2. Other –

- A. 2018 State Water Project Tour
Staff informed the Committee that MWD will be hosting a SWP Tour for DWA. Tentative dates of June – September 2018 were discussed.
- B. California Waterfix Infrastructure
There was discussion on the California Waterfix Infrastructure. Staff will place this item for further discussion on the July 18 Board agenda.

3. Adjourn

**DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

OPERATING ACCOUNT

JUNE 2017

		INVESTED RESERVE FUNDS	
BALANCE	JUNE 1, 2017	(\$414,359.66)	\$14,970,074.41
WATER SALES	\$2,409,693.53		
RECLAMATION SALES	175,444.56		
WASTEWATER RECEIPTS	88,988.49		
POWER SALES	1,741.95		
METERS, SERVICES, ETC.	402,814.00		
REIMBURSEMENT – GENERAL FUND	106,214.06		
REIMBURSEMENT – WASTEWATER FUND	48,523.36		
ACCOUNTS RECEIVABLE – OTHER	8,985.51		
CUSTOMER DEPOSITS – SURETY	17,574.00		
CUSTOMER DEPOSITS – CONST.	33,148.00		
LEASE REVENUE	3,396.33		
INTEREST RECEIVED ON INV. FDS.	0.00		
FRONT FOOTAGE FEES	0.00		
BOND SERVICE & RESERVE FUND INT	0.00		
MISCELLANEOUS	51,345.12		
TOTAL RECEIPTS	\$3,347,868.91		
PAYMENTS			
PAYROLL CHECKS	\$352,707.07		
PAYROLL TAXES	176,364.22		
ELECTRONIC TRANSFERS	117,030.99		
CHECKS UNDER \$10,000.00	334,567.02		
CHECKS OVER \$10,000.00 – SCH. #1	1,195,820.20		
CANCELLED CHECKS AND FEES	8,090.90		
TOTAL PAYMENTS	\$2,184,580.40		
NET INCOME	\$1,163,288.51		
BOND SERVICE ACCOUNT			
MONTHLY WATER SALES	\$0.00		
EXCESS RETURNED BY B/A	\$0.00		
BOND SERVICE FUND		\$0.00	
INVESTED RESERVE FUNDS			
FUNDS MATURED	\$0.00		
FUNDS INVESTED – SCH. #3	1,154,000.00		
NET TRANSFER		(\$1,154,000.00)	\$1,154,000.00
BALANCE	JUNE 30, 2017	(\$405,071.15)	\$16,124,074.41

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
114808	BADGER METER INC	WATER SERVICE SUPPLIES	\$51,894.70
114815	CORA CONSTRUCTORS INC	ZONE 1240 BOOSTER - DESERT PALISADES (W/O# 15-150-B)	\$22,571.89
114822	HOFFMAN STEEL FABRICATION	RECLAMATION PLANT - WASH ARM (W/O# 16-172-M)	\$28,800.00
114901	SOUTHERN CALIFORNIA EDISON CO	POWER	\$195,045.67
114905	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING FOR MAY 2017	\$83,541.99
114917	ACWA-JPIA	HEALTH,DENTAL & VISION INSURANCE PREMIUMS - JULY 2017	\$173,402.40
114919	WORKSHOP KITCHEN & BAR LLC	CONSTRUCTION DEPOSIT REFUND (W/O# 16-807-F-04)	\$10,770.04
114929	DESERT WATER AGENCY - WASTEWATER	SEWER CAPACITY CHARGES - JONES CREE VENTURES	\$47,440.00
114942	SWRCB - ACCOUNTING OFFICE	WATER SYSTEM FEES FISCAL 2016-2017	\$49,670.05
114952	BADGER METER INC	WATER SERVICE SUPPLIES	\$33,973.58
114954	BEST BEST & KRIEGER LLP	LEGAL FEES	\$77,378.16
114958	CDW DIRECT	I.S. SUPPLIES	\$25,633.10
114963	CLEANEXCEL INC	CLEANING SERVICES - MAY & JUNE 2017	\$11,036.00
114977	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$36,664.42
114983	ERS	CONTRACT PAYMENT - NON-POTABLE WATER MAINTENANCE	\$21,832.93
114991	FERGUSON WATERWORKS	WATER SERVICE SUPPLIES	\$23,021.40
114999	HD SUPPLY WATERWORKS LTD	WATER SERVICE SUPPLIES	\$17,082.79
115007	INNOVATIVE DOCUMENT SOLUTIONS	I.S. SUPPLIES / PRINTER (W/O# 16-405-M)	\$10,229.12
115008	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$10,312.23
115014	KINER COMMUNICATIONS	MARKETING & ADVERTISING SERVICES FOR CV WATER COUNTS	\$11,758.32
115047	SOUTHERN CALIFORNIA EDISON CO	POWER	\$10,961.37
115051	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$38,157.51
115057	UNITED WATER WORKS INC	WATER SERVICE SUPPLIES	\$10,006.91
115066	WESTERN WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES / SNOW CREEK PIPELINE (W/O# 14-196--18)	\$97,296.92
115067	Z&L PAVING, INC	PAVING	\$42,776.70
115068	MESQUITE COUNTRY CLUB HOA	TURF BUY BACK PROGRAM	\$20,000.00
115069	PALM SPRINGS DEALVILLE HOA	TURF BUY BACK PROGRAM	\$14,562.00
115071	PALM SPRINGS VILLAS HOA	TURF BUY BACK PROGRAM	\$20,000.00
** TOTAL			\$1,195,820.20

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
JUNE 30, 2017**

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	\$ 13,374,074.41	\$ 13,374,074.41	\$ 13,374,074.41	1.010%	-
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Certificates of Deposit

09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 250,067.50	1.050%	Bullet
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Total Certificates of Deposit	\$ 250,000.00	\$ 250,000.00	\$ 250,067.50
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Commercial Paper

Total Commerical Paper	\$ -	\$ -	\$ -
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Government Agency

09-20-16	Union Bank	FNMA (Callable 9-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,040.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 7-28-17)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,570.00	1.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 8-25-17)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 499,310.00	1.400%	Quarterly

Total Government Agency	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,489,920.00
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Weighted Mean YTM 1.040%

TOTAL INVESTED @ 06/30/17	\$ 16,124,074.41	\$ 16,124,074.41	\$ 16,114,061.91
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BALANCE @ 06/30/16	\$ 12,488,311.86
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INCREASE (DECREASE)	\$3,635,762.55
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

JUNE 2017

INVESTED
RESERVE FUNDS
\$118,101,032.70

BALANCE JUNE 1, 2017 (\$571,061.42)

* TAXES - RIVERSIDE COUNTY	294,848.94
* INTEREST EARNED - INV. FUNDS	95,789.07
GROUNDWATER REPLEN. ASSESSMENT	0.00
REIMBURSEMENT - OPERATING FUND	0.00
REIMBURSEMENT - CVWD MGMT	0.00
STATE WATER PROJECT REFUNDS	4,849.00
REIMB - CVWD - WHITEWATER HYDRO	3,956.71
POWER SALES - WHITEWATER	69,497.33
MISCELLANEOUS	25,000.00

TOTAL RECEIPTS \$493,941.05

PAYMENTS

CHECKS UNDER \$10,000.00	17,302.83
CHECKS OVER \$10,000.00 - SCH. #1	1,311,393.18
CANCELLED CHECKS AND FEES	0.00

TOTAL PAYMENTS \$1,328,696.01

NET INCOME (\$834,754.96)

INVESTED RESERVE FUNDS

FUNDS MATURED	9,469,000.00
FUNDS INVESTED – SCH. #2	8,861,000.00

NET TRANSFER \$608,000.00 (\$608,000.00)

BALANCE JUNE 30, 2017 (\$797,816.38) \$117,493,032.70

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$25,303,549.95	\$1,010,139.79
RECEIPTS IN CALENDAR YEAR	\$19,173,656.64	\$562,716.69

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8913	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - MARCH 2017	\$222,476.00
8916	US GEOLOGICAL SURVEY	JOINT FUNDING AGREEMENT QUARTERLY BILLING - (02/01/2017 - 4/30/2017)	\$20,706.25
8917	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR MAY 2017	\$106,214.06
8918	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - APRIL 2017	\$29,338.87
8920	STATE WATER CONTRACTORS AUTHORITY	MEMBER DUES - FISCAL YEAR 2017-2018	\$94,559.00
8921	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - JUNE 2017	\$655,031.00
8922	COACHELLA VALLEY WATER DISTRICT	SWP 2016/2017 2ND & 3RD QTR AND 2016 RATE RECONCILIATION	\$183,068.00

** TOTAL

\$1,311,393.18

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JUNE 30, 2017

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	\$ 44,484,562.70	\$ 44,484,562.70	\$ 44,484,562.70	1.010%	
Certificates of Deposit								
01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,450.00	1.100%	Bullet
09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 250,067.50	1.050%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$ 245,000.00	\$ 245,000.00	\$ 245,196.00	1.350%	Bullet
10-29-15	Ladenburg Thalmann	Ally Bank CD	10-30-17	\$ 245,000.00	\$ 245,000.00	\$ 245,058.35	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Capital One NA CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,053.90	1.100%	Bullet
11-04-15	Ladenburg Thalmann	Discover CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,017.15	1.150%	Bullet
04-30-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,500.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,815.00	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One NA CD	06-15-20	\$ 250,000.00	\$ 250,000.00	\$ 250,815.00	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$ 250,000.00	\$ 250,000.00	\$ 249,720.00	1.750%	Bullet
06-22-17	San Community FCU	Credit Union CD	06-22-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	1.580%	Bullet
Total Certificates of Deposit				\$ 4,980,000.00	\$ 4,980,000.00	\$ 4,882,690.90		
Commercial Paper								
12-16-13	Stifel	General Electric	05-15-18	\$ 587,800.00	\$ 500,000.00	\$ 519,835.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 996,380.00	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	\$ 1,000,950.00	1.450%	1 Time
Total Commercial Paper				\$ 2,586,670.00	\$ 2,500,000.00	\$ 2,516,575.00		
Government Agency								
09-19-12	Stifel (D.A.D)	FNMA	09-19-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,980.00	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	\$ 998,440.00	0.840%	Continuous
03-27-13	Ladenburg Thalmann	FNMA (Callable 9-27-17)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,520.00	1.050%	Qtrly
06-13-13	Ladenburg Thalmann	FHLB (Callable 9-13-17)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,610.00	1.100%	Qtrly
10-02-15	Stifel	FHLB (Callable 10-2-17)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,500.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,640.00	1.120%	Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 8-23-17)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 996,240.00	1.000%	Qtrly
11-25-15	Stifel	FNMA (Callable 8-25-17)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,640.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 8-26-17)	02-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,020.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 8-23-17)	03-23-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,000.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 9-30-17)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,890.00	1.500%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 9-30-17)	03-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,810.00	1.250%	Qtrly
04-16-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-16-20	\$ 999,500.00	\$ 1,000,000.00	\$ 987,210.00	1.590%	Continuous
05-13-16	Stifel	FNMA (Callable 8-23-17)	08-23-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,610.00	1.250%	Qtrly
05-25-16	Stifel	FNMA STEP (Callable 8-25-17)	05-25-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,250.00	1.500%	Qtrly
05-26-16	Union Bank	FNMA	11-26-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 983,040.00	1.300%	1 Time
05-31-16	Ladenburg Thalmann	FHLMC (Callable 8-29-17)	08-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,770.00	1.020%	Qtrly
06-01-16	Stifel	FPCB (Callable Continuous)	03-01-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,370.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 9-13-17)	06-13-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,040.00	1.400%	Qtrly
06-16-16	Stifel	FPCB (Callable Continuous)	03-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,680.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 9-21-17)	06-21-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,070.00	1.400%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 9-28-17)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,070.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 9-30-17)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,540.00	1.000%	Qtrly

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
JUNE 30, 2017

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

07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,050.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,390.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,350.00	1.125%	Continuous
07-19-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,430.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 7-26-17)	07-26-19	\$ 999,500.00	\$ 1,000,000.00	\$ 991,100.00	1.125%	Qtrly
07-27-16	Stifel	FNMA STEP (Callable 7-27-17)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 978,200.00	1.250%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 8-10-17)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,800.00	1.450%	Qtrly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 8-24-17)	08-24-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,220.00	1.125%	Qtrly
08-24-16	RBC Wealth Mgmt	FHLMC STEP (Callable 8-24-17)	08-24-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,880.00	0.875%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 8-30-17)	08-30-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,250.00	1.000%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 8-27-17)	11-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,710.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	09-06-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,120.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 9-20-17)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,040.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 9-27-17)	09-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,940.00	1.000%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 9-29-17)	09-29-21	\$ 990,000.00	\$ 990,000.00	\$ 938,562.00	1.250%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 9-30-17)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,780.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 7-6-17)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,480.00	1.375%	Qtrly
10-11-16	Ladenburg Thalmann	FHLMC (Callable 7-11-17)	10-11-18	\$ 999,780.00	\$ 1,000,000.00	\$ 993,940.00	1.000%	Qtrly
10-17-16	Stifel	FNMA (Callable 10-17-17)	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,350.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 7-28-17)	10-28-21	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,489,575.00	1.250%	Qtrly
10-28-16	Union Bank	FHLMC STEP (Callable 7-28-17)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,570.00	1.000%	Qtrly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 980,920.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 8-15-17)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,680.00	1.000%	Qtrly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 9-14-17)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,620.00	1.750%	Qtrly
12-29-16	Ladenburg Thalmann	FNMA (Callable 8-29-17)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,610.00	1.750%	Qtrly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 9-30-17)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 997,960.00	1.500%	Qtrly
01-27-17	Stifel	FHLB STEP (Callable 7-27-17)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,710.00	1.000%	Qtrly
01-27-17	RBC Wealth Mgmt	FHLMC (Callable 7-27-17)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,040.00	2.000%	Qtrly
01-27-17	Stifel	FHLMC (Callable 7-27-17)	07-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,990.00	1.850%	Qtrly
01-27-17	Ladenburg Thalmann	FNMA (Callable 7-27-17)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,370.00	1.650%	Qtrly
01-30-17	Union Bank	FHLB (Callable 1-30-18)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,770.00	1.750%	Qtrly
02-07-17	Ladenburg Thalmann	FNMA (Callable 8-17-17)	02-07-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,250.00	1.750%	Qtrly
02-24-17	Ladenburg Thalmann	FNMA (Callable 8-24-17)	11-24-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,080.00	2.000%	Qtrly
02-28-17	Union Bank	FHLMC (Callable 8-25-17)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,620.00	1.400%	Qtrly
03-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	03-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,910.00	1.300%	Annual
04-20-17	Stifel	FHLMC STEP (Callable 7-20-17)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,730.00	1.250%	Qtrly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 10-27-17)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,090.00	2.000%	Qtrly
05-25-17	Ladenburg Thalmann	FHLMC (Callable 8-25-17)	11-25-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,870.00	1.875%	Qtrly
06-08-17	Stifel	FHLMC STEP (Callable 12-8-17)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,430.00	1.250%	Qtrly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 9-22-17)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,120.00	1.625%	Qtrly
06-27-17	Union Bank	FHLB (Callable 9-27-17)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,890.00	1.500%	Qtrly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 9-29-17)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,980.00	1.750%	Qtrly

Total Government Agency \$ 65,442,000.00 \$ 65,450,000.00 \$ 65,100,257.00

Weighted Mean YTM 1.228%

TOTAL INVESTED @ 06/30/17 \$ 117,493,032.70 \$ 117,414,562.70 \$ 117,084,085.60

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

INCREASE OR (DECREASE) \$ 10,324,682.33

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

JUNE 2017

INVESTED
RESERVE FUNDS
\$1,190,620.01

BALANCE	JUNE 1, 2017	(\$43,798.51)	
ACCOUNTS RECEIVABLE - OTHER		\$0.00	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		19.05	
WASTEWATER REVENUE		83,541.99	
SEWER CAPACITY CHARGES		49,983.07	
MISCELLANEOUS		<u>140.00</u>	
TOTAL RECEIPTS		\$133,684.11	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$9,155.24	
CHECKS OVER \$10,000.00 - SCH. #1		126,862.46	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$136,017.70</u>	
NET INCOME		(\$2,333.59)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$69,000.00	
FUNDS INVESTED - SCH. #2		<u>21,000.00</u>	
NET TRANSFER		\$48,000.00	(\$48,000.00)
BALANCE	JUNE 30, 2017	\$1,868.02	\$1,142,620.01

DESERT WATER AGENCY

WASTEWATER ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
2498	DESERT WATER AGENCY - OPERATING	P/R & EXPENSE REIMBURSEMENT FOR MAY 2017	\$48,523.36
2499	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR MAY 2017	\$49,637.80
2501	DESERT WATER AGENCY - GENERAL	CAPITAL IMPROVEMENT LOAN - REPAYMENT # 17	\$28,701.30
** TOTAL			\$126,862.46

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
JUNE 30, 2017**

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	\$ 1,142,620.01	\$ 1,142,620.01	\$ 1,142,620.01	1.010%
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TOTAL INVESTED @ 06/30/17	\$ 1,142,620.01	\$ 1,142,620.01	\$ 1,142,620.01
BALANCE @ 06/30/15	\$ 1,027,031.01		
INCREASE OR (DECREASE)	\$ 115,589.00		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 16-17 JUNE	THIS MONTH			FISCAL YEAR TO DATE			VARIANCE	
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD	PCT
OPERATING REVENUES								
WATER SALES	2,526,762.39	2,034,600.88	1,770,450.00	23,592,784.56	21,531,768.00	20,622,000.00	2,970,784.56	14
RECLAMATION SALES	183,792.25	163,928.53	138,200.00	1,435,010.80	1,423,758.05	1,356,000.00	79,010.80	6
POWER SALES	1,741.95	1,745.39	1,750.00	20,638.00	11,435.03	21,900.00	362.00	2
OTHER OPER REVENUE	327,894.36	120,787.83	128,625.00	1,656,222.18	1,388,047.91	1,348,500.00	307,722.18	23
TOTAL OPER REVENUES	3,040,190.95	2,321,062.63	2,039,025.00	26,704,655.54	24,355,008.99	23,347,500.00	3,357,155.54	14
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	1,126,163.35	803,918.62	914,009.00	3,603,283.03	3,108,864.53	3,603,100.00	183.03	0
PUMPING EXPENSE	528,539.24	236,985.48	199,450.00	2,938,382.14	2,835,396.32	3,163,500.00	225,117.86	7
REGULATORY WATER TREAT	56,511.40	76,909.03	42,100.00	525,578.63	527,087.93	505,200.00	20,378.63	4
TRANS & DIST EXPENSE	252,730.63	446,480.81	430,841.00	3,670,841.01	3,356,698.56	4,020,100.00	349,258.99	9
CUSTOMER ACT EXPENSE	84,176.70	115,006.04	75,850.00	980,237.58	939,929.87	892,000.00	88,237.58	10
ADMIN & GEN EXPENSE	1,829,797.07	1,562,557.19	2,067,725.00	9,954,866.94	9,897,268.40	10,318,200.00	363,333.06	4
REGULATORY EXPENSE	58,832.93	23,489.71	16,991.00	228,790.72	131,086.56	203,900.00	24,890.72	12
SNOW CREEK HYDRO EXP	4,489.54	1,751.57	3,400.00	43,652.60	35,656.97	40,800.00	2,852.60	7
RECLAMATION PLNT EXP	141,918.74	139,355.91	66,750.00	615,408.26	977,829.50	2,047,450.00	1,432,041.74	70
SUB-TOTAL	4,083,159.60	3,406,454.36	3,817,116.00	22,561,040.91	21,809,618.66	24,794,250.00	2,233,209.09	9
OTHER OPER EXPENSES								
DEPRECIATION	470,193.53	475,083.24	457,225.00	5,589,080.25	5,469,051.70	5,510,700.00	78,380.25	1
SERVICES RENDERED	9,251.53	15,902.76	13,850.00	128,429.76	185,960.63	166,200.00	37,770.24	23
DIR & INDIR CST FOR WD	1,204,455.54	1,049,939.12	72,750.00	689,206.22	821,569.98	873,000.00	183,793.78	21
TOTAL OPER EXPENSES	5,757,060.20	4,947,379.48	4,217,441.00	27,589,344.70	26,643,261.01	29,598,150.00	2,008,805.30	7
NET INCOME FROM OPERATIONS	2,726,869.25	2,626,316.85	2,178,416.00	884,689.16	2,288,252.02	4,250,650.00	5,365,960.84	86
NON-OPERATING INCOME (NET)								
RENTS	3,396.33	3,368.43	3,375.00	72,372.76	72,088.19	72,350.00	22.76	0
INTEREST REVENUES	12,788.44	8,243.77	8,300.00	127,054.58	93,659.36	99,600.00	27,454.58	28
INTEREST EXP. OTHER	00	367,242.01	25,325.00	00	367,242.01	303,900.00	303,900.00	100
INVESTMENT AMORT.	00	7,090.00	12,000.00	4,700.00	7,090.00	12,000.00	16,700.00	139
OTHER REVENUES	240.00	601,424.52	335,625.00	6,790.97	935,002.04	343,500.00	336,709.03	98
GAINS ON RETIREMENT	5,209.92	00	150.00	20,864.07	26,808.06	900.00	19,964.07	0
DISCOUNTS	00	7.09	275.00	2,957.98	412.33	3,300.00	342.02	10
PR. YEAR EXPENSES	120,246.23	00	00	50,520.14	179,366.95	00	50,520.14	0
LOSS ON RETIREMENTS	14.15	00	7,500.00	28,981.38	52,212.73	45,000.00	16,018.62	36
TOTAL NON-OPER INCOME	98,597.39	452,891.80	326,900.00	145,638.84	536,238.29	182,750.00	36,911.16	20
TOTAL NET INCOME	2,825,466.64	2,173,425.05	1,851,516.00	738,850.32	1,752,013.73	6,067,900.00	5,329,049.68	88

DESERT WATER AGENCY
OPERATING FUND
WATER CONSUMPTION

				QUARTER ENDING JUNE		2017
	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$5,408,124	\$6,509,251	20	\$21,531,768	\$23,592,544	10
TOTAL CONSUMPTION (100 CU FT)	2,841,269	3,330,684	17	11,282,798	12,210,496	8
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	127	148 *	17	508	546 c	7
NUMBER OF CONNECTIONS	63	100		22,304	22,456	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE JUNE 2017

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

JULY 18, 2017

RE: WATER USE VIOLATION – CIVIL PENALTY HEARINGS

Starting in March, 2016, staff began issuing water use violations under the new ordinance; to date, more than 475 violations have been issued. Recipients of the violations have 7 days to request a hearing in writing. One violation 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:

Initial Notifications Upon Restrictions Going into Effect

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
11. Rates brochure given to all new customers

1. Paul Polubinskas, 3870 E. Mesquite Ave, Palm Springs

- a. On Wednesday, June 14 at 9:10 a.m. a Desert Water Agency representative observed water use violations at said address and reported them.
 - i. Runoff
- b. Fine amount \$50
 - i. Single-family home
 - ii. First violation
- c. Reason for petition
 - i. Has done a lot to conserve
 - ii. Doesn't have a sprinkler system
 - iii. Cannot take advantage of a rebate to remove penalty
 - iv. He was in the process of turning water down
 - v. Water was pointed toward irrigated area
- d. Other information
 - i. DWA employee who cited issue was not driving a Jeep



Ashley Metzger

From: Personal <paulpalmsprings@gmail.com>
Sent: Monday, June 19, 2017 9:45 AM
To: Ashley Metzger
Subject: Re: "FINE ON ACCOUNT # [REDACTED] 3870 E. Mesquite Avenue

Ashley

I do respect your position as you are an employee of the DWA. I worked extensively with my neighbor Katie Ruark in the past to ensure my water conservation efforts were correct. By the way, relying on "Snapshots" in time are apparently inaccurate! The employees do not need to wait to see when the hose moves but they can at least haul their fanny's out of the jeep to see if the issue is, in fact, a DWA problem prior to accusing the homeowner of an issue causing a penalty and forcing us to spend our time dealing with the DWA.

I await the opportunity to confront the Board about this....please keep me informed of the timing and keep in mind that I request the employee that did this "drive by accusation" be present when I meet with the Board to present its case at the time.

Take care, Paul

Sent from my iPad so please forgive auto correct errors.

On Jun 19, 2017, at 9:12 AM, Ashley Metzger <AMetzger@dwa.org> wrote:

Hello Mr. Polubinskas,

You certainly have the right to a hearing in front of our Board. I will let you know when we are able to schedule a hearing. Typically it would be the first Tuesday of the month, but given the Fourth of July holiday, it will be moved. I will follow up with you when we have secured a date.

DWA is tasked with enforcing restrictions, many of which are put in place by the state. We appreciate all of the efforts you make to conserve, but we have no way of knowing about this until you share it with us. The same is true for how long your hose was there. Unfortunately, we only get a snapshot in time. We don't have the ability to sit and wait to see how long something goes on. I will do my best to get you all the information/assistance you need. I will certainly respect your position in the process and I hope you can do the same for me.

Best,

Ashley Metzger
Outreach & Conservation Manager
760-323-4971 x 184
www.dwa.org

<image005.jpg> <image002.png><image003.png><image004.png>

From: Paul Polubinskas [<mailto:paulpalmsprings@gmail.com>]
Sent: Monday, June 19, 2017 8:44 AM
To: Ashley Metzger <AMetzger@dwa.org>
Cc: Paul Polubinskas <paulpalmsprings@gmail.com>
Subject: "FINE ON ACCOUNT # [REDACTED]: 3870 E. Mesquite Avenue

Ashley

To begin with I am an extremely upset DWA customer upon receipt of the above noted letter.

I WANT TO APPEAL THIS TRAVESTY....AND I WANT TO KNOW WHEN THE BOARD MEETS SO I CAN CONFRONT THEM WITH THIS INJUSTICE! I BELIEVE I HAVE THAT RIGHT.....IF NOT, PLEASE LET ME KNOW AND I WILL CONTACT THE LOCAL MEDIA ABOUT THIS ISSUE AND ANY POSSIBLE EFFORTS TO RESTRICT MY RIGHTS WITH THE DWA BOARD.

Over the past 2 years I have changed all my toilets to low flow, have had the DWA install a Smart Controller , have purchased a HE washing machine that uses minimum water, etc. I HAVE DONE EVERYTHING I CAN TO CONSERVE....ONLY TO BE HIT WITH THIS TRAVESTY JUST FOR MOVING MY HOSE!

If are willing to pay for a sprinkler system for the cactus garden in my front yard that would be great....DO NOT OFFER ME "REBATES". I DO NOT HAVE THE FUNDS TO INSTALL A SYSTEM AT THIS TIME.

The photo that was included with my letter was taken just after I moved the sprinkler form one side of my driveway to the other. If you look at the picture you can see that the water is not overflow but is already evaporating. The employee that took the "DRIVE BY ACCUSATION" did not even get their fat fanny out of the jeep to see what was going on. Which is why I am dealing with this today. When this picture was taken I was in the front yard turning the water down.....when I came back out front I saw the jeep driving away.

I have attached a photo of the area that your "drive by accuser" took. It clearly shows that I have in place edging to eliminate any overflow water issues. Your fat fanny employee could have see this if it ever got out of the jeep rather than having me being accused in this manner after all the expense and efforts I have made to be water use conscious. Also, look at the trajectory of the water....it is AWAY from the accused area of overflow....anyone with a good eye can see that!

Feel free to assess my account the \$50 penalty.....I WILL NOT PAY IT as I am NOT GUILTY OF THIS ISSUE! I will pay my current water usage bill but not the bulls**t penalty. I will also consider that if you feel I can afford this fine then I can afford to NOT CONSERVE WATER, I will just pay my bill and stick my finger in the air to the DWA in the future!

Paul Polubinskas



Paul Polubinskas
3870 E Mesquite Ave
Palm Springs, CA 92264-3433

June 14, 2017

RE: FINE ON ACCOUNT# [REDACTED]; 3870 E Mesquite Ave

Dear Valued Customer:

A Desert Water Agency (DWA) representative observed a water use on your property that is a violation of DWA's Ordinance 65 on Wednesday, June 14, 2017 at 9:10 am.

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

DWA offers a variety of conservation rebates (turf removal, smart irrigation controllers, free sprinkler nozzles, etc.) that may help with the problem we observed. We encourage you to learn more about our programs at www.dwa.org/rebates and consider applying. Since this is a first violation, if you follow through with an irrigation rebate within 21 days and notify us in writing, we may remove the penalty from your account.

If you would like to appeal this violation, you have 7 days to send a written request (via mail or email to ashley@dwa.org). Once you submit your request, our Board will review your appeal at a regularly scheduled Board of Directors meeting.

If you do not appeal this violation or notify us of verified rebate participation, Desert Water Agency will place a **\$50.00** penalty on your next water bill.

Penalties under Ordinance 65

Single-family residential customers

\$50 first offense, \$100 second offense, \$250 third offense and beyond

Multi-family residential, commercial or institutional

\$100 first offense, \$200 second offense, \$500 third offense and beyond

We look forward to the opportunity to work with you through our conservation programs.

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**

JULY 18, 2017

**RE: RESOLUTION NO. 1171 IN APPRECIATION OF THE CITY OF
PALM SPRINGS FOR OUTSTANDING WATER SAVINGS**

California recently endured one of the most severe droughts on record. Governor Jerry Brown declared a statewide drought emergency in January of 2014 and ended that emergency in April of 2017. During that period there were 22 months of mandatory conservation. Desert Water Agency was required to meet various conservation targets ranging from 36% to 10% during this period.

In reaching out to the community, DWA found the City of Palm Springs to be a helpful and enthusiastic partner. As one of the agency's largest customers and a public entity, the City of Palm Springs set an incredible example for the community.

Desert Water Agency customers saved a cumulative 24% during the restrictions period. During the same restrictions period, the City saved 28.5%, or more than 234 million gallons, which is enough to fill 469 thousand fire trucks or 2.9 million bath tubs.

The City was a significant part in Desert Water Agency being above the statewide average for conservation. The City continues to demonstrate an interest in partnering with Desert Water Agency to protect water resources now and for the future.

Staff is very grateful for the collaboration between DWA and the City of Palm Springs. Staff recommends approval and adoption of Resolution No. 1171 acknowledging DWA's appreciation of the City of Palm Springs.

RESOLUTION NO. 1171

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT WATER AGENCY RECOGNIZING THE CITY OF PALM SPRINGS FOR OUTSTANDING WATER SAVINGS

WHEREAS, California was in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

WHEREAS, Based on state mandates, Desert Water Agency asked customers to meet various conservation targets from 36 to 10 percent reduction compared to 2013; and

WHEREAS, The City of Palm Springs is one of Desert Water Agency's largest customers; and

WHEREAS, City staff worked in close coordination with Desert Water Agency to promptly repair any leaks, eliminate water waste and adjust watering schedule issues; and

WHEREAS, The City of Palm Springs saved more than 234 million gallons and 28.5% in the 23-month restriction period; and

WHEREAS, The City of Palm Springs expresses continued commitment to conservation beyond the drought; and

WHEREAS, Desert Water Agency expresses sincere appreciation for the partnership with the City of Palm Springs;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Desert Water Agency expresses its gratitude and appreciation of the efforts of the City of Palm Springs to help save our most precious natural resource.

ADOPTED this 18th day of July 2017.

James Cioffi, President
Board of Directors

ATTEST:

Kristin Bloomer, Secretary-Treasurer
Board of Directors

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

JULY 18, 2017

**RE: REQUEST AUTHORIZATION FOR BOARD ATTENDANCE AT
2017 CSDA ANNUAL CONFERENCE**

Attached is a copy of the event brochure from the California Special Districts Association (CSDA). The Association is having its Annual Conference in Monterey on September 25 – 28, 2017.

At its July 12 meeting, the Executive Committee reviewed the event brochure and requested this be placed for Board consideration.

At the April 18, 2017 meeting, the Board approved and authorized attendance at CSDA's legislative day's event for Secretary-Treasurer Bloomer. Ordinance No. 62 authorizes specific organizations events that are pre-approved for Board participation. If the Board wishes to revise the Ordinance and add future CSDA events, staff can bring a new Ordinance back at a future meeting for adoption.

Staff recommends that the Board approve and authorize Board Members who wish to attend the 2017 CSDA Annual Conference in service to the Board.

Sept. 25–28, 2017

Monterey, California

2017 CSDA ANNUAL CONFERENCE AND EXHIBITOR SHOWCASE

the leadership conference for special districts



growth

**KNOWLEDGE &
EXPERIENCE**



Growth

YEAR AFTER YEAR DUE TO
Value Delivered to Attendees

The one conference for you!

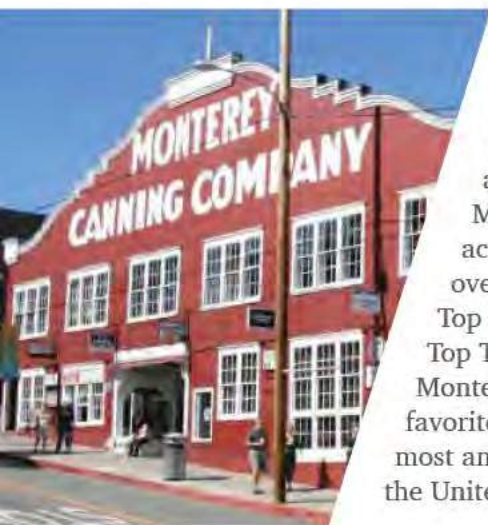
The CSDA Annual Conference & Exhibitor Showcase is the one conference special district leaders can't afford to miss! Cultivate new connections this September in Monterey.

Join 800-plus special district professionals and industry experts for a three day, must-attend education, and networking event. Develop new partnerships. Participate in inspiring and motivating keynote sessions. Walk away with strategies, new connections, and innovative ideas to move your district forward.



Monterey Marriott & Portola Hotels

Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$169 plus tax and are based on availability. In order to book a hotel room, you must first register for the conference to obtain a CSDA room reservation code.



What to Do?

Just 100 miles south of San Francisco, Monterey's breathtaking scenery, rich history, world-renowned attractions, and outdoor adventures invite one to grab life by the moments! Monterey is a dramatic setting for endless choices of activities all within minutes of convenient, charming overnight accommodations. Monterey is named a Top North American Golf Destination and the 2013 Top Ten Wine Travel Destination in the World. The Monterey Bay National Marine Sanctuary is home to favorite marine life that can be observed in one of the most amazing natural environments found anywhere in the United States. www.SeeMonterey.com



Attendance at the CSDA Annual Conference Qualifies for CIPs

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

The CSDA Annual Conference and Exhibitor Showcase **has something for everyone. From board members and trustees to clerks and general managers...from fire chiefs to legal counsel...we've got you covered with these breakout sessions and more!**

IS HR YOUR THING? THEN YOU MIGHT LIKE...

- Lions, Tigers and Comfort Animals - As the employer, what (and how) are you required to accommodate?
- CalPERS Update & How to Prepare for and Survive a CalPERS Audit
- Employment Law Update: Gender Identity in the Workplace

ARE YOU A DIRECTOR OR TRUSTEE? DO YOU WORK WITH DIRECTORS AND TRUSTEES? WE THOUGHT SO...

- Right this Way to a Better Board - Board Best Practices
- Better Boards Equal Better Districts
- The Empty Chair - Handling Board Vacancies and Appointments

NOT A TECH GURU? THAT'S OK...

- Being Open-Minded about Open Data
- Beyond Website Basics
- Open Government: Managing Public Meetings and Public Records in an Electronic Age

breakouts

Which one is right for you?

NOT A LEGAL EAGLE? US EITHER - BUT WE KNOW PEOPLE...

- Look Before You Leap! Protecting Your District Before Litigation
- What's New in California Prevailing Wage Updates
- CEQA Basics and Hot Topics for Board Members and Staff

STRUGGLING TO FIND THE RIGHT WORDS? WE CAN HELP WITH THAT...

- Full Court Press: A Media Crash Course
- Tie in to TIERS - A New Framework for Practical Public Engagement at the Local Level
- Turning Public Perceptions of Your District from Negative to Positive: Dealing with Opposition, Complaints, Angry Customers, and Negative Media Coverage

GOT MONEY ON YOUR MIND? CHECK THESE SESSIONS OUT...

- Building a Solid Financial Foundation: Financial Policies and Internal Controls
- Understanding Special District Investments - What is the Trustee's Fiduciary Responsibility?
- Beyond the Next Budget: Fiscal Forecasts for Effective Planning

“Everything went great. The breakout sessions were so informative and the speakers very helpful and willing to find info on any questions they couldn't immediately answer. The hotel was very comfy and the staff - hotel and conference alike - were very attentive.”

CRYSTAL SMITH, DIRECTOR

Pre-Conference Program Events - Monday, September 25, 2017



Pre-conference Workshops

(pre-registration/payment required)

9:00 a.m. – 3:00 p.m.

Special District Leadership Academy Module 1: Governance Foundations

EARN SDRMA CIPS

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

\$225 Member, \$340 Non-member

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11:15 a.m. – 3:15 p.m.

Building Your District Strong - Principles for Sustained Success

DHI Management Consulting

This workshop will systematically examine each area of building a strong district from the foundation to the top-level, optimized best practices. The course is designed for boards and their managers to assess their district against a template for success.

\$150 Member, \$225 Non-member

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**SPECIAL DISTRICT
LEADERSHIP FOUNDATION**

1:30 – 3:30 p.m.

Special District Administrator (SDA) Certification Exam

Special District Leadership Foundation

(OPTIONAL – MUST BE SCHEDULED PRIOR TO CONFERENCE)

Golf Tournament

(pre-registration/payment required)



NEW! THE CSDA ANNUAL GOLF TOURNAMENT IS NOW THE **SDLF Scramble for Scholarships Golf Tournament**

9:00 a.m. – Shotgun Start

Del Monte Golf Course

Join special district elected officials, staff, and business

affiliates at this optional fun event. Great golf skills are not necessary! Proceeds benefit the Special District Leadership Foundation scholarship fund.

\$115 includes golf with cart, lunch, and prizes!

Transportation to/from on your own

“**This conference is a great, once-a-year opportunity for special district elected officials and managers to share and learn among our peers.**”

JOE BARGET, SDA
GENERAL MANAGER



Elkhorn Slough Safari



Moss Landing Harbor District



Monterey Regional Airport District

Pre-conference tours & more!

(pre-registration/payment required)

10:30 a.m. – 2:00 p.m.

PRE-CONFERENCE TOUR

Elkhorn Slough Safari™ and Moss Landing Harbor District Tour

Elkhorn Slough Safari™ is an exciting way to visit Elkhorn Slough, where you will see a fantastic variety of wildlife such as playful sea otters, curious harbor seals, sea lions, and hundreds of species of birds. The tour will provide excellent opportunities to view and photograph wildlife close at hand.

These two-hour boat cruises include an in-depth look at various aspects of slough ecology, fascinating history, and birding in the company of a naturalist guide.

\$60 per person includes transportation to/from the hotel, light snacks, and Elkhorn Slough Safari™

Limited to 24 attendees!
Early registration is encouraged.

12:00 – 3:00 p.m.

PRE-CONFERENCE TOUR

Monterey Regional Airport District Tour

Check out what's new at the airport. That's right! Get a tour of Monterey Regional Airport and briefing on projects and initiatives. Monterey Airport (MRY) a 498 acre is a "Non-Hub" airport created in 1941. Four airlines serve Monterey: Alaska Airlines, American, Allegiant and United Airlines.

\$50 per person includes lunch, tour, and transportation to/from the hotel.

Limited to 45 attendees!
Early registration is encouraged.

3:30 – 4:30 p.m.

Chapter Roundtable Discussion

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. *All attendees welcome.*

4:30 – 5:15 p.m.

District NetWorks Meetings

Designed by local special district leaders to connect and interact with other leaders from throughout California; come take part in one of our six District NetWorks meetings. No matter where you are in the state, you belong to a district Network. Share challenges, solutions, and opportunities with your neighboring districts. Learn how you can take part in CSDA's grassroots advocacy and public outreach efforts. Take this opportunity to meet your public affairs field coordinator, connect with special district leaders, and grow your Network!

