



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 – January 5, 2016** **CIOFFI**
3. **GENERAL MANAGER'S REPORT** **LUKER**
4. **COMMITTEE REPORTS – A. Executive – January 13, 2016** **CIOFFI**
5. **PUBLIC INPUT:**
Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. In addition, members of the public may speak on any item listed on the agenda as that item comes up for consideration. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
6. **SECRETARY-TREASURER'S REPORT - December 2015** **BLOOMER**
7. **ITEMS FOR ACTION**
A. Board Committee Assignments **CIOFFI**
8. **ITEMS FOR DISCUSSION**
A. December Water Use Reduction Figures **LUKER**
B. Lake Perris Seismic Remediation **KRAUSE**
9. **DIRECTORS COMMENTS AND REQUESTS**
10. **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: Desert Water Agency vs. U.S. Department of Interior
 - D. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8
Property: 1.17 acre lot North of the Northeast corner of Sunrise Way and Mesquite Avenue,
APN No. 502-560-038
Agency Negotiators: David K. Luker, General Manager and Mark S. Krause, Asst. General Manager
Negotiating Parties: Chris Thomsen, New Mesquite HOA
Under Negotiation: Price and terms of possible acquisition
11. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
12. **ADJOURN**

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting is asked to contact Desert Water Agency's Executive Secretary, at (760) 323-4971, at least 48 working hours prior to the meeting to enable the Agency to make reasonable arrangements. Copies of records provided to Board members which relate to any agenda item to be discussed in open session may be obtained from the Agency at the address indicated on the agenda.

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

January 5, 2016

DWA Board:	Craig A. Ewing, President)	Attendance
	James Cioffi, Vice President)	
	Joseph K. Stuart, Secretary-Treasurer)	
	Patricia G. Oygur, Director)	
	Kristin Bloomer, Director)	
DWA Staff:	David K. Luker, General Manager)	
	Mark S. Krause, Asst. General Manager)	
	Martin S. Krieger, Finance Director)	
	Sylvia Baca, Asst. Secretary of the Board)	
	Steve Johnson, Operations Engineer)	
	Ashley Hudgens, Public Information Officer)	
Consultant:	Michael T. Riddell, Best Best & Krieger)	
Public:	Trae Daniel, Palm Springs resident)	
	David Freedman, PS Sustainability Comm.)	

17354. President Ewing opened the meeting at 8:00 a.m. and asked everyone to join Secretary-Treasurer Stuart in the Pledge of Allegiance. **Pledge of Allegiance**

17355. President Ewing noted the agenda called for the election of Board officers. He then asked for nominations for President. **Election of Board Officers**

President Ewing made a motion to nominate Vice President Cioffi for the position of President; Secretary-Treasurer Stuart seconded the motion. Director Oygur moved to close the nominations; upon a unanimous vote, Vice President Cioffi was elected President of the Board. Outgoing President Ewing handed the gavel to incoming President Cioffi. **Board President**
President Cioffi

President Cioffi asked for nominations for the position of Vice President. **Board Vice President**

President Cioffi made a motion to nominate Secretary-Treasurer Stuart for the position of Vice President; Director Ewing seconded the motion. Director Oygur moved to close the nominations; upon a unanimous vote, Secretary-Treasurer Stuart was elected Vice President of **Vice President Stuart**

the Board.

**Election of Board
Officers
(Cont.)
Board Secretary-
Treasurer**

President Cioffi asked for nominations for the position of Secretary-Treasurer.

Secretary-Treasurer
Bloomer

Vice President Stuart made a motion to nominate Director Bloomer for the position of Secretary-Treasurer; Director Oygar seconded the motion. Director Oygar moved to close the nominations; upon a unanimous vote, Director Bloomer was elected Secretary-Treasurer of the Board.

17356. President Cioffi called for approval of the December 15, 2015 Regular Board meeting minutes.

**Approval of 12/15/15
Regular Board Mtg.
Minutes**

Director Oygar moved for approval. After a second by Vice President Stuart, the minutes were approved as written.

17357. President Cioffi called upon General Manager Luker to provide an update on Agency operations.

**General Manager's
Report**

Mr. Luker stated on December 16 at approximately 11:50 p.m., stand-by responded to a hit backflow at 1450 South Palm Canyon Drive, it was a hit and run. The manager at the location authorized staff to make the necessary repairs. The repairs have been made, the backflow is back in service and the water loss was metered.

Hit Backflow

Mr. Luker stated on December 17 at approximately 11:30 a.m., a fire hydrant located on Via Escuela, west of Girasol was severed six inches below the hydrant flange and bent over. Granite Construction was in the area grinding the street for paving. DWA crews were also in the area and were able to respond quickly but were delayed because they had to locate the valve and dig it up due to the work Granite was doing. The water ran from a fully open six-inch riser for thirty to forty-five minutes. The water shot up in the air and on the property at 447 Via Escuela. The water ran from the front of that property down the east side towards the back south east corner where a section of a brick wall came down against trees at the property located at 423 Via Escuela. The water also flooded the backyard pool area at 423 Via Escuela.

Fire Hydrant Severed

Mr. Luker noted there was no evidence that Granite severed the hydrant; it was possibly due to age and the work being conducted on the street.

Concluding his report, Mr. Luker stated on December 24 at approximately 2:00 a.m., stand-by responded to two hit backflows at 36605 Sunair Plaza and 36480 Bankside Dr. (located next to each other). The backflow at Bankside was repaired by the customer's plumber. The property manager for Sunair Plaza authorized DWA to make the necessary

Hit Backflows
36605 Sunair Plaza
36480 Bankside Drive

repairs, which have been made and is now back in service. A police report was made and the water loss was metered.

General Manager's Report
(Cont.)
Hit Hydrant
700 Tahquitz Canyon

President Cioffi reported on December 20 a vehicle hit a hydrant at 700 Tahquitz Canyon; the driver of the vehicle was injured along with pedestrians.

Vice President Stuart commented that he was in the area of the Via Escuela incident and noted the professionalism and great work by DWA crews.

17358. Director Ewing noted the minutes for the December 22, 2015 Executive Committee were provided in the Board's packet.

Committee Reports –
Executive 12/22/15

17359. President Cioffi opened the meeting for public input.

Public Input

Trae Daniel expressed his discontent with the recent letter he received from the Agency regarding the Turf Buy Back program participants receiving \$600 or more are subject to federal tax filings. He opined that the Agency receives some type of tax credit from participants.

