

**DESERT WATER AGENCY
DECEMBER 15, 2015**



**BOARD OF DIRECTORS
REGULAR MEETING AGENDA**

REGULAR MEETING 8:00 A.M. OPERATIONS CENTER - 1200 SOUTH GENE AUTRY TRAIL – PALM SPRINGS – CALIFORNIA

About Desert Water Agency:

Desert Water Agency operates independently of any other local government. Its autonomous elected board members are directly accountable to the people they serve. The Agency is one of the desert's two State Water Contractors and provides water and resource management, including recycling, for a 325-square-mile area of Western Riverside County, encompassing parts of Cathedral City, Desert Hot Springs, outlying Riverside County and Palm Springs.

1. **PLEDGE OF ALLEGIANCE**
2. **ADMINISTER OATH OF OFFICE – DIRECTORS EWING & BLOOMER** **BACA**
3. **APPROVAL OF MINUTES – December 1, 2015** **EWING**
4. **GENERAL MANAGER'S REPORT** **LUKER**
5. **COMMITTEE REPORTS – A. Executive – December 10, 2015** **EWING**
6. **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.
7. **SECRETARY-TREASURER'S REPORT - November 2015** **STUART**
8. **ITEMS FOR ACTION – None**
9. **ITEMS FOR DISCUSSION**
 - A. November Water Production Comparison **LUKER**
 - B. Lake Perris Seismic Remediation **KRAUSE**
 - C. SGMA Update **KRAUSE**
 - D. Directors' Reports on ACWA Fall Conference **DIRECTORS**
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: Desert Water Agency vs. U.S. Department of Interior
 - D. **PUBLIC EMPLOYMENT APPOINTMENT**

Pursuant to Government Code Section 54957 (b) (1)
Title: General Manager
12. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**
13. **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**

December 1, 2015

- | | | |
|-------------|--|-------------------|
| DWA Board: | Craig A. Ewing, President)
James Cioffi, Vice President)
Joseph K. Stuart, Secretary-Treasurer)
Patricia G. Oygar, Director)
Richard Oberhaus, Director) | Attendance |
| DWA Staff: | David K. Luker, General Manager)
Mark S. Krause, Asst. General Manager)
Martin S. Krieger, Finance Director)
Sylvia Baca, Asst. Secretary to the Board)
Steve Johnson, Operations Engineer)
Ashley Hudgens, Public Information Officer) | |
| Consultant: | Michael T. Riddell, Best Best & Krieger) | |
| Public: | David Freedman, P.S. Sustainability Comm.) | |
17324. 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**
17325. President Ewing called for approval of the November 17, 2015 Regular Board meeting minutes. **Approval of the 11/17/15 Regular Board Mtg. Minutes**
17310. President Ewing noted a correction to page 8598, section
- Director Oygar moved for approval noting the correction. After a second by Secretary-Treasurer Stuart, the minutes were approved with the correction noted. President Ewing abstained due to his absence at the meeting.
17326. President Ewing called upon General Manager Luker to provide an update on Agency operations. **General Manager's Report**

Mr. Luker reported on November 21 at approximately 5:30 p.m., stand-by responded to a hit fire hydrant on Gene Autry Trail north of Ramon Road. Staff was able to put the fire hydrant back in service. A police report was made.

General Manager's Report (Cont.)
Hit Hydrant-Gene Autry Trail

Mr. Luker then reported on November 27 at approximately 9:00 a.m., stand-by responded to a hit fire hydrant at North Indian Canyon Drive and Camino Monte Vista. The hydrant had to be replaced and is back in service. The water ran from a fully open 6-inch hydrant riser for approximately 30 minutes. A police report was made.

Hit Hydrant-North Indian Canyon Drive

Mr. Luker noted an update on the Perris Dam was provided in the Board's Packet.

Perris Dam Update

Concluding his report, Mr. Luker reported on November 30 two DWA crews worked to abandon a valve due to a tie-in on Palm Canyon and near Belardo new shearing was installed due to changing the configuration. The work was done in the early morning to avoid interrupting water service.

Agency Work – Palm Canyon and Belardo

17327. President Ewing noted the minutes for the November 24, 2015 Executive Committee were provided in the Board's packet.

Committee Reports
Executive 11/24/15

17328. President Ewing opened the meeting for public input.

Public Input

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

17329. President Ewing called upon Operations Engineer Johnson to present staff's request to recommend expanded scope of work for 2015/2016 Replacement Pipelines.

Action Items:
Expand Scope of Work
2015/16 Replacement Pipelines

Mr. Johnson stated on September 23, 2015, Borden Excavating was awarded the contract for constructing the 2015-2016 Replacement Pipeline Project in the amount of \$730,269.00. The project included installation of replacement pipelines within Indian Canyon Drive (approximately 2,700 feet of 12" ductile iron pipe between Tahquitz Canyon Way and Alejo Road), Stevens Road (approximately 600 feet of 8" ductile iron pipe between Palm Canyon Drive and Kaweah Road), and Wawona Road (approximately 600 feet of 8" ductile iron pipe between Steven Road and Vista Chino). The current estimated cost is \$923,000 to include engineering, construction, inspection, pending change orders (\$15,000 pending approval), and overhead costs. The DWA 2015-2016 capital improvement budget for this project is \$1,200,000.

Continuing his report, Mr. Johnson stated to accommodate the City of Palm Springs 2015 street rehabilitation and slurry project, Agency staff worked with the City's engineering department on a schedule

Action Items:

(Cont.)

Expand Scope of Work
2015/16 Replacement
Pipelines

to allow the Agency to replace the pipeline within Indian Canyon Drive, Stevens Road, and Wawona Road prior to the street rehabilitation work.

The City's rehabilitation work has been performed on several streets throughout Palm Springs, to include Sunny Dunes Road and Camino San Miguel, located within the Veterans Tract near Demuth Park. Unfortunately, the rehabilitation work over Sunny Dunes Road and Camino San Miguel has generated an abundance of leaks. Since November 18th, 35 leaks have occurred, including 14 leaks on November 18th. The mains located within said streets (6" diameter on Sunny Dunes Road and 4" diameter on Camino San Miguel) were installed in 1948 and have been identified by staff as priority main replacements and are scheduled to be replaced as part of the Agency's 2018-2019 replacement pipeline project.

Mr. Johnson stated that due to the numerous leaks, staff would like to add Sunny Dunes Road and Camino San Miguel pipelines to the current replacement pipeline scope of work as part of a change order. The City has agreed to postpone paving for Sunny Dunes Road and Camino San Miguel to allow for the installation of the proposed additional replacement pipelines. Utilizing an established cost provided by Borden Excavating, the installation will cost \$239,165. The Agency will provide Borden with the mainline pipe for a cost of approximately \$36,000. Inspection costs are anticipated to be approximately \$28,000, for a total estimated cost in the amount of \$303,165.

Continuing his report, Mr. Johnson stated that the total estimated cost, to include the current contract estimated cost and the proposed additional pipeline work, to include engineering, inspection, materials, and overheads is \$1,226,165, approximately 2.18% over the work order budget of \$1,200,000. The Agency does have \$100,000 in the 2015-2016 budget for contingency mains, which can be used to cover the estimated overage. If approved, Borden Excavating will begin work within Sunny Dunes Road and Camino San Miguel starting Wednesday December 2nd. The work will add approximately 25 working days to the contract, revising the completion date to January 12, 2016.

