



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 – December 19, 2017 CIOFFI
3. **GENERAL MANAGER'S REPORT** KRAUSE
4. COMMITTEE REPORTS – A. Executive – December 27, 2017 CIOFFI
B. Executive – January 9, 2018 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** - DECEMBER BLOOMER
7. ITEMS FOR ACTION
A. Request Approval of MOU Update for Customer Assistance Program KRAUSE
B. Request Approval of Addition of Outreach Specialist I/II Position to DWA Employee Classification Listing JOHNSON
C. Request Adoption of DWA Policy Prohibiting Workplace Bullying JOHNSON
D. Request Adoption of DWA Drug Free and Safe Workplace Policy Revisions JOHNSON
E. Request Authorization of Stipend and Mileage Reimbursement to Vice President Stuart KRAUSE
8. ITEMS FOR DISCUSSION
A. 2017 Capital Improvement Projects Presentation KRAUSE
B. State Water **Contractors' Meeting** – December 21, 2017 RIDDELL
C. December Water Use Reduction Figures 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 LEGAL COUNSEL – POTENTIAL LITIGATION

Pursuant to Government Code Section 54956.9 (d) (2)

One Case

E. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: APN 680-180-034; 3.23 acre parcel located 1,000 feet East of S. Gene Autry Trail on South Side of Dinah Shore Drive

Agency Negotiators: Mark S. Krause, General Manager

Negotiating Parties: Scott Stokes

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**

2

December 19, 2017

DWA Board:	James Cioffi, President)	Attendance
	Joseph K. Stuart, Vice President)	
	Kristin Bloomer, Secretary-Treasurer)	
	Patricia G. Oygur, Director)	
	Craig A. Ewing, Director)	
 DWA Staff:	 Mark S. Krause, General Manager)	
	Steve Johnson, Asst. General Manager)	
	Martin S. Krieger, Finance Director)	
	Sylvia Baca, Asst. Secretary of the Board)	
	Ashley Metzger, Outreach & Conserv. Mgr.)	
	Irene Gaudinez, Human Resources Mgr.)	
	John Ruiz, Interim Human Resources Mgr.)	
	Jeff Nesbit, Water Service Worker III)	
 Consultant:	 Michael T. Riddell, Best Best & Krieger)	
	Linda Devlin, Singer Lewak, LLP)	
	Chad Halliday, Singer Lewak, LLP)	
 Public:	 David Freedman, P.S. Sustainability Comm.)	

17985. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Oygur in the Pledge of Allegiance. He then requested Item No. 7A be heard at this time. **Pledge of Allegiance**

17986. President Cioffi asked General Manager Krause to present staff's request for adoption of Resolution No. 1174 Granting Retirement Status to Jeff Nesbit. **Action Item:**
Resolution No. 1174 – Jeff Nesbit Retirement

Mr. Krause provided a brief highlight of accomplishments Mr. Nesbit has attained over the years.

President Cioffi then read aloud Resolution No. 1174 highlighting Mr. Nesbit's twenty-five years of service to Desert Water Agency.

Director Ewing made a motion to adopt Resolution No. 1174. Vice President Stuart seconded the motion, which carried unanimously.

Action Item:
(Cont.)

Resolution No. 1174
Adopted

**RESOLUTION NO. 1174
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DESERT WATER AGENCY
GRANTING RETIREMENT STATUS TO
JEFFREY NESBIT**

Mr. Nesbit expressed his appreciation to the Board of Directors and staff.

17987. President Cioffi called for approval of the December 5, 2017 Regular Board meeting minutes.

Approval of 12/05/17
Regular Board Mtg.
Minutes

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

17988. President Cioffi called upon General Manager Krause to provide an update on Agency operations.

General Manager's
Report

Mr. Krause introduced John Ruiz, Interim Human Resources Manager.

Interim HR Manager

Mr. Krause stated the Agency received two Presidential Special Recognition Awards from the Association of California Water Agencies/Joint Powers Insurance Agency (ACWA/JPIA). At the recently held conference, the Agency was awarded for its low claims/losses in Liability, Property & Worker Compensation.

ACWA/JPIA Awards

Mr. Krause noted the initial allocation of 15% for the State Water Project.

SWP Allocation

Continuing his report, Mr. Krause stated that the Agency has implemented a free online payment option for a one-time payment for its customers through their bank. This is in contrast to making a one-time payment using a credit card, incurring a transaction fee from the creditor. Online access to the customer's transaction history has also been added.

E-Billing Update

Mr. Krause stated as of the end of November, approximately 349,228 acre-feet has been delivered to the Whitewater Spreading Basins and 7,209 acre-feet to the Mission Creek Spreading Basins. We anticipate delivering approximately 43,650-acre-feet to Whitewater and 2,000 acre-feet to Mission Creek for December, bringing our total water deliveries for 2017 to 392,878 acre-feet and 9,209 acre-feet respectively. We anticipate generating 780,000 kwh for December with an anticipated SCE settlement of \$65,000, bringing the Agency's total power generated for the year to

Water Delivery Update

approximately 7,300,000 kwh and a total year-end SCE settlement amount of approximately \$650,000.

GM Report

(Cont.)

Water Delivery Update

Regarding the 2017/2018 Potable Water Reservoir maintenance, Mr. Krause stated the Agency is currently in the process of recoating the interior and repainting the exterior of the 12 million gallon Palm Springs North Reservoir as part of its annual reservoir maintenance program. This reservoir was built in 1982. The tentative completion date for this project, per the contract schedule is May 15, 2018.

2017/2018 Potable
Water Reservoir
Maintenance

Mr. Krause stated on December 5, DWA crews began work to replace the lumber for the Snow Creek Bridge. This project required 44 pieces of pressure treated 12" wide, 10" thick and 14' long Douglas Fir lumber. This wood was treated with an additional wood preservation as it was installed to extend the life. The current wood from the bridge deck had not been replaced since its construction in the early 90's.

Snow Creek Bridge
Deck Replacement

Concluding his report, Mr. Krause noted the current system leak data, and meetings and activities he participated in during the past several weeks. He reminded everyone that DWA offices will be closed on Friday, December 22 and Monday, December 25 for the Christmas holiday.

System Leak Data,
General Manager's
Meetings & Activities,
Office Closure for the
Holiday

17989. President Cioffi noted the minutes for the December 14, 2017 Executive Committee were provided in the Board's packet.

Committee Reports:
Executive 12/14/17

17990. 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.

17991. President Cioffi called upon Secretary-Treasurer Bloomer to provide an overview of financial activities for the month of November 2017.

**Secretary-Treasurer's
Report (November)**

Secretary-Treasurer Bloomer reported that the Operating Fund received \$2,443,659 in Water Sales Revenue, \$140,805 in Reclamation Sales Revenue and \$176,905 in Advanced Work Order Deposits. Included in the Miscellaneous Receipts category was \$385,024 for Round 4 Proposition 84 Grant Money. \$1,269,295 was paid out in Accounts Payable. Year-to-date Water Sales were 6% over budget, Year-to-date Total Revenues were 8% over budget, and Year-to-date Total Expenses were 22% under budget. There were 22,498 active services as of November 20 compared to 22,484 as of October 31.

Operating Fund

Reporting on the General Fund, Ms. Bloomer stated that \$83,301 was received in Property Tax Revenue. \$37,392 was received in Groundwater Assessments from private pumps. \$68,786 was received from SCE (October Whitewater Hydro Sales). \$679,827 was paid in State Water Project Charges (YTD SWP Payments \$7,301,995).

General Fund

Reporting on the Wastewater Fund, Ms. Bloomer stated that \$3,395 was received in Sewer contract payments. There were a total of 48 sewer contracts, with total delinquents of 9 (19%). \$88,941 was paid out in Accounts Payable.

**Secretary-Treasurer's
Report (November)**
(Cont.)

Wastewater Fund

17992. President Cioffi called upon General Manager Krause to present staff's request for adoption of Resolution No. 1175 in Recognition of Coachella Valley Water District's (CVWD) One Hundred Years of Service.

Items for Action:
Request Adoption of
Resolution No. 1175
Honoring CVWD

Mr. Krause stated on January 9, 2018, CVWD will mark 100 years of service. Resolution No. 1175 notes the key areas of collaboration. DWA Board and staff will have an opportunity to present the resolution to CVWD's Board of Directors at its January 9 meeting. Staff is very grateful for the partnership with CVWD and recommends approval of Resolution No. 1175 recognizing this important milestone in CVWD's history.

Director Oygar made a motion to adopt Resolution No. 1175. President Cioffi seconded the motion, which carried unanimously.

**RESOLUTION NO. 1175
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY IN RECOGNITION OF
COACHELLA VALLEY WATER DISTRICT'S
ONE HUNDRED YEARS OF SERVICE**

**Resolution No. 1175
Adopted**

17993. President Cioffi called upon Finance Director Krieger to present staff's request for acceptance of the Singer Lewak, LLP Annual Audit for 2016-2017 Fiscal Year.

Acceptance of 2016-
2017 Singer Lewak
LLP Annual Audit

Mr. Krieger welcomed Linda Devlin and Chad Halliday of Singer Lewak, LLP and invited both to present their report.

Ms. Devlin gave a brief overview of the financial highlights. She noted the following: Deferred outflows increased \$2.7 million while deferred inflows decreased \$1.8 million; Current year operating revenues increased \$2.0 million while operating expenses decreased \$2.5 million, Total revenues were \$55.9 million and total expenses were \$45.8 million.

Mr. Halliday discussed the following: Accounting estimates in the Audit report; Internal control letter; and Best Practices.

Director Ewing made a motion to accept Singer Lewak, LLP's audit for Fiscal Year 2016-2017. Vice President Stuart seconded the motion, which carried unanimously.

17994. President Cioffi asked General Manager Krause to present staff's request for authorization to execute Department of Water Resources (DWR's) Seventh Amendment to the Tolling and Waiver agreement.

Action Items:
(Cont.)

Authorization to
Execute 7th
Amendment/DWR
Tolling & Waiver
Agrmt.

Mr. Krause stated the current tolling agreement to suspend the deadline for challenging protested items on the Statement of Charges (SOC) from DWR under the Agency's water supply contract will expire on December 31. The State Water Contractors (SWC) staff are requesting adoption of a Seventh amendment, which would extend the contract to December 31, 2019.

Director Ewing made a motion to authorize execution of the Seventh amendment to DWR's Tolling and Waiver agreement. President Cioffi seconded the motion, which carried unanimously.

17995. President Cioffi asked General Manager Krause to report on the November water reduction figures.

Discussion Items:
November Water
Reduction Figures

Mr. Krause reported that the Agency and its customers achieved a 10% reduction in potable water production during November 2017 compared to the same month in 2013. He noted the amount of fresh water outflow to the ocean was 502,631-acre feet.

17996. President Cioffi asked Finance Director Krieger to present his report on the Annual reporting of back-up facility and capacity charges.

Annual Reporting of
Back-Up Facility &
Capacity Charges

Mr. Krieger stated that summaries are provided for the back-up facility and capacity charges the Agency collects when a new service connection is made to the water distribution, reclaimed or sewer systems. He explained since capital expenditures exceed the fees collected, legal counsel has indicated annual reporting is not necessary. Staff, however, feels it is prudent to continue apprising the Board. He noted that a copy of this report was sent to the Desert Valley Builders Association (DVBA), which they approved the analysis and agreed with the report.

17997. President Cioffi asked General Manager Krause to present his report on the University of North Carolina (UNC) Chapel Hill study on drought water use and rate structures.

UNC Chapel Hill Study
on Drought Water Use
& Rate Structures

Mr. Krause explained that participating agencies asked UNC to collect and analyze information that could provide insight on how pricing, conservation measures, and other factors might influence customer water usage behavior. He presented a PowerPoint presentation, which indicated that the analysis showed that rate structure alone did not play a major role to reduce usage. The analysis reinforced the sentiment that water agencies should consider their demographic, geographic, and climate-related situations when making determinations about how to encourage conservation through pricing and non-pricing strategies.

At 9:50 a.m., Vice President Stuart left the meeting.

17998. At 10:00 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; and (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency.

Closed Session:

- A. Existing Litigation – ACBCI vs. CVWD, et al.
- B. Existing Litigation – ACBCI vs. Riverside County
- C. Existing Litigation – MSWD vs. DWA

17999. At 10:51 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

Reconvene –No Reportable Action

18000. In the absence of any further business, President Cioffi adjourned the meeting at 10:52 a.m.

Adjournment

James Cioffi, President

ATTEST:

Joseph K. Stuart, Vice President

GENERAL MANAGER'S REPORT JANUARY 16, 2018

8" Araby Pipeline Repair

In late October 2017, a large boulder dislodged from the cliff above the Araby pipeline and slid into the pipeline. The pipeline was extensively damaged by the impact. A contract was entered into with Borden Excavating, Inc. for a maximum of \$42,800 to video inspect the pipe and replace the damaged section of pipe including strengthening an existing concrete thrust block. The Agency supplied the 8" steel pipe, miscellaneous materials, and had the pipe coated at a cost of \$6,500. The contractor began the repair on Thursday December 21, 2017. All of the work has been completed and the pipeline was placed back in service on January 8, 2018.



The repaired pipeline section.

Araby Pipeline Repair
(Cont.)



The fortified thrust block.

Water Delivery Update

For the calendar year 2017, approximately 378,450 AC-FT was delivered to the Whitewater Spreading Basins and 9,190 AC-FT to the Mission Creek Spreading Basins.

The Whitewater Hydro plant produced over 7 million kWh for the year, enough to power approximately 600 homes for the year. The total amount of revenue received from SCE for the power production was \$643,718, which was shared equally between DWA and CVWD.

SGMA Update

The DWR SGMA Portal lists 20 Alternative Groundwater Sustainability Plans.

SGMA regulations do not provide a deadline for DWR's review of the submitted Alternative Plans. According to SGMA regulations, DWR must complete its review of "New" Groundwater Sustainability Plans (non-alternative plans) within 2 years. DWR has stated it wants to treat the Supplemental Plans like the "New Plans", and therefore intends to review the Alternative Plans within 2 years of the their submittal deadline, January 1, 2019.

Regardless of the fact that DWR has not completed its review of our submitted Alternative Plans for the Mission Creek and Indio Subbasins, they are requiring an update of the plans by April 1, 2018. It has been proposed by CVWD that the update be carried out by Stantec (formerly Montgomery Watson Harza Global). The GSA's in the Indio and Mission Creek Subbasins are discussing this proposal and funding split. DWA has agreed with approving Stantec's proposals and to an equal funding split among the participants in the Indio and Mission Creek Subbasin. So far, only CVWD and DWA have reached this agreement.

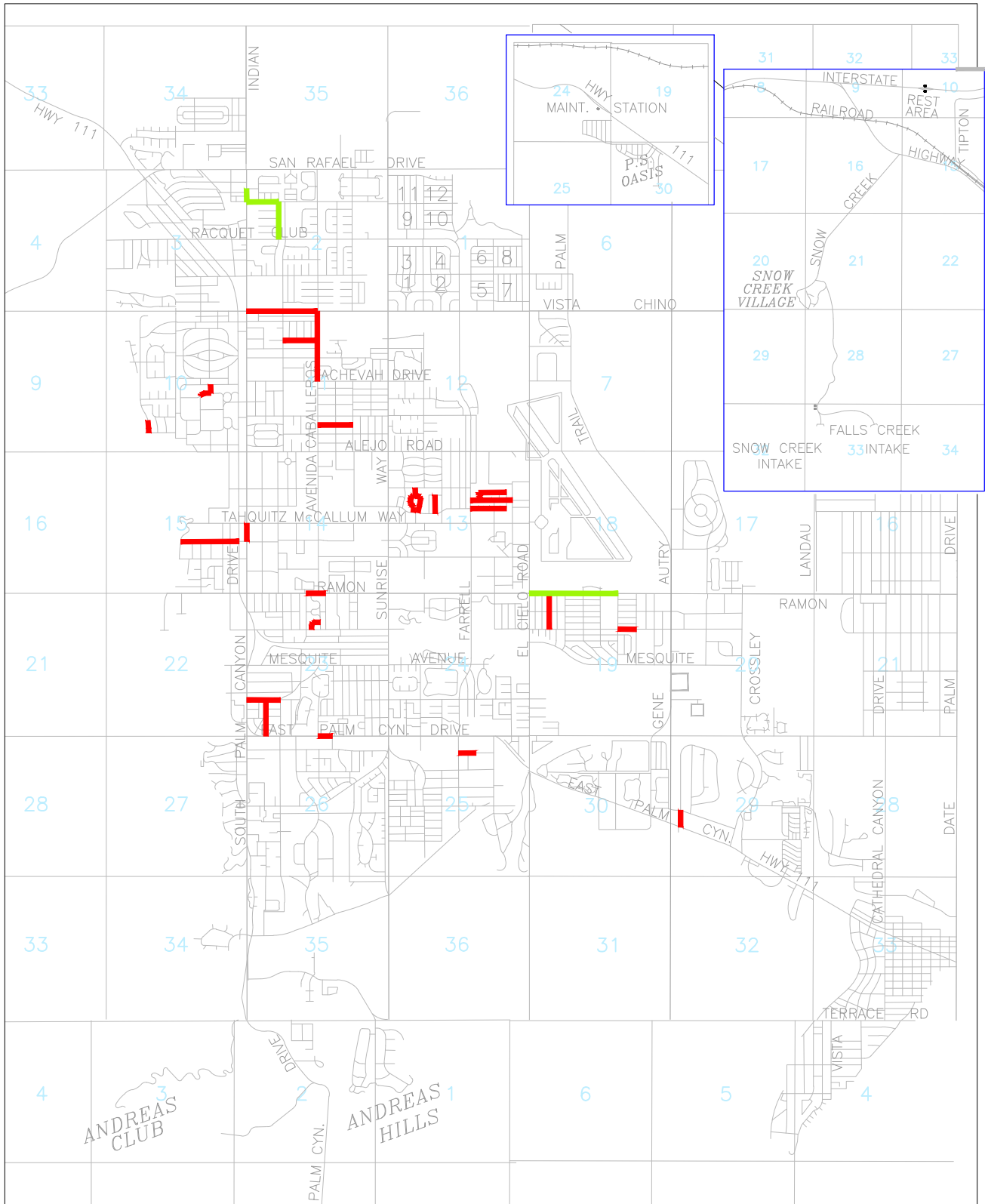
On January 4 at approximately 4:30 p.m., construction staff responded to a hit fire hydrant on Radio Rd., east of McCarthy Rd; this was a hit and run. The hydrant was replaced and put back in service. The water loss was a fully open 6-inch hydrant bury which ran for approximately 30 minutes. A police report was filed.



SYSTEM LEAK DATA		
(PERIOD BEGINNING DECEMBER 12, 2017 THRU JANUARY 9, 2018)		
STREET NAME	QUARTER SECTION	NUMBER OF LEAKS
CAHUILLA RD (5")	4410SE	7
SANDCLIFF RD	4425NE	6
VISTA CHINO (20")	4411NW	5
CHIA RD	4411NW	3
ANDREAS RD	4413NE	3
RAMON RD (12")	4519NW	2
STARR RD	4402NW	2
AVENIDA CABALLEROS (20")	4411NW	2
VIA ALTAMIRA	4411SE	2
DESERT WAY	4519NW	2
BARISTO RD	4415SE	2
LIVMOR AVE (6"/4"/6")	4413NE	2
HERMOSA PL (5")	4410SE	2
RAMON RD	4423NW	2
INDIAN CANYON DR (8")	4402NW	1
RAMON RD (12")	4519NW	1
FRANCIS DR	4402NW	1
PLAIMOR DR	4413NE	1
SUNNY DUNES RD	4519NE	1
ROSE AVE	4410SW	1
E PALM CANYON DR	4426NE	1
EASMOR CIR	4413NE	1
SONORA RD	4423SW	1
INDIAN CANYON DR	4415SE	1
DEBBY DR	4413NW	1
VIA SALIDA	4423SW	1
CERRITOS DR	4413NW	1
BROADMOOR DR (10")	4529SW	1
WARM SANDS PL	4423NE	1
TOTAL LEAKS IN SYSTEM:		57

* 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

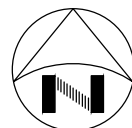
(Period beginning December 12, 2017
thru January 9, 2018)

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

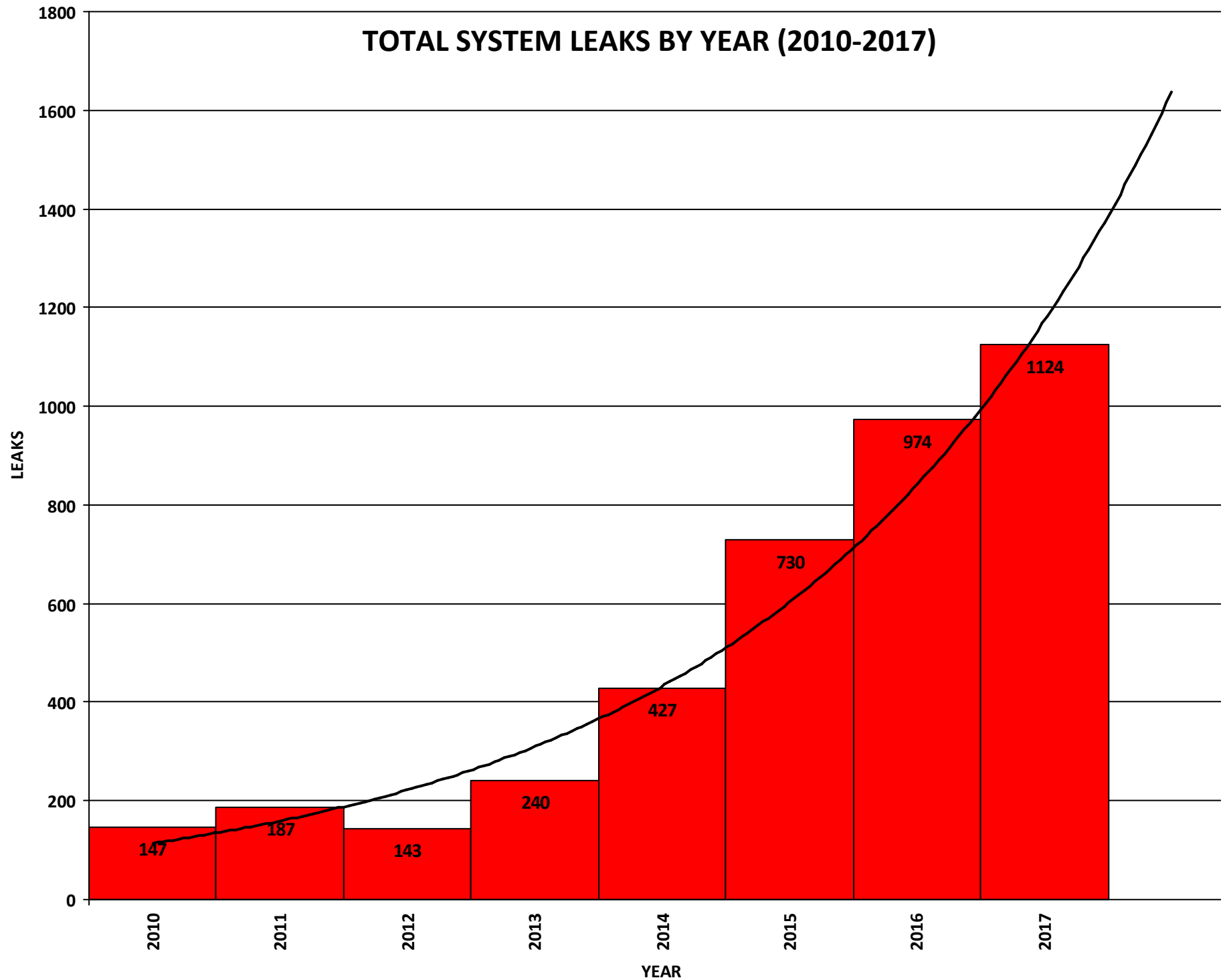


DATE
1/18

SCALE
NTS

EXHIBIT
"A"

TOTAL SYSTEM LEAKS BY YEAR (2010-2017)



General Manager's Meetings and Activities:

Meetings:

12/20/17	SWC Delta Committee Meeting	Sacramento
12/20/17	SWC Policy Meeting	Sacramento
12/21/17	SWC Monthly Board Meeting	Sacramento
12/21/17	SWC-SFWCA Monthly Board Meeting	Sacramento
12/21/17	Sites Reservoir Committee Monthly Meeting	Sacramento
12/27/17	DWA Executive Committee Meeting	DWA
01/04/18	Whitewater Replenishment BLM Permit Renewal	Conf. Call
01/05/18	SWC's Cal. WaterFix Update	Conf. Call
01/08/18	Weekly Staff Meeting, I.S. Meeting, Snow Crk Security	DWA
01/08/18	Bob Reeb Weekly Conf. Call	Conf. Call
01/09/18	Kris Poly Weekly Conf. Call	Conf. Call
01/09/18	Executive Committee Meeting	DWA
01/09/18	Negotiation Prep. Cal WaterFix Contract Amendment	Conf. Call
01/10/18	East Branch Contractor Quarterly Meeting	SBVMWD
01/10/18	UNC Conservation Rate Study	Conf. Call
01/11/18	Whitewater Replenishment BLM Permit Renewal	BLM
01/12/18	SWC Workshop	Conf. Call

Activities:

- 1) SGMA – Annual Alternative GW Sustainability Plan Update Due in April 2018
- 2) E-Billing – Implementing customer payment history capabilities
- 3) E-Billing - Implementing Customer One Time Payment Option
- 4) Outreach Talking Points – KESQ
- 5) Snow Creek Hydro SCE contract extension – ongoing
- 6) Whitewater Hydro – Facility Bypass Pipeline
- 7) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)
- 8) MSWD Settlement Agreement and MOA from Mediation
- 9) ACBCI Section 14 Facilities & Easements
- 10) Lake Oroville Spillway Damage
- 11) Replacement Pipelines 2017-2018
- 12) CWF – Phasing Concepts
- 13) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water
- 14) DWA/CVWD/MWD Agreements Update
- 15) SGMA Alternative Plans and Bridge Documents
- 16) SWP 2018 Water Supply
- 17) ACBCI Law Suits
- 18) Lake Perris Dam Remediation
- 19) Section 14 Pipeline Easements
- 20) DOI Regulation
- 21) 218 Applicability to Groundwater Recharge Assessment
- 22) A.B. 1562

Activities:
(Cont.)

