



**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. **INTRODUCTION OF NEW EMPLOYEES** **KRAUSE**
3. **APPROVAL OF MINUTES – A. September 6, 2016** **CIOFFI**
4. **GENERAL MANAGER'S REPORT** **KRAUSE**
5. **COMMITTEE REPORTS – A. Executive – September 13, 2016** **CIOFFI**
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 - AUGUST 2016** **BLOOMER**
8. **ITEMS FOR ACTION**  
A. Request Authorization to Participate in the 2016-2017 USGS Cooperative Water Resources Program **KRAUSE**
9. **ITEMS FOR DISCUSSION**  
A. August Water Production Comparison **KRAUSE**  
B. Lake Perris Seismic Remediation Update **KRAUSE**  
C. Director's Attendance at ACWA Groundwater Committee Meeting **EWING**
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. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9 (d) (1)  
Name of Case: Mission Springs Water District vs. Desert Water Agency

E. 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: Mark S. Krause, General Manager and Steve L. Johnson, Asst. General Manager

Negotiating Parties: Chris Thomsen, New Mesquite HOA

Under Negotiation: Price and terms of possible acquisition

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.

## Desert Water Agency REGULAR BOARD MEETING September 20, 2016

The following employees are scheduled to attend and be introduced to the Board of Directors at the September 20, 2016 Board Meeting:

| Name          | Date Employed | Classification/Department |
|---------------|---------------|---------------------------|
| Alfredo Felix | March 7, 2016 | Water Service Worker I    |
| Ryan Wooten   | March 7, 2016 | Water Service Worker I    |

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

**September 6, 2016**

|                 |   |                   |
|-----------------|---|-------------------|
| DWA Board:      | James Cioffi, President )                     | <b>Attendance</b> |
|                 | Joseph K. Stuart, Vice President )            |                   |
|                 | Kristin Bloomer, Secretary-Treasurer )        |                   |
|                 | Craig A. Ewing, Director )                    |                   |
| <br>Absent:     | <br>Patricia G. Oygar, Director )             |                   |
| <br>DWA Staff:  | <br>Mark S. Krause, General Manager )         |                   |
|                 | Steve Johnson, Asst. General Manager )        |                   |
|                 | Martin S. Krieger, Finance Director )         |                   |
|                 | Sylvia Baca, Asst. Secretary of the Board )   |                   |
|                 | Ashley Metzger, Outreach/Conserv. Manager )   |                   |
|                 | Irene Gaudinez, Human Resources Manager )     |                   |
| <br>Consultant: | <br>Michael T. Riddell, Best Best & Krieger ) |                   |
| <br>Public:     | <br>David Freedman, PS Sustainability Comm. ) |                   |

17559. President Cioffi opened the meeting at 8:00 a.m. and asked everyone to join Director Ewing in the Pledge of Allegiance. **Pledge of Allegiance**

17560. President Cioffi called for approval of the August 2, 2016 Regular Board meeting minutes. **Approval of 08/02/16 Regular Board Mtg. Minutes**

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

17561. President Cioffi called upon General Manager Krause to provide an update on Agency operations. **General Manager's Report**

Mr. Krause stated on August 4 at approximately 9:00 a.m., staff was notified of a stolen backflow at 68895 Perez Rd. The thieves turned off the angle stop; there was no water loss. It has been replaced and back in service. **Stolen Backflow – 68895 Perez Rd.**

**General Manager's  
Report  
(Cont.)**

Hit Angle Stop – 3099  
Linea Terrace

Mr. Krause stated on August 12 at approximately 8:00 a.m. staff responded to a hit angle stop at 3099 Linea Terrace. Staff replaced the angel stop and meter register. A damage report was filled out and the developer, Alta Verde Group will be charged.

Stolen Backflow –  
Civic Dr., /Alejo Rd.

Continuing his report, Mr. Krause stated on August 16 at approximately 10:15 a.m., staff noticed a stolen 2-inch backflow on Civic Dr. and Alejo Rd., which belongs to the City. Staff notified them and was given authorization to replace the backflow.

DWA Vehicle Damage  
– Unit #18

Mr. Krause stated on August 17, DWA's construction crew was on Farrell Drive, south of Sonora Rd., repairing a service leak. At approximately 12:30 p.m., a vehicle clipped the driver's side door of Unit #18. Our crew had the northbound fast lane closed and the vehicle came down heading north in the wrong lane (southbound lane) and clipped the door. Palm Springs Police department came out and took a report.

Emergency  
Conservation  
Regulations – Stress  
Test

Mr. Krause noted on August 16, DWA was contacted by Jenela Hartman of the California State Water Board. She notified us that Metropolitan Water District had included the DWA/CVWD State Water Project, Table A transfer callback as part of their stress test water supply. DWA had also included the callback water as part of its water supply. She indicated that only one agency could claim this water as part of their water supply. DWA then recalculated its water supply excluding the callback water and instead of mirroring our water supply deliveries from 2013-2015 it relied solely on Table A and historic allocation percentages from the years 2013-2015. The recalculation did not impact the original conservation standard calculation of 0%.

General Manager's  
Meetings & Activities

Mr. Krause noted several meetings and activities he participated in during the past several weeks.

**Committee Reports**  
Conservation & Public  
Affairs 08/16/16

17562. President Cioffi noted the minutes for the August 16, 2016 Conservation & Public Affairs Committee were provided in the Board's packet.

Executive 08/30/16

17563. President Cioffi noted the minutes for the August 30, 2016 Executive Committee were provided in the Board's packet.

**Public Input**

17564. President Cioffi opened the meeting for public input.

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

**Secretary-Treasurer's  
Report – July 2016**

17565. President Cioffi called upon Secretary-Treasurer Bloomer to provide an overview of financial activities for the month of July 2016.

Secretary-Treasurer Bloomer reported that the Operating Fund received \$2,241,639 in Water Sales Revenue, \$150,636 in Reclamation Sales Revenue. \$404,701 was included in Miscellaneous Receipts (Turf Buyback Funds-Partial, Prop 84 Round 3 Grant), including \$12,651 (SCE Solar Field II Energy Rebate-June). Year-to-date Water Sales (1 month) are 7% over budget, Year-to-date Revenues (1 month) are 4% over budget, Year-to-date Expenses are 22% under budget. There were 22,287 active services as of July 31, 2016 compared to 22,304 as of June 30, 2016.

Reporting on the General Fund, Secretary-Treasurer Bloomer stated \$365,777 was received in Property Tax Revenue. \$223,108 was received in Groundwater Assessments from private pumpers. \$625,292 was received for Net Reimbursement from Operating Fund (\$761,919 - \$136,627) for June P/R and Expense Reimbursement. \$9,859 was included in Miscellaneous Receipts from CVWD for Prop 84 Round 1 Grant Funds (IRWMP). \$3,125,404 was paid out in State Water Project Charges, \$93,834 paid out for 2016/17 State Water Contractor Dues, and \$11,300 paid out for 2016/17 LAFCO fees.

General Fund

Regarding the Wastewater Fund, Secretary-Treasurer Bloomer reported \$27,149 was received in Sewer Capacity Charges. There were a total of 71 Sewer Contracts with 26 delinquent (37%), with one account paid in full. \$57,084 was paid out in Accounts Payable.

Wastewater Fund

17566. President Cioffi called upon General Manager Krause to present the civil penalty hearing for water use violations.

**Item for Action:**  
Water Use Violation –  
Civil Penalty Hearings

Mr. Krause noted there have been more than 300 violations issued and that recipients have 7 days to request a hearing in writing. Six violations have hearings today. He stated the first appellant is Leonard and Norma Gerona. He noted the violations: 1) Irrigating during restricted hours; and 2) Irrigating on a restricted day. The fine amount is \$50 and reason for appeal is the power was turned off and they forgot to reset the timer.

Leonard & Norma  
Gerona/3118 E. Vista  
Chino

Norma Gerona stated their realtor turned off the electricity and she forgot to turn it back on. Because of this, the timer was not reset to the correct watering time.

Director Ewing noted that the photos also show a runoff issue.

Director Ewing made a motion to deny the appeal, waive penalty, noting a violation occurred. After a second by Secretary-Treasurer Bloomer, the motion carried unanimously (Director Oygard absent).

Deny Appeal/Uphold  
Violation/Waive  
Penalty

Mr. Krause stated the second appellant is David Milani. He noted the violation: 1) Hosing off hardscape. The fine amount is \$100 and the reason for appeal is a temporary worker used hose without owner's permission.

**Action Items:**  
(Cont.)  
Civil Penalty Hearings  
  
David Milani/2090 S.  
Camino Real

The Board concurred that the photos showed hosing down of more than the driveway area as indicated in the appellant's letter.

President Cioffi made a motion to deny the appeal (violation occurred) and issue the penalty. After a second by Vice President Stuart, the motion carried unanimously (Director Oygar absent).

Deny Appeal/Uphold  
Violation/Issue Penalty

Agency Counsel Riddell noted that this item also violates state regulations.

Mr. Krause stated the third appellant is Wessman Development. He noted the violations: 1) Irrigating during restricted hours, 2) Irrigating on a restricted day; and 3) Runoff. The fine amount is \$500 (third violation) and reason for appeal is out of sync timer; power outage.

Wessman  
Development/67555  
Palm Canyon Drive

Outreach and Conservation Manager Metzger noted that the previous two violations were for the same three issues. She has also contacted the appellant about installing a smart controller; there has been no response.

Director Ewing made a motion to deny the appeal (violation occurred) and issue the penalty. After a second by Secretary-Treasurer Bloomer, the motion carried unanimously (Director Oygar absent).

Deny Appeal/Uphold  
Violation/Issue Penalty

Mr. Krause stated the fourth appellant is Larry Simonson. He noted the violations: 1) Irrigating during restricted hours, 2) Irrigating on a restricted day; and 3) Runoff. The fine amount is \$100 (second violation) and the reason for appeal is due to SCE planned power outage.

Larry Simonson/500 E.  
Bogert Trail

Mrs. Metzger noted the first violation was for the same three issues.

The Board concurred on the runoff issue.

President Cioffi noted the majority of timers have a battery backup.

Vice President Stuart made a motion to deny the appeal (violation occurred), and issue the penalty. After a second by Secretary-Treasurer Bloomer, the motion carried unanimously (Director Oygar absent).

Deny Appeal/Uphold  
Violation/Issue Penalty

Vice President Stuart requested that the appellant be informed of the free smart controller program.