To learn more about CSDA District NetWorks efforts, visit: www.csda.net/about-csda/district-networks/



CSDA ANNUAL CONFERENCE BEGINS Monday evening @ 5:30 p.m.

CSDA Annual Conference begins!

5:30 – 7:30 p.m.

President's Reception with the Exhibitors

(All registered attendees welcome)

Join us in the exhibit hall as we network with business professionals who provide all types of goods and services to special districts. Enjoy appetizers and refreshments as you meet with Monterey native and CSDA Board President Vincent Ferrante and CSDA board members from around the state.



CSDA Board President Vincent Ferrante



CSDA CEO Neil McCormick

Tuesday, September 26, 2017

7:30 a.m. – 6:00 p.m.

Exhibitor Showcase Open



7:30 – 8:45 a.m.

Continental Breakfast with the Exhibitors *(Raffle)*



9:00 – 10:45 a.m.

OPENING KEYNOTE PRESENTATION:

Eric Boles Moving to Great

Eric Boles, president and founder of The Game Changers, Inc., will be starting off CSDA's 2017 Annual Conference with his keynote session "Moving to Great." Through his company, Mr. Boles has been able to create several executive and emerging leader development programs that are used globally and have set a new standard for organizations to enhance their culture and develop higher levels of commitment and performance. Mr. Boles' presentation will prepare you for Annual Conference with a drive to move toward greatness.

11:00 a.m. – 12:15 p.m.

CSDA Finance Corporation Board and Annual Meeting

Growth

11:15 a.m. - 12:15 p.m. **BREAKOUT SESSIONS**

Building a Solid Financial Foundation: Financial Policies and Internal Controls

James Marta & Company LLP CPAs

Best practices start with board adopted policies and procedures in key financial areas and internal controls. Special districts that are financially well-managed have clearly articulated fiscal policies. Formal documentation and communication are critical for proper implementation and monitoring. In this session you will learn what policies are critical for financial management, security, internal control, and financial decision-making. Questions to consider: Do you have written fiscal policies, how often are they reviewed, what do they cover, and are your employees aware of the policies?

Full Court Press: A Media Crash Course *CV Strategies*

Dealing with scrutiny from news media can be uncomfortable and even intimidating – especially going on-camera. In this hands-on workshop, hone real-world media skills from Emmy Award-winning former news insiders with decades of experience. Be prepared to step out of your comfort zone! In a safe setting, you'll stage a mock news conference complete with questions from our expert "reporters", discover the do's and don'ts of conducting an on-camera interview and come away with an increased awareness of how to face the media in even the most difficult of circumstances. Plus, learn about the latest industry best practices that combine the challenges and opportunities of managing an ever-evolving media landscape. Participants will leave with more self-confidence plus a state of the art "communications toolbox" complete with the tactics and tools they can't live without!

It's Getting Hot in Here – Climate Change Adaptation Recommendations for Special Districts

Local Government Commission and Office of Planning and Research

Climate mitigation and adaptation are hot topics in California and for special districts, especially with the climate change focus of the Little Hoover Commission's special district study. The Commission's report is expected to include numerous recommendations for special districts to be more involved in climate adaptation efforts. This session is the perfect opportunity to be responsive and learn about ways all districts, large and small, can prepare for and adapt to changes in the environment due to climate change.

Lions, Tigers, and Comfort Animals – As an Employer, What (and How) Are You Required to Accommodate?

Kane Ballmer & Berkman

This session will discuss the different categories of animals recognized by the Fair Employment and Housing Act, what the employer can ask the employee about the disability and the request for an accommodation, what the employer can demand in terms of documentation for the need for an accommodation and how the animal will assist the employee in performing the job functions, and importantly, what can the employer refuse to allow into the workplace?

Look Before You Leap! Protecting Your District Before Litigation

Stradling Yocca Carlson & Rauth

Discuss and explanation of the various mistakes and pitfalls that districts make that impair the ability to defend against later litigation. Topics discussed will include preserving the protections of the Government Claims Act, the need for a records retention policy, steps that should be immediately taken if you think the district might be sued, learning the steps necessary to preserve the protection of the Government Claims Act, how to maintain records in the digital age to increase chances in litigation, and how to respond when you think your district might be sued.

Open Government: Managing Public Meetings and Public Records in an Electronic Age

Richards Watson Gershon

Open government has taken on new meaning in this electronic age, and the legislature and courts are catching on. The result: new obligations for public agencies. Hear how other special districts have addressed electronic records and the use of personal email accounts and devices following the California Supreme Court's decision in *City of San Jose v. Superior Court*. How should your agency respond to Public Records Act requests for these, and other types, of records? What changes must be made to Brown Act practices in light of recent legislation? Find out during this update on open meeting and public records requirements.

Right this Way to a Better Board – Board Best Practices

BHI Management Consulting

Based on the instructor's new book *Fifty-Two Ways to be a Better Board*, this session will narrow the 52 ways down to four overall concepts that he has correlated as the most important elements of being a board member.



12:15 – 1:45 p.m.

Lunch with the Exhibitors

(All registered attendees welcome)

Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management, accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!

Lunch is included in conference registration.

2:00 - 3:15 p.m. BREAKOUT SESSIONS

Being Open-Minded about Open Data

Lozano Smith

Data increases geometrically on an almost daily basis. The methods by which you can harvest it and then put it to use for your district and those whom you serve increase in a similar manner. A general understanding of cyber-data, and how it can both benefit and compromise you, is critical in today's regulatory and business environment.

CalPERS Update & How to Prepare for and Survive a CalPERS Audit

Liebert Cassidy Whitmore

Many special districts have been audited by CalPERS and more will be audited in the future. This session will provide a timely update on CalPERS developments for 2017 and the critical topics that your districts should know to prepare for a CalPERS audit and have a successful outcome.

Successful Strategies for Utilizing Debt

CSDA Finance Corporation

Debt is not necessarily a four-letter word. Borrowing funds for mission-critical infrastructure can be a valuable strategy for protecting cash reserves while achieving your district's goals. Consultants from the CSDA Finance Corporation discuss ways to take advantage of low interest rates, including utilizing various financing structures, and refinancing of existing debt to save money in the long-term.

Required Ethics AB1234

Compliance Training (PART 1)

Meyers Nave

AB1234 mandates that local agency officials receive two hours of ethics training every two years. This two part training covers all the required topics, including laws relating to: (1) personal financial gain by public servants (conflict-of-interest, bribery), (2) claiming perquisites of office (gift, travel and mass mailing restrictions, use of public resources for personal or political purposes, free or discounted transportation), (3) government transparency (financial interest disclosure requirements, open meeting laws), and (4) fair process (incompatible offices, competitive bidding, nepotism).

Special Districts Jeopardy!

CSDA and Panel of Legal Experts

"I'll take special district laws for \$1,000 Alex." Join us for this fast-paced and informative session featuring a panel of attorneys answering questions commonly asked by special districts regarding various areas of law, including the Brown Act, Public Records Act, Proposition 218, elections, board training requirements, and more. The session will also feature a 'Lightning Round' to allow the audience to ask our experts general legal questions.

Understanding Special District Investments – What is the Trustee's Fiduciary Responsibility

Wells Fargo Advisors and Orange County Cemetery District

Presenters will cover the board's fiduciary responsibilities by reviewing the importance of having an Investment Policy Statement, the Prudent Investor Rule, an overview of permitted investments per California Government Code, and investment strategies for rising interest rates. Concluding with a special district case study from a general manager's perspective on the Investment Management Program.

What's New in California Prevailing Wage Updates

Contractor Compliance and Monitoring Inc.

Prevailing wage law in California is constantly changing. Attend this session to get the latest update on recent changes. Key topics will include when: Maintenance and Service work is covered by prevailing wages; preconstruction work is covered by prevailing wages; and, work can be exempt from prevailing wage by using agency staff, volunteers, CCC, and students. CCMI will also be sharing its Public Agency Prevailing Wage Checklist designed to help agencies understand and comply with prevailing wage requirements.



3:30 - 4:30 p.m. **BREAKOUT SESSIONS**

A New Look at Design Immunity – Expanding Protection for Public Entities

Hanson Dridgett, LLP

Design immunity is an incredibly powerful doctrine that is underutilized by public entities. It provides an absolute defense to dangerous condition of public property liability for public entities. With some creative thinking, public entities can use design immunity not only to shield them from liability for injuries caused by the structural design of their facilities, but also for the way in which those facilities are operated. Come learn about this significant defense to dangerous condition claims and get tips on proactive steps your agency can take to strengthen and expand this immunity to maximize the potential of obtaining design immunity when sued.

Beyond the Next Budget: Fiscal Forecasts for Effective Planning

Hayward Area Recreation & Park District and Management Partners

Many agencies base next year's budget on this year's, assuming that most details will remain the same. But the risks of this practice were revealed during the Great Recession, when many special districts had to scramble to recover from plunging revenues. Hayward Area Recreation and Park District recently worked with Management Partners to develop a five-year fiscal forecast, which will allow the district to see how pay increases, new debt, pension costs, revenue changes, possible recessions, and inflation will affect the district.

Employee Engagement

CPS HR Consulting

Leaders at all levels of government are under enormous pressure to maintain and improve performance, while managing increased turnover and doing more with less. One proven response to this difficult leadership challenge is to improve the level of employee engagement. This workshop provides participants with the knowledge and tools to understand what engagement is and why it matters, and measure and improve employee engagement. Participants will be able to apply what they learn to measure and improve employee engagement in their organizations.

One Toke Over the Line: The Growing Specter of Marijuana in the Workplace

Atkinson, Andelson, Loya, Ruud & Romo

Marijuana is more common place than ever. With this changing legal landscape, it is critical that public employers understand their rights in addressing employee marijuana use. When and how can a public employer conduct drug testing? What is the scope of acceptable marijuana use in the workplace? What affirmative steps can a public employer take to address issues of marijuana use with its employees? Join us for a discussion of these timely issues to ensure that your agency is not left high and dry.

Required Ethics AB1234

Compliance Training (PART 2)

Meyers Nave

See previous session description.

Say What?!? Speaking Plainly Through Policy

DHI Management Consulting

This session outlines the critical nature and importance of making long-lasting and meaningful policy as a board. Good policy is the most professional expression of a great board and agency. Yet special districts struggle with what policy means and how to make and use them. From BHI Management Consulting's President, Brent Ives, "Making good policy moves our board to the highest level of performance". Don't miss it.

Tie in to TIERS – A New Framework for Practical Public Engagement at the Local Level

Institute for Local Government

In this interactive session, participants will learn about a new public engagement framework created by the Institute for Local Government. The TIERS (Think-Initiate-Engage-Review-Shift) Framework provides a practical step-by-step approach for any local government, small to large. Share your challenges and hear from special districts that have begun to implement this framework.



4:30 – 6:00 p.m.

Mix & Mingle in the Exhibit Hall: Grand Prize Drawings

Root yourself and connect with exhibitors in the exhibit hall for a cocktail and appetizer before you go out on the town in Monterey for dinner.

Be sure to enter for one more chance to win one of our fabulous prizes!



8:15 – 9:00 a.m.

SDRMA Sponsored Full Plated Breakfast

(All registered attendees welcome)

9:00 – 10:45 a.m.

SDRMA GENERAL SESSION, SAFETY AWARDS, KEYNOTE

Manley Feinberg



Reaching Your Next Summit! 9 Vertical Lessons to Lead with More Impact

Manley Feinberg, business leader and author of *Reaching Your Next Summit! 9 Vertical Lessons to Lead with More Impact* will be our keynote speaker on Wednesday. Prior to Mr. Feinberg's career as a speaker, he worked with Build-A-Bear Workshop and helped the company land on the FORTUNE 100 "Best Companies to Work For" List four years in a row with his award-winning business solutions. This keynote will leave with you many actionable techniques, frameworks, and insights to help lead your organization to a better tomorrow.

11:00 a.m. - 12:15 p.m. **BREAKOUT SESSIONS**

Beyond Website Basics

Streamline

If your district has a website—regardless of the platform—and you're ready to take it to the next level, this is the session for you! We'll share resources for free, beautiful photos and iconography you can use to dress up your site; cover various tools for converting Word files to PDFs, and scanned PDFs to text files (important for upcoming compliance requirements!); demonstrate easy ways to engage with citizens using things like email signup forms, voting and polling tools; and discuss search engine optimization including submitting your site to search engines, and how to craft content for the best search results. You'll leave with handouts including additional resources to take back to your district or share with peers.

CEQA Basics and Hot Topics for Board Members and Staff

Dest Dest & Krieger and Albert A. Webb Associates

CEQA is complex and fast changing but this panel of CEQA attorneys and consultants will break this crucial environmental law down to its essential components. A special emphasis on the latest CEQA developments relating to greenhouse gas emissions, tribal cultural resources, SGMA, and marijuana use and cultivation will also be provided, focusing on how these "CEQA hot topics" affect special districts.

Employment Law Update: Gender Identity in the Workplace

Special District Risk Management Authority

In this session, we will discuss and provide examples of gender issues facing employers in California today. What is the current state of California law? What is an Employer's legal duty to accommodate LGBTQ employees and/or the public? Exactly how many restrooms do we need?

Get in the Mix! Work-Life Blending

CPS HR Consulting

The concept of "work-life balance" is changing. With the ability to be connected all the time, we are moving to more of a work-life blend. How does that translate in the workplace? What does this look like for you and how can you find your right blend? By rethinking balance and seeking to blend, not only will you feel less guilty about mixing work and life together, but you will find it more realistic to feel fulfilled both at and outside of work.

The annual conference always gives me something I can use in my role as a board member.

MICHAEL SEAMAN,
DIRECTOR



11:00 a.m. - 12:15 p.m. **BREAKOUT SESSIONS CONTINUED**

Planning for the Future Through Effective Rate Setting

Dest Dest & Krieger and Santa Margarita Water District

Rate-setting is a necessary, yet often a difficult, obligation for every district. Districts must consider short-term financial requirements, including day-to-day operation and maintenance of water and wastewater systems, while simultaneously planning for the future through building reserves and preparing for future capital projects and improvements, and unexpected expenses. This session explores legal and technical requirements for rate-setting, as well as strategies for successful adoption and implementation of water rates designed for long-term financial stability from Santa Margarita Water District, based on experience.

The Doctor Will See You Now: Assessing the Financial Health of Your District

Mann, Urrutia, Nelson CPAs & Associates, LLP

This session will provide a review and insight of important financial concepts, reports, and policies specific to public agencies including special districts. The presenter will cover: understanding the financial audit process and how to evaluate audit results, application of basic financial ratios to help assess the financial health of your district, and evaluating fraud risk and implementation of related internal controls.

Turning Public Perceptions of Your District from Negative to Positive: Dealing with Opposition, Complaints, Angry Customers, and Negative Media Coverage

Rauch Communication Consultants, Inc.

Whether your district is seeking to overcome lack of support for an important program or buffeted and besieged by opposition, this seminar can help by providing clear examples and guidance on how to deal with difficult public issues and regain public trust, understanding, and support so your district can move forward.



12:30 – 1:45 p.m.

CSDA Annual Awards Luncheon

(All registered attendees welcome)

Recognize and celebrate your peers! Join us as we celebrate the best of special districts with awards including: Board Member of the Year, General Manager of the Year, the prestigious William Hollingsworth Award of Excellence, Chapter of the Year, Special District Leadership Foundation (SDLF) awards, and more!

CSDA Recognizes the Best Among Special Districts

Do you have a board member, staff member, local chapter, or district program that you feel deserves recognition?

Each year, CSDA presents various awards during the CSDA Annual Conference and Exhibitor Showcase. There are several different categories. Please consider outstanding individuals within your districts for individual awards. Chapter awards and district awards are also open for nominations. Visit the Awards section of our conference website at conference.csdanet.net for more information.



CSDA Awards Luncheon

(Guest Only, without a conference registration): \$45

If you have any questions regarding the awards or the awards process, please contact Charlotte Lowe at 877.924.2732 or by email at charlottel@csda.net.

Deadline for submissions is Friday, July 21, 2017. All applicants will be notified prior to the Annual Conference as to the winner.



2:00 - 3:30 p.m. **BREAKOUT SESSIONS**

Before You Press Send: Public Records and Brown Act Considerations

Lozano Smith

Questions regarding use of e-communication, and retention of and public access to electronic documents, continue to challenge board members and staff. Hear the latest on e-communication and the Brown Act; public records; social media implications; and use of personal devices for public business. This session will help attendees better understand how the law applies to the use of technology.

Better Boards Equal Better Districts

Rauch Communication Consultants, Inc.
Best practices in board and committee meetings, role of the President, fostering healthy dialogue, board and general manager roles and relationships, and more. Streamline and update how your board operates. Gain ideas on how to make board meetings more effective, interesting, and meaningful. Learn how to evaluate whether to have committee meetings and if so, how to structure them. Get tips on how to ensure your board is focusing on the right information and issues, and providing clear policy direction to the manager. This is an interactive session full of examples and real world ideas.

Effectively Communicating Financials and Key Questions Board Members Should be Asking

James Marta & Company LLP CPAs and Olivenhain Municipal Water District

In this session, you will learn what key financial reports management and the board need for effective decision making and how to effectively present information to those with non-financial backgrounds to ensure a better understanding of the district's finances. Presenters will discuss the use of financial dashboards to summarize and present the most critical financial data needed on a regular basis, effective budget actual comparison, and multi-year analysis.

LAFCOs and Special Districts: Pitfalls and Opportunities

Meyers Nave

LAFCOs have significant authority over special districts and special care is needed to ensure that a district does not run afoul of its powers. This panel will look at specific instances where special districts can work with LAFCOs to avoid problems with other districts, evaluate new opportunities and understand where regional cooperation is the best policy for all involved.

Required AB1825 & AB1661 Harassment Prevention Training for Officials and Supervisors (PART 1)

Durke Williams Sorensen

AB1825 and AB1661 makes sexual harassment prevention training mandatory for supervisory employees and officials receiving any compensation. This legislation requires employers to ensure that all supervisors and officials receive at least two hours of sexual harassment prevention training every two years. Receive your AB1825/AB1661 compliance training for special districts with this breakout.

Winning the War for Talent

Santa Clara Valley Water District and Management Partners

The session will identify the key talent challenges identified in a series of focus groups involving senior leaders in local government and explore strategies and best practices to address the challenges and more.

Workers' Compensation Update

Special District Risk Management Authority
Are all workplace accidents compensable under California Labor Code? What does Arising Out Of/Course of Employment (AOE/COE) mean? Join SDRMA for this lively and informative session that will answer these questions and more!



5:00 - 7:00 p.m.

SPECIAL DISTRICT LEADERSHIP FOUNDATION (SDLF)

Taste of the City

(All registered attendees welcome)

Brews, Blues & BBQ

This party was so much fun this last time – we are bringing it back for an encore performance. Sample local BBQ and craft brews while enjoying music from our DJ/auctioneer, games, and a silent auction.



3:45 - 5:00 p.m. BREAKOUT SESSIONS

FPPC Update: Conflicts of Interest

Fair Political Practices Commission

This session presented by a representative from the FPPC will include a presentation regarding conflicts of interest under the Political Reform Act and Government Code Section 1090 and a discussion of recent advice letters.

Get On Board: Employee Orientation Requirements and Best Practices

Liebert Cassidy Whitmore

Employee orientation is more than just a nice way to acquaint new employees with your history and mission. It's also a key tool to ensure employees work in compliance with your district's goals, policies and procedures, as well as to provide them with any applicable information about their legal protections in the workplace. This session will cover the best practices for districts, including best practices for districts with represented bargaining units.

Going to the Ballot?: Restrictions on the Use of Public Funds for Political Purposes

Hanson Dridgett

Need to raise revenues or change the law, but confused by pitfalls and restrictions? Want to support a bill or local measure, or ask your residents to approve a property-related fee or assessment, but not sure whether or how to reach out to the public? Come learn about the laws governing public agency efforts surrounding ballot measure campaigns, grassroots lobbying and legislative advocacy. Hanson Dridgett's attorneys will provide you with a framework to figure out next steps for your agency to inform the public, state or federal government, about your agency's needs.

How'd You Do That? Panel Discussion with CSDA Award Winners

Communication Advantage

Do you ever attend the CSDA Awards Luncheon and think "That's a great idea, but I wouldn't even know where to start on something like that"? This panel will explore such topics as where the great ideas come from, what additional resources are needed for implementation, how to gain board approval, and what factors help our judge select a winner. The panel will include representatives from winning agencies and an awards judge.

The Empty Chair – Handling Board Vacancies and Appointments

Meyers Nave

Attendees will receive instruction and information on board vacancies and appointments. Discussion will also include board governance related to behavior and removal, including legal process and procedures.

Watch Out! Dangerous Condition of Public Property

Special District Risk Management Authority

How dangerous does a condition have to be before a public entity is legally liable? What is a Trivial Defect? Are there immunities for recreational activities? These issues and more will be discussed during this informative session.

Required AB1825 & AB1661 Harassment Prevention Training for Officials and Supervisors (PART 2)

Durke Williams Sorensen

See previous session description.

Thursday, September 28, 2017



8:30 – 10:30 a.m.

Closing Breakfast

2017 Legislative Impacts on Special Districts

CSDA's lobbying team will present attendees with the most up-to-date information on the outcome of the biggest state budget and legislative issues impacting special districts in 2017, as well as a sneak peak of what to expect in 2018. Get all the latest legislative results and learn what they mean for special districts going forward.

10:30 a.m.

Conference ends



This party has a purpose. Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships.



A special wine raffle will be held at 6:30 p.m. Purchase your tickets throughout the conference for the chance to win a deluxe 35-bottle wine cellar fully stocked. You must be present to win!

JOIN US FOR

Taste of the City

MUSIC & GAMES



FUNDRAISER



SILENT AUCTION



RAFFLE

BREWS BLUES AND BBQ

★ September 27th | 5:00 – 7PM ★

This party has a purpose. Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships.



The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation, and other recognition programs. The SDLF and its activities are supported through the California Special Districts Association and Special District Risk Management Authority.



2017 CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE

Attendee Registration Form

one form per attendee, please print

Sept. 25-28, 2017
Monterey, California



Three Ways to Register:

1. ONLINE by visiting the CSDA Annual Conference website at conference.csdanet.net.
2. FAX your registration form to 916-520-2465. All faxed forms must include payment.
3. MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814, please include registration form with payment. Check should be made payable to: California Special Districts Association.

Not sure if you are a member?

Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the benefits of membership, contact Member Services Director Cathrine Lemaire at cathrinel@csda.net or call toll-free 877-924-2732.

Full conference registration fee includes:

- President's Reception with the Exhibitors Monday evening
- Keynote Sessions
- Continental Breakfast with the Exhibitors on Tuesday
- Lunch with the Exhibitors on Tuesday
- Mix and Mingle in the Exhibit Hall on Tuesday
- SDRMA Full Plated Breakfast on Wednesday
- Awards Luncheon on Wednesday
- All Breakout Sessions on Tuesday, Wednesday, and Thursday
- SDF "Taste of the City" Reception on Wednesday
- Closing Breakfast on Thursday

Name:		Title:	
District:			
Address:			
City:	State:	Zip:	
Phone:	Fax:		
Email:	Website:		
Member status: <input type="checkbox"/> Member <input type="checkbox"/> Non-member			
Emergency Contact:		<input type="checkbox"/> Vegetarian <input type="checkbox"/> Any Special Needs:	
Conference Registration Fees		Early Bird (on/before Aug. 25, 2017)	Regular (after Aug. 25, 2017)
<input type="checkbox"/> CSDA Member - Full Conference		\$580.00	\$630.00
<input type="checkbox"/> Non-member - Full Conference		\$870.00	\$945.00
<input type="checkbox"/> Guest - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$275.00	\$315.00
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$275.00 each day	\$290.00 each day
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$415.00 each day	\$435.00 each day
Separate Registration Fees		Member	Non-member
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Sept. 25		\$225.00	\$340.00
<input type="checkbox"/> Pre-Conference Workshop: Building Your District Strong - Sept. 25		\$150.00	\$225.00
<input type="checkbox"/> Pre-Conference Tour: Monterey Regional Airport District - Sept. 25		\$ 50.00 (includes transportation/lunch) (limited to 45 attendees)	
<input type="checkbox"/> Pre-Conference Tour: Elk Horn Slough Safari & Moss Landing Harbor District - Sept. 25		\$ 56.00 (includes trans./two-hour boat tour) (limited to 24 attendees)	
<input type="checkbox"/> SDF Scramble for Scholarships Golf Tournament - Sept. 25		\$ 115.00 (includes lunch)	
<input type="checkbox"/> CSDA Awards Luncheon (Guests only) - Sept. 27		\$ 45.00	
<input type="checkbox"/> SDF "Taste of the City" Reception (Guests only) - Sept. 27		\$ 60.00 CSDA Member Guest	\$ 90.00 Non-member Guest
		TOTAL	
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover			
Account name:		Account Number:	
Expiration date:		Authorized Signature:	

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than Friday, September 1, 2017. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after September 1, 2017. Substitutions are acceptable and must be done in writing no later than September 15, 2017 at 5:00 p.m. Please submit any cancellation notice or substitution request to emilyc@csda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

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

JULY 18, 2017

RE: ACWA CANDIDATE NOMINATIONS FOR 2018-2019 TERM

On June 7, 2017, the Association of California Water Agencies' Nominating Committee issued a call for nominations for statewide positions. The Committee is seeking candidates for positions of President and Vice President who are interested in leading the direction of ACWA for the 2018-2019 term.

At DWA's Executive Committee meeting held on July 12, the Committee requested this item be placed for Board consideration. Nominations must be received in the ACWA office by Friday, September 1, 2017 (see attached).

ACWA bylaws require all nominations received for the positions of ACWA President and Vice President be accompanied by a nominating resolution from the ACWA member agency. If any Board Member is interested, an official nominating resolution can be brought back at the next Board meeting of August 1.



MEMORANDUM

TO: ✓ ACWA Public Agency Members
✓ General Managers and Board Presidents

CC: ACWA Board of Directors

FROM: ACWA Nominating Committee

DATE: June 7, 2017

SUBJECT: Call for Candidates Nominations for the 2018-2019 Term

ACWA's Nominating Committee is responsible for submitting a slate for the Association's statewide positions of President and Vice President to the general membership meeting at Fall Conference.

Nominations must be received in the ACWA office by **Friday, September 1, 2017** to be considered by the committee.

The following criteria must be met for names to be considered:

- At the time of their election, the President and Vice President will each be an elected or appointed member of the governing body or commission of a member agency of the Association.
- An official nominating resolution from the Association member agency on whose board the nominee serves will accompany all nominations for the position of President and Vice President. An authorized signatory of the member agency's Board of Directors will sign said resolution.
- Each nomination will include a statement of qualifications or resume highlighting the candidate's qualifications for the position.

Additional letters or resolutions of support from other agencies may be submitted but are not required.

ACWA's Bylaws and Board policies establish the criteria set forth above, which also govern nominations from the floor. ACWA Bylaws (Article 9, Section 9) and Board Policy 2.3.3 require that all nominations received for the positions of ACWA President and Vice President will be accompanied by a nominating resolution from the ACWA member agency on whose board the nominee serves, and signed by an authorized signatory of the member agency's Board of Directors. This policy applies to nominations received in the ACWA office prior to election, as well as to all nominations received from the floor at general session during the floor nomination process.

SACRAMENTO 910 K Street, Suite 100, Sacramento, CA 95814 • (916) 441-4545
WASHINGTON, D.C. 400 North Capitol Street NW, Suite 357, Washington, DC 20001 • (202) 434-4760

www.acwa.com



We appreciate your interest and participation in this process to find the best qualified individuals to serve in representing the statewide membership of ACWA.

Nominating Committee members include:

- Steve Cole, Region 8
- John Coleman, Region 5
- Shannon Cotulla, Region 3
- David Coxey, Region 2
- Rick Gilmore, Region 5
- Matthew Hurley, Region 6 & 7
- Joone Lopez, Region 10
- Bruce Rupp, Region 1
- Sue Stephenson, Region 5
- Nancy Wright, At-large representative

We ask that Nominating Committee members not be approached to solicit their support of any candidate.

Important Dates

- Deadline to receive candidate nominations: **Friday, September 1, 2017**
- Tentative date for candidate interviews: **Monday, September 11, 2017**
- Election of ACWA's President and Vice President: **Wednesday, November 29, 2017**, at Fall Conference

To nominate a candidate, send a copy of the agency resolution and the candidate's background by September 1 to:

John Coleman, Nominating Committee Chair
c/o Donna Pangborn, ACWA
910 K Street, Suite 100
Sacramento, CA 95814

Nominations also may be emailed to ACWA Clerk of the Board Donna Pangborn at donnap@acwa.com.

Should you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at the ACWA office at 916-441-4545 or donnap@acwa.com

Enclosures:

1. ACWA Officers' Nominee Information: Board Policy GO-2.3, Board Officers
2. Sample Resolution to Nominate Candidate for ACWA President or Vice President
3. Sample Resolution to Support Candidate for ACWA President or Vice President

GO-2.3 Board Officers

The President and Vice President are the elected officers of the Association.

2.3.1 President

The President is an elected officer of the Association and presides at all meetings of the Board, the Executive Committee, and the general membership. The President is responsible to the Board of Directors and the general membership for the duties established by the Bylaws.

2.3.1.1 Duties and Authority

Within the limits of Bylaws and the Duties and Authorities established for Board members, and in coordination with the Executive Director, the President:

- Serves on the ACWA Board and presides at all meetings.
- Serves as the chair of the Executive Committee and presides at all meetings.
- Schedules special Board and Executive Committee meetings.
- Presides over all general membership meetings.
- Serves as a non-voting *ex officio* member of each committee, but will not be an *ex officio* member of the Nominating Committee or the region boards.
- Appoints members of all committees upon recommendation from members and regions as communicated by the region chairs.
- Appoints the chair and vice chair of each committee, each of whom will be subject to ratification by the Board.
- Appoints Nominating Committee, whose purpose will be to nominate qualified individuals for the offices of President and Vice President of the Association for the succeeding term.
- Appoints special committees, work groups, and task forces from time to time as needed to accomplish a specific task or assignment, consistent with and supportive of the mission of the Association.
- Participates in the Association's spring and fall conferences.
- Represents and supports the Association's official policies and positions when acting in capacity of President.

- Represents and promotes the Association's purposes, policies, and goals at a variety of Association functions/events, including visits to member agencies for ceremonies, meetings, and retention efforts in coordination with the Executive Director.
- Represents and promotes the Association's purposes, policies, and goals at a variety of external functions/events, including speaking engagements, event participation, and news media and other contacts in coordination with the Executive Director.
- Performs other responsibilities assigned by the Board.
- Authorizes expenditures from the Executive Director's contingency fund in conjunction with the Vice President and Finance Committee Chair.
- Reviews and approves the Executive Director's monthly expense reports in conjunction with the Finance Committee Chair.

2.3.1.2 Qualification

The President will be an elected or appointed member of the governing body or commission of a member agency of the Association at the time of his/her election.

2.3.1.3 Term of Office

The members of the Association will elect the President at its fall conference in each odd-numbered year. The President will take office on January 1 of the calendar year following election and will hold office until December 31 of the following odd numbered year two years later or until his/her successor takes office or is appointed. An elected President is not permitted to succeed himself/herself to that office.

2.3.1.4 Vacancy

Should a vacancy occur in the President's office, the Vice President will assume the duties of that office and succeed the President for the unexpired term. Should the Vice President not be able to assume this role, the Board will appoint a person to fill the office for the unexpired term thereof.

2.3.1.5 Compensation

The President will serve without compensation by the Association. The Association will reimburse the President for necessary, actual, and reasonable expenses incurred in the performance of his/her duties while on Association business. The Association will reimburse the President for expenses incurred for attending conferences, meetings, seminars, and workshops or other events and which are mutually beneficial to the officer and the Association and have been authorized by either the Board or the Executive Director.

2.3.2 Vice President

The Vice President is an elected officer of the Association and is a voting member of the Board. The Vice President is responsible to the Board of Directors and the general membership for the duties established by Bylaws.

2.3.2.1 Duties and Authority

Within the limits of the Bylaws and the Duties and Authorities established for ACWA Board members, and in coordination with the Executive Director and President, the Vice President:

• Serves as a voting member of the Board.

- Serves as a voting member of the Executive Committee.
- Performs the duties of the President in the President's absence.
- Succeeds the President for an unexpired term if vacancy occurs.
- Serves on the ACWA/JPIA's Executive Committee.
- Participates in the Association's spring and fall conferences.
- Represents and supports the Association's official policies and positions when acting in capacity of Vice President.
- Represents and promotes the Association's purposes, policies, and goals at a variety of Association functions/events, including visits to member agencies for ceremonies, meetings, and retention efforts in coordination with the Executive Director.
- Represents and promotes the Association's purposes, policies, and goals at a variety of external functions/events, including speaking engagements, event participation, and news media and other contacts in coordination with the Executive Director.
- Authorizes expenditures from the Executive Director's contingency fund in conjunction with the President and Finance Committee Chair.
- Serves as a chair/vice chair or participant on committees or task forces as appointed by the President or Board.
- Performs other responsibilities assigned by the Board and President.

2.3.2.2 Qualification

The Vice President will be an elected or appointed member of the governing body or commission of a member agency of the Association at the time of his/her election.

2.3.2.3 Term of Office

The members of the Association will elect the Vice President at its fall conference in each odd-numbered year. The Vice President will take office on January 1 of the calendar year following election and will

hold office until December 31 of the following odd numbered year two years later or until his/her successor takes office or is appointed.

2.3.2.4 Vacancy

Should a vacancy occur in the Vice President's office, the Board will appoint a person to fill the office for the unexpired term thereof.

2.3.2.5 Compensation

The Vice President will serve without compensation by the Association. The Association will reimburse the Vice President for necessary, actual, and reasonable expenses incurred in the performance of his/her duties while on Association business. The Association will reimburse the Vice President for expenses incurred for attending conferences, meetings, seminars, and workshops or other events and which are mutually beneficial to the officer and the Association and have been authorized by either the Board or the Executive Director.



Sample Resolution to Nominate Candidate for ACWA President or Vice President

RESOLUTION OF THE BOARD OF DIRECTORS OF

TO NOMINATE AND SUPPORT

AS A CANDIDATE FOR THE POSITION OF ACWA _____

WHEREAS, ACWA has announced that a Nominating Committee has been formed to develop a slate for the Association's statewide positions of President and Vice President; and

WHEREAS, the individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office; and

WHEREAS, this person must be able to provide the dedication of time and energy to effectively serve in this capacity; and

WHEREAS, _____ has served in a leadership role as a member of the _____ Board of Directors since _____; and

WHEREAS, (list positions held to demonstrate knowledge of water and leadership)

WHEREAS,

WHEREAS,

WHEREAS, it is the opinion of the _____ Board of Directors that _____ possesses all of the qualities needed to fulfill the duties of the office of ACWA _____.

NOW, THEREFORE, BE IT RESOLVED, that the _____ Board of Directors does hereby nominate and support _____ as a candidate for the office of ACWA _____, pledging the District's support of his/her endeavors in fulfilling the duties of this office if elected.

PASSED AND ADOPTED by the _____ Board of Directors at a regular meeting of said Board held on the _____ day of _____, 2017, by the following vote:

Ayes: Directors

Noes: Directors

Absent: Directors



Sample Resolution to Support Nomination ACWA President or Vice President Candidate

RESOLUTION OF THE BOARD OF DIRECTORS OF

IN SUPPORT OF THE NOMINATION OF

AS A CANDIDATE FOR THE POSITION OF ACWA _____

WHEREAS, ACWA has announced that a Nominating Committee has been formed to develop a slate for the Association's statewide positions of President and Vice President; and

WHEREAS, the individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office; and

WHEREAS, this person must be able to provide the dedication of time and energy to effectively serve in this capacity; and

WHEREAS, _____ has served in a leadership role as a member of the _____ Board of Directors since _____; and

WHEREAS, (list positions held to demonstrate knowledge of water and leadership)

WHEREAS,

WHEREAS,

WHEREAS, it is the opinion of the _____ Board of Directors that _____ possesses all of the qualities needed to fulfill the duties of the office of ACWA _____.

NOW, THEREFORE, BE IT RESOLVED, that the _____ Board of Directors wholeheartedly supports _____ for nomination as a candidate for the office of ACWA _____.

PASSED AND ADOPTED by the _____ Board of Directors at a regular meeting of said Board held on the _____ day of _____, 2017, by the following vote:

Ayes: Directors

Noes: Directors

Absent: Directors

June 23, 2017

MEMORANDUM

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

FROM: BEST BEST & KRIEGER LLP

RE: JUNE 14, 2017, MEETING OF THE BOARD OF DIRECTORS OF THE STATE
WATER CONTRACTORS, INC.

The June 14, 2017, meeting of the Board of Directors of the State Water Contractors, Inc., took place at the Two Twenty Restaurant in Chico, California.

1. Board Action Items

The State Water Contractors Board authorized General Manager Jennifer Pierre to extend or enter into contracts for 2017-2018 with several consultants who have been doing ongoing work on priority activities for the SWC. The authorization included: \$450,000 for Dues Fund consulting contracts, \$1,740,000 for Bay Delta Fund contracts, and \$337,000 for Energy Fund contracts. The consultants provide a range of professional services, including assistance with public outreach, legal matters, planning, water supply and operations, and scientific needs. Under this action item, the Board deferred to the General Manager to determine that the consulting contracts are consistent with the 2017-2018 budget and priorities.

The Board also approved three new contracts and a potential contract tied to Proposition 1 funding, all of which were characterized as providing opportunities for improving State Water Project operations in the future.

a. One of the approved contracts will be with QEDA Consulting for up to \$75,000 from the Coordinated Science Fund. This involves a pilot project to study the use of genetic monitoring to better identify the race of listed fish. The current practice for identifying the race of Chinook salmon is to measure the length of individual fish found at various times and locations and then infer the race of such fish based on “length-at-date” predictions. The method is

imprecise and leads to misidentification. Correct race assignment is important for ensuring the proper triggers for operations, including incidental take management. General Manager Jennifer Pierre explained that the use of genetics will help to refine the accuracy of length-at-date predictions. If the pilot study is successful, the practice can be expanded, with the goal of substantially improving the management of listed fish.

b. The Board also approved a contract of up to \$30,000 with ICF's Lenny Grimaldo to develop a revised Delta Smelt Incidental Take Limit for 2017-2018 operations. Mr. Grimaldo's work will focus on using new information on Delta smelt salvage dynamics to predict take under all the conditions the fish are likely to experience. Here, the goal is to explore a new way of assessing take at the pumps that will lead to a more consistent application of the Incidental Take Statement and reduce management uncertainty regardless of water conditions. Funding will come from the Coordinated Science Fund.

c. Additionally, the Board authorized the SWC to contract with Graham Long for up to \$20,000 to facilitate discussions within the Collaborative Adaptive Management Team (CAMT). CAMT is a working group formed as an outgrowth of litigation over Delta smelt and salmon issues. The team's goal is to improve knowledge of fisheries and water use and to resolve difficult issues. Under this contract, Mr. Long would systematically lead the team through a structured decision-making process related to cost-benefits of the Delta Smelt Resiliency Strategy. The funding would come from the Coordinated Science Fund and would represent one-third of the overall contract with Mr. Grimaldo, with the remainder covered by the State and Federal Water Contractors Agency (SFWCA) and the Coalition for a Sustainable Delta.

d. Finally, the Board authorized the SWC to administer a potential Proposition 1 grant and to contract with ICF Consulting for up to \$75,000 in SWC matching funds to perform acoustic tagging of Delta smelt. The SWC seeks to evaluate the feasibility of tagging Delta smelt with acoustic tags, which could improve data collection and open up new means of evaluating management actions. The goal is to apply for a Prop. 1 grant of between \$1 million to \$1.5 million to cover the full cost of the acoustic tagging feasibility project. Metropolitan Water District (MWD) and SFWCA also have committed to provide matching funds of up to \$100,000 each to help pay for the study. The matching fund commitments from SWC, MWD and SFWCA will help

make the grant application, which will be submitted next month, more competitive. In addition, it will help cover ICF's management overhead costs, which would exceed the 20 percent overhead limitation for Prop. 1 funds. Jennifer Pierre explained that if the grant is approved, this work will be "cutting edge" with the potential for having wide-reaching applications in the scientific and resource management communities.