Trae Daniel

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

17360. President Cioffi called upon General Manager Luker to present staff's request for authorization for Board attendance at Irrigation Leader magazine's Operations & Management Workshop.

Action Items:
Request Authorization
for Board Attendance-
Irrigation Leader
Workshop

Mr. Luker stated that President Cioffi and Vice President Stuart have been invited to speak at this year's event. The theme for this year is "Security: Protecting Personnel, Water, and the Bottom Line". He noted that Public Information Officer Hudgens will also be speaking at the event. Staff recommends that the Board approve and authorize President Cioffi and Vice President Stuart to attend the workshop in service to the Board.

Director Bloomer made a motion to approve authorization for President Cioffi and Vice President Stuart's attendance at Irrigation Leader's Operations & Management Workshop in Phoenix, AZ. After a second by President Cioffi, the motion carried unanimously.

17361. President Cioffi called upon General Manager Luker to present staff's request for authorization for Board attendance at Urban Water Institute's Spring Water Conference.

Request Authorization
for Board Attendance to
Urban Water Institute's
Spring Water
Conference

Mr. Luker stated this year's Urban Water Institute Spring Water Conference will be held on February 10 – 12, 2016 at the Hilton Palm Springs hotel. Staff recommends that the Board approve and authorize

those Board Members who are interested in attending the conference in service to the Board.

Action Items:

(Cont.)
Request Authorization
for Board Attendance to
Urban Water Institute's
Spring Water
Conference

Vice President Stuart made a motion to approve and authorize Board members to attend the Urban Water Institute Spring Water Conference in service to the Board. Director Ewing seconded the motion, which carried unanimously.

17362. President Cioffi called upon Operations Engineer Johnson to present staff's request for authorization to accept 2014-2015 replacement pipeline project (Avenida Caballeros 36" pipeline, between Amado Road and Alejo Road).

Request Acceptance of
2014-2015
Replacement Pipeline –
Avenida Caballeros 36"
(Amado Rd. & Alejo
Rd.)

Mr. Johnson stated Borden Excavating, Inc. has performed all work for this project. He noted the 2014-2015 capital improvement budget includes work order#14-195 for installation of said replacement pipeline. The budget for the work order is \$1,700,000 including engineering, overheads, construction and inspection. To date, \$1,469,900 has been spent, with an additional estimated inspection cost of \$20,000 to be paid prior to closing the work order. The project is estimated to be completed \$210,100 under budget. Staff recommends the Agency accept said work in the amount of \$1,340,545.02.

Director Ewing made a motion to approve staff's recommendation. Director Oygur seconded the motion, which carried unanimously.

17363. President Cioffi asked Assistant General Manager Krause to present staff's request for approval to enter into a joint agreement with SCE and JTN Energy, LLC for Snow Creek Hydro Power Purchase Agreement.

Request Approval to
Enter Into a Jt. Agrmt.
with SCE & JTN
Energy

Mr. Krause stated on November 20, 1984, DWA executed a 30-year power purchase contract with Southern California Edison (SCE) for the Snow Creek Power Plant. The term began on the commercial operation date of February 2, 1988, as recorded by SCE. The Snow Creek power plant went online 28 years ago and its power agreement will expire in 25 months, February 2, 2018.

Continuing his report, Mr. Krause indicated that entering into a power purchase agreement with SCE today is a lengthy process. DWA began investigating requirements and options several months ago with JTN Energy, LLC as the consultant to procure a 20-year term Renewable Market Adjusted Tariff (ReMAT) contract with SCE for the Whitewater Power Plant. Subsequently, JTN was hired by DWA and CVWD to do this work and it is currently ongoing. Initially, it was determined because the Snow Creek Power Plant's peak output of 361 kw is below 500 kw, it is not subject to the California Independent System Operator (CAISO) regulation. This reduces a substantial amount of work and cost required in the

procurement of a ReMAT contract. In light of this new information, JTN revisited the cost effectiveness of procuring a ReMAT contract with SCE and has proposed a contract agreement almost identical to the Whitewater Power Plant.

Action Items:

(Cont.)
Request Approval to
Enter Into a Jt. Agrmt.
with SCE & JTN
Energy

Concluding his report, Mr. Krause said that JTN will prepare a ReMAT application for DWA and submit it to SCE. DWA will pay the \$702 application fee (\$2/kw x 351 kw). SCE will confirm receipt of the application and deem it complete for the applicable program period. After receipt of the application, SCE will begin drafting a power purchase agreement. SCE will have 60 days to prepare said agreement and DWA has 10 days to respond. Staff requests authorization for the General Manager to enter into a consulting contract with JTN Energy, LLC for the procurement of a 20-year term SCE ReMAT contract, and to execute the forthcoming 20-year term ReMAT power purchase agreement.

In response to Director Oygar, Agency Counsel Riddell noted that he reviewed the proposed contract.

Director Ewing made a motion to authorize the General Manager to enter into a consulting contract with JTN Energy, LLC for the procurement of a 20-year term SCE ReMAT contract, and to execute the forthcoming 20-year term ReMAT power purchase agreement. Director Oygar seconded the motion, which carried unanimously.

17364. President Cioffi called upon Assistant General Manager Krause to present staff's request for authorization to execute compensation agreements for transfer to the City of Desert Hot Springs.

Request Authorization
to Execute
Compensation
Agrmts/City of Desert
Hot Springs

Director Ewing announced he has a business relationship with the City of Desert Hot Springs. Pursuant to Government Code Section 1090, he recused himself from this item and left the Board room.

Mr. Krause reported that the City of Desert Hot Springs has requested DWA execute two compensation agreements required for the transfer of property (City Hall Annex Property and City Corporate Yard Expansion Property) from the dissolved Desert Hot Springs Redevelopment Agency to the City of Desert Hot Springs. The City is the Successor Agency to the dissolved Redevelopment Agency. The transfer is in accordance with the Redevelopment Agency's Long-Range Property Management Plan (LRPMP), which was formally approved by the California Department of Finance.

Continuing his report, Mr. Krause noted that DWA received taxes from the Desert Hot Springs Redevelopment Agency between the years 2009-2012, which were passed through under statutory pass through regulations. DWA's financial impact resulting from the execution of these compensation agreements is negligible. Staff recommends that the Board

execute said compensation agreements for APN's 639-252-018, -019, 041 and 042; and APN's 663-320-009 and -011, both in the City of Desert Hot Springs.

Director Oygar made a motion to approve staff's recommendation to execute said compensation agreements. Vice President Stuart seconded the motion, which carried 4-0-1 (Director Ewing abstained).