**Action Items:**  
(Cont.)  
Civil Penalty Hearings

Mr. Krause stated the fifth appellant is Joanne Bekke and Gilbert Wiener. He noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$50 and the reason for appeal is they were unaware of the problem; the issue has been resolved.

Joanne Bekke & Gilbert  
Wiener/3100 E. Sonora  
Rd.

Mrs. Metzger noted a DWA smart controller was installed at this property in February 2016.

Ms. Bekke stated there is a communication problem with their landscape company, but it is now resolved.

Vice President Stuart made a motion to deny the appeal (violation occurred), and waive the penalty. After a second by Director Ewing, the motion carried unanimously (Director Oygur absent).

Deny Appeal/Uphold  
Violation/Waive  
Penalty

Mr. Krause stated the sixth appellant is Destination Ramon Shopping Center. He noted the violations: 1) Irrigating during restricted hours, and 2) Runoff. The fine amount is \$200 (second violation) and the reason for appeal is the sprinkler system was being tested.

Destination Ramon  
Shopping Center

Mrs. Metzger noted the previous violation was for the same issues. She then stated that the Agency's employee witnessed violations prior to this event and the following week.

Director Ewing made a motion to deny the appeal, uphold violation and issue the penalty. After a second by Vice President Stuart, the motion carried unanimously (Director Oygur absent).

Deny Appeal/Uphold  
Violation/Issue Penalty

17567. President Cioffi asked Assistant General Manager Johnson to present staff's request for acceptance of work for the Chino Canyon 1040 zone reservoir project.

Request Acceptance of  
Work/Chino Cyn 1040  
Zone Reservoir Project

Mr. Johnson stated that all construction work performed by Canyon Springs Enterprises dba RSH Construction has been essentially completed. To date, no stop notices have been filed. Staff recommends acceptance of work in the amount of \$912,180.07. Subsequent to acceptance, a notice of completion will be filed.

Vice President Stuart made a motion to approve staff's recommendation. Director Ewing seconded the motion, which passed unanimously (Director Oygur absent).



17568. President Cioffi asked Assistant General Manager Johnson to present staff's request for authorization to execute quitclaim terminating temporary drainage easement interest within Desert Palisade Development, Tract Map No. 35540.

**Action Items:**

(Cont.)

Request Authorization to Terminate Quitclaim

Mr. Johnson stated as part of the reservoir site grading project, Pinnacle View, LLC granted the Agency a temporary drainage easement over Lots 106-110 within the development for the reservoir overflow and site drainage until a permanent drainage facility could be built. A new drainage pipeline was constructed within the existing street (Rising Sun Court) to convey reservoir overflow and site drainage to a natural drainage ditch located within the tract. This new pipeline eliminates the need for the temporary drainage easement. A new Easement Grant has been prepared allowing the Agency to operate and maintain the drainage pipeline. Pinnacle View, LLC has also prepared a quitclaim deed vacating the temporary drainage easement. Staff recommends authorization to execute quitclaim, terminating the temporary drainage easement over Lots 106-110 on Tract Map No. 35540.

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

17569. President Cioffi invited Agency Counsel Riddell to present the request for authorization to sign informed written consent.

Request Authorization to Execute Informed Written Consent

Mr. Riddell stated that Best Best & Krieger LLP serves as general counsel to several water districts that will be dealing with Sustainable Groundwater Management Act issues in the San Gorgonio Pass Subbasin, including the San Gorgonio Pass Water Agency, Cabazon Water District and High Valley Water District. Although DWA's boundaries include only a small portion of that subbasin, and its involvement will be minimal, DWA will probably need to enter into an agreement or MOU with the other districts to coordinate with them in complying with SGMA. All of these districts may seek advice from BB&K in that effort.

Continuing his report, Mr. Riddell noted that although there are no anticipated conflicts, the potential exists; therefore, BB&K clients are executing informed written consents to allow them to continue using BB&K for review and advice. All three of the other districts have already signed consents substantially identical to the consent presented today. Staff requests authorization to sign and return the informed written consent.

In response to Vice President Stuart's question on page 3 of the consent regarding disclosing confidential information, Mr. Krause replied that at this time he does not see a problem.

In response to Vice President Stuart's question on the last sentence regarding an independent legal opinion, Mr. Krause indicated there is no need at this time for another opinion.

**Action Items:**

(Cont.)  
Request Authorization  
to Execute Informed  
Written Consent

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

17570. President Cioffi asked General Manager Krause to present staff's request for authorization to enter into a MOU for the management of the Indio Subbasin.

Request Authorization  
to Execute SGMA  
MOU in the Indio  
Subbasin

Mr. Krause stated Senate Bill (SB 1168), Assembly Bill (AB1739) and SB 1319 provides for a statewide framework for sustainable groundwater management in California. This legislation, referred to as the Sustainable Groundwater Management Act (SGMA) is intended to support local groundwater management through the oversight of a Groundwater Sustainability Agency (GSA). The SGMA requires all areas of a basin be covered by one or more GSA's in all high and medium priority basins by June 30, 2017. DWA has been named the "exclusive" GSA for the area within its boundaries. The SGMA also requires the GSA to develop either a groundwater sustainability plan (GSP) or alternative GSP for their respective groundwater basins within the boundary of DWA. The partners have elected to develop an alternative GSP.

Continuing his report, Mr. Krause noted this MOU is for governance of the Indio Subbasin under the SGMA. Its intent is to encourage cooperation and coordination regarding management of the subbasin and to improve and maintain overall communications. Granting authority to enter into this MOU will obligate DWA to move forward on developing and submitting an alternative GSP with the partners. This GSP will consist of a bridge document prepared by MWH and the 2010 Coachella Valley Water Management Plan update. The total cost for MWH to perform said work is \$112,733, with each partner paying \$28,180.75. Staff recommends authorization for the General Manager to enter into a MOU with the partners for developing a common understanding regarding the governance structures applicable to implementation of the SGMA.

President Cioffi made a motion to approve staff's recommendation. After a second by Director Ewing, the motion carried unanimously (Director Oygur absent).

17571. President Cioffi asked General Manager Krause to present staff's request for Board action regarding a claim filed by Michael Kapalungan.

Claim for Damages-  
Michael Kapalungan

Mr. Krause stated Mr. Kapalungan filed a claim for damages (vehicle) on August 11, regarding a leak which occurred on July 14.

**Action Items:**  
 (Cont.)  
 Claim for Damages-  
 Michael Kapalungan

Mr. Krause noted that the leak information was documented in his July 19 report. He stated that it was apparent there was substantial damage and the vehicle had become unusable. For this reason, staff forwarded the claim to ACWA/JPIA for their review and handling. It was determined by the claimant's auto insurance company the vehicle was totaled. Reimbursement for his deductible has been paid by ACWA/JPIA. As indicated, the claim has been paid by ACWA/JPIA, therefore as a formality and procedure, ACWA/JPIA requests the Board deny any and all claims arising from Mr. Kapalungan's claim.

Director Ewing made a motion to deny any and all claims arising from Mr. Kapalungan's claim. After a second by Vice President Stuart, the motion carried unanimously (Director Oygur absent).

17572. President Cioffi asked General Manager Krause to present staff's request to enter into a Memorandum of Understanding with United Way of the Desert to establish a Customer Assistance Program.

Request Approval –  
 MOU with United Way  
 of the Desert for  
 Customer Assistance  
 Program

Mr. Krause stated United Way of the Desert (UWD) manages customer assistance programs for Mission Springs Water District and Coachella Water Authority. DWA staff has worked with UWD on a framework for a similar fund, which would be supported by employee, business and community contributions.

Continuing his report, Mr. Krause noted that eligible customers would receive a \$50 credit on a water bill available once per year. Customers who express financial hardship will be directed to UWD to substantiate their financial need based on income qualifications detailed in the MOU. Once approved, UWD would contact DWA and staff would credit the approved customer's account. UWD and DWA would keep a list of the program participants. If approved, the program would be publicized and available to customers starting in October. Staff recommends the Board authorize the Agency to enter into a MOU with UWD to establish a customer assistance program to be funded through employee, business and community contributions.

In response to Vice President Stuart, Mr. Krause stated DWA would pay UWD a monthly administrative fee. UWD has indicated that this fee may be waived during months there are no applicants.

Vice President Stuart made a motion to approve staff's recommendation. After a second by Secretary-Treasurer Bloomer, the motion passed unanimously (Director Oygur absent).

17573. President Cioffi stated Director Ewing is currently serving on ACWA's Groundwater Committee. The Committee meets four times a year, two of which occur at the Spring and Fall conferences, and one in Northern California and the other in Southern California. The next meeting

will be held in Tulare.

Director Ewing stated there might be subcommittees formed which he may be interested.

President Cioffi requested Director Ewing to bring back to the Board for authorization any request for subcommittee participation.

Vice President Stuart made a motion to approve Director Ewing's attendance and expense reimbursements for attendance at ACWA Groundwater Committee meetings. After a second by President Cioffi, the motion carried unanimously (Director Oygard absent).

17574. President Cioffi asked General Manager Krause to provide an update on the San Geronio Pass SGMA.

Mr. Krause stated the Sustainable Ground Water Management Act (SGMA) requires that the entire area of a groundwater basin that is classified as either high or medium priority shall be covered by one or more Groundwater Sustainability Agency (GSA). DWA boundary overlies a portion of the San Geronio Pass Subbasin (SGPS) is classified as medium priority, and as such needs to be covered by one or more GSA's. DWA is currently working with City of Banning, High Valleys Water District, Cabazon Water District, Mission Springs Water District, and Morongo Band of Mission Indians (MBMI) to fulfill the requirements of SGMA within the SGPS. As such, the group excluding Morongo Band of Mission Indians and DWA has elected to form and be governed by a single GSA. The establishment of this GSA will be under a memorandum of agreement (MOA). An executive committee will oversee this GSA with members from the City of Banning, High Valleys Water District, Cabazon Water District, and Mission Springs Water District. A majority vote will determine decisions for this GSA. Said GSA will govern areas within the GSA's member areas.

Continuing his report, Mr. Krause stated that DWA will be outside the governing influence of above-mentioned GSA. Thus, DWA will be able to maintain its statutory right within its boundaries as the exclusive local agency with the power to comply with SGMA. To preserve its right, DWA has formed a separate GSA and intends to enter into an MOU with the above-mentioned GSA. It is important for DWA to maintain its interest in the SGPS. Currently, MSWD owns and operates two wells within DWA's boundary that overlies the SGPS.