2. Legislative Update

Attached to this memo is a state legislative report that was distributed at the June 14 Board meeting. Tim Haines, SWC Deputy General Manager, discussed the report briefly. He noted that compromise efforts have been proceeding on the various "Making Conservation a Way of Life" bills implementing the state's new framework for statewide conservation and drought resiliency measures. He also noted that various dam safety measures are proceeding in the wake of the Oroville Dam spillway incident earlier this year.

3. General Manager's Report

Jennifer Pierre discussed several issues during her report.

a. Salmon Life Cycle Model. Jennifer noted that two consultants have been hired to work on a Winter Run Salmon life cycle model. Funds will come from an allocation the board approved in February at former General Manager Terry Erlewine's recommendation.

b. Delta Plan. She also explained that SWC has been providing comments and engaging with Delta Stewardship Council staff regarding amendments to the Delta Plan. Going forward, SWC staff will continue to keep an eye on two key amendment areas of concern: "Performance Measures" and "Conveyance, Storage and Operations." More opportunities for comment and engagement will be available during upcoming CEQA evaluations.

c. Cap-and-Trade Legislation. The SWC staff also has been engaging with the Governor's Office and leaders within the California Senate and Assembly over pending legislative efforts to extend California's landmark "Cap-and-Trade" program beyond the year 2020. SWC supports efforts to curb greenhouse emissions as part of the state's climate change mitigation and adaptation strategy. However, SWC has conditioned its support of the extension

on obtaining an essential change in the way the Air Resources Board allocates emissions allowances to eliminate inequities for SWP customers. Currently, SWP customers are impacted more severely than customers of electric utilities. In the event the Legislature authorizes continuation of the Cap-and-Trade program without addressing the inequity, all SWC customers would pay significantly more for their water, including the economically disadvantaged. Jennifer explained that this constitutes a \$20 million cost and rising. To address the situation, SWC is recommending that the Air Resources Board allocate emission allowances to the SWP that are equivalent to SWP average annual pump load while netting out renewable purchases proscribed in the DWR Climate Action Plan. This is the same methodology currently being proposed in new ARB regulatory activity for the allocation of emission allowances to electric utilities. Jennifer explained that a letter expressing these principles would be circulated after the June 14 meeting for SWC members to consider, which would then be sent to the Governor's Office and leadership in the Legislature.

d. California WaterFix. Finally, Jennifer described upcoming meetings and workshops on California WaterFix, which 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. The Biological Opinions were expected to be released during the third week of June, after which the Record of Decision under the National Environmental Policy Act can be issued, as well as the Notice of Determination under the California Environmental Quality Act (the "ROD/NOD" processes.) Many significant decisions still remain regarding operations, cost allocations and other issues.

4. Oroville Spillway Incident

To date, DWR has spent about \$160 million on costs associated with the breakdown of the Oroville Dam spillway in February, issuing \$125 million of that amount in "commercial paper." Costs so far are primarily related to the initial emergency response phase of the incident. The federal government has approved about \$275 million to cover these initial recovery costs, and DWR has submitted its first request of \$85 million for FEMA reimbursement. DWR anticipates being reimbursed about 75 percent of this amount through FEMA funding. DWR has awarded a \$275 million contract to Kiewit Infrastructure West Co. for repairs to the Oroville facility. Eric

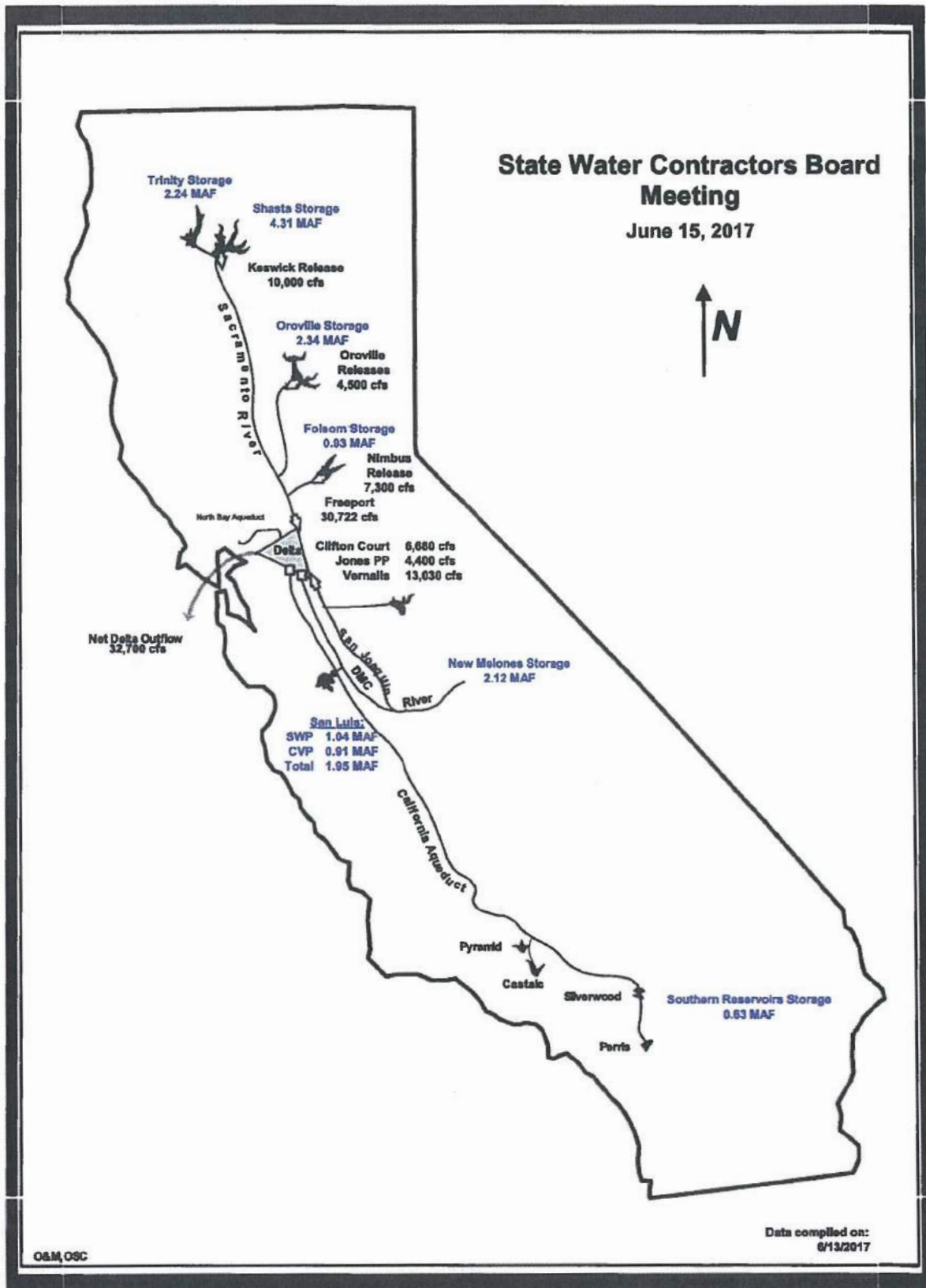
Chapman noted that DWR hopes to secure additional FEMA funding to cover some of the future repair costs.

5. Water Supply Report

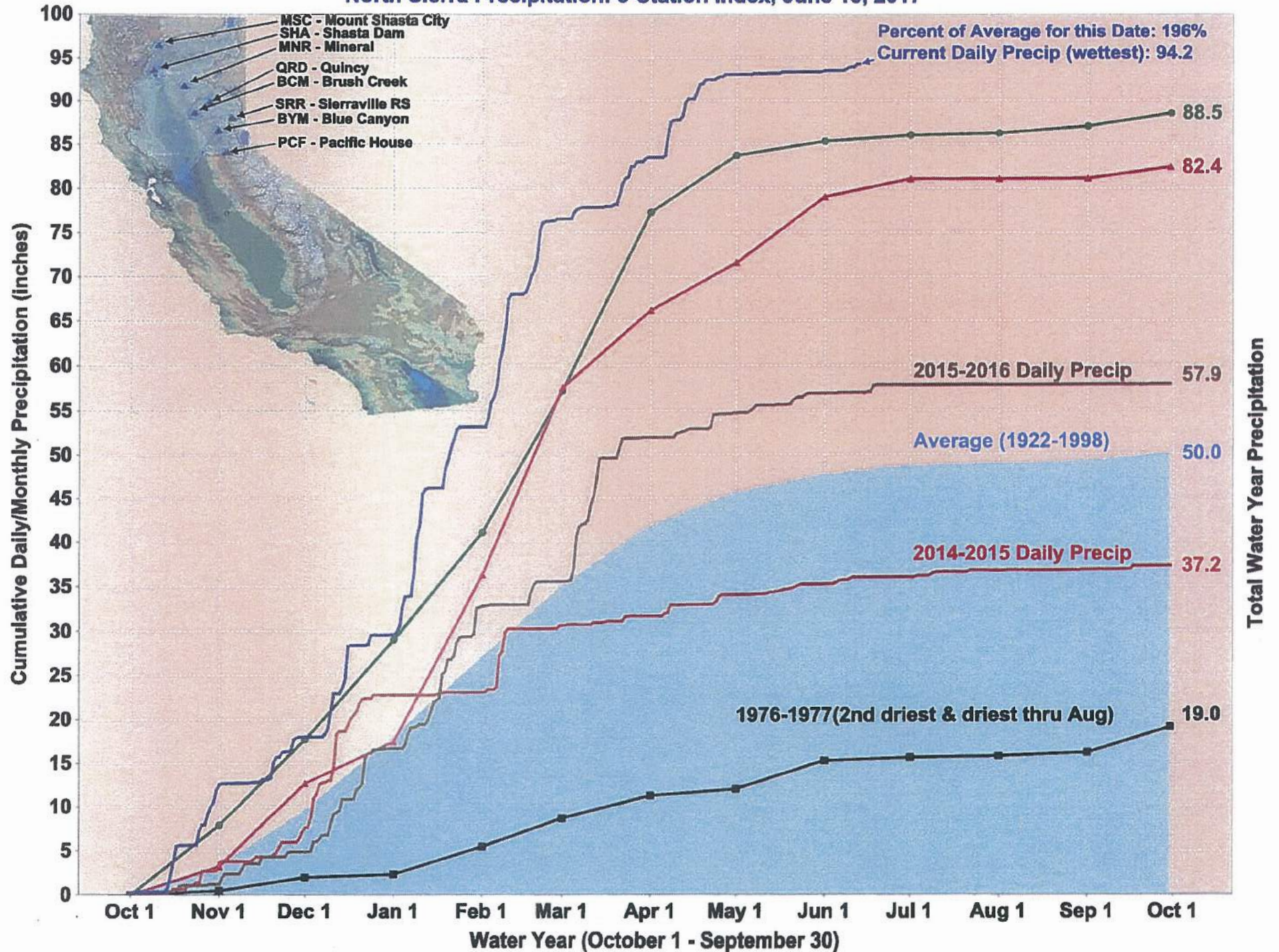
No verbal report on water supply and operations was given at the June 14 Board meeting. Attached to this memo is the June 2017 Operations Report, which was distributed to board members that morning. The report shows that precipitation levels continued to stand well above average. Northern Sierra precipitation was at 196 percent of average for June 13, 2017; San Joaquin precipitation was at 182 percent; and the Tulare Basin to the south was at 165 percent. California's snow water content on June 13, 2017, expressed as a percent of the April 1 average, was listed as 172 percent of average for the northern Sierra, 197 percent of average for the central region, and 124 percent of average for the southern region.

Storage in Lake Oroville, which has been affected by releases in the wake of the spillway incident, was at 66 percent of capacity as of June 12, while Lake Shasta was at 95 percent of capacity. Three other reservoirs (San Luis Reservoir, Folsom Lake and Castaic Lake) also were at 95 percent capacity as of June 12. Other reservoirs ranged from 93 percent of capacity (Don Pedro Reservoir) to 45 percent of capacity (Lake Perris.)

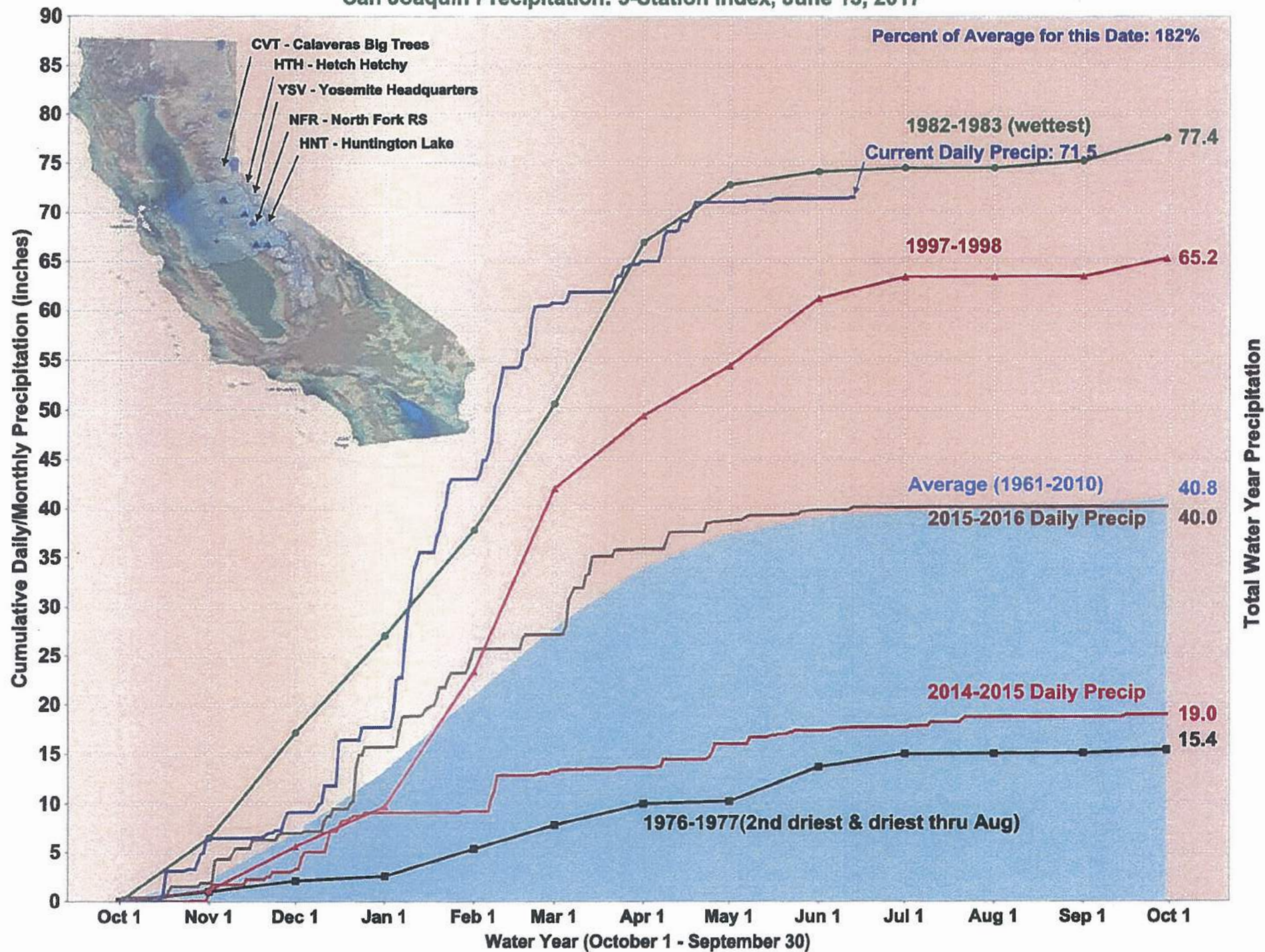
DEB KOLLARS



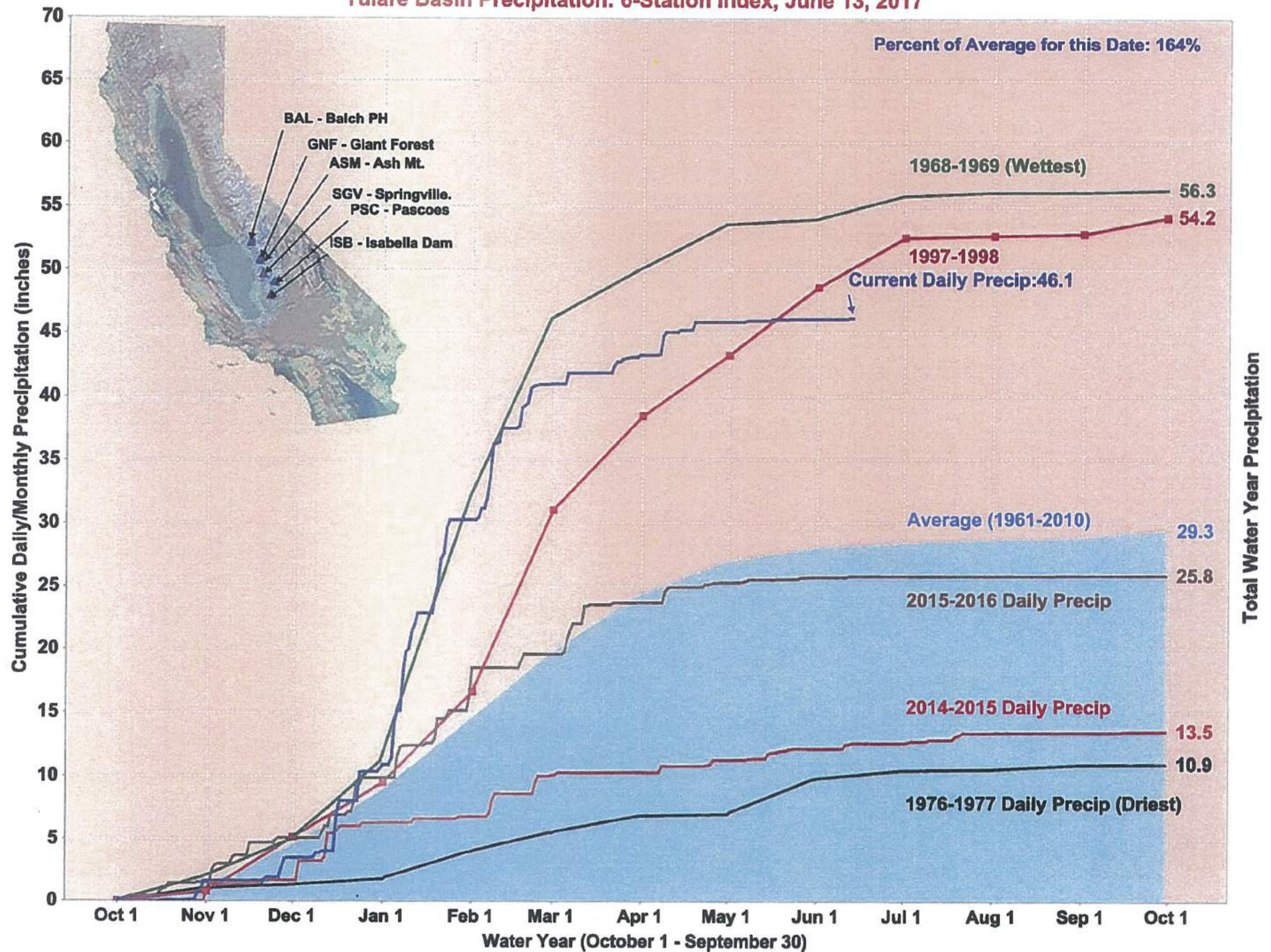
North Sierra Precipitation: 8-Station Index, June 13, 2017



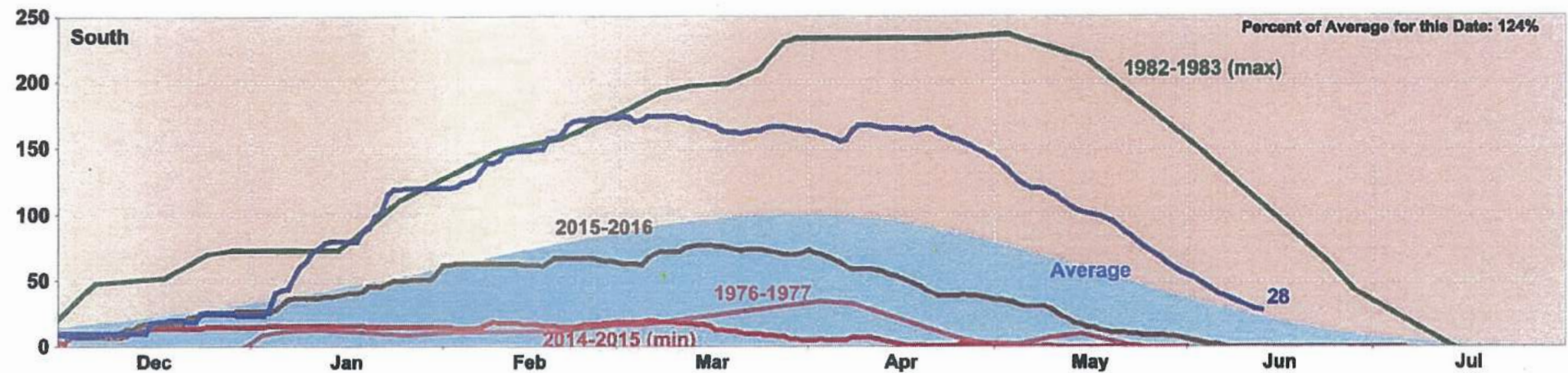
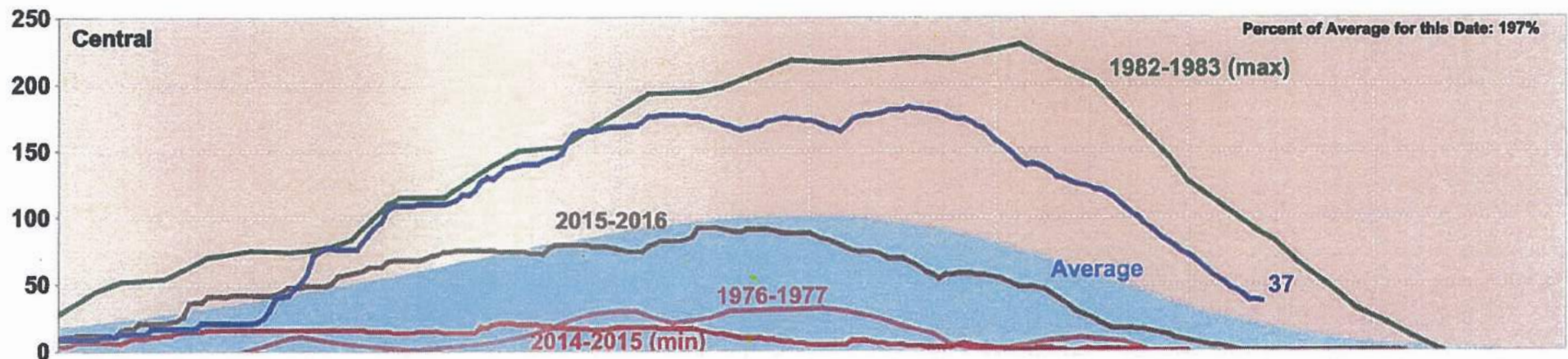
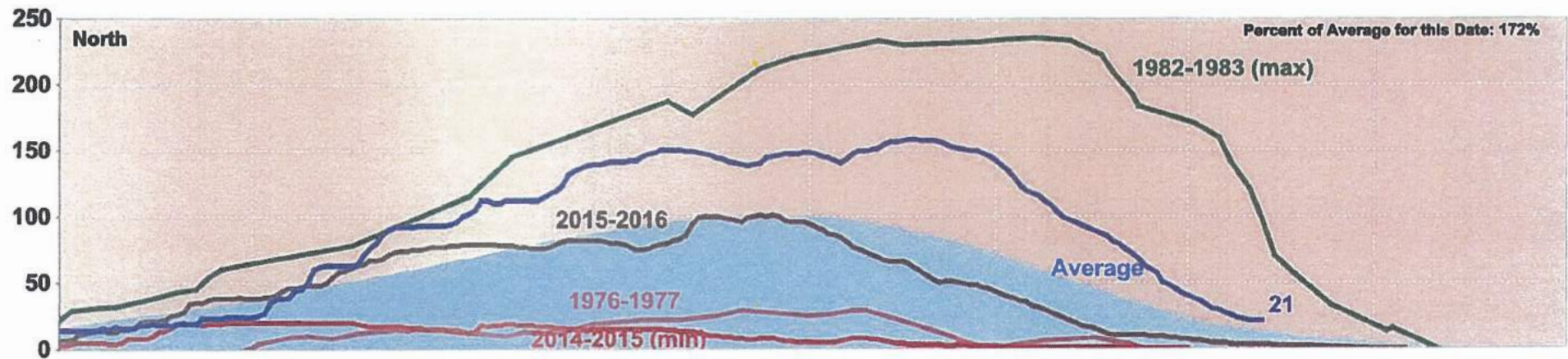
San Joaquin Precipitation: 5-Station Index, June 13, 2017



Tulare Basin Precipitation: 6-Station Index, June 13, 2017



California Snow Water Content, June 13, 2017, Percent of April 1 Average



Statewide Percent of April 1: 30%

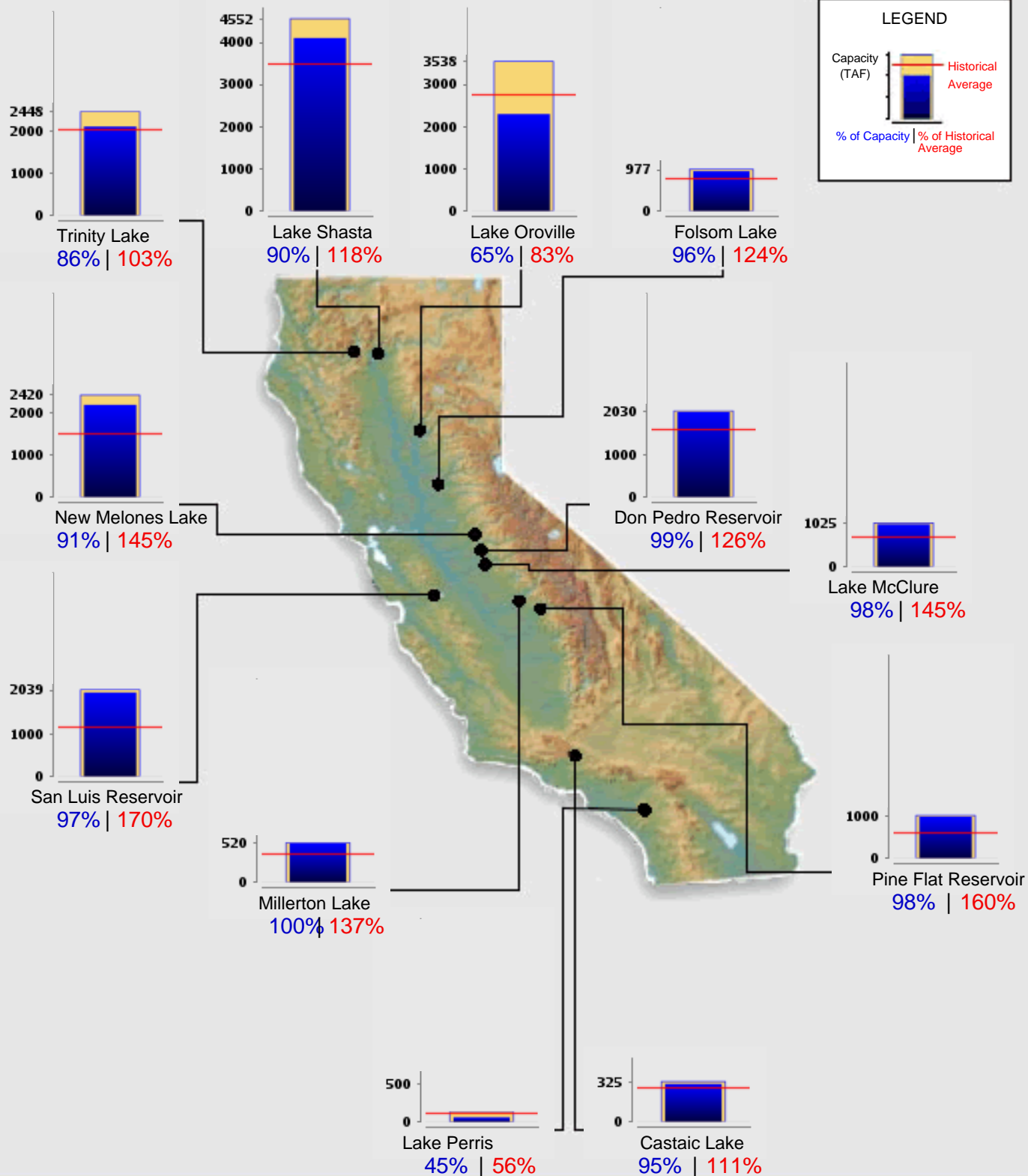
Statewide Percent of Average for Date: 169%



Reservoir Conditions

Ending At Midnight - July 13, 2017

CURRENT RESERVOIR CONDITIONS



**State Water Contractors
State Legislative Report
June 2017**

Legislation Impacting State Water Project

AB 472 (Frazier, D-Antioch): Requires the Department of Water Resources (DWR) to, without penalty, allow nonirrigated vegetation to remain on land that has been idled for a water transfer, unless it determines, as specified, injury to another legal user of water would result from allowing vegetation to remain. Also creates an incentive program for landowners to cultivate or retain nonirrigated vegetation for wildlife habitat.

AB 472 would create a new and significant burden on DWR to establish and implement costly habitat creation incentive program that could result in increased water transfer costs and/or redirected costs. The bill would also make it more difficult for DWR to ensure that purchasers of water transfer supplies and legal users of water are not impacted by water consuming vegetation on fallowed lands. *Status: Senate Rules Committee awaiting assignment to Senate policy committee.*

AB 732 (Frazier, D-Antioch): The Delta levee maintenance program was established for reimbursement of costs incurred in connection with maintenance or improvement of projects or non-project levees in the Sacramento-San Joaquin Delta. AB 732 extends the current 75% state reimbursement rate for Delta levee maintenance costs in excess of \$1,000 per mile, until July 1, 2020.

Prior to any further legislative action to extend the state cost share beyond 2020, opponents to AB 732 believe the bill should be amended to direct DWR to enlist an outside entity of sufficient independence and financial expertise to conduct an affordability and benefits assessment for the Delta Levee Subventions Program. It is simply unclear which Delta islands, if any, lack the economic standing to underwrite their own levee maintenance, and whether statewide interests merit a 75 percent public subsidy. *Status: Senate Rules Committee awaiting assignment to Senate policy committee.*

AB 791 (Frazier, D-Antioch): This bill would impose new and unnecessary requirements on the "lead agency" (presumably DWR) to provide certain information about costs and benefits of new water delivery system improvements on a water-contractor-by-water-contractor basis *before* any water contractor could enter any contracts to fund design, construction and mitigation. The bill could delay construction of California WaterFix, with no added benefit to the public process or environment. *Status: Held in the Assembly Appropriations Committee – two-year bill.*

AB 1427 (Eggman, D-Stockton): Seeks to amend Water Code Section 1242 to declare that storing water underground, including diverting surface water for storage, for purposes including, but not limited to, protection of water quality or recovery of groundwater levels, are beneficial uses. Also states that existing forfeiture provisions for non-use of water for a period of longer than five years would not apply. AB 1427 must include safeguards to ensure that permanent underground storage is implemented in reasonable manner. SWRCB must confirm that flows are not already otherwise appropriated or diverted at times when federal Central Valley Project and State Water Project are required to release supplemental

project water to meet water quality objectives in Delta watershed. Additional amendments are necessary to ensure alignment with the Groundwater Management Sustainability Act of 2014. *Status: Held in the Assembly Appropriations Committee – two-year bill.*

Funding for Oroville Emergency Repairs

At the request of Senator Jim Nielsen (R-Berber) and Assembly Member James Gallagher (R-Yuba City), fourteen State Water Contractors teamed up to support Nielsen/Gallagher's request for \$100 million from the General Fund for critical emergency repairs following the Oroville spillway incident.

The Department of Finance objected to the Nielsen/Gallagher request and suggested the \$111 million from Proposition 1, part of a package proposed by the Governor last February, was sufficient.

When the two-house budget conference committee convened to consider the matter, the Nielsen/Gallagher funding request fell one vote shy of conference committee approval.

The \$111 million appropriation was approved, however, and if approved by both houses as part of the overall 2017/18 budget, the funding must be spent in accordance with the framework established in the 2017 Central Valley Flood Protection Plan update. Eligible projects include, but are not limited to, levee setbacks, repairs or improvements to existing levees and other flood management infrastructure. It's uncertain if any of the projects along the lower Feather River will qualify. *Status: Nielsen/Gallagher request rejected by budget conference committee.*

Dam Safety

In light of the Oroville spillway incident last February, the Brown Administration proposed various policy enhancements to California's existing dam safety program. AB 108 and SB 92, identical budget trailer bills, provide DWR with new authorities that are in alignment with recommended best practices from the Federal Emergency Management Agency and the Association of State Dam Safety Officials. The bills also strengthen DWR's regulatory powers and oversight. Further, the requirement for regularly updated inundation maps and emergency action plans will improve emergency planning for neighboring communities. *Status: Included in budget package before Senate and Assembly for vote on June 15.*

AB 1270 (Gallagher, R-Yuba City): AB 1270 would require DWR to conduct visual and physical inspections of all dams and reservoirs at least once per year rather than the current law which provides for inspections "from time-to-time." While it is DWR's intention to inspect all dams annually, additional DSOD staff will be required to ensure this frequency is achieved. The additional staffing costs for this workload are estimated at \$750,000 per year. AB 1270 also requires DWR to submit a report annually to the Legislature that includes a five-year infrastructure improvement, maintenance and funding plan for state-operated and state-maintained dams and reservoirs (such as Lake Oroville). The staffing costs for this workload are estimated at \$150,000 per year. Metropolitan is pursuing amendments to impose the annual inspection frequency only on the higher-hazard dams and to extend the reporting frequency of the infrastructure improvement, maintenance and funding report. *Status: Senate Natural Resources and Water Committee.*

Making Water Conservation a Way of Life

Three of five conservation bills, AB 1323 (Weber, D-San Diego), AB 1654 (Rubio, D-West Covina) and AB 1668 (Friedman, D-Glendale), cleared the Assembly Appropriations Committee and moved to the Assembly floor for vote prior to the June 2 floor deadline. AB 1323 and AB 1654 sailed off the Assembly floor with nearly unanimous votes, while Assembly Member Friedman's drought planning bill, AB 1668, received 44 votes. The Rubio and Friedman bills on water use reduction targets were held by the Assembly Appropriations Committee in late May.

AB 869, also by Assembly Member Rubio, seeks to exclude recycled water from the per capita calculation of any water use efficiency target, is on its own glide path and will be heard by the first of two Senate policy committees on June 27.

Attention turns now to the July 11 hearing of the Senate Natural Resources and Water Committee on ABs 1323, 1654 and 1668. At this point, it is uncertain how Senator Hertzberg intends to weigh in to resolve the conflicts between the policy bills before his committee.

Despite recent meetings convened by the Governor's office to discuss potential changes to the Brown Administration's budget trailer bill on "Making Water Conservation a Way of Life," the Administration is pulling back on moving their budget trailer bill in the coming weeks to allow the legislative process on the policy bills to play out. The Governor's office will remain engaged in the policy discussions going forward.

Public Goods Charge

SB 623 by Senator Bill Monning (D-Carmel) would establish a special fund for disadvantaged communities that do not have access to safe drinking water. His bill passed from the Senate unanimously, with one abstention. He is working very closely with the Community Water Center and Water Foundation to advance his measure.

Although SB 623 is silent on the funding mechanism itself, the Senator has discussed his plans for inserting language into his bill to establish a "ratepayer assessment" (i.e. tax or fee) on water as one of the two funding sources in his bill. The other funding source would be tied to nitrate contamination and consist of a statewide tax on fertilizer products. SB 623, as a tax measure, would require two-thirds approval by the Legislature. *Status: Assigned to the Assembly Environmental Safety and Toxic Materials Committee for hearing in the coming weeks.*

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

JULY 18, 2017

**RE: CERTIFICATES OF APPRECIATION FOR TURF BUY BACK
PROJECTS**

Desert Water Agency is one of five members of the CV Water Counts collaborative. The group decided to recognize great turf conversion projects in each area within the Coachella Valley. Recipients in Desert Water Agency's service area include:

A local resident, Chris Prescott, who converted 1,540 square feet from grass to beautiful desertcape to accentuate his mid-century modern home.



A local business, Palm Springs Hilton, which removed nearly 19,000 square feet of grass along Tahquitz Canyon and Calle Encilia. They transformed the frontage of their hotel to greet guests with a desert-friendly facade.



A public project completed at Tahquitz Creek Municipal Golf Course, which converted about 50,000 square feet in turf to desert landscaping in nonplay areas and their entryway giving great visibility to a more sustainable native landscape.



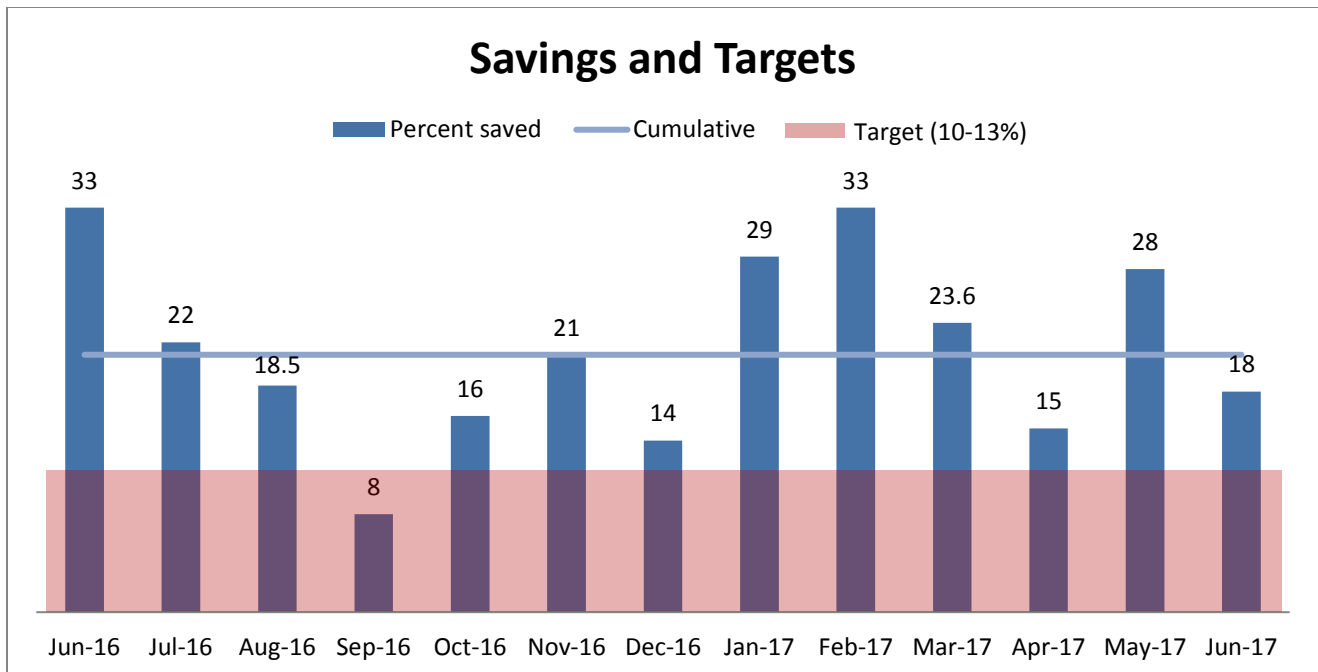
All of the recipients contributed significant time, resources and energy into developing and executing beautiful projects that will have water saving impacts for decades to come.