- 23) Repair of Facility Access Roads Damaged in the September 10 Storm (Araby)
- 24) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 25) Multi-Agency Rate Study
- 26) SGMA Tribal Stakeholder Meetings
- 27) Whitewater Spreading Basins – BLM Permits
- 28) Lake Perris Dam Seepage Recovery Project Participation
- 29) Cal Waterfix Cost Allocation
- 30) DWA Surface Water Filtration Feasibility Study
- 31) Modification of our CVRWMP Boundary
- 32) MSWD Mediation
- 33) Review Documents for MSWD Public Records Act Request
- 34) CV-Link Solar
- 35) S1464 - Water Conservation Tax Parity Act (Conservation Rebate Tax)
- 36) CVWD 100 Year Anniversary Resolution
- 37) CRA & SWP Tours 2018
- 38) 3M Glass Shield
- 39) Snow Creek Gate Locks
- 40) MCSB Delivery Updates
- 41) DWA SWP Contract Amendment No. 20

**Minutes
Executive Committee Meeting
December 27, 2017**

Directors Present: Jim Cioffi, Joe Stuart
Staff Present: Mark Krause, Steve Johnson

1. Discussion Items

A. Review Agenda for January 2, 2018 Regular Board Meeting

The proposed agenda for the January 2, 2018 regular board meeting was reviewed. Due to a lack of action items, it was decided to cancel this meeting. Staff will distribute the necessary notices.

2. Other

A. CSDA Special District Leadership Academy Conference

The Committee reviewed the conference registration for February 4-7, 2018 in La Quinta. This conference is approved for interested Board Members to attend.

3. Adjourn

Minutes
Executive Committee Meeting
January 9, 2018

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Mark Krause, Martin Krieger, Steve Johnson

1. Discussion Items

- A. Review Agenda for January 16, 2018 Regular Board Meeting
The proposed agenda for the January 16, 2018 meeting was reviewed.
- B. Expense Reports
The December expense reports were reviewed.

2. Other

- A. 2018 Committee Assignments
The Committee reviewed the assignments for the year and discussed having alternates to each committee. Further discussion will be held with the full Board.
- B. Irrigation Leader Operations & Management Workshop
The Committee reviewed the agenda for the workshop being held in Phoenix on January 31 – February 1; General Manager Krause will be attending.

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

DECEMBER 2017

INVESTED
RESERVE FUNDS
\$19,406,530.09

BALANCE	DECEMBER 1, 2017	(\$185,622.62)	
WATER SALES		\$2,463,842.86	
RECLAMATION SALES		90,769.73	
WASTEWATER RECEIPTS		91,526.17	
POWER SALES		1,114.12	
METERS, SERVICES, ETC.		283,080.00	
REIMBURSEMENT – GENERAL FUND		265,150.30	
REIMBURSEMENT – WASTEWATER FUND		5,656.26	
ACCOUNTS RECEIVABLE – OTHER		25,856.64	
CUSTOMER DEPOSITS – SURETY		9,120.00	
CUSTOMER DEPOSITS – CONST.		31,314.00	
LEASE REVENUE		3,396.33	
INTEREST RECEIVED ON INV. FDS.		0.00	
FRONT FOOTAGE FEES		13,930.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		3,412.01	
TOTAL RECEIPTS		\$3,288,168.42	
PAYMENTS			
PAYROLL CHECKS		\$376,541.42	
PAYROLL TAXES		192,258.57	
ELECTRONIC TRANSFERS		156,989.03	
CHECKS UNDER \$10,000.00		165,065.09	
CHECKS OVER \$10,000.00 – SCH. #1		636,700.84	
CANCELLED CHECKS AND FEES		12,685.06	
TOTAL PAYMENTS		\$1,540,240.01	
NET INCOME		\$1,747,928.41	
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		1,326,500.00	
NET TRANSFER		(\$1,326,500.00)	\$1,326,500.00
BALANCE	DECEMBER 31, 2017	\$235,805.79	\$20,733,030.09

OPERATING ACCOUNT

SCHEDULE # 1-CHECKS OVER \$10,000			DESCRIPTION	AMOUNT
CHECK #	NAME			
116263	WILLIAM MARTIN JR		FINAL PAYCHECK PAYROLL ADVANCE	\$13,040.72
116285	Z&L PAVING, INC		PAVING	\$28,685.25
116291	BEST BEST & KRIEGER LLP		LEGAL FEES	\$68,762.12
116341	Z&L PAVING, INC		PAVING	\$11,884.50
116342	SOUTHERN CALIFORNIA EDISON CO		POWER - NOVEMBER 2017	\$266,707.95
116380	DESERT WATER AGENCY - WASTEWATER		WASTEWATER REVENUE BILLING FOR NOVEMBER 2017	\$86,025.86
116417	KRIEGER & STEWART INC		ENGINEERING	\$26,639.68
116418	LANDMARK CONSULTANTS INC		SOIL COMPACTION TESTING - 2016/17 REPLACEMENT PIPELINES	\$17,700.00
116420	84 LUMBER		MATERIAL FOR FALLS CREEK/SNOW CREEK BRIDGES (W/O # 14-180-M)	\$22,591.81
116437	SOUTHERN CALIFORNIA EDISON CO		POWER - DECEMBER 2017	\$10,582.94
116439	STATE WATER RES CONTROL BOARD		ANNUAL PERMIT FEES	\$31,071.00
116441	THATCHER COMPANY OF CALIFORNIA		WATER SERVICE SUPPLIES	\$21,358.51
116454	Z&L PAVING, INC		PAVING	\$11,650.50
116456	SUNRISE OASIS ESTATES HOA, INC		TURF BUY BACK PROGRAM	\$20,000.00
** TOTAL				\$636,700.84

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
DECEMBER 31 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	\$ 17,733,030.09	\$ 17,733,030.09	\$ 17,733,030.09	1.280%	
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Certificates of Deposit

Total Certificates of Deposit	\$		\$		\$	
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Commercial Paper

Total Commerical Paper	\$		\$		\$	
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Government Agency

09-20-16	Union Bank	FNMA (Callable 3-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,390.00	1.300%	Quarterly
10-28-16	Union Bank	FHLMC STEP (Callable 1-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,140.00	2.000%	Quarterly
02-28-17	Union Bank	FHLMC (Callable 2-25-18)	02-25-19	\$ 500,000.00	\$ 500,000.00	\$ 496,930.00	1.400%	Quarterly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 500,000.00	\$ 500,000.00	\$ 494,110.00	1.700%	Quarterly

Total Government Agency	\$	3,000,000.00	\$	3,000,000.00	\$	2,976,570.00
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Weighted Mean YTM 1.329%

TOTAL INVESTED @ 12/31/17	\$	20,733,030.09	\$	20,733,030.09	\$	20,709,600.09
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BALANCE @ 06/30/17	\$	16,124,074.41
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INCREASE (DECREASE)	\$4,608,955.68
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

DECEMBER 2017

INVESTED
RESERVE FUNDS
\$114,529,397.70

BALANCE DECEMBER 1, 2017 (\$583,131.55)

* TAXES - RIVERSIDE COUNTY		4,968,175.28
* INTEREST EARNED - INV. FUNDS		88,406.64
GROUNDWATER REPLEN. ASSESSMENT		0.00
REIMBURSEMENT - OPERATING FUND		0.00
REIMBURSEMENT - CVWD MGMT		0.00
STATE WATER PROJECT REFUNDS		0.00
REIMB - CVWD - WHITEWATER HYDRO		0.00
POWER SALES - WHITEWATER		51,921.77
MISCELLANEOUS		10,164.00

TOTAL RECEIPTS \$5,118,667.69

PAYMENTS

CHECKS UNDER \$10,000.00		28,056.26
CHECKS OVER \$10,000.00 - SCH. #1		974,016.32
CANCELLED CHECKS AND FEES		950.00

TOTAL PAYMENTS \$1,003,022.58

NET INCOME \$4,115,645.11

INVESTED RESERVE FUNDS

FUNDS MATURED		4,599,950.00
FUNDS INVESTED – SCH. #2		7,679,750.00

NET TRANSFER (\$3,079,800.00) \$3,079,800.00

BALANCE DECEMBER 31, 2017 \$452,713.56 \$117,609,197.70

* INCLUSIVE TO DATE

	TAXES	INTEREST
RECEIPTS IN FISCAL YEAR	\$6,548,691.53	\$690,493.59
RECEIPTS IN CALENDAR YEAR	\$25,722,348.17	\$1,253,210.28

DESERT WATER AGENCY

GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8978	COACHELLA VALLEY WATER DISTRICT	WHITEWATER HYDRO REVENUE - SEPTEMBER 2017	\$29,041.02
8987	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - SEPTEMBER 2017	\$25,554.00
8992	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR NOVEMBER 2017	\$265,150.30
8993	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - DECEMBER 2017	\$654,271.00
** TOTAL			\$974,016.32

DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
DECEMBER 31, 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	\$	40,587,077.70	\$ 40,587,077.70	\$ 40,587,077.70	1.280%	-
Certificates of Deposit									
01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 999,890.00	1.100%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$	245,000.00	\$ 245,000.00	\$ 244,960.80	1.350%	Bullet
04-20-17	RBC Wealth Mgmt	Whitney Bank CD	04-22-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 997,760.00	1.650%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One N/A CD	06-15-20	\$	250,000.00	\$ 250,000.00	\$ 248,847.50	1.900%	Bullet
06-14-17	RBC Wealth Mgmt	Capital One Bank USA CD	06-15-20	\$	250,000.00	\$ 250,000.00	\$ 248,847.50	1.900%	Bullet
06-19-17	RBC Wealth Mgmt	First Priority Bank CD	06-19-20	\$	250,000.00	\$ 250,000.00	\$ 247,932.50	1.750%	Bullet
06-22-17	Sun Community FCU	Credit Union CD	06-22-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 1,007,958.18	1.500%	Bullet
Total Certificates of Deposit				\$	3,995,000.00	\$ 3,995,000.00	\$ 3,996,196.48		
Commercial Paper									
12-16-13	Stifel	General Electric	05-15-18	\$	587,600.00	\$ 500,000.00	\$ 500,760.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$	997,920.00	\$ 1,000,000.00	\$ 997,530.00	1.000%	Bullet
Total Commercial Paper				\$	1,585,520.00	\$ 1,500,000.00	\$ 1,498,290.00		
Government Agency									
03-27-13	Ladenburg Thalmann	FNMA (Callable 3-27-18)	03-27-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 999,170.00	1.050%	Qtrly
06-13-13	Ladenburg Thalmann	FHLB (Callable 3-13-18)	06-13-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 997,780.00	1.100%	Qtrly
10-02-15	Stifel	FHLB (Callable Continuous)	10-02-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 990,190.00	1.450%	Continuous
10-29-15	Stifel	FHLB (Callable Continuous)	10-29-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 994,310.00	1.120%	Continuous
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-18)	05-23-18	\$	996,000.00	\$ 1,000,000.00	\$ 997,840.00	1.000%	Qtrly
11-25-15	Stifel	FNMA (Callable 2-25-18)	11-25-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 989,580.00	1.500%	Qtrly
02-26-16	Ladenburg Thalmann	FNMA (Callable 2-26-18)	02-26-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,370.00	1.250%	Qtrly
03-23-16	Ladenburg Thalmann	FNMA (Callable 3-23-18)	03-23-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 986,400.00	1.500%	Qtrly
03-30-16	Stifel	FNMA STEP (Callable 3-30-18)	03-30-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 990,950.00	1.500%	Qtrly
03-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	03-30-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,520.00	1.250%	Qtrly
04-26-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-26-20	\$	999,500.00	\$ 1,000,000.00	\$ 982,520.00	1.550%	Continuous
05-23-16	Stifel	FNMA (Callable 2-23-18)	08-23-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 984,760.00	1.250%	Qtrly
05-26-16	Union Bank	FNMA	11-26-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 988,180.00	1.300%	1 Time
05-31-16	Ladenburg Thalmann	FHLMC (Callable 2-28-18)	08-29-18	\$	1,000,000.00	\$ 1,000,000.00	\$ 995,310.00	1.020%	Qtrly
06-01-16	Stifel	FFCB (Callable Continuous)	03-01-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 990,130.00	1.250%	Continuous
06-13-16	Ladenburg Thalmann	FNMA (Callable 3-13-18)	06-13-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 992,690.00	1.400%	Qtrly
06-16-16	Stifel	FFCB (Callable Continuous)	03-16-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 984,820.00	1.400%	Continuous
06-21-16	Stifel	FHLMC STEP (Callable 3-21-18)	06-21-21	\$	1,000,000.00	\$ 1,000,000.00	\$ 976,290.00	1.400%	Qtrly
06-28-16	Ladenburg Thalmann	FNMA (Callable 3-28-18)	06-28-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 989,790.00	1.200%	Qtrly
06-30-16	Stifel	FHLMC STEP (Callable 3-30-18)	12-30-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 993,490.00	1.250%	Qtrly
07-07-16	Ladenburg Thalmann	FFCB (Callable Continuous)	01-07-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 991,510.00	1.000%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	10-11-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 984,990.00	1.125%	Continuous
07-11-16	Ladenburg Thalmann	FHLB (Callable Continuous)	07-11-19	\$	1,000,000.00	\$ 1,000,000.00	\$ 988,250.00	1.125%	Continuous
07-13-16	Union Bank	FFCB (Callable Continuous)	01-13-20	\$	1,000,000.00	\$ 1,000,000.00	\$ 983,620.00	1.240%	Continuous
07-26-16	Ladenburg Thalmann	FNMA (Callable 1-26-18)	07-26-19	\$	999,500.00	\$ 1,000,000.00	\$ 987,190.00	1.125%	Qtrly

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2017**

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

07-27-16	Stifel	FNMA STEP (Callable 1-27-18)	07-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 972,510.00	1.250%	Qtrly
08-10-16	Ladenburg Thalmann	FHLMC (Callable 2-10-18)	08-10-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,160.00	1.450%	Qtrly
08-24-16	Ladenburg Thalmann	FHLMC STEP (Callable 2-24-18)	08-24-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,540.00	1.250%	Qtrly
08-30-16	Stifel	FHLMC STEP (Callable 2-28-18)	08-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,850.00	1.500%	Qtrly
08-30-16	Ladenburg Thalmann	FNMA (Callable 2-27-18)	11-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 980,960.00	1.250%	Qtrly
09-06-16	Ladenburg Thalmann	FFCB (Callable Continuous)	03-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 989,900.00	1.150%	Continuous
09-20-16	Union Bank	FNMA (Callable 3-20-18)	09-20-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 987,390.00	1.300%	Qtrly
09-27-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,090.00	1.250%	Qtrly
09-29-16	Ladenburg Thalmann	FHLMC STEP (Callable 3-29-18)	09-29-21	\$ 950,000.00	\$ 950,000.00	\$ 936,795.00	1.375%	Qtrly
09-30-16	Ladenburg Thalmann	FNMA (Callable 3-30-18)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 985,110.00	1.250%	Qtrly
10-06-16	Ladenburg Thalmann	FHLMC (Callable 1-6-18)	07-06-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,410.00	1.375%	Qtrly
10-11-16	Ladenburg Thalmann	FHLMC (Callable 1-11-18)	10-11-18	\$ 999,750.00	\$ 1,000,000.00	\$ 993,450.00	1.000%	Qtrly
10-17-16	Stifel	FNMA	04-17-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 982,770.00	1.250%	1 Time
10-28-16	Stifel	FHLMC STEP (Callable 1-28-18)	10-28-21	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,484,910.00	1.250%	Qtrly
10-28-16	Union Bank	FHLMC STEP (Callable 1-28-18)	10-28-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,140.00	2.000%	Qtrly
11-03-16	Ladenburg Thalmann	FFCB (Callable Continuous)	05-03-21	\$ 999,250.00	\$ 1,000,000.00	\$ 975,890.00	1.490%	Continuous
11-15-16	Stifel	FHLMC STEP (Callable 2-15-18)	11-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,240.00	1.000%	Qtrly
12-14-16	Ladenburg Thalmann	FHLMC (Callable 3-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,510.00	1.750%	Qtrly
12-29-16	Ladenburg Thalmann	FNMA (Callable 3-29-18)	06-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,150.00	1.750%	Qtrly
12-30-16	Ladenburg Thalmann	FHLMC (Callable 3-30-18)	12-30-19	\$ 998,000.00	\$ 1,000,000.00	\$ 989,520.00	1.500%	Qtrly
01-27-17	Ladenburg Thalmann	FNMA (Callable 1-27-18)	01-27-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,930.00	1.650%	Qtrly
01-30-17	Union Bank	FHLB (Callable 1-30-18)	04-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,990.00	1.750%	Qtrly
02-28-17	Union Bank	FHLMC (Callable 2-25-18)	02-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,860.00	1.400%	Qtrly
03-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	03-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,750.00	1.300%	Annual
04-20-17	Stifel	FHLMC STEP (Callable 1-20-18)	04-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,380.00	1.250%	Qtrly
04-27-17	Ladenburg Thalmann	FHLMC (Callable 1-27-18)	01-27-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,390.00	2.000%	Qtrly
06-08-17	Stifel	FHLMC STEP (Callable 3-8-18)	06-08-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,360.00	1.375%	Qtrly
06-22-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-22-18)	06-22-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,290.00	1.625%	Qtrly
06-27-17	Union Bank	FHLB (Callable 3-27-18)	09-27-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,510.00	1.500%	Qtrly
06-29-17	Ladenburg Thalmann	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,690.00	1.750%	Qtrly
07-11-17	Ladenburg Thalmann	FHLMC (Callable 1-11-18)	01-11-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 986,700.00	1.800%	Qtrly
07-26-17	Stifel	FHLMC STEP (Callable 1-26-18)	07-26-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,840.00	1.750%	Qtrly
07-27-17	Stifel	FHLMC STEP (Callable 1-27-18)	07-27-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,530.00	1.500%	Qtrly
08-07-17	Ladenburg Thalmann	FFCB (Callable Continuous)	11-23-20	\$ 999,850.00	\$ 1,000,000.00	\$ 989,380.00	1.770%	Continuous
08-09-17	Stifel	FHLB STEP (Callable 2-9-18)	02-09-22	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,986,340.00	1.750%	Qtrly
08-10-17	Ladenburg Thalmann	FHLB STEP (Callable 2-10-18)	08-10-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,160.00	1.500%	Qtrly
09-08-17	Stifel	FHLB STEP (Callable 3-8-18)	09-08-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,470.00	1.750%	Qtrly
09-28-17	Ladenburg Thalmann	FHLMC STEP (Callable 3-28-18)	09-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,080.00	1.375%	Qtrly
09-29-17	Union Bank	FHLMC (Callable 3-29-18)	09-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,220.00	1.700%	Qtrly
09-29-17	Stifel	FHLMC STEP (Callable 3-29-18)	09-29-22	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,670.00	1.625%	Qtrly
10-26-17	Ladenburg Thalmann	FNMA (Callable 4-26-18)	07-26-21	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,870.00	2.000%	Qtrly
11-06-17	Ladenburg Thalmann	FFCB (Callable 2-16-18)	06-06-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,550.00	1.600%	Continuous
11-20-16	Ladenburg Thalmann	FHLMC (Callable 2-20-18)	11-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,340.00	2.000%	Qtrly
12-11-17	Ladenburg Thalmann	FHLB (Callable 6-11-18)	12-11-20	\$ 999,750.00	\$ 1,000,000.00	\$ 995,620.00	2.000%	Qtrly
12-14-17	Stifel	FFCB (Callable 12-14-18)	12-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,290.00	2.060%	Continuous

Total Government Agency \$ 71,441,600.00 \$ 71,450,000.00 \$ 70,782,155.00

Weighted Mean YTM 1.385%

TOTAL INVESTED @ 12/31/17 \$ 117,609,197.70 \$ 117,532,077.70 \$ 116,863,719.18

BALANCE @ 06/30/17 \$ 117,493,032.70

INCREASE OR (DECREASE) \$ 116,165.00

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

DECEMBER 2017

INVESTED
RESERVE FUNDS
\$1,179,890.93

BALANCE	DECEMBER 1, 2017	(\$1,348.03)	
ACCOUNTS RECEIVABLE - OTHER		\$0.00	
CUSTOMER DEPOSITS - CONSTRUCTION		0.00	
INTEREST EARNED - INVESTED FUNDS		8.62	
WASTEWATER REVENUE		86,025.86	
SEWER CAPACITY CHARGES		6,751.00	
MISCELLANEOUS		<u>0.00</u>	
TOTAL RECEIPTS		\$92,785.48	
PAYMENTS			
CHECKS UNDER \$10,000.00		\$14,727.16	
CHECKS OVER \$10,000.00 - SCH. #1		50,263.98	
CANCELLED CHECKS AND FEES		<u>0.00</u>	
TOTAL PAYMENTS		<u>\$64,991.14</u>	
NET INCOME		\$27,794.34	
INVESTED RESERVE FUNDS			
FUNDS MATURED		\$1,500.00	
FUNDS INVESTED – SCH. #2		<u>5,000.00</u>	
NET TRANSFER		(\$3,500.00)	\$3,500.00
BALANCE	DECEMBER 31, 2017	\$22,946.31	\$1,183,390.93