Concluding his report, Mr. Krause noted that MBMI, which encompasses approximately 65% of the SGPS, has determined it will not formally participate in SGMA. MBMI does plan to move forward on updating its water resource planning documents. Only 35% of the basin falls under the SGMA regulations.

#### Action Items:

(Cont.)  
Request Board  
Approval-Director  
Ewing's ACWA G/W  
Comm. Mtgs. &  
Expense  
Reimbursements

#### Items for Discussion:

San Geronio Pass  
SGMA Update

17575. President Cioffi noted that Board packets included media and public information reports for August 2016.

**Discussion Items:**

(Cont.)

**Public Information – August 2016**

Conservation  
Coupon/Turf Buy Back  
Funding

Mrs. Metzger noted the Agency has a new conservation coupon for leak detection, which is available through all Coachella Valley water agencies. She also stated there is still turf buy back funding for residential customers.

17576. At 9:23 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; (D) Existing Litigation, pursuant to Government Code Section 54956.9 (d) (1), Mission Springs Water District vs. Desert Water Agency; and (E) Real Property Negotiators, pursuant to Government Code Section 54956.8, Property-APN 502-560-038, Agency Negotiators: Mark S. Krause, General Manager and Steven L. Johnson, Assistant General Manager, Negotiating Parties: Chris Thomsen, New Mesquite HOA, Under Negotiation: Price and terms of possible acquisition.

**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  
D. Existing Litigation – MSWD vs. DWA  
E. Real Property Negotiators

17577. At 10:35 a.m., President Cioffi reconvened the meeting into open session and announced there was no reportable action.

**Reconvene – No Reportable Action**

17578. In the absence of any further business, President Cioffi adjourned the meeting at 10:36 a.m.

**Adjournment**

\_\_\_\_\_  
James Cioffi, President

ATTEST:

\_\_\_\_\_  
Kristin Bloomer, Secretary-Treasurer

## GENERAL MANAGER'S REPORT SEPTEMBER 20, 2016

---

On September 7 at approximately 11:15 a.m., Assistant Construction Superintendent Kuhlman responded to a leak on West Cerritos Dr. north of Andreas Rd. The leak was caused by the street grinder hitting the top of a four inch water main causing several gashes. The grinder also damaged a service line a couple of feet away. DWA's crew shut down the water main and flexed a new piece of pipe to repair the water main and repair the service. Staff filled out a damage report and will bill Matich (contractor).



**United Way Campaign** - On September 15, United Way of the Desert held its Kick Off Luncheon and Awards ceremony. For the 6th year in a row, DWA was awarded the **Platinum Award**. And, since its inception, DWA continues as the **Water Challenge Winners!!!** Congratulations to the Board and staff for their continued generosity.



### General Manager's Meetings and Activities

#### Meetings:

- 09/07/16 SGMA Indio Subbasin Alternative Plan "Interested Party Meeting" – CVWD
- 09/07/16 SGMA Mission Creek Subbasin Alternative Plan "Interested Party Meeting" – CVWD
- 09/08/16 SGMA San Geronio Pass Subbasin Monthly Meeting – Morongo Indians Amin. Bldg.
- 09/08/16 BB&K Conference Call with Joe Ortiz - Personnel Issues – DWA
- 09/13/16 DWA Executive Committee Meeting – DWA
- 09/14/16 SWC's State Water Project Contractor Authority Board Meeting – Sacramento  
Delta Committee Update  
Cal WaterFix Update – Mark Cowin  
Site's Reservoir Update – Jim Watson  
Policy Dinner Meeting
- 09/15/16 SWC's Monthly Board Meeting  
SWC's State Water Project Contractors Authority Board Meeting
- 09/16/16 SGMA Mission Creek Subbasin Conference call with San Bernardino County  
Administrations Office
- 09/16/16 Cyber Audit, Meeting with BLD Datalinks – DWA

#### Activities:

- United Way of The Desert – DWA Customer Assistance Program



**Minutes**  
**Executive Committee Meeting**  
September 13, 2016

---

**Directors Present:** Jim Cioffi, Joe Stuart

**Staff Present:** Mark Krause, Martin Krieger, Steve Johnson

**1. Discussion Items**

A. Review Agenda for September 20, 2016 Regular Board Meeting

The proposed agenda for the September 20, 2016 regular board meeting was reviewed.

B. Expense Reports

The August reports were reviewed.

C. NWRA Annual Conference – November 14-16, 2016

The Committee and staff discussed which Board Members were interested in attending this conference as it occurs during the second Board meeting in November. It will be left to the pleasure of the Board to cancel the November 15 meeting

**2. Other**

- A. The Building Industry Association's luncheon on September 20 was discussed. The Committee decided the Agency would pay registration costs for Board Members wishing to attend.

**3. Adjourn**



DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

OPERATING ACCOUNT

AUGUST 2016

INVESTED  
RESERVE FUNDS  
\$11,629,520.60

|                                   |                 |                       |                 |
|-----------------------------------|-----------------|-----------------------|-----------------|
| BALANCE                           | AUGUST 1, 2016  | (\$507,683.45)        |                 |
| WATER SALES                       |                 | \$2,413,186.78        |                 |
| RECLAMATION SALES                 |                 | 125,195.82            |                 |
| WASTEWATER RECEIPTS               |                 | 81,522.39             |                 |
| POWER SALES                       |                 | 5,900.53              |                 |
| METERS, SERVICES, ETC.            |                 | 171,721.00            |                 |
| REIMBURSEMENT – GENERAL FUND      |                 | 101,042.04            |                 |
| REIMBURSEMENT – WASTEWATER FUND   |                 | 4,347.06              |                 |
| ACCOUNTS RECEIVABLE – OTHER       |                 | 15,144.40             |                 |
| CUSTOMER DEPOSITS – SURETY        |                 | 6,600.00              |                 |
| CUSTOMER DEPOSITS – CONST.        |                 | 53,488.00             |                 |
| LEASE REVENUE                     |                 | 3,368.43              |                 |
| INTEREST RECEIVED ON INV. FDS.    |                 | 3,750.00              |                 |
| FRONT FOOTAGE FEES                |                 | 0.00                  |                 |
| BOND SERVICE & RESERVE FUND INT   |                 | 0.00                  |                 |
| MISCELLANEOUS                     |                 | 195,872.72            |                 |
|                                   |                 |                       |                 |
| TOTAL RECEIPTS                    |                 | \$3,181,139.17        |                 |
| PAYMENTS                          |                 |                       |                 |
| PAYROLL CHECKS                    |                 | \$317,207.82          |                 |
| PAYROLL TAXES                     |                 | 236,599.78            |                 |
| ELECTRONIC TRANSFERS              |                 | 118,072.25            |                 |
| CHECKS UNDER \$10,000.00          |                 | 300,504.55            |                 |
| CHECKS OVER \$10,000.00 – SCH. #1 |                 | 869,478.46            |                 |
| CANCELLED CHECKS AND FEES         |                 | 11,134.02             |                 |
|                                   |                 |                       |                 |
| TOTAL PAYMENTS                    |                 | <u>\$1,852,996.88</u> |                 |
| NET INCOME                        |                 | \$1,328,142.29        |                 |
| 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                     |                 | \$1,000,000.00        |                 |
| FUNDS INVESTED – SCH. #3          |                 | 2,275,000.00          |                 |
|                                   |                 |                       |                 |
| NET TRANSFER                      |                 | (\$1,275,000.00)      | \$1,275,000.00  |
|                                   |                 |                       |                 |
| BALANCE                           | AUGUST 31, 2016 | (\$454,541.16)        | \$12,904,520.60 |

OPERATING ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

| CHECK # | NAME                             | DESCRIPTION  | AMOUNT              |
|---------|----------------------------------|--|---------------------|
| 112310  | BADGER METER INC                 | WATER SERVICE SUPPLIES                                     | \$25,920.00         |
| 112315  | CLINICAL LAB OF SAN BERNARDINO   | LABORATORY SAMPLES   | \$10,117.00         |
| 112329  | GLOVE CONNECTION                 | SAFETY EQUIPMENT & SUPPLIES                                | \$12,096.28         |
| 112341  | JCI JONES CHEMICALS INC          | CHLORINE PURCHASES   | \$11,914.05         |
| 112345  | MCKEEVER WATERWELL & PUMP INC    | MAINTENANCE - WELL #33                                     | \$20,383.00         |
| 112349  | NATIONAL SAFETY SERVICES INC     | CONFINED SPACE TRAILER - (W/O #16-165-M)                   | \$24,988.13         |
| 112392  | Z&L PAVING, INC                  | PAVING   | \$10,829.00         |
| 112406  | NATIONAL SAFETY SERVICES INC     | CONFINED SPACE TRAILER - (W/O #16-165-M)                   | \$11,952.33         |
| 112411  | ACWA-JPIA                        | HEALTH,DENTAL & VISION INSURANCE PREMIUMS - SEPTEMBER 2016 | \$151,219.62        |
| 112414  | AHERN*ADCOCK*DEVILIN LLP         | PROGRESS PAYMENT - FISCAL 2015/2016 AUDIT                  | \$31,405.00         |
| 112415  | NBS GOVERNMENT FINANCE CORP      | CONSULTING SERVICES  | \$14,818.75         |
| 112416  | DESERT WATER AGENCY - WASTEWATER | WASTEWATER REVENUE BILLING - JULY 2016                     | \$82,340.23         |
| 112432  | BACKFLOW APPARATUS & VALVE CO    | WATER SERVICE SUPPLIES                                     | \$15,454.57         |
| 112434  | BEST BEST & KRIEGER LLP          | LEGAL FEES   | \$39,168.35         |
| 112437  | BRITHINEE ELECTRIC INC           | WELL MAINTENANCE & SUPPLIES                                | \$18,434.20         |
| 112457  | DOWN TO EARTH LANDSCAPING        | LANDSCAPE MAINTENANCE                                      | \$28,418.38         |
| 112458  | ECOWISE LANDCARE                 | SMART CONTROLLER INSTALLATIONS                             | \$12,754.68         |
| 112478  | INLAND WATER WORKS SUPPLY CO     | WATER SERVICE SUPPLIES                                     | \$19,438.21         |
| 112479  | J COLON COATINGS INC             | CONTRACT PAYMENT - RESERVOIR MAINTENANCE                   | \$42,850.00         |
| 112480  | JCI JONES CHEMICALS INC          | CHLORINE PURCHASES   | \$18,510.34         |
| 112483  | KRIEGER & STEWART INC            | ENGINEERING  | \$35,003.78         |
| 112518  | SOUTHERN CALIFORNIA EDISON CO    | POWER  | \$70,799.04         |
| 112528  | USA BLUEBOOK                     | WELL 36 - CHLORINE BUILDING - (W/O #15-136-C-36)           | \$34,437.24         |
| 112535  | Z&L PAVING, INC                  | PAVING   | \$35,235.00         |
| 112537  | AMERICANA GARDENS                | TURF BUY BACK PROGRAM                                      | \$27,095.28         |
| 112539  | SUNFLOWER CONDO ASSOCIATION      | TURF BUY BACK PROGRAM                                      | \$16,016.00         |
| 112540  | WAVERLY PARK HOA                 | TURF BUY BACK PROGRAM                                      | \$20,000.00         |
| 112541  | CITY OF PALM SPRINGS             | TURF BUY BACK PROGRAM                                      | \$27,880.00         |
|         |                                  | <b>TOTAL</b>   | <b>\$869,478.46</b> |