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

JULY 18, 2017

RE: JUNE 2017 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 18% percent reduction in potable water production during June 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 2016 through current is 21% percent. DWA continues to report its production to the state on a monthly basis, despite mandatory conservation ending in April 2017.



Staff is also tracking the water use compared to the threshold in the rate study regarding the proposed drought surcharge. This trigger was not met this month and the cumulative since January is far below the 10% trigger.

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.

June 2017 water production	3,058.15 AF
June 2013 water production	3,742.42 AF
Percent changed in June per drought surcharge baseline (June 2015)	37% increase
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	950.84 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	68.9%
Population (inclusive of seasonal residents)	106,009
Estimated R-GPCD	215.92
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	27
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	13
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?	3
How many penalties were issued for water waste or for a violation of conservation rules?	2
<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 has continued to receive some notifications from customers relating to time of day and day of week, which are no longer restricted.</p> <p>DWA would like it noted that the amount of fresh water outflow to the ocean during the month of June was 2,244,376.86 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 92,029 acre feet. If our recycled water production for this month 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**

JULY 18, 2017

RE: CALIFORNIA WATERFIX INFRASTRUCTURE UPDATE

As reported in the General Manager's report to the Board on June 6, 2017, significant progress has been made in the environmental review and approval of the project. It was anticipated that DWA staff would present a series of white papers prepared by Metropolitan Water District of Southern California (MWD) as presentations to its Board. These papers were anticipated to explain the physical infrastructure, the benefits and reasons for improving and modernizing the system; the operations and the supply yield; and the cost allocation amongst the contractors and finance.

The first of said whitepapers has been presented to the MWD Board entitled "*Modernizing the System: California WaterFix Infrastructure*". This is the first in a series of three policy papers prepared for the consideration of Metropolitan's Board of Directors in advance of planned summer meetings and decisions in the fall of 2017. A copy of the 33 page document has been provided for your review. It is intended to inform this Board as a starting point for discussion on the California WaterFix.

Also provided is a copy of MWD's Special Committee on Bay-Delta Water Planning and Stewardship Committee PowerPoint entitled "Modernizing the System California WaterFix Infrastructure" which was presented to the MWD Board on July 10, 2017.

Staff recommends a Board Study Session to discuss this information proposed for July 24 at 8:00 a.m.

MODERNIZING THE SYSTEM:

CALIFORNIA WATERFIX INFRASTRUCTURE

1

The first in a series of three policy papers prepared for the consideration of Metropolitan's Board of Directors in advance of planned summer meetings and decisions in Fall 2017.

Modernizing and improving California's water system is essential for the reliable delivery of water supplies to much of the state. About 30 percent of the water that flows out of taps in Southern California homes and businesses comes from Northern California watersheds and flows through the Sacramento-San Joaquin Delta. But the Delta's declining ecosystem and 1,100 miles of levees are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change and further environmental degradation.

California WaterFix is the product of more than a decade of review, planning, and rigorous scientific and environmental analysis by water experts, engineers and conservationists, as well as unprecedented public comment. The proposed project will improve the security of our water system by fixing aging infrastructure and constructing new, state-of-the-art facilities using innovative technologies and engineering practices. Significant planning work for the design and construction of the project has been performed by the state, water agencies, and construction and engineering firms, which have determined the project is buildable. Details of the project features, actions to address public comment, risk management, schedule projection and cost estimates are addressed in a new white paper and summarized below.



Approach to Design & Construction



An extensive planning process evaluated various alignments, facility configurations and system options.

- The system would be capable of diverting up to 9,000 cubic feet-per-second from the Sacramento River and capturing additional wet period water supplies after all environmental flow and water quality criteria are met.
- Proposed construction plans, including the use of dual 40-foot diameter tunnels, is well within common practices in the engineering construction industry and will provide operational redundancy.

Specific steps were taken during the design effort to reduce or eliminate the impact of the new facilities on the environment and Delta communities. As a result of input during the environmental planning process, the following changes were made:

- Reduced size of overall project
- Expanded use of tunnels for conveyance
- Revised tunnel alignment
- Reduced size and location of intermediate forebay
- Reduced pumping requirements
- Reduced construction impacts along Sacramento River

Key Project Features



DUAL CONVEYANCE:

A flexible dual intake system will deliver water to state and federal pumping plants in the south Delta. New intakes farther upstream will reduce overall adverse environmental impacts on the Delta and provide higher quality water to water contractors' service areas.

MODERNIZED FACILITIES:

The existing system will be modernized with new facilities, equipment and technologies. State-of-the-art fish screens and intake structures will reduce harm to fish.

OPERATIONAL FLEXIBILITY:

The new intake facilities will work in conjunction with the existing south Delta intake system, delivering water from just one system or both, depending on fishery and water quality conditions. Dual intakes will provide greater flexibility to protect fish when they are present.

OPERATIONAL EFFICIENCY:

Gravity-fed tunnels will move water more naturally and efficiently. This will simplify overall operations and reduce long-term system and maintenance costs.

MAXIMIZES THE USE OF PUBLIC LANDS:

The project alignment uses more public lands, reducing the impact to private property and agriculture.

REDUCED ENVIRONMENTAL FOOTPRINT:

The proposed water facilities and operations have a greatly reduced project footprint compared to earlier proposals. This will reduce community impacts.

OTHER ENVIRONMENTAL CONSIDERATIONS:

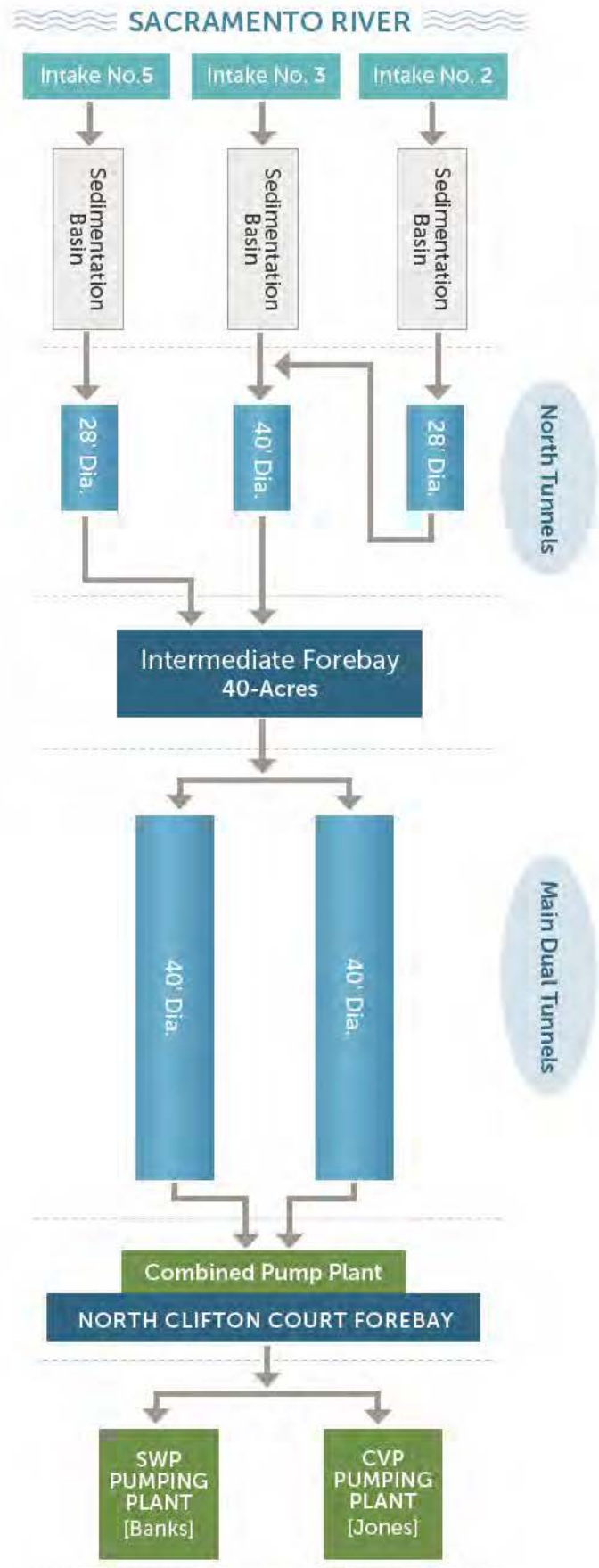
The plan allows for a more natural flow direction in the Delta during critical fish protection periods and increases water supply reliability with greater flexibility to divert water in ways that protect sensitive fish species.

WATER SUPPLY RELIABILITY:

A modernized system can more reliably capture water from peak storms and flood flows to refill reservoirs and replenish groundwater basins.

EMERGENCY PREPAREDNESS:

A modernized system will ensure that water is available for drought and emergency needs and help protect supplies from earthquakes or other natural disasters that could disrupt the current system.



Minimizing Risk

CRITICAL ISSUES RELATED TO DESIGN, CONSTRUCTION AND OPERATIONS HAVE BEEN ADDRESSED DURING THE PLANNING PROCESS:

Tunnels: Extensive work and surveys to identify best practices of large tunnel projects with similar design, construction and project management confirmed that the proposed California WaterFix tunnel boring machines are well within the existing industry knowledge and experience.

Leakage: The lining system will be designed to withstand the maximum internal pressure calculated for the conveyance system, resulting in negligible leakage.

Ground Vibration: Tunnels will be constructed at least 100 feet below ground. Material over the tunnels will dampen and absorb any energy generated during tunneling activities.

Surface Settlement: The project will use geotechnical information, monitoring and structure projection methods to mitigate the risk of settlement effects and structural damage.

Seismic Mitigation: Because the proposed tunnel alignment does not cross any major fault rupture or creep zones, the deep tunnels will not be subject to liquefaction potential. The tunnel design uses precast segmental lining systems which have been successfully used in seismically active areas around the world.

Geotechnical Considerations and Mitigations: At proposed tunnel depths, dense layers of silts, sands and clays are anticipated. This material will be suitable for the planned tunneling activities.

Flood Protection: Facilities will be engineered and designed to withstand water level rise resulting from both a 200-year storm event and from sea level rise of 18 inches in the Delta.

Construction Management



The Department of Water Resources is working with the State Water Contractors to resolve the final details of how the construction of California WaterFix will be managed to guarantee the project's safety and construction integrity and to ensure the project is delivered on time, on budget and in accordance with approved specifications, while managing risk prudently.



Cost



Cost estimates were determined through a rigorous analysis by industry professionals and will be updated as additional information becomes available.

Overall Cost	\$ 15.74 B
Conveyance System Cost	\$ 14.94 B
Program management, construction management and engineering	\$ 1.91 B
Tunnels/shafts construction	\$ 6.82 B
Remaining construction	\$ 2.68 B
Contingency (~36% for tunnel/shafts and remaining construction)	\$ 3.38 B
Land acquisition (includes 20% contingency)	\$ 0.15 B
Environmental Mitigation (includes 35% contingency)*	\$ 0.80 B

Program Estimate in 2014 Dollars

*Significant additional fishery habitat restoration will occur through California EcoRestore <http://resources.ca.gov/ecorestore/>

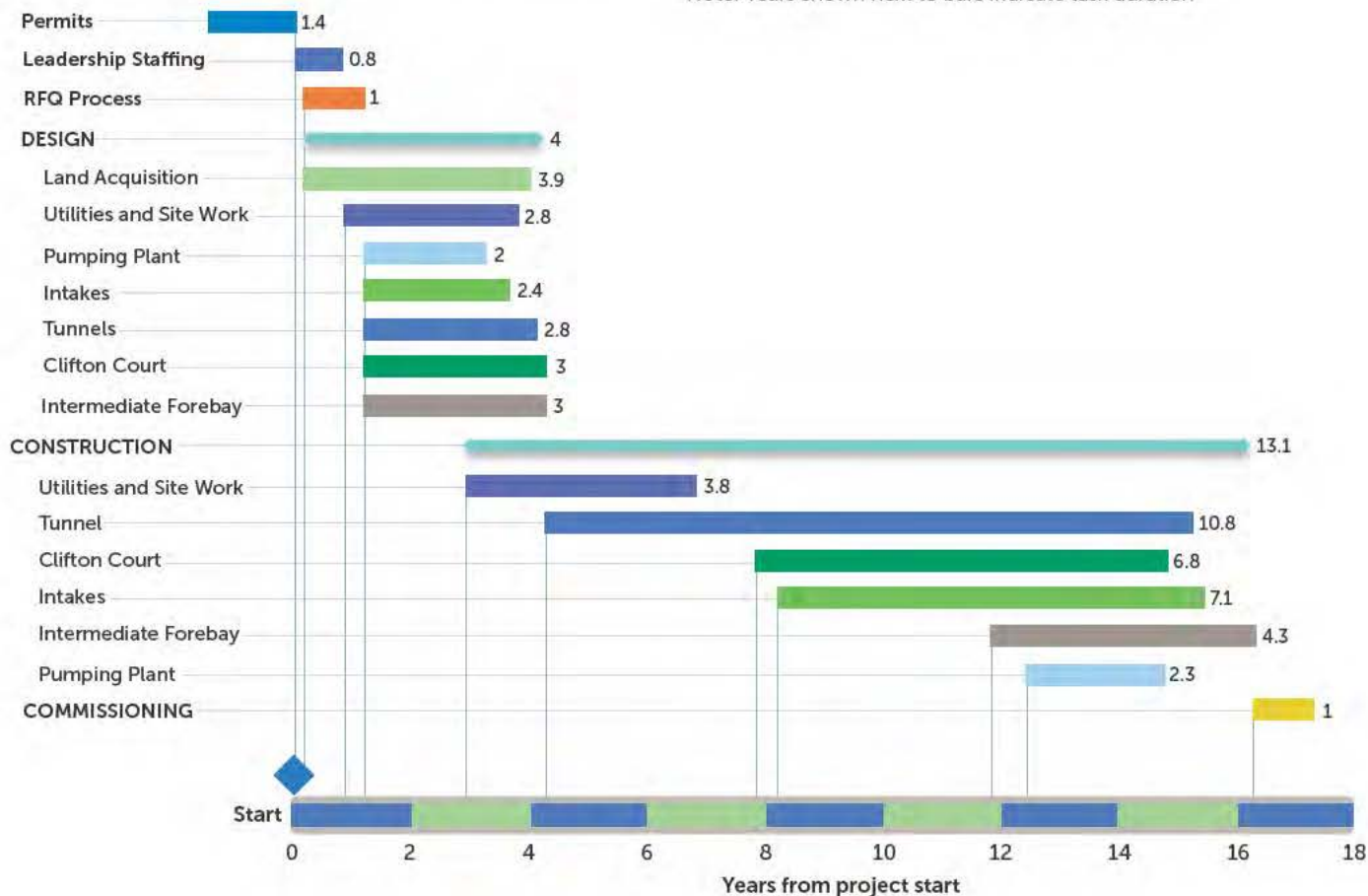
Schedule



The current schedule estimates it will take 12 to 15 months to fully staff the project, up to four years to complete the design phase and approximately 13 years to complete construction.

California WaterFix - Program Summary Schedule

Note: Years shown next to bars indicate task duration



OUR MISSION

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

ABOUT METROPOLITAN

The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies – cities and public water agencies – that serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage and other resource management programs.

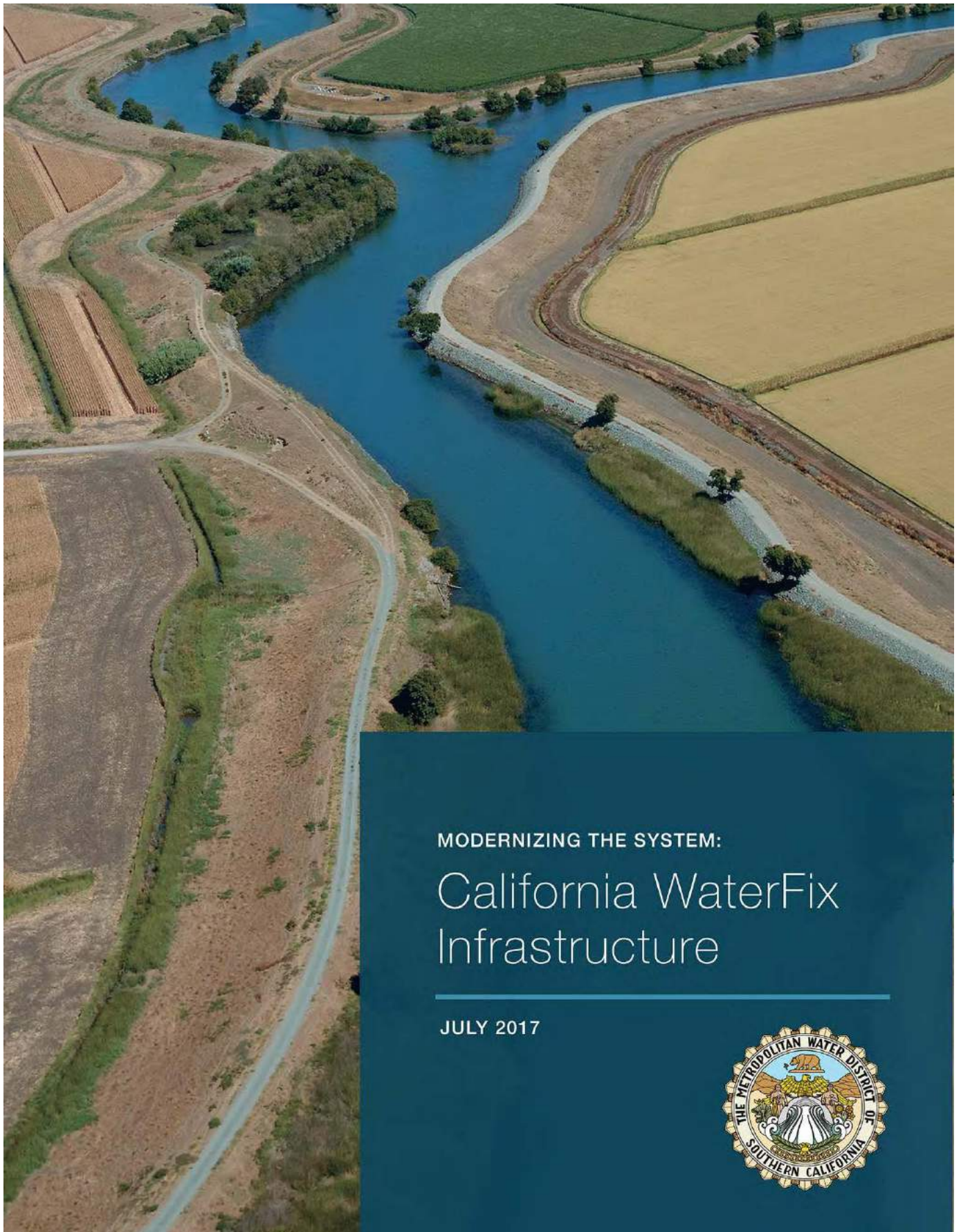
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Photos courtesy CA Department of Water Resources



MODERNIZING THE SYSTEM:

California WaterFix Infrastructure

JULY 2017



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Introduction

This is the first of three policy white papers prepared for the Metropolitan Water District of Southern California's Board of Directors on the proposed California WaterFix. The overall objective of these papers is to provide relevant information for the Board before the Board considers decisions on the project.

This initial paper focuses on the project's planned infrastructure improvements. It presents the key project features, including proposed facilities, governance structure, current cost estimates and implementation schedule, as well as the planned approach to managing and mitigating project risks. The remaining two policy white papers will focus on operations and financing/cost allocation.

Specific objectives of this paper are:

1. To review the physical infrastructure of California WaterFix, with a focus on the key project facilities (see Figure 1);
2. To outline the State's approach to managing and implementing the project through a proposed Delta Conveyance Design/Construction Joint Powers Authority, designated the Design and Construction Authority, or "DCA," and Metropolitan's potential role in the new DCA;
3. To outline the project's planned approach to risk management and present key risk-related issues, including steps being taken to mitigate potential risks to keep the project within cost and schedule targets.

Summary

Water from the State Water Project (SWP) flows through the Sacramento-San Joaquin Delta to the Bay Area, San Joaquin Valley, Central Coast and Southern California. Metropolitan and the 28 other State Water Project contractors rely on the Department of Water Resources (DWR) to deliver water from the State Water Project (SWP); 24 of the contractors, including Metropolitan, would directly benefit from receiving water via the Delta through California WaterFix facilities. The other five water contractors receive water further upstream in the watershed or from the North Bay Aqueduct.

As Metropolitan's Board and the state Legislature have recognized, the current water delivery system in the Delta, with its 700-mile web of waterways, sloughs, canals, and islands, supported by about 1,100 miles of earthen levees, is unsustainable. Threats of earthquakes, floods, subsidence, climate change, rising sea levels, and increasing regulatory constraints on water operations, as well as other risks and uncertainties in the Delta, are contributing to a decline in water supply reliability and in the ecosystem. The Delta's ecosystem and water supply reliability will continue to decline unless action is taken.

Delta conveyance has been studied extensively, and many solutions have been proposed over the last 50 years. A summary of these efforts is presented in Table 1.

In 2007, Metropolitan's Board adopted its Delta Action Plan (DAP) and Delta Conveyance Criteria as policy direction. The Delta Conveyance policy established six specific criteria for comparing Delta conveyance options: providing water supply reliability, enhancing the Delta ecosystem, improving export water quality, allowing flexible pumping operations in a dynamic fishery environment, reducing seismic risks to the water supply and reducing long-term risks from salinity intrusion associated with rising sea levels. As proposed, California WaterFix addresses each of these criteria.

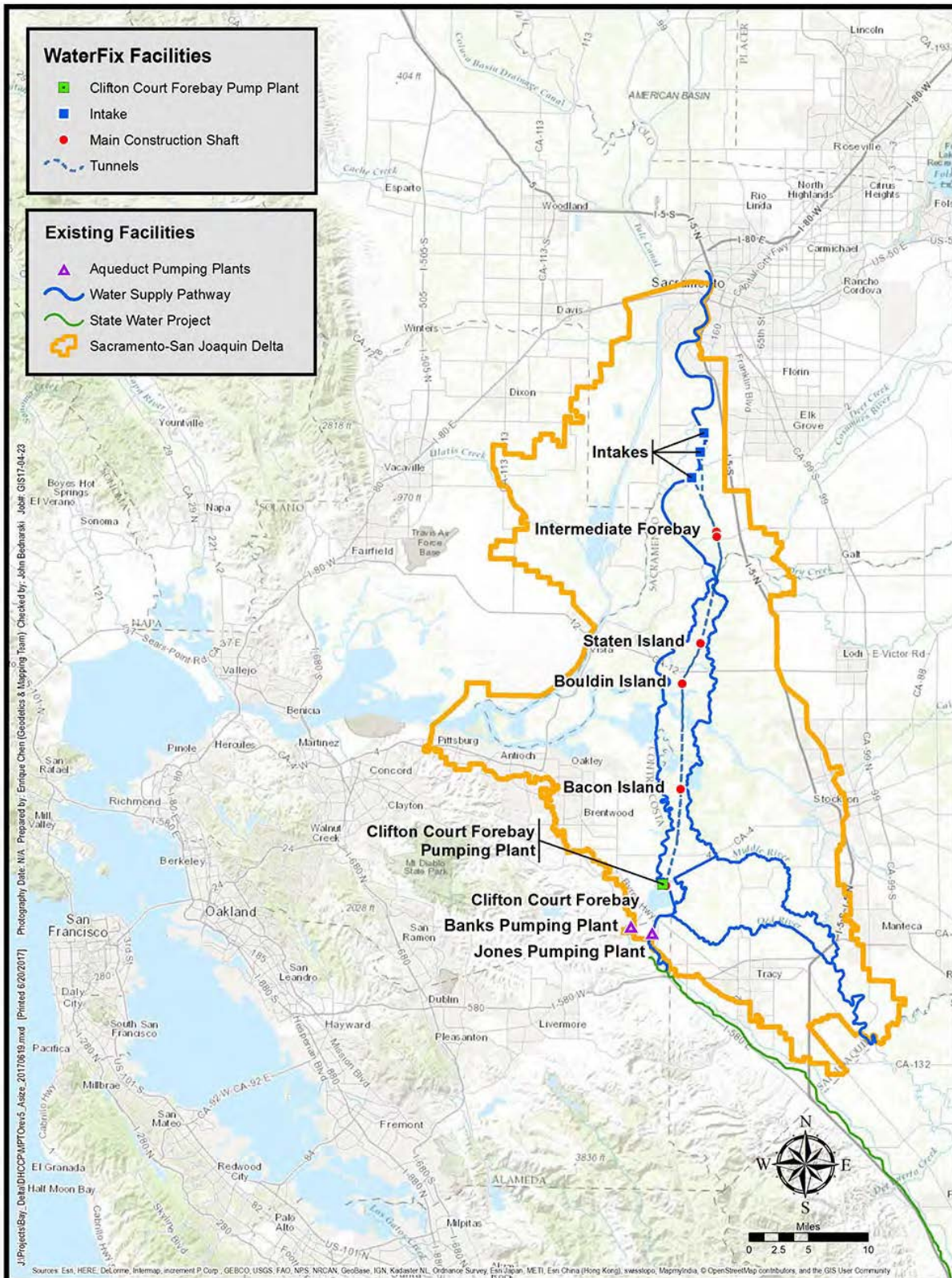


TABLE 1: DELTA CONVEYANCE STUDIES AND PROPOSALS TIMELINE

Year	Activity
1960s	<p>California Department of Fish and Game, now known as the California Department of Fish and Wildlife, biologists publish an article in American Fisheries Society Special Publication #3, showing that the best protection for native fish populations, and solution to the Delta's environmental problems, is abandoning sensitive river channels for water transport.</p> <p>U.S. Fish and Wildlife Service backs the Peripheral Canal proposal, calling it the only engineering plan that would not have detrimental effects on fish and wildlife while offering the biggest opportunity for fish enhancement.</p> <p>Interagency Delta Committee completes its report recommending various Delta facilities, including the Peripheral Canal.</p>
1994	Bay Delta Accord is signed, authorizing "CALFED," a joint state and federal agency process to develop water quality standards, coordinate operations of the SWP and CVP and work toward long-term Delta solutions.
1998	CALFED "Diversion Effects on Fish Team" finds that an isolated facility would substantially reduce entrainment and predation effects on the Delta's native fish populations.
2000	CALFED Bay-Delta Program releases "California's Water Future, a Framework for Action." Among the list of comprehensive actions, it identifies the need to evaluate a screened diversion facility on the Sacramento River to improve water quality in the Delta and at the export facilities. Construction would begin by late 2007.
2007	Delta Vision Blue Ribbon Task Force recommends an assessment of dual conveyance, saying new facilities for conveyance and storage, and better linkage between the two, are needed to better manage California's water resources for both the Delta and exports.
2008	Public Policy Institute of California states a peripheral canal is the best Delta conveyance option for meeting the coequal goals of a healthy Delta ecosystem and water supply reliability.
2009	The Governor enacts the Delta Reform Act, which includes the coequal goals of providing a more reliable water supply for California and protecting, restoring and enhancing the Delta ecosystem in a way that protects the Delta's unique characteristics. The law directs state and federal officials to examine a reasonable range of ways to change Delta water project diversions, including isolated conveyance.
2010	The first administrative draft Bay Delta Conservation Plan (BDCP) was released.
2012	The second administrative draft Bay Delta Conservation Plan was released.
2013	Release of Draft BDCP and Draft EIR/EIS in compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) for formal public review and comment.
2014	Announcement of further refinements to the water delivery facilities to reduce impacts to Delta communities, minimize disturbances or dislocation to Greater Sandhill Cranes and improve the long-term reliability and operation of the proposed infrastructure.
2015	Announcement of a modified preferred alternative, Alternative 4A, known as California WaterFix.
2015	Release of Partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement on the Bay Delta Conservation Plan/California WaterFix.
2016	Final BDCP/CA WaterFix and EIR/S.

Sources:

1. The information from the 1960s to 2009 is from "The History of Water Project Conveyance in the Delta," which is a publication from the California WaterFix website. The following link is to a PDF version of this document: http://cms.capitoltechsolutions.com/ClientData/CaliforniaWaterFix/uploads/83my6_FIX_FS_ConveyanceHistory.pdf
2. The information from 2010 to 2016 is from the Bay Delta Conservation Plan (BDCP) website at the link: <http://baydeltaconservationplan.com/Library/BDCPLibrary/BDCPPlanningProcess/BDCPPlanningProcessHistory.aspx>

California WaterFix aims to provide the facilities necessary to support Delta water exports through dual-conveyance operation. Dual conveyance would divert water from the Sacramento River in the north Delta under certain hydrologic conditions using new facilities, while retaining current south Delta diversions through existing facilities. To divert water from the north Delta, three new screened intakes would be constructed along the Sacramento River, along with associated tunnels and pumping facilities. The new facilities would allow water to be delivered directly from the Sacramento River intake locations to the existing south Delta export pumps located at the State Water Project's Banks and Central Valley Project's Jones pumping facilities. Under appropriate south Delta conditions, north Delta diversions can be appropriately modulated, and water from the north Delta can be diverted through the existing south Delta facilities. This dual conveyance capability would potentially allow for diversions from both north and south Delta locations while taking into account the presence and needs of fish species. As part of the planning process, potential impacts of the proposed system facilities have been identified and appropriate risk management measures have been incorporated into the project as mitigation.

Dependent on the approval of Metropolitan's Board and other public water agencies, a new special purpose Design and Construction Joint Powers Authority (the Design and Construction Authority, or "DCA") composed of public water agencies, including Metropolitan, would design and construct California WaterFix, subject to DWR's oversight and ultimate decision-making authority. The DCA would be responsible for day-to-day implementation of all project aspects. This includes the management, design, construction and commissioning of California WaterFix facilities; managing the overall project budget of \$14.9 billion, plus about \$800 million for project mitigation (both in 2014 dollars); and ensuring that the project is completed within the proposed schedule, which currently estimates project completion 16 years after authorization. The DCA is expected to employ an active risk management strategy that identifies and takes action to address potential issues that could pose significant risk to the project's overall scope, schedule and budget. Subject to Board approval, Metropolitan, as the largest contractor for State Water Project water, would play an important and direct role in the DCA and overall governance of the project team.

California WaterFix has undergone an unprecedented level of public outreach, review and comment, along with extensive scientific analysis as part of the environmental planning process. Significant changes and refinements to the physical configuration and operational characteristics were made to address issues raised during the environmental planning process and to address the outcomes from the biological assessment/opinion processes. Taken together, these revisions have refined and improved the project and have reduced environmental impacts, while maintaining the underlying core capabilities of the proposed system. The planning process has been completed, and the federal and state lead resource agencies for California WaterFix —the California Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (Reclamation)— have completed the environmental review process under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). In addition, the U.S. Fish and Wildlife Service and National Marine Fisheries Service (NMFS) have issued biological opinions on the project.

Based on the information available to date, it is staff's view that the facilities as currently proposed would meet Metropolitan's adopted policy direction and, under the guidance of the DCA, the facilities could be completed within budget and on schedule with a high degree of confidence.

Why California WaterFix

THE CURRENT SITUATION IN THE DELTA

The Sacramento-San Joaquin Delta is where California's two largest rivers meet, an area where saltwater from the Pacific mixes with freshwater from the rivers. Water flowing through the Delta supplies water to about 25 million Californians and about 3 million acres of agricultural production. Some regions of California are 100 percent dependent on Delta diversions for their water supplies.

Current operations of the State Water Project (SWP) and Federal Central Valley Project (CVP) rely on a series of channelized waterways to convey water through the Delta to state and federal pumping facilities located at the south end of the Delta. The pumping facilities then lift the water into the SWP aqueduct and Federal CVP canal.

There are many stressors affecting the Delta. The 1,100 mile levee system was developed beginning in the late 1800s to support agricultural activities, which changed the tidal wetland environment of the Delta. The levees and other Delta infrastructure are increasingly vulnerable to failure caused by continued subsidence, natural degradation, earthquake risks, flood conditions and sea level rise. The current water delivery system in the Delta is also increasingly affected by regulatory constraints on water project operations, salinity intrusion due to sea level rise, the presence of non-native species and the presence of endangered fish near the southern export pumps at certain times of year, which limit when or at what rate the pumps can export water. The continued decline of the Delta's ecosystem has led to severe restrictions in water supply deliveries, resulting in the need to improve California's water reliability and restore the Delta's fragile ecosystem.

The Bay Delta Conservation Plan/California WaterFix Final EIR/Final EIS states that improvements to the water conveyance system are needed to respond to increased demands on the system and risks to water supply reliability, water quality, and the aquatic ecosystem. Improvements are also needed because sea water intrusion from sea level rise causes more need for Delta outflow, which results in impacts to water supply. Operational flexibility can be increased to provide improved water supply reliability and minimize and avoid adverse effects on listed species. DWR's fundamental purpose in proposing the proposed project is to make physical and operational improvements to the SWP system in the Delta that are necessary to restore and protect ecosystem health, water supplies of the SWP and CVP south of the Delta and water quality within a stable regulatory framework, consistent with statutory and contractual obligations. (Bay Delta Conservation Plan/California WaterFix Proposed Final EIR/Final EIS, 2016, Chapter 2).

THE DUAL CONVEYANCE SOLUTION

To address these current and potential threats to the existing Delta conveyance system, California WaterFix proposes a new dual conveyance system that would allow water from both the north Delta and south Delta to be delivered to the Banks and Jones pumping plants. The new north Delta facilities (see Figure 1 and Figure 2) could divert up to 9,000 cubic feet per second (cfs) from the Sacramento River, improving water supply reliability and export water quality. Retaining the current south Delta water exports under California WaterFix ensures an additional avenue to deliver water to the south Delta pumps when water quality and other environmental conditions (e.g., absence of fish species) permit. Providing flexibility in how water is conveyed across the Delta to the existing Banks and Jones pumping plants can avoid adverse impacts to sensitive fish species.

PROJECT FEATURES AND BENEFITS

California WaterFix would include the following features (see also Figure 2 and Figure 3):

- A. **Isolated Deliveries:** Delivers water directly from the Sacramento River in the north Delta to pumping plants in the south Delta. This allows water delivered by California WaterFix facilities to flow to state and federal pumps without commingling with in-Delta channel water, thereby providing greater flexibility to protect fish when they are present.
- B. **Operational Flexibility:** Works in conjunction with the existing south Delta delivery system. If desired, diversions from the Sacramento River in the north Delta could take place simultaneously with diversions from the existing south Delta facilities, or from one system or the other.
- C. **Operational Efficiency:** Allows for water deliveries to occur entirely by gravity flow under certain hydraulic conditions. The remainder of the time, water would flow by gravity through the tunnels to the south Delta, where a new pumping plant would lift water into the North Clifton Court Forebay. Using gravity to make deliveries simplifies overall operations and reduces long-term system operation and maintenance costs.

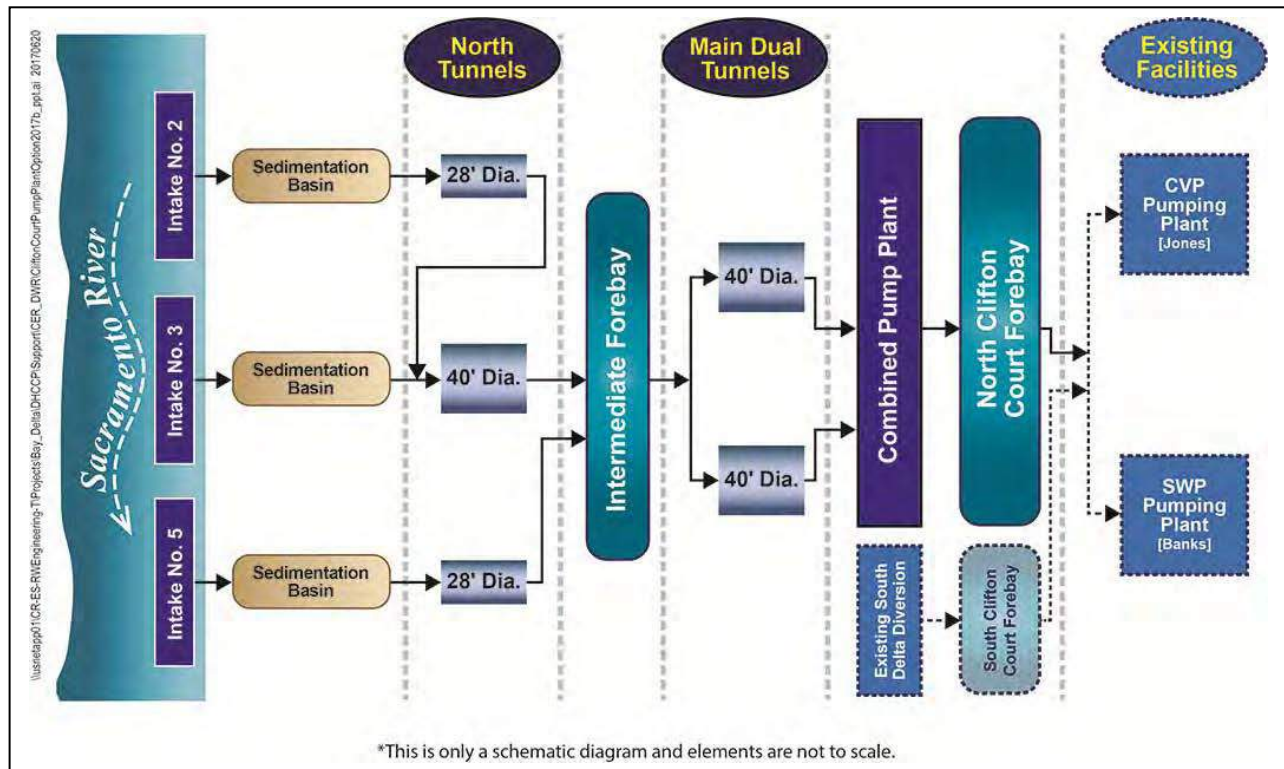


FIGURE 2: SYSTEM CONFIGURATION OF CALIFORNIA WATERFIX FACILITIES

- D. **Modernized Facilities:** Upgrades a decades-old system with new facilities, equipment, and technologies that would improve and modernize operations. State-of-the-art fish screens and intake structures would allow for more efficient delivery of water from the new facilities, even when endangered species of fish are near the new intake structures.
- E. **Use of Public Lands:** Maximizes the use of public lands, reducing the impact to agriculture and other resources. This reduces the time and cost associated with purchasing private property, easements or rights of way.
- F. **Reduced Environmental Footprint:** Minimizes above-ground facilities by 1) using tunnels instead of canals to convey the water through the system, and 2) incorporating a number of refinements made during the design phase, such as eliminating the pumping stations at each of the three new intakes and reducing the size of the intermediate forebay. This represents a smaller footprint in comparison with other alternate intake facility proposals, reducing project impacts and mitigation costs.
- G. **Other Environmental Considerations:** Considers the environment and incorporates refinements resulting from the environmental review process to reduce impacts to the environment. This approach was used throughout the design process, from the alignment chosen, to the conceptual design of the fish screens at the intake facilities, to the extensive environmental commitments, avoidance and minimization measures incorporated into the project. Mitigation measures also would be incorporated where potentially significant impacts cannot be avoided. As stated, the current configuration would minimize adverse environmental impacts by:
- Allowing for a more natural flow direction during fish-sensitive periods in the Delta to protect and benefit sensitive native fish species; and
 - Providing the flexibility to divert water while complying with state and federal laws and regulations that protect sensitive fish species.

- H. **Water Supply Reliability:** Safely and reliably captures water during periods of heavy rain and high Delta flows to refill reservoirs and replenish groundwater basins, with the flexibility to reduce pumping in dry periods, which would reduce impacts to sensitive fish species.
- I. **Emergency Preparedness:** Ensures that more water is available for drought and emergency needs, including an earthquake or other natural disaster that collapses Delta levees or otherwise disrupts the current system. The facilities would also enable diversions that would mitigate the impacts of temporarily losing the ability to divert water from the south Delta.