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

CHECK #	NAME	DESCRIPTION	AMOUNT
2528	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR NOVEMBER 2017	\$50,263.98
** TOTAL			\$50,263.98

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2017**

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

06-30-83	State of California	LAIF	Open	\$ 1,183,390.93	\$ 1,183,390.93	\$ 1,183,390.93	1.280%
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TOTAL INVESTED @ 12/31/17	\$ 1,183,390.93	\$ 1,183,390.93	\$ 1,183,390.93
BALANCE @ 06/30/17	\$ 1,142,620.01		
INCREASE OR (DECREASE)	\$ 40,770.92		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 17-18 DECEMBER	THIS MONTH-----/			FISCAL YEAR TO DATE-----/			VARIANCE-----/		
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD		PCT
OPERATING REVENUES									
WATER SALES	2,072,362.98	1,620,394.85	1,885,000.00	15,860,419.20	12,981,976.19	14,942,575.00	917,844.20		6
RECLAMATION SALES	100,967.00	112,106.66	121,800.00	827,201.48	864,428.08	805,200.00	22,001.48		3
POWER SALES	1,114.12	436.37	2,000.00	18,320.99	13,622.25	12,000.00	6,320.99		53
OTHER OPER REVENUE	322,124.20	95,276.74	130,700.00	1,249,743.88	634,044.11	784,200.00	465,543.88		59
TOTAL OPER REVENUES	2,496,568.30	1,828,214.62	2,139,500.00	17,955,685.55	14,494,070.63	16,543,975.00	1,411,710.55		9
OPERATING EXPENSES									
SOURCE OF SUPPLY EXP	964,795.78	726,914.79	830,225.00	2,315,803.32	1,828,688.50	2,135,475.00	180,328.32		8
PUMPING EXPENSE	298,278.20	256,726.32	259,575.00	1,659,093.40	1,535,284.99	1,674,350.00	15,256.60		1-
REGULATORY WATER TREAT	38,792.66	42,472.77	42,500.00	270,992.41	255,746.58	255,000.00	15,992.41		6
TRANS & DIST EXPENSE	162,210.74	220,507.91	437,800.00	1,169,720.25	1,227,861.38	2,626,800.00	1,457,079.75		55-
CUSTOMER ACT EXPENSE	83,293.44	91,381.32	80,025.00	444,086.82	469,187.39	481,650.00	37,563.18		8-
ADMIN & GVN EXPENSE	903,247.02	696,950.67	756,050.00	4,531,069.23	4,748,082.99	4,766,125.00	235,055.77		5-
REGULATORY EXPENSE	43,183.84	54,343.89	25,125.00	107,415.15	125,424.98	150,900.00	43,484.85		29-
SNOW CREEK HYDRO EXP	1,686.56	2,559.80	3,350.00	9,938.36	24,248.44	20,100.00	10,161.64		51-
RECLAMATION PLNT EXP	55,833.82	92,643.88	207,800.00	431,915.06	423,902.57	1,247,375.00	815,459.94		65-
SUB-TOTAL	2,551,322.06	2,184,501.35	2,642,450.00	10,940,034.00	10,638,427.82	13,357,775.00	2,417,741.00		18-
OTHER OPER EXPENSES									
DEPRECIATION	462,451.08	497,056.83	471,200.00	2,797,407.35	2,803,120.59	2,827,200.00	29,792.65		1-
SERVICES RENDERED	13,360.96	12,542.67	11,250.00	116,182.39	71,182.29	67,500.00	48,682.39		72
DIR & INDIR CST FOR WO	176,475.52	177,610.95	83,750.00	975,415.59	1,077,919.93	502,500.00	472,915.59		94
TOTAL OPER EXPENSES	2,850,658.58	2,516,489.90	3,041,150.00	12,878,208.15	12,434,810.77	15,749,975.00	2,871,766.85		18-
NET INCOME FROM OPERATIONS	354,090.28	688,275.28	901,650.00	5,077,477.40	2,059,259.86	794,000.00	4,283,477.40		539
NON-OPERATING INCOME (NET)									
RENTS	3,396.33	1,549.99	3,395.00	52,217.98	52,050.58	52,200.00	17.98		0
INTEREST REVENUES	21,873.83	11,101.42	10,250.00	102,517.23	56,109.16	61,500.00	41,017.23		67
OTHER REVENUES	417,288.80	360.00	.00	419,169.16	820.00	.00	419,169.16		0
GAINS ON RETIREMENT	.00	.00	750.00	14,095.00	32.34	3,000.00	11,095.00		370
DISCOUNTS	.00	121.72	300.00	164.22	284.45	1,800.00	1,635.78		91-
PR. YEAR EXPENSES	24.08	.00	.00	161,598.89	.00	.00	161,598.89		0
LOSS ON RETIREMENTS	.00	.00	3,000.00	13,803.41	10,672.67	18,000.00	4,196.59		23-
TOTAL NON-OPER INCOME	442,534.88	2,653.13	11,695.00	735,959.07	88,143.86	100,500.00	635,459.07		632
TOTAL NET INCOME	88,444.60	685,622.15	889,955.00	5,813,436.47	2,147,403.72	894,500.00	4,918,936.47		550

DESERT WATER AGENCY
OPERATING FUND
WATER CONSUMPTION

				QUARTER ENDING DECEMBER 2017		
	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$5,566,077	\$6,990,694	26	\$12,987,484	\$15,860,419	22
TOTAL CONSUMPTION (100 CU FT)	2,923,750	3,132,120	7	7,031,057	7,437,711	6
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	131	139 *	6	315	331 c	5
NUMBER OF CONNECTIONS	38	35		22,347	22,503	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE DECEMBER 2017

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

JANUARY 16, 2018

**RE: REQUEST APPROVAL TO UPDATE MEMORANDUM OF
UNDERSTANDING WITH UNITED WAY OF THE DESERT
REGARDING CUSTOMER ASSISTANCE PROGRAM**

In September of 2016, the Board of Directors authorized staff to enter into a Memorandum of Understanding (MOU) with United Way of the Desert (UWD) to establish a need-based customer assistance program managed by UWD for Desert Water Agency customers. Funding for the program is currently provided by employee and vendor contributions.

The program currently has about \$5,000 in funds available and has only been used about twenty times since the fund was established. A better understanding of the program's usage led staff to reevaluate some of the program terms.

The following changes are being proposed in an updated MOU:

Adds a provision that allows customers to apply twice a year. Currently, eligible customers receive a \$50 credit on a water bill available once per year. This would allow customers to get a total of \$100 of support each year. For a customer that uses only 10 HCF per month, support at the \$100 level amounts to about 22 percent of their total annual water bills.

Changes UWD's administration fee from \$50 per month (\$600 per year) to 10% of all transactions (\$5 per successful customer inquiry). Like the assistance to customers, administration fees are funded through the contributions of employees and vendors. In 2017, \$1,000 in funding was given to customers with \$600 in administration fees. Under the new agreement, \$1,000 in support would result in a \$100 in administration fees. We expect to realize a reduction in administrative costs with this change.

Staff recommends that the Board of Directors authorize the Agency to enter into a new Memorandum of Understanding with United Way of the Desert updating its customer assistance program. Staff also requests authorization for the General Manager to make minor modifications, like the one discussed above, to the MOU for the customer assistance program's operations in the future. Major changes would be brought to the Board of Directors for review.

**Memorandum of Understanding
Between
United Way of the Desert and Desert Water Agency
For
The Development and Administration of an
Emergency Assistance Program for Water Department Customers**

This Memorandum of Understanding dated _____, is entered into between United Way of the Desert and Desert Water Agency (the Parties) for the purpose of the creation of an Emergency Assistance Program for the customers of Desert Water Agency.

Whereas, in these times of unprecedented economic uncertainty, many residents are experiencing greater pressure to make ends meet;

Whereas, the formation of an Emergency Assistance Program will help residents pay for a most basic and life-sustaining service - water;

Whereas, a joint endeavor between United Way of the Desert and the Desert Water Agency provides the most efficient approach desired by the Parties;

Now, Therefore, it is mutually understood and agreed as follows:

Section 1: Guidelines

1.1 Desert Water Agency will solicit/provide the “seed money” to implement his program. The United Way of the Desert will be the fiscal agent to manage the funds.

1.2 United Way of the Desert will be responsible for the screening of applicants and will determine who qualifies for the Emergency Assistance Program from guidelines established by the Parties, and mutually agreed by the Parties. Those guidelines are attached as Exhibit 1, and dated August 15, 2016. Effective January 1, 2018 clients may apply for assistance twice in a 12-month period.

1.3 United Way of the Desert will provide a monthly financial report to Desert Water Agency.

1.4 United Way of the Desert will retain \$50.00 per month from program contributions for the management and administration of the program. Effective January 1, 2018 United Way of the Desert will retain an admin fee of 10% of credits issued in lieu of the previous \$50.00 per month fee.

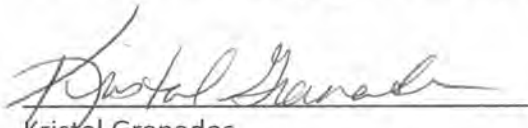
Section 2: General Provisions Governing the MOU

2.1 The MOU may be terminated by either Party within 45 days notice in writing.

2.2 Each Party shall use its best efforts and work wholeheartedly and in good faith for the satisfactory performance and expeditious completion of the terms of this MOU.

2.2 This MOU may be executed in any number of counterparts, each of which shall be deemed original, but all of which, when taken together, shall constitute one and the same instrument.

In witness whereof, the Parties have executed this MOU as of the day and year indicated on the first page of this MOU.



Kristal Granados
Executive Director
United Way of the Desert

General Manager
Desert Water Agency

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

JANUARY 16, 2018

**RE: REQUEST APPROVAL OF ADDITION OF AN OUTREACH
SPECIALIST I/II AND JANUARY 1, 2018 POSITION
CLASSIFICATION SCHEDULE**

The Outreach and Conservation Department is comprised of the Outreach and Conservation Manager and Outreach and Conservation Associate positions. Within the past 2 years, it has become evident that current staffing levels cannot effectively handle both public outreach and conservation. The 2017/2018 budget included money for a new position within the department. The new position would focus on public outreach and promote Desert Water Agency in publications, on social media, and at public events. It is the recommendation of the Outreach and Conservation Manager and management to hire an Outreach Specialist I or II to focus entirely on public outreach.

A comparison salary survey was taken of five (5) comparison agencies (Coachella Valley Water District, Cucamonga Valley Water District, Eastern Municipal Water District, Elsinore Valley Water District, and Rancho California Water District). Based upon this survey, staff is proposing a Monthly Salary Range 41 (\$5,458- \$6,650) for the Outreach Specialist I position and Monthly Salary Range 45 (\$6,024-7,343) for the Outreach Specialist II position.

Funding of \$67,982 (\$5665.16 monthly equivalent) was included in the 2017/2018 fiscal year budget for this position and will result in a 1% increase to payroll.

Attachments

- #1 - Outreach Specialist I job description
- #2 - Outreach Specialist II job description
- #3 - Proposed 1-1-18 Position Classification Schedule
- #4 - Outreach Specialist survey comparison



OUTREACH SPECIALIST I

Range: 41
Salary: \$5,458 - \$6,650

JOB DEFINITION: Under general supervision, performs a variety of professional, technical and support duties to support the Agency's outreach, education and communication efforts; and performs related work as assigned by the Outreach & Conservation Manager.

SUPERVISOR: Outreach & Conservation Manager

EXAMPLE OF DUTIES:

Participates in the development and execution of outreach; coordinates with customers and groups on general, project-related and conservation program inquiries; develops customer and media materials; creates messaging to support Agency operations and programs; develops and provides stakeholder and public presentations; conducts interviews with media outlets (print, television, radio, etc.); researches and makes recommendations on outreach and conservation best practices; assists with grant applications and reporting; represents the Agency at public events and meetings; develops materials for and presents to schools and community groups to further Agency messaging; develops concepts for and executes graphic design and video projects; creates and executes social media posts; works on regional outreach efforts with other agencies; works closely with Outreach & Conservation Associate and would require collaboration with the Agency's Information Systems; Customer Service and other departments; manages projects and plans Agency events; updates Agency website; researches and assists on legislative outreach.

QUALIFICATIONS:

Schooling and Certification(s): Degree from a four-year college or university with major in a related subject (communications, journalism, graphic design, education) or two years of experience and an Associate degree or professional certificates.

Experience: Two or more years of progressively responsible professional experience involving outreach, media, education, journalism, graphic design, copy writing, or advertising.

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

Knowledge of: Principles, methods and practices applied in communications; social

media engagement and analytics; design and implementation of public relations, community affairs and advertising tactics; methods and techniques of writing for advertising, marketing and public relations; web updates and analytics; methods and practices of effective representation of Agency interests before elected bodies and officials; principles and practices of sound business communication; correct English usage, including spelling, grammar and punctuation; principles, methods and techniques of graphic design, layout and print production; advertising and public relations industry practices and trends.

Ability: Work independently with direction and oversight from Outreach & Conservation Manager and effectively carry out implementation of established outreach campaigns; command of persuasive and technical writing; limited mathematical calculations for agency statistics; understand and effectively carry out general oral and written instructions; operate a computer using word processing, desktop publishing and other standard writing and graphics software; operate audiovisual equipment; communicate clearly and effectively orally and in writing; make sound independent judgments within established guidelines; maintain accurate files and records; maintain effective relationships with those encountered in the course of the work; establish and maintain cooperative relationships with other employees, officials and the general public.

PHYSICAL REQUIREMENTS:

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

Examples: Going up and down ladders, stepping stools, stairs

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

Examples: Picking up boxes, normal office range of motion

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

Examples: Lifting boxes, audiovisual equipment, presentation material, etc.

Sedentary/sitting: ☒ yes ☐ no **Frequency:** Continual ☒ Often ☒ Infrequently ☐ Never ☐

Examples: Driving or riding in vehicles, sitting at desk

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

Examples: Standing on carpet, pavement, concrete in Agency facilities

Repetitive motion: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐

Examples: Operation of computer keyboard, writing, etc.

WORK ENVIRONMENT:

Generally, the duties to be performed by the Outreach Specialist will be within the Operations Center or other places of business, including schools, auditoriums, and clubs, or, on occasion, outdoor speaking engagements.

Within the Operations center, there is both overhead lighting and natural light from windows. There is a music/paging system which is on and operating throughout the

work day. There are a number of pieces of office equipment that operate within the confines of the work areas, including, but not limited to: telephones, computers, computer printers, etc.

The working hours of the Outreach Specialist will be traditional Agency office hours of 8:00 am to 5:00 pm; however, due to the nature of the position, the incumbent will be required to travel to different locations both locally and out-of-town, and will be required to participate in speaking engagements that will likely take place before or after regular Agency hours, or on weekends.

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

Employee Signature

Date

Supervisor Signature

Date

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



OUTREACH SPECIALIST II

Range: 45
Salary: \$6,024 - \$7,343

JOB DEFINITION: Under general supervision, performs a variety of professional, technical and support duties to support the Agency's outreach, education and communication efforts; and performs related work as assigned by the Outreach & Conservation Manager.

SUPERVISOR: Outreach & Conservation Manager

EXAMPLE OF DUTIES:

Participates in the development and execution of outreach; coordinates with customers and groups on general, project-related and conservation program inquiries; develops customer and media materials; creates compelling messaging to support Agency operations and programs; develops and provides stakeholder and public presentations; pitches and conducts interviews with media outlets (print, television, radio, etc.); analyzes and makes recommendations on outreach and conservation best practices; assists with grant applications and reporting; represents the Agency at public events and meetings; develops materials for and presents to schools and community groups to further Agency messaging; develops concepts for and executes graphic design and video campaigns; creates and executes social media campaigns; works on regional outreach efforts with other agencies; works closely with Outreach & Conservation Associate and would require collaboration with the Agency's Information Systems; Customer Service and other departments; manages projects and plans Agency events; maintains and updates Agency website; researches and conducts legislative outreach.

QUALIFICATIONS:

Schooling and Certification(s): Degree from a four-year college or university with major in a related subject (communications, journalism, graphic design, education) or two years of experience and an Associate degree or professional certificates.

Experience: Three or more years of experience as an Outreach Specialist I at the Desert Water Agency, or five or more years of progressively responsible professional experience involving outreach, media, education, journalism, graphic design, copy writing, or advertising.

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

Knowledge of: Principles, methods and practices applied in communications; social media engagement and analytics; design and implementation of public relations, community affairs and advertising tactics; methods

and techniques of writing for advertising, marketing and public relations; web updates and analytics; methods and practices of effective representation of Agency interests before elected bodies and officials; principles and practices of sound business communication; correct English usage, including spelling, grammar and punctuation; principles, methods and techniques of graphic design, layout and print production; advertising and public relations industry practices and trends.

Ability: Work independently with direction from Outreach & Conservation Manager and effectively carry out implementation of new and established outreach campaigns; strong command of persuasive and technical writing; limited mathematical calculations for agency statistics; understand and effectively carry out general oral and written instructions; operate a computer using word processing, desktop publishing and other standard writing and graphics software; operate audiovisual equipment; communicate clearly and effectively orally and in writing; make sound independent judgments within established guidelines; maintain accurate files and records; maintain effective relationships with those encountered in the course of the work, including the media; establish and maintain cooperative relationships with other employees, officials and the general public.

PHYSICAL REQUIREMENTS:

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

Examples: Going up and down ladders, stepping stools, stairs

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

Examples: Picking up boxes, normal office range of motion

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

Examples: Lifting boxes, audiovisual equipment, presentation material, etc.

Sedentary/sitting: ☒ yes ☐ no **Frequency:** Continual ☒ Often ☒ Infrequently ☐ Never ☐

Examples: Driving or riding in vehicles, sitting at desk

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

Examples: Standing on carpet, pavement, concrete in Agency facilities

Repetitive motion: ☒ yes ☐ no **Frequency:** Continual ☐ Often ☒ Infrequently ☐ Never ☐

Examples: Operation of computer keyboard, writing, etc.

WORK ENVIRONMENT:

Generally, the duties to be performed by the Outreach Specialist will be within the Operations Center or other places of business, including schools, auditoriums, and clubs, or, on occasion, outdoor speaking engagements.

Within the Operations center, there is both overhead lighting and natural light from windows. There is a music/paging system which is on and operating throughout the work day. There are a number of pieces of office equipment that operate within the confines of the work areas, including, but not limited to: telephones, computers, computer printers, etc.

The working hours of the Outreach Specialist will be traditional Agency office hours of 8:00 am to 5:00 pm; however, due to the nature of the position, the incumbent will be required to travel to different locations both locally and out-of-town, and will be required to participate in speaking engagements that will likely take place before or after regular Agency hours, or on weekends.

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

Employee Signature

Date

Supervisor Signature

Date

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

Desert Water Agency
Proposed January 1, 2018 Position Classification Schedule

DEPARTMENT

RANGE

ACCOUNTING

Account Clerk/Telephone Operator.....	20
Account Clerk I.....	24
Account Clerk II.....	31
Account Clerk III.....	33
Senior Account Clerk	40
Accounting Supervisor	53
Controller	66

ADMINISTRATIVE

Administrative Assistant I.....	33
Administrative Assistant II.....	38
Administrative Assistant III	40
Senior Administrative Assistant.....	46
Executive Secretary/Assistant Secretary to the Board.....	53

CONSTRUCTION - FLEET MAINTENANCE

Construction

Water Service Worker I.....	27
Water Service Worker II.....	32
Water Service Worker III.....	36
Equipment Operator.....	35
Water Service Foreman	46
Assistant Construction Superintendent.....	53
Construction Superintendent	64

Fleet Maintenance

Fleet Mechanic I.....	29
Fleet Mechanic II.....	34
Fleet Mechanic Foreman	43

CUSTOMER SERVICE

Meter Reader I.....	27
Meter Reader II.....	30
Meter Reader III.....	37
Customer Service Representative I	34
Customer Service Representative II	37
Customer Service Supervisor	53

ENGINEERING - OPERATIONS

Engineering

Engineering Technician I	34
Engineering Technician II	39
Engineering Technician III	43
Senior Engineering Technician	45
Laboratory Director	51

ENGINEERING – OPERATIONS (Continued)

Staff Engineer	51
Associate Engineer	56
Senior Engineer	64
Operations Engineer	72

Operations

System Operator in Training	30
System Operator I	35
System Operator II	38
System Operator III	41
Operations Technician in Training	30
Operations Technician I	37
Operations Technician II	41
Operations Technician III	46
Operations Technician Foreman	51
Water Operations Supervisor	60

FACILITIES MAINTENANCE AND SAFETY

Facilities and Safety Officer	54
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INFORMATION SYSTEMS

PC Support Technician I	37
PC Support Technician II	43
Operator I	31
Operator II	40
Programmer I	50
Programmer II	54
Information Systems Administrator	65

MANAGEMENT

General Manager	Contract
Human Resources Manager	66
Finance Director	81
Assistant General Manager	83

OUTREACH AND CONSERVATION

Outreach and Conservation Associate	45
Outreach Specialist I	41
Outreach Specialist II	45
Outreach and Conservation Manager	55

SNOW CREEK SECURITY

Snow Creek Security	17
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October 2017 - Proposed DWA Outreach Specialist Survey Comparison

Agency / Job Classification	Education / Experience / Certification	Minimum Monthly Salary	Maximum Monthly Salary
Coachella Valley Water District			
Communication & Legislative Director		\$5,728	\$7,887
Public Information Associate		\$4,844	\$6,621
Communications & Legislation Specialist		\$6,773	\$9,347
Communications Specialist		\$6,187	\$8,522
Communications Assistant		\$3,977	\$5,403
Education Associate I, II	Not included in comparison		
Education Specialist	Not included in comparison		
Multimedia Specialist	Not included in comparison		
Office Assistant	Not included in comparison		
Cucamonga Valley Water District			
Communication & Outreach Manager		\$8,007	\$10,410
Community & Outreach Representative I		\$4,422	\$5,748
Community & Outreach Representative II		\$5,180	\$6,733
Eastern Municipal Water District			
Public Affairs Manager		\$9,710	\$12,066
Public Affairs Officer I		\$6,293	\$7,815
Public Affairs Officer II		\$7,267	\$9,032
Elsinore Valley Water District			
Community Relations Manager		\$8,315	\$10,910
Community Affairs Supervisor		\$6,824	\$8,953
Community Affairs Specialist		\$5,063	\$6,643
Rancho California Water District			
Senior Public Information Officer		\$5,661	\$7,157
Public Information Officer II		\$6,452	\$8,517
Public Information Officer I		\$5,560	\$7,339
Public Information Specialist I		\$5,596	\$6,715
Public Information Specialist II		\$6,169	\$7,404
Positions Used for Salary Average (*)	BA and 4 Years Experience		
Desert Water Agency			
Outreach & Conservation Manager	Range 55	\$7,706	\$9,373
Outreach & Conservation Associate	Range 45	\$6,024	\$7,343
Outreach Specialist I	Range 41	\$5,458	\$6,650
Outreach Specialist II	Range 45	\$6,024	\$7,343

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

JANUARY 16, 2018

**RE: REQUEST BOARD ADOPTION OF DWA POLICY PROHIBITING
WORKPLACE BULLYING**

Bullying and harassment are similar yet different. Harassment is a form of discrimination. Like harassment, bullying hurts another person through cruel, offensive and insulting behavior, but is not discriminatory.

Attached for Board review is a new Policy that prohibits workplace bullying. Although there is no legal requirement to have such a policy, Staff with the recommendation of our labor attorney, desire to be at the forefront of addressing this issue, which may be regulated in the near future. The proposed Policy has been reviewed and approved by the Agency's labor attorney, Joseph Ortiz.