**DESERT WATER AGENCY  
OPERATING FUND - LISTING OF INVESTMENTS  
AUGUST 31, 2016**

| PURCH 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 | \$ 11,149,820.60 | \$ 11,149,820.60 | \$ 11,149,820.60 | 0.620% | - |
|----------|---------------------|------|------|------------------|------------------|------------------|--------|---|

**Certificates of Deposit**

|          |            |                 |          |               |               |               |        |        |
|----------|------------|-----------------|----------|---------------|---------------|---------------|--------|--------|
| 09-28-15 | Union Bank | Capital Bank CD | 09-28-17 | \$ 250,000.00 | \$ 250,000.00 | \$ 251,147.50 | 1.050% | Bullet |
| 01-15-16 | Union Bank | Union Bank CD   | 01-13-17 | \$ 500,000.00 | \$ 500,000.00 | \$ 499,830.00 | 0.830% | Bullet |

|                               |               |               |               |
|-------------------------------|---------------|---------------|---------------|
| Total Certificates of Deposit | \$ 750,000.00 | \$ 750,000.00 | \$ 750,977.50 |
|-------------------------------|---------------|---------------|---------------|

**Commercial Paper**

|          |            |                  |          |                 |                 |                 |        |        |
|----------|------------|------------------|----------|-----------------|-----------------|-----------------|--------|--------|
| 04-30-12 | Union Bank | General Electric | 04-27-17 | \$ 1,004,700.00 | \$ 1,000,000.00 | \$ 1,008,430.00 | 2.300% | Bullet |
|----------|------------|------------------|----------|-----------------|-----------------|-----------------|--------|--------|

|                        |                 |                 |                 |
|------------------------|-----------------|-----------------|-----------------|
| Total Commerical Paper | \$ 1,004,700.00 | \$ 1,000,000.00 | \$ 1,008,430.00 |
|------------------------|-----------------|-----------------|-----------------|

**Government Agency**

|                         |      |      |      |
|-------------------------|------|------|------|
| Total Government Agency | \$ - | \$ - | \$ - |
|-------------------------|------|------|------|

Weighted Mean YTM 0.766%

|                           |                  |                  |                  |
|---------------------------|------------------|------------------|------------------|
| TOTAL INVESTED @ 08/31/16 | \$ 12,904,520.60 | \$ 12,899,820.60 | \$ 12,909,228.10 |
| BALANCE @ 06/30/16        | \$ 12,488,311.86 |                  |                  |
| INCREASE (DECREASE)       | \$416,208.74     |                  |                  |

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

GENERAL ACCOUNT

AUGUST 2016

INVESTED  
RESERVE FUNDS  
\$107,191,629.03

BALANCE                      AUGUST 1, 2016                      (\$3,041,352.25)

|                                 |            |
|---------------------------------|------------|
| * TAXES - RIVERSIDE COUNTY      | 464,018.50 |
| * INTEREST EARNED - INV. FUNDS  | 33,232.79  |
| GROUNDWATER REPLEN. ASSESSMENT  | 81,720.62  |
| REIMBURSEMENT - OPERATING FUND  | 0.00       |
| REIMBURSEMENT - CVWD MGMT AGRMT | 0.00       |
| STATE WATER PROJECT REFUNDS     | 113,726.00 |
| REIMB - CVWD - WHITEWATER HYDRO | 3,286.41   |
| POWER SALES - WHITEWATER        | 48,259.62  |
| MISCELLANEOUS                   | 1,300.00   |

TOTAL RECEIPTS                      \$745,543.94

PAYMENTS

|                                   |              |
|-----------------------------------|--------------|
| CHECKS UNDER \$10,000.00          | 20,355.83    |
| CHECKS OVER \$10,000.00 - SCH. #1 | 1,255,194.04 |
| CANCELLED CHECKS AND FEES         | 0.00         |

TOTAL PAYMENTS                      \$1,275,549.87

NET INCOME                      (\$530,005.93)

INVESTED RESERVE FUNDS

|                          |               |
|--------------------------|---------------|
| FUNDS MATURED            | 11,015,700.00 |
| FUNDS INVESTED – SCH. #2 | 8,000,000.00  |

NET TRANSFER                      \$3,015,700.00                      (\$3,015,700.00)

BALANCE      AUGUST 31, 2016                      (\$555,658.18)                      \$104,175,929.03

\* INCLUSIVE TO DATE

|                           | TAXES           | INTEREST     |
|---------------------------|-----------------|--------------|
| RECEIPTS IN FISCAL YEAR   | \$829,795.89    | \$154,606.16 |
| RECEIPTS IN CALENDAR YEAR | \$17,576,473.31 | \$632,515.74 |

DESERT WATER AGENCY  
GENERAL ACCOUNT

SCHEDULE #1-CHECKS OVER \$10,000

| CHECK # | NAME                                  | DESCRIPTION                                | AMOUNT       |
|---------|---------------------------------------|--|--------------|
| 8786    | STATE OF CA. DEPT. OF WATER RESOURCES | STATE WATER PROJECT ENTITLEMENT - MAY 2016 | \$500,438.00 |
| 8792    | DESERT WATER AGENCY-OPERATING         | P/R & EXP REIMBURSEMENT FOR JULY 2016      | \$101,042.04 |
| 8793    | STATE OF CA. DEPT. OF WATER RESOURCES | STATE WATER PROJECT - AUGUST 2016          | \$653,714.00 |

\*\*\* TOTAL

\$1,255,194.04

**DESERT WATER AGENCY  
GENERAL FUND - LISTING OF INVESTMENTS  
AUGUST 31, 2016**

| 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 | \$ 52,119,459.03 | \$ 52,119,459.03 | \$ 52,119,459.03 | 0.620% |  |
|----------|---------------------|------|------|------------------|------------------|------------------|--------|--|

**Certificates of Deposit**

|          |                    |                                  |          |                 |                 |                 |        |        |
|----------|--------------------|----------------------------------|----------|-----------------|-----------------|-----------------|--------|--------|
| 01-25-13 | Union Bank         | General Electric Capital Bank CD | 01-25-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,003,710.00 | 1.100% | Bullet |
| 12-04-14 | Ladenburg Thalmann | AEX Centurion Bank CD            | 12-05-16 | \$ 245,000.00   | \$ 245,000.00   | \$ 245,185.71   | 1.050% | Bullet |
| 09-28-15 | Union Bank         | Capital Bank CD                  | 09-28-17 | \$ 250,000.00   | \$ 250,000.00   | \$ 251,147.50   | 1.050% | Bullet |
| 10-07-15 | Ladenburg Thalmann | Goldman Sachs CD                 | 04-07-18 | \$ 245,000.00   | \$ 245,000.00   | \$ 246,030.71   | 1.350% | Bullet |
| 10-29-15 | Ladenburg Thalmann | Ally Bank CD                     | 10-30-17 | \$ 245,000.00   | \$ 245,000.00   | \$ 245,333.93   | 1.150% | Bullet |
| 11-04-15 | Ladenburg Thalmann | Capital One NA CD                | 11-06-17 | \$ 245,000.00   | \$ 245,000.00   | \$ 245,197.47   | 1.100% | Bullet |
| 11-04-15 | Ladenburg Thalmann | Discover CD                      | 11-06-17 | \$ 245,000.00   | \$ 245,000.00   | \$ 245,339.32   | 1.150% | Bullet |
| 01-15-16 | Union Bank         | Union Bank CD                    | 01-13-17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,660.00   | 0.830% | Bullet |

Total Certificates of Deposit    \$    3,475,000.00    \$    3,475,000.00    \$    3,481,604.64

**Commercial Paper**

|          |                    |                                  |          |                 |                 |                 |        |        |
|----------|--------------------|----------------------------------|----------|-----------------|-----------------|-----------------|--------|--------|
| 12-16-13 | Stifel             | General Electric                 | 05-15-18 | \$ 587,600.00   | \$ 500,000.00   | \$ 540,440.00   | 6.300% | Bullet |
| 04-27-15 | Ladenburg Thalmann | Apple Inc.                       | 05-03-18 | \$ 997,920.00   | \$ 1,000,000.00 | \$ 1,000,005.00 | 1.000% | Bullet |
| 02-01-16 | Union Bank         | US Bank Note (Callable 12-29-17) | 01-29-18 | \$ 1,000,950.00 | \$ 1,000,000.00 | \$ 1,005,360.00 | 1.450% | 1 Time |

Total Commercial Paper    \$    2,586,470.00    \$    2,500,000.00    \$    2,545,805.00