Action Items:

(Cont.)
Request Author. to
Execute Comp.
Agrmts./DHS City Hall
Annex & Corp. Yard
Expansion Property

Director Ewing returned to the Board room.

17365. President Cioffi asked Agency Counsel Riddell to provide a report on the December 17, 2015 meeting of the Board of Directors of the State Water Project Contractors Authority and Board of Directors of the State Water Contractors, Inc.

Items for Discussion:

State Water Contractors
Meeting 12/17/15

Mr. Riddell provided a report on the following items: 1) SWPCA Board meeting, 2) Proposed Water Transfer, 3) Water Operations Report, 4) Energy Report, 5) Temporary Urgency Change Petition, 6) One Year Transfers, and 7) Energy Objectives Update.

17366. President Cioffi asked Operations Engineer Johnson to provide a report on the 2015/2016 Replacement Pipelines Update (Belding Drive).

2015/16 Replacement
Pipelines Update
(Belding Drive)

Mr. Johnson stated to accommodate the City of Palm Springs 2015 street rehabilitation and slurry project, Agency staff initially worked with the City's engineering department on a schedule to allow the Agency to replace the pipeline within Indian Canyon Drive, Stevens Road, and Wawona Road prior to the street rehabilitation work. On September 23, 2015, Borden Excavating was awarded the contract for constructing the 2015/2016 replacement pipeline project. The City's work was modified, adding several streets to include Belding Drive, between Sunset Avenue and Cerritos Road. The existing water main on Belding Drive (4" diameter) was installed in 1946, has been identified by staff as a priority main to be replaced, and was scheduled to be part of the 2017/2018 replacement pipeline project. He noted that since 2010, the main has experienced 31 leaks. Due to its condition and the potential for additional leaks to occur during the City's work, staff expanded the current replacement pipeline scope of work.

Continuing his report, Mr. Johnson noted at the December 1 Board meeting, work was expanded to include San Miguel and Sunny Dunes Road. Although staff anticipates exceeding the budget by 8.6%, the Agency was able to replace over 6,500 feet of mains that had 180 leaks since 2010 that cost approximately \$60,000 in labor to repair. In addition, the cost to install the pipeline from Borden Excavating was approximately 22% lower than the next bidder, saving the Agency approximately \$170,000 in construction costs, for a combined savings of \$230,000.

Finally, it should be noted that the total combined budget amount for the last two replacement pipelines was \$2.9 million and the anticipated total amount spent for these combined projects is \$2.9 million.

Discussion Items:
(Cont.)
2015/16 Replacement
Pipelines Update
(Belding Drive)

Responding to President Cioffi, Finance Director Krieger noted there is money in the contingency main budget and other contingency budgets, if needed.

In response to Director Ewing, Mr. Johnson stated he is working with city staff and coordinating work/project schedules.

17367. President Cioffi noted that Board packets included media and public information reports for December 2015.

**Public Information –
December 2015**

17368. Vice President Stuart thanked past President Ewing for his leadership.

**Directors
Comments/Requests**

Director Ewing requested staff provide a response to Mr. Daniel regarding his comments about the Agency receiving tax credits.

Mr. Krieger replied that the Agency does not receive any tax credit from the IRS by forwarding participant's tax information. He noted that the Agency can still submit 1099 forms without taxpayer information.

17369. At 9:14 a.m., President Cioffi convened into Closed Session for the purpose of Conference with Legal Counsel, (A) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al; (B) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), ACBCI vs. County of Riverside, et al; (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Desert Water Agency vs. U.S. Department of Interior.

Closed Session:
A. Existing Litigation –
ACBCI vs. CVWD, et
al
B. Existing Litigation –
ACBCI vs. Riverside
County
C. Existing Litigation –
DWA vs. U.S. Dept. of
Interior

17370. At 9:16 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

**Reconvene – No
Reportable Action**

17371. In the absence of any further business, President Cioffi adjourned the meeting at 9:17 a.m.

Adjournment

James Cioffi, President

ATTEST:

Kristin Bloomer, Secretary-Treasurer

GENERAL MANAGER'S REPORT JANUARY 19, 2016

2015/2016 POTABLE WATER RESERVOIR MAINTENANCE PROJECT UPDATES:

1. Foothill Reservoir No. 1 work consists of:
 - a. Exterior sand blasting and painting: The work is approximately 50% completed
2. Foothill Reservoir No. 2 work consists of:
 - a. Interior sand blasting and coating: The work is completed, accepted, and the reservoir is in service
 - b. Exterior sand blasting and painting: The work is approximately 99% completed. The contractor has to touch up some minor exterior scratches.



3. Southridge Reservoir No. 2 work consists of:

- a. Interior sand blasting and coating: The work is completed, accepted, and the reservoir is in service



4. Cathedral City North Reservoir work consists of:

- a. Interior sand blasting and coating: Work should begin on January 18. DWA is in the process of draining the reservoir.

5. Andreas Reservoir No. 1 work consists of:

- a. Interior sand blasting and coating: Work on this reservoir should begin on February 15
- b. Exterior sand blasting and painting: Work on this reservoir should begin on February 15

6. Palm Oasis Forebay Reservoir work consists of:

- a. Interior sand blasting and coating: Work on this reservoir should begin on April 21
- b. Exterior sand blasting and painting: Work on this reservoir should begin on April 21

During inspection of fire hydrants on Via Escuela (Southeast corner of Via Escuela and Mira Vista) staff found the riser for hydrant #1175 was very corroded. The hydrant riser is scheduled to be replaced on January 15 and the hydrant is still in service.



Minutes
Executive Committee Meeting
January 13, 2016

Directors Present: Jim Cioffi, Joe Stuart

Staff Present: Dave Luker, Mark Krause, Martin Krieger, Steve Johnson, Ashley Hudgens

1. Discussion Items

A. Review Agenda for January 19, 2016 Regular Board Meeting

The proposed agenda for the January 19, 2016 Regular Board meeting was reviewed.

B. Review December 2015 Expense Reports

The December 2015 expense reports were reviewed.

C. Revise 2016 Conference Schedule

The Committee reviewed the changes to the ACWA D.C. conference dates. The new approved travel dates are February 23 and February 25.

D. Mark Pickford Retrofit

The Committee reviewed the retrofit project. DWA will provide rebates for 43 restroom fixtures at \$100 each.

E. Well Site Acquisition

The Committee discussed necessity for new well site locations.

F. Cathedral City Sewer Availability

The Committee discussed the availability of sewer main connections resulting from sewer main extensions within the Cathedral City Canyon Plaza.