Staff recommends adoption of the proposed Policy Prohibiting Workplace Bullying, effective this date, January 16, 2018.



DESERT WATER AGENCY
POLICY PROHIBITING WORKPLACE BULLYING
(Revised 00/00/17)

I. PROHIBITION AGAINST WORKPLACE BULLYING

The Desert Water Agency, (“Employer”), prohibits violent, abusive, aggressive, and/or unprofessional communication or action by an employee that is intended to demean, demoralize, or degrade coworkers or others at the place of employment (“Bullying”). Employees are mandated to communicate in a professional manner, consistent with the general philosophy that Employer treats its workers with dignity and respect.

II. BULLYING DEFINED

- A. Bullying is violent, abusive, aggressive, and/ or unprofessional communication or action by an employee that is intended to demean, demoralize, or degrade coworkers or others at the place of employment. This is differentiated from simply unprofessional communications, which may be unintentional.
- B. Examples of what may constitute bullying include, but are not limited to, the following:
 - 1. Verbal bullying: Slandering, ridiculing, or maligning a person or his or her family; persistent name calling that is intended to be hurtful, insulting, or humiliating; using a person as the target of jokes to others; and abusive and offensive remarks;
 - 2. Physical bullying: Pushing, shoving, kicking, poking, tripping, invading personal space, assault, or threat of physical assault, damage to a person’s work area or property;
 - 3. Gesture bullying: Nonverbal threatening gestures or physical gestures intended to threaten or convey ridicule. (For instance, a cocked fist or the middle finger).
 - 4. Exclusion: Socially or physically excluding or disregarding a person in work-related activities. This includes intentionally ignoring or interrupting an individual at meetings and/or deliberately excluding the individual from work-related activities, such as meetings.

III. REPORTING PROCEDURE

- A. Any employee who believes that he or she has been the victim of bullying by coworkers, supervisors, clients or customers, visitors, vendors, or others must immediately notify his or her supervisor, preferably in writing, or, in the

alternative, the Human Resources Manager, depending on which individual the employee feels most comfortable in contacting.

- B. Additionally, supervisors who observe or otherwise become aware of bullying or retaliation that violates this policy have a duty to take steps to investigate and remedy such bullying and prevent its recurrence.

IV. INVESTIGATION

- A. Upon the filing of a complaint with the Employer, the complainant will be provided with a copy of this policy. The Human Resources Manager is the person designated by the Employer to investigate complaints of bullying. The Human Resources Manager may, however, delegate the investigation at his/her discretion. In the event the bullying complaint is against the Human Resources Manager, an unbiased and impartial investigator shall be appointed by the General Manager or the Assistant General Manager.

Complaints will be treated confidentially to the extent possible, responded to in a timely fashion, investigated promptly and thoroughly by impartial and qualified personnel, documented and tracked to ensure reasonable progress, met with appropriate and prompt corrective remedial action where misconduct is found, afforded a timely closure, and not result in any retaliation against the complainant or any participant in the investigation.

V. INTERNAL DOCUMENTATION PROCEDURE

- A. When an allegation of bullying or retaliation is made by an employee, the person to whom the complaint is made shall immediately prepare a report of the complaint according to the preceding section and submit it to the Human Resources Manager.
- B. The investigator shall make and keep a written record of the investigation, including notes of verbal responses made to the investigator by the person complaining of bullying, witnesses interviewed during the investigation, the person against whom the complaint of bullying was made, and any other person contacted by the investigator in connection with the investigation. The investigator's notes shall be made at the time the verbal interview is in progress. Any other documentary evidence shall be retained as part of the record of investigation.
- C. Based on the report and any other relevant information, the Human Resources Manager shall, within a reasonable period of time, determine whether the conduct of the person against whom a complaint has been made constitutes harassment. In making that determination, the Human Resources Manager shall look at the record whole and at the totality of circumstances, including the nature of the conduct in question, the context in which the conduct, if any,

occurred, and the conduct of the person complaining of bullying. The determination of whether bullying occurred will be made on a case-by-case basis by the Human Resources Manager.

VI. REMEDIES

- A. If the Human Resources Manager determines that the complaint of bullying is valid, the Human Resources Manager shall inform the General Manager who shall cause to be taken appropriate action.
- B. Disciplinary action shall be consistent with the nature and severity of the offense, the rank of the offender, and any other factors relating to the fair and efficient administration of the Employer's operations.

VII. PROHIBITION AGAINST RETALIATION

Retaliation against anyone for opposing conduct prohibited by this policy; or for filing a complaint with, or otherwise participating in an investigation, proceeding, or hearing conducted by the Employer, is strictly prohibited and is grounds for disciplinary action, up to and including, termination of employment.

VIII. EMPLOYEE OBLIGATION

- A. Employees are obligated to cooperate in every investigation of bullying or retaliation, including, but not necessarily limited to:
 - 1. Coming forward with evidence, both favorable and unfavorable, and providing such evidence to the Employer; and
 - 2. Fully and truthfully making a written report or verbally answering questions when required to do so during the course of an Employer investigation.
- B. Knowingly and falsely, accusing someone of bullying - or otherwise knowingly giving false information in an investigation - shall be grounds for disciplinary action, up to and including, termination of employment.

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

JANUARY 16, 2018

**RE: REQUEST BOARD ADOPTION OF DWA DRUG FREE AND SAFE
WORKPLACE POLICY REVISIONS**

With the passage of California Proposition 64 (Adult Use of Marijuana Act), revisions have been proposed to the Agency's Drug Free and Safe Workplace Policy that address Proposition 64. Attached is a copy of the policy with the revisions highlighted. The revisions have been reviewed and approved by the Agency's labor attorney, Joseph Ortiz.

If these revisions are determined to be satisfactory, Staff recommends adoption of the revised Policy, effective this date, January 16, 2018.



DESERT WATER AGENCY DRUG FREE AND SAFE WORKPLACE POLICY

(adopted January 7, 2003; revised 6/2009; revised 9/2010; revised 7/2012; revised 8/2017)

I. Overview

It is the policy of the Desert Water Agency (Agency) to maintain a work environment free from the effects of drugs, and alcohol abuse, and their effects. Substance abuse can affect job performance, employee and public safety, and the public's perception of the Agency and its operations.

The Agency will be firm in identifying and disciplining those employees who use, possess, or distribute drugs or alcohol in violation of the Agency's policies. The Agency has a significant interest in ensuring the health and safety of its employees. In addition, the Agency has an obligation to ensure that its employees do not present a safety risk to the public at large. The use of drugs, alcohol, or any other substance which alters an employee's behavior can affect an employee's ability to perform his or her duties safely and effectively, and increase the potential for accidents, absenteeism, and substandard performance, cause poor employee morale, and can damage the Agency's reputation.

PLEASE NOTE: Despite Proposition 64's legalization of marijuana under California law, the ~~Company~~ Agency still considers it a prohibited drug for purposes of this policy. Being under the influence of marijuana, at any level of intoxication, is prohibited. No level of cannabinoids in an employee's system is acceptable. Use, possession, purchase, sale, or distribution of marijuana are grounds for discipline, mostly likely termination.

II. Definitions

For the purposes of this policy, the following terms shall have the following meanings:

- A. "Alcohol" means any alcoholic beverage as defined in California Business and Professions Code Sections 23000, et seq.
- B. "Drug" means any drug, including but not limited to illegal drugs, prescription medications, and/or over-the-counter medications.
- C. "Illegal Drug" means any substance, drug, narcotic, or immediate precursor which may subject an individual to criminal penalties, or a legal drug which has not been legally obtained or is being used in a manner for which it was not prescribed or intended. Because marijuana is regulated on the federal level, it is considered an "Illegal Drug" under this policy, whether obtained legally under state law or not.
- D. "Legal Drug" means any "over-the-counter" drug or prescription drug which has been legally obtained and is being used in a manner, combination and quantity for which it was manufactured, prescribed, or intended.

- E. “Reasonable Suspicion” is defined as a good faith belief, based on articulated facts or evidence that a person may be under the influence of alcohol or drugs.
- F. “On Duty” means the span of time between the time the employee reports for work through the time an employee’s period of work ends. It also includes any time an employee is on standby duty. Standby duty includes any time during which an Agency employee is on notice that he or she may be called to duty.
- G. “Safety Sensitive Position” means a position that has job duties that may put the employee or others at risk of irredeemable consequences if performed under the influence, in which the use of drugs or alcohol could affect an employee’s performance, reflexes and/or judgement and possibly lead to irredeemable consequences. Irredeemable consequences result when an employee, due to the use of drugs or alcohol, is not able to rectify his or her mistake, and the co-workers of the employee or member of the public have no opportunity to intervene, before harm occurs. A safety sensitive position would include, but not be limited to, those positions that as a normal course of business require Agency employees to operate vehicles, equipment, tools, and/or other devices or machinery that may cause bodily harm to themselves or other individuals. These positions are listed in “Addendum A” attached to this policy.
- H. “Under the influence” means that a drug or alcohol is present in the employee’s system in any detectable amount that may impair the employee’s ability to work safely and efficiently.

III. Policy

A. On-Duty Use, Being Under the Influence, Possession, Distribution, or Manufacture of Drugs or Alcohol

1. Alcohol

The use of alcohol by any employee or being under the influence of alcohol while on duty or while on Agency property is prohibited except as may be occasionally authorized by the General Manager in specific and rare circumstances relating to special assignments or conferences. In such circumstances, employees are prohibited from consuming amounts of alcohol that would impair their ability to function safely and efficiently.

2. Legal Drugs

The use or being under the influence of any legally obtained drug by an employee while performing Agency business, while on Agency property, or while on standby is prohibited to the extent that such use or influence may affect the safety of the employee, co-workers, members of the public; the employee’s job performance; or the safe or efficient operation of the Agency’s business. An employee shall notify his or her supervisor if the employee is using a legal drug which may impair the employee’s ability to

perform work safely and efficiently. The employee will not be required to disclose the type of drug or the reason for taking the drug, but the employee may be required to provide verification from his or her doctor or physician that he or she may continue working safely and efficiently while taking the drug. If the employee's doctor or physician cannot verify that the employee can work safely and efficiently while taking the drug, the employee may be placed in an alternative position, if available, or on a leave of absence until the employee is no longer taking the drug in question.

3. Illegal Drugs

The use, being under the influence, manufacture, distribution, purchase, transfer, or possession of an illegal drug by an employee while on duty or while on Agency property is strictly prohibited. Marijuana, whether or not obtained legally under state law, is federally regulated and is therefore considered an "illegal drug" under this policy; there is no allowable level of influence for marijuana.

B. Disciplinary Action

Violation of this policy may result in disciplinary action, up to and including termination of employment, even for a first offense.

C. Searches

The Agency reserves the right to search all places under the common control of the Agency and employees and to enlist the assistance of law enforcement personnel in connection with the enforcement of this policy.

IV. Drug and Alcohol Testing

In furtherance of the Agency's drug and alcohol policy, the Agency has established the following procedures for the testing of drug and alcohol use:

A. Applicants

An applicant for a safety sensitive position with the Agency shall be required to participate in and successfully complete a drug screening as part of their pre-employment medical examination. Any offer of employment ~~for a safety sensitive position~~ will be conditioned upon compliance with this policy. Failure or inability to successfully complete the drug screening process will constitute disqualification of the applicant for the position. The applicant will be requested to execute a consent form which includes a waiver and release. Refusal to do so will terminate consideration of the applicant for employment. A prior failed drug screening is grounds for denial of future employment applications. Applications received within one year of a failed drug screen will not be considered.

~~An applicant who has failed a drug screening will not be considered for employment for a minimum of one year following the original failed screening.~~

B. Reasonable Suspicion Drug and Alcohol Testing

The Agency may require a blood test, urinalysis, or other drug and/or alcohol test of employees reasonably suspected of using or being under the influence of a drug or alcohol when on duty or on Agency property. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. An employee's consent to submit to such a test is required as a condition of the employee's continued employment, and the employee's refusal to consent will be considered insubordination and may result in disciplinary action, up to and including termination of employment, for even a first refusal or any subsequent refusal.

Only the General Manager, Assistant General Manager, Human Resource Manager, Department Heads or Foremen who have specific training with respect to recognizing potential substance abuse will have the authority to request a drug or alcohol test based on reasonable suspicion. Employees must report any perceived violation of this policy to the Human Resources Manager for further assessment. -The Manager or Assistant Manager, HR Manager, Department Head or Foreman requesting an employee to submit to a drug or alcohol test based on a reasonable suspicion must document in writing the facts constituting reasonable suspicion that the employee in question is using or under the influence of drugs or alcohol.

Employees reasonably believed to be under the influence of drugs or alcohol shall not be permitted to engage in further work. In addition, such employees shall not depart from their assigned work place without supervision. If it is reasonably suspected that an employee is under the influence of illegal drugs or alcohol, or if it is suspected the employee is being impaired from the use of a legal drug, the Agency shall arrange for transportation from the assigned work place to a testing center and/or the employee's residence, as is deemed appropriate.

C. Department of Transportation and Other Federally Mandated Testing

The Agency will institute and comply with any drug and alcohol testing program mandated by state and federal law, including the Drug-free Workplace Act and the U.S. Department of Transportation's testing requirements. These mandates may require employees to undergo additional testing covered by the Agency's "*Drug and Alcohol Testing Policy for Employees Operating Commercial Vehicles.*"

D. Random Drug and Alcohol Testing of Employees in Safety Sensitive Positions

For those employees in safety sensitive positions, the Agency may require a blood test, urinalysis, or other drug and/or alcohol test on a random basis. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. Excluded from the random testing under this policy will be those employees who are subject to the DOT testing regulations. The random testing under this policy will be implemented using an independent third party administrator who will follow a random selection pattern and testing procedures similar to those used under the DOT testing regulations.

E. Drug Testing in the Event of an Accident

~~At the discretion of the General Manager or Assistant General Manager, an employee~~ Employees will be required to undergo alcohol and drug testing if they are involved in an accident with Agency equipment that results in where damage or injury occur, so long as there is reasonable suspicion of possession or intoxication. This includes all employees who are on duty operating the equipment and any others whose performance could have contributed to the accident.

Following an accident where an employee is to be tested, the employee will be tested as soon as practicable (generally within two hours but not to exceed eight hours). Any employee who leaves the scene of the accident without appropriate authorization prior to submission to a drug and alcohol test will be considered to have refused the test and may be subject to termination of employment. ~~may be required to submit to a drug test if they have been involved in an accident involving a Desert Water Agency vehicle, or any equipment, machinery or property belonging to the Agency, if it is reasonably suspected the accident was a result of impaired performance due to the use of drugs or alcohol, regardless of whether the substance is legal or illegal.~~

F. Procedures Used in All Testing

1. Prior to any testing, an applicant or employee will be required to sign a consent and release form allowing the Agency to conduct or order the testing and receive the test results. The signing of a consent and release form is a condition of employment. An employee's refusal to sign a consent and release may be considered insubordination and will subject the employee to disciplinary action, up to and including termination of employment. An applicant's refusal to sign a consent and release form will result in withdrawal of an offer of employment.
2. The drug or alcohol testing will be conducted in such a manner as to reasonably provide the applicant or employee privacy.
3. The test results will be kept on a need-to-know basis by the Agency. However, the Agency reserves the right to submit the test results as evidence in any legal or administrative action, including an action challenging disciplinary action taken by the Agency against the employee in question. A copy of the test results will be provided to the employee in question upon request.

4. A portion of the biological sample taken in the drug or alcohol test will be provided to the employee or applicant, upon request, so that he or she may have the sample independently analyzed at his or her own expense.
5. Biological samples taken in the drug or alcohol test will not be used for anything other than an analysis for drug or alcohol content.
6. The Agency shall use specimen collection sites and laboratories certified for drug and alcohol testing by the U. S. Department of Health and Human Services.
7. Testing of current employees will be conducted when the employee is in an on-duty status.
8. If an employee is tested for substance abuse and the test results are positive for drugs and/or alcohol, or if an employee admits to using drugs or alcohol that has affected their job performance, it is left to the General Manager or Assistant General Manager's discretion as to whether the employee shall be immediately terminated from their employment, or if they will be offered the opportunity to participate in a rehabilitation program which may be covered under the Desert Water Agency's medical insurance coverage. If the employee is allowed to remain in the employment of the Agency and they elect to participate in a rehabilitation program, reinstatement to their position will be permitted only if the program was completed and they receive affirmation of their successful completion from the program provider. Before returning to work the employee must submit the results of a new drug and alcohol test which shows an absence of substances for which the test was originally given or any other substance which would be considered illegal and which would cause impairment . This test will be performed at the same testing facility used by Desert Water Agency, or approved in advance by the Agency, and will be paid by the employee. Further, if an employee elects to participate in a rehabilitation program, they may be eligible to use their accrued vacation or Attendance Bonus Plan time, or request a leave of absence in order to enter into the program for a period of time to be determined prior to admittance into the program, not to exceed 30 days.

Unless otherwise required by law, an employee will not be guaranteed reinstatement to the position they held at the time they were tested positively for substance abuse; following the successful completion of a rehabilitation program, reinstatement and the terms and conditions under which reinstatement will occur will be determined on a case-by-case basis, with the final determination made by the General Manager. The terms and conditions for continued employment or reinstatement shall be contained in a written agreement.

G. Legal Drugs

An employee shall notify the Agency in writing of any legal drug (not including marijuana, whether obtained legally pursuant to state law or not) in his or her system which may show up as a positive result in a drug or alcohol test, prior to taking the test. (The employee will not be required to disclose the type of drug or the reason for taking the drug, but the employee may be required to provide verification from a doctor or physician that the employee's use of the drug is indeed legal and that he or she may continue working safely and efficiently while taking the drug.)

V. Compliance with Applicable Laws

The Agency is committed to complying with all legal requirements in the implementation and administration of this policy.

VI. Acknowledgment



EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT OF DESERT WATER AGENCY DRUG FREE AND SAFE WORKPLACE POLICY

I, _____ acknowledge that I have read and received a copy of
Print name of employee/applicant
Desert Water Agency's Drug Free and Safe Workplace Policy (Policy). I understand that my compliance with this policy is a condition of my employment or continued employment with the Agency. I further understand that my refusal to acknowledge receipt of the Policy will be considered insubordination and may subject me to discipline, up to and including, termination.

Signature of Employee/Applicant

Date

Addendum A – (Revised 1/2017)

“Safety Sensitive Positions”

Title/Position	Department
Fleet Mechanic 1 and II	Construction
Fleet Mechanic Foreman.....	Construction
Water Service Worker I, II, and III	Construction
Equipment Operator	Construction
Water Service Foreman.....	Construction
Assistant Construction Superintendent	Construction
Construction Superintendent.....	Construction
Meter Reader I, II and III	Customer Service
Customer Service Representative I and II.....	Customer Service
Customer Service Supervisor	Customer Service
Engineering Technician I, II and III	Engineering
Senior Engineering Technician.....	Engineering
Staff Engineer	Engineering
Associate Engineer.....	Engineering
Senior Engineer.....	Engineering
Operations Engineer.....	Engineering
Facilities and Safety Officer	Facilities & Safety
Information Systems Administrator	Information Systems
PC Support Technician I and II.....	Information Systems
System Operator in Training.....	Operations
System Operator I, II and III.....	Operations
Operations Technician in Training	Operations
Operations Technician I, II and III.....	Operations
Operations Technician Foreman	Operations
Water Operations Supervisor	Operations
Snow Creek Security.....	Operations

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

JANUARY 16, 2018

**RE: REQUEST BOARD AUTHORIZATION OF STIPEND AND
MILEAGE REIMBURSEMENT TO VICE PRESIDENT STUART**

At the upcoming Irrigation Leader Workshop in Phoenix, Arizona, General Manager Krause and Vice President Stuart will be meeting with John B. Weldon, Jr. (biography attached) and Patrick Sigl, a Supervising Attorney in the Land and Water Rights Section of Law Services for the Salt River Project advising SRP on water rights and water rights litigation. His areas of practice include, among others, water law, water resources management, the Arizona general stream adjudications, Indian law, Indian water rights settlements, reclamation law, and Colorado River law. Patrick has spent his career specializing in environment and natural resources law and policy. He worked in Washington DC for the Government Accountability Office, the investigative arm of the United States Congress, focusing on natural resources issues such as forest management, oil and gas development and public land management. Patrick came to SRP from the Arizona Attorney General's office, where he specialized in water law and litigation. He advised the State agencies on water rights matters and represented those agencies in the State's general stream adjudications. He holds a Bachelor of Science degree in civil and environmental engineering from South Dakota State University and a Juris Doctorate from the University of South Dakota.

Vice President Stuart is requesting the Board consider authorizing his expense reimbursement of: mileage and one day of service to the Board.

Salmon, Lewis & Weldon, PLC

{ Attorneys at Law }

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John B. Weldon, Jr.

John Weldon is a founding member of Salmon, Lewis & Weldon. His practice focuses on water law, natural resources litigation, environmental law, Indian law, and electric power and utilities.

Mr. Weldon's practice concentrates on the representation of the largest water users' association in Arizona, an agricultural improvement and power district, an Arizona municipality, and the co-owners of one of the largest coal-fired electric generation stations in the U.S. in water rights, environmental and natural resource related matters.

Representative Professional Experience

- Counsel for the Salt River Project in the Gila River and Little Colorado River general stream adjudications since 1977.
- Lead negotiator for the Salt River Project in successfully resolving the water rights claims of the Salt River Pima-Maricopa Indian Community, the Fort McDowell Yavapai Nation, the San Carlos Apache Tribe, the Zuni Indian Tribe, and the Gila River Indian Community, and in securing congressional and court approval of each of these settlements.
- Currently actively participating in seeking congressional approval of the White Mountain Apache Tribe water rights settlement and in the completion of negotiations to resolve the water rights claims of the Navajo Nation and Hopi Tribe to the Lower Colorado River and the Little Colorado River in Arizona.
- Counsel for objectors in litigation and administrative proceedings relating to the Assured Water Supply designation for an Arizona municipality and associated impacts on river base flows, obtaining a mutually agreeable settlement of disputes among the parties.
- Counsel for Salt River Project in successfully negotiating coal royalty rate reopeners in 1997 and 2009 with the Navajo Nation, the Hopi Tribe and Peabody Western Coal Company for coal supplied to an electric generating station in Arizona.
- Represented a group of large public and private utilities in five separate actions relating to disputes involving long-term coal supply agreements for two electric generating stations in Arizona and Nevada.
- Counsel for the Salt River Project in successfully negotiating the transfer of title to a 15,000 acre-foot capacity reservoir, an 11.5 mile pipeline and related facilities from a Fortune 500 company, and the approval of the severance and transfer of the associated surface water rights by the State of Arizona.
- Represented clients on matters relating to the usage of Colorado River water in both the Upper and Lower Basins of the Colorado River, including the negotiation of municipal water delivery agreements for an Arizona municipality.
- Represented utilities and water users' organizations in cases before the United States Supreme Court and the Arizona Supreme Court, including all nine Arizona Supreme Court decisions relating to the Gila River General Stream Adjudication.