Adding to his report, Mr. Johnson stated replacement of the pipeline in Sunny Dunes and Camino San Miguel is imperative due to the high number of leaks that have recently occurred. The overall project cost of \$1,226,165 is based on aforementioned estimated costs provided by Borden Excavating and staff. By performing this work during the City's rehabilitation project, the Agency will save approximately \$25,000 in paving costs.

In conclusion, Mr. Johnson stated that staff recommends Board approval to expand the 2015-2016 replacement pipeline project to include Sunny Dunes Road and Camino San Miguel. Borden Excavating can begin tomorrow, December 2 if approved.

Vice President Cioffi made a motion to approve staff's recommendation. After a second by Secretary-Treasurer Stuart, the motion carried unanimously.

Action Items:

(Cont.)

Expand Scope of Work
2015/16 Replacement
Pipelines

17330. President Ewing called upon Assistant General Manager Krause to present staff's request for adoption of Resolution No. 1124, Implementing a Turf Buy-Back post conversion re-inspection charge.

Request Adoption of
Resolution No. 1124
Turf Buy-Back Re-
Inspection Charge

Mr. Krause deferred to Public Information Officer Hudgens.

Ms. Hudgens stated that in the inaugural Turf Buy Back program participating customers had a high failure rate for their post-conversion inspection, which is done to ensure that all DWA rebate criteria have been met. As such, this year DWA instituted a checklist for customers to ensure that they were reminded of the commonly missed criteria when requesting a post-conversion inspection. This checklist was intended to help expedite the rebate process for both DWA and the applicant. It is available online and at DWA offices.

Ms. Hudgens noted that despite the addition of the checklist, the first several inspections for the 2015-2016 year still had a large portion of customers with criteria not met at the time of the inspection, which necessitated additional staff time for re-inspection.

Continuing her report, Ms. Hudgens stated that implementing a \$70 per hour charge for re-inspections would encourage customers to check their projects thoroughly before requesting their one post-conversion inspection at no cost. Customers that require the additional screening will have three opportunities (one at no cost) to pass the inspection and still receive a rebate. The \$70 per hour charge would be in increments of quarter-hours and would include additional administrative time needed, travel time to and from the site being inspected and the inspection itself. The charge incurred would be on a statement mailed to the customer. DWA would not issue a rebate until the charge was paid in full by the customer.

Ms. Hudgens added that the first post-conversion inspection must occur within the 90 days allotted for residential customers to complete their projects or within the 180 days allotted to commercial, HOA and public entities. With both the second and third post-conversion re-inspection, five additional business days will be given for any applicant to complete the necessary modifications before DWA re-inspects the property.

Additionally, Ms. Hudgens reported after three failed inspections, the rebate would be forfeited by that customer, and funds would be released to another customer in the same category.

Concluding her report, Ms. Hudgens stated that staff recommends that the Board of Directors adopt Resolution No. 1124 regarding the implementation of a Turf Buy Back Post-Conversion Re-Inspection Charge.

Action Items:
(Cont.)
Request Adoption of
Resolution No. 1124
Turf Buy-Back Re-
Inspection Charge

President Ewing expressed concern with the customer forfeiting their rebate after three failed inspections, but seeing that there will be full disclosure to customers and awareness to the fee, he will support adopting the resolution.

Director Oygur moved to adopt Resolution No. 1124. Director Oberhaus seconded the motion, which passed unanimously.

RESOLUTION NO. 1124
A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT
WATER AGENCY PROVIDING FOR INSPECTION SERVICES
FOR TURF BUY-BACK PROGRAM

Resolution 1124
Adopted

17331. President Ewing asked Assistant General Manager Krause to present staff's request for Department of Water Resources statement of charges tolling agreement.

Request Approval of
Statement of Charges
Tolling Agreement with
DWR – 6th Amendment

General Manager Krause reported the current tolling agreement to suspend the deadline for challenging protested items on the statement of charges (SOC) received from the Department of Water Resources (DWR) under the Agency's water supply contract will expire on December 31, 2015. The State Water Contractors (SWC) staff are requesting adoption of a sixth amendment to the tolling agreement, which would extend the agreement for 2 years to December 31, 2017. Among other things, this would suspend the water supply contract deadline to submit formal protests 10 days prior to the first payment for the SOC's with regard to the State Water Project (SWP) bills for calendar years 2017 through 2018, including any revisions made to such bills on or before December 31, 2017.

Continuing his report, Mr. Krause stated in accordance with contract requirements, formal protests concerning the annual SOC's are due no later than December 21st each year. DWR often sends out its revised SOC's in November or December leaving insufficient time for SWC's to file protests by the December 21st deadline. The tolling agreement provides the SWC's the time and the forum to lodge their protests and provides DWR the ability to address the protest items and potentially avoid legal action.

Concluding his report, Assistant General Manager Krause stated that staff requests authorization to execute the amendment extending the tolling agreement for up to two years pending contractor consensus and legal counsel review.

Vice President Cioffi made a motion to approve staff's recommendation. After a second by Secretary-Treasurer Stuart, the motion carried unanimously.

Action Items:

(Cont.)

DWA Tolling Agrmt. –
6th Amendment

17332. President Ewing called upon Assistant General Manager Krause to present staff's request for authorization to participate in the 2015-2016 U.S.G.S. Cooperative Water Resources Program.

Request Authorization
to Participate in the
2015/2016 U.S.G.S.
Cooperative Water
Resources Program

Mr. Krause stated as in previous years, the Agency, along with Coachella Valley Water District, the Riverside County Flood Control and Water Conservation District ("Agencies") and the USGS will share the costs for the operation and maintenance of a number of stream gaging facilities, as well as a ground and surface water quality program.

The amount requested for the 2015-2016 test year is \$68,400, which is 26% higher than last year but 10% lower than the previous three years. The variability in the cost is due to changes in federal funding for the USGS National Streamflow Information Program (NSIP). In prior years, the NSIP funded a portion of the cost for 2 of our 13 streamflow gages. This year they are not funding these gauges but some credits from 2014 are being applied. Our cost would be \$80,275 without these credits. This amount covers the operation and maintenance costs for 13 gauging stations (\$63,050) and the cost of ground water and surface water quality sampling (\$5,350).

Staff recommends Board approval of the Agency's continued participation in the 2015-2016 USGS Cooperative Water Resources Program in the amount of \$68,400.

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

17333. President Ewing asked Agency Counsel Riddell to provide a report on the November 18, 2015 and November 19, 2015 meetings of the Boards of Directors of the State Water Project Contractors Authority and the State Water Contractors, Inc.

Discussion Items:

State Water Contractors
Meetings 11/18 &
11/19/15

Mr. Riddell reported on the following: 1) SWPCA Board Meeting, 2) SWC Board Actions, 3) Water Supply Report, 4) Energy Report, 5) General Manager's Report, and 6) Water Supply Objectives Update.