California WaterFix Facilities

MAJOR COMPONENTS AND FACILITIES

Sacramento River Intakes

Three intakes, each with a capacity of 3,000 cfs, are proposed along the Sacramento River (see Figure 3). The location of each intake was determined by extensive collaboration between DWR and state and federal fishery agencies to identify locations that would minimize incidental take of listed species.

Each of the three intake facilities consists of on-bank screened intake structures; gravity-fed intake conduits; flow meters and control gates; sedimentation basins to allow suspended material from the river to be removed from the water before the water enters the tunnel system; and a drop-shaft at the far end of the sedimentation basins to connect the intakes to the adjacent tunnel network. The bottom-most portion of each intake screen would be situated three to five feet above the river bottom in order to prevent large debris and other heavy suspended materials from entering the intakes or becoming impinged on the screens.

A main factor in sizing and configuring the intake structures was the need to meet specific flow velocities for the water moving past and through the screens. To meet recommended criteria set by state and federal fishery agencies to protect Delta smelt and migrating salmon, the screen area has been set to ensure the approach velocity of the water toward the screens would be no greater than 0.2 feet per second under design flow conditions.

Tunnels and Shafts

The tunnel portions of California WaterFix have been divided into two general sections, the North Tunnels and the Main Tunnels (see Figure 2 and Figure 3). The North Tunnels extend from the intakes to the intermediate forebay and have been sized so water flows from the diversions could be equally split between any or among all of the three river intakes that are in operation at any given time. The two Main Tunnels extend from the intermediate forebay to the combined pump plant at Clifton Court Forebay and have been sized so that each tunnel would be capable of delivering up to 4,500 cfs under design conditions. Dual parallel tunnels for the Main Tunnel reaches are proposed to meet the total desired capacity of 9,000 cfs and ensure system reliability, allowing one tunnel to be isolated for maintenance or major repairs while the second tunnel is kept in operation.

All tunnels would be excavated using tunnel boring machines (TBMs) instead of cut-and-cover construction. Although the Main Tunnels span about 30 miles, the tunnels would be constructed in segments or reaches about six to eight miles long. Each reach would be connected to subsequent tunnel reaches at shaft structures located along the alignment, as shown in Figure 3. As the TBMs advance, soil would be removed from the tunnel and concrete segments would be installed to form the tunnel lining system. This concrete segmented liner serves as the final lining system for the tunnels. This approach is commonplace on construction projects throughout the world and is used in both transportation and water infrastructure projects. The liner would be sealed with a series of gaskets and bolted connections between the adjacent segments to avoid leakage.

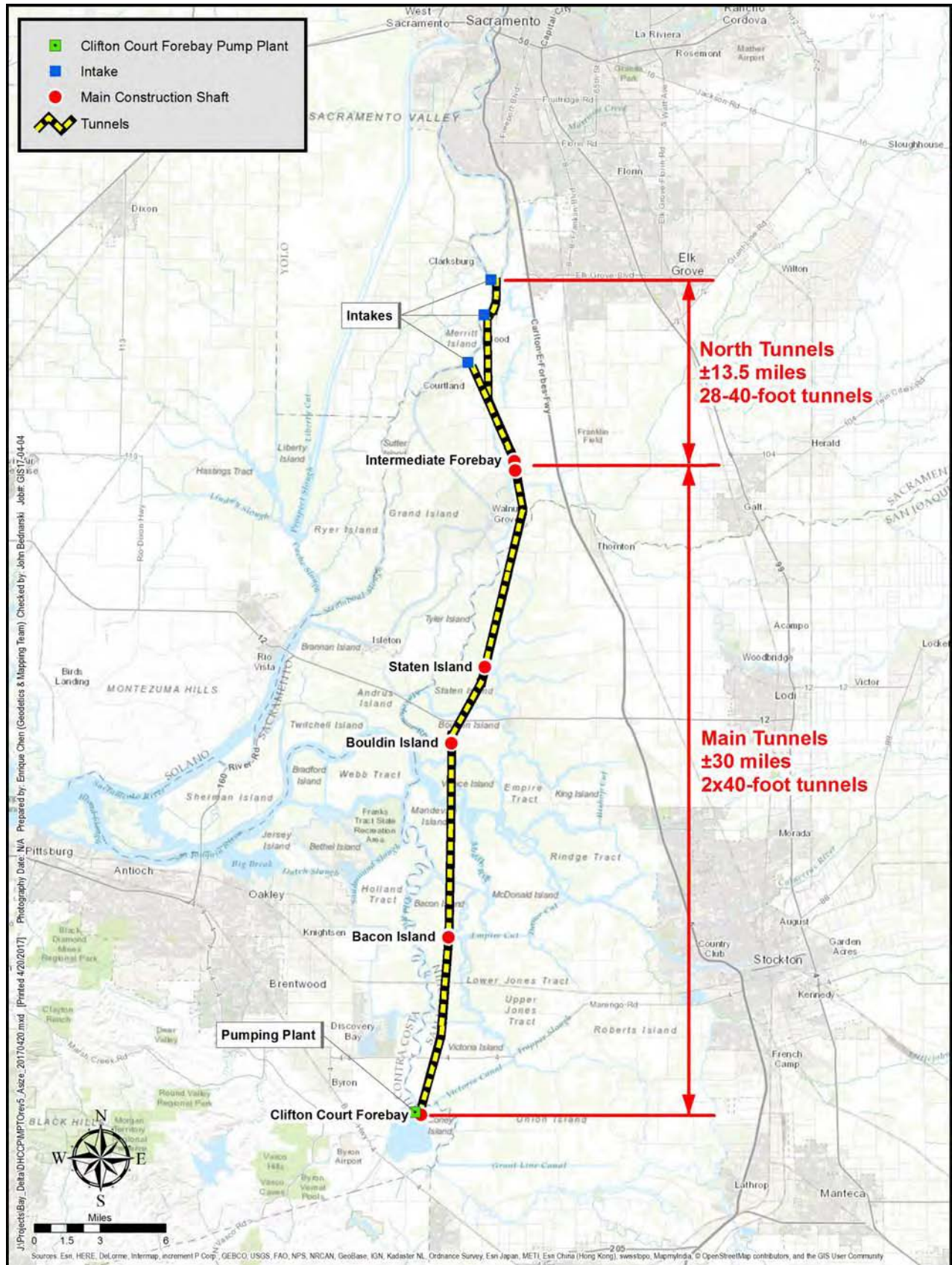


FIGURE 3: CALIFORNIA WATERFIX FACILITIES

Much of the Delta geology is covered with organic peat deposits. Although the peat deposits are very advantageous for agricultural purposes, they present a significant risk of liquefaction in a seismic event. However, the extent of the peat deposits is relatively well understood in the Delta, and ground conditions beneath the peat are generally characterized as dense deposits of silts, sands and clay layers. These dense layers would be very suitable for the planned tunnels because they would not be subject to liquefaction or settlement in the event of a seismic event. The tunnels would be constructed at sufficient depth below the ground surface (about 150 feet from ground surface to the bottom of the tunnel) to avoid existing surface infrastructure and liquefiable soil materials like peat. It is not anticipated that any cut-cover pipelines in the challenging Delta surface geology conditions would be part of California WaterFix facilities.

Deep shafts would be required along the tunnel alignments to facilitate construction, operation and maintenance of the conveyance system. During construction, the shafts would be used to launch and retrieve the TBMs, provide an access point into the tunnels for delivery of tunnel building supplies and labor, and provide a location to join adjacent tunnels to the larger tunnel system. After construction, some of the construction shafts would be modified and used to support long term operations and maintenance needs for the tunnels. Other shafts used in the construction process, such as maintenance shafts, would be sealed and buried to a depth that would support farming activities after construction concludes.

A significant area for investigation during the design activities would be developing the connection of the tunnels with the shafts. Special construction details would be developed through computer modeling to ensure that the tunnel-shaft connection points would be well understood, and so that the interaction of these two structures (tunnel and shaft) could sustain anticipated movement during a seismic event.

Intermediate Forebay

The 30-acre Intermediate Forebay allows for flows from the three separate intakes to be blended before entering the two Main Tunnels. The forebay would also help dampen hydraulic surge waves that could occur in the Main Tunnels if there is a power outage at the Clifton Court pump station. The forebay, along with flow meters and control gates in the intakes, would enhance the ability for independent operation of each river intake and the two Main Tunnels while providing for the overall operational stability of the system. The forebay would be comprised of earthen embankments and tunnel shaft structures, with the shaft structures allowing water to enter at the forebay's north end and exit at the forebay's south end.

Clifton Court Forebay

To achieve the dual goal of isolating delivery of water diverted from the Sacramento River to the pumps at the south end of the Delta while maintaining south Delta export capabilities, the existing Clifton Court Forebay would be separated into the North Clifton Court Forebay and the South Clifton Court Forebay (see Figure 4). Water from the new conveyance system would be pumped or flow from the tunnels into North Clifton Court. South delta diversions would enter South Clifton Court through the existing Old River gate structure.

The new South Clifton Court Forebay would be expanded by creating an additional storage area to the south of the existing levees, as shown in Figure 4. Separating the existing forebay into two sections allows fish-screened water from the north Delta intakes to be isolated from other waters throughout the delivery system. Additional new canals, gate structures and flow meters would also be constructed so water from the North and South Clifton Court Forebays can be conveyed to the existing Jones and Banks pumping plants. These canals and gates would be designed to allow single-mode diversion or simultaneous dual-mode deliveries of both waters to the pumping plants.

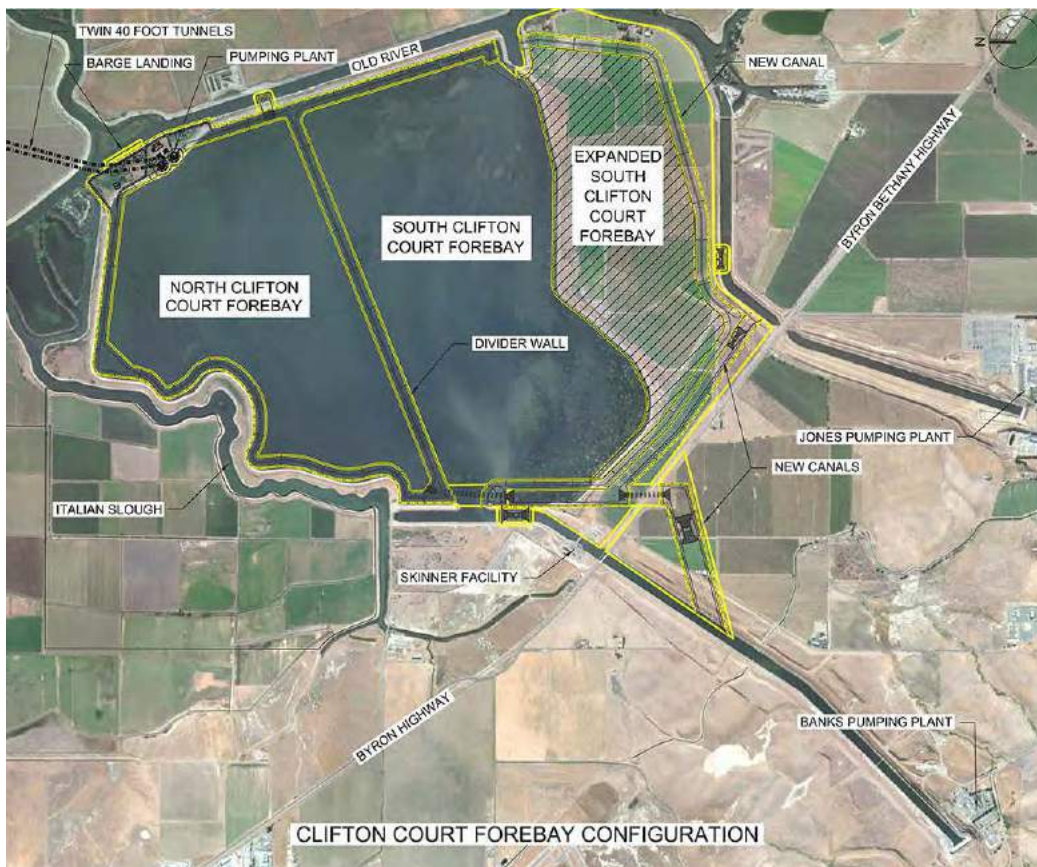


FIGURE 4: CLIFTON COURT FOREBAY, INCLUDING PROPOSED MODIFICATIONS

Pumping Station at Clifton Court Forebay

A 9,000 cfs pumping station would be constructed at the northeast corner of the Clifton Court Forebay to lift the water from the Main Tunnels into the North Clifton Court Forebay. The pumping station would consist of two pumping plants, each rated at 4,500 cfs capacity. Each pumping plant would be located directly above the end of the Main Tunnel (see Figure 5). Water flowing south in the Main Tunnels would fill up a pumping well in the bottom of each pump plant before vertical turbine pumps lift the water into North Clifton Court.

Under certain hydraulic conditions in the Sacramento River, water can flow by gravity from the Sacramento River into North Clifton Court without using the pumping station. In these conditions, the pumps would be shut off, and water would flow by gravity directly from the tunnels through the surge channel in the pump plant and into North Clifton Court. In the event of a power outage at the pump plant, hydraulic surge waves would be dissipated at the pump station by allowing water to flow over the surge channel and into North Clifton Court.

SUPPORTING INFRASTRUCTURE

In addition to the major components of the project, construction of supporting infrastructure would be required for the operation of the new facilities and as a prerequisite for construction activities. Some of the required permanent and temporary infrastructure includes:

- High voltage electrical power lines to run the TBMs and operate the pumping facilities;
- Initial site grading and site preparation work;
- Access roadways and barge landings at key work sites;
- Improvements to existing municipal/private roads to support anticipated construction traffic;
- Restoration of public and private roads used to support project activities to pre-construction conditions once the project is complete;

- Improvements around critical infrastructure, including levees, to ensure stability during subsequent work; and
- Removal/relocation of existing gas and water wells that could conflict with tunnel or intake construction.

Completing these activities prior to the major construction work would help ensure that the overall program schedule and budgets would be maintained.

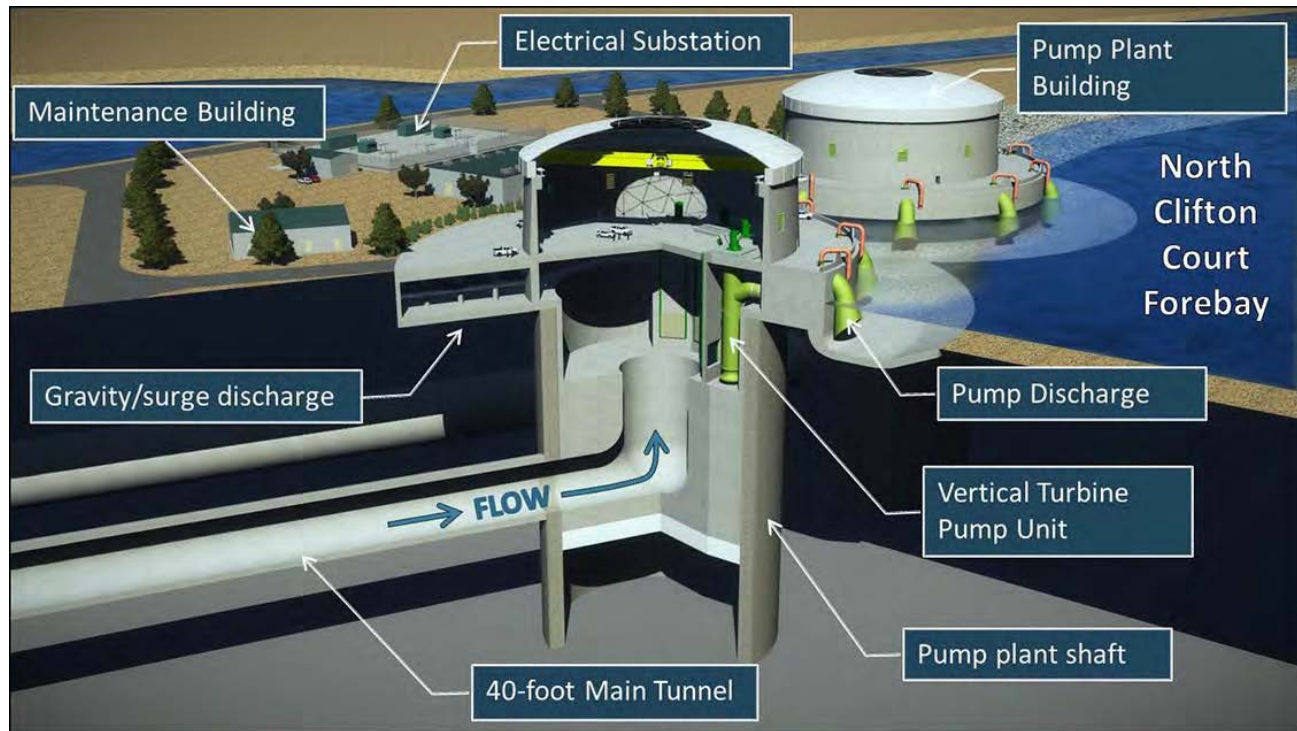


FIGURE 5: PROPOSED PUMPING FACILITIES AT CLIFTON COURT FOREBAY

APPROACH TO DESIGN AND CONSTRUCTION

The proposed configuration of California WaterFix is the result of an extensive planning process that evaluated various alignments, facility configurations and environmental considerations. The results of this conceptual planning/engineering effort are documented in a series of Conceptual Engineering Reports, with the final draft report being released in 2015, and in the EIR/EIS, which was released in 2016. As part of the environmental documentation process, all alternatives received extensive environmental analysis consistent with CEQA, NEPA, and the Delta Reform Act, which included consideration of comments received during initial scoping, and the public review periods of the draft EIR/EIS (2013), partially recirculated draft EIR/supplemental draft EIS (2015) and the proposed Final EIR/Final EIS (2016).

As mentioned earlier, having dual 40-foot main tunnels ensures system reliability by providing redundancy, and the construction approach would use technologies and methodologies that are well understood within the construction industry. Tunnels of this size have been successfully constructed, or are in the planning/design phase, in many locations throughout the world (see Figure 6). As shown in this figure, the planned California WaterFix tunneling machines are at the lower end of the range for large tunnel projects that have been implemented.

During the planning process, an alternative to a twin tunnel configuration for California WaterFix, a single bore main tunnel sized to convey up to 9,000 cfs, was also investigated. Preliminary analysis indicated that a single-bore tunnel would require a tunnel with an inside diameter of about 56 feet. This tunnel size would require a TBM size of 60 feet or more in diameter (assuming use of a 24-inch thick concrete segmental liner). Currently, the two largest TBMs in the world are the Tuen Mun-Chep Lap Kok Hong Kong TBM at 57.7 feet in diameter and the Alaska

Way TBM in Seattle, Washington at 57.3 feet in diameter. At the time, the TBM used in the Seattle project was the largest TBM ever built, and the issues and multi-year delays experienced on this project are well documented. A potential California WaterFix single bore TBM at about 60 feet in diameter would represent a machine that is four percent larger than current technology experience, and a tunnel that large would set an engineering design and construction precedent, increasing the overall project risk.

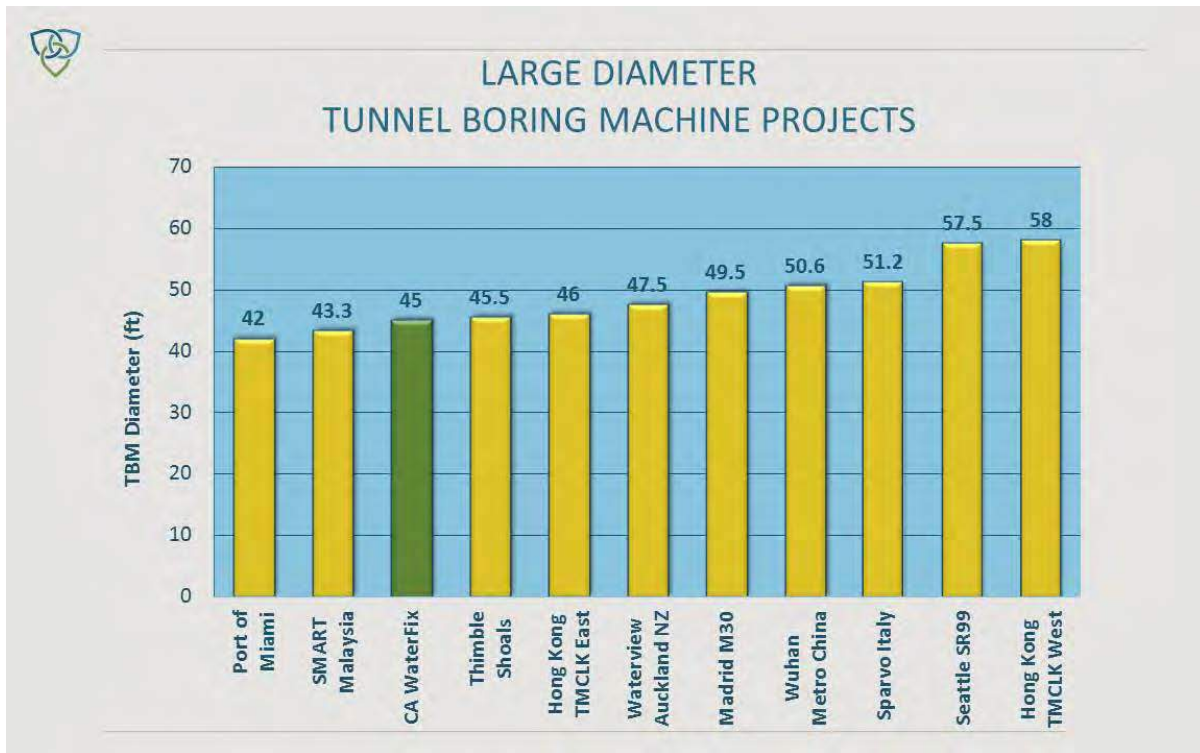


FIGURE 6: LARGE DIAMETER TUNNEL BORING MACHINE (TBM) PROJECTS

ENVIRONMENTAL CONSIDERATIONS

California WaterFix facilities have been planned and configured in response to comments and input received during the environmental planning process to reduce the impacts of construction and operation of the facilities on the existing Delta environment. Specific steps taken during the design effort to limit or eliminate the impact of the new facilities on the environment include:

- A. **Reducing the Size of Overall Project:** As originally configured in the BDCP, water conveyance facilities consisted of five (5) screened intakes along the Sacramento River, each sized at 3,000 cfs, for a total system capacity of 15,000 cfs. The overall capacity was eventually reduced to 9,000 cfs, requiring only three of the original five intake locations.
- B. **Using Tunnels instead of Open Canals:** The original alignment consisted of a series of large canals to convey water from the three intakes to Clifton Court. The main canal footprint was estimated to be approximately 1,400 feet wide (including the embankments, spoil stockpiling, and access roads). This project configuration would have caused significant impacts to surface features in the Delta. The surface impacts alone of this alternative totaled more than 19,000 acres. The surface canal approach would have split or eliminated many private property holdings, disrupted irrigation patterns, caused migration barriers for terrestrial species, been subject to potential deformation during seismic events and generated substantial quantities of air pollutants associated with earthmoving during construction. The proposed all-tunnel configuration reduces surface impacts by approximately 90 percent with the use of tunnels, a majority of the tunnel construction equipment is electric operated, subsurface tunnel easements will reduce disruptions to surface features and terrestrial migration patterns remain undisturbed.

- C. **Expanding the Use of Tunnels Instead of Pipelines:** Early non-canal conveyance alignments relied on a combination of open-cut high-head pipelines and tunnels to convey water from the intakes to the intermediate forebay. Construction of the open-cut pipelines would have been very disruptive to local communities because of the size of the pipelines required. Under those conditions, excavations suitable for installation of double-barreled 16-foot high-head pipelines would be required in some locations, and would potentially run for several miles. In addition, it was anticipated that surface deposits of peat and high groundwater tables could be encountered during construction. Engineering refinements during the environmental process identified the use of tunnels as a preferred way to connect the river intakes to the intermediate forebay. Relatively short tunnels significantly reduce disruptions to the local communities and provide a way to efficiently address groundwater table conditions.
- D. **Revising Tunnel Alignments and Tunnel Contracting:** As originally configured, the project's main 40-foot diameter tunnels crossed under numerous rivers, sloughs and other waterways. At each of these locations, additional construction activities would have been necessary to protect the levees that line each of the waterways while the tunnel boring machines (TBMs) were being operated, potentially leading to unnecessary project risks. Additionally, the original main tunnel alignment crossed under a number of sensitive surface features, travelled under many private property holdings and would have required nearly double the number of construction contracts when compared to the current revised plans. Mitigation measures employed during the planning and conceptual engineering process attempted to minimize as many of these issues as possible. The current alignment 1) reduces tunneling under most sensitive surface features and private property, instead tunneling under publically held lands and avoiding crossing Army Corps levees wherever feasible; 2) minimizes the number of water-feature crossings; and 3) reduces the number of tunnel contracts to avoid unnecessary surface disruptions.
- E. **Revising the Size and Location of Intermediate Forebay:** The original forebay configuration consisted of about 750 acres of water surface area, along with the area required for the forebay embankments. Following input from local communities and reclamation districts, the size and location of this facility were revised. Current plans call for an intermediate forebay site of about 100 acres, which includes the forebay surface area, embankments and appurtenant facilities required for construction and operation.
- F. **Reducing Pumping Requirements for the Overall System:** The original configuration of California WaterFix facilities relied on pumping plants at each of the three river intakes to lift water out of the Sacramento River and into the tunnel system for conveyance to Clifton Court in the south Delta. This configuration did not allow the system to be gravity fed, even under extremely high water levels in the Sacramento River. Based on input received during the planning process, and the need to address certain technical tunnel design issues, the configuration was changed so the three individual pump stations at the Sacramento River were consolidated and moved to a single pumping plant located at Clifton Court Forebay. As currently configured, under some hydraulic conditions in the Sacramento River, and under certain delivery scenarios, California WaterFix would operate as a fully gravity-fed delivery system that can divert up to 4,500 cfs to Clifton Court. The remainder of the time, the pumps at Clifton Court Forebay would be operated. This approach would reduce the overall conveyance system's energy consumption when compared to the original concept.
- G. **Reducing Construction Impacts along Sacramento River:** Replacing the three river intake pumping plants with a consolidated pump plant at Clifton Court and revising the construction methods for the intake sedimentation basins would reduce temporary and permanent impacts to the communities that surround the intake locations. Eliminating the pump plants at the Sacramento River would also significantly reduce overall construction impacts at all three river intakes and avoids the permanent aesthetic impacts of the pump plants at each location, including the need for permanent overhead high voltage power lines and traffic impacts associated with DWR's operation of the pump plants. In addition, the design of the sedimentation basins, originally configured as pile-supported concrete basins, was revised to the current earthen configuration. This change would significantly reduce construction impacts at each intake site by eliminating the need to drive thousands of foundation support piles and the construction work associated with placing thousands of cubic yards of concrete in the basins.

- H. **Optimizing Location of Key Construction Sites:** While located relatively close to major urban communities such as Sacramento and Stockton, the Delta is considered a uniquely remote environment from a construction standpoint because of its limited highway access. Two state highways cross the Delta in an east-west direction, but north-south transportation routes through the Delta are generally limited to water routes. The original configuration placed several of the key construction sites in areas that were logistically difficult to access for major construction purposes. To access these sites, new roads, along with the use of existing levee roads, or water access points, would have to be established, potentially impacting local residents and agricultural interests. Based on comments received during the planning process, some construction sites were relocated closer to major transportation routes, reducing potential disruptions to local communities and traffic patterns.

Incorporating these revisions and commitments into the overall project planning process has led to the development of modernized conveyance facilities that are sensitive to the environment, landowners and public use of the Delta, while retaining the operational features required to reliably and efficiently deliver water to the state and federal water projects.

Cost Estimate and Schedule

ESTIMATE

The current cost estimate for California WaterFix is summarized below in Figure 7. All costs have been adjusted by the state to July 2014 dollars. The cost estimate will be updated periodically as additional information becomes available, particularly with respect to environmental mitigation.

ITEM	AMOUNT (\$BILLIONS)
Overall Cost	\$ 15.74
Conveyance System Cost	\$ 14.94
Program management, construction management, and engineering	\$ 1.91
Tunnels/Shafts construction	\$ 6.82
Remaining construction	\$ 2.68
Contingency (~36% for Tunnel/Shafts and Remaining Construction)	\$ 3.38
Land Acquisition (includes 20% contingency)	\$ 0.15
Environmental Mitigation (includes 35% contingency)	\$ 0.80
<i>Program Estimate in 2014 Dollars</i>	

FIGURE 7: CALIFORNIA WATERFIX PROGRAM ESTIMATE

The resources used to develop the construction cost estimate include the items listed below:

1. Conceptual Engineering Report (CER), Modified Pipeline/Tunnel Option – Clifton Court Forebay Pumping Plant, Volume 2- Conceptual Engineering Report Drawings, Final Draft: April 1, 2015.
2. Wage and Workman's Compensation rates used by the consultant (SRMK) are Prevailing Rates as listed by the California Department of Industrial Relations, General Decision Number: CA140029 08/08/2014 CA29.
3. Equipment Ownership and Operating Cost. SRMK used US Army Corps of Engineers rates EP-1110-1-8, Vol. 07 published April, 2014.

ESTIMATE METHODOLOGY

The methodology used to prepare the overall California WaterFix estimate was as follows:

- A. **Program Management, Construction Management and Engineering:** The \$1.91 billion cost is based on the anticipated program organization, the program schedule and the Conceptual Engineering Report (CER). For each organizational team, the number of full time equivalents needed to perform the functions of the team and the expected duration consistent with the program schedule was established. The program schedule accounts for staffing the organization in a sequential manner to allow for initiation, planning and execution of the needed functions. Costs for various levels of managers and staff were applied to the program schedule.
- B. **Tunnels/Shafts and Remaining Construction:** The construction cost estimate for the tunnels and shafts and remaining construction was prepared by a consultant, 5RMK. The construction cost estimate is a detailed Class 3 bottoms-up cost estimate as defined by the Association for the Advancement of Cost Engineering International (AACEI). A Class 3 estimate requires a design definition between 10 to 30 percent complete; the design definition for California WaterFix currently is between 5 to 10 percent complete. The common design definition between the Class 3 requirement and the current design definition for California WaterFix was 10 percent, and 5RMK was instructed to use this value to provide a more detailed Class 3 estimate.

Cost estimators used the same basic approach that a construction contractor would use if bidding the project. Based on information in the CER and past knowledge and experience, the cost estimators developed a work breakdown structure for all project features (such as intakes, tunnels, forebays, pump plants and utilities, etc.). Each feature was further broken down to components and systems to develop detailed quantities of material, labor and equipment to construct the facilities. Cost estimators established crews and equipment, production rates and assumed work schedules. Once these were established, the cost estimators applied prevailing wage rates, material and equipment costs based on vendor and subcontractor quotations.

The cost estimate for the tunnels/shafts and remaining construction also includes the following:

- Engineering, quality control and environmental staff time required to manage subcontracts;
- Construction contractor's management, supervision and staff along with all support staff and expendables (office supplies, communications, utilities);
- General automotive expenses for management and staff; and
- General plant expenses including offices, warehouse, site roads and other administrative costs.

Overhead, profit and General and Administrative (G&A) expenses were calculated as 12 percent of the construction cost.

- C. **Contingency:** Contingency as a percent of construction was established at 35.6 percent, which is consistent with an AACEI design definition of 7.5 percent, and is consistent with the level of design completed for California WaterFix to date.
- D. **Land Acquisition:** The land acquisition cost of \$150 million was developed based on the number of acres for the surface footprint, staging, borrow and subsurface easements required for California WaterFix, multiplied by current market rate per acre. The costs include mineral rights, gas well relocation, due diligence and transaction costs. A 20 percent contingency for unknown expenses related to land acquisition is also included.
- E. **Mitigation Cost:** The project is carrying a mitigation cost estimate of \$800 million. This includes estimated costs for environmental commitments such as natural community protection, channel margin enhancement, tidal and riparian natural communities, grassland and non-tidal marsh restoration, natural communities management, localized reduction of predatory fish, protections for cultural and biological resources and air quality enhancements. The cost also includes program administration, monitoring of

terrestrial and aquatic species, and property tax revenue replacement. In addition, a 35 percent contingency was added to account for unknown expenses/scope related to this project component.

PROJECT SCHEDULE

The current high-level program summary schedule is presented in Figure 8. The schedule is primarily based on the information in the 2015 Conceptual Engineering Report as well as other available data for similar large-scale construction projects. The schedule includes estimates of 12 to 15 months to fully staff the DCA, up to four years to complete the design phase and about 13 years to complete construction. Once the DCA is established and the design is advanced, the design and construction teams would look for opportunities to reduce the overall schedule.

Upon project authorization, detailed schedules would be prepared for various project activities, based on the detailed Work Breakdown Structure (WBS) and applicable project documents. These detailed schedules would identify major milestones, time-sensitive areas and critical path activities. Any issues that have a real or potential impact on the schedule would be highlighted and would include the source of the issue and any mitigation measures taken to minimize or eliminate the impact. Schedule reports would be issued on a regular basis (at least monthly), as determined during program start-up.

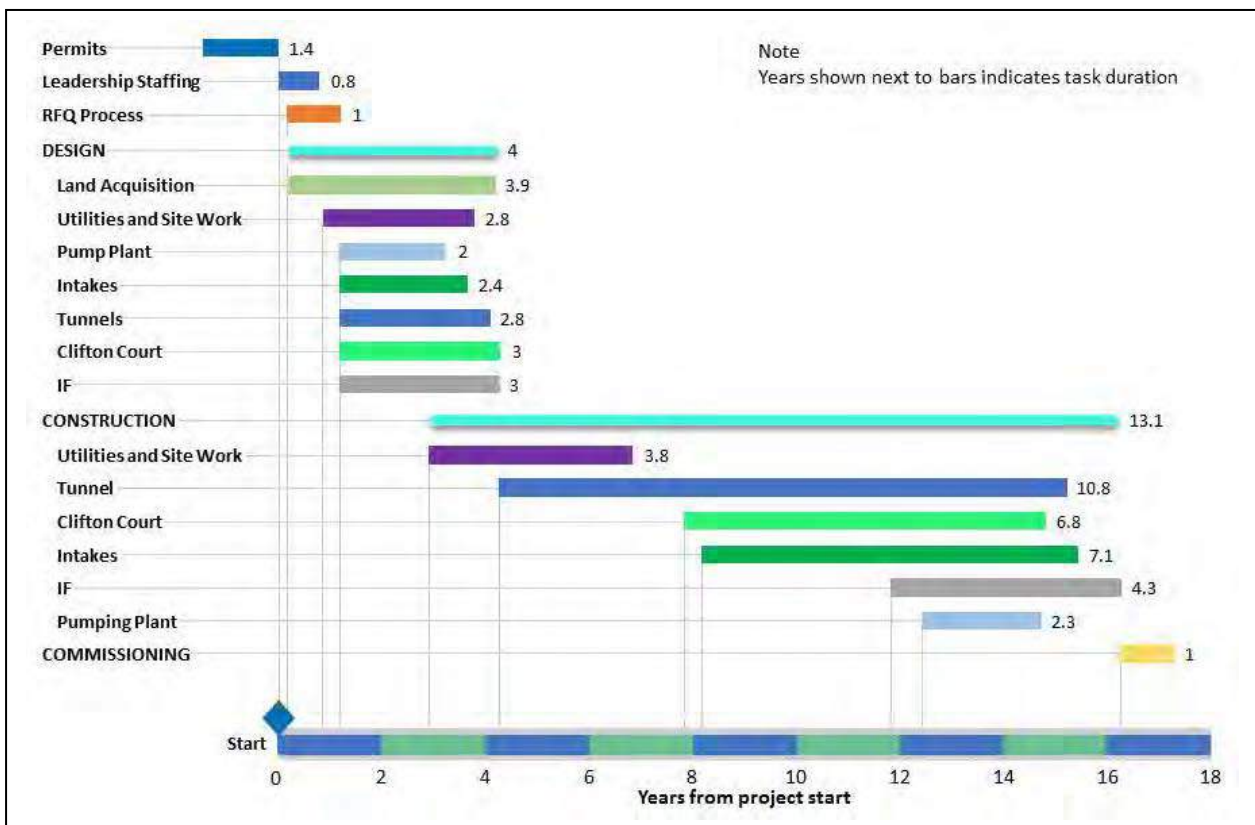


FIGURE 8: CALIFORNIA WATERFIX PROGRAM SUMMARY SCHEDULE

Key Risk Areas

Two key risk areas related to design and construction have been identified during the planning process for California WaterFix: the program's management structure –specifically, the ability of the program's management team to control cost and schedule– and the overall constructability and operation of the infrastructure. Table 2 summarizes the risk areas and provides a structure that includes tools to mitigate the risk associated with each area:

TABLE 2: KEY RISK AREAS AND MITIGATION TOOLS

Key Risk	Tools to Mitigate the Key Risk
Management for Cost and Schedule Containment	<ol style="list-style-type: none"> 1. Forming the DCA as a new and separate purpose-driven organization with responsibility to implement the design and construction of California WaterFix. 2. Establishing key functions within the DCA structure that focus on critical areas, including: <ul style="list-style-type: none"> • <u>Risk Management</u>: Would ensure that all program risks are identified, tracked and mitigated throughout all phases of the program; • <u>QA/QC</u>: Would ensure that all design and construction work is conducted in strict accordance with program quality objectives; • <u>Internal Audit</u>: Would implement a continuous audit program to ensure that all program participants adhere to program policies, practices and protocols; • <u>Program Controls</u>: Would provide real-time budget, cost and schedule reports to the program teams and to the auditor on an as-needed basis; and • <u>Cost Estimations</u>: Would provide new cost estimates on an as-needed basis and review cost information prepared by project designers and change order requests from contractors.
Infrastructure Constructability and Operations	<ol style="list-style-type: none"> 1. Simplifying the configuration of the overall program infrastructure to utilize standard design and construction methodologies; 2. Utilizing gravity-fed operations when possible to simplify long-term system operation and reduce overall operational costs; 3. Where possible, locating key project features on publicly-owned properties to enhance access during construction and operation; 4. Establishing key construction work sites near existing, well-established transportation routes; 5. Utilizing tunnel boring machines consistent with current construction industry standard practices to reduce overall construction risks; 6. Stockpiling material excavated from tunnel construction in such a manner that the material would be potentially available for future Delta restoration projects; 7. Reducing the number of program facilities to be constructed near existing population centers or in environmentally sensitive areas such as wetlands; 8. Reducing the size of facilities and/or eliminating some facilities to reduce overall system complexity and cost; 9. Consolidating three pumping facilities into a single combined facility at Clifton Court to simplify construction and operational activities; and 10. Implementing a well-planned and thorough geotechnical investigation program as part of the preliminary and final design process for facilities.

Delta Conveyance Design and Construction Joint Powers Authority

The design and construction of California WaterFix would be managed under contract with DWR through a proposed Delta Conveyance Design and Construction Joint Powers Authority designated the Design and Construction Authority, or “DCA.” This approach was successfully used in the mid-1990s when DWR contracted with the Central Coast Water Authority to design and construct a portion of the Coastal Branch of the California Aqueduct. The Central Coast Water Authority was established as a public entity organized under a joint exercise of powers agreement and constructed water treatment and conveyance facilities to bring State Water Project supplies to Santa Barbara and San Luis Obispo counties.

In coordination with DWR, the DCA would design, construct and deliver completed California WaterFix facilities to DWR upon completion of system commissioning. The DCA would be a public agency, organized as a special purpose public agency pursuant to the Joint Exercise of Powers Act, consisting of certain public water agency members. A detailed agreement between DWR and the DCA would govern the roles and responsibilities of the parties to carry out the design and construction of California WaterFix. The overall goal of the DCA would be to safely design, construct and deliver the project on time, on budget and in accordance with approved specifications, while managing risk prudently.