Honors & Awards

- Best Lawyers in America (1993 – present), Natural Resources Law, Water Law and Environmental Law
- Best Lawyers' 2014 Environmental Law "Lawyer of the Year"
- Best Lawyers' 2011 Phoenix Natural Resources "Lawyer of the Year"
- International Who's Who of Business Lawyers for Environment, 2011
- Martindale-Hubbell, A-V rating
- Chambers USA, Arizona Environmental Lawyers
- Listed in Lawdragon, 2010

Professional & Civic Activities

- Arizona Agri-Business Council, Member 1992 – present
- Western Art Associates of the Phoenix Art Museum, Board Member 2006-present, Treasurer 2008 – 2010
- Men's Arts Council of the Phoenix Art Museum, Board Member, 1999 – 2008, 2010, President, 2003 – 2004, Chairman, 2001 Cowboy Artists of America Sale & Exhibition
- Herberger Theater Center, Board Member, 1992 – 2003, Chairman 1999 – 2001
- Mercy Services Corporation – Phoenix, Chairman of the Board of Directors, 1993-1995, Vice Chairman of the Board of Directors, 1991-1993
- Xavier Dads' Club, Inc., President of the Board, 1993-1994, Board Member, 1990 - 1995

Publications

[Home](#) > [Attorneys](#) > John B. Weldon, Jr.

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[Electric Power and Utilities](#)

[Government Relations](#)

[Special Districts and Municipal Law](#)

{ Education }

Hastings College of Law,
University of California, J.D., 1973,
Order of the Coif, Thurston Society,
Hastings Law Review

Fresno State College, B.S., 1969,
Magna Cum Laude, Phi Kappi Phi

{ Bar & Court Admissions }

State Bar of Arizona, 1974

State Bar of California, 1973
(currently inactive)

United States Supreme Court

United States Court of Appeals,
Ninth Circuit

United States Court of Appeals,
District of Columbia

United States District Court,
District of Arizona

Mr. Weldon is a frequent author and speaker on Arizona water law and the Law of the Colorado River:

- "Future Indian Water Settlements in Arizona: The Race to the Bottom of the Waterhole," 49 Ariz. L. Rev. 441 (2007), co-authored with Lisa M. McKnight
- "Non-Indian Water Users' Goals: More Is Better, All Is Best," Indian Water in the New West, chapter author, The University of Arizona Press, McGuire, Lord and Wallace ed. (1993)
- "Salt River Pima-Maricopa Indian Community Settlement," Arizona Water Line, Athia Hardt ed. (1989)
- "Environment, Energy and Resources Law: The Year in Review," American Bar Association, Section of Environment, Energy and Resources, Arizona Correspondent, 1989 to 2008
- "General Water Rights Adjudication in Arizona: Yesterday, Today & Tomorrow," 27 Ariz. L. Rev. 709 (1985), co-authored with Mikel L. Moore

Speaking Engagements

- "The Future of Coal: Pending Regulatory Changes and Legislation," Fifth Annual Conference on Tribal Energy in the Southwest, Law Seminars International, Albuquerque, N.M. , May 2010
- "The Winters Doctrine and the Gila River Indian Community: The Good, the Bad and the Ugly," American Bar Association, Section of Environment, Energy and Resources, 16th Section Fall Meeting, Phoenix, AZ, September 2008
- "Current Issues Between the United States and the Republic of Mexico Involving the Rio Grande and Colorado River," North American Local Government Lawyers Association Conference, Guadalajara, Mexico, February, 2003
- "Arizona's Water Law," CLE International Conference, Scottsdale, Arizona, 1993-2010, Program Chairman and Speaker
- "Settlement of Indian Reserved Water Rights Claims," Fifth Western States Water Council/Native American Rights Fund Symposium, Phoenix, Arizona, October 1997
- "Arizona Conference on Environmental and Natural Resources Law," State Bar of Arizona Seminar, February 1995
- "Understanding & Protecting Your Water Rights in Arizona," Cambridge Institute Conference, Phoenix, Arizona, November 1994 and 1995

Memberships & Affiliations

- American Bar Association, Environment, Energy and Resources Law Section
- State Bar of Arizona
- California State Bar Association
- Maricopa County Bar Association
- Colorado River Water Users' Association

December 21, 2017

MEMORANDUM

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

FROM: BEST BEST & KRIEGER LLP

RE: DECEMBER 21, 2017 MEETING OF THE BOARD OF DIRECTORS OF THE
STATE WATER CONTRACTORS, INC.

The regular monthly meeting of the Board of Directors of the State Water Contractors, Inc., was conducted at the Tsakopoulos Library Galleria in downtown Sacramento on December 21, 2017.

1. DWR Policy Memo on Water Management Issues. A considerable amount of time was spent discussing a memo recently issued by the Department of Water Resources setting forth DWR's current policy on water management tools available to the Contractors. The Contractors have been engaging DWR in intensive discussions, urging the Department to allow the Contractors as much flexibility as possible in the management of their water supplies, to the extent allowed by the water supply contracts currently in place. Contract amendments will likely be negotiated later to broaden existing flexibility. However, the Contractors also believe that their existing contracts afford greater flexibility than DWR has allowed in the past. As a result of these intensive discussions, DWR recently issued a policy memo setting forth the flexibility that DWR will recognize under existing contracts. While the Contractors are happy with many of the provisions in the memo, they believe that DWR is still unnecessarily restrictive in certain respects. For example, the Contractors believe that the existing contracts allow DWR to permit multi-year transfers among Contractors, so long as the water continues to be used within the authorized State Water Project area of use, but the policy memo continues to restrict multi-year transfers. Some of the Contractors feel that they need to be able to engage in multi-years transfers in order to cope with the additional expense they will incur when the Cal WaterFix project proceeds to construction. The Board urged the Contractors not to approach DWR individually on this issue, but rather to develop a joint position that can be further discussed with DWR as a group.

2. Board Action Items. The Board acted on several items worth mentioning. First, the budget approved for this fiscal year was in an amount that would have required a second dues assessment. This higher budgeted amount was approved at the beginning of the fiscal year, before the Board knew what the actual expenses would turn out to be. Following discussion, the Board determined that a supplemental dues assessment will not be necessary this year. Therefore, the Board took action to reduce the approved budget for this year to an amount that will not require the imposition of a second dues assessment.

The Board authorized an expenditure of funds to engage the professional services necessary to perform an economic assessment of a dry year water transfer program this year, in anticipation that this year will continue to be dry, and also an expenditure for special counsel services to assist in the effort. In addition, the Board authorized execution of a contract with CH2M Hill to analyze and review the water model being utilized by the State Water Resources Control Board for the development of its water quality control plan for the Delta. The Board also authorized execution of a contract with the firm of ICF for technical assistance in developing a revised approach for the incidental take permit under Section 7 reconsultation for the biological opinions currently in place. Finally, the Board also authorized an expenditure of up to \$75,000 for a study of environmental DNA sampling and reporting for winter and spring run salmon operations.

3. Water Supply Report. Following good precipitation totals in November, the State Water Project watershed has been bone dry in December. Furthermore, the forecast continues to indicate dry conditions. In the Southern Sierra portion of the SWP, precipitation to date is only at 45% of average. In the San Joaquin region, precipitation totals are only at 28% of average to date. There is nothing at this point to suggest an increase in the initial allocation of 15%.

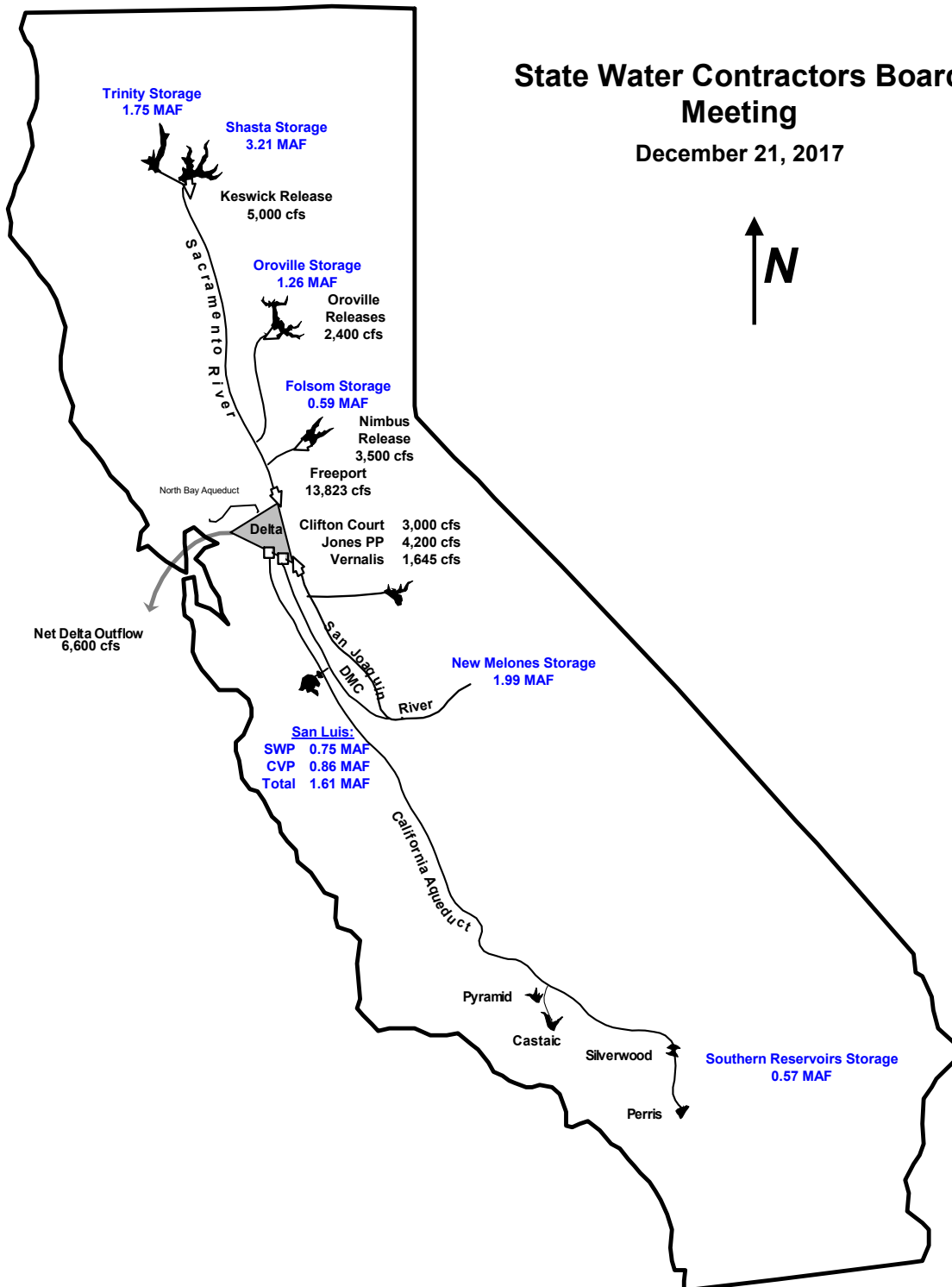
4. Update on Water Supply Objectives. A lengthy report was provided regarding progress in addressing water supply objectives for this year. A copy of the PowerPoint presentation is included with this memo. The items discussed include California WaterFix, the proposed water management contract amendment, State Water Resources Control Board activities, the Coordinated Operations Agreement, long term operations reconsultation, the Collaborative

Adaptive Management Team, OCAP and regulatory compliance, water operations improvements and water operations evaluation. Recall that the Federal Contractors requested reconsideration of the Coordinated Operations Agreement, based upon their assertion that the Federal Project is bearing more than its fair share of the burden to address flow requirements in the Delta. In the category of water operations evaluation, the Contractors have engaged a consultant to develop a forecasting model that the Contractors can use to predict precipitation, which can be compared with the forecasting model used by DWR. With regard to California WaterFix, the efforts have included proceedings before the State Water Resources Control Board for an additional point of diversion north of Sacramento for the tunnel project, the formation of joint powers authorities to undertake financing and construction of the project, litigation that has been filed to challenge the validation action and also the environmental document, and efforts to get financing in place to pay for the tunnel project.

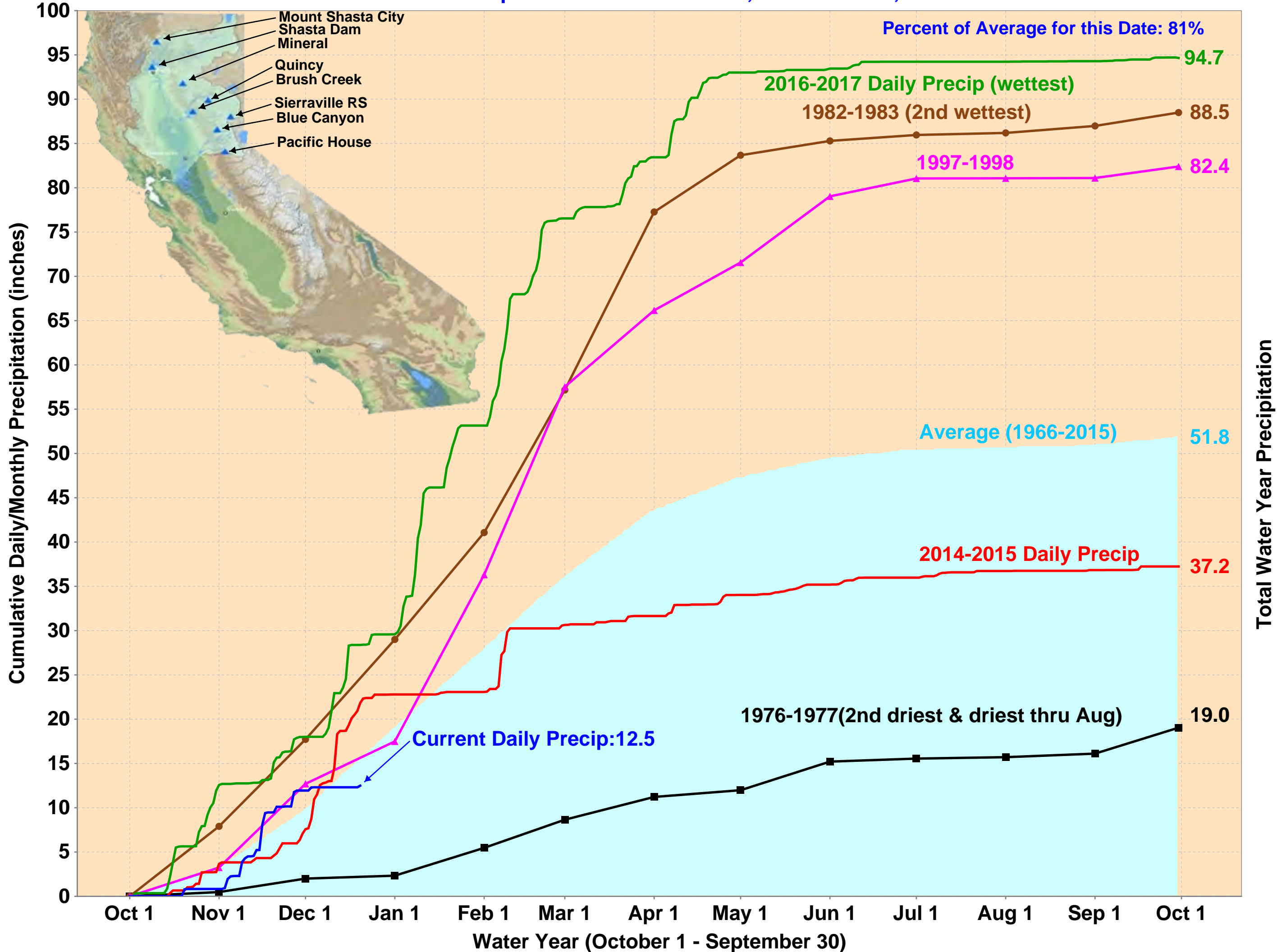
Michael T. Riddell

State Water Contractors Board Meeting

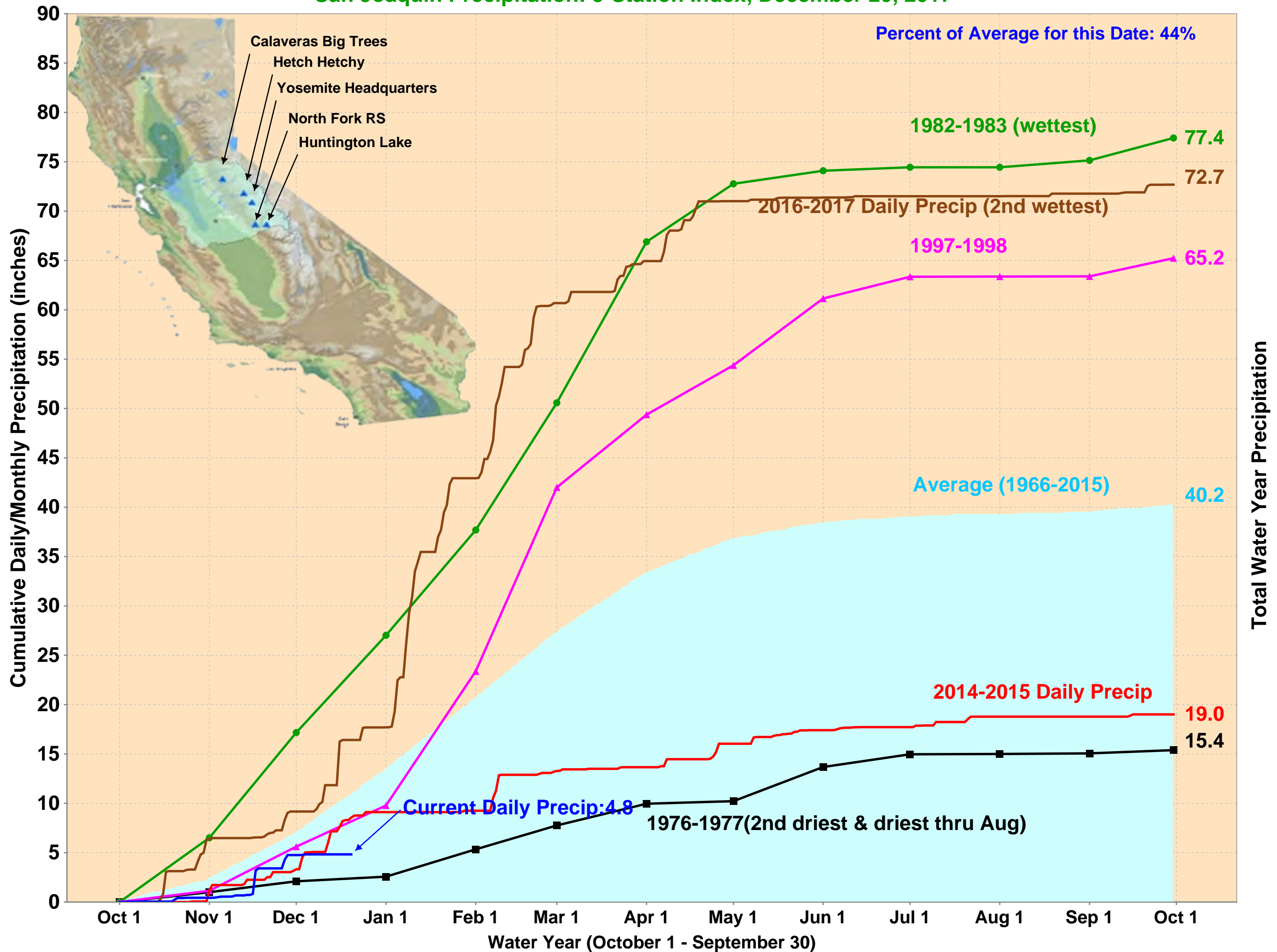
December 21, 2017



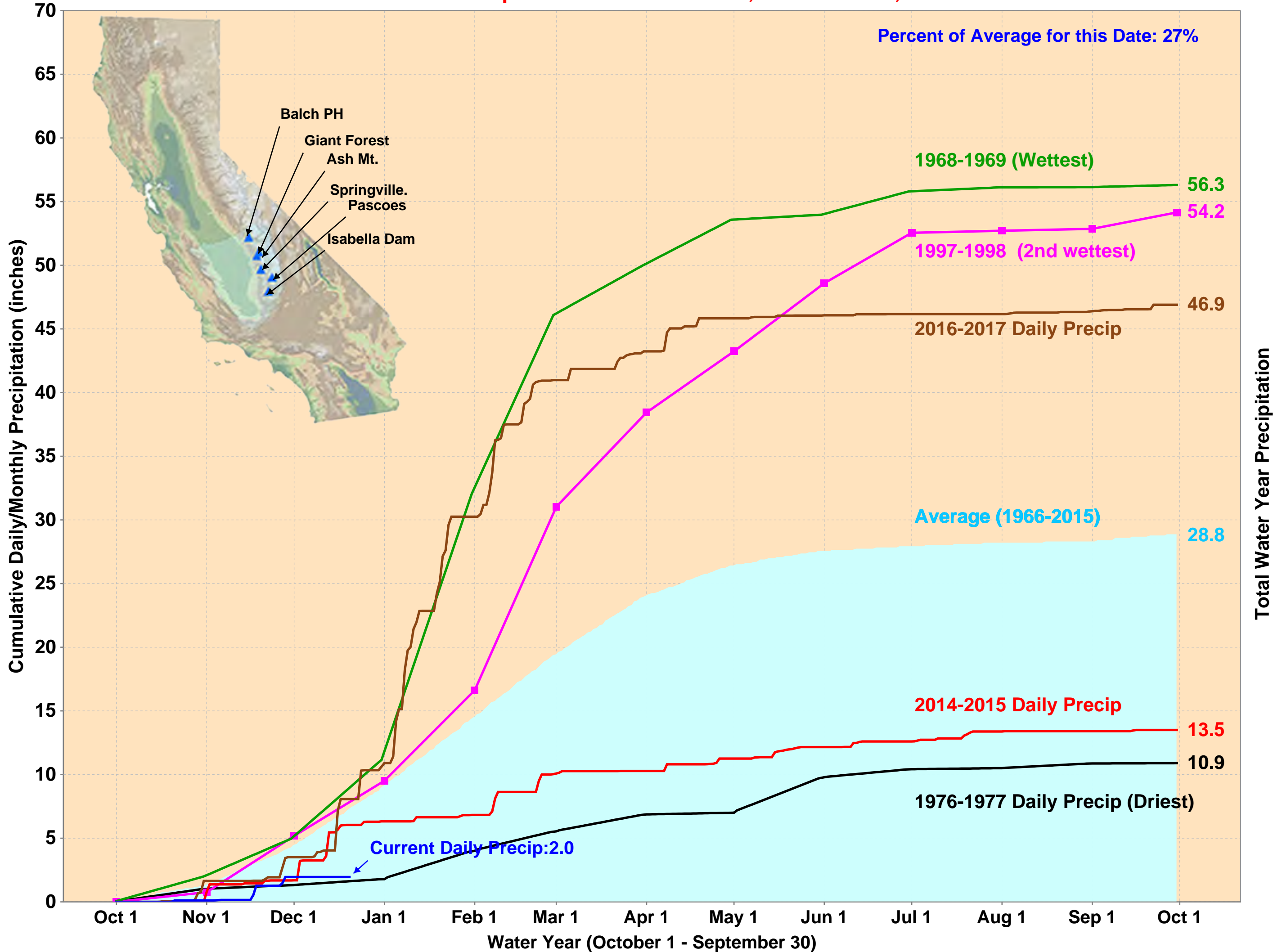
North Sierra Precipitation: 8-Station Index, December 20, 2017



