

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

February 5, 2019

DWA Board:	Joseph K. Stuart, President)	Attendance
	Kristin Bloomer, Vice President)	
	Craig A. Ewing, Secretary-Treasurer)	
	Patricia G. Oygar, Director)	
	James Cioffi, 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)	
	Kris Hopping, Human Resources Manager)	
	Ashley Metzger, Outreach & Conserv. Mgr.)	
	Esther Saenz, Accounting Supervisor)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
	Doug Johnson, National Demographics Corp.)	
Public:	David Freedman, PS Sustainability Comm.)	
	Karl Baker, Desert Hot Springs resident)	
	John Soulliere, Cathedral City resident)	
	Deiter Crawford, Palm Springs resident)	

18336. President Stuart opened the meeting at 8:00 a.m. and asked everyone to join Director Cioffi in the Pledge of Allegiance. **Pledge of Allegiance**

18337. President Stuart called for approval of the January 15, 2019 Regular Board meeting minutes. **Approval of 01/15/19 Regular Board Minutes**

Secretary-Treasurer Ewing moved for approval. After a second by Director Cioffi, the minutes were approved as written.

President Stuart called for approval of the January 28, 2019 Special Board meeting minutes. **Approval of 01/28/19 Special Board Minutes**

Director Cioffi moved for approval. After a second by Secretary-Treasurer Ewing, the minutes were approved as written (Director Oygar abstained due to her absence).

18338. President Stuart called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause provided an update on Agency operations and noted his meetings and activities for the past several weeks. He reminded everyone that the Agency will be closed on Monday, February 18 in observance of the Presidents' Day holiday.

18339. President Stuart noted the minutes for the January 14, 2019 Conservation & Public Affairs Committee were provided in the Board's packet. **Committee Reports: Conservation & Public Affairs 01/14/19**

President Stuart noted the minutes for the January 29, 2019 Executive Committee were provided in the Board's packet. **Executive 01/29/19**

18340. President Stuart opened the meeting for public comment. **Public Comment**

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

18341. President Stuart called upon Secretary-Treasurer Ewing to present an overview of financial activities for the month of December 2018. **Secretary-Treasurer Report (December 2018)**

Secretary-Treasurer Ewing reported that the Operating Fund received \$2,552,636 in Water Sales Revenue, \$141,545 in Reclamation Sales Revenue, \$2,569 from SCE for Snow Creek Hydro Power Sales and \$613,271 from the General Fund. Included in the Miscellaneous receipts were \$151,260 from Desert Horizons for sewer charges. Year-to-date Water Sales are 5% under budget; Year-to-date Total Revenues are 4% under budget; and Year-to-date Total Expenses are 15% under budget. There were 22,620 active services as of December 31, 2018. **Operating Fund**

Reporting on the General Fund, Mr. Ewing stated that \$5,122,401 was received in Property Tax Revenue, \$2,135 in Groundwater Assessments for private pumpers and \$805,618 was paid out in State Water Project charges (YTD = \$7,659,727). **General Fund**

Reporting on the Wastewater Fund, Mr. Ewing stated that \$155,414 was received in Sewer Capacity charges. \$75,300 was paid out in Accounts Payable. **Wastewater Fund**

18342. President Stuart called upon Agency Counsel Riddell to present staff's request for adoption of Resolution No. 1201. **Action Items: Request Adoption of Resolution No. 1201**

Mr. Riddell provided a background on Desert Water Agency Law and explained the California Voting Rights Act of 2001. He stated on December 26, 2018, the Agency received a letter from an attorney **Resolution of Intent Transition to Election of Directors by Divi**

representing the Southwest Voter Registration Education Project, which claims the Agency's "at-large" system of voting dilutes the ability of Latinos to elect candidates of their choice or to otherwise influence the outcome of the Agency's elections.

Action Items:
(Cont.)
Adopt Resolution 1201

Continuing his report, Mr. Riddell stated Resolution No. 1201 expresses the Board's intention to undertake the steps prescribed by Elections Code Section 10010 for a transition from "at-large" elections to elections by division. In anticipation of the adoption of Resolution No. 1201, the agenda also provides for immediately conducting the first of two public hearings that must occur before a draft map or maps showing possible division boundaries can be prepared, as provided in the resolution. Staff recommends adoption of Resolution No. 1201 and the use of a professional demographer for further guidance in this matter.

Karl Baker, Desert Hot Springs resident, spoke in support of the resolution and expressed his willingness to work with the Board

Karl Baker

Director Oyar made a motion to approve staff's recommendation. Secretary-Treasurer Ewing seconded the motion, which carried unanimously.

RESOLUTION NO. 1201
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY EXPRESSING THE
BOARD OF DIRECTORS' INTENTION, PURSUANT
TO ELECTIONS CODE SECTION 10010, TO INITIATE
PROCEDURES FOR ESTABLISHING AND
IMPLEMENTING ELECTIONS OF DIRECTIONS
BY DIVISION

Resolution No. 1201
Adopted

President Stuart then introduced Mr. Johnson, representing National Demographics Corporation.

Mr. Johnson then provided a PowerPoint presentation on District Elections and the California Voting Rights Act.

President Stuart opened the public hearing at 8:45 a.m.

Open Public Hearing

Karl Baker, Desert Hot Springs resident spoke in support of the Agency changing to district elections and encouraged the Board to hold public hearings in Desert Hot Springs.

Karl Baker

David Freedman, Palm Springs resident stated he recently worked with the City of Palm Springs on moving to district elections and encouraged the Agency to follow their model.