**Government Agency**

|          |                    |                                |          |                 |                 |                 |        |            |
|----------|--------------------|--------------------------------|----------|-----------------|-----------------|-----------------|--------|------------|
| 09-19-12 | Stifel (D.A.D)     | FNMA                           | 09-19-17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,810.00   | 0.950% | 1 Time     |
| 10-03-12 | Stifel (D.A.D)     | FNMA                           | 10-03-16 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,160.00 | 0.650% | 1 Time     |
| 12-28-12 | Stifel (D.A.D)     | FHLB (Callable Continuous)     | 12-28-17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 998,760.00   | 0.840% | Continuous |
| 03-12-13 | Stifel (D.A.D)     | FFCB (Callable Continuous)     | 03-12-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 998,600.00   | 1.030% | Continuous |
| 03-27-13 | Ladenburg Thalmann | FNMA (Callable 9-27-16)        | 03-27-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 998,810.00   | 1.050% | Qtrly      |
| 06-13-13 | Ladenburg Thalmann | FHLB (Callable 9-13-16)        | 06-13-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,080.00 | 1.100% | Qtrly      |
| 09-29-14 | Union Bank         | FHLMC                          | 09-29-16 | \$ 1,500,000.00 | \$ 1,500,000.00 | \$ 1,500,360.00 | 0.650% | 1 Time     |
| 06-23-15 | Ladenburg Thalmann | FHLMC                          | 06-23-17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,002,041.00 | 0.900% | 1 Time     |
| 10-02-15 | Stifel             | FHLB (Callable 10-2-17)        | 10-02-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,004,160.00 | 1.450% | Continuous |
| 10-29-15 | Stifel             | FHLB (Callable Continuous)     | 10-29-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,020.00 | 1.120% | Continuous |
| 11-23-15 | Ladenburg Thalmann | FHLMC (Callable 11-23-16)      | 05-23-18 | \$ 996,000.00   | \$ 1,000,000.00 | \$ 999,570.00   | 1.000% | Qtrly      |
| 11-25-15 | Stifel             | FNMA (Callable 11-25-16)       | 11-25-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,910.00 | 1.500% | Qtrly      |
| 02-26-16 | Ladenburg Thalmann | FNMA (Callable 11-26-16)       | 02-26-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,550.00   | 1.250% | Qtrly      |
| 03-23-16 | Ladenburg Thalmann | FNMA (Callable 9-23-16)        | 03-23-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,140.00 | 1.500% | Qtrly      |
| 03-30-16 | Stifel             | FNMA STEP (Callable 9-30-16)   | 03-30-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,050.00 | 1.350% | Qtrly      |
| 03-30-16 | Stifel             | FHLMC STEP (Callable 9-30-16)  | 03-30-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,250.00   | 1.250% | Qtrly      |
| 04-14-16 | Ladenburg Thalmann | FHLMC STEP (Callable 10-14-16) | 04-14-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,757.00 | 1.500% | Qtrly      |
| 04-26-16 | Ladenburg Thalmann | FHLB (Callable Continuous)     | 10-26-20 | \$ 999,500.00   | \$ 1,000,000.00 | \$ 1,000,010.00 | 1.550% | Continuous |
| 04-28-16 | Ladenburg Thalmann | FHLMC (Callable 10-28-16)      | 01-28-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,001,348.00 | 1.700% | Qtrly      |
| 04-28-16 | Union Bank         | FHLMC (Callable 10-28-16)      | 01-28-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,220.00 | 1.400% | Qtrly      |
| 05-23-16 | Stifel             | FHLMC STEP (Callable 11-23-16) | 05-23-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,120.00 | 0.800% | Qtrly      |

**DESERT WATER AGENCY  
GENERAL FUND - LISTING OF INVESTMENTS  
AUGUST 31, 2016**

| PURCHASE DATE | NAME | DESCRIPTION | MATURITY DATE | COST | PAR VALUE | MARKET VALUE | YIELD TO MATURITY | CALLABLE STATUS |
|---------------|------|-------------|---------------|------|-----------|--------------|-------------------|-----------------|
|---------------|------|-------------|---------------|------|-----------|--------------|-------------------|-----------------|

**Government Agency**

|          |                     |                                |          |                 |                 |                 |        |            |
|----------|---------------------|--------------------------------|----------|-----------------|-----------------|-----------------|--------|------------|
| 05-23-16 | Ladenburg Thalmann  | FHLMC (Callable 11-23-16)      | 11-16-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,730.00 | 1.200% | Qtrly      |
| 05-23-16 | Stifel              | FNMA (Callable 11-23-16)       | 08-23-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | 1.250% | Qtrly      |
| 05-25-16 | Stifel              | FNMA STEP (Callable 11-25-16)  | 05-25-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,780.00   | 1.000% | Qtrly      |
| 05-26-16 | Union Bank          | FNMA (Callable 5-26-17)        | 11-26-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,003,040.00 | 1.300% | 1 Time     |
| 05-31-16 | Ladenburg Thalmann  | FHLMC (Callable 11-29-16)      | 08-29-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,434.00   | 1.020% | Qtrly      |
| 06-01-16 | Stifel              | FFCB (Callable 9-1-16)         | 03-01-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,010.00 | 1.250% | Continuous |
| 06-13-16 | Ladenburg Thalmann  | FNMA (Callable 12-13-16)       | 06-13-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,001,060.00 | 1.400% | Qtrly      |
| 06-16-16 | Stifel              | FFCB (Callable 9-16-16)        | 03-16-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,530.00   | 1.400% | Continuous |
| 06-21-16 | Stifel              | FHLMC STEP (Callable 12-21-16) | 06-21-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,001,020.00 | 1.400% | Qtrly      |
| 06-28-16 | Stifel              | FHLMC STEP (Callable 12-28-16) | 06-28-19 | \$ 1,500,000.00 | \$ 1,500,000.00 | \$ 1,499,025.00 | 0.750% | Qtrly      |
| 06-28-16 | Ladenburg Thalmann  | FNMA (Callable 12-28-16)       | 06-28-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,980.00   | 1.200% | Qtrly      |
| 06-30-16 | Union Bank          | FHLMC (Callable 9-30-16)       | 03-30-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,030.00 | 1.500% | Qtrly      |
| 06-30-16 | Stifel              | FHLMC STEP (Callable 9-30-16)  | 12-30-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,030.00 | 1.000% | Qtrly      |
| 07-07-16 | Ladenburg Thalmann  | FFCB (Callable 10-7-16)        | 01-07-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 996,870.00   | 1.000% | Continuous |
| 07-11-16 | Ladenburg Thalmann  | FHLB (Callable 1-11-17)        | 10-11-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 996,990.00   | 1.125% | Continuous |
| 07-11-16 | Ladenburg Thalmann  | FHLB (Callable 10-11-16)       | 07-11-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 992,890.00   | 1.125% | Qtrly      |
| 07-13-16 | Union Bank          | FFCB (Callable 10-13-16)       | 01-13-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 995,310.00   | 1.240% | Continuous |
| 07-26-16 | Ladenburg Thalmann  | FNMA (Callable 10-26-16)       | 07-26-19 | \$ 999,500.00   | \$ 1,000,000.00 | \$ 995,190.00   | 1.125% | Qtrly      |
| 07-27-16 | Stifel              | FNMA STEP (Callable 1-27-17)   | 07-27-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 996,080.00   | 1.250% | Qtrly      |
| 08-10-16 | Ladenburg Thalmann  | FHLMC (Callable 11-10-16)      | 08-10-20 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,349.00   | 1.450% | Qtrly      |
| 08-24-16 | Ladenburg Thalmann  | FHLMC STEP (Callable 2-24-17)  | 08-24-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 997,986.00   | 1.000% | Qtrly      |
| 08-24-16 | RBC Capital Markets | FHLMC STEP (Callable 2-24-17)  | 08-24-18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,460.00   | 0.750% | Qtrly      |
| 08-30-16 | Stifel              | FHLMC STEP (Callable 11-30-16) | 08-30-21 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 998,900.00   | 1.000% | Qtrly      |
| 08-30-16 | Ladenburg Thalmann  | FNMA (Callable 02-27-17)       | 11-27-19 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | 1.250% | Qtrly      |

Total Government Agency \$ 45,995,000.00 \$ 46,000,000.00 \$ 45,977,420.00

Weighted Mean YTM 0.910%

TOTAL INVESTED @ 08/31/16 \$ 104,175,929.03 \$ 104,094,459.03 \$ 104,124,288.67

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

INCREASE OR (DECREASE) \$ (2,992,421.34)

DESERT WATER AGENCY  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

WASTEWATER ACCOUNT

AUGUST 2016

|                                   |                 |                    | INVESTED<br>RESERVE FUNDS |
|-----------------------------------|-----------------|--------------------|---------------------------|
| BALANCE                           | AUGUST 1, 2016  | \$5,154.73         | \$1,033,436.16            |
| ACCOUNTS RECEIVABLE - OTHER       |                 | \$0.00             |                           |
| CUSTOMER DEPOSITS - CONSTRUCTION  |                 | 0.00               |                           |
| INTEREST EARNED - INVESTED FUNDS  |                 | 35.18              |                           |
| WASTEWATER REVENUE                |                 | 82,340.23          |                           |
| SEWER CAPACITY CHARGES            |                 | 3,734.20           |                           |
| MISCELLANEOUS                     |                 | 0.00               |                           |
|                                   |                 | <hr/>              |                           |
| TOTAL RECEIPTS                    |                 | \$86,109.61        |                           |
| PAYMENTS                          |                 |                    |                           |
| CHECKS UNDER \$10,000.00          |                 | \$12,278.89        |                           |
| CHECKS OVER \$10,000.00 - SCH. #1 |                 | 50,668.59          |                           |
| CANCELLED CHECKS AND FEES         |                 | 0.00               |                           |
|                                   |                 | <hr/>              |                           |
| TOTAL PAYMENTS                    |                 | <u>\$62,947.48</u> |                           |
| NET INCOME                        |                 | \$23,162.13        |                           |
| INVESTED RESERVE FUNDS            |                 |                    |                           |
| FUNDS MATURED                     |                 | \$0.00             |                           |
| FUNDS INVESTED – SCH. #2          |                 | 25,000.00          |                           |
|                                   |                 | <hr/>              |                           |
| NET TRANSFER                      |                 | (\$25,000.00)      | \$25,000.00               |
|                                   |                 | <hr/>              |                           |
| BALANCE                           | AUGUST 31, 2016 | \$3,316.86         | \$1,058,436.16            |



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

| CHECK #  | NAME                            | DESCRIPTION                              | AMOUNT      |
|----------|---------------------------------|--|-------------|
| 2450     | COACHELLA VALLEY WATER DISTRICT | WASTEWATER REVENUE BILLING FOR JULY 2016 | \$50,668.59 |
| == TOTAL |                                 |  | \$50,668.59 |

**DESERT WATER AGENCY  
WASTEWATER FUND - LISTING OF INVESTMENTS  
AUGUST 31, 2016**

| PURCH DATE | NAME | DESCRIPTION | MATURITY DATE | COST | PAR VALUE | MARKET VALUE | YIELD TO MATURITY |
|------------|------|-------------|---------------|------|-----------|--------------|-------------------|
|------------|------|-------------|---------------|------|-----------|--------------|-------------------|

|                              |
|------------------------------|
| Local Agency Investment Fund |
|------------------------------|

|          |                     |      |      |                 |                 |                 |        |
|----------|---------------------|------|------|-----------------|-----------------|-----------------|--------|
| 06-30-83 | State of California | LAIF | Open | \$ 1,058,436.16 | \$ 1,058,436.16 | \$ 1,058,436.16 | 0.620% |
|----------|---------------------|------|------|-----------------|-----------------|-----------------|--------|

|                           |                 |                 |                 |
|---------------------------|-----------------|-----------------|-----------------|
| TOTAL INVESTED @ 08/31/16 | \$ 1,058,436.16 | \$ 1,058,436.16 | \$ 1,058,436.16 |
| BALANCE @ 06/30/16        | \$ 1,027,031.01 |                 |                 |
| INCREASE OR (DECREASE)    | \$ 31,405.15    |                 |                 |