Recognizing DWR staff resources are stretched to an extreme level due to the necessary commitment to complete significant repairs to the Oroville Reservoir spillways as a result of damage during heavy runoff in 2017, there is a need to employ different but proven approaches to pool resources for the design and construction of California WaterFix. Staff resources are needed for a period of about 13 to 17 years and would ultimately be reduced at the end of construction. Pooling experienced expertise in a manner that avoids the need to hire significant additional new staff at DWR is prudent. In any major infrastructure process, there is a period of acquiring needed additional staff, and then once the project approaches completion, there is a period of downsizing. Utilizing the DCA to pool experienced resources to manage activities and contractors is preferable and can avoid the expansion and contraction of staff at DWR. The DCA would sunset as California WaterFix is completed.

ORGANIZATIONAL STRUCTURE

The anticipated organizational structure is shown in Figure 9 and the responsibilities of the offices within the structure are described below.

Note: The assumed organizational structure is based on a 2016 Draft Agreement Regarding Construction of Conveyance Project between the Department of Water Resources and the Conveyance Project Coordination Agency, which will no longer be executed. Nonetheless, it is expected that much of the organizational structure and functions described in that agreement would be adopted by the DCA.

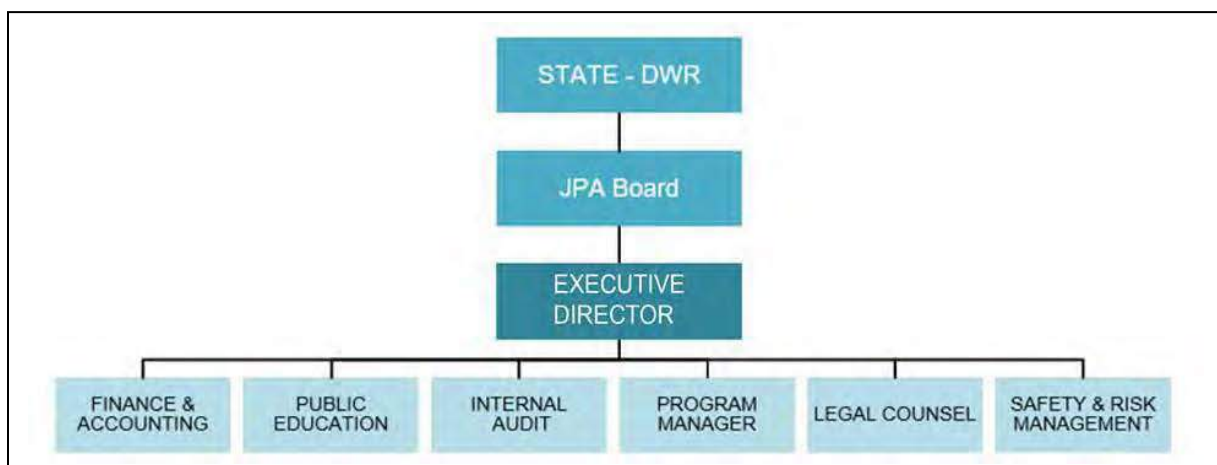


FIGURE 9: ORGANIZATION CHART

Executive Director

The Executive Director would be the single point of accountability to the Board of Directors for delivery of the program design and construction. The Executive Director would set the overall direction of the program, coordinate all program execution with the Program Manager and Chief Engineer and ensure activities are on schedule, within budget and adhere to specifications. In addition, the Executive Director would lead external interactions and administrative support functions of the program organization and interaction with the DCA directors and DWR.

Program Manager

The Program Manager would be responsible for all functions directly related to delivery of the facility. The Program Manager would:

- Provide program leadership, management and direction to ensure the design is completed according to the preferred project identified in the final EIR/EIS and consistent with mitigation requirements and plans;
- Establish and approve detailed program scope, schedule and budget activities;
- Be responsible for implementing team plans, staffing levels and setting team responsibilities;
- Ensure coordination and cooperation between teams; and
- Represent the program in interactions with the Board, DWR and external stakeholders as needed.

Finance and Accounting

The Finance and Accounting group would manage cash flow requirement forecasts, monitor program funding and handle payments.

Public Education

A dedicated Public Education group would initiate, coordinate, monitor and report on local public outreach and support DWR's Public Affairs Office on program related matters.

Internal Audit

The Internal Audit group would assure conformance with approved processes and procedures. It would also review the various team actions/documents, develop monitoring and audit reports, review corrective action plans and verify corrections.

Legal Counsel

The Legal Counsel would provide the program with legal direction and ensure compliance with applicable laws and regulations. They would also review each Request for Qualifications (RFQ), entity agreements, contracts, task orders and scope of services to assess compliance.

Safety and Risk Management

The Safety and Risk Management team would minimize program risks to control costs and schedule. In addition, the team would identify the program insurance requirements and enforce safety program requirements.

Workgroups

In addition to the above organizations, it is anticipated under the DCA structure that multiple workgroups would be formed from time-to-time to address specific aspects of the project. Workgroups would include a Technical Review Workgroup for purposes of reviewing and resolving technical design issues at the staff level. The workgroups would be focused in nature and may be formed and dissolved depending upon the subject matter and project status.

PROJECT GOVERNANCE

The DCA would be responsible for delivering the project in accordance with baseline specifications for the project, including design specification, budget, schedule and mitigation obligations. As design work progresses, changes to the baseline specifications would be requested by the DCA at its discretion for approval by DWR. In addition, certain “material changes” on the project would require DWR approval. These include:

- A. **Cost:** Any actions that cumulatively could cause more than a 5% increase in budgeted costs for each major design feature or management item;
- B. **Schedule:** Any actions that could cumulatively add 6 months to the approved project schedule;
- C. **Operation:** Any actions that could impact the water delivery capability, reduce project life, or significantly increase operations and maintenance costs of the project; and
- D. **Permits:** Any actions that could be inconsistent with, or would require an amendment of, a major permit for the project.

Coordination with DWR and Reporting

DWR’s Delta Conveyance Office would be responsible for managing the agreement with the DCA on behalf of DWR and be the DCA’s primary point of contact within DWR for all matters relating to project design and construction.

The DCA would provide detailed written reports at least monthly to DWR and the state and federal contractors regarding progress made toward completing the project, including 1) actual and forecasted expenditures, 2) the DCA’s review of expenditures and forecasts against the approved budget and 3) progress relative to the approved schedule. The DCA would prepare an annual report describing the DCA’s activities during the immediately preceding calendar year as well as project status. A draft of the annual report would be provided to DWR for review and comment.

Dispute Resolution

A Technical Review Workgroup would be used to resolve technical and design-related disputes within the DCA and between the DCA and DWR and material changes to baseline specifications. All other disputes would be resolved at the staff level if possible. If the dispute cannot be resolved through the Technical Review Workgroup or at the staff level, a defined meet-and-confer process would be used to consider options and determine whether agreement can be reached on the matter, with ultimate escalation to the Director of DWR and Executive Director for resolution.

At any time, DWR or the DCA may initiate a non-binding review process concerning the dispute. In this process, DWR and the DCA would form a three member panel of experts, with one panel member selected by DWR, one by the DCA and a third by mutual agreement of the first two panel members. If a dispute between DWR and the DCA cannot be resolved, the Director of DWR would make the final decision after considering the recommendations of the non-binding review panel, as well as any other relevant information concerning the issue.

Risk Management and Mitigation

RISK MANAGEMENT PROCESS

The goal of the risk management process for California WaterFix would be to identify problem areas early. Each identified risk would be evaluated for its potential impact to cost, schedule, quality and safety. Risks that have the potential to have a significant impact on any of these items would be highlighted. The Risk and Safety Management Team, in coordination with program staff, would develop a methodology to identify and quantify

specific risks to the project, determine their consequences and associated probability and develop mitigation strategies. The overall risk management process is summarized in Figure 10.



FIGURE 10: RISK MANAGEMENT PROCESS

The Safety and Risk Management Team would be responsible for initially identifying project risks, with input as necessary from other groups and teams. The focus would be on risks that could impact project scope, schedule or budget, with each identified risk being added to a Project Risk Register for further discussion and evaluation. The Risk Register would be the basis for developing a “Risk Dashboard,” which would provide a simplified list of high-priority risks, a summary of the associated action plan and a summary of any known impacts. If a risk moves from “potential” to “actual,” the risk would become part of the Project Change Authorization process and incorporated into the project estimate.

DESIGN, CONSTRUCTION AND OPERATION

A number of critical issues related to the design, construction and operation of California WaterFix were investigated and addressed through the course of the planning and conceptual engineering efforts. These issues included the following:

1. The ability to successfully design and construct large tunnels;
2. The suitability of facilities to withstand anticipated seismic events that may occur in the Delta;
3. The risk of flooding and future sea level rise in the Delta;
4. The potential for various tunnel-related issues, including leakage, surface settlement and tunnel induced vibrations; and
5. The risks associated with levels of understanding regarding Delta geology.

Each issue and potential mitigation measures are described below.

Large Tunnels: As part of planning and conceptual engineering for California WaterFix, the engineering team performed a survey of large-diameter tunnel projects to determine if other large tunnel projects used TBMs similar in size to the 45-foot diameter machines that would be used as part of California WaterFix. The survey confirmed that numerous large-diameter (greater than 40 feet) soft-ground TBM projects have been successfully performed throughout the world and that several more large-diameter tunnel projects are planned in the near future. The survey results confirmed that the proposed California WaterFix TBMs are well within the existing industry knowledge and experience.

A separate survey was undertaken to gain a better understanding of recent challenges on large tunnel projects and to identify best management practices to ensure project success. This survey attempted to identify tunnel projects that were similar to California WaterFix tunnels in key areas such as design, construction and project management in order to anticipate and manage similar issues that could occur. A total of nine projects were surveyed, including projects in the United States, Asia and Europe. Each of these projects is well documented by media and industry coverage, and each has been recently completed or is considered substantially complete from a tunneling perspective. The survey results provided valuable lessons-learned that would be evaluated as part of the design process for California WaterFix, including the following:

- Extensive and high quality geotechnical information is the key for success on any tunnel project; and
- A proactive risk identification and management program is critical to success of large- or mega-projects.

Tunnel Leakage: The segmented lining system to be used for California WaterFix tunnels would be designed to withstand the maximum internal pressure calculated for the conveyance system, which is anticipated to be present in the northern-most reaches of the tunnel system, as well as all applicable static and ground loads. The individual segments would be fitted with embedded gaskets that would be compressed against one another as the tunnel rings are constructed. The installation of the tunnel segments, along with the compression of the gaskets during the tunnel ring building process, would be designed and constructed to minimize inflows or outflows from the tunnel under a wide range of operational and maintenance conditions.

An assessment completed in February 2017 of the potential leakage rates from the tunnels concluded that there would be negligible leakage from the tunnels or inflow to the tunnels. In fact, when taken as a complete system, it is estimated that there would be a net inflow of 3 cfs to the tunnel over the roughly 73.5 miles of project tunnels, or an inflow rate of 18 gallons per minute per mile of tunnel. Inflow to the tunnels and leakage from the tunnels calculated based on anticipated conditions for filling, dewatering and operation are anticipated to be minimal and well within typical ranges for tunnels of the size and length proposed for California WaterFix.

Tunnel-Induced Ground Vibration: California WaterFix tunnel alignments pass under or near sensitive surface structures such as historic buildings, levees, aqueducts and residential communities. In these locations, it is anticipated that the proposed tunnels would be constructed a minimum of 100 feet below ground. That depth would ensure that material over the tunnels would dampen and absorb any energy generated during tunneling and construction activities. Induced vibration to structures should be minimal and would not likely be perceptible to the communities on the surface and is not anticipated to have any impact on any of these structures.

Surface Settlement Along the Tunnel Alignment: California WaterFix would use the following to mitigate the risk of settlement effects and structural damage:

- Detailed geotechnical exploration;
- Pre-construction surveys for critical and settlement-sensitive facilities, utilities and surface features;
- Development and implementation of acceptable tunneling protocols and permissible settlement criteria;
- Real-time sophisticated TBM control and monitoring systems;
- Improved structure protection methodologies, including pre-excavation grouting; and
- Advanced ground settlement and vibration monitoring systems.

Seismic Considerations and Mitigation: Preliminary modeling of active and potentially active earthquake faults in the region was developed and evaluated as part of the Delta Risk Management Strategy (DRMS) study conducted in 2007. The results of this study are summarized below.

- Tunnel Alignment:** The proposed Delta tunnel alignment does not cross any major fault rupture or creep zones.
- Seismic Sources:** Potential seismic sources in the form of “blind” faults were identified. These blind faults have no surface features and limited information or data is available to characterize these fault zones.

- C. **Ground Motion Estimates:** Estimates of potential ground motion during a seismic event were developed as part of the conceptual engineering studies based on a 1,000 year event (85th percentile) and adjusted for buried tunnel lining systems.
- D. **Liquefaction:** Liquefaction was investigated, primarily as it would potentially affect surface facilities such as intakes, forebays, pumping stations and tunnel shafts. Studies indicate the deep tunnels would not be subject to liquefaction potential because they would be constructed below the elevation where liquefiable materials occur.
- E. **Lined and Grouted Tunnels:** Studies indicate that lined and grouted tunnels, such as those utilized in California WaterFix, perform better than unlined tunnels. Performance can be further enhanced by improving the contact between the liner and the ground (grouting of annular space between the liner and the surrounding soil).

Based on the results of the studies already conducted, seismic mitigation would be addressed as follows:

- For surface facilities and tunnel shafts, additional geotechnical investigations would be conducted on a site-specific basis to gain a more complete understanding of the expanse and depth of liquefiable material at each site. Based on the investigation results, appropriate design and construction methodologies would be used to eliminate or minimize the impacts of liquefaction on surface facilities.
- Additional field explorations and design solutions, including finite element modeling of the tunnels and shafts, would occur in the design phase of the project. These measures would address any seismically induced liquefaction or deformation potential at the specific locations where the tunnels connect to the shafts.
- The tunnel design concept includes the use of precast segmental lining systems. This system was selected because the same concept has been successfully used on an extensive basis in seismically active areas such as Japan, Puerto Rico, Taiwan, Turkey, Italy, Greece and the United States since the 1980s. Results of segmentally lined tunnel performance in seismic events show the tunnels would perform very well during and after such an event.

Geotechnical Considerations and Mitigations

The Delta is an arm of the San Francisco Bay estuary that extends into the Central Valley. The geology of the Delta has been shaped by the landward spread of tidal environments resulting from sea level rise after the last glacial period. Since the last glacial age, flood-borne deposits, supplied by the major river systems in the Delta, have overlaid the region with sediment deposits and biomass accumulations. Taken together, the region, prior to the advent of agricultural interests in the late-1800s, was largely a tidal wetland and alluvial floodplain consisting of consolidated silts, sands and clays overlain with peat and peat muds.

During the development of the planning documents for California WaterFix, approximately 240 boring and cone penetrometer tests were conducted at the intakes, forebays and along the various conveyance alignments. Most of the investigations were conducted at depths between 100 and 200 feet, well within the foundational depth of planned facilities, including the tunnels and pump plants. Based on these investigations, and the use of existing historical information on the Delta, a preliminary geologic understanding of the Delta in the vicinity of California WaterFix facilities was developed.

At tunnel depths ranging from 100 to 150 feet below the ground surface, dense layers of silts, sands and clays are anticipated. This material would be suitable for the planned tunneling activities. At the ground surface, widely varying depths of peat and other organic material are expected. Data indicates that depths of peat in the Delta along the alignment vary from non-existent to about 40 feet deep, with the deepest deposits located in the center of the Delta near Bouldin, Venice and Mandeville islands. Construction in peat conditions would require specialized design approaches because of the unstable nature of the material.

In some locations along the alignment, there are geotechnical data gaps of several miles, due to the inability to gain access to private property during the planning phase of the project for geotechnical investigations. To

mitigate these data gaps and other known uncertainties related to geology along the alignment, the project would rely on existing information, along with the implementation of a new two-phase geotechnical investigation program. Under this multi-phased investigation plan, up to 2,000 additional investigations would be conducted, consisting of borings, cone penetrometer and other physical data collection methods. The initial phase of the effort would focus on determining if variations exist in what otherwise appear to be relatively consistent subsurface conditions. Based on the findings from the first phase of work, additional investigations are planned to fine-tune information and gather sufficient information so that accurate estimates of subsurface construction methods and costs can be determined. Additionally, this information would be used to finalize methods to successfully address constructing in ground conditions that are overlain with peat and contain high groundwater levels.

Flood Protection Considerations

Flood protection for California WaterFix facilities would be consistent with DWR's *Proposed Interim Levee Design for Urban and Urbanizing Area State-Federal Project Levees* (DWR 2009). The conceptual engineering completed to date includes plans that the facilities would be engineered and designed to withstand water level rise resulting from both a 200 year storm event plus sea level rise of 18 inches in the Delta. This sea level rise estimate corresponds with 55 inches of sea level rise at the Golden Gate that has been used in the State's long term planning criteria over the next 100 years. Such protection would be provided by constructing the new facilities at elevations above those identified for flooding or sea level rise through a combination of raising and strengthening levees in all project construction locations, as well as other embankment and equipment pad layouts and elevations.

ENVIRONMENTAL MITIGATION

Upon project approval, DWR will adopt a Mitigation Monitoring and Reporting Program (MMRP) that includes Avoidance and Minimization Measures, Environmental Commitments and Mitigation Measures to avoid or substantially lessen construction and operational impacts of California WaterFix. Mitigation may also be required to fulfill conditions in the biological opinions, CESA incidental take permits and other project permits.

California WaterFix is designed to mitigate its own construction impacts and for operations to not jeopardize any species listed under the Federal Endangered Species Act. This project and its mitigation complement other important state efforts to address the coequal goal of a restored Delta, including California EcoRestore, the Smelt Resiliency Plan and the Salmon Resiliency Plan.

PROJECT CONFIDENCE

As a component of the risk assessment process, and to assist with creating the budget contingency, the California WaterFix project team evaluated the risks associated with the project budget to establish a baseline confidence level that the project would be completed within the estimated budget. This is a common practice with large construction projects, with the resulting confidence curves being used as one of the factors in determining overall project risk.

For California WaterFix, Aldea Services developed confidence curves for a variety of different cost scenarios, ranging from base cost, which does not consider mitigation costs or risk, to a total cost that includes the base cost, risk, mitigation and inflation. The resulting confidence curves, which were based in part on the risk assessment workshops and probabilistic analyses conducted by Aldea Service and the project team, are presented below in Figure 11. The results of these analyses indicate a 75 percent confidence level that the project would be completed within the budget estimate, based on information available at this stage of the project. A typical confidence level for projects of similar scope and size is 60 percent; however, because of the size and complexity of the program; a more conservative confidence interval of 75 percent was targeted.

At a 75 percent confidence level, the chart in Figure 12 shows how the base costs (blue) along with risk costs (red) and inflation costs (purple) are distributed over the estimated construction period on a year-by-year basis. The risk (red) costs are a direct calculation from the risk analysis and inflation is based on the average inflation rate

over 20 years prior to the analysis and applied to the scheduled construction period. The chart is consistent with the risk adjusted cost estimate and schedule included in the conceptual engineering report. As funding is available, additional information would be gathered, the program would be refined during design and the risk management process would be adjusted to the charted confidence curves.

Table 3 shows the comparison between the risk adjusted cost at a 75 percent confidence level in the second column and the 5RMK construction cost estimate in the third column. The table also includes the results of Class 3 bottoms-up construction estimate prepared by Jacobs Engineering as a check estimate. Jacobs Engineering prepared its estimate independent of the 5RMK estimate. The 5RMK and Jacobs Engineering estimates include a contingency of approximately 36 percent. Program Management (PM), Construction Management (CM), and Engineering (ENG) costs are held constant at \$1.91 billion and land acquisition costs at \$150 million. This table used three separate estimates to show the program can be completed within the proposed budget of \$14.94 billion.



FIGURE 11: CONFIDENCE CURVES SHOWING 75% CONFIDENCE INTERVAL

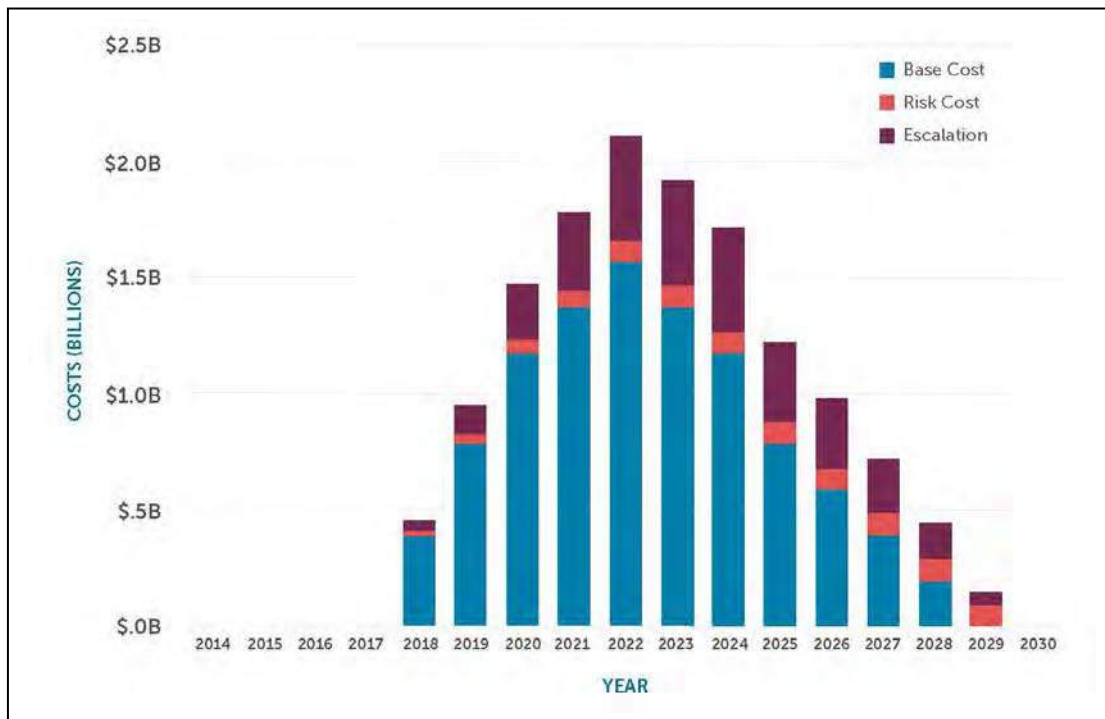


FIGURE 12: ANNUAL CONSTRUCTION EXPENDITURES FOR BASE, RISK AND ESCALATION

TABLE 3: COST COMPARISON, RISK ADJUSTED COST AT 75% CONFIDENCE LEVEL VS. INITIAL COST ESTIMATES

Item	(1) 5RMK Estimate (*),(**) (Billions)	(2) Jacobs Eng Estimate (*),(**) (Billions)	(3) Risk Adjusted Estimate with Mitigation at 75% Confidence Interval (*)(***) (Billions)
Construction	\$9.50	\$8.86	\$10.66
Contingency	\$3.38	\$3.15	
Construction Subtotal	\$12.88	\$12.01	\$10.66
PM/CM/Eng	\$1.91	\$1.91	\$1.91
Land acquisition	\$0.15	\$0.15	\$0.15
Grand Total	\$14.94	\$14.07	\$12.72

(*) Program estimates in 2014 dollars
 (**) ~36% Contingency on construction for 5RMK and Jacob Engineering estimates
 (***) Based on risks known at time of assessment

Conclusion

Note: This is first of three policy white papers related to California WaterFix. The second white paper will address the operational aspects of California WaterFix as well as potential water supply and risk mitigation measures related to operational requirements and regulations. The third white paper will focus on how California WaterFix can be financed through different funding mechanisms and the allocation of costs between state and federal contractors and between the State Water Project contractors.

The reliable and continued supply of high quality water through the Delta faces many risks, including fishery declines, earthquakes, floods and rising sea levels. Despite previous actions and efforts by local, state and federal entities to address these issues, as well as other challenges in the Delta, the region's ecosystem has continued to decline. California WaterFix addresses these long-standing issues by providing a pathway to reliable water supplies with infrastructure that is designed to withstand earthquakes and adapt to flood and rising sea levels, while protecting habitat, species and the Delta ecosystem.

The project has undergone an unprecedented level of public review, comment and scientific input. Extensive analyses and risk assessments have been conducted to better understand and mitigate risks commonly associated with infrastructure projects of this size. For California WaterFix, the key risk areas have been identified, and tools to mitigate these risks have been incorporated into the project's risk management process.

In addition to meeting the needs of the state, California WaterFix as presented meets all of the Delta Conveyance Criteria adopted by Metropolitan's Board in 2007.

Metropolitan's 2015 Integrated Resources Plan Update, as adopted by Metropolitan's Board in 2016, includes a goal to stabilize SWP supplies, to pursue a successful outcome in California WaterFix and to establish efforts for long-term average supplies of about 1.2 million acre-feet. The proposed project is expected to achieve this goal.

The physical project meets the attributes of a potentially successful project based on staff analysis and comparison to the Board's Delta Conveyance Criteria. The proposed program management has evolved in a way to increase staff confidence in the ability to minimize and manage risks.



Modernizing the System California WaterFix Infrastructure

Special Committee on Bay-Delta
Water Planning and Stewardship Committee
Item 2a, July 10, 2017

Board Review Process

- Process
 - White Paper Presentations
 - Workshop
 - Board Action
- Three white papers
 - Infrastructure
 - Operations
 - Finance/Cost Allocation
- Focus of today

MODERNIZING THE SYSTEM:

California WaterFix
Infrastructure





Metropolitan's Board Policy 2007 Benchmarks for a Delta Solution

- Provide water supply reliability
- Enhance ecosystem habitat throughout Delta
- Allow flexible operations in dynamic fishery environment
- Improve water quality
- Reduce seismic risks
- Reduce climate change risks

State Water Project



History

- 1931 – State Water Plan
- 1933 – CVP Act
- 1971 – First delivery
- 1994 – Bay Delta Accord
- 2000 – CALFED
- 2017 – Cal WaterFix

Facilities

- 19 Dams & Reservoirs
- 20 Pumping Plants
- 10 Power Plants
- 662 Aqueduct Miles



Subsidence



Fishery Declines

Delta Risks



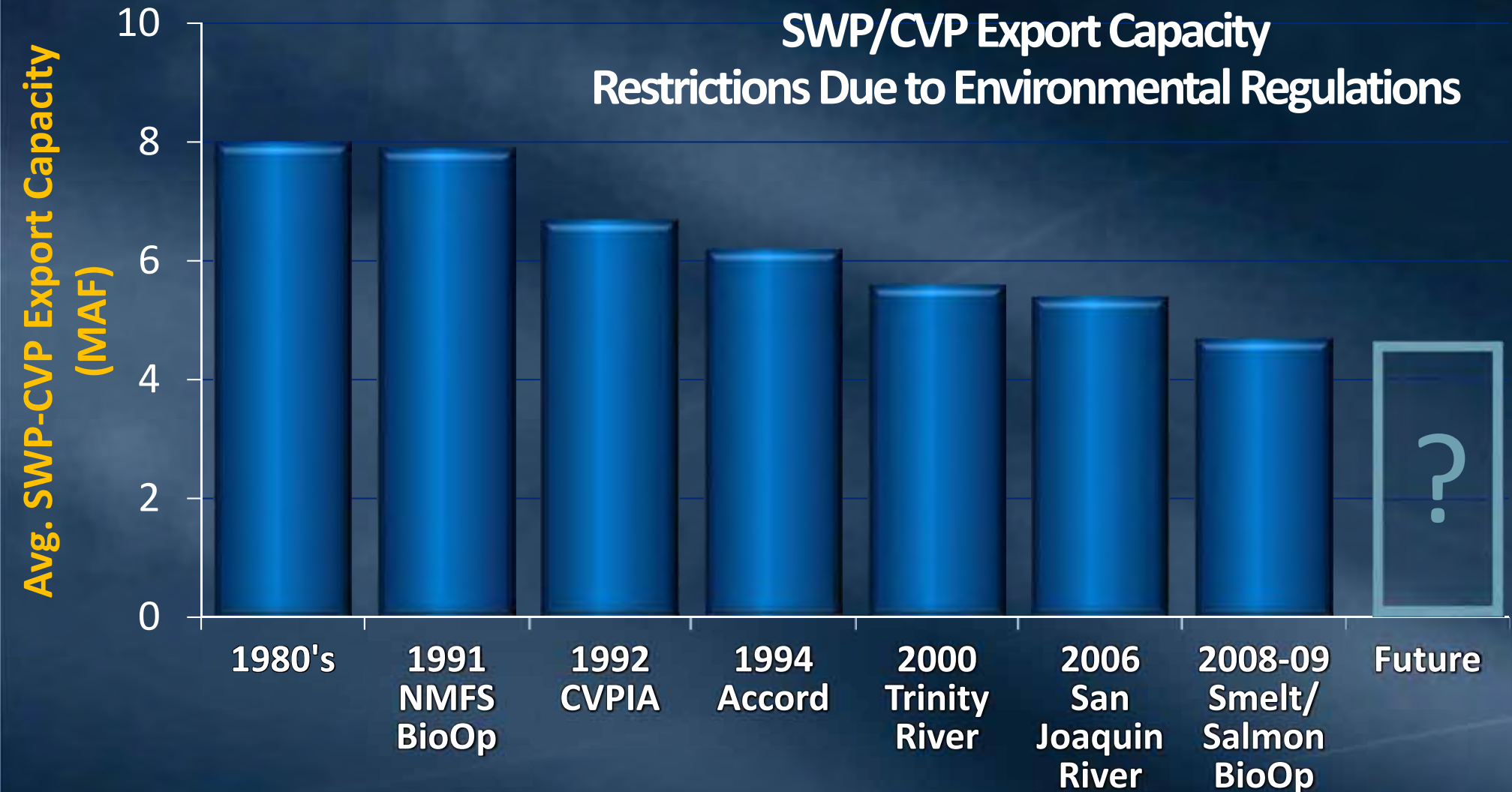
Seismic



Sea Level Rise

State & Federal Project Supplies

History of Regulatory Restrictions



Four Decades of Analysis

21st Century Approach



Above ground

21,800 cfs diversion

Mitigation only

Regulatory only approach

Below ground

9,000 cfs diversion

Mitigation plus
CA EcoRestore program

Science & adaptive
management

Board Review Process

- Focus of today
 - What is the physical project?
 - Is the project constructible?
 - How can risk be managed and Metropolitan's interests be protected?

MODERNIZING THE SYSTEM:

California WaterFix
Infrastructure



July 10, 2017

An aerial photograph showing a winding waterway, possibly a canal or river, with a dirt road and some vegetation along its banks. The water is dark blue, and the surrounding land is a mix of green and brown. The title "California WaterFix Infrastructure" is overlaid in large, bold, yellow text.

California WaterFix Infrastructure

Presentation Objective

- What is the physical project?
 - Project features
- Is the project constructible?
 - Project comparisons
 - Schedule and cost
- Can we manage risk & protect Metropolitan's interests?
 - Risk management approach
 - Design and Construct Authority

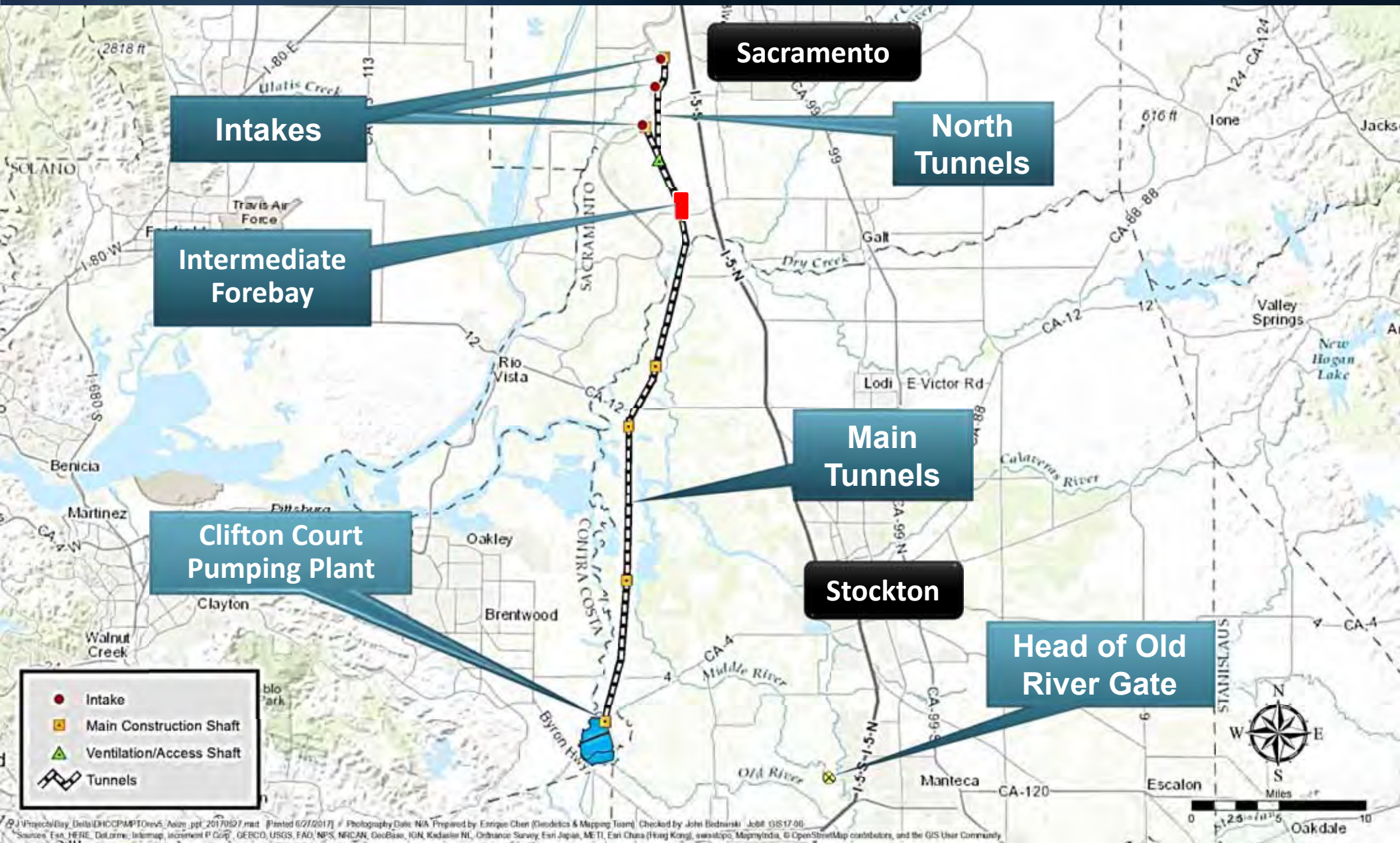
An aerial photograph showing a winding waterway, possibly a canal or a river, with a dirt road or path running alongside it. The water is dark blue, and the land is a mix of green vegetation and brownish soil. The text "What is the physical project?" is overlaid in a large, bold, yellow font.

What is the physical project?