G. SGMA Update

The Committee discussed MSWD's Notice of Public Hearing for their proposed formation of a GSA.

2. Other

A. Conservation

The Committee discussed Coachella Valley water agencies conservation percentages along with the effectiveness of various conservation measures.

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

DECEMBER 2015

INVESTED
RESERVE FUNDS
\$15,097,347.43

BALANCE	DECEMBER 1, 2015	(\$832,348.39)	
			\$15,097,347.43
	WATER SALES	\$1,833,807.15	
	RECLAMATION SALES	79,204.56	
	WASTEWATER RECEIPTS	80,154.77	
	POWER SALES	0.00	
	METERS, SERVICES, ETC.	66,502.20	
	REIMBURSEMENT – GENERAL FUND	115,706.85	
	REIMBURSEMENT – WASTEWATER FUND	5,568.15	
	ACCOUNTS RECEIVABLE – OTHER	43,346.69	
	CUSTOMER DEPOSITS – SURETY	6,910.00	
	CUSTOMER DEPOSITS – CONST.	81,524.00	
	LEASE REVENUE	3,343.72	
	INTEREST RECEIVED ON INV. FDS.	0.00	
	FRONT FOOTAGE FEES	0.00	
	BOND SERVICE & RESERVE FUND INT	0.00	
	MISCELLANEOUS	54,551.21	
		<hr/>	
	TOTAL RECEIPTS	\$2,370,619.30	
	PAYMENTS		
	PAYROLL CHECKS	\$598,766.85	
	PAYROLL TAXES	211,889.06	
	ELECTRONIC TRANSFERS	143,006.81	
	CHECKS UNDER \$10,000.00	339,502.49	
	CHECKS OVER \$10,000.00 – SCH. #1	1,747,484.72	
	CANCELLED CHECKS AND FEES	(84,383.04)	
		<hr/>	
	TOTAL PAYMENTS	\$2,956,266.89	
	NET INCOME	(\$585,647.59)	
	BOND SERVICE ACCOUNT		
	MONTHLY WATER SALES	\$0.00	
	EXCESS RETURNED BY B/A	\$0.00	
		<hr/>	
	BOND SERVICE FUND		\$0.00
	INVESTED RESERVE FUNDS		
	FUNDS MATURED	\$857,000.00	
	FUNDS INVESTED – SCH. #3	200,000.00	
		<hr/>	
	NET TRANSFER	\$657,000.00	(\$657,000.00)
		<hr/>	
BALANCE	DECEMBER 31, 2015	(\$760,995.98)	\$14,440,347.43

OPERATING ACCOUNT

CHECK #	NAME	DESCRIPTION	AMOUNT
SCHEDULE #1-CHECKS OVER \$10,000			
110105	CANYON SPRINGS ENTERPRISES	CONTRACT PAYMENT - CHINO HILLS 1040 ZONE RESERVOIR	\$155,681.25
110107	DOWN TO EARTH LANDSCAPING	LANDSCAPE MAINTENANCE	\$28,713.18
110115	SOUTHERN CALIFORNIA EDISON CO	POWER	\$212,399.48
110121	BADGER METER INC	WATER SERVICE SUPPLIES	\$24,697.96
110126	BRITHINEE ELECTRIC INC	WELL MAINTENANCE - WELL 23 & WELL 43 (W/O # 15-123-W-23 & 03-552-W-43)	\$94,299.17
110141	ECOWISE LANDCARE	SMART CONTROLLER INSTALLATIONS	\$23,793.93
110152	HD SUPPLY WATERWORKS LTD	WATER SERVICE SUPPLIES	\$19,739.45
110156	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$15,519.33
110157	JCI JONES CHEMICALS INC	CHLORINE PURCHASES	\$11,055.56
110161	MCKEEVER WATERWELL & PUMP INC	MAINTENANCE - WELL #20	\$14,073.00
110186	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$11,074.81
110257	PS UNIFIED SCHOOL DISTRICT	TURF BUY BACK PROGRAM	\$23,512.00
110266	STATE WATER RES CONTROL BOARD	LARGE WATER SYSTEM FEES FOR PERIOD OF 07/01/14 - 06/30/15	\$15,408.98
110276	DESERT WATER AGENCY - WASTEWATER	WASTEWATER REVENUE BILLING FOR NOVEMBER 2015	\$81,256.65
110282	BEST BEST & KRIEGER LLP	LEGAL FEES	\$29,920.82
110312	BADGER METER INC	WATER SERVICE SUPPLIES	\$21,502.80
110315	BORDEN EXCAVATING INC	CONTRACT PAYMENT - AVENIDA CABALLEROS 36" PIPELINE - (W/O #14-195--36)	\$441,927.75
110316	C WELLS PIPELINE MATERIALS INC	WATER SERVICE SUPPLIES	\$30,017.30
110333	ECOWISE LANDCARE	SMART CONTROLLER INSTALLATIONS	\$16,709.94
110351	INLAND WATER WORKS SUPPLY CO	WATER SERVICE SUPPLIES	\$35,981.78
110355	J COLON COATINGS INC	CONTRACT PAYMENT - RESERVOIR MAINTENANCE	\$115,282.50
110359	KRIEGER & STEWART INC	ENGINEERING	\$150,659.37
110370	OUTFLOW TECHNOLOGIES	E-BILLING PROJECT DEVELOPMENT - (W/O #14-187-M)	\$12,585.00
110382	SOUTHERN CALIFORNIA EDISON CO	POWER	\$126,824.60
110387	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$20,781.50
110391	UNITED WATER WORKS INC	WATER SERVICE SUPPLIES	\$14,066.61
** TOTAL			\$1,747,484.72

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2015**

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

06-30-83	State of California	LAIF	Open	\$ 10,685,647.43	\$ 10,685,647.43	\$ 10,685,647.43	0.420%	
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Certificates of Deposit

09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 249,377.50	1.050%	Bullet
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Total Certificates of Deposit				\$ 250,000.00	\$ 250,000.00	\$ 249,377.50		
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Commercial Paper

04-30-12	Union Bank	General Electric	04-27-17	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,012,270.00	2.300%	Bullet
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Total Commerical Paper				\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,012,270.00		
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Government Agency

05-21-15	Union Bank	FHLMC (Callable 2-21-16)	05-21-18	\$ 500,000.00	\$ 500,000.00	\$ 498,190.00	1.200%	Qrtrly
10-15-15	Union Bank	FHLMC STEP (Callable 4-15-16)	10-15-18	\$ 500,000.00	\$ 500,000.00	\$ 499,235.00	0.750%	Qrtrly
11-25-15	Union Bank	FHLMC (Callable 2-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,230.00	1.500%	Qrtrly
12-29-15	Union Bank	FHLB (Callable 6-29-16)	06-29-18	\$ 500,000.00	\$ 500,000.00	\$ 499,770.00	1.250%	1 Time