17334. President Ewing noted that Board packets include media and public information reports for November 2015.

**Public Information –
November 2015**

17335. At 8:55 a.m., President Ewing convened into Closed Session for the purpose of (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), Agua Caliente Band of Cahuilla Indians vs. County of Riverside, et al, and (C) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Desert Water Agency vs. U.S. Department of Interior. (D) Public Employment, pursuant to Government Code Section 54957 (b) (1), General Manager.

Closed Session:

- A. Existing Litigation – ACBCI vs. CVWD, et al
- B. Existing Litigation – ACBCI vs. Riverside County, et al;
- C. Existing Litigation DWA vs. U.S. Dept. of Interior
- D. Public Employment – General Manager

17336. At 9:33 a.m., President Ewing reconvened the meeting into open session and stated there was no reportable action taken on Items A through C. With regards to Item D., President Ewing reported that a motion was made by Vice President Cioffi, and a second by Secretary-Treasurer Stuart to appoint Mark Krause as General Manager-Chief Engineer effective January 30, 2016, following Mr. Luker's retirement. The motion carried unanimously.

Reconvene –

No Reportable Action
Items A-C

Reportable Action

Item D
Appoint Mark Krause
GM-Chief Engineer Eff.
01/30/16

17337. President Ewing thanked Director Oberhaus for his service on the Board.

Directors'**Comments/Requests**

Appreciation to Director Oberhaus

17338. In the absence of any further business, President Ewing adjourned the meeting at 9:34 a.m.

Adjournment

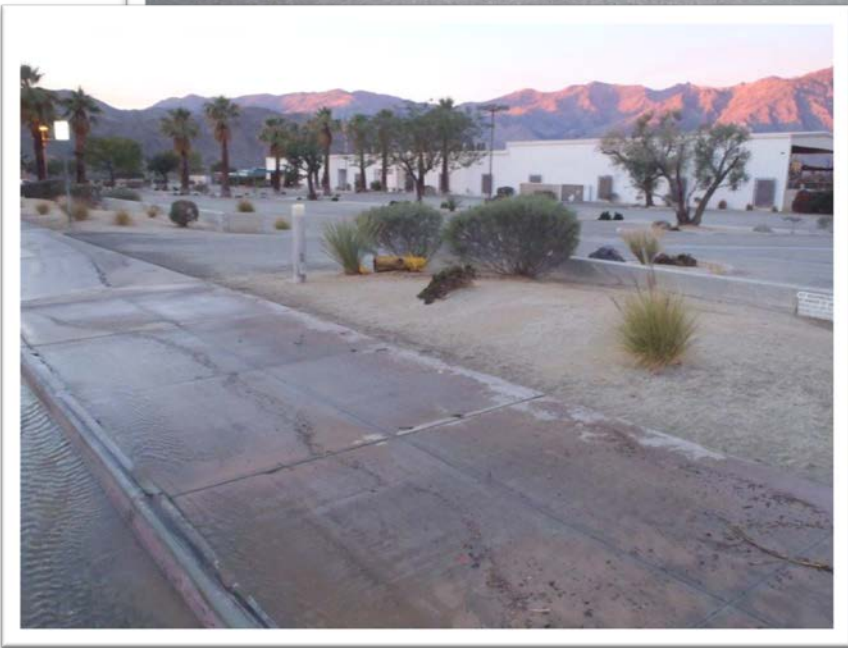
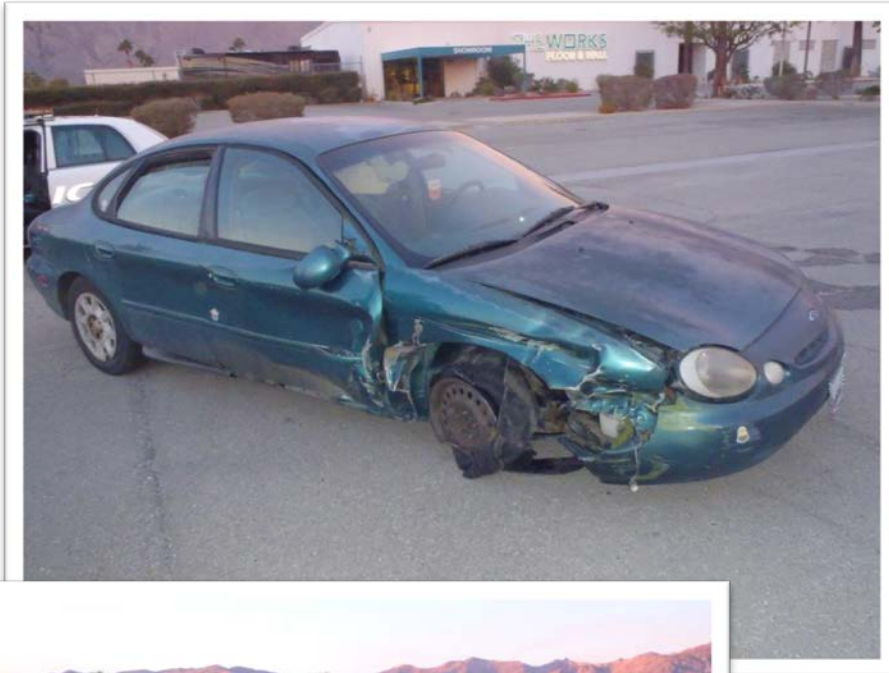
Craig A. Ewing, President

ATTEST:

Joseph K. Stuart, Secretary-Treasurer

GENERAL MANAGER'S REPORT DECEMBER 15, 2015

On December 6 at approximately 6:00 a.m., stand-by responded to a hit fire hydrant at Gene Autry Trail and Calle San Raphael. The hydrant had to be replaced and is back in service. The water ran fully open through a six-inch hydrant riser for approximately one hour. A police report and damage report were filled out.



Desert Water Agency was the recipient of two “President’s Special Recognition Awards” for low ratio of “Paid Claims and Case Reserves to Deposit Premiums in the Property Program (04/01/11-03/31/14) and the Liability Program (10/01/11-09/30/14) from ACWA/JPIA. The awards were announced at the recent ACWA conference in Indian Wells.



2015-16 Replacement Pipelines Update

INDIAN CANYON DR (ALEJO RD TO TAHQUITZ CANYON WAY)

Pipeline installation is complete except for bacteriological testing. Customer connections should commence next week.

CAMINO SAN MIGUEL (EL PLACER TO AVENIDA EVELITA)

Pipeline installation is complete except for disinfection and testing. Customer connections could begin as soon as the end of next week.

SUNNY DUNES RD (AVENIDA EVELITA TO CALLE SANTA CRUZ)

Pipeline installation is 98% complete with disinfection and testing to follow soon after. Customer connections could begin as soon as the week of December 21st.

Borden Excavating, Inc. will also be paving the portion of Sunny Dunes Rd that fronts Cielo Vista Charter School (i.e. from Calle Santa Cruz to Paseo Dorotea) on December 11, 2015.

STEVENS RD (WAWONA RD TO KAWEAH RD) AND WAWONA RD (STEVENS RD TO VISTA CHINO)

Borden Excavating, Inc. has ground the trench line on said streets in preparation for installation of the pipelines. Installation of said pipelines will tentatively begin Thursday, December 17, 2015 on Stevens Rd.