California WaterFix – Physical Features

- North Delta
 - North Delta Intakes
 - North Tunnels
 - Intermediate Forebay
- Main tunnels
- South Delta
 - Clifton Court Pumping Plant
 - Clifton Court Forebay Modifications
 - Head of Old River Gate

California WaterFix - Overall Program



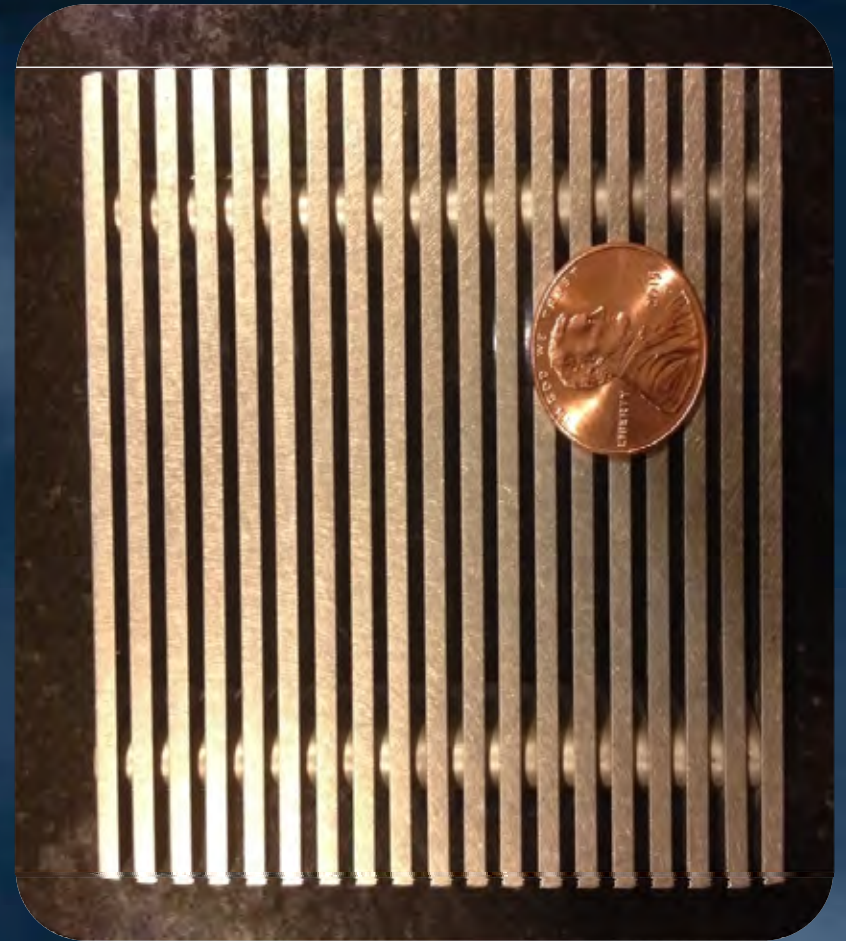
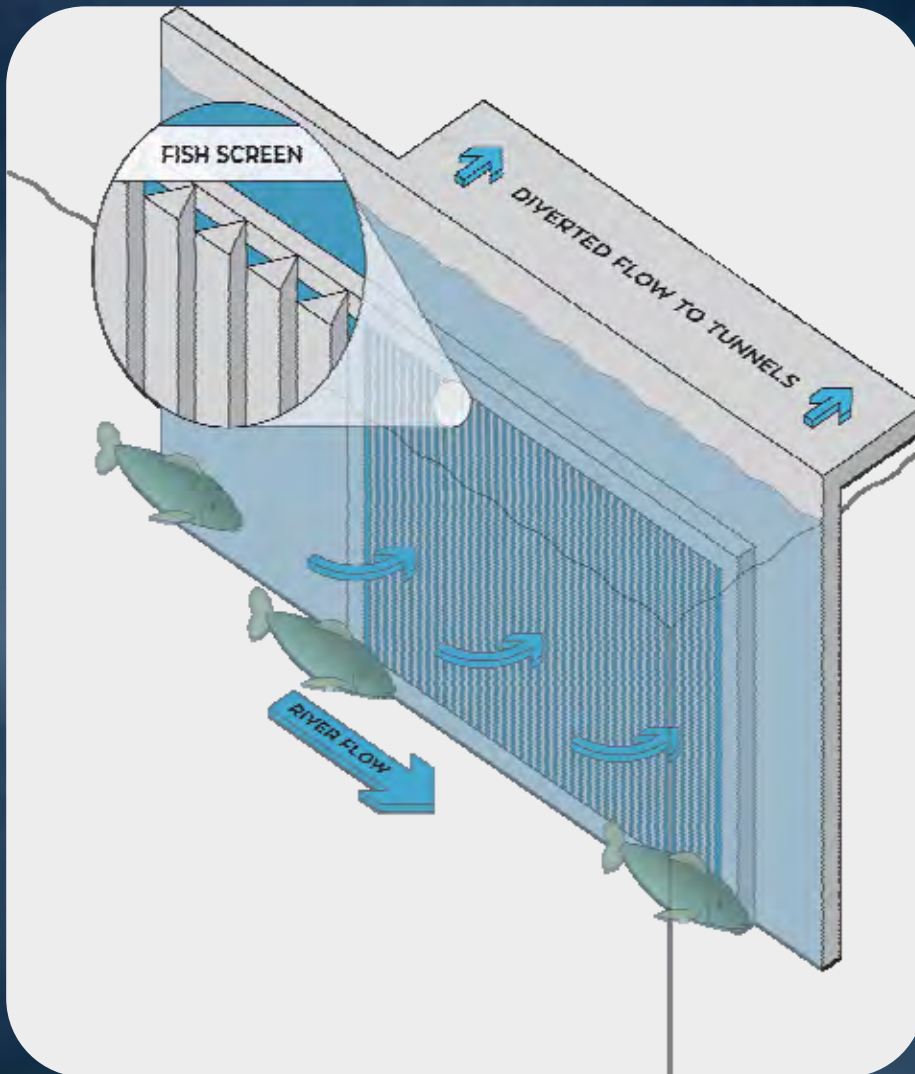
River Intake Locations



River Intakes



Designed to Protect Fish

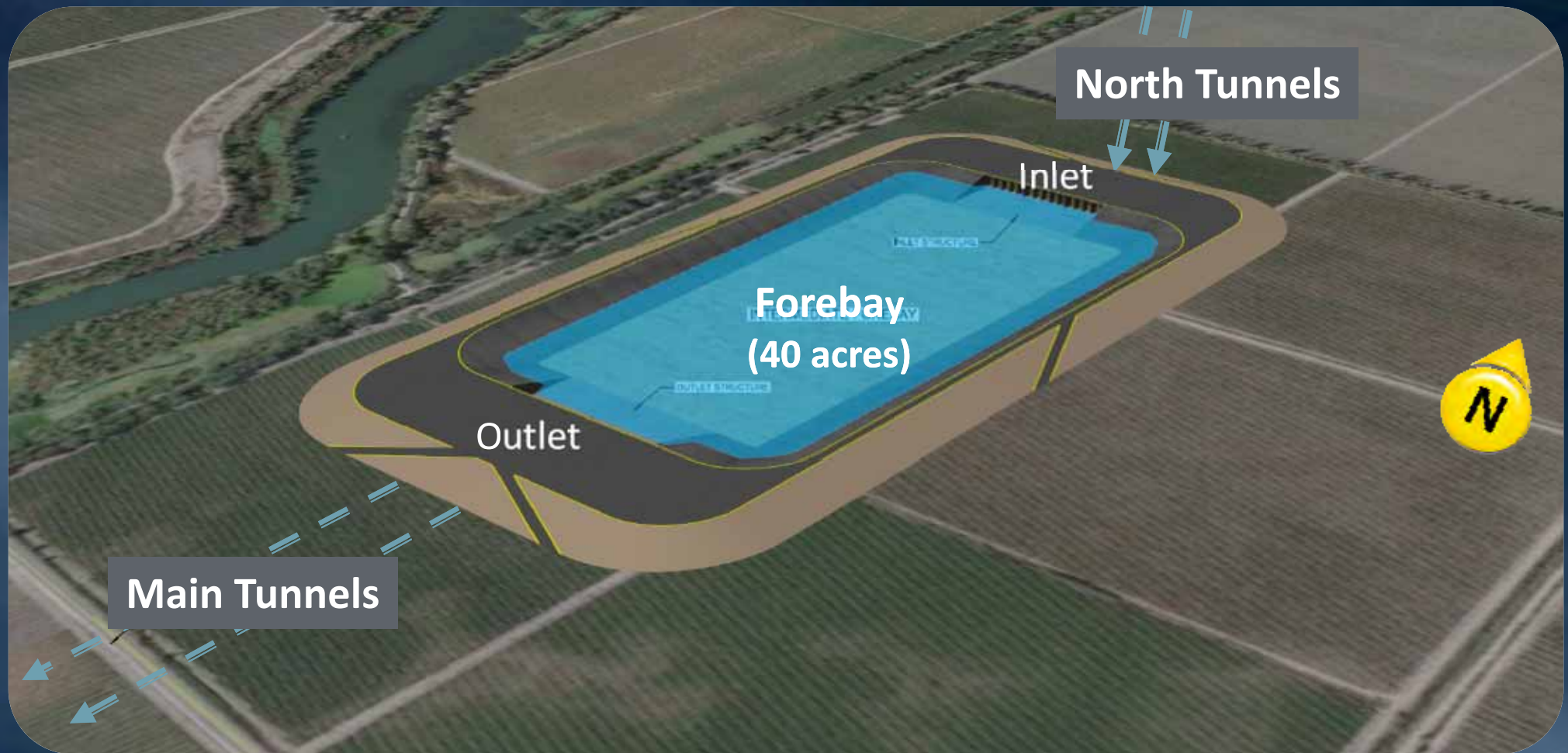


Screen spacing – 1.75mm
Flow approach velocity = 0.2 ft/sec

North Tunnels

- Three tunnel reaches
- Total 13.5 miles of tunnel
- Two 28-foot tunnels
- One 40-foot tunnel
- Collect water from intakes, deliver to intermediate forebay

Intermediate Forebay

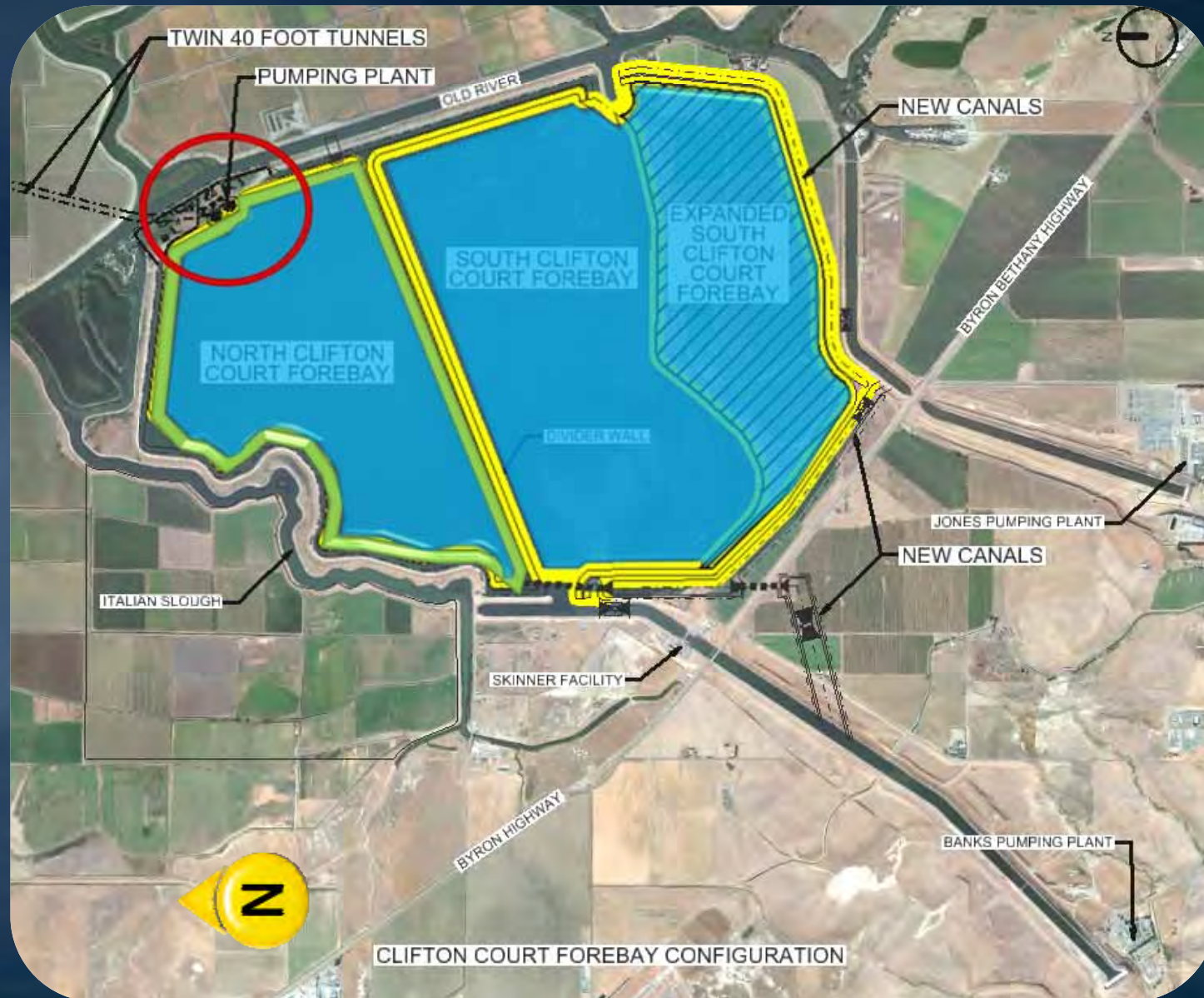


Main Tunnels

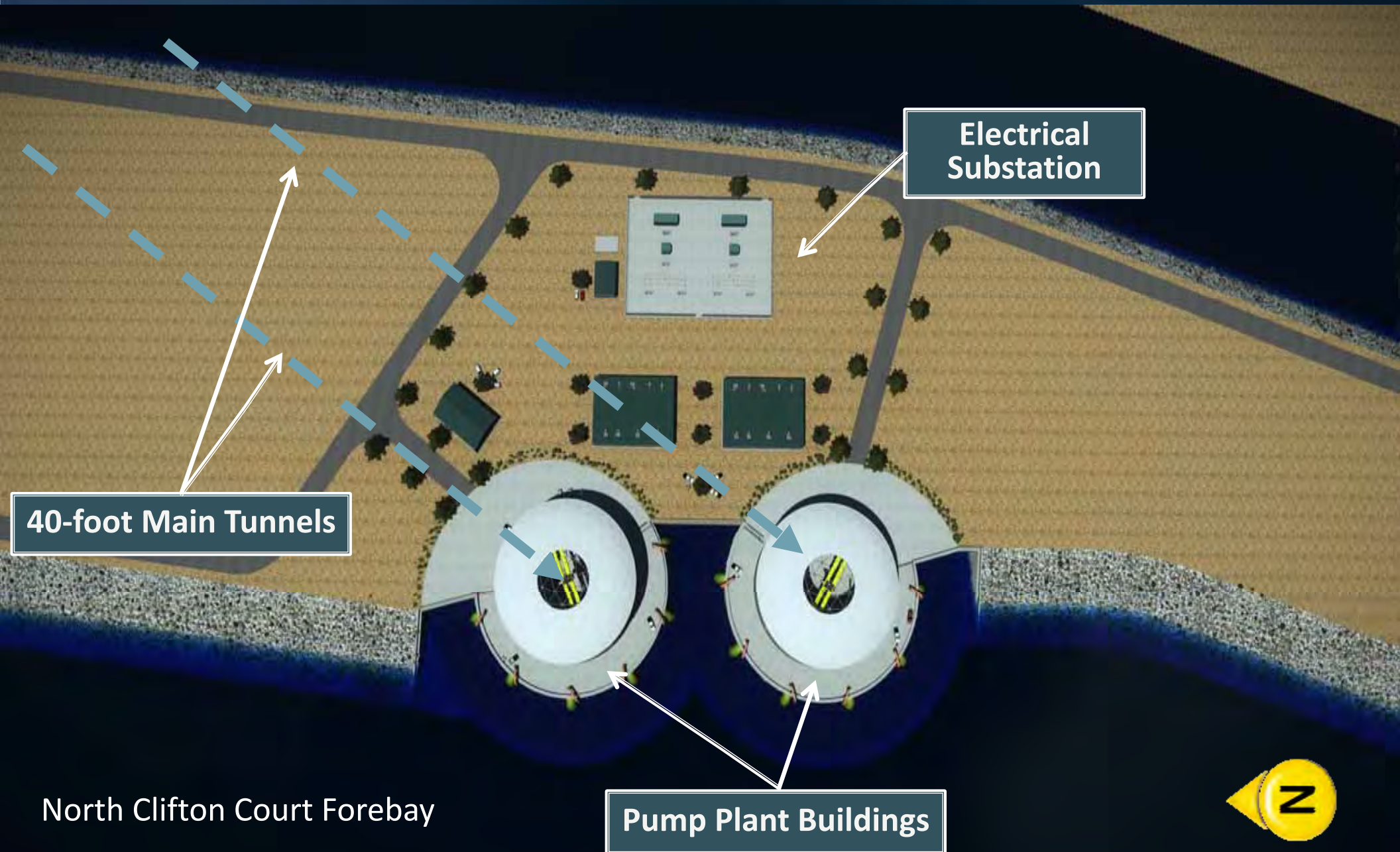


- Twin bore main tunnels
- 30 miles long each
- 150 ft below grade
- 2-foot thick concrete liner
- Pressurized face tunnel boring machine
- ± 45 -ft excavated diameter
- 40-ft internal diameter

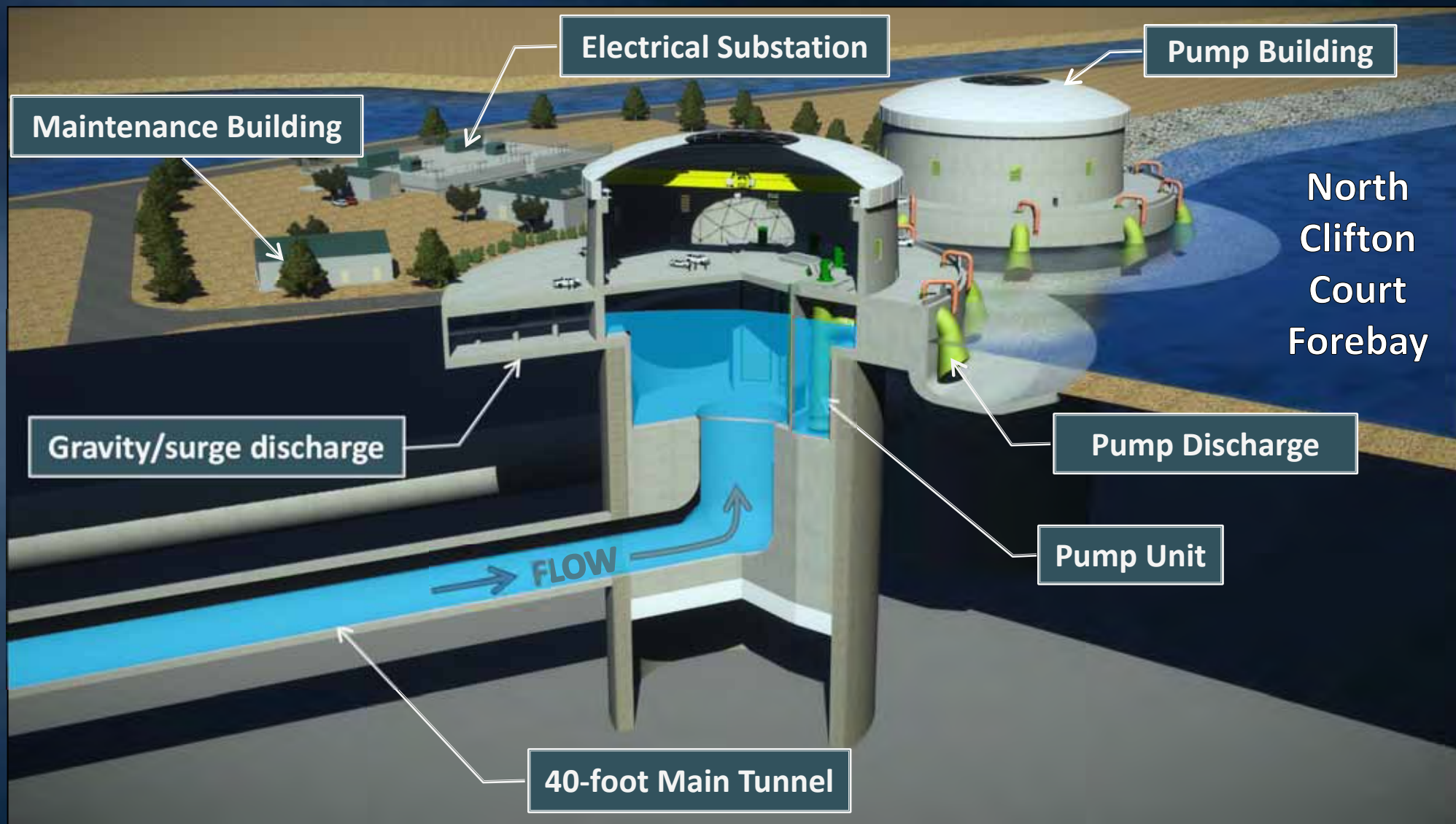
Clifton Court Forebay – Expansion

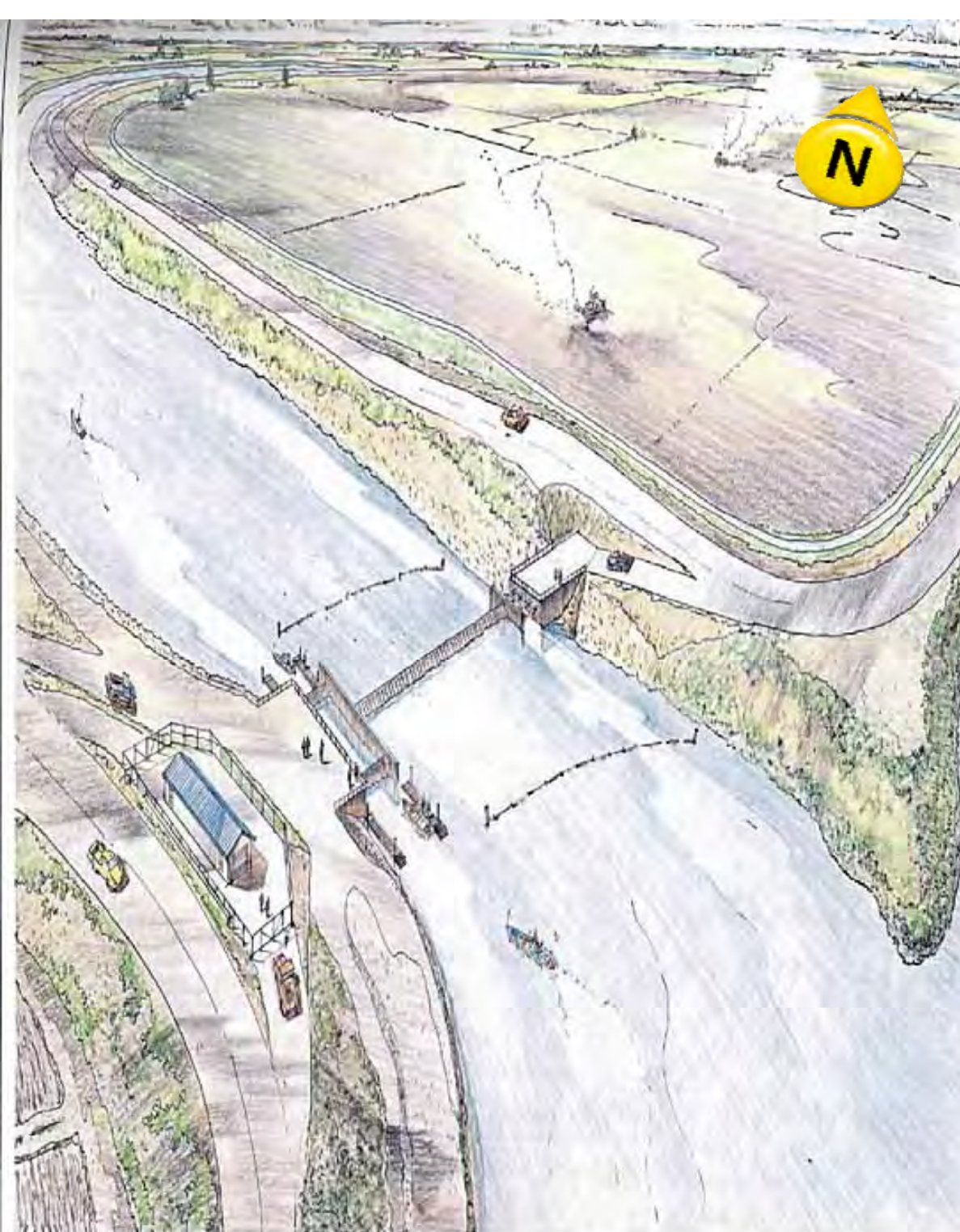


Clifton Court Forebay – Pump Plants



Clifton Court Forebay – Pump Plants





Head of Old River Operable Gate

- For fish protection
- Replaces rock barrier
- Allows real-time operation

An aerial photograph of a large body of water, likely a bay or delta. A narrow, winding strip of land, possibly a levee or a proposed project area, runs through the water. This strip is highlighted in a bright yellow color. The land strip has some vegetation and a road or path running along its length. The water is a deep blue color. The text "Is the project constructible?" is overlaid in a bold, yellow font on the right side of the image.

Is the project constructible?

Approach to Program Constructability & Management

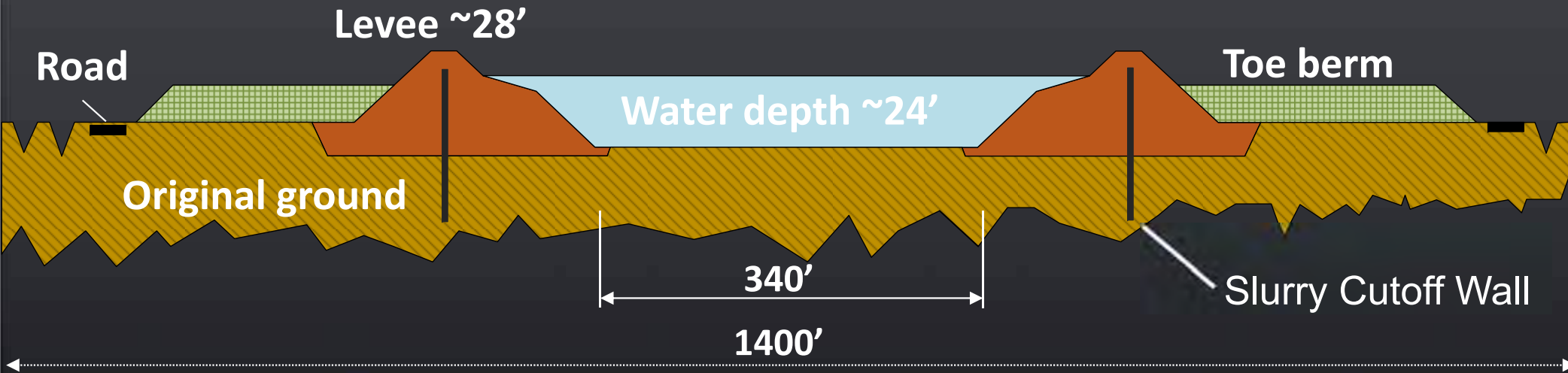
- Understand complexity of the program
- Establish an appropriate management structure
- Develop confidence in cost estimates
- Assess and manage program risks

Project Modifications and Mitigation

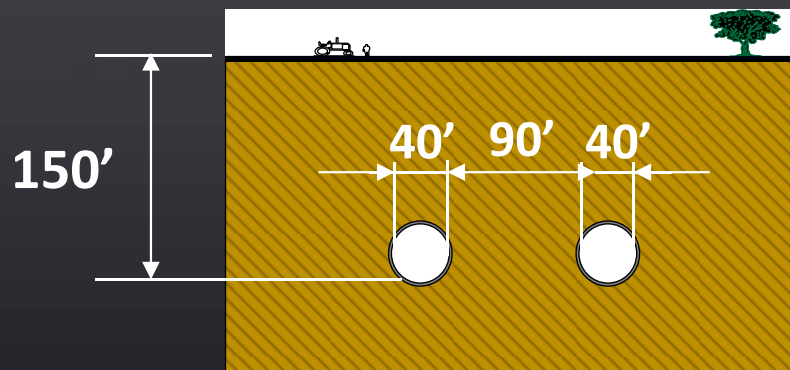
- Minimized environmental footprint
- Reduced impacts to Delta communities
- Maximized use of public lands
- Reduced overall size of program
- Provided for gravity flow of diversions

Reduced Footprint - Cross Sections

Original Proposal – Open Canal



Current Proposal – Underground Tunnels

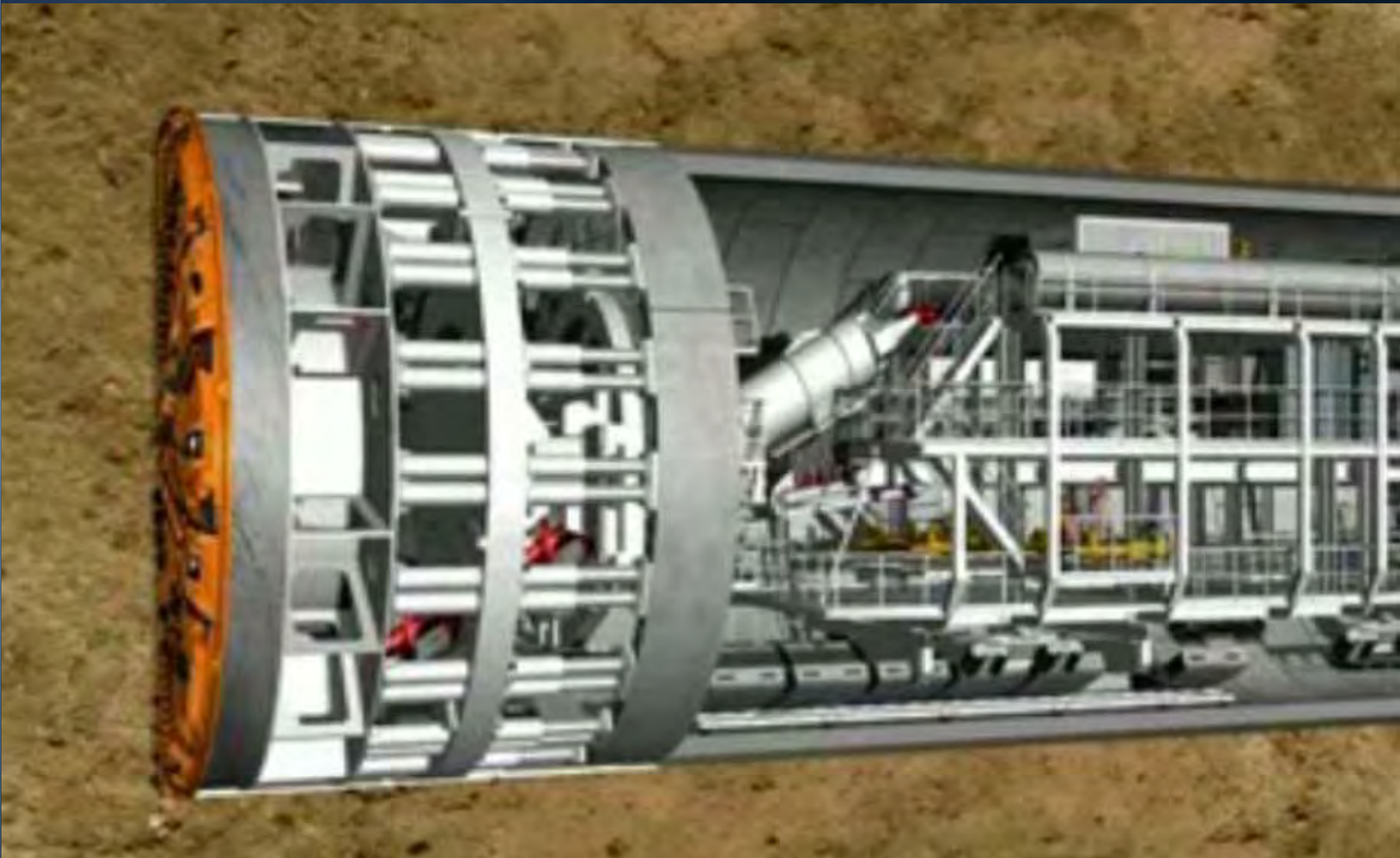


Review of Other Mega-Tunnel Projects

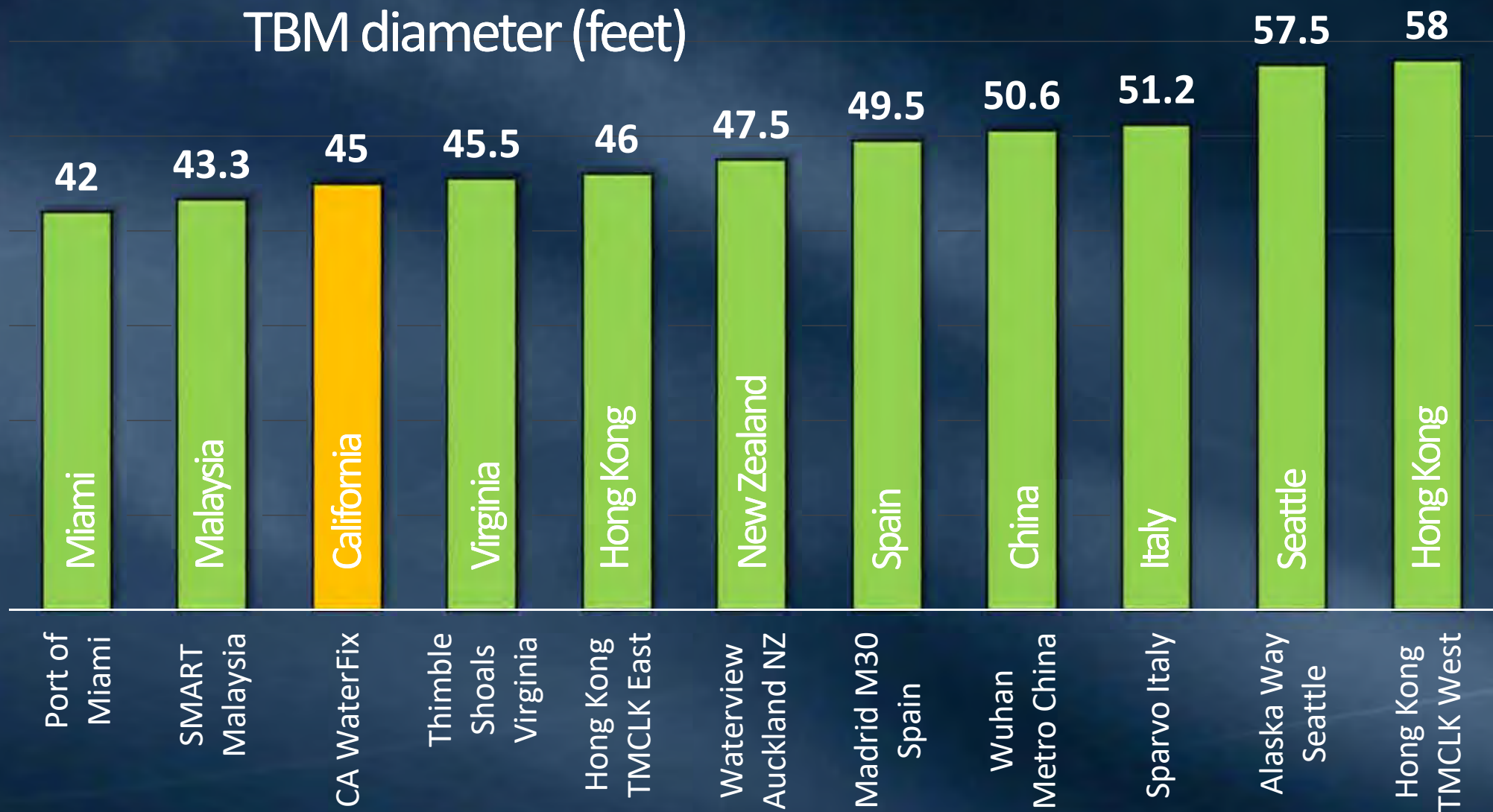
- The Eurasia Tunnel – Turkey
- ✓ Lee Tunnel – London
- ✓ Port of Miami Tunnel – Florida
- ✓ East Side Access – New York
- ✓ Blue Plains Tunnel Project – District of Columbia
- ✓ Bay Tunnel – San Francisco
- ✓ Willamette River Sewer Overflow Program – Portland
- ✓ Gotthard Base Tunnel – Swiss Alps
- ✓ SR-99 Alaskan Way Replacement – Seattle
- ✓ Tuen Mun-Chek Lap Kok Link – Hong Kong

✓ = *Projects visited by program team*

Tunnel Boring Machine



Large Diameter Tunnel Boring Machine Projects





Tunnel Shafts

- Launch/retrieve tunnel boring machines
- Construction maintenance access
- Long-term operational access

Review of Other Mega-Programs

- ✓ Water Supply Improvements Program, SFPUC, San Francisco
- ✓ Lake Mead Third Intake, SNWA, Las Vegas
- ✓ Southern Delivery System, Colorado
- ✓ SFO Airport Expansion, San Francisco
- ✓ Thames Tideway Program, London
- ✓ Bay Bridge Replacement, SF/Oakland
- ✓ Panama Canal Expansion, Panama
- ✓ Chunnel Tunnel, England/France
- ✓ Big Dig, Boston

✓ = *Programs investigated by program management team*

Lessons from Other Mega-Programs

- Proactive risk management
 - Control project scope
 - Active and continuous management of risk
 - Assign risk to the appropriate party
- Understand geotechnical setting
 - Owner always “owns the ground”
 - Conduct a thorough geotechnical program
- Address long lead time items early
 - Rights of way and property acquisition
 - Utilities and outside agencies
 - Logistical issues

Program Schedule



Cost Estimate Preparation

- Multiple estimates prepared
- Class 3 estimates based on Conceptual Engineering Report
- Bottoms up contractor's estimate
- 2014 dollars

Program Estimate

ITEM	AMOUNT (\$ billions)
Conveyance System	
• Program Management, construction management, and engineering	\$1.91
• Tunnel & shaft construction	\$6.82
• Remaining construction	\$2.68
• Contingency (~36% for tunnels, shafts, remaining construction)	\$3.38
• Land acquisition (includes 20% contingency)	\$0.15
Subtotal	\$14.94
Environmental Mitigation (includes 35% contingency)	\$0.80
OVERALL COST	\$15.74
Program Estimate in 2014 dollars	

Cost Estimate Comparison

ITEM	<u>Estimate 1</u> 5RMK Inc. (Billions) ^{1,2}	<u>Estimate 2</u> Jacobs Engineering (Billions) ^{1,2}	<u>Estimate 3</u> Risk Adjusted with Mitigation at 75% Confidence Interval (Billions) ^{1,3}
Construction	\$9.50	\$8.86	\$10.66
Contingency	\$3.38	\$3.15	----
Subtotal	\$12.88	\$12.01	\$10.66
PM/CM/Eng	\$1.91	\$1.91	\$1.91
Land acquisition	\$0.15	\$0.15	\$0.15
Overall Total	\$14.94	\$14.07	\$12.72

1. Program estimates in 2014 dollars

2. ~36% contingency on construction for 5RMK and Jacob Engineering estimates

3. Based on risks known at time of assessment

An aerial photograph showing a complex waterway system. A narrow, winding strip of land, covered in green vegetation and some bare earth, separates a smaller, curved body of water from a much larger, deeper blue body of water. The land strip has a road or path running along its length. The overall scene suggests a coastal or estuarine environment with potential for land reclamation or water management.

**Can we manage risk and
protect Metropolitan's interests?**

Approach to Risk Management

1

AVOID

Revise tunnel alignment to avoid sensitive features

2

MITIGATE

Probe ahead and grout to mitigate risk from faults

3

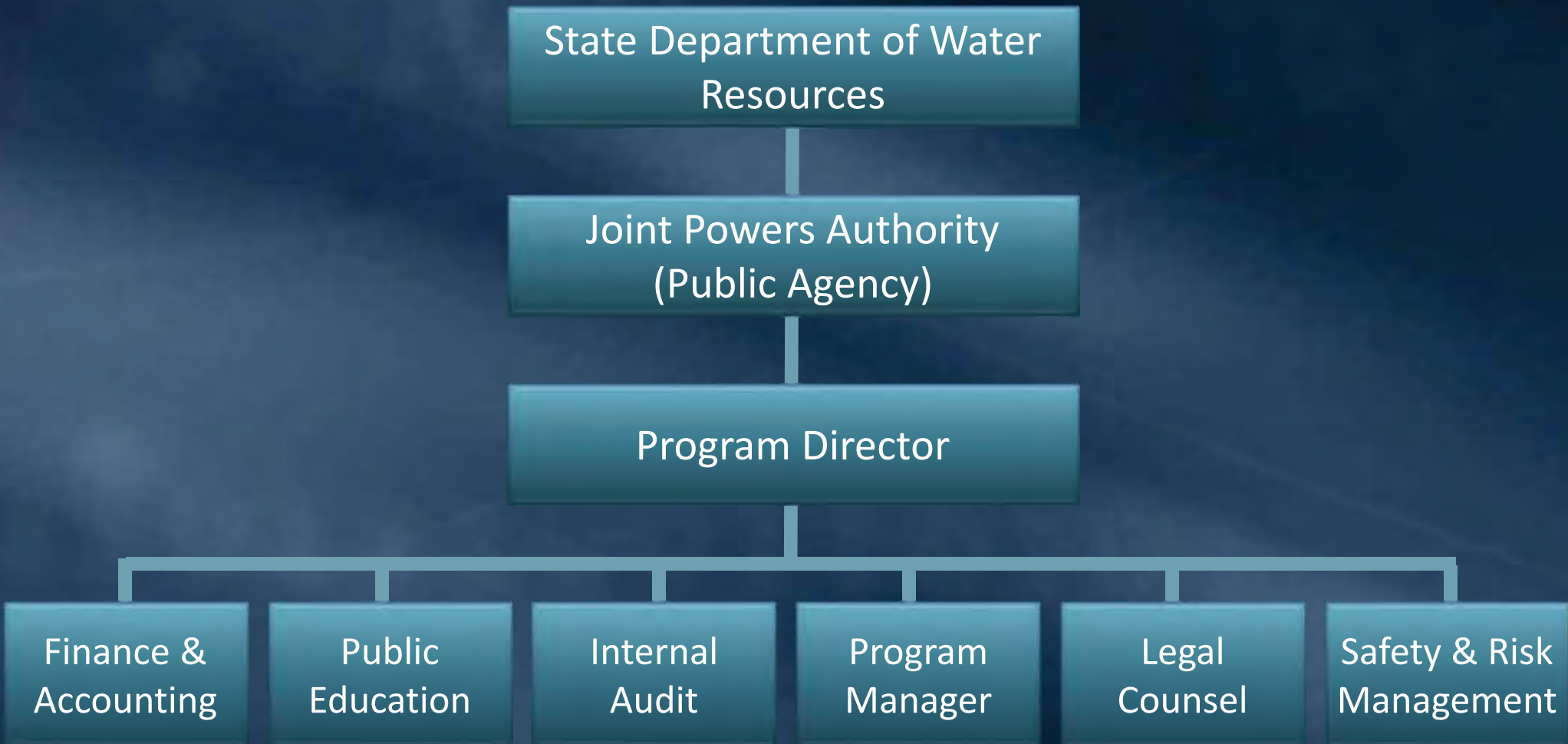
ALLOCATE

Provide clear contractual baselines to allocate residual risk




Design and Construct Authority

- Single-purpose organization
- Under contract with State DWR
- Independent staffing
- World-class expertise and methods
- Sunsets at completion of project commissioning

Design and Construct Authority



Summary

-  Project facilities are consistent with Board policies
-  Project can be implemented with industry best-practices
-  Risks can be managed to protect Metropolitan's interests



**DESERT WATER AGENCY
MEDIA INFORMATION
JUNE 2017**

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
06/01/17	1	THE DESERT SUN	Santa Barbara Brings Seawater Desalination Plant Back Online
06/01/17	2	THE DESERT SUN	Experts Alarmed By Little Warning At Dam
06/04/17	3	PRESS ENTERPRISE	Over 100,000 Gallons Of Sewage Spills Into Whitewater River Storm Channel
06/04/17	4	KMIR NEWS	Repair Work, Traffic Advisory Remains In Place After Sewer Pipes Break In Palm Desert
06/08/17	5-7	THE DESERT SUN	Tribe's Water Case Will Proceed
06/13/17	8	THE DESERT SUN	DWA President: Facts Important In Water Rights Case
06/17/17	9-10	THE DESERT SUN	Tribe's Land Tax Lawsuit Rejected
06/26/17	11-12	THE DESERT SUN	Water Agency, Animal Shelter Partner Up To Help Older Dogs Find Fur-ever Homes
06/27/17	13-14	LOS ANGELES TIMES	Proposed Delta Tunnel Project Gets Green Light
06/28/17	15	THE DESERT SUN	Coachella Valley Water District Expands Incentive Program
06/30/17	16	THE DESERT SUN	Lawsuit Critique Calif. Water Tunnels

Santa Barbara brings seawater desalination plant back online

June 1, 2017

ASSOCIATED PRESS SANTA BARBARA - Santa Barbara has completed a \$71 million reactivation of its seawater desalination plant to bolster its water supplies.