DESERT WATER AGENCY - OPERATING FUND  
COMPARATIVE EARNINGS STATEMENT

| MONTH 16-17<br>AUGUST      | THIS MONTH   |              | BUDGET       |              | FISCAL YEAR TO DATE |              | BUDGET       |           | YTD |  | PCT |
|----------------------------|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|-----------|-----|--|-----|
|                            | THIS YEAR    | LAST YEAR    | BUDGET       | THIS YEAR    | LAST YEAR           | BUDGET       | THIS YEAR    | LAST YEAR | YTD |  |     |
| OPERATING REVENUES         |              |              |              |              |                     |              |              |           |     |  |     |
| WATER SALES                | 2,464,765.33 | 2,178,184.60 | 2,084,475.00 | 4,853,203.24 | 4,364,698.74        | 4,313,225.00 | 539,978.24   | 13        |     |  |     |
| RECLAMATION SALES          | 165,366.77   | 154,739.99   | 151,200.00   | 313,762.51   | 318,279.05          | 307,700.00   | 6,062.51     | 2         |     |  |     |
| POWER SALES                | 5,900.53     | 3,764.15     | 1,750.00     | 8,611.78     | 5,402.15            | 3,500.00     | 5,111.78     | 146       |     |  |     |
| OTHER OPER REVENUE         | 141,934.50   | 136,564.46   | 108,000.00   | 194,025.75   | 297,979.41          | 208,500.00   | 14,474.25    | 7-        |     |  |     |
| TOTAL OPER REVENUES        | 2,777,967.13 | 2,473,253.20 | 2,345,425.00 | 5,369,603.28 | 4,986,359.35        | 4,832,925.00 | 536,678.28   | 11        |     |  |     |
| OPERATING EXPENSES         |              |              |              |              |                     |              |              |           |     |  |     |
| SOURCE OF SUPPLY EXP       | 17,085.32    | 11,708.86    | 27,083.00    | 27,904.95    | 26,469.91           | 54,166.00    | 26,261.05    | 48-       |     |  |     |
| PUMPING EXPENSE            | 133,012.49   | 364,925.07   | 405,575.00   | 429,447.34   | 652,498.95          | 859,150.00   | 429,702.66   | 50-       |     |  |     |
| REGULATORY WATER TREAT     | 42,572.47    | 41,512.64    | 42,100.00    | 75,507.78    | 76,584.75           | 84,200.00    | 8,692.22     | 10-       |     |  |     |
| TRANS & DIST EXPENSE       | 262,970.01   | 237,783.66   | 287,092.00   | 418,939.49   | 322,073.95          | 574,184.00   | 155,244.51   | 27-       |     |  |     |
| CUSTOMER ACT EXPENSE       | 70,519.36    | 74,595.66    | 74,025.00    | 133,451.53   | 134,269.25          | 148,050.00   | 14,598.47    | 10-       |     |  |     |
| ADMIN & GEN EXPENSE        | 686,255.25   | 565,660.43   | 685,225.00   | 2,116,118.10 | 1,938,663.71        | 2,181,550.00 | 65,431.90    | 3-        |     |  |     |
| REGULATORY EXPENSE         | 5,111.72     | 2,717.10     | 16,992.00    | 22,944.37    | 15,332.49           | 33,984.00    | 11,039.63    | 32-       |     |  |     |
| SNOW CREEK HYDRO EXP       | 1,577.65     | 3,396.28     | 3,400.00     | 4,580.98     | 5,543.58            | 6,800.00     | 2,219.02     | 33-       |     |  |     |
| RECLAMATION PLNT EXP       | 73,224.68    | 132,521.76   | 66,800.00    | 104,573.19   | 125,585.58          | 133,600.00   | 29,026.81    | 22-       |     |  |     |
| SUB-TOTAL                  | 1,292,328.95 | 1,434,821.46 | 1,608,292.00 | 3,333,467.73 | 3,297,022.17        | 4,075,684.00 | 742,216.27   | 18-       |     |  |     |
| OTHER OPER EXPENSES        |              |              |              |              |                     |              |              |           |     |  |     |
| DEPRECIATION               | 462,626.81   | 450,489.68   | 459,225.00   | 924,356.78   | 900,034.84          | 918,450.00   | 5,906.78     | 1         |     |  |     |
| SERVICES RENDERED          | 10,937.76    | 15,060.98    | 13,850.00    | 17,077.56    | 33,444.75           | 27,700.00    | 10,622.44    | 38-       |     |  |     |
| DIR & INDIR CST FOR WO     | 156,918.01   | 129,278.72   | 72,750.00    | 411,754.61   | 376,660.61          | 145,500.00   | 266,254.61   | 183       |     |  |     |
| TOTAL OPER EXPENSES        | 1,608,975.51 | 1,771,093.40 | 2,008,617.00 | 3,863,147.46 | 3,853,841.15        | 4,876,334.00 | 1,013,186.54 | 21-       |     |  |     |
| NET INCOME FROM OPERATIONS | 1,168,991.62 | 702,159.80   | 336,808.00   | 1,506,455.82 | 1,132,518.20        | 43,409.00    | 1,549,864.82 | 0         |     |  |     |
| NON-OPERATING INCOME (NET) |              |              |              |              |                     |              |              |           |     |  |     |
| RENTS                      | 3,368.43     | 35,183.72    | 35,225.00    | 6,736.86     | 38,527.44           | 38,600.00    | 31,863.14    | 83-       |     |  |     |
| INTEREST REVENUES          | 8,354.35     | 7,558.18     | 8,300.00     | 16,636.70    | 15,844.69           | 16,600.00    | 36.70        | 0         |     |  |     |
| INTEREST EXP. OTHER        | 00           | 00           | 25,325.00    | 00           | 00                  | 50,650.00    | 50,650.00    | 100-      |     |  |     |
| OTHER REVENUES             | 600.00       | 1,340.00     | 00           | 840.00       | 1,912.52            | 00           | 840.00       | 0         |     |  |     |
| GAINS ON RETIREMENT        | 00           | 2,772.52     | 75.00        | 00           | 00                  | 75.00        | 75.00        | 100-      |     |  |     |
| DISCOUNTS                  | 19.74        | 25.95        | 275.00       | 20.20        | 355.43              | 550.00       | 529.80       | 96-       |     |  |     |
| LOSS ON RETIREMENTS        | 00           | 8,083.07     | 3,750.00     | 00           | 8,083.07            | 3,750.00     | 3,750.00     | 100-      |     |  |     |
| TOTAL NON-OPER INCOME      | 12,342.52    | 36,117.30    | 14,300.00    | 24,230.76    | 48,475.21           | 1,425.00     | 22,808.76    | 0         |     |  |     |
| TOTAL NET INCOME           | 1,181,334.14 | 738,277.10   | 351,608.00   | 1,530,686.58 | 1,180,993.41        | 41,984.00    | 1,572,673.58 | 0         |     |  |     |

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

**SEPTEMBER 20, 2016**

**RE: REQUEST AUTHORIZATION TO PARTICIPATE IN THE 2016-2017  
UNITED STATES GEOLOGICAL SURVEY COOPERATIVE WATER  
RESOURCES PROGRAM**

Attached for your review is a letter dated August 19, 2016 from the United States Geological Survey ("USGS"), which outlines the cost for Agency participation in the 2016-2017 Cooperative Water Resources Program. 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 cost share ratio of the program remains at 60:40 between the agencies and the USGS.

The amount requested for the 2016-2017 test year is \$82,825, which is 21% higher than last year. The variability in the cost is due to changes in federal funding for the USGS National Streamflow Information Program (NSIP). This amount covers the operation and maintenance costs for 14 gauging stations (\$77,325) and the cost of ground water and surface water quality sampling (\$5,500).

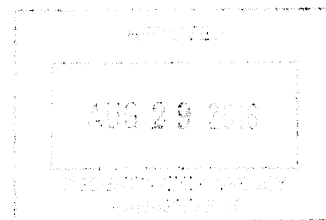
Staff wishes to continue participation in the USGS Cooperative Water Resources Program in order to maintain the monitoring of our water supplies and uses throughout the upper Coachella Valley, and requests Board approval of the Agency's participation in the 2016-2017 program in the amount of \$82,825.



# United States Department of the Interior

## U.S. GEOLOGICAL SURVEY

California Water Science Center  
6000 J Street, Placer Hall  
California State University  
Sacramento, California 95819-6129  
Phone: (916) 278-3000 Fax: (916) 278-3070  
<http://water.wr.usgs.gov>



August 19, 2016

Mr. Mark Krause, General Manager  
Desert Water Agency  
Post Office Box 1710  
Palm Springs, California 92263-1710

Dear Mr. Krause:

This letter confirms discussions between our respective staffs concerning the continuation of our cooperative water resources program between the Desert Water Agency (DWA) and the U.S. Geological Survey (USGS), for the period November 1, 2016 to October 31, 2017.