Minutes
Executive Committee Meeting
December 10, 2015

Directors Present: Craig Ewing, Jim Cioffi

Staff Present: Mark Krause, Martin Krieger, Ashley Hudgens

1. Discussion Items

A. Review Agenda for December 15, 2015 Regular Board Meeting

The proposed agenda for the December 15, 2015 Regular Board meeting was reviewed.

B. Expense Reports

The November Expense Reports were reviewed.

C. Turf Buy Back Public Applicants

The Committee reviewed several projects for approval.

D. Turf Buy Back Appeals Process

An appeals process is currently in place. Possible changes to the process were discussed for the future.

E. 2016 Conference Schedule

The 2016 Conference Schedule was reviewed and approved with one exception noted: Vice President Cioffi currently serves as ACWA JPIA Director; therefore, he is allowed one extra travel day prior to ACWA conferences.

2. Other - None

3. Adjourn

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

NOVEMBER 2015

INVESTED
RESERVE FUNDS
\$14,197,347.43

BALANCE	NOVEMBER 1, 2015	\$499,957.03	
WATER SALES		\$1,817,921.40	
RECLAMATION SALES		103,418.68	
WASTEWATER RECEIPTS		77,058.23	
POWER SALES		33.77	
METERS, SERVICES, ETC.		113,644.00	
REIMBURSEMENT – GENERAL FUND		121,557.06	
REIMBURSEMENT – WASTEWATER FUND		7,255.16	
ACCOUNTS RECEIVABLE – OTHER		16,910.14	
CUSTOMER DEPOSITS – SURETY		6,675.00	
CUSTOMER DEPOSITS – CONST.		129,085.00	
LEASE REVENUE		3,343.72	
INTEREST RECEIVED ON INV. FDS.		3,000.00	
FRONT FOOTAGE FEES		0.00	
BOND SERVICE & RESERVE FUND INT		0.00	
MISCELLANEOUS		2,725.94	
TOTAL RECEIPTS		\$2,402,628.10	
PAYMENTS			
PAYROLL CHECKS		\$327,457.06	
PAYROLL TAXES		151,024.85	
ELECTRONIC TRANSFERS		111,209.45	
CHECKS UNDER \$10,000.00		279,796.58	
CHECKS OVER \$10,000.00 – SCH. #1		1,975,353.41	
CANCELLED CHECKS AND FEES		(9,907.83)	
TOTAL PAYMENTS		<u>\$2,834,933.52</u>	
NET INCOME		(\$432,305.42)	
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		\$500,000.00	
FUNDS INVESTED – SCH. #3		<u>1,400,000.00</u>	
NET TRANSFER		(\$900,000.00)	\$900,000.00
BALANCE	NOVEMBER 30, 2015	(\$832,348.39)	\$15,097,347.43

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

CHECK #	NAME	DESCRIPTION	AMOUNT
109903	DESERT WATER AGENCY - GENERAL	1ST QUARTER 2015/2016 GROUNDWATER REPLENISHMENT ASSESSMENT	\$856,080.40
109904	PALM SPRINGS ART MUSEUM	WATER DAMAGE CLAIMS SETTLEMENT	\$19,212.24
109911	DEBORAH BOLLINGER DBA	TURF BUY BACK PROGRAM - INSPECTION SERVICES	\$18,714.00
109936	KRIEGER & STEWART INC	ENGINEERING	\$29,638.44
109973	FAIRWAY HOA	TURF BUY BACK PROGRAM	\$19,324.00
109981	ACWA-JPIA	HEALTH,DENTAL & VISION INSURANCE PREMIUMS - DECEMBER 2015	\$145,526.93
109988	FIONA HUTTON & ASSOCIATES	PUBLIC INFORMATION - CONSULTING SERVICES	\$10,454.91
109991	DESERT WATER AGENCY-WASTEWATER	WASTEWATER REVENUE BILLING FOR OCTOBER 2015	\$80,726.98
110002	BADGER METER INC	WATER SERVICE SUPPLIES	\$15,159.42
110003	BEST BEST & KRIEGER LLP	LEGAL FEES	\$50,328.72
110006	BORDEN EXCAVATING INC	CONTRACT PAYMENT - AVENIDA CABALLEROS 36" PIPELINE - (W/O #14-195--36)	\$510,278.15
110010	C WELLS PIPELINE MATERIALS INC	WATER SERVICE SUPPLIES	\$13,117.12
110044	J COLON COATINGS INC	CONTRACT PAYMENT - RESERVOIR MAINTENANCE	\$138,842.50
110050	MCKEEVER WATERWELL & PUMP INC	MAINTENANCE - WELL #20	\$13,280.00
110073	STATE WATER RES CONTROL BOARD	WATER SYTEM FEES - FISCAL 2015/2016	\$29,009.00
110076	THATCHER COMPANY OF CALIFORNIA	WATER SERVICE SUPPLIES	\$10,572.69
110089	Z&L PAVING, INC	PAVING	\$15,087.91

== TOTAL

\$1,975,353.41

**DESERT WATER AGENCY
OPERATING FUND - LISTING OF INVESTMENTS
NOVEMBER 30, 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	\$ 11,842,647.43	\$ 11,842,647.43	\$ 11,842,647.43	0.380%	
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Certificates of Deposit

09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 250,460.00	1.050%	Bullet
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Total Certificates of Deposit	\$ 250,000.00	\$ 250,000.00	\$ 250,460.00
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Commercial Paper

04-30-12	Union Bank	General Electric	04-27-17	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,016,000.00	2.300%	Bullet
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Total Commerical Paper	\$ 1,004,700.00	\$ 1,000,000.00	\$ 1,016,000.00
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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	\$ 500,785.00	1.200%	Qtrly
10-15-15	Union Bank	FHLMC STEP (Callable 4-15-16)	10-15-18	\$ 500,000.00	\$ 500,000.00	\$ 499,420.00	0.750%	Qtrly
11-25-15	Union Bank	FHLMC (Callable 2-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,250.00	1.500%	Qtrly

Total Government Agency	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,995,455.00
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Weighted Mean YTM 0.632%

TOTAL INVESTED @ 11/30/15	\$ 15,097,347.43	\$ 15,092,647.43	\$ 15,104,562.43
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BALANCE @ 06/30/15	\$ 15,055,930.48
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INCREASE (DECREASE)	\$41,416.95
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DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

NOVEMBER 2015

INVESTED
RESERVE FUNDS
\$90,978,631.15

BALANCE	NOVEMBER 1, 2015	\$2,942,758.97	
* TAXES - RIVERSIDE COUNTY		95,282.40	
* INTEREST EARNED - INV. FUNDS		100,889.80	
GROUNDWATER REPLEN. ASSESSMENT		868,330.22	
REIMBURSEMENT - OPERATING FUND		0.00	
REIMBURSEMENT - CVWD MGMT AGRMT		0.00	
STATE WATER PROJECT REFUNDS		177,811.03	
REIMB - CVWD - WHITEWATER HYDRO		1,237.81	
POWER SALES - WHITEWATER		0.00	
MISCELLANEOUS		0.00	
TOTAL RECEIPTS		\$1,243,551.26	
PAYMENTS			
CHECKS UNDER \$10,000.00		16,188.00	
CHECKS OVER \$10,000.00 - SCH. #1		1,499,274.06	
CANCELLED CHECKS AND FEES		0.00	
TOTAL PAYMENTS		\$1,515,462.06	
NET INCOME		(\$271,910.80)	
INVESTED RESERVE FUNDS			
FUNDS MATURED		8,043,333.33	
FUNDS INVESTED - SCH. #2		10,293,510.00	
NET TRANSFER		(\$2,250,176.67)	\$2,250,176.67
BALANCE	NOVEMBER 30, 2015	\$420,671.50	\$93,228,807.82
* INCLUSIVE TO DATE		TAXES	INTEREST
RECEIPTS IN FISCAL YEAR		\$1,499,756.61	\$389,382.07
RECEIPTS IN CALENDAR YEAR		\$16,745,694.48	\$852,957.02