Total Government Agency				\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,488,425.00		
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Weighted Mean YTM 0.703%

TOTAL INVESTED @ 12/31/15	\$ 14,440,347.43	\$ 14,435,647.43	\$ 14,435,719.93
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BALANCE @ 06/30/15	\$ 15,055,930.48
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INCREASE (DECREASE)	(\$615,583.05)
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCO8NT

DECEMBER 2015

INVESTED
RESERVE FUNDS
\$93,228,807.82

BALANCE	DECEMBER 1, 2015	\$420,671.50	
* TAXES - RIVERSIDE COUNTY		4,373,372.01	
* INTEREST EARNED - INV. FUNDS		71,106.44	
GROUNDWATER REPLEN. ASSESSMENT		8,953.57	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		0.00	
REIMB - CVWD - WHITEWATER HYDRO		891.86	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		0.00	
		\$4,454,323.88	
TOTAL RECEIPTS		\$4,454,323.88	
PAYMENTS			
CHECKS UNDER \$10,000.00		16,975.76	
CHECKS OVER \$10,000.00 - SCH. #1		1,222,105.65	
CANCELLED CHECKS AND FEES		2,025.00	
		\$1,241,106.41	
TOTAL PAYMENTS		\$1,241,106.41	
NET INCOME		\$3,213,217.47	
INVESTED RESERVE FUNDS			
FUNDS MATURED		5,000,000.00	
FUNDS INVESTED – SCH. #2		9,402,000.00	
		(\$4,402,000.00)	
NET TRANSFER		(\$4,402,000.00)	\$4,402,000.00
BALANCE DECEMBER 31, 2015		(\$768,111.03)	\$97,630,807.82
* INCLUSIVE TO DATE			
		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$5,873,128.62	\$460,488.51
RECEIPTS IN CALENDAR YEAR		\$21,119,066.49	\$924,063.46

DESERT WATER AGENCY
GENERAL ACCOUNT

SCHEDULE #1 - CHECKS OVER \$10,000

CHECK #	NAME	DESCRIPTION	AMOUNT
8701	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - SEPTEMBER 2015	\$309,653.00
8706	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR NOVEMBER 2015	\$115,706.85
8707	ASSOCIATION OF CALIF WATER AGENCIES	MEMBERSHIP DUES - 2016	\$16,868.80
8709	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - DECEMBER 2015	\$779,877.00

** TOTAL

\$1,222,105.65

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2015**

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	\$ 35,662,226.15	\$ 35,662,226.15	\$ 35,662,226.15	0.420%	-
Certificates of Deposit								
01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,400.00	1.100%	Bullet
12-04-14	Ladenburg Thalmann	AEX Centurion Bank CD	12-05-16	\$ 245,000.00	\$ 245,000.00	\$ 245,793.31	1.050%	Bullet
09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 249,377.50	1.050%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-18	\$ 245,000.00	\$ 245,000.00	\$ 246,171.59	1.350%	Bullet
10-29-15	Ladenburg Thalmann	Ally Bank CD	10-30-17	\$ 245,000.00	\$ 245,000.00	\$ 246,072.85	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Capital One NA CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,861.91	1.100%	Bullet
11-04-15	Ladenburg Thalmann	Discover CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 246,083.39	1.150%	Bullet
Total Certificates of Deposit				\$ 2,475,000.00	\$ 2,475,000.00	\$ 2,470,760.55		
Commercial Paper								
05-09-11	Stifel (D.A.D)	General Electric	05-09-16	\$ 1,000,900.00	\$ 1,000,000.00	\$ 1,006,580.00	2.950%	Bullet
06-07-11	Union Bank	UB Bank Note	06-06-16	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,018,380.00	3.000%	Bullet
10-18-11	Union Bank	General Electric	05-09-16	\$ 999,810.00	\$ 1,000,000.00	\$ 1,006,580.00	2.950%	Bullet
12-16-13	Stifel	General Electric	05-15-18	\$ 587,600.00	\$ 500,000.00	\$ 543,600.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 992,332.00	1.000%	Bullet
Total Commercial Paper				\$ 5,586,230.00	\$ 5,500,000.00	\$ 5,567,472.00		
Government Agency								
09-19-12	Stifel (D.A.D)	FNMA	09-19-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,180.00	0.950%	1 Time
10-03-12	Stifel (D.A.D)	FNMA	10-03-16	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,680.00	0.650%	1 Time
10-10-12	Ladenburg Thalmann	FFCB (Callable Continuous)	10-10-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,690.00	0.900%	Continuous
10-11-12	Stifel (D.A.D)	FFCB (Callable Continuous)	07-11-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,640.00	0.820%	Continuous
10-17-12	Ladenburg Thalmann	FHLB (Callable 1-17-16)	04-17-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,650.00	0.800%	Qtrly
12-05-12	Ladenburg Thalmann	FFCB (Callable Continuous)	06-05-17	\$ 999,250.00	\$ 1,000,000.00	\$ 1,000,010.00	0.770%	Continuous
12-20-12	Ladenburg Thalmann	FFCB (Callable Continuous)	03-20-17	\$ 998,700.00	\$ 1,000,000.00	\$ 1,000,010.00	0.670%	Continuous
12-28-12	Stifel (D.A.D)	FHLB (Callable Continuous)	12-28-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,370.00	0.840%	Continuous
02-05-13	Ladenburg Thalmann	FHLB (Callable Continuous)	02-05-18	\$ 666,666.67	\$ 666,666.67	\$ 666,673.32	1.000%	Continuous
02-14-13	Stifel (D.A.D)	FHLMC (Callable 2-14-16)	02-14-18	\$ 999,750.00	\$ 1,000,000.00	\$ 1,000,740.00	1.000%	Qtrly
02-21-13	Stifel (D.A.D)	FHLB (Callable 2-21-16)	02-21-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,820.00	1.125%	Qtrly
02-28-13	Ladenburg Thalmann	FNMA (Callable 2-28-16)	02-28-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,090.00	1.150%	Qtrly
03-12-13	Stifel (D.A.D)	FFCB (Callable Continuous)	03-12-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,530.00	1.030%	Continuous
03-27-13	Stifel (D.A.D)	FHLB (Callable 3-27-16)	03-27-18	\$ 749,625.00	\$ 750,000.00	\$ 747,352.50	1.130%	Qtrly
03-27-13	Ladenburg Thalmann	FNMA (Callable 3-27-16)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,450.00	1.050%	Qtrly
05-07-13	Ladenburg Thalmann	FFCB (Callable Continuous)	11-07-16	\$ 999,850.00	\$ 1,000,000.00	\$ 997,170.00	0.540%	Continuous
06-13-13	Ladenburg Thalmann	FHLB (Callable 3-13-16)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,770.00	1.100%	Qtrly
07-29-14	Stifel (D.A.D)	FNMA (Callable 7-29-16)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,970.00	1.500%	1 Time
09-29-14	Union Bank	FHLMC	09-29-16	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,499,700.00	0.650%	1 Time
04-13-15	Ladenburg Thalmann	FHLB (Callable 4-13-16)	07-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,300.00	1.200%	1 Time