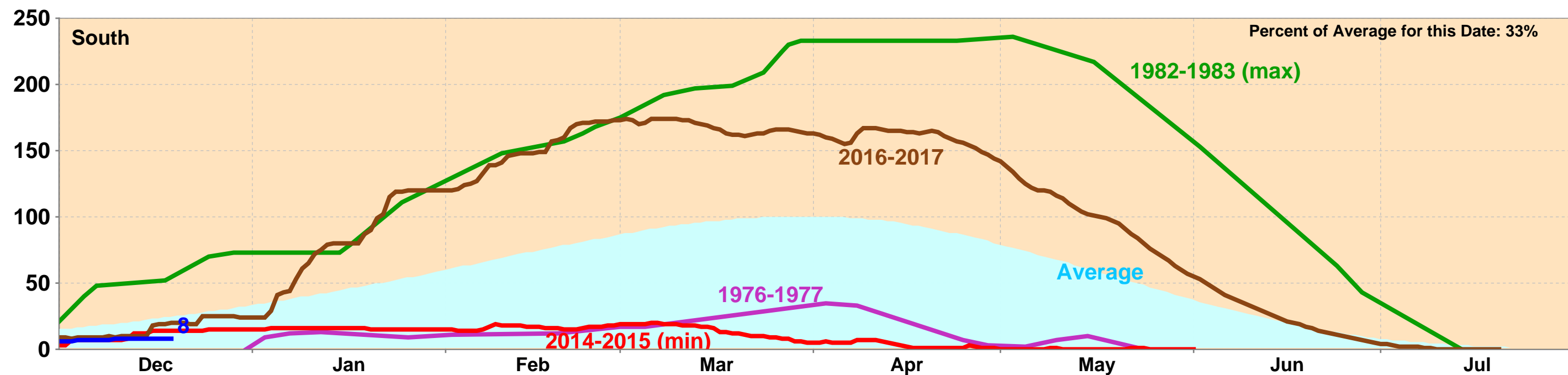
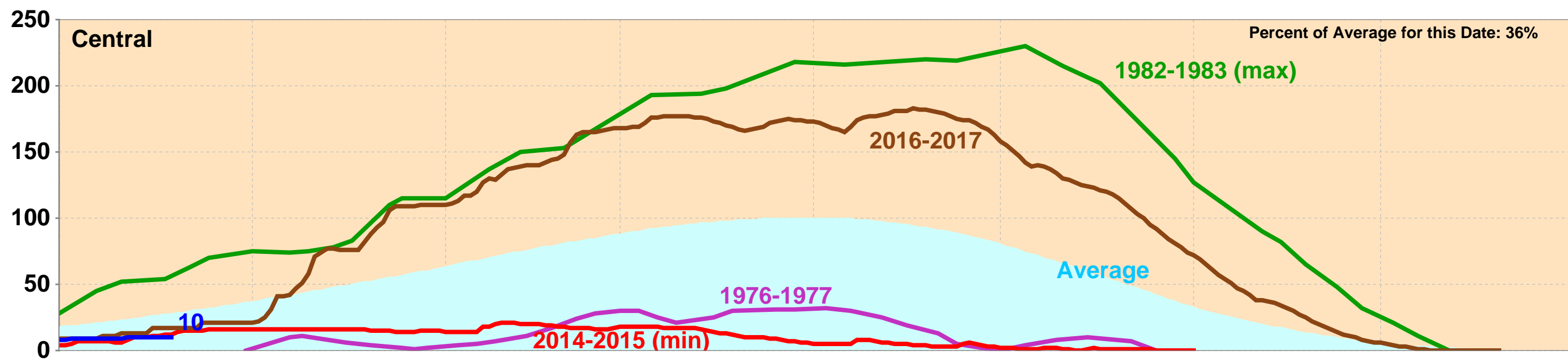
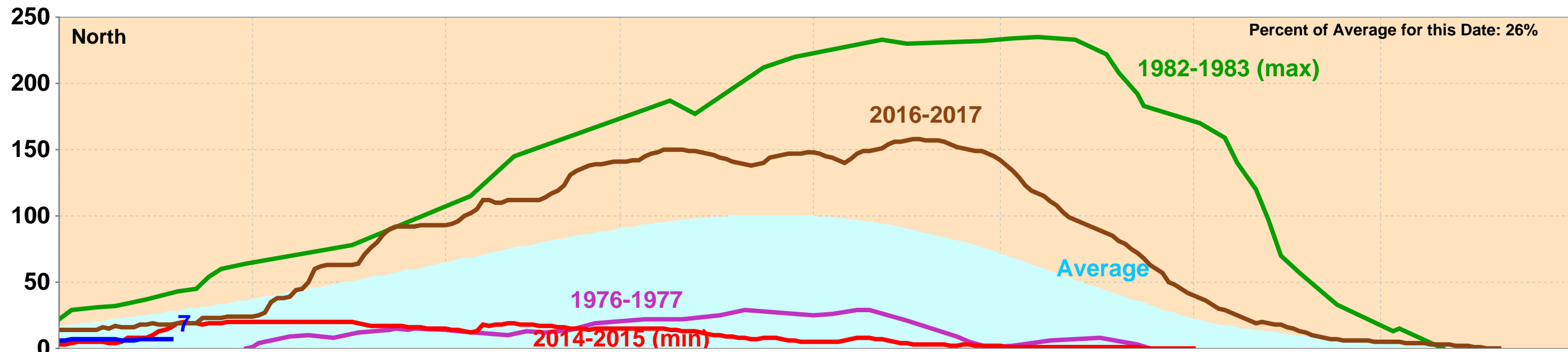
San Joaquin Precipitation: 5-Station Index, December 20, 2017



Tulare Basin Precipitation: 6-Station Index, December 20, 2017



California Snow Water Content, December 19, 2017, Percent of April 1 Average



Statewide Percent of April 1: 8%

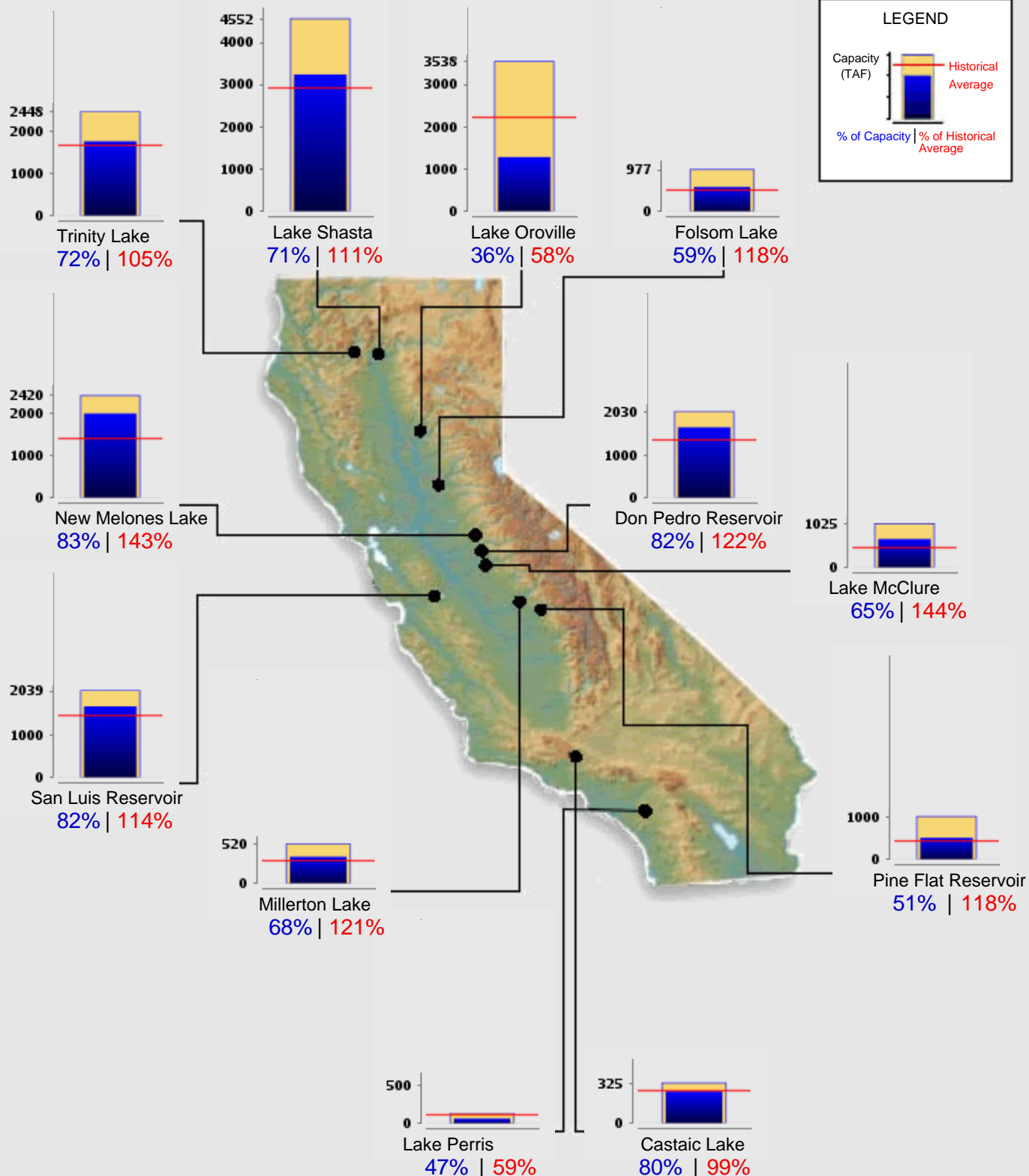
Statewide Percent of Average for Date: 30%



Reservoir Conditions

Ending At Midnight - January 11, 2018

CURRENT RESERVOIR CONDITIONS





SWC FY 2017-18 Water Supply Objectives Update

DECEMBER 21, 2017

STATE WATER CONTRACTORS BOARD MEETING

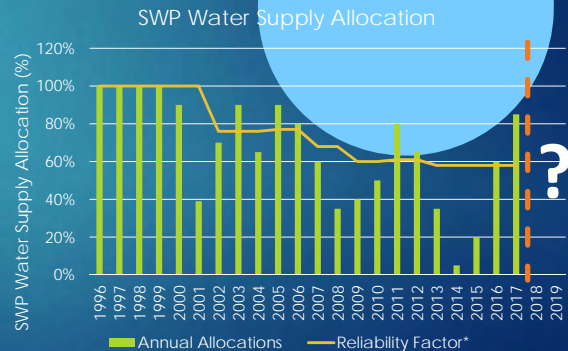
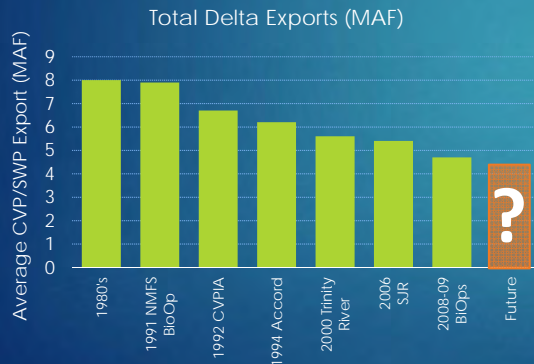


FY 2017-18 Water Supply Objectives

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

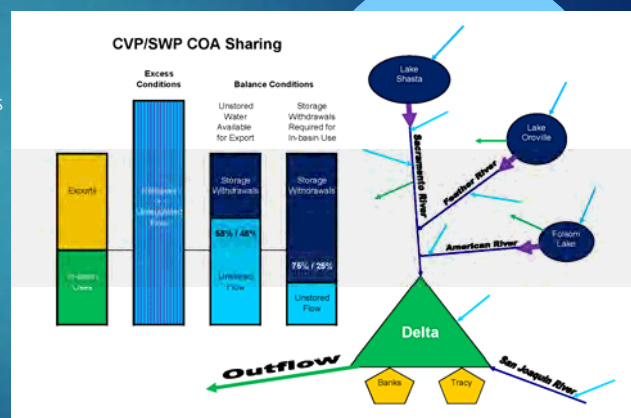
Water Supply Objectives

- ▶ Water Supply Objectives: **Risk** or **Opportunity**
 - ▶ Water Supply Export and Delivery Capability
 - ▶ Water Supply Operations Flexibility



Coordinated Operations Agreement

- ▶ Agreement between the state and federal government
 - ▶ Water rights settlement that defines operations of the CVP and SWP to equitably share:
 - ▶ Available water supply
 - ▶ Responsibility for water supply obligations
 - ▶ Senior water rights
 - ▶ Regulatory obligations
- ▶ Discussions between DWR and Bureau of Reclamation ongoing
 - ▶ Revisit equity of COA shares



Coordinate with DWR and SWC members in developing information for and participating in discussions on the COA periodic review.

Long-term Operations Reconsultation

- ▶ Reinitiation of Consultation (ROC) on the Long-term Operation (LTO) of the CVP and SWP
 - ▶ Aug 2, 2016: DWR and Reclamation requested reinitiation of ESA Section 7 consultation
 - ▶ National Marine Fisheries Service (NMFS) and US Fish and Wildlife Service (FWS)
 - ▶ Update biological opinions based on new information:
 - ▶ Multiple years of drought
 - ▶ Recent data on delta smelt and winter-run chinook salmon populations
 - ▶ Ongoing collaborative science process
 - ▶ SWC engaged with organized PWA effort
 - ▶ Schedule unclear due to latest Reclamation direction

Participate in the CVP/SWP Long-term Operations Reconsultation process for development of near-term project operations and associated biological opinions.

Collaborative Adaptive Management Team (CAMT)

- ▶ Initiated from OCAP Biological Opinion court decision
 - ▶ Collaborative science: project agencies, regulatory agencies, water users, and NGO's
 - ▶ Structured scientific processes with long time line
 - ▶ Delta smelt and salmonids
- ▶ Current focus:
 - ▶ Comprehensive monitoring plan
 - ▶ Delta smelt and salmon resiliency strategies
 - ▶ Structured decision making
 - ▶ Adaptive management plan for Suisun Marsh salinity control gates
 - ▶ Turbidity augmentation study
 - ▶ Fall X2 10 year review

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

OCAP and Regulatory Compliance

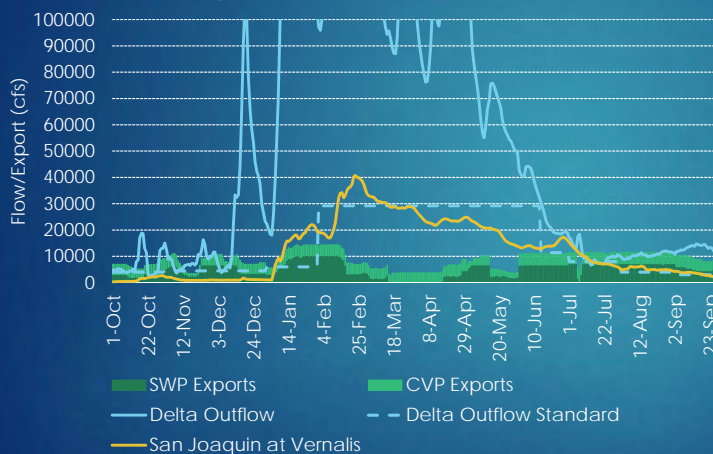
- ▶ SWC/DWR Delta Compliance Committee
 - ▶ Coordinating with DWR on review of budget and planning processes
 - ▶ Goal to develop:
 - ▶ List of projects including obligations and costs
 - ▶ Cost sharing plan with the CVP
 - ▶ Status: Currently on hold
 - ▶ Hallmark group evaluating and making recommendations on:
 - ▶ Program management approach
 - ▶ Reporting metrics



Collaborate with DWR on planning and implementation of required habitat and other RPAs under OCAP Biological Opinions.

Water Operations Evaluation

Delta Operations: Water Year 2017

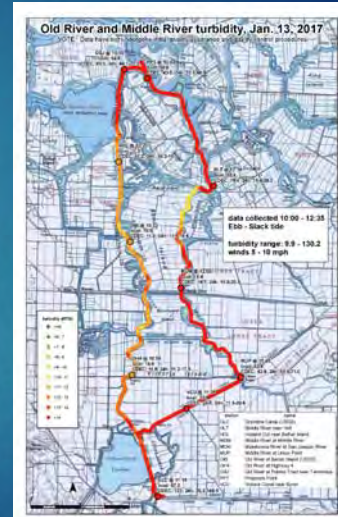


- ▶ Review of 2017 operations:
 - ▶ Wettest year on record for Northern Sierra
 - ▶ Large snowpack throughout Sierras
 - ▶ High San Joaquin River flows
 - ▶ Longest period at maximum exports to date
 - ▶ Major structural/operational issues:
 - ▶ Oroville flood control spillway and emergency spillway
 - ▶ Clifton Court Forebay outage
- ▶ Upcoming for 2018
 - ▶ Interim Oroville Operations Plan
 - ▶ Initial allocation = 15%

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

Water Operations Improvements

- ▶ Work with DWR to reduce water supply reductions
- ▶ 2017 examples using existing facilities:
 - ▶ December proactive turbidity management
 - ▶ Prevented over 100 TAF of reduced export
 - ▶ April Article 21 delivery
 - ▶ Improves overall delivery capability of project
- ▶ Continue identifying and evaluating near-term operational actions



Identify and implement Delta and/or upstream operations strategies to minimize reductions to near-term exports and increase water supply reliability using existing facilities or with additional features

California WaterFix

- ▶ Schedule:
 - ▶ July 2015: Public Drafts of EIR/EIS circulated
 - ▶ October 2015: Comment period ended
 - ▶ Spring 2016: Hearings on Change in Point of Diversion at SWRCB began
 - ▶ July 2016: Biological Assessment Submitted
 - ▶ October 2016: 2081 Permit Application Submitted
 - ▶ December 2016: Final EIR/EIS Completed
 - ▶ Spring 2017: ROD, NOD, Biological Opinions, and 2081 Permit Issuance
 - ▶ Summer 2017: completion of Part 1 of CPOD Hearings
 - ▶ January 18, 2018: begin Part 2 CPOD Hearings



Proceed with Implementation Activities including JPA formation, SWRCB Change Petition, other permits.

California WaterFix



- ▶ Next steps:
 - ▶ Complete Change Petition
 - ▶ Form JPA's
 - ▶ Defend Litigation
 - ▶ Financing
- ▶ Additional activities:
 - ▶ Pursue opportunities for developing voluntary Settlement Agreements with third parties
 - ▶ Complete remainder of permits i.e. Corps, SAA, etc.

Proceed with Implementation Activities including JPA formation, SWRCB Change Petition, other permits.

Water Management Contract Amendment

- ▶ Contract Amendment Process Initiated December 2014
- ▶ SWC Objectives
 - ▶ Provide water management tools
 - ▶ Allocate costs and benefits of California Water Fix
- ▶ SWC Caucus Meetings
 - ▶ Significant progress on water management tools, with one exception
 - ▶ Work continues on possible water supply and cost allocation
- ▶ Continue to develop SWC proposal – Winter/Spring 2017
- ▶ Exempt NOD contractors from CWF charges
- ▶ Next negotiation session likely in January

Coordinate SWP contractors involvement in Contract Amendment discussions on California WaterFix NOD costs and Water Management Activities

State Water Resource Control Board Activities

- ▶ WQCP update
 - ▶ Phase 1
 - ▶ Phase 2
 - ▶ Settlement



Participate regulatory process for updating the Bay-Delta Water Quality Control Plan.

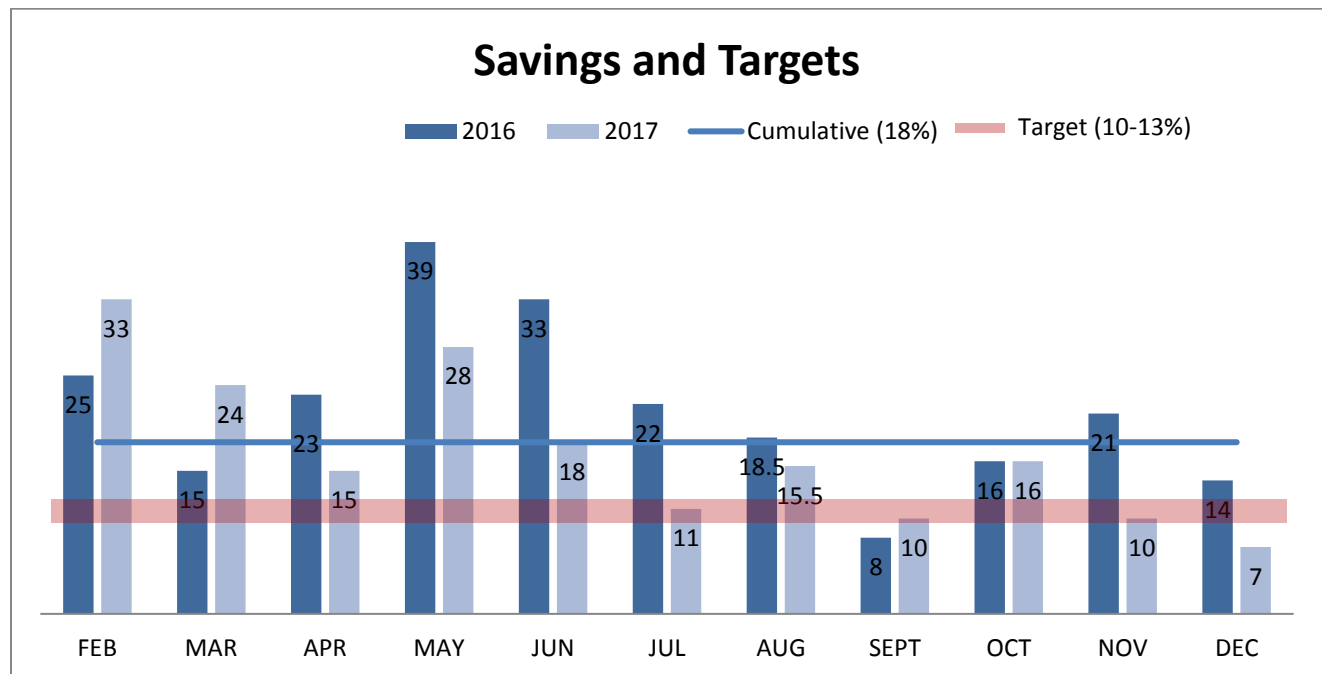
SWC 2017-18 Water Supply Objectives			
California WaterFix	Obtain ROD for California WaterFix. Proceed with Implementation Activities including SWRCB Change Petition	●	Erlewine
Water Management Contract Amendment	Coordinate SWP Contractors involvement in Contract Amendment discussions on California WaterFix Cost Allocation and Water Management Activities	●	Erlewine
Coordinated Operations Agreement	Coordinate with DWR and SWC members in developing information for and participating in discussions of possible COA modifications	●	Febbo
Long-term Operations Reconsultation	Participate in the CVP/SWP Long-term Operations reconsultation process for development of near-term project operations and associated biological opinions		
State Water Resource Control Board Activities	Present testimony and participate in hearings on updating the Bay-Delta Water Quality Control Plan and related activities such as San Joaquin River water rights and illegal diversions	●	Morris
Delta Plan	Coordinate with DSC staff and board to ensure revision to the Delta Plan are consistent with SWP planning and operations.		
Facilitate Water Transfers	Work with DWR and potential sellers in the Sacramento Valley to implement dry year transfers, including facilitating regulatory approvals. Begin planning for implementation of long-term transfers	●	Chapman
Upstream Water Supply Augmentation	Work with CVP Contractors and upstream water users to identify water supply operations to address existing and potential regulatory obligations	●	Erlewine
Delta Levee Strategy	Work with MWD and DWR in identifying and evaluating alternative approaches for levee improvements to protect SWP water supplies	●	Erlewine
OCAP and Regulatory Compliance	Collaborate with DWR on planning and implementation of required habitat and other RPAs under OCAP Biological Opinions. Monitor progress of implementation of the Suisun Marsh Agreement	●	Febbo
Water Operations Improvements	Identify and implement Delta and/or upstream operations strategies to minimize reductions to near term exports and increase water supply reliability using existing facilities or with additional features	●	Febbo
Water Operations Evaluation	Develop documentation for ongoing Delta water supply operations including water losses from regulatory actions. Develop analysis tool to evaluate water supply and predict water supply allocations during the runoff season	●	Febbo
Delta Related Litigation	Defend or intervene in litigation to protect SWP water supply. Pursue methods for State Water Resources Control Board to protect stored water through curtailments and participate in litigation and administrative proceedings that could impact stored water. Continue challenging the CEQA and authority of the Delta Stewardship Council to implement certain Delta Plan activities	●	Morris
Collaborative Adaptive Management Team	Participate in Collaborative Adaptive Management Team through membership on CAMT, identification and formulation of study projects and involvement in work efforts of scoping teams	●	Erlewine
Wastewater Discharge and Water Quality Issues	Follow-up on remaining litigation efforts related to Sacramento Regional CSD discharge permits. Participate in development and review of discharge standards for other Delta Watershed dischargers. Participate in processes related to methylmercury regulations	○	Morris

STAFF REPORT TO DESERT WATER AGENCY BOARD OF DIRECTORS

JANUARY 16, 2018

RE: DECEMBER 2017 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 7% percent reduction in potable water production during December 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. 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 drought surcharge trigger (we are 19.38% above the baseline).