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

CHECK #	NAME	DESCRIPTION	AMOUNT
8690	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT ENTITLEMENT - AUGUST 2015	\$580,158.00
8695	DESERT WATER AGENCY-OPERATING	P/R & EXP REIMBURSEMENT FOR OCTOBER 2015	\$120,557.06
8696	STATE OF CA. DEPT. OF WATER RESOURCES	STATE WATER PROJECT - NOVEMBER 2015	\$798,559.00
** TOTAL			\$1,499,274.06

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
NOVEMBER 30, 2015**

PURCHASE 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	\$ 37,260,226.15	\$ 37,260,226.15	\$ 37,260,226.15	0.380%	
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Certificates of Deposit

01-25-13	Union Bank	General Electric Capital Bank CD	01-25-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,260.00	1.100%	Bullet
12-04-14	Ladenburg Thalmann	AEX Centurion Bank CD	12-05-16	\$ 245,000.00	\$ 245,000.00	\$ 245,745.78	1.050%	Bullet
09-28-15	Union Bank	Capital Bank CD	09-28-17	\$ 250,000.00	\$ 250,000.00	\$ 250,460.00	1.050%	Bullet
10-07-15	Ladenburg Thalmann	Goldman Sachs CD	04-07-17	\$ 245,000.00	\$ 245,000.00	\$ 246,219.85	1.350%	Bullet
10-29-15	Ladenburg Thalmann	Ally Bank CD	10-30-17	\$ 245,000.00	\$ 245,000.00	\$ 246,127.73	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Discover CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 246,138.27	1.150%	Bullet
11-04-15	Ladenburg Thalmann	Capital One NA CD	11-06-17	\$ 245,000.00	\$ 245,000.00	\$ 245,905.52	1.100%	Bullet

Total Certificates of Deposit	\$ 2,475,000.00	\$ 2,475,000.00	\$ 2,476,857.15
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Commercial Paper

05-09-11	Stifel (D.A.D)	General Electric	05-09-16	\$ 1,000,900.00	\$ 1,000,000.00	\$ 1,009,980.00	2.950%	Bullet
06-07-11	Union Bank	UB Bank Note	06-06-16	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,022,220.00	3.000%	Bullet
10-18-11	Union Bank	General Electric	05-09-16	\$ 999,810.00	\$ 1,000,000.00	\$ 1,009,980.00	2.950%	Bullet
12-16-13	Stifel	General Electric	05-15-18	\$ 587,600.00	\$ 500,000.00	\$ 553,905.00	6.300%	Bullet
04-27-15	Ladenburg Thalmann	Apple Inc.	05-03-18	\$ 997,920.00	\$ 1,000,000.00	\$ 994,814.00	1.000%	Bullet

Total Commercial Paper	\$ 5,586,230.00	\$ 5,500,000.00	\$ 5,590,899.00
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Government Agency

09-19-12	Stifel (D.A.D)	FNMA	09-19-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,100.00	0.950%	1 Time
10-09-12	Stifel (D.A.D)	FNMA	10-03-16	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,860.00	0.650%	1 Time
10-10-12	Ladenburg Thalmann	FFCB (Callable Continuous)	10-10-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,160.00	0.900%	Continuous
10-11-12	Stifel (D.A.D)	FFCB (Callable Continuous)	07-11-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,820.00	0.820%	Continuous
10-17-12	Ladenburg Thalmann	FHLB (Callable 1-17-16)	04-17-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,280.00	0.800%	Qtrly
12-05-12	Ladenburg Thalmann	FFCB (Callable Continuous)	06-05-17	\$ 999,250.00	\$ 1,000,000.00	\$ 1,000,060.00	0.770%	Continuous
12-20-12	Ladenburg Thalmann	FFCB (Callable Continuous)	03-20-17	\$ 998,700.00	\$ 1,000,000.00	\$ 1,000,040.00	0.670%	Continuous
12-28-12	Stifel (D.A.D)	FHLB (Callable Continuous)	12-28-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,820.00	0.840%	Continuous
02-05-13	Ladenburg Thalmann	FHLB (Callable Continuous)	02-05-18	\$ 666,666.67	\$ 666,666.67	\$ 666,713.32	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	\$ 1,001,530.00	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	\$ 1,001,600.00	1.125%	Qtrly
02-28-13	Ladenburg Thalmann	FNMA (Callable 2-28-16)	02-28-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,640.00	1.150%	Qtrly
03-12-13	Stifel (D.A.D)	FFCB (Callable Continuous)	03-12-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,150.00	1.030%	Continuous
03-27-13	Stifel (D.A.D)	FHLB (Callable 12-27-15)	03-27-18	\$ 749,625.00	\$ 750,000.00	\$ 748,792.50	1.130%	Qtrly
03-27-13	Ladenburg Thalmann	FNMA (Callable 12-27-15)	03-27-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,240.00	1.050%	Qtrly
05-07-13	Ladenburg Thalmann	FFCB (Callable Continuous)	11-07-16	\$ 999,850.00	\$ 1,000,000.00	\$ 997,590.00	0.540%	Continuous
06-13-13	Ladenburg Thalmann	FHLB (Callable 12-13-15)	06-13-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,770.00	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	\$ 1,005,010.00	1.500%	1 Time
09-29-14	Union Bank	FHLMC	09-29-16	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,870.00	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	\$ 998,760.00	1.200%	1 Time