The proposed program and associated costs to DWA, Coachella Valley Water District (CVWD), Riverside County Flood Control and Water Conservation District (RCFC&WCD), and the U.S. Geological Survey (USGS) are as follows:

### Part 1. Stream-gaging program

We will continue to operate and maintain the following thirteen gaging stations:

| <u>Station number and name</u>                                    | <u>DWA<br/>Funds</u> | <u>CVWD<br/>Funds</u> | <u>RCFC<br/>&amp;WCD<br/>Funds</u> | <u>USGS<br/>Funds</u> | <u>Total<br/>Funds</u> |
|---|----------------------|-----------------------|------------------------------------|-----------------------|------------------------|
| 10256000 Whitewater River at<br>Whitewater <sup>1</sup>           | \$ 1,950             | \$ 1,950              | \$ -0-                             | \$ -0-                | \$ 3,900               |
| 10256500 Snow Creek near White<br>Water including<br>diversion    | 7,150                | 7,150                 | 4,950                              | 9,700                 | 28,950                 |
| 10257500 Falls Creek near White<br>Water including<br>diversion   | 7,150                | 7,150                 | 4,950                              | 9,700                 | 28,950                 |
| 10257550 Whitewater River at Windy<br>Point <sup>1</sup>          | 7,150                | 7,150                 | 4,950                              | 9,700                 | 28,950                 |
| 10257720 Chino Canyon Creek below<br>Tramway near Palm<br>Springs | 4,900                | 4,900                 | 4,900                              | 7,400                 | 22,100                 |
| 10258000 Tahquitz Creek near Palm<br>Springs                      | 4,900                | 4,900                 | 4,900                              | 7,400                 | 22,100                 |

**Mr. Mark Krause, General Manager- Desert Water Agency**

| <u>Station number and name</u> |  | <u>DWA</u><br><u>Funds</u> | <u>CVWD</u><br><u>Funds</u> | <u>RCFC</u><br><u>&amp;WCD</u><br><u>Funds</u> | <u>USGS</u><br><u>Funds</u> | <u>Total</u><br><u>Funds</u> |
|--------------------------------|--|----------------------------|-----------------------------|--|-----------------------------|------------------------------|
| 10258500                       | Palm Canyon Creek near Palm Springs <sup>2</sup> | -0-                        | -0-                         | -0-  | -0-                         | -0-                          |
| 10258700                       | Murray Canyon Creek near Palm Springs            | 12,275                     | 12,275                      | -0-  | -0-                         | 24,450                       |
| 10259000                       | Andreas Creek near Palm Springs                  | 4,900                      | 4,900                       | 4,900  | 7,400                       | 22,100                       |
| 10259050                       | Palm Canyon Wash near Cathedral City             | 4,900                      | 4,900                       | 4,900  | 7,400                       | 22,100                       |
| 10259100                       | Whitewater River at Rancho Mirage                | 7,350                      | 7,350                       | -0-  | 7,400                       | 22,100                       |
| 10259200                       | Deep Creek near Palm Desert                      | 7,350                      | 7,350                       | -0-  | 7,400                       | 22,100                       |
| 10259300                       | Whitewater River at Indio                        | 7,350                      | 7,350                       | -0-  | 7,400                       | 22,100                       |
| 10259540                       | Whitewater River near Mecca <sup>1, 2</sup>      | -0-                        | -0-                         | -0-  | -0-                         | -0-                          |
| <b>TOTAL</b>                   |  | <b>\$77,325</b>            | <b>\$77,325</b>             | <b>\$34,450</b>                                | <b>\$80,900</b>             | <b>\$270,000</b>             |

**Part 2. Water-Quality Monitoring Program**

**A. Ground-water quality** - We will collect water-quality samples from the following two wells and six piezometers on an annual basis (in the spring):

| <b>Piezometers</b> | <b>Wells</b> |
|--------------------|--------------|
| 3S/4E-20F1         | 3S/4E-29R1   |
| 3S/4E-20J1         | 3S/4E-30C1   |
| 3S/4E-20F2         |              |
| 3S/4E-20J2         |              |
| 3S/4E-20F3         |              |
| 3S/4E-20J3         |              |

**B. Surface-water quality** - We will sample the following three surface-water stations on an annual basis (in November):

|          |  |
|----------|--|
| 10256000 | Whitewater River at White Water                    |
| 10257720 | Chino Canyon Creek below Tramway near Palm Springs |
| 10256500 | Snow Creek near White Water                        |

All water-quality samples will be analyzed, reviewed, and copies of the tabulated data will be furnished to your agency. List A, enclosed, shows the chemical constituents to be analyzed. In addition to this list all ground-water samples will also be tested for Perchlorate.

<sup>1</sup> See enclosed notes on operating limitations.

<sup>2</sup> Funding for this gage is provided by the National Streamflow Information Program (NSIP).

**Mr. Mark Krause, General Manager- Desert Water Agency**

Total cost of the water-quality program is \$14,550. Total cost to your agency will be \$5,500.

A summary of the distribution of costs to each agency is as follows:

| <u>Program Element</u>         | <u>DWA</u><br><u>Funds</u> | <u>CVWD</u><br><u>Funds</u> | <u>RCFC</u><br><u>&amp;WCD</u><br><u>Funds</u> | <u>USGS</u><br><u>Funds</u> | <u>Total</u><br><u>Funds</u> |
|--------------------------------|----------------------------|-----------------------------|--|-----------------------------|------------------------------|
| Part 1 – Stream gaging program | \$77,325                   | \$77,325                    | \$34,450                                       | \$80,900                    | \$270,000                    |
| Part 2 - Water-quality program |                            |                             |  |                             |                              |
| A. Ground-water quality        | 3,500                      | 3,500                       | -0-  | 3,550                       | 10,550                       |
| B. Surface-water quality       | <u>2,000</u>               | <u>2,000</u>                | <u>-0-</u>                                     | <u>-0-</u>                  | <u>4,000</u>                 |
| Total of Part 2                | <u>\$ 5,500</u>            | <u>\$ 5,500</u>             | <u>\$ -0-</u>                                  | <u>\$ 3,550</u>             | <u>\$ 14,550</u>             |
| <b>GRAND TOTAL</b>             | <b>\$82,825</b>            | <b>\$82,825</b>             | <b>\$34,450</b>                                | <b>\$84,450</b>             | <b>\$284,550</b>             |

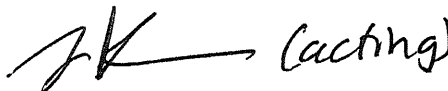
Total cost of the proposed program is \$284,550. Cost to your agency will be \$82,825, and subject to the availability of Federal matching funds, the U.S. Geological Survey (USGS) will provide \$84,450.

Enclosed are two originals of Joint Funding Agreement (JFA) 17WSCA01200, signed by our agency, for your approval. If you are in agreement with this proposed program, please return one fully executed JFA to our office. Work performed with funds from this agreement will be conducted on a fixed-price basis. Billing for this agreement will be rendered quarterly.

The USGS is required to have an agreement in place prior to any work being performed on a project. We request that a fully executed JFA be returned prior to November 1, 2016. If it is not received by November 1, we will be required to suspend operations until an agreement is received.

If you have any questions concerning this program, please contact Scott Patterson, in our Poway Field Office, at (858) 679-4015. If you have any administrative questions, please contact Tammy Seubert, in our Sacramento Office, at (916) 278-3040.

Sincerely,



Eric G. Reichard  
Director, USGS California Water Science Center

Enclosures

cc: Scott Patterson, USGS CAWSC

**Mr. Mark Krause, General Manager- Desert Water Agency**

List A

Chemical Constituents  
(mg/L or as indicated)

|   |  |
|---|--|
| Dissolved boron ( $\mu\text{g/L}$ )       | Dissolved sulfate                      |
| Dissolved bromide                         | Dissolved arsenic                      |
| Dissolved calcium                         | Dissolved solids                       |
| Dissolved chloride                        | Sodium adsorption ratio                |
| Dissolved fluoride                        | Percent sodium                         |
| Dissolved iron ( $\mu\text{g/L}$ )        | Total alkalinity ( $\text{CaCO}_3$ )   |
| Dissolved manganese ( $\mu\text{g/L}$ )   | Carbonate ( $\text{CO}_3$ )            |
| Dissolved magnesium                       | Bicarbonate ( $\text{HCO}_3$ )         |
| Dissolved nitrogen (ammonia)              | Total hardness ( $\text{CaCO}_3$ )     |
| Dissolved nitrogen (ammonia + organic)    |  |
| Dissolved nitrogen (nitrite)              | Noncarbonate hardness                  |
| Dissolved nitrogen<br>(nitrate + nitrite) | Temperature $^{\circ}\text{C}$         |
| Dissolved orthophosphorus (P)             | pH                                     |
| Dissolved phosphorus (P)                  | Specific conductance<br>(microsiemens) |
| Dissolved potassium                       | Total organic carbon                   |
| Dissolved silica                          | Perchlorate (wells only)               |
| Dissolved sodium                          |  |

Schedules used: 1034, 117, LC27, LC2160, LC1246, LC0114



**Mr. Mark Krause, General Manager- Desert Water Agency**

<sup>1</sup>Notes on operating limitations of selected stations

10256000 - Whitewater River at Whitewater -- Due to the physical conditions at this site and the difficulty in maintaining a gage pool and stable control for which a rating can be developed, data collection will be limited to monthly discharge measurements (with additional measurements made at the request of the DWA and/or CVWD during period of high aqueduct release). No attempt will be made to compute or publish a continuous streamflow record and no peak flow measurements or estimates will be made.

10257550 - Whitewater at Windy Point -- Obtaining an accurate record of discharge for this station is contingent on adequate channel maintenance, to be performed by DWA and/or CVWD as described here. The station has two separate gage height sensors and recorders, one for the right- side weir (with the walkway) and one for the left-side (overflow) weir. The channel above and below both weirs will be maintained to insure that the weirs do not become buried by sediment. The channel downstream from both weirs will be kept clear of sediment to the degree necessary to allow an adequate drop over both weirs. The channel above the right-side weir will be cleaned out to maintain a pool upstream from the right-side weir. To insure the greatest accuracy, the upstream dike which directs flow to the right-side weir will be maintained. When destroyed by high flow, the dike will be reestablished as soon as practical.

High flow in the left channel cannot be measured directly with a current meter. Instead, a theoretical stage-discharge rating will be used. A single record representing the total flow over both weirs will be published.

10259540 - Whitewater River near Mecca -- Because of the traffic control dikes in the channel normal to all flow except that in the incised low flow channel, measurements and computation of record will be limited to a stage of about 6 feet which translates from the existing rating curve as about 200 cfs. Above this maximum, streamflow will begin to erode the material in the dikes and a rating curve for the channel cannot be established. No attempt will be made to measure or estimate higher flows.

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR  
Water Resource Investigations

Agreement#: 17WSCA01200  
Customer#: 6000000847  
Project #: ZG009J5  
TIN #: 95-2408471  
USGS DUNS #: 1761-38857

Fixed Cost Agreement YES[ X ] NO[ ]

THIS AGREEMENT is entered into as of the 1<sup>st</sup> day of November, 2016, by the U.S. GEOLOGICAL SURVEY, California Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the DESERT WATER AGENCY, party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for cooperative water resources investigations in the Desert Water Agency area, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00.

- (a) \$33,540.00 by the party of the first part during the period  
November 1, 2016 to October 31, 2017
- (b) \$82,825.00 by the party of the second part during the period  
November 1, 2016 to October 31, 2017
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of : \$0.00

Description of the USGS regional/national program:  
*Not Applicable*

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request; be furnished by the party of the first part; at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties.