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2015**

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

05-14-15	Stifel	FHLMC (Callable 2-14-16)	02-14-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,770.00	1.050%	Qtrly
05-14-15	Stifel	FHLMC STEP (Callable 2-14-16)	05-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,650.00	1.250%	Qtrly
05-20-15	Ladenburg Thalmann	FHLB STEP (Callable 2-20-16)	05-20-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,280.00	1.000%	Qtrly
05-28-15	Ladenburg Thalmann	FHLMC (Callable 2-28-16)	05-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,711.00	1.600%	Qtrly
05-28-15	Stifel	FHLMC STEP (Callable 2-28-16)	05-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,640.00	1.125%	Qtrly
06-10-15	Union Bank	FHLMC (Callable 3-10-16)	06-10-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,090.00	1.600%	Qtrly
06-23-15	Ladenburg Thalmann	FHLMC	06-23-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,765.00	0.900%	1 Time
06-30-15	Stifel	FHLB (Callable 6-24-16)	12-24-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,970.00	1.400%	1 Time
08-26-15	Stifel	FHLB STEP (Callable 2-26-16)	08-26-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,410.00	1.250%	Qtrly
09-15-15	Ladenburg Thalmann	FHLMC (Callable 3-15-16)	06-15-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,177.00	1.250%	Qtrly
09-28-15	Ladenburg Thalmann	FHLMC (Callable 3-28-16)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,002.00	1.550%	Qtrly
09-30-15	Stifel	FHLB STEP (Callable 3-30-16)	09-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,050.00	1.000%	Qtrly
09-30-15	Union Bank	FFCB (Callable Continuous)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,530.00	1.530%	Continuous
10-02-15	Stifel	FHLB (Callable 10-2-17)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,230.00	1.450%	Continuous
10-15-15	Union Bank	FHLMC STEP (Callable 4-15-16)	10-15-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,470.00	0.750%	Qtrly
10-15-15	Ladenburg Thalmann	FHLMC (Callable 1-15-16)	07-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,534.00	1.500%	Qtrly
10-15-15	Ladenburg Thalmann	FHLMC (Callable 1-15-16)	10-15-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,742.00	2.000%	Qtrly
10-29-15	Stifel	FHLB (Callable 1-29-16)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 988,730.00	1.120%	Qtrly
10-29-15	Union Bank	FHLMC (Callable 1-29-16)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,110.00	1.300%	Qtrly
10-29-15	Stifel	FHLMC STEP (Callable 1-29-16)	10-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00	1.650%	Qtrly
11-10-15	Stifel	FHLMC (Callable 2-10-16)	05-10-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 993,600.00	1.400%	Qtrly
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-16)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 991,474.00	1.000%	Qtrly
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-16)	02-23-18	\$ 999,500.00	\$ 1,000,000.00	\$ 993,812.00	1.000%	Qtrly
11-24-15	Ladenburg Thalmann	FHLMC (Callable 2-24-16)	05-24-19	\$ 998,900.00	\$ 1,000,000.00	\$ 990,551.00	1.350%	Qtrly
11-25-15	Union Bank	FHLMC (Callable 2-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,230.00	1.500%	Qtrly
11-25-15	Stifel	FNMA (Callable 11-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,460.00	1.500%	Qtrly
11-30-15	Stifel	FHLMC (Callable 2-23-16)	11-23-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,500.00	1.200%	Qtrly
11-30-15	Ladenburg Thalmann	FHLMC (Callable 2-26-16)	11-26-18	\$ 999,110.00	\$ 1,000,000.00	\$ 996,060.00	1.400%	Qtrly
12-16-15	Stifel	FHLB STEP (Callable 3-16-16)	12-16-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,200.00	1.250%	Qtrly
12-28-15	Ladenburg Thalmann	FHLB (Callable 6-28-16)	09-28-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,020.00	1.350%	Qtrly
12-28-15	Ladenburg Thalmann	FHLMC (Callable 3-28-16)	12-28-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,581.00	1.450%	Qtrly
12-28-15	Stifel	FHLB (Callable 6-28-16)	12-28-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,180.00	1.450%	Qtrly
12-29-15	Union Bank	FHLB (Callable 6-29-16)	06-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,540.00	1.250%	1 Time
12-30-15	Ladenburg Thalmann	FHLMC STEP (Callable 3-30-16)	12-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,332.00	1.000%	Qtrly

Total Government Agency \$ 53,907,351.67 \$ 53,916,666.67 \$ 53,735,266.82

Weighted Mean YTM 0.991%

TOTAL INVESTED @ 12/31/15 \$ 97,630,807.82 \$ 97,553,892.82 \$ 97,435,725.52

BALANCE @ 06/30/15 \$ 100,021,864.49

INCREASE OR (DECREASE) \$ (2,391,056.67)

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

DECEMBER 2015

INVESTED
RESERVE FUNDS
\$897,061.09

BALANCE	DECEMBER 1, 2015	\$22,159.14	
			\$897,061.09
	ACCOUNTS RECEIVABLE - OTHER	\$0.00	
	CUSTOMER DEPOSITS - CONSTRUCTION	0.00	
	INTEREST EARNED - INVESTED FUNDS	59.34	
	WASTEWATER REVENUE	81,256.65	
	SEWER CAPACITY CHARGES	19,007.21	
	MISCELLANEOUS	0.00	
	TOTAL RECEIPTS	\$100,323.20	
	PAYMENTS		
	CHECKS UNDER \$10,000.00	\$8,224.59	
	CHECKS OVER \$10,000.00 - SCH. #1	49,494.74	
	CANCELLED CHECKS AND FEES	0.00	
	TOTAL PAYMENTS	\$57,719.33	
	NET INCOME	\$42,603.87	
	INVESTED RESERVE FUNDS		
	FUNDS MATURED	\$0.00	
	FUNDS INVESTED - SCH. #2	55,000.00	
	NET TRANSFER	(\$55,000.00)	\$55,000.00
BALANCE	DECEMBER 31, 2015	\$9,763.01	\$952,061.09