**DESERT WATER AGENCY
GENERAL FUND - LISTING OF INVESTMENTS
NOVEMBER 30, 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	\$ 1,001,590.00	1.050%	Qtrly
05-14-15	Stifel	FHLMC STEP (Callable 2-14-16)	05-14-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,680.00	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	\$ 1,000,720.00	1.000%	Qtrly
05-28-15	Ladenburg Thalmann	FHLMC (Callable 2-28-16)	05-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,921.00	1.600%	Qtrly
05-28-15	Stifel	FHLMC STEP (Callable 2-28-16)	05-28-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,300.00	1.125%	Qtrly
06-10-15	Union Bank	FHLMC (Callable 12-10-15)	06-10-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,300.00	1.600%	Qtrly
06-23-15	Ladenburg Thalmann	FHLMC (Callable 12-23-15)	06-23-17	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,402.00	0.900%	1 Time
06-30-15	Stifel	FHLB (Callable 6-24-16)	12-24-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,320.00	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	\$ 1,000,930.00	1.250%	Qtrly
09-15-15	Ladenburg Thalmann	FHLMC (Callable 12-15-15)	06-15-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,349.00	1.250%	Qtrly
09-28-15	Ladenburg Thalmann	FHLMC (Callable 12-28-15)	06-28-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,472.00	1.550%	Qtrly
09-30-15	Stifel	FHLB STEP (Callable 12-30-15)	09-30-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,110.00	1.000%	Qtrly
09-30-15	Union Bank	FFCB (Callable 12-30-15)	09-30-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,320.00	1.530%	Continuous
10-02-15	Stifel	FHLB (Callable 10-2-17)	10-02-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,150.00	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	\$ 998,840.00	0.750%	Qtrly
10-15-15	Ladenburg Thalmann	FHLMC (Callable 1-15-16)	07-15-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,015.00	1.500%	Qtrly
10-15-15	Ladenburg Thalmann	FHLMC (Callable 1-15-16)	10-15-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,522.00	2.000%	Qtrly
10-29-15	Stifel	FHLB (Callable 1-29-16)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,380.00	1.120%	Qtrly
10-29-15	Union Bank	FHLMC (Callable 1-29-16)	10-29-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,350.00	1.300%	Qtrly
10-29-15	Stifel	FHLMC STEP (Callable 1-29-16)	10-29-20	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,340.00	1.650%	Qtrly
11-10-15	Stifel	FHLMC (Callable 2-10-16)	05-10-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,690.00	1.400%	Qtrly
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-16)	02-23-18	\$ 999,500.00	\$ 1,000,000.00	\$ 996,444.00	1.000%	Qtrly
11-23-15	Ladenburg Thalmann	FHLMC (Callable 2-23-16)	05-23-18	\$ 996,000.00	\$ 1,000,000.00	\$ 993,478.00	1.000%	Qtrly
11-24-15	Ladenburg Thalmann	FHLMC (Callable 2-24-16)	05-24-19	\$ 998,900.00	\$ 1,000,000.00	\$ 993,249.00	1.350%	Qtrly
11-25-15	Union Bank	FHLMC (Callable 2-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,250.00	1.500%	Qtrly
11-25-15	Stifel	FNMA (Callable 11-25-16)	11-25-19	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,480.00	1.500%	Qtrly
11-30-15	Stifel	FHLMC (Callable 2-23-16)	11-23-18	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,140.00	1.200%	Qtrly
11-30-15	Ladenburg Thalmann	FHLMC (Callable 2-26-16)	11-26-18	\$ 999,110.00	\$ 1,000,000.00	\$ 997,749.00	1.400%	Qtrly

Total Government Agency \$ 47,907,351.67 \$ 47,916,666.67 \$ 47,833,296.82

Weighted Mean YTM 0.935%

TOTAL INVESTED @ 11/30/15 \$ 93,228,807.82 \$ 93,151,892.82 \$ 93,161,279.12

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

INCREASE OR (DECREASE) \$ (6,793,056.67)

DESERT WATER AGENCY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

NOVEMBER 2015

INVESTED
RESERVE FUNDS
\$897,061.09

BALANCE	NOVEMBER 1, 2015	\$1,396.74		
ACCOUNTS RECEIVABLE - OTHER		\$0.00		
CUSTOMER DEPOSITS - CONSTRUCTION		0.00		
INTEREST EARNED - INVESTED FUNDS		58.18		
WASTEWATER REVENUE		80,726.98		
SEWER CAPACITY CHARGES		4,613.63		
MISCELLANEOUS		<u>0.00</u>		
TOTAL RECEIPTS		\$85,398.79		
PAYMENTS				
CHECKS UNDER \$10,000.00		\$15,570.72		
CHECKS OVER \$10,000.00 - SCH. #1		49,065.67		
CANCELLED CHECKS AND FEES		<u>0.00</u>		
TOTAL PAYMENTS		<u>\$64,636.39</u>		
NET INCOME		\$20,762.40		
INVESTED RESERVE FUNDS				
FUNDS MATURED		\$0.00		
FUNDS INVESTED – SCH. #2		<u>0.00</u>		
NET TRANSFER			\$0.00	\$0.00
BALANCE	NOVEMBER 30, 2015		<u>\$22,159.14</u>	<u>\$897,061.09</u>

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

CHECK #	NAME	DESCRIPTION	AMOUNT
2410	COACHELLA VALLEY WATER DISTRICT	WASTEWATER REVENUE BILLING FOR OCTOBER 2015	\$49,065.67
** TOTAL			\$49,065.67

**DESERT WATER AGENCY
WASTEWATER FUND - LISTING OF INVESTMENTS
NOVEMBER 30, 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	\$ 897,061.09	\$ 897,061.09	\$ 897,061.09	0.380%
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TOTAL INVESTED @ 11/30/15	\$ 897,061.09	\$ 897,061.09	\$ 897,061.09
BALANCE @ 06/30/15	\$ 862,257.70		
INCREASE OR (DECREASE)	\$ 34,803.39		