The city is in a section of California northwest of Los Angeles that received far less precipitation than parts of the state where an extremely rainy and snowy winter brought relief after years of drought.

IDE Technologies, the company hired to revive the facility, said Wednesday that the plant will produce nearly 3 million gallons a day to meet 30 percent of the city's demand.

Santa Barbara built the plant for emergency supplies after a 1980s water crisis, but it only operated for a few months in 1992 because of abundant rainfall.

In July 2015, the City Council voted to reactivate the plant as the most recent drought lengthened and extensive water conservation measures were put in place.

A stretch of territory spanning southern Santa Barbara County, neighboring Ventura County and northern Los Angeles County ended 2016 still in the "exceptional" drought category and only recently improved to "moderate" drought, according to the U.S. Drought Monitor.

The improvement allowed Santa Barbara, population of 91,000, to lift some restrictions on water use — such as a ban on watering lawns — and lower conservation targets.

But officials say the city's groundwater basins are both at 30 percent of capacity and will take five to 10 years to recharge, if there is normal rainfall, so they won't be drawn upon to allow them to recover.

Supplies from the desalination plant will bolster those from Cachuma Reservoir, which is at 51 percent of capacity with nearly 99,000 acre feet of water, and Gibraltar Reservoir, which is at 99 percent of capacity with 5,216 acre feet. The city also imports state water and has recycling capability.

Construction at the Santa Barbara seawater desalination plant is underway in January 2016. The facility completed the \$71 million reactivation and is now online.

IDE Technologies, the company hired to revive the facility, said Wednesday that the plant will produce nearly 3 million gallons a day to meet 30 percent of the city's demand. Santa Barbara built the plant for emergency supplies after a 1980s water crisis, but it only operated for a few months in 1992.

Experts alarmed by little warning at dam

Associated Press 06/01/2017 By Ellen Knickmeyer

SAN FRANCISCO - The sudden collapse of spillways at the nation's highest dam has raised alarm among those building, running and regulating big dams around the world because it seemed to come with little warning the spillways were on the verge of failing, dam experts investigating the crisis at California's Oroville Dam said Thursday.

February's breakup of the main spillway and then the backup spillway at the 770-foot-high (230 meters) Oroville Dam stands as an "extremely significant" event among dam disasters and near disasters in modern U.S. history, said John France, an engineer leading the investigation by two national trade associations representing dam safety and dam engineering professionals.

The significance was only partly due to the size of the Northern California dam, France said. Unlike most dam failures, which happen in flooding and after signs that a structure is being overwhelmed by water, "what happened was a surprise," France said.

"I'm sure there are lessons to be learned," he said. "I'm confident they're going to be significant and change the practice of dam safety engineering in the country and perhaps in the world."

The national Association of State Dam Safety Officials and the United States Society on Dams created the independent panel to try to identify the operational and physical failures that made the two spillways at Oroville Dam give way.

Authorities ordered the evacuation of nearly 200,000 people below the dam on Feb. 12 with an hour's notice, fearing the disintegration of the spillways and the hillside around them could lead to massive, uncontrolled releases of water. Residents were allowed to return home in two days.

The dam holds back the state's second largest reservoir and is an anchor of the state's complex north-south water delivery.

Federal and state agencies that manage and oversee Oroville Dam also are conducting separate investigations into the spillway failures.

State officials with the Department of Water Resources, which runs the half-century-old dam, at times have pointed to the torrents of runoff pouring into the dam at the time of the crisis. But the amount of water streaming down the two flood-release spillways when they began to collapse was relatively small.

The state water agency and others involved are cooperating with the independent probe by the dam groups.

The independent probe will cover everything from the preliminary work leading up to Oroville's construction in the 1960s to this winter's spillways failures, members of the investigation team said.

LOCAL NEWS

Over 100,000 gallons of sewage spills into Whitewater River storm channel

By City News Service, June 4, 2017

Two sewer pipes broke Saturday night, releasing more than 100,000 gallons of sewage into the Whitewater River Stormwater Channel in Palm Desert, water district officials said Sunday, June 4.

The Coachella Valley Water District received reports about 10:50 p.m. Saturday that a large area of dirt was eroding in the flood-control channel next to Cook Street, officials said in a news release.

The storm channel runs 50 miles through the Coachella Valley, starting northwest of Palm Springs where the Whitewater River comes out of the San Bernardino Mountains and ending at the Salton Sea.

Crews were dispatched to the area and discovered that "water overflowing from a pond at a nearby business had caused massive erosion, which exposed two underground sewer pipes and caused them to break," according to district officials.

The spill was contained to a small portion of the channel and the leaks are expected to be plugged Sunday afternoon.

Sewer flow in the area was being diverted through other pipes to prevent service to nearby homes and businesses from being affected, district officials said.

The main diversion site is located near the intersection of Portola Avenue and Hovley Lane East, and prompted one lane to be closed in each of the four directions.

CVWD encouraged motorists to stay away from the intersection as traffic delays were expected.

The lane closures are expected to be in place for several weeks while repairs are being completed.

Repair Work, Traffic Advisory Remains in Place After Sewer Pipes Break in Palm Desert

June 4, 2017

Palm desert, CA – A messy situation in Palm Desert after two sewer lines break, sending more than 100,00 gallons of wastewater into the Whitewater River Stormwater Channel.

This leak is now stopped in the flood control channel next to Cook street, near Fred Waring Drive.

Coachella Valley Water District tells us your water is not contaminated and you can flush your toilets, but they will be making repairs for several weeks in that area.

Crews Saturday night found water overflowing from a pond at a nearby business had caused massive erosion.

That exposed two underground sewer pipes and caused them to break.

The spill was expected to be plugged this afternoon.

CVWD says there isn't a threat to public health, but people need to stay out of the channel.

Now that they have stopped leak they will have to clean-up the sewage, and repair the lines. For now they have re-routed the lines.

One lane at the intersection of Portola and Hovley Lane East has been closed as crews continue to make repairs.

Those closures will last now for several weeks.

June 5, 2017- Update

Palm Desert, CA -

Coachella Valley Water District crews continue to repair two sewer pipes that broke Saturday night, releasing an estimated 2.4 million gallons of wastewater into the Whitewater River Stormwater Channel near Cook Street in Palm Desert

The final, updated estimate of wastewater spilled has been reported to the State Water Resources Control Board, in compliance with state guidelines. The spill was contained to a small portion of the channel and did not result in flooding or damage outside the area.

Wastewater flows continue to be diverted through other pipes to the wastewater reclamation plant on Cook Street. This is a critical step to ensuring that service to nearby homes and businesses will not be affected during the emergency repairs.

At the main diversion site, near the intersection of Portola Avenue and Hovley Lane East, one lane is closed in all directions. Motorists are encouraged to avoid the intersection as traffic delays are expected. The lane closures are expected to be in place for approximately two weeks while repairs are being completed.

Coachella Valley Water District crews will work "24 hours a day" to replace pipes that broke after water overflowing from a pond at a nearby business led to the erosion of a dirt area and the exposure of two sewer pipes that broke Saturday night, an official said.

Tribe's water case will proceed

Agencies appeal earlier ruling to Supreme Court

Ian James – The Desert Sun – June 8, 2017

The Agua Caliente Band of Cahuilla Indians' 4-year-old legal fight to assert rights to groundwater took a step forward on Wednesday as a federal judge agreed to let the lawsuit proceed while water agencies appeal an earlier ruling to the Supreme Court.

The decision by District Court Judge Jesus Bernal triggers the start of a second phase in the case, which will set an important precedent for tribes across the country by clarifying their rights to groundwater beneath their reservations.

The Coachella Valley's largest water agencies are appealing to the Supreme Court to challenge an appeals court's ruling that the tribe holds a federally established 'reserved right' to groundwater.

The Desert Water Agency and the Coachella Valley Water District had argued against allowing the case to move ahead to a second phase, saying that would risk wasting time and money arguing over issues that could become moot if the Supreme Court rules in their favor.

But Bernal sided with the tribe, which had argued delaying the case any longer would be unfair.

'This case was filed over four years ago and has been stalled for two years since this Court recognized the Tribe's rights to the groundwater underlying its Reservation,' Bernal said in his order.

"During those two years, the water agencies have continued to pump groundwater, damaged the water quality of the aquifer by pumping lower quality Colorado River water, and continued to exclude the Tribe from its rightful role in groundwater management."

The judge said the tribe has provided "ample evidence of the water agencies' overdrafting of the aquifer" in the California desert, and that continuing to delay the case would "unfairly advantage the water agencies by permitting their ongoing disregard of the Tribe's rights."

The Agua Caliente tribe sued the two water agencies in May 2013, claiming rights to groundwater beneath its reservation in Palm Springs and surrounding areas. "We are pleased that Judge Bernal has agreed with our position to allow the next phase of the lawsuit to move forward," Agua Caliente Chairman Jeff Grubbe said in a statement. He pointed out that the Ninth Circuit Court of Appeals already upheld Bernal's ruling that the tribe's right to groundwater was established when the federal government created the reservation in the 1870s.

That appeals court's ruling in March was the first ever to directly address the question of whether water rights reserved by the federal government apply to groundwater as well as surface water.

"We believe it's in everyone's best interest to allow the lawsuit to move forward while the water districts try to appeal that decision to the Supreme Court," Grubbe said.

Grubbe has said the case is about securing a “seat at the table” for the tribe to have a voice in decisions about how the aquifer is managed. The tribe has accused the agencies of imperiling the aquifer by allowing its levels to decline over the years and by using saltier, less pure Colorado River water to recharge the groundwater basin.

The water agencies defend their efforts to combat groundwater overdraft and insist that water from the Colorado River meets all drinking water standards.

Managers of the water agencies said they were disappointed by the ruling because they felt it was in the public's best interest for the first phase of the case to be resolved before going on to the second of three phases.

While the first portion of the case focused on whether the tribe holds a “reserved right” to groundwater, the second portion will focus on whether the tribe owns the “pore space” of the aquifer – or the underground spaces between sand, rocks and clay that hold water – and whether tribal groundwater rights include a water-quality component.

Mark Krause, general manager of the Desert Water Agency, said the next step will be for both sides to file legal briefs.

“I have a hard time understanding the reasons for going forward so quickly,” Krause said. “It’s going to be very expensive.”

“Every penny that we spend on phase two is potentially a waste,” Krause added. “We don’t want to spend a lot of public money, our customers’ money, on something that might end up being nullified by a Supreme Court decision in our favor.”

The water agencies plan to submit their petition for a review by the Supreme Court in July. The court will then announce whether it will hear the case in October.

The two agencies have paid more than \$2.3 million in legal fees fighting the lawsuit. That total includes more than \$1.4 million spent by the Desert Water Agency and more than \$920,000 spent by the Coachella Valley Water District.

Jim Barrett, CVWD's general manager, said the judge's order “will now require additional public funds to resolve.”

Barrett said the water district is focusing on taking the matter before the Supreme Court, and “we are confident that our petition for certiorari will be granted.”

The Agua Caliente tribe relies on the water districts to pump groundwater for its reservation, where thousands of homes are built on leased tribal land. The agencies also supply water to the tribe's hotels, casinos and golf courses.

The reservation spreads across more than 31,000 acres in a checkerboard pattern that includes parts of Palm Springs, Cathedral City, Rancho Mirage and the Santa Rosa and San Jacinto mountains. The tribe, which has more than 400 members, owns the Spa Resort Casino in Palm Springs and the Agua Caliente Casino Resort Spa in Rancho Mirage, and has plans for new housing subdivisions.

If the tribe prevails before the Supreme Court, other tribes across the country would gain legal backing to assert rights to groundwater, which could in turn strengthen their positions in negotiations or court-administered adjudications divvying up water supplies.

The U.S. Department of Justice has signed on as a party to the lawsuit in support of the tribe.

Leaders of Native American tribes across the West have also been closely watching the case.

A list of tribes joined the case last year, backing the Agua Caliente in a "friend-of-the-court" brief. They include the Morongo Band of Mission Indians in California, the Spokane Tribe of Indians in Washington and the Pyramid Lake Paiute Tribe in Nevada, among others.

Ian James covers water and environmental issues for The Desert Sun. Email: ian.james@desertsun.com Twitter: @TDSIanJames



DWA president: Facts important in water rights case

James Cioffi, Special to The Desert Sun, June 13, 2017

Everybody make mistakes, that's completely understandable. When media make mistakes, it is important to correct them for the benefit of the public. Our community trusts and relies on Desert Sun content. A reporter recently misquoted a judge in a story on a lawsuit with huge local impacts.

The article, on the Agua Caliente's case against local water agencies, mistakenly had allegations of the tribe listed as comments from the judge himself. This error gave those who read the piece online and in print the conception that the case was all but decided. When Desert Water contacted the paper to have this issue corrected, the paper swiftly made the modification to the story online. We thank them for working with us to solve the problem. The bad news is much of the damage had been done.

Many people read the news online the evening prior or over breakfast. There are thousands of people in our community that may now believe the judge has determined that the allegations of the Agua Caliente are just. This is not the case. While the judge did side with the tribe on their motion to move the case forward, he has not passed judgement on the key facts of the case. It is likely that we have years of litigation ahead of us, which is one reason we're seeking Supreme Court intervention.

As a representative of the public serving on Desert Water's board of directors, I want to be sure that I can reach as many people as possible to let them know about the status of the case. Along with other community representatives from Desert Water and Coachella Valley Water District, we made the decision to request Supreme Court review on the primary issue in the case – whether or not the Agua Caliente has a reserved right to the groundwater that our community overlies. Despite the trial court moving forward, we are still asking the Supreme Court to review the primary question in this case, whether the tribe has a reserved right to our shared, public groundwater basin.

In the course of the next year, we will know whether the Supreme Court decides to hear the case and whether or not they agree with the Ninth Circuit Court of Appeals that the Agua Caliente has this special right. The tribe currently gets water for its reservation, developments, golf courses, casinos and properties from the local water agencies. They, like all of our customers, pay only the cost of delivery. The Agua Caliente hasn't said how much water they want access to or what they plan to do with it. This case stands to change the makeup of our community.

That's why it is so important to get the facts right. This case will affect our grandchildren and even their grandchildren. We appreciate the Desert Sun's willingness to fix this mistake and to give us the opportunity to share with the public that this case is moving forward and the judgements on these key issues have yet to be reached. As this case progresses, the media is going to be an important partner for water agencies to keep the public informed about their water.

James Cioffi is Desert Water Agency's board president. His email address is jcioffi@dwa.org.



Tribe's land tax lawsuit rejected

Judge sides with Riverside County

Barrett Newkirk, June 17, 2017

A federal judge has ruled in favor of Riverside County in a case brought by a Palm Springs-based Native American Indian tribe seeking to exempt leased reservation land from a specific county-assessed tax. The case, filed in 2014 by the Agua Caliente Band of Cahuilla Indians, has the potential to strip away millions of dollars in annual tax revenue from local government agencies and schools, in addition to wider implications regarding taxation on Indian land.

The tribe has argued that the tax violates its rights as a sovereign nation and that the revenue collected is spent away from its Coachella Valley reservation.

In her ruling dated Thursday, U.S. District Judge Dolly Gee disagreed with the tribe's assertion that a 1934 federal law applies to a pre-existing Indian reservation- In addition, Gee said money from the tax clearly helps fund government services that enhance the reservation land leased by tribal members.

The Agua Caliente reservation dates to 1876 and is laid out in a checkerboard pattern over Palm Springs and immediate surroundings. Much of the reservation is leased to people not affiliated with the tribe. The tax at the center of the lawsuit, known as a possessory interest tax, is paid by those non-tribal members in lieu of traditional property taxes.

The tribe released a brief statement from Chairman Jeff Grubbe on Friday.

"The Tribe disagrees with the ruling and believes it is legally and factually incorrect," Grubbe said. "The Tribe will appeal this erroneous decision."

Speaking at an event in March, Grubbe said the judge's earlier refusal to dismiss the lawsuit showed the case had merit.

"The tribe feels the court has sent a very strong signal," he said, "unless the county can show a compelling interest between the tax and services on the reservation, which we believe does not exist."

Gee said in her ruling that while the county did not trace money from the tax to services on the reservation "dollar for dollar," there was ample evidence connecting the tax to the taxable non-Indian use of Indian land.

As one example, the county said that from 2011 to 2015, its fire department responded to an average of 478 incident each year on the Agua Caliente reservation.

The judge also questioned the tribe's assertion that it could better manage the taxes and said there's nothing to stop the tribe from going forward with its own assessments.

"The Tribe has submitted no evidence from which the Court can draw a reasonable inference that it would have the infrastructure and wherewithal to provide the types of public services currently provided by the County if it were only given the chance," Gee said.

Riverside County spokesman Ray Smith said in an email Friday that the ruling ensures that government services going to Indian land can continue. "The county is pleased that the court carefully balanced the issues and determined that the tax is lawful and does not impair tribal sovereignty," Smith said.

For the fiscal year ending in June 2014, the county collected about \$24.4 million from the tax and retained about \$3.3 million for county services. The rest was distributed to local governments, with the bulk going to area schools.

The threat of lost tax revenue prompted Desert Water Agency to join the county in defending against the lawsuit. The agency, which serves much of the tribe's reservation land, is also fighting the tribe in court over groundwater rights.

Desert Water agency said it collected about \$161,158 through the tax in fiscal year 2013. All of the money was paid to the California State Water Project for water delivery.

DWA Board President James Cioffi said he was pleased with the ruling and not surprised to hear the tribe was planning an appeal.

A ruling ultimately in favor of the tribe, Cioffi said, would force DWA to raise fees on other customers to make up for the money no longer coming from residents and businesses leasing tribal land.

"We think that these taxes are vital for all types of community services, including the water districts," he said.

Water agency, animal shelter partner up to help older dogs find fur-ever homes

Corinne S Kennedy, The Desert Sun, June 26, 2017

On a recent sunny Sunday morning, dogs and volunteers made their way into an enclosure behind the Palm Springs Animal Shelter for a group training session. As volunteers led the pups through a series of exercises, the air was punctuated by clicking noises – reinforcement for good behavior – voice commands and the sound of happy dogs sniffing for treats.

Manny Guerra, dog enrichment and behavioral specialist for the shelter, coaches the pups and their people, teaching them how to walk on a leash and not to react when they come across another dog.

“One of the most difficult things for a dog, especially a shelter dog, to learn is to ignore the environment and pay attention to your human,” Guerra said.

The shelter focuses on what Guerra calls replacement behavior, teaching the dogs to trust and rely on their human. It trains them to function in a human environment, making the transition easier for both the human and their new four-legged friend.

The point of all of it is to make sure each dog finds a happy home.

“The number one reason pets are surrendered to the shelter is behavior issues,” said Daniel Sumner, the director of operations at the animal shelter. “So actually working with the dogs while they’re here makes them more adoptable, more likely to find good homes.”

A volunteer from the Palm Springs Animal Shelter works with a dog from the shelter at a recent training class. (Photo: Corinne Kennedy/The Desert Sun)

The shelter and the Desert Water Agency recently launched a summer-long campaign to promote dog adoption which will especially highlight older dogs.

Older pups are more independent than puppies. They don’t require constant attention and the dogs at the shelter are housebroken and know basic commands, Sumner said. Plus, there’s the feel good factor.

“You’re literally saving a life,” he said. “Puppies will get adopted.”

Desert Water Agency spokesperson Ashley Metzger said this was the first partnership between the two organizations.

“We thought it would be a good fit, they’re just up the street from us,” she said. “And we’re both not-for profits.”

The relationship benefits both partners. Extra exposure for the dogs makes it more likely for them to be adopted. And the large, dedicated following that the animal shelter has can also let more people know about DWA and the work the agency does, she explained.

Metzger said agency staff would be volunteering at the shelter during some of their lunch breaks and blue bandanas and travel water bowls with the DWA logo will be provided to new pet parents who adopt over the summer. The agency will also be sharing photos of adoptable dogs on its social media networks and around the office.

A picture of the first pup featured, Rex, was posted just outside her office. Metzger said people would routinely stop as they were walking down the hallway to take a look.

"Sometimes it doesn't take much," she said. "It just takes someone seeing a cute photo of a dog."

Mastering the art of posing for that cute photo is another, if unofficial, part of the dogs' training at the shelter. As the Sunday training session finished, the group of volunteers gathered around a pup they described as a rock star, aptly named Kurt Cobain, for a group shot.

One volunteer straightened Kurt Cobain's bandana as another stood behind the camera, focusing his attention with a small noisemaker. The pup obliged, looking straight into the camera, holding his pose until the shutter stopped clicking.

Proposed delta tunnel project gets green light

Controversial plan, in the works for years, would change the way Northern California water is sent south.

By Bettina Boxall, June 27, 2017

Federal fishery agencies Monday pushed forward a controversial water project that would change the way Northern California supplies are sent to the Southland.

The U.S. Fish and Wildlife Service and the National Marine Fisheries Service concluded that the construction of new diversion points on the Sacramento River and two massive water tunnels would not jeopardize the existence of endangered species in the Sacramento-San Joaquin Delta, which is the hub of California's waterworks.

The release of the documents marks a major — but by no means final — step in the long, twisting path of the proposal, which has been in the planning stages for more than a decade.

Called biological opinions, the reviews analyze the project's likely effects on endangered and threatened species, including the vanishing delta smelt, winter-run Chinook salmon and Central Valley steelhead.

The analysis will shape operating rules for the diversions — and thus how much water the tunnels carry to the big delta pumps that supply San Joaquin Valley growers and Southland cities.

The agencies that depend on delta water will scrutinize every line of the opinions before they decide whether to fully commit to funding the project, which is expected to cost \$17 billion.

The question for the Metropolitan Water District of Southern California, the Westlands Water District and others will be whether the tunnels stabilize their delta water deliveries enough to justify the cost.

If they decide it doesn't and withdraw their support, the proposal will die. Though Monday's news was good for them, their reactions were restricted to offering thanks that another planning milestone had been reached.

Even if the districts give thumbs up, the tunnels still need several state and federal permits before construction can begin. And opponents are expected to challenge approvals in court, which could stall the project for years.

"The science in this decision was cherry-picked and not representative of the true scope of harm to endangered species who depend on a healthy San Francisco Bay-Delta estuary for their survival," said Barbara Barrigan-Parrilla, executive director of Restore the Delta, an anti-tunnel group. "We believe the court will overturn this."

Delta growers vehemently oppose the tunnels, which would require years of disruptive construction in their backyards and would suck up good-quality fresh water before it reaches their irrigation ditches.

Environmentalists argue the tunnels will inevitably be used to send more water south, further depleting flows vital to the delta's faltering ecosystem.

"The system today is not adequately protective, and now we're approving something that makes things worse. It's a real head-scratcher," said Doug Obegi, a staff attorney with the Natural Resources Defense Council, an environmental group that has successfully challenged previous biological opinions on delta water exports.

"It sure seems like politics is trumping science in the delta again," he said.

Dubbed the California WaterFix by the state, the proposal calls for construction of three new diversion points on the Sacramento River in the north delta, along with two massive underground tunnels that would carry water 35 miles to existing government pumping plants in the south delta.

The powerful pumps now draw entirely from the south delta, causing delta channels to flow backward and pulling imperiled native fish to their deaths. That triggers endangered species protections that limit pumping, cutting delta deliveries.

By reducing withdrawals from the south delta, the new diversion points would lessen the reverse flows and — backers hope — loosen the pumping restrictions.

In draft reviews, federal biologists were consistently skeptical of the proposal. They warned that taking large amounts of fresh water from the north delta would create a new set of problems for migrating Chinook salmon and delta smelt, a tiny fish that is found no place else in the world.

The Fish and Wildlife Service found that construction and operation of the river intakes and twin tunnels would destroy smelt habitat that will become increasingly important as climate change and sea-level rise alter delta conditions.

The National Marine Fisheries Service concluded that as far as winter-run Chinook salmon are concerned, the new diversion would change river flow patterns and temperatures for the worse, hurting overall survival of the endangered species.

In the final opinions released Monday, the agencies conceded that project construction and operation would adversely affect imperiled species — but not to the point of jeopardizing their existence or destroying crucial habitat. The agencies also said planned habitat restoration programs would offset the tunnel effects.

Officials also noted that a separate environmental review is now underway of State Water Project and federal Central Valley Project operations that will include the tunnels — and could result in further restrictions.

Coachella Valley Water District expands incentive program

Katie Gagliano, June 28, 2017

Residents looking to convert their turf yards to desert-friendly landscape will soon be able to further capitalize on their water conservation efforts. The Coachella Valley Water District announced Wednesday it is doubling its lawn conversion incentive from \$1 to \$2 per square foot and increasing the total square footage for residential properties from 2,000 to 10,000 square feet.

The change will take effect July 1 and run through the end of the 2017-2018 fiscal year while funds are available. Applicants must be customers in good standing with the water district and have their plans pre-approved.

Desert plants must cover at least 25 percent of the landscaped area once mature and rock, decomposed granite or similar hardscapes cannot cover the entire landscape. Switching from turf to a desert friendly landscape can reduce outdoor water use between 70 and 80 percent, a CVWD news release said.

There is also a new rebate available for residential and commercial customers who switch their irrigation systems to more efficient hardware. Customers who transition to a drip, rotating stream, rotating spray or bubbler system could receive 25 cents per square foot of hardware or the total cost of the project covered, whichever is less.

This incentive is limited to projects between 1,000 and 20,000 square feet.

Applications for the rebate programs are available online at www.cvwd.org/rebates or can be picked up at CVWD's Water Management Office, 75-525 Hovley Lane East in Palm Desert.



Lawsuits critique Calif. water tunnels

Conservation groups: Plan would destroy fish species

Scott Smith, June 30, 2017

ASSOCIATED PRESS

FRESNO - Gov. Jerry Brown's ambitious plans to build two massive tunnels, reengineering the hub of California's water system, would destroy native fish species already on the brink of extinction, lawsuits filed Thursday said.

The \$16 billion proposed tunnels along the state's largest river won a critical first round of approval from two federal agencies early this week, but days later a group of fish and conservation groups filed federal lawsuits attempting to stop the project.

"Politics has trumped science once again," Doug Obegi, a senior attorney for the Natural Resources Defense Council. "The agencies tasked with protecting our natural resources are making things worse."

The proposed twin tunnels, both four stories high and 35 miles (55 kilometer) long, would be California's most ambitious water project in decades.

State officials say the tunnels are needed to reengineer the Sacramento-San Joaquin River Delta, the largest estuary on the West Coast, which provides water to much of the nation's most populous state.

The Sacramento and San Joaquin — two of California's largest rivers — send mountain snowmelt into the delta and then out to sea through the San Francisco Bay.

Water is currently pumped from the delta and sent south through hundreds of miles of canals to farms in the vast San Joaquin Valley and communities as far south as San Diego.

Supporters say the tunnels will modernize and secure water deliveries from the delta, now done by aging pumps that pull the rivers and the fish in them off course.

The project won a first critical round of approval Monday from National Marine Fisheries Service and U.S. Fish and Wildlife Service. They ruled that the project would not lead to the extinction of endangered and threatened native species, including some salmon species and the Delta smelt.

State officials say they have added thousands of acres of habitat restoration, boosting chances that the imperiled fish species will survive. The plan doesn't convince the fish and conservation groups filing lawsuits.

"This version of the tunnels will wipe out California's salmon fishery and the families and communities that rely on salmon," said John McManus, executive director of the Golden Gate Salmon Association. He's joined in the two lawsuits by the Natural Resources Defense Council, Defenders of Wildlife and the Bay Institute

Before construction can begin, the project requires approval from other state and federal agencies. Local districts that serve farms and communities have yet to confirm their commitment to paying for the tunnels.

Nancy Vogel of the California Natural Resources Agency declined to comment.

DESERT WATER AGENCY
OUTREACH & CONSERVATION
ACTIVITIES

JUNE 2017

Activities:

6/01/17	Ashley Metzger was on a live segment with KESQ on the Dog Days of Summer.
6/01/17	Ashley Metzger was interviewed on the Joey English radio show (aired 6/3).
6/02/17	Vicki Petek completed a turf buy back post-inspection.
6/02/17	Ashley Metzger was interviewed by Gene Nichols (KNEWS) on recharge and Whitewater River safety.
6/05/17	DWA provided water coolers and cups for Palm Springs High School's Senior pool party.
6/08/17	Ashley Metzger was on a live segment with KESQ to discuss the water quality report.
6/09/17	Vicki Petek completed two turf buy back post-inspections.
6/10/17	Ashley Metzger attended a California Public Information Officers communications workshop.
6/15/17	Ashley Metzger was interviewed by Kelly Moody on Whitewater (aired 6/26).
6/15/17	Ashley Metzger was on a live segment with KESQ about water rates, late fees and budget.
6/20/17	Ashley Metzger attended the AB 401 (low income rate) workshop.
6/22/17	Ashley Metzger was on a live segment with KESQ on pipeline replacement.
6/26/17	Ashley Metzger gave a classroom presentation at Cathedral City High School.
6/28/17	Vicki Petek completed a turf buy back post-inspection.
6/28/17	Ashley Metzger was on a live segment with KESQ on rebates and conservation coupons.
6/29/17	Vicki Petek recorded a PSA at Alpha Media for the Water Breaks radio promotion.

Public Information Releases:

- June 1, 2017 – Media release & website – DWA and PS Animal Shelter Unleash Dog Days of Summer.
- June 13, 2017 – Media release & website – DWA to Review Rate Adjustment Planned for July 1.
- June 14, 2017 – Nextdoor – Important items at DWA's June 20 meeting.
- June 15, 2017 – Website – DWA begins work on new pipeline projects.
- June 20, 2017 – Media release & website – Court Rules in Favor of County and DWA in Taxation Lawsuit.
- June 20, 2017 – Media release & website – Desert Water Agency Adopts Budget, Rates and Late Fees.

Water Conservation Reviews

City of Cathedral City Auto Park	Via Isla Condos
Canyon Vista	American Garden
Diplomat	Canyon Colony West
Mesquite Canyon Estates	Canyon Sands Condos
Sundance Condos	Estados South
Sunrise Oasis Condos #1	Fairways Condos
Sunrise Oasis Condos #2	Racquet Club Condos
Sunrise Racquet Club	Twin Palms Homeowners
Sunrise Villas	

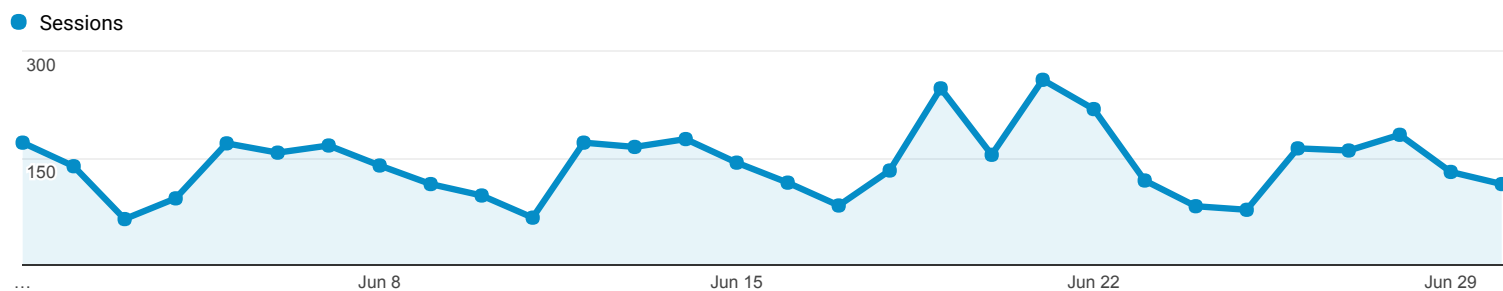
Water Conservation Reviews are annual mailings sent to large water users. The Reviews include a 5-year consumption report, facility map, and information brochures. The purpose is to help customers save water by summarizing their consumption, and offering suggestions for reducing usage.



All Users
100.00% Sessions

Jun 1, 2017 - Jun 30, 2017

Overview



Sessions

4,293

Users

3,300

Pageviews

9,828

Pages / Session

2.29

Avg. Session Duration

00:01:55

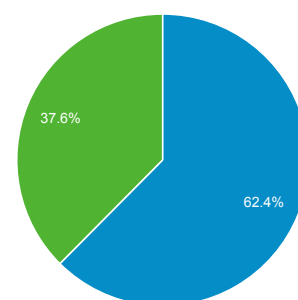
Bounce Rate

39.79%

% New Sessions

62.36%

■ New Visitor ■ Returning Visitor



Language		Sessions	% Sessions
1.	en-us	4,148	96.62%
2.	en-ca	35	0.82%
3.	en-gb	32	0.75%
4.	ko-kr	9	0.21%
5.	ko	7	0.16%
6.	es-xl	6	0.14%
7.	(not set)	5	0.12%
8.	c	5	0.12%
9.	de-de	4	0.09%
10.	es-419	4	0.09%



Desert Water Agency
Facebook Analytics
June 2017

Page Summary Last 28 days

Export Data

Results from Jun 05, 2017 - Jul 02, 2017
Note: Does not include today's data

Organic Paid

Actions on Page

June 5 - July 2

1

Total Actions on Page ▼50%



Page Views

June 5 - July 2

93

Total Page Views ▲63%



Page Likes

June 5 - July 2

10

Page Likes ▼29%



Reach

June 5 - July 2

8,230

People Reached ▲676%



Post Engagements

June 5 - July 2

1,194

Post Engagement ▲180%



Videos

June 5 - July 2

1,107

Total Video Views ▲27,575%



Page Followers









June 5 - July 2

10

Page Followers ▼29%





06/28/2017 4:00 pm		Dapper is sure to steal your heart. He's a charming six-year-old			446		18 23		Boost Post
06/28/2017 1:31 pm		Desert Water Agency shared Monte Vista Water District's photo			65		5 3		Boost Post
06/27/2017 8:06 am		Hydropower is one way we offset the cost of the power needed to			446		15 6		Boost Post
06/26/2017 4:06 pm		We're proud to partner with this great community organization!			162		4 10		Boost Post
06/23/2017 4:32 pm		Use your water meter to check for leaks. www.dwa.org/checkforleaks			461		9 4		Boost Post
06/23/2017 10:44 am		Recycling is one way we make the most of every drop of your water			455		16 10		Boost Post
06/21/2017 3:59 pm		Pick Petunia! She's a lovely 3.5 year old staffie mix up for adoption			4.7K		204 395		Boost Post
06/21/2017 1:50 pm		Timeline Photos			675		24 27		Boost Post
06/19/2017 1:13 pm		Check out our water quality report! www.dwa.org/2106wqr			1.9K		23 19		View Results Boosted: \$30.00
06/16/2017 7:58 am		These are critical steps to take during the heatwave and through			35		1 1		Boost Post
06/14/2017 4:52 pm		Meet Tiger! This friendly five year old Shar-Pei mix looks forward			483		27 36		Boost Post
06/14/2017 9:09 am		The facts are important. Read this Valley Voice on the Agua Caliente			301		10 6		Boost Post
06/12/2017 12:38 pm		Water is a part of almost anything you do. Soak up these fun facts			52		6 1		Boost Post
06/09/2017 2:03 pm		Soak up the last of the double-digit weekends by spending some			814		10 16		View Results Boosted: \$15.00
06/07/2017 4:11 pm		Friends of the Palm Springs Animal Shelter is partnering with us			931		26 58		View Results Boosted: \$5.00
06/07/2017 1:21 pm		#Savewater. There are so many ways to do it - and some are really			61		2 3		Boost Post
06/07/2017 11:49 am		Make sure you're prepped with plenty of water for the 'big one'.			64		3 1		Boost Post
06/06/2017 4:57 pm		Congratulations to the seniors graduating from PSHS tonight. They			312		1 5		Boost Post
06/02/2017 8:29 am		Get out and do some pruning before it gets too hot!			38		2 1		Boost Post
06/01/2017 4:29 pm		We're so excited to kick off our new partnership with Friends of			66		7 6		Boost Post

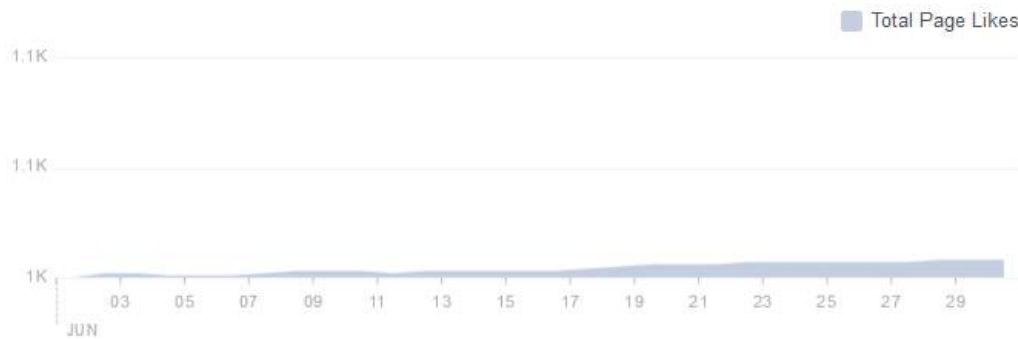


Daily data is recorded in the Pacific time zone.

1W 1M 1Q



Total Page Likes as of Today: 1,010 *i*



BENCHMARK
Compare your average performance over time.

Total Page Likes

Net Likes

Net likes shows the number of new likes minus the number of unlikes.



BENCHMARK
Compare your average performance over time.

Unlikes

Organic Likes

Paid Likes *i*

Net Likes

WANT MORE LIKES?

Create an ad to get more people to like your Page.

[Promote Page](#)



TWEETS
1,129

FOLLOWING
1,511

FOLLOWERS
941

LIKES
432

MOMENTS
0

Desert Water Agency Twitter Analytics June 2017

Jun 2017 • 30 days

TWEET HIGHLIGHTS

Top Tweet earned 2,577 impressions

Recycled water is one great way we make the most out of every drop of your water. It helps protect groundwater quality and quantity. pic.twitter.com/cAqXGBMER7



8 10

View Tweet activity

View all Tweet activity

Top mention earned 15 engagements



PS Animal Shelter

@PSAnimalShelter · Jun 3

We're partnering with @DWAwater to feature pups each week like Rex 🐶 & pet hydration 💧 Adopters get a kerchief & collapsible bowl all summer ☀️ pic.twitter.com/ZYC3HUOB7e



3 7

View Tweet

JUN 2017 SUMMARY

Tweets

26

Tweet impressions

9,101

Profile visits

361

Mentions

7

New followers

9

Top media Tweet earned 870 impressions

Meet Rex! He's our pick this week for #DogDaysOfSummer. All dogs adopted from @PSAnimalShelter this summer will get a DWA bandana and bowl. pic.twitter.com/H1SiRG6aVi



DOG DAYS OF SUMMER DOG OF THE WEEK MEET REX!

Two year old Rex is ready to hike, run, play ball & learn new skills. This handsome & happy guy is smart, energetic & likes playing with other dogs, too!

6 9