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 18%.

On the following page is additional information for this month.

December 2017 water production	2,051.9 AF
December 2013 water production	2,196.9 AF
Percent changed in this month per drought surcharge baseline (December 2015)	9.38% increase
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	703.5 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	65.72%
Population (inclusive of seasonal residents)	106,413
Estimated R-GPCD	133
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	31
How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?	11
How many formal warning actions (e.g.: written notifications, warning letters, door hangers) were issued for water waste or for a violation of conservation rules?	6
How many penalties were issued for water waste or for a violation of conservation rules?	0
<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.</p> <p>Historically, DWA has submitted data based on the permanent population of the service area; however, that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population.</p> <p>DWA would like it noted that the amount of fresh water outflow to the ocean during the month of December was 434,840 acre feet. Additionally, since it began recycling water Desert Water Agency has reclaimed 94,415 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>	

**DESERT WATER AGENCY
MEDIA INFORMATION
DECEMBER 2017**

DATE	PACKET PAGE	MEDIA SOURCE	ARTICLE
12/01/17	1-2	THE DESERT SUN	Pechanga, Government Sign Groundwater Agreement
12/02/17	3-4	THE DESERT SUN	Valley Voice: CVWD, DWA Advocate For All Water Users In Aquifer Dispute
12/02/17	5-6	THE DESERT SUN	Our Voice: Coachella Valley Water Picture Gets Cloudier
12/22/17	7-12	THE DESERT SUN	State Seeks To Limit Nestlé's Water Use
12/26/17	13-14	PRESS ENTERPRISE	State Calls On Nestlé's To Reduce Pumping
12/30/17	15	THE DESERT SUN	Trump Eyes More Pumping From Central Valley Project

POLITICS

PECHANGA, GOVERNMENT SIGN GROUNDWATER AGREEMENT

Pact finalizes resolution to longstanding dispute, guarantees tribal access to regional aquifer

By Jeff Horseman, December 1, 2017

The Pechanga Band of Luiseño Indians and the federal government have finalized an agreement that protects the tribe's access to regional groundwater, gives the tribe more than \$30 million for water infrastructure and settles a longstanding water rights dispute.

U.S. Secretary of the Interior Ryan Zinke, along with Pechanga Tribal Chairman Mark Macarro and Rancho California Water District President Stephen Corona, signed the Pechanga Water Settlement Agreement on Wednesday at a Washington, D.C., ceremony.

Congress approved the settlement, which was signed into law by then-President Barack Obama, about a year ago.

"The Pechanga Band has tirelessly pursued the quantification of its water rights and, through negotiations, engaged its neighbors in a multiyear process of building mutual trust and understanding," Macarro said in a news release.

"Generations of tribal leaders have fought from the courts to Capitol Hill to protect this vital resource for future generations. This settlement agreement benefits all of the parties by securing adequate water supplies for the Pechanga Band and its members and encouraging cooperative water resources management among all of the parties."

Also in the release, Zinke said: "The federal government has a critical responsibility to uphold our trust responsibilities, especially tribal water rights."

"... As a former state senator and congressman who helped usher the Blackfeet compact through to fruition, I understand all too well the hard work and enormous struggle that goes into making these important water rights settlements possible. I congratulate all of you for your perseverance, dedication and commitment to making this settlement happen," he said.

The agreement was inserted by Rep. Ken Calvert, R-Corona, into a larger water spending bill approved by Congress.

"I'm grateful we have been able to enact the settlement and ensure all of the stakeholders in the Santa Margarita River Watershed can better shape their future," Calvert, who represents part of Temecula, said in a news release.

The agreement settles claims by Rancho and the Eastern Municipal Water District regarding access to the Santa Margarita River basin, a 750-squaremile aquifer stretching from southwest Riverside County to north San Diego County.

The 1908 Indian Water Rights Settlement obligated the federal government to provide adequate water resources to Indian tribes forced into reservations. In the 1960s, a federal court order, the Fallbrook Decree, awarded the Pechanga tribe access to roughly 5,000 acre-feet of water a year. One acre-foot equals what two families use in an average year.

Over the years, the tribe negotiated with the Rancho and Eastern water districts to settle claims to the Santa Margarita basin. Members of Congress, including then-Rep. Mary Bono, R-Palm Springs, tried without success to broker a deal.

The settlement calls for \$3 million in federal money to be deposited in an account to build a water storage pond. Another \$26 million, with \$4 million set aside for construction overruns, is ticketed for "interim and permanent capacity for water storage," the Congressional Budget Office reported.

The settlement signing ceremony comes the same week as the U.S. Supreme Court announced it would not hear an appeal by water agencies in a lawsuit involving the Agua Caliente Band of Cahuilla Indians in the Riverside County desert. A federal appeals court sided with the tribe in litigation over rights to groundwater beneath the tribe's reservation.

Valley Voice: CVWD, DWA advocate for all water users in aquifer dispute

James Cioffi and John Powell Jr., Special to The Desert Sun, Dec. 2, 2017

Coachella Valley Water District (CVWD) and Desert Water Agency (DWA) are disappointed that the United States Supreme Court will not consider the water rights case filed against us by the Agua Caliente tribe.

The Supreme Court did not uphold the 9th Circuit ruling — it simply decided not to review our case at this time.

The lengthy and expensive legal process we now face will be to define and quantify the tribe's right. Our priority will be to ensure that this case moves forward in a manner that protects the interests of valley residents. We want the public to rest assured that we are still here, ready to serve them as we have for decades.

While we do not know all of the potential impacts of this decision, we do expect less available water, higher water rates, and obstacles to sustainable groundwater management. We are concerned that the Agua Caliente tribe still has not stated publicly what it plans to do with the water — and as a sovereign nation, the tribe doesn't ever have to tell us. We fought this case because we believe the water is a shared resource that belongs to everyone. We will still work in phases two and three of this case to protect the interests of the community we serve. The future of water in this valley will likely include a full groundwater adjudication, dividing up the groundwater of the Coachella Valley between residents, businesses, farmers, tribes and other water users.

We encourage the community to stay engaged as this process will impact property owners across the Coachella Valley.

The impacts of this decision reach far beyond our valley. Western states have developed complex legal frameworks and permitting systems for groundwater to protect basins from ever-increasing demands on water resources. This will drastically complicate, and in some locations could entirely defeat, these state and local efforts to manage groundwater resources efficiently.

Some of what the Agua Caliente tribe has said publicly about Coachella Valley water is misleading and irrelevant to the issue of rights. The water we serve meets strict state and federal standards. The tribe has proposed treatment options that could cost our community billions of dollars with little or no real benefit. We've seen substantial improvement in groundwater levels thanks to our management efforts and investments in sustainability. The board members of our agencies think very carefully about the resources spent defending the public in this lawsuit, and our responsibility to protect the community's water rights.

Fighting over our most precious resource will cost the public, business and tribal users time and money — and to what end? The tribe has always had access to all of the water they request. Managing water is our core mission and the more community involvement we have in meeting this common goal, the better. For decades, we've worked hard to secure the water future of this region.

Generations to come should have access to the water and lifestyle we enjoy today. They're in mind with every decision that we make.

The water agencies' doors are, and have always been, open for discussion about important water management issues with the public and tribes. The Agua Caliente tribe has always had a seat at the table, and now with reserved rights to groundwater will play a more expanded role than ever in shaping the future of our community.

For more information about this lawsuit, visit www.dwa.org/lawsuits or www.cvwd.org.

James Cioffi is the president of the Desert Water Agency Board of Directors. He can be reached at jcioffi@dwa.org. John Powell Jr. is president of the Coachella Valley Water District Board of Directors. He can be reached at jpowell@cvwd.org.

Our Voice: Coachella Valley water picture gets cloudier

The Desert Sun Editorial Board, Dec. 2, 2017

A recent Supreme Court move has locked the Coachella Valley into what could be a long period of uncertainty when it comes to water.

The nation's highest judicial body refused to take up an appeal by the Desert Water Agency and the Coachella Valley Water District of a 9th U.S. Circuit Court of Appeals decision that says the Agua Caliente Band of Cahuilla Indians has a reserved right to groundwater.

This move – leaving in place prior decisions that the right dates to the federal government's creation of the Coachella Valley reservation under an 1870s treaty – raises significant questions for the Coachella Valley and far beyond.

Other tribal governments are working to determine how this ruling might affect their own claims to water for their reservations. Some 35 tribes and five tribal organizations filed a legal brief backing the Agua Caliente claim last year – an indication of the keen interest in these proceedings. On the other side, 10 states filed their own brief supporting the water agencies' position, writing that they have “an obvious stake in the preservation, maintenance and allocation of their most precious natural resource.”

The Agua Caliente insist the main goal in asserting this reserved right claim is a “seat at the table” when it comes to groundwater policies. The tribe, in its lawsuit, claims water agencies have mismanaged the local aquifer, creating an unsustainable situation by allowing far too much to be drawn from it. In addition, the tribe says, the agencies have been damaging the underground supply by introducing saltier, less pure imported Colorado River water via recharge ponds in different parts of the valley.

With the “reserved right issue” now apparently settled in this case, the lawsuit moves to two additional phases. One will look at whether the tribe owns storage space within the aquifer. The lower court will also look at the suit's water quality claims and how much groundwater the tribe is entitled to under its preferential status.

There can be no doubt that the landscape has changed, though it is far from clear where we are headed. The high court, by not weighing in, leaves it to lower courts to determine how federal law and state law will mesh when it comes to groundwater regulation, which long has been treated differently than surface water, where rights are more clearly defined.

The uncertainty trickles down to consumers, too.

Many across the desert – still reeling from more than five years of historic drought that spurred local and state actions including rate hikes, mandatory water budgets and strict restrictions on when and how water could be used – clearly are worried what this will mean.

The two water districts – officials spell out their concerns in another piece on this page today – say they expect a “lengthy and expensive legal process” before an ultimate resolution comes to pass.

Some residents see this as a doomsday step toward the “privatization” of this precious resource, with the tribe of about 485 members and a sovereign government that oversees a vast, 31,000-plus-acre reservation wielding a large say in what everyone will pay for water in the future. The Agua Caliente are a key commercial player in the desert and the tribe owns, among other major properties, two golf courses and two massive casino resort-hotel complexes. It also has new subdivisions and a third casino project in the works.

The likely outcome here is that the federal court will end up overseeing the adjudication of the local aquifer. As reported by The Desert Sun’s Ian James, this is not unique. Some 23 other aquifer basins in California are already under such a court-managed regime.

Still, it could change everything from the relatively cheap water situation our desert has been enjoying.

For now, our recommendation is to keep doing what we’ve been doing. As this rolls out, the desert community should continue the path to “water wise” living.

That means continuing to focus on conservation via everything from upgrading fixtures in our homes to get the most from every drop to robust recycling efforts for all the gallons that we do use to replacing more of our thirsty turf lawns with desert-appropriate landscaping.

Controlling our own use is the best way to manage the personal impact from whatever happens in the bigger picture down the road.

INVESTIGATION

State seeks to limit Nestlé's water use

Regulators inform company it doesn't have valid rights for all the water it's bottling

Ian James , December 22, 2017

California water regulators told Nestlé that the company doesn't appear to have valid water rights for all of the water it's been piping out of the San Bernardino National Forest and selling as bottled water.

Regulators at the State Water Resources Control Board notified Nestlé of their findings following a 20-month investigation, recommending the company limit its use of water from the namesake source of Arrowhead 100% Mountain Spring Water unless it can show it has valid rights for all of the water it's been taking.

Victor Vasquez, a senior water resource control engineer in the board's water rights division, told the company in a letter Wednesday that its "current operations do not appear to be supported by rights to the diversion or use of water exceeding 26 acre-feet" per year, or about 8.5 million gallons.

That would represent about a fourth of the water the company piped from sources in the national forest in 2016, and less than 15 percent of average amount of water that has been extracted yearly for decades. The company reported drawing about 32 million gallons of water — or about 100 acre-feet — from the national forest last year.

"Any diversions in excess of that amount may be unauthorized," Vasquez said in the letter. He said the company "must limit its appropriative diversion and use of water to 26 (acre-feet per year) unless it has evidence of valid water rights to water within the permitting authority of the State Water Board and/ or evidence documenting the extent of additional water claimed to be percolating groundwater."

The agency posted the letter and a 37page investigation report on its website Thursday, along with other documents detailing the findings.

Nestlé Waters North America has insisted it has valid rights to continue its bottled water operation in the national forest.

The company collects water from the national forest north of San Bernardino using a system of 10 gravity-fed boreholes and two water tunnels drilled deep into the mountainside. The water flows downhill through a stainless steel pipeline to a roadside tank, where it is pumped into tanker trucks and hauled to a bottling plant about 30 miles away.

Nestlé's use of water from the national forest has generated an outpouring of opposition, protests and a lawsuit since a March 2015 Desert Sun investigation revealed that the U.S. Forest Service has been allowing the company to continue drawing water from the national forest using a permit that lists 1988 as the expiration date. The Forest Service subsequently announced a review of the permit and in 2016 released a proposal to grant the company a new five-year permit. The issue also prompted several complaints to the State Water Board starting in April 2015. Regulators at the agency later said they had begun investigating questions about the company's claim of having water rights dating to the 1800s.

The battle over Nestlé's operation in the San Bernardino Mountains is one of several fights that opponents have waged across the country — in states including Oregon, Michigan and Pennsylvania — to try to block the company from siphoning water from springs and aquifers.

Amanda Frye, a local activist who filed one of the complaints that prompted the investigation, said she was pleased with the result.

"I feel like it's a victory," Frye said. "I'm happy that the State Water Resources Control Board did pursue it and look into it. I feel that they're protecting the people of California."

Water from Arrowhead Springs was first bottled for sale more than a century ago. It's named after the famed arrowhead-shaped natural rock formation on a mountainside north of San Bernardino and the springs near it — both hot and cold springs that flow from the mountain. The hot springs were once the central attraction of a glamorous hotel, which closed in the late 1950s and now stands vacant at the base of the San Bernardino Mountains.

Nestlé has owned the Arrowhead brand since it acquired Perrier in 1992.

While officials were conducting the investigation, Nestlé had insisted it holds rights that are "among the most senior water rights" in California.

"We are disappointed by the fact that we have just received a copy of the report from the State Water Resources Control Board and that others appear to have received it much sooner," Alix Dunn, a spokesperson from Nestlé Waters North America, said in an email.

"Once we have had an opportunity to review the report thoroughly, we will be in a position to respond." Dunn later said in a statement that the company is pleased the report "validates Nestlé Waters' chain of title and reaffirms that we hold valid, pre-1914 surface water rights and groundwater rights to a significant amount of the water in Strawberry Canyon."

The case involves documents going back more than 150 years and legal distinctions between surface water and groundwater, which fall under separate water-rights systems, as well as complex distinctions between different categories of groundwater. The company told authorities its ownership of spring water in Strawberry Canyon can be traced back to a possessory claim filed in 1865 by David Noble Smith — who first built a simple "infirmary" hotel where people eased their ailments at the hot springs. Nestlé also pointed to a subsequent U.S. patent obtained by Smith and recorded in 1882. It said the water rights were upheld in court in 1931 and have not been legally challenged since.

Frye, however, studied the historical documents cited by Nestlé and told state regulators she thought the company didn't have valid rights. She said the 1865 claim cited by the company staked out 160 acres near the base of the mountains around the future hotel site, yet Nestlé has been drawing water from locations about 2.5 miles away and much higher in the mountains, at an elevation of around 5,000 feet.

In his letter to Nestlé Waters North America, Vasquez said the Division of Water Rights staff concluded, based on their review of available information, that Nestlé's claim to a water right originating from the 1865 claim "is limited to riparian uses and is not valid for Nestlé's current appropriative diversion and use of water from the San Bernardino National Forest."

Vasquez said in the letter that over the period from 1947 to 2015, Nestlé's reported water extractions from the San Bernardino National Forest have averaged 192 acre-feet, or 62.6 million gallons, per year.

He wrote that Nestlé could claim up to 26 acre-feet of water per year for diversions from Indian Springs. The staff identified that water right "based on 1912 plans to bottle water in Los Angeles."

There are also other complexities in the regulators' findings. Vasquez said Nestlé "likely has an appropriative groundwater claim to an unknown amount of developed percolating groundwater that would not have contributed to surface flow in a natural channel elsewhere in the watershed."

He was referring to a distinction in state law between “percolating groundwater” — or groundwater that is filtering down to an aquifer and is not subject to the water board’s legal authority — and groundwater that is flowing “in a known and definite channel” and does fall under the board’s authority.

“If it’s essentially an underground stream, then it is subjected to the board’s permitting authority,” said David Rose, an attorney at the board who is assisting the water rights division’s enforcement section on the case. He said the groundwater issue is an “open question” and separate from the finding on the company’s surface water rights.

Vasquez wrote in the letter that while the company may be able to claim a valid right to some water in Strawberry Canyon, “a significant portion of the water currently diverted by Nestlé appears to be diverted without a valid basis of right.”

Vasquez also referred to the 1931 court judgment involving Nestlé’s predecessors, saying the diversion of water under the right recognized in that decision “would have required a permit insofar as it was not based on an appropriation initiated before 1914.”

Vasquez said the Division of Water Rights staff “recommends that Nestlé immediately cease any unauthorized diversions.”

The report on the investigation’s findings is just the first step in what could be a contentious process before the State Water Board.

Now that the findings have been released, the water rights division’s enforcement section will have discretion to choose whether to initiate an enforcement action for unauthorized water diversions, which could include a “cease and desist” order or fines.

Under that process, Nestlé would be able to request a hearing, in which the enforcement team would act as prosecutors and the five-member water board would decide.

In its letter, regulators recommended that the company take a list of actions, including submitting within 30 days an initial statement for “unauthorized diversions” and for diversions under any valid pre-1914 rights.

Within 60 days, Vasquez said, the company should submit a compliance plan for the agency to review and approve, “to ensure that diversions do not exceed those allowable.”

Nestlé signaled its willingness to cooperate.

“We are pleased that they have confirmed we have a right to these ‘authorized diversions,’ and we will continue to operate lawfully according to these existing rights and will comply fully with California law,” Dunn said in a statement.

The company will cooperate with the water board during review process and will provide “necessary documents to supplement” the investigation report, Dunn said.

Arrowhead 100% Mountain Spring Water is one of the biggest bottled water brands sold in California, and the national forest is one of the company’s primary sources for the brand. Nestlé also uses water from several other locations in Southern California, including springs in a desert canyon near Cabazon, where water is piped to a bottling plant on the Morongo Band of Mission Indians’ reservation.

Nestlé SA, headquartered in Vevey, Switzerland, is the world’s largest food company, and its Paris-based subsidiary Nestlé Waters is the world’s largest water bottling company. Nestlé Waters North America is also the largest water bottling company in the United States, with \$4.5 billion in sales last year.

The company runs 28 bottled water plants across the U.S., including five bottling plants in California, and sells spring water brands including Deer Park, Ice Mountain, Poland Spring and others.

It's not clear how much of a financial hit the Arrowhead brand might take as a result of the investigation's findings. In documents filed last year with the U.S. Forest Service, Nestlé said if it were to lose access to water from the national forest, that could have "significant market impacts" and could risk job losses among its 1,200 employees in California who are connected with the Arrowhead brand. The company told the agency that water from the Arrowhead springs "may not be replaceable."

Nestlé's opponents have argued that taking water from the forest harms spring-fed Strawberry Creek and the wildlife that depends on it.

In a visit to the national forest this summer, Desert Sun journalists confirmed that while the creek's east fork was flowing freely, the western fork — which lies in the watershed below Nestlé's boreholes and water tunnels — was just a trickle, with a series of shallow puddles hidden in a thicket of trees and bushes.

Nestlé denies causing any harm to the environment in the national forest. The company says its engineers and scientists monitor the company's water sources as well as the surrounding environment.

Activists have argued that the withdrawal of water threatens sensitive habitat and species such as mountain yellowlegged frogs and southwestern willow flycatchers.

They've criticized Forest Service officials for allowing the company to continue piping out water for so many years, even during California's severe drought, without assessing the impacts on the environment. And they've argued the company shouldn't be permitted to continue taking unrestricted amounts of water, especially as climate change exacts a toll on the ecosystem of the forest.

The water board's report detailed the complaints and noted they were filed following The Desert Sun's 2015 investigation.

"As a result of the complaints and due to repeated media and private citizen inquiries, the Division determined that an investigation ... was appropriate," regulators said in the report. They noted that Supervisor Jody Noiron at the national forest had also "requested assistance with clarifying" Nestlé water rights in May 2016.

The report described how regulators visited the national forest, talked with the company and Forest Service officials, and reviewed documents.

"Unless any information to the contrary is available, all diversions from springs that would flow to a channel are within the permitting authority of the State Water Board," officials said in the report. They said the staff "determined that a significant portion of the water diverted by Nestlé is within the permitting authority of the State Water Board."

The report summarized complaints in which people argued that bottling water from the forest in the midst of California's severe drought was "an unreasonable use of water" and potentially harmful to the ecosystem.

Regulators said they found "insufficient information to determine if Nestlé's diversion injures public trust resources." They also said the Forest Service "is the appropriate agency to address the environmental impacts in this case."

Based on the findings, Frye said she thinks the Forest Service should declare that the groundwater belongs to the national forest under federally reserved rights. She also called for the government to hold the company accountable for claiming water rights that didn't exist over the years.

“Look how much water they’ve taken. They had no right to it, and they took it,” Frye said. “I would like to see that upper headwaters spring flow again. I’d like to see water in that creek, where it should be.”

The Forest Service is continuing to review a proposal to issue the company a new permit for its water pipelines and other infrastructure in the national forest.

Zach Behrens, a Forest Service public affairs officer, said the agency doesn’t have any comments on the state agency’s document, and it’s not yet clear when the Forest Service will complete its review. Three environmental groups sued the federal government in 2015 in an attempt to shut down the 4.5-mile pipeline that Nestlé uses to collect water from the forest.

Forest Service officials have defended their actions, arguing that Nestlé’s 1978 permit, which was issued to predecessor Arrowhead Puritas Waters Inc., remains in effect while they consider the company’s renewal application. A federal judge agreed with the Forest Service, ruling the permit was still valid because the company’s predecessor in 1987 took the proper step of writing to the agency to request a renewal and didn’t receive a response.

That court decision allowed Nestlé to continue drawing water from the forest. The environmental groups have appealed.

Nestlé’s Forest Service permit allows the company to use its horizontal wells, pipelines and water collection tunnels in the mountains north of San Bernardino. The Forest Service, which does not charge a fee for the water, has been charging the company an annual permit fee of \$624.

The conditions of the permit say that the document “confers no right to the use of water.” State officials have authority over water rights, and the company has told the Forest Service it has valid rights.

Nevertheless, records show some Forest Service officials raised doubts about the company’s water rights in the 1990s.