David Freedman

John Soulliere, Cathedral City resident expressed his concern with the possibility of having a non ratepayer serve on the Board that would be setting rates and fees.

Public Hearing
(Cont.)
John Soulliere

There being no one else from the public wishing to speak, President Stuart closed the public hearing at 8:51 a.m.

Close Public Hearing

18343. President Stuart asked Finance Director Krieger to present staff's request for adoption of Resolution No. 1202 Establishing an Account with Alamo Capital.

Request Adoption of
Resolution No. 1202
Establishing Account
with Alamo Capital

Mr. Krieger stated Alamo Capital is a full service brokerage and investment firm founded in 1987 (Alamo is the largest women's business enterprise in the United States). Staff would like to include Alamo Capital with the Agency's other authorized investment firms in order to increase its investment options. Staff recommends adoption of Resolution No. 1202 authorizing establishment of an account with Alamo Capital for purposes of investment.

Secretary-Treasurer Ewing move to approve staff's recommendation. After a second by Director Cioffi, the motion carried unanimously.

RESOLUTION NO. 1200
A RESOLUTION OF THE BOARD OF DIRECTORS
OF DESERT WATER AGENCY AUTHORIZING
THE ESTABLISHMENT OF ACCOUNTS WITH
ALAMO CAPITAL INVESTMENT SERVICES
FOR PURPOSES OF INVESTMENT
(OPERATING FUND/GENERAL FUND)

Resolution No. 1202
Adopted

18344. President Stuart asked General Manager Krause to present staff's request for the Board's authorization for the General Manager to enter into and execute the Sites Project Authority, 2019 Reservoir Project Agreement.

Request Approval to
Execute Agrmt. (Sites
Project Authority, 2019
Reservoir Project)

Mr. Krause provided background regarding the Sites Reservoir Project, Phase 1 proposal to participate. He explained on August 16, 2018, the Reservoir Committee approved the proposed Sites Reservoir Authority, 2019 Reservoir Project Agreement. Based on the proposed 2019 agreement, the Agency is obligated to pay up to \$60 per acre-foot or \$390,000 in calendar year 2019. This would be in addition to the \$315,250 for Phase 1 (\$48.5 per acre-foot) for a total obligation of \$705,250. Staff recommends entering into the Sites Project Authority, 2019 Reservoir Project Agreement and requests authorization for the General Manager to execute said agreement.

Director Cioffi moved to approve staff's recommendation. After a second by Secretary-Treasurer Ewing, the motion carried unanimously.

Action Items:
(Cont.)

18345. President Stuart called upon Agency Counsel Riddell to provide a report on the January 17, 2019 Board of Directors of the State Water Contractors meeting.

Discussion Items:
01/17/19 SWC Mtg.

Mr. Riddell provided a report on the following items: 1) Closed Session, 2) Action Items, 3) SWP Operations, 4) SWP Management Report, 5) Delta Habitat Restoration Project, and 6) Water Supply Objectives Update.

18346. President Stuart noted that Board packets included Outreach & Conservation reports for January 2019.

Outreach & Conservation – January 2019

18347. At 9:15 a.m., President Stuart 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) Exposure to Litigation, pursuant to Government Code Section 54956.9 (d) (2), Freeman et al vs. Safari Park, Inc., (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency, (D) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Albrecht et al vs. County of Riverside; (E) Existing Litigation, pursuant to Government Code Section 54959.9 (d) (1), Abbey et al vs. County of Riverside; (F) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (2), Thurman W. Arnold III vs. Rupp, Medjian, Rupp, Levy, DWA; (G) Exposure to Litigation, pursuant to Government Code Section 54956.9 (d) (2), Claim to Compel Elections by Division Pursuant to the California Voting Rights Act; and (H) Public Employee Performance Evaluation, pursuant to Government Code Section 54957, General Manager.

Closed Session:
A. Existing Litigation – ACBCI vs. CVWD, et al.
B. Exposure to Litigation – Alan Neil Freman, et al vs. Safari Park, Inc.
C. Existing Litigation – MSWD vs. DWA
D. Existing Litigation – Albrecht et al vs. Riverside County
E. Existing Litigation – Abbey et al vs. Riverside County
F. Existing Litigation – Thurman W. Arnold III vs. Rupp, Medjian, Rupp, Levy, DWA
G. Exposure to Litigation – Claim to Compel Elections by Division Pursuant to the CVRA
H. Public Employee Performance Evaluation – General Manager

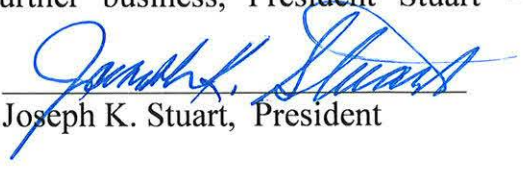
18348. At 11:37 a.m., President Stuart reconvened the meeting into open session and announced there was no reportable action taken on Item No. 11-A thru 11-G.

Reconvene – No Reportable Action

Secretary-Treasurer Ewing stated a performance evaluation was conducted for General Manager Krause. He then made a motion to approve a 5% bonus (current salary or COLA in July, whichever is higher) plus an additional \$2,000 to the General Manager's employment agreement. Director Cioffi seconded the motion, which carried unanimously.

Public Employee Performance Evaluation-General Manager

18349. In the absence of any further business, President Stuart Adjournment
adjourned the meeting at 11:40 a.m.



Joseph K. Stuart, President

ATTEST:



Craig Ewing, Secretary-Treasurer