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

CHECK #	NAME	DESCRIPTION	AMOUNT
2416	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR NOVEMBER 2015	\$49,494.74
		** TOTAL	\$49,065.67

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
DECEMBER 31, 2015**

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	\$	952,061.09	\$	952,061.09	\$	952,061.09	0.420%
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TOTAL INVESTED @ 12/31/15	\$	952,061.09	\$	952,061.09	\$	952,061.09
BALANCE @ 06/30/15	\$	<u>862,257.70</u>				
INCREASE OR (DECREASE)	\$	89,803.39				

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

MONTH 15-16 DECEMBER	THIS MONTH		BUDGET		FISCAL YEAR TO DATE		BUDGET		VARIANCE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	YTD	PCT
OPERATING REVENUES										
WATER SALES	1,686,561.92	1,763,822.37	1,338,275.00	11,892,033.98	14,114,982.71	10,663,475.00	1,228,558.98	12		
RECLAMATION SALES	130,069.01	132,747.44	131,850.00	747,156.59	862,884.15	857,425.00	60,268.41	7-		
POWER SALES		1,334.84	2,500.00	6,102.52	18,020.44	15,000.00	8,897.48	59-		
OTHER OPER REVENUE	101,124.05	95,148.51	101,750.00	855,366.11	638,533.66	610,500.00	244,866.11	40		
TOTAL OPER REVENUES	1,917,754.98	1,993,053.16	1,574,375.00	13,550,659.20	15,634,420.96	12,146,400.00	1,404,259.20	12		
OPERATING EXPENSES										
SOURCE OF SUPPLY EXP	702,532.99	785,211.67	814,500.00	1,646,525.22	2,003,113.41	2,012,000.00	365,474.78	18-		
PUMPING EXPENSE	377,016.55	192,434.38	167,575.00	1,710,386.29	1,972,538.38	1,844,350.00	133,963.71	7-		
REGULATORY WATER TREAT	47,637.59	48,888.40	43,225.00	241,449.59	267,783.91	259,350.00	17,900.41	7-		
TRANS & DIST EXPENSE	342,595.02	236,055.64	271,967.00	1,447,193.45	994,388.03	1,631,802.00	184,608.55	11-		
CUSTOMER ACT EXPENSE	91,276.93	84,718.42	70,175.00	449,673.60	470,262.92	422,700.00	26,973.60	6		
ADMIN & GEN EXPENSE	773,840.67	947,635.56	731,500.00	4,433,745.54	4,088,302.82	4,617,900.00	184,154.46	4-		
REGULATORY EXPENSE	26,609.24	3,181.50	17,525.00	93,754.17	106,120.63	105,150.00	11,395.83	11-		
SNOW CREEK HYDRO EXP	4,567.10	1,805.04	3,350.00	22,611.18	14,360.53	20,100.00	2,511.18	12		
RECLAMATION PLNT EXP	86,037.55	54,208.95	72,708.00	378,214.77	336,088.42	436,248.00	58,033.23	13-		
SUB-TOTAL	2,452,113.64	2,354,139.56	2,192,525.00	10,423,553.81	10,252,959.05	11,349,600.00	926,046.19	8-		
OTHER OPER EXPENSES										
DEPRECIATION	501,373.96	448,659.94	473,000.00	2,748,103.53	2,696,089.27	2,838,000.00	89,896.47	3-		
SERVICES RENDERED	23,707.99	14,551.66	11,500.00	118,983.62	81,016.80	69,000.00	49,983.62	72		
DIR & INDIR COST FOR WD	185,686.28	208,392.34	71,900.00	988,814.62	956,558.30	431,400.00	557,414.62	129		
TOTAL OPER EXPENSES	2,791,509.31	2,608,958.82	2,605,125.00	12,301,826.34	12,073,506.82	13,825,200.00	1,523,373.66	11-		
NET INCOME FROM OPERATIONS	873,754.33-	615,905.66-	1,030,750.00-	1,248,832.86	3,560,914.14	1,678,800.00-	2,927,632.86	174-		
NON-OPERATING INCOME (NET)										
RENTS	3,343.72	3,324.44	3,350.00	51,902.32	51,786.64	51,900.00	2.32	0		
INTEREST REVENUES	8,012.69	7,688.23	7,125.00	43,606.50	42,584.42	42,750.00	856.50	2		
OTHER REVENUES	680.00	500.00	4,500.00	132,397.52	31,442.08	9,000.00	123,397.52	0		
GAINS ON RETIREMENT			300.00			600.00	600.00	100-		
DISCOUNTS	7.47	177.01	300.00	375.00	1,949.35	1,800.00	1,425.00	79-		
PR. YEAR EXPENSES	603.90			522.10	33,469.52		522.10	0		
LOSS ON RETIREMENTS	6,998.92-		1,375.00-	19,816.43-	3,255.54-	8,250.00-	11,566.43-	140		
TOTAL NON-OPER INCOME	5,648.86	11,689.68	14,200.00	208,987.01	157,976.47	97,800.00	111,187.01	114		
TOTAL NET INCOME	868,105.47-	604,215.98-	1,016,550.00-	1,457,819.87	3,718,890.61	1,581,000.00-	3,038,819.87	192-		

DESERT WATER AGENCY
 OPERATING FUND
 WATER CONSUMPTION

QUARTER ENDING DECEMBER 2015

	THIS QUARTER			FISCAL YEAR TO DATE		
	LAST YEAR	THIS YEAR	% UP (DOWN)	LAST YEAR	THIS YEAR	% UP (DOWN)
WATER REVENUE	\$6,201,287	\$5,349,071	(14)	\$14,114,982	\$11,892,034	(16)
TOTAL CONSUMPTION (100 CU FT)	3,338,860	2,805,846	(16)	7,939,938	6,366,720	(20)
AVERAGE CONSUMPTION PER CONSUMER (100 CU FT)	152	127	(17)	361	289	(20)
NUMBER OF CONNECTIONS	40	* 24		22,048	C 22,166	1

* = ADDED THIS QUARTER

C = TOTAL ACTIVE DECEMBER 2015

DESERT WATER AGENCY Board Committee Assignments January 19, 2016

STANDING COMMITTEES:

Executive Committee:

Cioffi* - Stuart

- ◆ Agency Policies
- ◆ Legislation & Legal Issues
- ◆ General Goals and Objectives
- ◆ Inter-governmental relations
- ◆ General Manager Review
- ◆ General Plan

Finance Committee:

Stuart* - Bloomer

- ◆ Annual Budget review
- ◆ Monthly financial statement review
- ◆ Rates, fees and charges

Human Resources Committee:

Ewing* - Oygur

- ◆ Personnel
- ◆ Employee Benefits

Conservation & Public Affairs Committee:

Cioffi* - Oygur

- ◆ Public Information, Relations, Education
- ◆ Customer Service
- ◆ Conservation

AD HOC COMMITTEES:

2016 Legislative Session Ad Hoc Committee:

Ewing* - Bloomer

- ◆ SWP Issues
- ◆ D.C. / Sacramento Issues

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

JANUARY 19, 2016

RE: DECEMBER 2015 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 9.5 percent reduction in total water production during December 2015 compared to the same month in 2013 – the baseline year used by the State Water Resources Control Board (State Water Board) to measure statewide conservation achievements. Desert Water Agency’s cumulative water savings June through December is 27 percent.

To comply with Governor Brown’s April 1, 2015 Executive Order to reduce statewide water use by 25 percent, the State Water Board imposed mandatory restrictions and assigned different mandatory conservation goals to each urban area based on per capita water use. The adopted regulations require DWA to achieve a mandatory 36 percent reduction.

Below is additional information reported to the State Board for December 2015.

Water Production for December 2015	2,001 AF
Water Production for December 2013	2,210.8 AF
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	554 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	67.5%
Population (inclusive of seasonal residents)	105,035
Estimated R-GPCD	135.08
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	65
How many contacts (written or verbal) were made with customers for actual or alleged water waste or for a violation of water conservation rules?	58

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?	45
How many fines 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. 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 299,137 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 86,465 acre feet. If our recycled water production for December was taken into consideration against our potable production, the conservation achieved would have been several percentage points higher.</p>	

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

JANUARY 19, 2016

RE: LAKE PERRIS SEISMIC REMEDIATION

Attached is the Lake Perris Construction Contract Update provided by the Department of Water Resources, Operations Maintenance and Engineering Committee. This is a monthly summary of contract work, contract challenges, impacts, and a table showing contract payments and change orders.

Significant changes since the last report on November 5, 2015 are the completed work percentage has progressed from 23% to 33%. The Department's assessment of the excavation hazards near the Inlet/Outlet Tower differ from the Contractor's consultant hazard assessment. DWR and the Contractor are working on a revised plan and schedule to complete the left abutment blasting and excavation, which will likely require a change order and revised milestones. The contractor's rock quarry processing plant continues to produce large quantities of unsuitable material with the contractor notifying DWR of a potential claim due to differing site conditions. Construction during El-Nino winter poses potential risk due to storm water run-off. CDSM construction is proceeding with a 24-hour a day schedule for both rigs to help diminish the risks from storm water run-off. Contract executed change orders have increased from \$521,567 on November 5th to \$718,549, an increase of \$196,982.



State Water Contractors - OME Committee Meeting January 7, 2016



Perris Dam – Seismic Remediation of Embankment – Contract Update
Specification 14-03 Contract No. C51484

Contract Summary

Notice To Begin Work:	August 20, 2014
Contract Completion:	November 20, 2017
Pulice Construction:	\$75,538,626
Engineers Estimate:	\$83,000,000
January Update:	33.01% of Work Completed, 41.2% Time Elapsed

Completed Work

- Lake Bed Haul Road Cleared
- Lake Borrow Site Cleared
- Left Abutment Road Widened
- Left Abutment Slope Evaluated



Safety

DWR and Contractor are working to resolve left abutment safety hazard concerns. Contractor has successfully completed over 28 work days without a lost-time incident. 1 lost-time incident in December 2015.

On-Going Work

Installation of Relief Well Row 2, Excavation of Existing Toe Road, CDSM production activities – Mixing, Curing, Core Sampling, Trimming

Schedule

Construction sequencing has been modified to allow CDSM construction before construction of the toe drain. Toe drain requires filter and drain material from quarry/processing via the left abutment road (both of which are behind schedule). Contractor’s revised schedule shows all work finished by contract completion date.

Construction Contract Challenges and Potential Impacts

Left Abutment Road Blasting

Contractor has suspended work on blasting and excavation of the road near the tower due to their concerns regarding a rock fracture exposed during excavation. DWR has reviewed the contractor’s consultant report. DWR and the contractor evaluations show differing hazard levels. DWR and the contractor are working on a revised plan and schedule to complete the left abutment blasting and excavation, which will likely require a change order and revised milestones.



**State Water Contractors - OME Committee Meeting
January 7, 2016**



Perris Dam – Seismic Remediation of Embankment – Contract Update
Specification 14-03 Contract No. C51484

Quarry Rock Processing

Contractor is reconfiguring the processing plant since it was not achieving specification for materials for filter and drain. Plant was also producing large percentage of unusable materials. The filter and drain material is required for the completion of the new toe drain. The new toe drain was specified to be complete by July 1, 2015. Liquidated Damages associated with this milestone is \$7,500/day. Contractor has notified DWR of potential claim due to differing site conditions, but no costs indicated.

Other Challenges

Construction during El-Nino winter poses potential risk due to storm water run-off from dam crest and face. Normal drainage from dam site flows across work area, which is currently excavated for CDSM construction.

CDSM construction proceeding with “24-hour a day” schedule for both rigs. Inspection, sampling, and testing for quality assurance require increased labor from DWR inspectors, geologists, and lab engineers.

Contractor Pay Request

Month	Pay Request	Total Contract Paid to Date	Estimated Days/Cost Ahead/Behind Schedule
October	\$3,026,114	\$16,799,901	90 days/\$12M behind.
November	\$2,696,968	\$19,496,869	120 days/\$10M behind
December	\$4,189,249	\$23,686,119	150 days/\$8M behind

Contractor Executed Change Orders

Change Order	Description	Date	Amount	Additional Time (Days)
1-8	See November Update	-	\$147,462	0
9	Furnish office furniture for the Engineer's Field Office and provide modifications to the laboratory and associated equipment.	8/25/2015	\$18,310	0
Adjustments	Differing Site, Well Decommission, Working Limits, Fiber Cable Relocation	Pending	\$552,777	0
Total Adjustments and CCO			\$718,549	0