9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983.).

Form 9-1366  
(April 2015)

Page 2 of 2

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR  
Water Resource Investigations

Agreement#: 17WSCA01200  
Customer#: 6000000847  
Project #: ZG009J5  
TIN #: 95-2408471  
USGS DUNS #: 1761-38857

**USGS Technical Point of Contact**

Name: Scott Patterson  
Supervisory Hydrologic Technician  
Address: 12110 Tech Center Drive  
Poway, CA 92064  
Telephone: (858) 679-4015  
Fax: (858) 679-4019  
Email: [rspatter@usgs.gov](mailto:rspatter@usgs.gov)

**Customer Technical Point of Contact**

Name: Mr. Mark Krause  
General Manager  
Address: Post Office Box 1710  
Palm Springs, CA 92263-1710  
Telephone:  
Fax:  
Email:

**USGS Billing Point of Contact**

Name: Tamara Seubert  
Budget Analyst  
Address: 6000 J Street - Placer Hall  
Sacramento, CA 95819  
Telephone: (916) 278-3040  
Fax: (916) 278-3070  
Email: [tseubert@usgs.gov](mailto:tseubert@usgs.gov)


**Customer Billing Point of Contact**

Name:  
Address:  
Telephone:  
Fax:  
Email:

U.S. Geological Survey  
United States  
Department of Interior

DESERT WATER AGENCY

Signature

By  (aching) Date: 8/19/2016  
Name: Eric G. Reichard  
Title: Director, USGS California Water Science  
Center

Signatures

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR  
Water Resource Investigations

Agreement#: 17WSCA01200  
Customer#: 6000000847  
Project #: ZG009J5  
TIN #: 95-2408471  
USGS DUNS #: 1761-38857

Fixed Cost Agreement YES[ X ] NO[ ]

THIS AGREEMENT is entered into as of the 1<sup>st</sup> day of November, 2016, by the U.S. GEOLOGICAL SURVEY, California Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the DESERT WATER AGENCY, party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for cooperative water resources investigations in the Desert Water Agency area, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00.

- (a) \$33,540.00 by the party of the first part during the period  
November 1, 2016 to October 31, 2017
- (b) \$82,825.00 by the party of the second part during the period  
November 1, 2016 to October 31, 2017
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of : \$0.00

Description of the USGS regional/national program:  
*Not Applicable*

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request; be furnished by the party of the first part; at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties.

9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983.).

Form 9-1366  
(April 2015)

Page 2 of 2

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement  
FOR  
Water Resource Investigations

Agreement#: 17WSCA01200  
Customer#: 6000000847  
Project #: ZG009J5  
TIN #: 95-2408471  
USGS DUNS #: 1761-38857

**USGS Technical Point of Contact**

Name: Scott Patterson  
Supervisory Hydrologic Technician  
Address: 12110 Tech Center Drive  
Poway, CA 92064  
Telephone: (858) 679-4015  
Fax: (858) 679-4019  
Email: [rspatter@usgs.gov](mailto:rspatter@usgs.gov)

**Customer Technical Point of Contact**

Name: Mr. Mark Krause  
General Manager  
Address: Post Office Box 1710  
Palm Springs, CA 92263-1710  
Telephone:  
Fax:  
Email:

**USGS Billing Point of Contact**

Name: Tamara Seubert  
Budget Analyst  
Address: 6000 J Street - Placer Hall  
Sacramento, CA 95819  
Telephone: (916) 278-3040  
Fax: (916) 278-3070  
Email: [tseubert@usgs.gov](mailto:tseubert@usgs.gov)

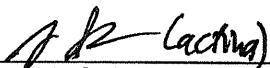
**Customer Billing Point of Contact**

Name:  
Address:  
Telephone:  
Fax:  
Email:

U.S. Geological Survey  
United States  
Department of Interior

DESERT WATER AGENCY

Signature

By  Date: 8/19/2016  
Name: Eric G. Reichard  
Title: Director, USGS California Water Science  
Center

Signatures

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date: \_\_\_\_\_  
Name:  
Title:

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

**SEPTEMBER 20, 2016**

**RE: AUGUST 2016 WATER USE REDUCTION FIGURES**

Desert Water Agency and its customers achieved an 18.5 percent reduction in total water production during August 2016 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 2015 through August 2016 is 26% percent. The cumulative savings beginning in June of 2016 when we put our 10-13% target in place was 24.5%.

DWA is asking its customers to save 10-13% to help achieve long-term sustainability. DWA reports its production to the state on a monthly basis.

Below is additional information reported to the State Board for August 2016.

|  |            |
|--|------------|
| August 2016 water production   | 3,120.8 AF |
| August 2013 water production   | 3,831.5 AF |
| Quantity of potable water delivered for all commercial, industrial, and institutional users for the reporting month    | 782.4 AF   |
| The percentage of the Total Monthly Potable Water Production going to residential use only for the reporting month     | 69.6%      |
| Population (inclusive of seasonal residents)   | 105,719    |
| Estimated R-GPCD   | 215.9      |
| How many public complaints of water waste or violation of conservation rules were received during the reporting month? | 23         |

|  |    |
|--|----|
| How many contacts (written/ verbal) were made with customers for actual/ alleged water waste or for a violation of conservation rules?   | 31 |
| 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?   | 28 |
| How many penalties were issued for water waste or for a violation of conservation rules?   | 25 |
| <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 August was 466,691 acre feet.</p> <p>Additionally, since it began recycling water Desert Water Agency has reclaimed 88,816 acre feet. If our recycled water production for August 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**

**SEPTEMBER 20, 2016**

**RE: LAKE PERRIS SEISMIC REMEDIATION UPDATE**

The Department of Water Resources (DWR), Operations Maintenance and Engineering Committee have issued their Perris Dam Seismic remediation of embankment contract update for September 2016. The highlights of the attached report are 71% of the work has been completed with 59% of the time elapsed. The contractor continues to work on the following: the placement of material for the compacted berm, blasting and excavation of the left abutment road, quarry excavation and rock processing, placement of filter material and drain material for the existing toe-line drain, placement of filter material for blanket drain. Liquidated damages for the delays on the left abutment road are now being assessed. The contractor is still claiming a change in conditions regarding the quarry rock processing but the materials currently being produced are meeting specifications.

To date there have been \$702,000 in liquidated damages for the left abutment haul road and \$802,614 (no change since update in April 2016) in change orders submitted. This amount in change orders is a little more than 1% of the original contract. This amount does not include anticipated change orders resulting from work being performed on the left abutment haul road nor the quarry rock processing plant. It is still anticipated that the contractor will be submitting change orders for a change of site conditions for both of these items.





## State Water Contractors - OME Committee Meeting

Sept 8, 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  
Current Update: 71% of Work Completed, 59% Time Elapsed

### Completed Work

Cement Deep Soil Mixing Complete  
Borrow Source Cleared and Potholed  
Existing Toe Drain Line Replaced



### Safety

DWR and Contractor continue to review left abutment safety hazard concerns. Contractor has successfully completed over 247 work days without a lost-time incident. 1 lost-time incident on project.

### On-Going Work

Processing and placement of Compacted Berm (R&R area); Blasting and Excavation of Left Abutment Road; Quarry Excavation and Rock Processing; Placement of filter and drain material for Existing Toe-Drain Line; Placement filter and drain material for blanket drain.

### Schedule and Construction Sequencing

Construction sequencing was modified to allow CDSM construction before construction of the toe drain. Left Abutment Road behind schedule, Toe Drains nearly complete, CDSM completed ahead of schedule (see Schedule Status below).

### Construction Contract Challenges and Potential Impacts

#### Left Abutment Access Road Blasting

Contractor continues work on blasting and excavation of the road near the tower after placement of berm/ramp. DWR and the contractor have revised the plan and schedule to complete the left abutment blasting and excavation, liquidated damages are being assessed for the LAAR milestone.



## State Water Contractors - OME Committee Meeting

Sept 8, 2016

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



### Quarry Rock Processing

Contractor is processing drain and filter material in phase 2 production. The filter and drain material are required for toe drains and blanket drain. Contractor continues to claim differing site condition as the cause of material processing problems. Materials currently meeting specifications.

### Other Challenges

Weather and Heat, Rainfall and Storm Water

### Contract Status as of 7/20/2016

| <u>Spec No.</u> | <u>Award Amount</u> | <u>Liquidated Damages</u> | <u>Contract Variance To Date</u> | <u>Current Contract Amount</u> | <u>Current Contract Completion Date</u> | <u>Pay To Date</u> | <u>Percent Complete</u> |
|-----------------|---------------------|---------------------------|----------------------------------|--------------------------------|---|--------------------|-------------------------|
| 14-03           | \$75,538,626        | \$702,000                 | \$1,870,250                      | \$77,408,876                   | 11/20/2017                              | \$55,204,159       | 71.3%                   |

### Contractor Pay Requests

| <u>Start Date</u> | <u>End Date</u> | <u>Date Signed</u> | <u>Net Payment</u> | <u>Gross Earnings</u> | <u>Net Payment (to date)</u> | <u>Gross Earnings (to date)</u> |
|-------------------|-----------------|--------------------|--------------------|-----------------------|------------------------------|---------------------------------|
| 2/21/2016         | 3/20/2016       | 4/29/2016          | \$6,777,337.93     | \$7,295,092.56        | \$40,603,232.51              | \$42,901,297.38                 |
| 3/21/2016         | 4/20/2016       | 5/23/2016          | \$6,717,004.97     | \$7,217,373.65        | \$47,320,237.48              | \$50,118,671.03                 |
| 4/21/2016         | 6/20/2016       | 6/15/2016          | \$1,228,023.54     | \$1,434,761.62        | \$48,548,261.02              | \$51,553,432.65                 |
| 5/21/2016         | 6/20/2016       | 2/15/2016          | \$1,108,087.50     | \$1,313,250.00        | \$49,656,348.52              | \$52,866,682.65                 |
| 6/21/2016         | 7/20/2016       | 8/4/2016           | \$2,085,603.06     | \$2,337,476.90        | \$51,741,951.58              | \$55,204,159.55                 |

### Schedule Status

Left Abutment Access Road Milestone – May 15, 2015  
Estimated Completion Date – October 28, 2016

Drain Line Installation Milestone – July 1, 2015  
Estimated Completion Date – Sept 30, 2016

CDSM Milestone – November 15, 2016  
Completed May 1, 2016

Compacted Berm Milestone – May 15, 2017  
Estimated Completion Date – June 30, 2017