DESERT WATER AGENCY - OPERATING FUND
COMPARATIVE EARNINGS STATEMENT

	THIS MONTH			FISCAL YEAR TO DATE			VARIANCE	
	THIS YEAR	LAST YEAR	BUDGET	THIS YEAR	LAST YEAR	BUDGET	YTD	PCT
MONTH 15-16 NOVEMBER								
OPERATING REVENUES								
WATER SALES	1,834,332.31	2,184,537.85	1,679,325.00	10,205,472.06	12,351,160.34	9,325,200.00	880,272.06	9
RECLAMATION SALES	108,368.47	120,253.86	119,350.00	667,087.58	730,136.71	725,575.00	58,487.42	8-
POWER SALES	33.77	722.17	2,500.00	6,102.52	16,685.60	12,500.00	6,397.48	51-
OTHER OPER REVENUE	122,713.81	76,271.60	101,750.00	754,242.06	543,385.15	508,750.00	245,492.06	48
TOTAL OPER REVENUES	2,065,448.36	2,381,785.48	1,902,925.00	11,632,904.22	13,641,367.80	10,572,025.00	1,060,879.22	10
OPERATING EXPENSES								
SOURCE OF SUPPLY EXP	22,243.14	29,876.16	19,500.00	943,992.23	1,217,901.74	1,197,500.00	253,507.77	21-
PUMPING EXPENSE	47,841.73	295,523.82	276,700.00	1,333,369.74	1,780,104.00	1,676,775.00	343,405.26	20-
REGULATORY WATER TREAT	39,563.40	40,238.35	43,225.00	193,812.00	218,895.51	216,125.00	22,313.00	10-
TRANS & DIST EXPENSE	289,479.46	150,986.98	271,967.00	1,104,598.43	758,332.39	1,359,835.00	255,236.57	19-
CUSTOMER ACT EXPENSE	67,001.98	71,079.22	71,825.00	358,396.67	385,544.50	352,525.00	5,871.67	2
ADMIN & GEN EXPENSE	533,993.53	566,758.64	619,500.00	3,659,904.87	3,140,667.26	3,886,400.00	226,495.13	6-
REGULATORY EXPENSE	34,795.27	43,375.95	17,525.00	67,144.93	102,939.13	87,625.00	20,480.07	23-
SNOW CREEK HYDRO EXP	3,830.12	3,965.38	3,350.00	18,044.08	12,555.49	16,750.00	1,294.08	8
RECLAMATION PLNT EXP	39,454.26	46,270.21	72,708.00	292,177.22	281,879.47	363,540.00	71,362.78	20-
SUB-TOTAL	1,078,202.89	1,248,074.71	1,396,300.00	7,971,440.17	7,898,819.49	9,157,075.00	1,185,634.83	13-
OTHER OPER EXPENSES								
DEPRECIATION	448,568.79	448,845.70	473,000.00	2,246,729.57	2,247,429.33	2,365,000.00	118,270.43	5-
SERVICES RENDERED	25,368.72	5,702.47	11,500.00	95,275.63	66,465.14	57,500.00	37,775.63	66
DIR & INDIR CST FOR WD	133,432.44	129,848.34	71,900.00	803,128.34	748,165.96	359,500.00	443,628.34	123
TOTAL OPER EXPENSES	1,418,707.96	1,572,774.54	1,808,900.00	9,510,317.03	9,464,548.00	11,220,075.00	1,709,757.97	15-
NET INCOME FROM OPERATIONS	646,740.40	809,010.94	94,025.00	2,122,587.19	4,176,819.80	648,050.00	2,770,637.19	428-
NON-OPERATING INCOME (NET)								
RENTS	3,343.72	3,324.44	3,350.00	48,558.60	48,462.20	48,550.00	8.60	0
INTEREST REVENUES	6,725.59	7,421.86	7,125.00	35,593.81	34,896.19	35,625.00	31.19	0
OTHER REVENUES	129,085.00	13.00	.00	131,717.52	30,942.08	4,500.00	127,217.52	0
GAINS ON RETIREMENT DISCOUNTS	.00	.00	.00	.00	.00	300.00	300.00	100-
PR. YEAR EXPENSES	.00	1,197.64	300.00	367.53	1,772.34	1,500.00	1,132.47	75-
LOSS ON RETIREMENTS	.00	33,469.52	.00	81.80	33,469.52	.00	81.80	0
TOTAL NON-OPER INCOME	139,154.31	45,426.46	1,375.00	12,817.51	3,255.54	6,875.00	5,942.51	86
TOTAL NET INCOME	785,894.71	854,437.40	103,425.00	2,325,925.34	4,323,106.59	564,450.00	2,890,375.34	512-

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

DECEMBER 15, 2015

RE: NOVEMBER 2015 WATER USE REDUCTION FIGURES

Desert Water Agency and its customers achieved a 28 percent reduction in total water production during November 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.

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 November 2015.

Water Production for November 2015	2,225.6 AF
Water Production for November 2013	3,082.1 AF
Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month	608.7 AF
The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month	66.9%
Population (inclusive of seasonal residents)	104,953
Estimated R-GPCD	153.89
How many public complaints of water waste or violation of conservation rules were received during the reporting month?	69
How many contacts (written or verbal) were made with customers for actual or alleged water waste or for a violation of water conservation rules?	57
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?	56

How many fines were issued for water waste or for a violation of conservation rules?	2
<p>Comments: The Agency's service area is highly seasonal making population analysis a complex task. The State Water Resources Control Board (State Board) analyzes data on a per capita basis. Historically, DWA has submitted data based on the permanent population of the service area; however, that data does not accurately reflect water use in DWA's service area which has a highly seasonal population. Based on local data, the correct population is higher than previously reported. The Residential Gallons Per Capita Per Day (R-GPCD) is being submitted using the corrected population. DWA would like it noted that the amount of fresh water outflow to the ocean during the month of November was 362,618 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 86,434 acre feet. If our recycled water production for November 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**

DECEMBER 15, 2015

RE: LAKE PERRIS SEISMIC REMEDIATION

Staff has been asked by the Desert Water Agency (DWA) Board to provide construction cost information related to the Perris Dam Seismic Remediation Project when available. Joe Royer with the Department of Water Resources (DWR) is trying to be responsive by providing periodic updates through the State Water Contractors/DWR Operations Maintenance and Engineering (OME) Committee.

Enclosed with this report is an update prepared by DWR dated November 5, 2015. It includes a contract summary, a list of contract challenges and their impacts, and a table showing contract payments and change orders.

Staff will make DWR's updates available to the DWA Board as they become available through the OME committee.



State Water Contractors - OME Committee Meeting November 5, 2015



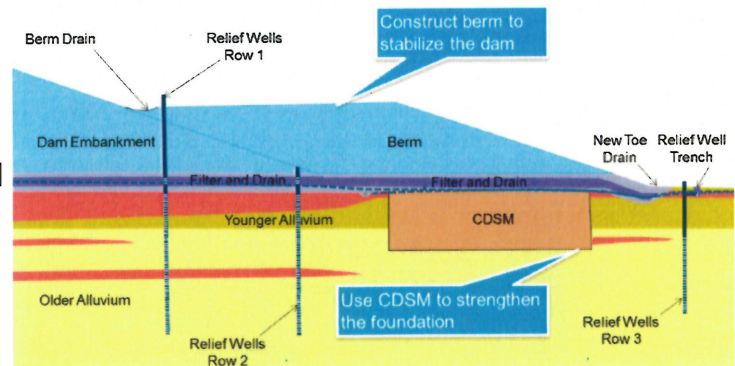
Perris Dam – Seismic Remediation of Embankment – Contract Update
Specification 14-03 Contract No. C51484

Contract Summary

Notice To Begin Work: August 20, 2014
Contract Completion: November 20, 2017
Pulice Construction: \$75,538,626
Engineers Estimate: \$83,000,000
October Update: 23% of Work Completed, 36% Time Elapsed

Completed Work

Existing Drain Line Outfall Relocated
Relief Well Row 3 Installed
Temporary Dewatering Installed
CDSM Test Section Completed



Safety

Contractor has successfully completed over 365 work days without a lost-time incident.

On-Going Work

Installation of Relief Well Row 2, Left Abutment Downstream Road Widening, Excavation of Existing Toe Road, Excavation of CDSM Work-pad, Predrilling of CDSM Elements, CDSM production activities

Schedule

Construction sequencing has been modified to allow CDSM to begin 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 and the contractor are evaluating the stability of the area. DWR geologist and consultants have reported the slope is safe to excavate. DWR is currently awaiting the contractor's consultant report. The left abutment haul road was required to be complete on May 15, 2015. Liquidated Damages associated with this milestone is \$4,500/day. Contractor has notified DWR of potential claim due to differing site condition, but no costs indicated.



State Water Contractors - OME Committee Meeting

November 5, 2015

Perris Dam – Seismic Remediation of Embankment – Contract Update

Specification 14-03 Contract No. C51484



Quarry Rock Processing

Contractor has suspended rock processing due to processing plant not achieving specification for materials for filter and drain. Plant was also inefficient and 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 required 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 Potential Change Orders or Claims

Contractor has notified DWR of potential claim due to differing site conditions for other material in quarry and at rock at CDSM site, 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	\$13,773,787	90 days/\$12M behind.