Documents released by the Forest Service show that in the 1990s and early 2000s, there were discussions within the agency about conducting a review of the permit and carrying out environmental studies, but those steps didn’t lead to action.

During a 1997 meeting, Forest Service officials told David Palais of Nestlé that they were seeking information from the State Water Board about the water rights, according to typed notes of the meeting. The notes were prepared by Gary Earney, who administered permits, and he wrote that Forest Lands Officer Ernie Dierking “had advised me that we first needed to determine whether or not (Arrowhead) had proper water rights in the area.”

Earney said he explained to Palais that by later that year, they planned to have determined whether there was proof of water rights, and if not, “we would be significantly down the road in an environmental process that would eventually determine whether we would either re-issue the permit (with take limits) or would deny such use and force removal of all current improvements.”

Earney, who is now retired and critical of Nestlé’s operation, recalled in an interview in 2015 that a lack of adequate staffing prevented a review of the permit, and he and others had a list of other priorities. When floods and mudslides in 2003 destroyed portions of Nestlé’s pipes, the Forest Service allowed the company to rebuild and didn’t require a new permit. Gene Zimmerman, the forest supervisor who was in charge at the time, retired in 2005 and has since done paid consulting work for Nestlé.

As opposition to the bottling operation has flared with protests and a petition drive by opponents, Nestlé has fought back with lawyers and a PR campaign. Some of its ads on billboards and online displayed photos of the San Bernardino Mountains with the slogan “Respecting nature is in our nature.” Nestlé’s attorneys have

made their case in detailed exchanges with investigators at the State Water Board. Emails and letters released by the board earlier this year show the discussions have focused on subjects including the Food and Drug Administration's requirements for bottled water labeled as "spring water," and distinctions between surface water and groundwater. With surface water, California and other western states use a "first-in-time, first-in-right" system in which the first party to use water from a stream or river obtains a priority right. With groundwater, in contrast, California law says landowners have a right to pump water from beneath their property, and generally no one holds priority rights. Nestlé said in a document submitted to federal and state officials that the historical basis of its rights "includes both surface water and subterranean water." Larry Lawrence, the company's natural resources manager in California, said in a statement in August that the company had responded to every request from state regulators and that the "chain of title" of the company's water rights is well documented.

"These rights have remained unchallenged for nearly a century," Lawrence said at the time.

Responding to the regulators' findings, activists with the groups involved in the lawsuit called for the Forest Service to shut down Nestlé's water pipeline.

"As if diverting water off our public lands under a 29-year-old expired Forest Service permit wasn't egregious enough, now under expert scrutiny from the State Water Board, Nestlé's claims of water rights falls apart," said Ilene Anderson of the Center for Biological Diversity. "This is a first step in making sure that there's enough water in Strawberry Creek." The controversy over Nestlé's operation in the San Bernardino Mountains is unique in that it's located on national forest land. But it's one of many disputes that have sprung up across the country in places where the company is bottling water or has sought to bottle more water. Last year, voters in Oregon blocked Nestlé's plans to tap water from a spring in the Columbia River Gorge, approving a ballot measure that bans commercial water bottling in Hood River County. Nestlé also dropped plans last year to extract spring water in Eldred Township, Pennsylvania, withdrawing a zoning permit application after local residents protested and filed a lawsuit. In Michigan, Nestlé opponents have also been fighting the company's plans to increase pumping. As the company has run into opposition in those locations, it has continued searching for other spring sites and expanding elsewhere. Last year the company announced plans to open a bottling plant in Phoenix.

Demand for bottled water continues to grow in the United States. Last year, the Beverage Marketing Corporation reported that the U.S. bottled water market reached a milestone, with Americans consuming more bottled water than carbonated soft drinks — and bringing in nearly \$16 billion in wholesale revenues.

WATER

State calls on Nestlé to reduce pumping

Report: Bottling operation in forest exceeds limits, unless additional rights shown

By Sandra Emerson, December 26, 2017

A significant amount of Nestlé's water diversions in the San Bernardino National Forest are unauthorized, state water rights investigators said. The company has been diverting an average of 192 acre-feet of water per year from the forest, which is more than the 26 acre-feet it is allowed under its current water rights, according to a report released Thursday by the State Water Resources Control Board's Division of Water Rights.

"As the people of California grieve the loss of life, livelihood and land that has been devastated by this year's tragic wildfires, we have a moral imperative to safeguard water," said Michael O'Heaney, executive director of the Story of Stuff Project, one of several environmental groups opposed to Nestlé's operations. "This ruling shows that our precious resources must be managed with consideration for the needs of the environment and future generations."

The water rights division launched an investigation into Nestlé's rights after receiving several complaints, and an online petition, related to the company's diversion of water from Strawberry Creek for bottling under its Arrowhead brand.

The complaints, which date to April 2015, accuse Nestlé of diverting water without rights, unreasonable use of water, injury to public trust resources and incorrect or missing reporting. Some of the complaints also expressed concern over the impacts the diversion had during the state's historic drought.

During its investigation, the water rights division found that Nestlé has the right to divert up to 26 acre-feet of water per year, but any diversions beyond that would be unauthorized, according to the report.

However, investigators found that Nestlé might have some groundwater claim in an unknown amount.

The water rights division has recommended that Nestlé stop its unauthorized diversions immediately and take several actions to bring its operations into compliance. Alternatively, the company can provide evidence supporting its diversions within the next 30 days.

Nestlé Waters North America spokeswoman Alix Dunn said the company viewed the state's decision as a reaffirmation of its rights to a "significant amount of water" in Strawberry Creek.

"We are pleased that they have confirmed we have a right to these 'authorized diversions,' and we will continue to operate lawfully according to these existing rights and will comply fully with California law," Dunn said in a statement. "We look forward to cooperating with the (state) during the review process and to providing the necessary documents to supplement the (state's) report, including producing information requested from over a century ago, to the extent that it is available."

Arrowhead brand water has been sourced from the springs for more than 120 years, according to Dunn. "We take our responsibility as a California water steward seriously and our successful operations for more than a century point to our commitment to long-term sustainability," Dunn said. While no enforcement action is being taken against Nestlé, the state water board might initiate enforcement action for unauthorized diversions. "They have rights, but they don't appear to have the full extent of rights to support all the diversions they have been making," said David Rose of the board's Office of Chief Counsel. "And, they either need to stop, if unauthorized, or need to show it's not unauthorized."

Trump eyes more pumping from Central Valley Project

Move would rewrite rules and increase water to farmers

ASSOCIATED PRESS – December 30, 2017

SAN FRANCISCO – The Trump administration said Friday it will look at revving up water deliveries to farmers from California's Central Valley Project, the largest federal water project in the United States, in what environmental groups called a threat to protections for struggling native salmon and other endangered species.

The U.S. Bureau of Reclamation formally served notice it would begin looking at changing the operation of the massive California water project to maximize water deliveries. Spokeswoman Erin Curtis called it the first step in what would likely be an 18-month analysis.

The water project is a network of 18 dams and reservoirs and 500 miles of canals and aqueducts that draw water from the delta of the Sacramento and San Joaquin rivers, which are part of the largest estuary on the West Coast of the Americas.

Launched in the 1930s, the water project has helped make California's Central Valley the United States' richest farm region. It also has contributed to driving several onceplentiful species of smelt, salmon and other native animals toward extinction, biologists and environmental groups say.

Doug Obegi, a senior attorney for the Natural Resources Defense Council environmental group, contended in an email Friday the move represented "the latest attempt by the Trump administration to roll back protections for salmon and other endangered native fisheries ... in order to increase water supplies" for the state's agricultural water agencies.

Curtis, the Reclamation spokeswoman, called the effort a priority for the current administration. Cutbacks of water deliveries for the project's customers during the recently ended five-year California drought — including cutbacksprompted by rules protecting endangered native species also struggling in the drought — helped prompt the decision to look at possibly redoing the rules.

So did new U.S. legislation last year that encouraged more big water construction projects and water deliveries for Western farmers, Curtis said.

Federal authorities will seek public comment through Feb. 1.

DESERT WATER AGENCY

OUTREACH & CONSERVATION ACTIVITIES

December 2017

Activities:

- 12/01 Vicki Petek staffed a DWA conservation station at Lowe's.
- 12/01 Ashley Metzger was interviewed by Kelley Moody on water audits (aired 12/18).
- 12/01 Ashley Metzger was on a live segment with KESQ on the pipeline replacement and paving update.
- 12/06 President Cioffi and Ashley Metzger attended Coffee with DWA at Ernest Coffee.
- 12/06 Ashley Metzger was on a live segment with KESQ on growth and development and water use.
- 12/08 Ashley Metzger attended Leadership Coachella Valley.
- 12/14 Ashley Metzger was on a live segment with KESQ on DWA community events.
- 12/15 Mark Krause and Ashley Metzger attended Senator Jeff Stone's holiday open house.
- 12/16 DWA provided the water trailer, cups and bottles for the Santa Paws 5K.
- 12/16 Ashley Metzger and Vicki Petek staffed a table and provided water and information at the Palm Springs Farmer's Market.
- 12/18 President Cioffi, Mark Krause and Ashley Metzger met with Assemblyman Eduardo Garcia and his committee staffer Catherine Freeman about SGMA.
- 12/19 Ashley Metzger attended Assemblyman Eduardo Garcia's holiday open house.
- 12/20 Ashley Metzger was on a live segment with KESQ on restaurant water use.
- 12/21 President Cioffi and Ashley Metzger attended and gave a presentation at ONE-PS Brown Bag Luncheon.
- 12/28 Ashley Metzger was on a live segment with KESQ on a review of 2017.
- 12/28 Ashley Metzger was interviewed on the Joey English radio show (aired 12/30).

Public Information Releases/eBlasts:

Nextdoor: Supreme Court will not hear case on Agua Caliente water rights.

Upcoming Events

- January 9, 8:00 a.m. – CVWD Board meeting to present resolution
- January 10, 8:30 a.m. to 9:30 a.m. – Coffee with DWA at 4 Paws Coffee
- January 13, 8:00 a.m. to 12:00 p.m. – DWA at Palm Springs Farmer's Market



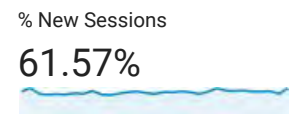
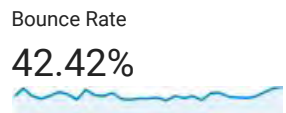
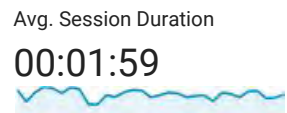
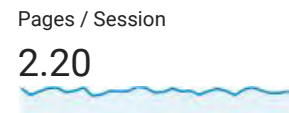
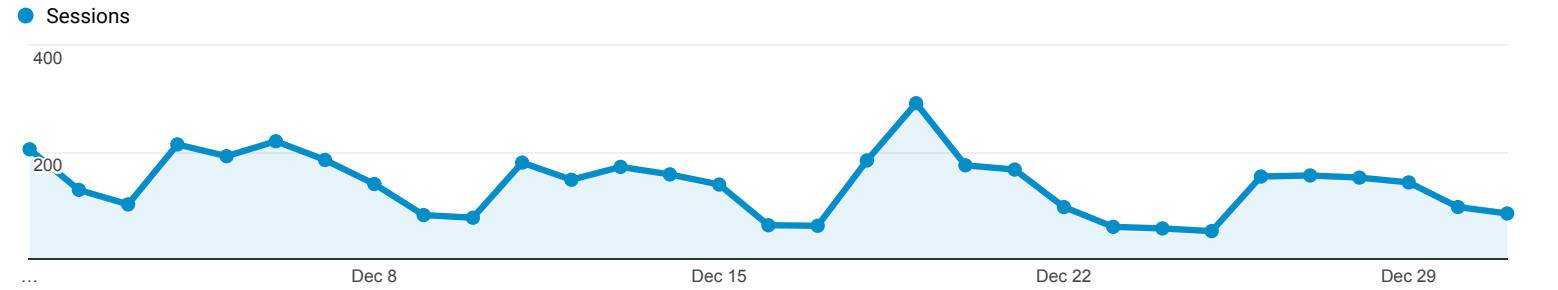
Audience Overview

All Users

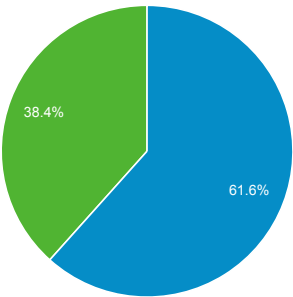
100.00% Sessions

Dec 1, 2017 - Dec 31, 2017

Overview



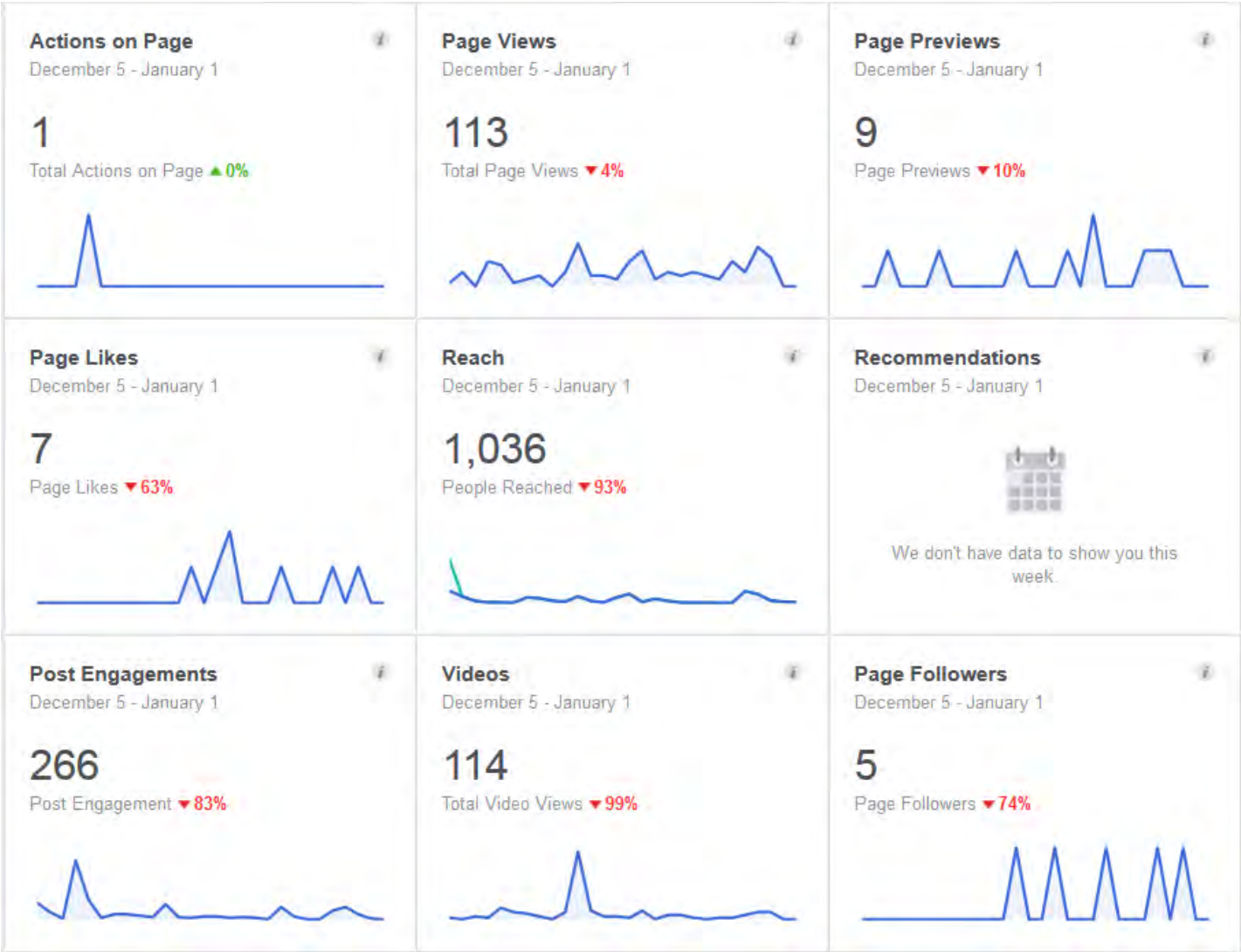
■ New Visitor ■ Returning Visitor



Language		Sessions	% Sessions
1.	en-us	4,131	95.23%
2.	en-ca	96	2.21%
3.	en-gb	27	0.62%
4.	es-xl	12	0.28%
5.	en-au	6	0.14%
6.	zh-cn	6	0.14%
7.	(not set)	5	0.12%
8.	de-de	5	0.12%
9.	ko	5	0.12%
10.	de	4	0.09%



Desert Water Agency
Facebook Analytics
December 2017

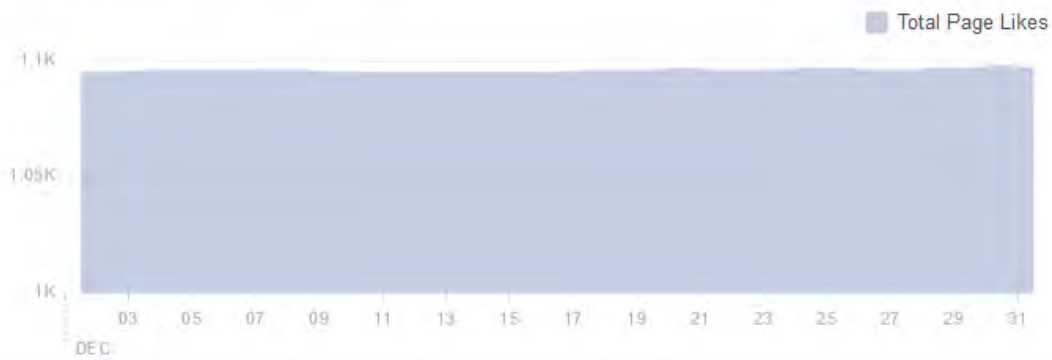




12/29/2017 10:16 am		Desert Water Agency shared Be Water Smart's photo.			76		4 2		Boost Post
12/29/2017 8:05 am		Have a safe and happy New Year's weekend. We'll be			73		4 2		Boost Post
12/28/2017 3:29 pm		Did you know that most of our meter reading is done by			113		9 3		Boost Post
12/21/2017 8:57 am		Have a happy and safe Christmas. While our offices			80		2 2		Boost Post
12/18/2017 9:06 am		Looking to occupy the kids during school break? This is			292		3 5		Boost Post
12/15/2017 9:10 am		We serve our community with style!			107		14 9		Boost Post
12/13/2017 9:53 am		Last month, our customers used 10% less water than in			131		2 3		Boost Post
12/12/2017 2:07 pm		Happy Hanukkah from Desert Water Agency. We're wishing			75		5 3		Boost Post
12/11/2017 3:39 pm		So much of the water we use we don't even see on a daily			91		1 2		Boost Post
12/06/2017 10:12 am		It was a good morning for coffee and community			74		2 4		Boost Post
12/04/2017 9:32 am		Desert Sun published an editorial co-written by our			1.3K		59 16		View Promotion
12/04/2017 9:04 am		Join us on Wednesday morning! Caffeine and			407		8 6		View Promotion



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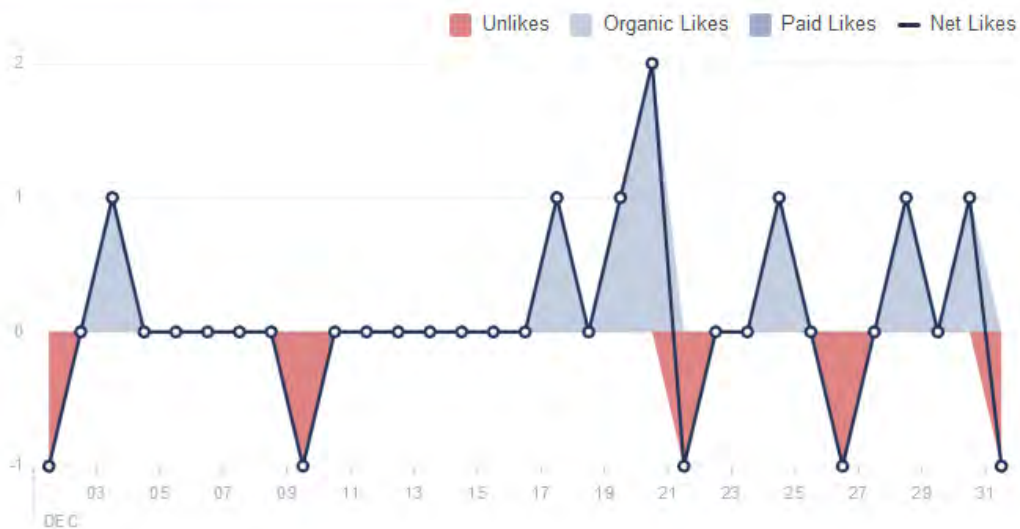
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DESERT WATER

TWEETS 1,129 FOLLOWING 1,511 FOLLOWERS 941 LIKES 432 MOMENTS 0

Desert Water Agency
Twitter Analytics
December 2017

Dec 2017 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 1,707 impressions

Catch DWA on .@KESQ's noon newscast today! #waterconservation #keepsaving

🔁 2 ❤️ 2

View Tweet activity

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Top Follower followed by 116K people



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View followers dashboard

Top mention earned 32 engagements



Water Deeply

@WaterDeeply · Dec 1

The Ninth Circuit court will decide a SoCal tribe's share of Coachella Valley Aquifer – a decision that's being watched closely by tribes across the West. newsdp.ly/2As5uxW by @debkrol, @DWAwater

🔁 5 ❤️ 5

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Top media Tweet earned 308 impressions

We're also at Santa Paws 5k benefiting Guide Dogs of the Desert!
pic.twitter.com/rLE5LQs9sG



🔁 1 ❤️ 5

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DEC 2017 SUMMARY

Tweets
19

Tweet impressions
6,673

Profile visits
403

Mentions
7

New followers
13



desertwateragency

Edit Profile



95 posts

217 followers

122 following

Desert Water Agency ∆ Desert Water Agency serves water in Palm Springs & part of Cathedral City. We replenish the aquifer and offer programs to encourage efficiency. ∆
www.dwa.org



15 likes



25 likes, 1 comment



24 likes



23 likes, 1 comment



156 video plays



20 likes



18 likes



35 likes, 1 comment



12 likes



Desert Water Agency

1200 S Gene Autry Trl, Palm Springs, CA 92264



Supreme Court will not hear case on Agua Caliente water rights

Outreach & Conservation Manager Ashley Metzger from Desert Water Agency · 4 Dec

Last week, the Supreme Court announced that it will not hear petitions filed by DWA and our neighbor to the east, Coachella Valley Water District in a lawsuit filed by the Agua Caliente in 2013. The Court did not uphold the lower court rulings — it decided not to review our case at this time.



The lawsuit is now in phase II, in which a judge will decide: the standard for determining how much groundwater the Agua Caliente is entitled to; whether the Tribe is entitled to a special water quality right (beyond existing state and federal standards); and whether the Agua Caliente owns the groundwater storage within the aquifer. The next hearing for phase II is scheduled for January 22, 2018. The third and final phase of the case would determine how much water the Agua Caliente gets.

The outcomes of this lawsuit will impact our community for generations. For more information on the lawsuit, visit www.dwa.org/waterrights.

DWA's board president, a community representative and local architect, co-wrote an editorial that was recently published in The Desert Sun:

<http://www.desertsun.com/story/opinion/c...>

The Desert Sun's Editorial Board also recently weighed in on the recent Supreme Court decision: <http://www.desertsun.com/story/opinion/e...>

4 Dec · Subscribers of Desert Water Agency in General

★ Phil, Julie, Tim, and 6 others thanked you