Contractor Executed Change Orders

Change Order	Description	Date	Amount	Additional Time (Days)
1	Realign the existing access road and provide K-Rail with 4-foot high temporary traffic screen	3/16/2015	\$22,210.93	0
2	Replace wood stakes with Caltrans reflective markers	4/22/2015	\$7,578.62	0
3	Remove and dispose of debris from site	5/5/2015	\$40,552.95	0
4	Furnish (2) 20 ft. long Conex Boxes	7/2/2015	\$9,529.27	0
5	Furnish and deliver 12" diameter solid schedule 40 PVC pipe – MD No. 13	7/2/2015	\$10,848.59	0
6	Provide partnering activities described the Contract Specifications	7/15/2015	\$70,000.00	0
7	Furnish and install the Southern CA Edison Protective Multiple Earthing Switch Vault	7/15/2015	\$9,835.76	0
Adjustments	Differing Site, Well Decommission, Working Limits, Fiber Cable Relocation	Pending	\$351,010	0
Total Adjustments and CCO			\$521,567	0

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

DECEMBER 15, 2015

RE: SGMA UPDATE

On November 24, 2015, the Department of Water Resources (DWR) posted our Groundwater Sustainability Agency, Notice of Election on their website (see website notification enclosed). The posting started the 90-day clock for the approval and official formation of our GSA. If there are no other GSA's applications submitted within our proposed boundaries, we will be a GSA on Monday, February 22, 2016.

On December 1, 2015, the Indio Water Authority went before their City Council for approval to submit a notice of intent to DWR to become a GSA. In addition to other documents, they submitted a resolution. In the resolution, it states in part:

"WHEREAS, it is the intent of the City through IWA to jointly manage the Indio Sub-Basin with CVWD, CWA, and DWA; and Mission Creek Sub-Basin with MSWD (Collectively, the "Partners")".

WHEREAS, if CWA or MSWD elects not to form a GSA, the City intends to assume, in the future, GSA responsibility over the portion of the Indio Sub-Basin within CWA service area boundary; and Mission Creek Sub-Basin within the MSWD service area boundary as applicable."

IWA boundaries do not overlie any portion of the Mission Creek Sub-Basin nor are they involved in any groundwater management of the Sub-Basin. Additionally, CWA's boundaries are overlaid by the Coachella Valley Water District not IWA. However, their aforementioned intentions are not reflected in the GSA boundary map that they submitted to DWR.

Coachella Water Authority (CWA) did not present their SGMA information item at their City Council meeting on December 9 as scheduled.

On December 8, 2015, local agencies and interested parties within the San Geronio Pass Sub-basin met to discuss the Sustainable Ground Water Management Act (SGMA) as it relates to this sub-basin. The meeting was attended by:

Desert Water Agency (DWA)
Mission Springs Water District (MSWD) (accompanied by Slovak Baron & Empey, LLC)
San Geronio Pass Water Agency (SGPWA)
Morongo Band of Mission Indians (MBMI)

City of Banning (COB)
Cabazon Water District (CWD) (accompanied by Krieger & Stewart, Inc.)
High Valley Water District (HVWD)

There was a lengthy discussion regarding basin boundary adjustment. It is anticipated within this group that the adjudicated portion of the Sub-Basin will be removed from the San Gorgonio Sub-Basin and added to the San Timoteo Sub-Basin. It was the opinion of the majority that local agencies within the adjudicated area of the San Timoteo Sub-Basin would be asking for a sub-basin boundary adjustment. There are strict criteria for basin boundary adjustments which are administered by DWR. DWR has the final say in all basin boundary adjustments.

It is the opinion of the MBMI that it is prohibited from becoming a GSA under the SGMA, *"The federal government or any federally recognized Indian tribe, appreciating the shared interest in assuring the sustainability of groundwater or groundwater sources, may voluntarily agree to participate in the preparation of a groundwater sustainability plan or groundwater management plan under this part through a joint powers agreement or other agreement with local agencies in the basin"*. The MGMI overlies a significant portion of the Sub-Basin. The majority of the group agreed that it would be critical that the MBMI to participate in the development of a GSP which they would presumably help to develop and adhere to through a MOU or other agreement for the sustainability of the Sub-Basin. The MGMI seemed receptive to this idea.

There was general discussion about the different ways a GSA for the basin could be formed. The cost of developing a GSP was discussed. Cabazon Water District indicated that the cost may be prohibitive and that they may participate only as an interested party. MSWD indicated that they were reviewing their options with legal counsel.

It was decided to schedule the next meeting for the end of January 2016 to discuss the boundaries of the local agencies and review multiple GSA formation within the Sub-Basin and what the governance structure might look like (MOU/JPA).



SGM Sustainable Groundwater Management

GSA Formation Notifications

The local agencies included on the following table have submitted a notification of groundwater sustainability agency (GSA) formation. The boundaries of the basin or portion of the basin that the local agency intends to sustainably manage are shown on the [GSA Interactive Map](#). Pursuant to Water Code § 10723.8, a GSA formation notification shall include the following information, as applicable:

- The service area boundaries, the basin the agency is managing, and the other GSAs operating within the basin. (*Water Code § 10723.8(a)(1)*)
- A copy of the resolution forming the new agency. (*Water Code § 10723.8(a)(2)*)
- A copy of any new bylaws, ordinances, or new authorities adopted by the local agency. (*Water Code § 10723.8(a)(3)*)
- A list of interested parties developed pursuant to Water Code Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the GSA and the development and implementation of the agency's sustainability plan. (*Water Code § 10723.8(a)(4)*)

Local agencies or GSAs that have submitted additional information related to their GSA formation notification are indicated by an asterisk in the Name of Local Agency column. If applicable, the additional information has been combined into a single document for review.

Local agencies or GSAs that have either withdrawn their GSA formation notifications or opted out of their role as a presumed GSA are located [here](#).

GSA Formation Notifications Received by DWR

Show entriesSearch:

Name of Local Agency	Basin/Subbasin Name	Basin/Subbasin Number	County(s) the GSA is Located	Date Posted
Thermolito Water & Sewer District	East Butte	5-21.59	Butte	12/03/2015
City of Biggs	East Butte	5-21.59	Butte	12/03/2015
Butte College	East Butte	5-21.59	Butte	12/03/2015
Desert Water Agency	Indio	7-21.01	Riverside	11/24/2015
Desert Water Agency	Mission Creek	7-21.02	Riverside	11/24/2015
Desert Water Agency	San Geronio Pass	7-21.04	Riverside	11/24/2015
City of Live Oak	East Butte	5-21.59	Sutter	11/24/2015
South San Joaquin Irrigation District	Eastern San Joaquin	5-22.01	Stanislaus	11/19/2015
South San Joaquin Irrigation District	Eastern San Joaquin	5-22.01	San Joaquin	11/19/2015
Coachella Valley Water District	Indio	7-21.01	Riverside	11/13/2015

Name of Local Agency	Basin/Subbasin Name	Basin/Subbasin Number	County(s) the GSA is Located	Date Posted
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GROUNDWATER HOME

SUSTAINABLE GROUNDWATER MANAGEMENT

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[Boundary Assessment Tool](#)
[Modification Request System](#)

[Groundwater Sustainability Agencies](#)

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[GSA Formation Table](#)
[GSA Interactive Map](#)

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